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OF THE

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PROCEEDINGS AND DEBATES OF THE SIXTY-FIFTH CONGRESS
SECOND SESSION.

SENATE.

FRIDAY, *February 15, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray that we may be led through the hours of this day without sin, that Thou wilt give to us divine inspiration to follow that which Thou dost mark out for us, and that at the close of the day we may look back upon the service we have rendered with a conscience void of offense toward God and man. Bless our Nation. Prosper us in all of our work. Hasten the day for the reestablishment of peace and brotherhood in the world. We ask for Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House insists upon its amendments to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. ALEXANDER, Mr. HARDY, Mr. SAUNDERS of Virginia, Mr. GREENE of Massachusetts, and Mr. EDMONDS managers at the conference on the part of the House.

PETITIONS AND MEMORIALS.

Mr. COLT. I present a resolution adopted by the General Assembly of the State of Rhode Island, which I ask may be printed in the RECORD and referred to the Committee on Interstate Commerce.

There being no objection, the resolution was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

[State of Rhode Island, in general assembly, January session, A. D. 1918.]

Resolution indorsing the so-called daylight-saving bill now before Congress and urging the Senators and Representatives from this State to give it their cordial support.

Whereas the contingencies of war have brought renewed attention to the demand for changing hours of time standards; and

Whereas the various European countries now at war have adopted such changes in time standards known as daylight saving; and

Whereas the pronounced saving in artificial lighting and in the use of fuel and the greater opportunity for recreation on the part of the people will be obtained by the adoption of daylight saving, so called: Therefore be it

Resolved, That the General Assembly of the State of Rhode Island hereby urges upon the Congress of the United States that it pass such legislation as may achieve the desired results; and be it further

Resolved, That the Senators and Representatives in Congress from Rhode Island be, and they hereby are, requested to use their efforts to obtain the passage of said legislation, and the Secretary of State is hereby instructed to forward a copy of this resolution to our Senators and Representatives in Congress.

—

STATE OF RHODE ISLAND,
OFFICE OF THE SECRETARY OF STATE,
PROVIDENCE.

I hereby certify the foregoing to be a true copy of the original resolution approved by His Excellency, the governor, February 8, 1918.

In testimony whereof I have hereunto set my hand and affixed the seal of the State of Rhode Island this 11th day of February, in the year 1918.

[SEAL.]

J. FRED PARKER,
Secretary of State.

Mr. SMITH of Michigan. I have a telegram from the Chamber of Commerce of Lansing, Mich., making certain suggestions regarding the pending railroad bill, which I ask to have printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LANSING, MICH., *February 13, 1918.*

Hon. WILLIAM ALDEN SMITH,
Washington, D. C.:

Referring to the pending railroads compensation bill, the Lansing Chamber of Commerce does not feel that it is necessary and is therefore opposed to any provision that will take from the Interstate Commerce Commission and State commissions any part of the jurisdiction they now have over freight rates. We are also in favor of fixing a definite time when the control of the railroads shall again pass into the hands of their private owners and we express the hope that you will advocate amendments not inconsistent with the above.

LANSING CHAMBER OF COMMERCE.

Mr. SMITH of Michigan. I also have a series of resolutions from the Chamber of Commerce of Traverse City, Mich., bearing upon the same subject, which I ask may be printed in the RECORD without reading.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolutions adopted by the Board of Directors of the Traverse City Chamber of Commerce.

Whereas the Hon. William G. McAdoo, Director General of the Railroads of the United States, recently testified before a committee of the United States Senate that certain small lines of railroads which were not necessary to the Government for the conduct of war operations may be released from Federal management and control; and

Whereas preceding legislation has established no differentiation between trunk lines and the smaller lines, and has placed both the trunk lines and their feeders under the jurisdiction of the Interstate Commerce Commission, and subject to its rules and regulations, and to all Federal statutes for the regulation and control of railroads; and

Whereas the operating expenses of the said smaller lines have been largely increased to comply with the requirements of Congress and the Interstate Commerce Commission; and

Whereas release of the smaller lines from Federal operation and control will work great loss and damage to them, depreciate their credit, increase the difficulty of procuring cars to move tonnage, and bring many of them into dire financial straits; and

Whereas, under orders of the Director General of the Railroads, the right of routing freight has been taken away from the shipper and put in the hands of the railroad company with instructions that such freight must be routed via the shortest open route, which said instructions will result in the loss of certain revenue to the smaller lines, and thus increase the already severe burden placed upon them; and

Whereas the railroads of the United States form a great circulatory system, and disruption of any part of the system causes a general reduction of efficiency on the part of the entire system, as has been amply illustrated by the congestions prevailing at certain centers during the past 12 months; and

Whereas industries valuable to the Government in the prosecution of the war are located on many of the smaller lines, and any failure on the part of said lines to furnish service to said industries located on their tracks and dependent upon them will not only work a local hardship to the communities affected but will work a national hardship in delaying preparations for war: Therefore be it, and it is hereby,

Resolved, That the board of directors of the Traverse City Chamber of Commerce respectfully urges and requests that the said smaller railway lines of the United States be continued under Federal management and control in the same measure and degree as the trunk lines and be accorded the same degree of protection and credit; and be it further

Resolved, That copies of the above resolution be forwarded to the Hon. William G. McAdoo, Director General of the Railroads of the United States, and to the members of the Michigan delegation in Congress.

TRAVERSE CITY CHAMBER OF COMMERCE,
W. J. HOBBS, *Secretary.*

Mr. STERLING. I send to the desk a letter from Mr. Charles H. Eyler, secretary of the Farmers' Grain Dealers' Association of South Dakota in relation to the pending bill, and especially to that provision of the bill relating to rates. I ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SIOUX FALLS, S. DAK., *February 11, 1918.*

Hon. THOMAS STERLING,
Washington, D. C.

DEAR SIR: At the present time Congress is asked by the administration to enact a railroad bill. Very much care should be taken to protect the shippers' interests as well as the railroads. We must concede the logic of one-man control to a certain extent in war time, but there is always danger of establishing precedent that would destroy the rights guaranteed by a republican Government.

Our association asks that the Interstate Commerce Commission retain the same jurisdiction over rates as in the past. We are more than glad as loyal Americans to bear the inconveniences of war operation of our railroads, but hope that we will have the same right of appeal to a body of disinterested men in the future as in the past.

We ask you as our representative to use your influence to have this embodied in the new law.

Very truly, yours, FARMERS' GRAIN DEALERS' ASSOCIATION,
CHAS. H. EYLER, *Secretary.*

Mr. GRONNA. I have a letter from the secretary of the Votes for Women Club of Grand Forks, N. Dak., transmitting a resolution of the club. It is a very brief letter, and I ask that it be printed in the RECORD without reading.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GRAND FORKS, N. DAK., *February 11, 1918.*

Senator A. J. GRONNA,
Senate Office Building, Washington, D. C.

MY DEAR MR. GRONNA: At a special meeting of the Votes for Women Club of Grand Forks, held in the city hall, Saturday evening, February 9, resolutions were passed urging our Senators at Washington to do all in their power to bring about the passage of the Federal suffrage amendment.

A special vote of thanks was passed to you for your support of the cause in the past and expressing appreciation for your work in our behalf at the present time.

Will you please present the following resolution to the United States Senate and request that it be read into the CONGRESSIONAL RECORD? We would appreciate this very much:

"*Resolved*, That the Votes for Women Club of Grand Forks, N. Dak., call upon the Senate of the United States to pass at once the Federal suffrage amendment, establishing at home that democracy for which the men of this country have been called to fight abroad."

We thank you very much for attending to this for us, and we would be glad to know in what issue of the CONGRESSIONAL RECORD we shall be able to find this resolution.

Very truly, yours, MARY E. MCCUMBER.
Secretary of the Votes for Women Club,
Grand Forks, N. Dak.

Mr. HITCHCOCK. I present a communication from the Nebraska State Railway Commission and ask to have it printed in the RECORD.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

LINCOLN, NEBR., *February 11, 1818.*

Senator G. M. HITCHCOCK,
Washington, D. C.:

We protest proposed basis of compensation to railroads under Government operation as excessive. Railway operating income plus income from other sources give percentage returns on capitalization of three principal roads in this State as follows: North Western, 12.04; Union Pacific, 14.14; Burlington, 25.63. Suggest limitation to regular dividends of last three years. By all means, strike words "reasonable compensation" from first section of bill. They surrender all that has been gained in rate regulation. We also protest giving the President power to initiate or make rates; should be left where it now is.

NEBRASKA STATE RAILWAYS COMMISSION.

Mr. GALLINGER presented a petition of John E. Perley, jr., Post, No. 37, Grand Army of the Republic, Department of New Hampshire, of Laconia, N. H., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

Mr. PHELAN presented a petition of Pacific Coast Division of the Bohemian National Alliance, praying for the liberation and unification of their race in Bohemia after the war is ended, which was referred to the Committee on Foreign Relations.

CLOTHING FOR AMERICAN SOLDIERS IN FRANCE.

Mr. SWANSON. There has been some difference of opinion disclosed in the discussion as to the supply of clothing to our soldiers in France. I have a letter which gives specific information on that subject from a most eminent and respectable citizen of Norfolk, and I desire that the portion of it appertaining to that subject may be read for the information of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

NORFOLK, VA., *February 13, 1818.*

Hon. CLAUDE A. SWANSON,
United States Senate, Washington, D. C.

DEAR SIR: Having repeatedly read in the public prints statements made by certain persons in the Senate and House regarding our troops not being supplied with proper clothing, etc., I avail myself of the opportunity of quoting you an extract from a letter just received from my nephew to his mother.

His regiment, the Eleventh United States Engineers, joined the English battle line, and he is now in a hospital from a wound received in the fight:

"I am sorry you are shipping some underclothes, as you write, because I have tried to tell you that I did not want them. I have no place to keep them and much less any use for them. We are issued all that we can possibly need, and we can't throw away issued ones when they are dirty, as they all have to be accounted for."

OFFICERS' ALLOWANCES IN THE FIELD.

Mr. JONES of Washington. Mr. President, I am receiving quite a number of letters with reference to commutation affecting the officers of the Army. I see the chairman of the Committee on Military Affairs here, and I wish to ask him a question for information that I may use in writing to people interested.

It is stated that under the law and custom of the military department officers are in effect penalized when they go to the front. In other words, it is suggested that, taking two men, each of them a colonel, located here at Washington City, they are given an allowance of $12 a room for seven rooms. In other words, they receive $84 a month as room rent, we might say. Then, if Col. A is taken from here to the trenches in France he loses that allowance, his family are not furnished quarters, and whatever expense is necessary to get them quarters he must pay out of his own pocket. In other words, he is penalized for going to the front, while Col. B, who stays here, continues to draw this allowance.

I wish to ask the chairman of the Military Committee if that is correct?

Mr. CHAMBERLAIN. Mr. President, it is substantially correct as the Senator has stated.

Mr. JONES of Washington. I simply want to suggest that I hope the Committee on Military Affairs will take care of a situation like that. It seems to me that it is very unfair and very unjust.

Mr. CHAMBERLAIN. If the Senator will permit me, I will say that after the Senator talked to me about this matter yesterday I looked into the question and had prepared a statement that I desire to submit to the Senate and have placed in the RECORD. The statement will show what the officer is required to furnish at his own expense under the regulations of the department and the estimated cost of each item.

Mr. JONES of Washington. I wish to suggest to the Senator that my inquiry does not go to the uniforms at all.

Mr. CHAMBERLAIN. I am going further. I was going to elucidate that, but I wanted to show the Senator what the expenses were.

Mr. JONES of Washington. I am glad to have that information, too.

Mr. CHAMBERLAIN. In addition to that, I have had prepared the monthly pay of an officer with troops and the monthly pay of an officer in Washington, the difference in salary, and the percentage of reduction, so that it will give the Senator the information he asks for.

Mr. JONES of Washington. It covers the allowances, and so on?

Mr. CHAMBERLAIN. Yes.

Mr. JONES of Washington. Commutation of quarters, heat, and light?

Mr. CHAMBERLAIN. We will take, by way of illustration, a second lieutenant. His monthly pay when he is in the line with the troops is $141.67. His monthly pay in Washington, because of commutation of quarters, is $173.66, a difference of $31.99 between the salary he gets with the troops and the salary he gets here in Washington. There is a reduction of 18 per cent if he goes out to serve his country in line. The reduction varies according to rank from 18 per cent to 25 per cent. The Senator took a colonel by way of illustration. His monthly pay with the troops is $333.33. His monthly pay in Washington, which includes commutation of quarters, and so forth, is $444.14. The difference in salary, then, between active service and inactive service is $110.81, or a reduction of 25 per cent when he goes out to perform service.

The Senator himself introduced a bill to meet this situation, and the Secretary of War has also prepared a bill that will meet the condition and allow commutation of quarters in the field. That bill was acted upon by our committee this morning and will be in due course reported out. So I think that will answer the question which the Senator asked, and will meet the situation. The statement referred to is as follows:

"List of articles and the minimum cost of each a dismounted Army officer is required to have by section 4, 'Regulations for the Uniform of the United States Army' (Special Regulations, No. 41), and 'Information as to Uniform and Equipment for Officers in France,' headquarters of American Expeditionary Forces November 16, 1917. Total minimum cost is $646.90:

	Estimated cost.
1 basin, canvas	$1.00
1 bedding or clothing roll	12.50
1 belt, Sam Browne	7.50
1 belt, waist	.50
4 blankets, olive drab	24.00
1 pair boots, rubber, hip	5.00
2 suits, woolen, at $45	90.00
2 suits, medium, at $35	70.00
1 bucket, canvas	2.25
Canteen, with cover and strap	4.50
1 cap, service	4.00
1 chair, camp	2.75
12 collars, white linen	2.30
1 comfort	5.00

1 compass	$1.90
6 pairs cuffs, white linen	2.40
1 cup	.25
4 pairs drawers	8.00
1 field glass	39.00
Flashlight and extra batteries	1.75
Fountain pen, paper, envelopes	3.50
1 pair gloves, leather	3.50
2 pairs gloves, woolen	4.00
12 handkerchiefs	1.50
1 hat, service	5.50
4 shoe laces, extra pair	.40
1 lantern or lamp	4.50
1 pair leggins, leather	15.00
1 pair moccasins	2.50
Notebook and pencils	1.50
1 overcoat, olive drab	45.00
1 pair overshoes, arctics	2.75
1 pistol, belt, and holster	30.00
1 portfolio, leather	5.00
2 shirts, woolen	10.00
6 shirts, cotton or linen	12.00
2 pairs shoes, high	22.00
Slicker, leather or fleece lined	45.00
6 pairs stockings	6.00
1 sweater, sleeveless	4.00
2 tags, identification	1.00
Toilet articles	15.00
1 toque, knitted	2.50
6 towels	6.00
1 tub, canvas or rubber	18.00
4 undershirts	8.00
1 vest, leather or flannel	10.00
1 watch	25.00
1 whistle	1.00
1 trunk locker	10.00
1 cot	4.50
1 mess kit	3.50
Miscellaneous articles	25.00

"At least one-half of an officer's equipment must be replaced each year, and the above list does not consider 'dress' equipment for town wear. Officers also are required to furnish their own food, which adds about $32.50 a month to the above; he also must have bed linen, and his laundry bill will approximate $5 a month.

"I herewith submit a table of salaries of officers on duty with troops in the field and the comparative salaries of officers on duty in Washington, the latter receiving commutation of quarters, heat, and light, which is not paid to officers on duty with troops, which shows that officers on duty with troops in the United States receive from 18 to 25 per cent less than officers of like grade on duty in Washington. Officers on foreign duty receive an additional 10 per cent. Officers with troops in this instance are considered to be on duty at Camp Meade, Md., a few miles distant:

Grade.	Monthly pay with troops.	Monthly pay, Washington.	Difference in salary.	Per cent reduction.
Second lieutenant	$141.67	$173.66	$31.99	18
First lieutenant	166.67	212.79	46.12	22
Captain	200.00	259.74	59.74	23
Major	250.00	323.27	73.27	23
Lieutenant colonel	291.67	378.83	87.16	24
Colonel	333.33	444.14	110.81	25
Brigadier general	500.00	614.01	114.01	19
Major general	666.66	794.36	127.70	19

"It must be remembered that the United States Army officers on duty with troops in the field must provide quarters and subsistence for their dependents in town, as they are not allowed to have them at cantonments or in the field, as well as officers on duty in town, and it is an established fact that such an arrangement is much more expensive than living with one's family.

"Attention also is invited to the fact that Army officers are to-day paid under a schedule framed in 1908 and under conditions existing at that time. Government statisticians have estimated that since 1913 alone living expenses have increased more than 43 per cent.

"The Judge Advocate General of the Army has held that the act of Congress of February, 1907, contemplated the payment to officers of the Army of $12 per month for each room they did not receive from the Government or were furnished by the Government to live in under a schedule which provided that a general should be furnished 11 rooms; a lieutenant general, 10; major general, 9; brigadier general, 8; colonel, 7; lieutenant colonel, 6; major, 5; captain, 4; first lieutenant, 3; and a second lieutenant, 2 rooms. To this it was provided that officers should receive heat and light or be paid in lieu thereof a sum based on climatic conditions.

"Congress, in adopting the pay schedule of May, 1908, which is the governing factor in the computation of officers' salaries at present, had before it the former schedule, and, it is understood, purposely made the salaries of officers low that they might receive the commutation for quarters, heat, and light.

"Many officers have been compelled to resign, I am advised, since the outbreak of war because they could not support themselves and families on the salary received, and many others, whose services would be of inestimable value to the country in the present crisis, have refused to don the uniform for the same reason."

Mr. JONES of Washington. I am very glad the committee has acted. I know the committee has been very busy, and it has not been because it did not recognize the situation that it has not acted before. I have received quite a number of letters in reference to the matter and I wanted to get the facts.

Mr. NEW. Mr. President, in this connection I might say that in the closing days of the special session, either in the first few days of October or the last few days of September, I introduced an amendment to the war-risk insurance bill providing for the payment of commutation of quarters just as is provided for in this bill. I went to the Secretary of War at that time and urged the acceptance of that principle. At that time he was very much opposed to it and declined to give it his approval and the influence of the department was exerted against it when my amendment was considered.

At this time the Secretary of War has changed his view evidently, and he is not only in favor of the allowance but sends to the committee a letter three or four pages in length in which he employs exactly the argument that I employed to him several months ago in endeavoring to get him to accept the principle. I was in favor of it then, and I am in favor of it now.

I very much hope that the bill will pass when it is considered, because I think it eminently just, but in the meantime these officers have been without this just allowance for at least five months, when they might have had it had that amendment been accepted at the time it was offered.

The VICE PRESIDENT. If there are no further petitions or memorials, reports of committees are in order.

QUARTERS OR COMMUTATION TO COMMISSIONED OFFICERS.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, submitted a report (No. 270), accompanied by a bill (S. 3863), to provide quarters or commutation thereof to commissioned officers in certain cases, which was read twice by its title.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 3864) to add certain lands to the Minam National Forest, Oreg.; to the Committee on Public Lands.

By Mr. WEEKS:

A bill (S. 3865) to authorize credits for enlistment in the naval service of the United States in the operation of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917; to the Committee on Military Affairs.

A bill (S. 3866) granting an increase of pension to Arthur G. Bosson; to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 3867) granting a pension to Catherine Grace (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 3868) to carry out the findings of the Court of Claims in the case of Frank S. Bowker (with accompanying paper); to the Committee on Claims.

A bill (S. 3869) granting an increase of pension to Levi R. Gray (with accompanying papers); and

A bill (S. 3870) granting an increase of pension to Ellison Gilbert (with accompanying papers); to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 3871) granting an increase of pension to Edgar Taylor; to the Committee on Pensions.

CALLING OF THE ROLL.

The VICE PRESIDENT. Morning business is closed.

Mr. JONES of Washington. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names.

Ashurst	Frelinghuysen	Johnson, S. D.	McLean
Bankhead	Gallinger	Jones, N. Mex.	McNary
Beckham	Gerry	Jones, Wash.	Martin
Chamberlain	Gronna	Kellogg	Nelson
Colt	Hale	King	New
Culberson	Harding	Kirby	Nugent
Cummins	Hardwick	Knox	Overman
Curtis	Henderson	Lewis	Page
Dillingham	Hitchcock	Lodge	Pittman
Fletcher	James	McCumber	Poindexter
France	Johnson, Cal.	McKellar	Pomerene

Saulsbury	Smith, Mich.	Swanson	Vardaman
Shafroth	Smith, S. C.	Thomas	Wadsworth
Sheppard	Smoot	Tillman	Warren
Shields	Sterling	Townsend	Weeks
Simmons	Stone	Trammell	Wolcott
Smith, Ga.	Sutherland	Underwood	

Mr. CURTIS. I desire to announce that the Senator from Illinois [Mr. SHERMAN] is detained on account of illness.

The VICE PRESIDENT. Sixty-seven Senators have answered to their names. There is a quorum present.

WAR CABINET AND DIRECTOR OF MUNITIONS.

Mr. WEEKS. Mr. President, I have delayed making any comments in the Senate relating to the examination of the operations of the War Department until the investigation, which was undertaken in December, had been substantially completed. I now wish to submit some remarks in advocacy of the constructive legislation proposed by the Committee on Military Affairs as a result of its investigations—the war-cabinet bill and the bill providing a centralized head of purchasing. In order to make these comments intelligently, it seems to me I can not do otherwise than point out to the Senate some of the reasons for proposing this legislation and why members of the committee believe these bills should pass.

Before the convening of Congress in December, and since the beginning of the war, members of the committee have received a great number of complaints and criticisms against the manner in which the War Department was conducting the preparations for our participation in this great conflict. Naturally complaints have come to all Senators, but a much greater number have come to members of the Committee on Military Affairs. These complaints can be divided into three classes: First, those coming from disappointed contractors or seekers for Government work. Second, those coming from young men who have enlisted or been drafted into the military service and who found themselves living under conditions to which they were unused, unfamiliar, and to which they did not readily adjust themselves. Third, those criticisms which seemed on their face to furnish evidence of a failure on the part of some one to do something which should have been done.

No member of the committee expected to find perfection in the operations of the War Department under the trying conditions existing during the past 10 months It was not humanly possible to take the military organization we had at the beginning of the war, expand it to many times its original size, and bring it to what it is to-day without making mistakes. The same thing would be true of any enterprise of a business character, for anyone familiar with business operations must realize that the failure of individuals to comprehend a situation or measure up to it necessarily means mistakes in carrying out even the best digested plans. I do not place any great reliance on individual failures or cases indicating errors due to the human equation, but when such failures are of sufficient number in any particular activity to demonstrate a lack of proper planning, coordination, systematic effort, or careful supervision, then they become an indictment of that particular activity.

The question will naturally be asked: Could not and would not these mistakes be corrected without an investigation by a congressional committee? My answer would be that undoubtedly changes for the better would be and have been made in some instances; in fact, I know of many changes experience has demonstrated as desirable, and those changes are being made from time to time whenever the requirement develops. But it should be said further in answer to that inquiry that it is always more difficult for the person or organization conducting an activity to see mistakes than for others to do so. The reason for this is that a manager is naturally prejudiced in favor of the policy followed as a result of his judgment, and he inherently feels it incumbent upon him to defend his action against any criticism. This is well illustrated by an interrogatory made of the Secretary of War at one of the hearings of the Military Committee. When asked if there were things undertaken or carried on by his department since the beginning of the war which could have been done better he replied somewhat flippantly, in effect, that he did not know all the men in the world and therefore could not pass on their capabilities. When he appeared before the committee the second time, the Secretary had modified this position, for he said:

> And we look back over the past and realize that there have been delays and that there have been shortcomings; that there have been things which might have been done better. In so great an enterprise it is impossible for frankness not to find those things.

Undoubtedly the second statement is exactly correct. I want to repeat that many improvements have been made in the operations of the department during the last 10 months, but at the same time it is impossible to expect a department whose head makes such a statement as the one to which I first referred to make many changes which an outside investigation have shown to be necessary, for his answer is in effect an omnibus apology.

It has been charged that the action taken by the committee resulted from personal or political bias, and the committee has even been criticized for taking officers and officials from their normal employment for examination purposes. I think it is proper for me to say that never in my experience in the House of Representatives or the Senate have I seen a congressional investigation so devoid of partisanship, so little, in fact, that it was negligible up to the time the proposed bills were introduced. There has been no attempt or desire to crucify anyone or anything. On the contrary, the investigation has been conducted upon the principle that the people have a right to examine and regulate the administration of their Government, and that they should exercise that right whenever it seemed best for them to do so. Speaking for myself, I wish to say that I am in favor of a continuation of the exercise of that right whenever anything incident to the war, or otherwise, develops which seems to justify an investigation; and evidently the Secretary of War is in agreement with that position, for he said at his second appearance before the committee:

> I do not need to urge that your committee, that the Members of the Senate and the Members of the House, that every citizen in this country, official and unofficial, from the highest to the lowest, realize that this is their enterprise, not quite so much as it is mine in the sense of responsibility, but their enterprise, and to ask from you and from them every suggestion, every criticism, every constructive thought that occurs to any of you, and I ask you when shortcomings are pointed out to you, whether they be well founded or whether they be not well founded, that you will instantly convey them to me, so that by the processes which the department has I may search out where blame is to be attached, where remedies are to be applied, and where strengthening and improvement of the organization are possible.

That is exactly the position of the committee, and I submit to the Senate that that could not be done satisfactorily unless the committee examined these complaints, sifted out those which had no sound basis, and presented the balance of them to the department, either through recommendation of legislation or in some other way. Incidentally, I may say, that a great many of the suggestions developed as a result of the committee hearings have been adopted or are in process of adoption by the War Department at this time.

The committee has not found everything wrong in the War Department; it has found many things to commend, and it should be a just cause of pride to all of us that so much has been accomplished in the preparation of our armies to take their place at the front. To a considerable extent, this is due to the ready response made by the high-class business men of the country, who rallied to the support of the Government in the emergency following the declaration of war on Germany and have performed, frequently under most trying circumstances, most important and absolutely essential service. I do not believe the affairs of the War Department could have been conducted with anything like the same degree of success if these men had not come to the rescue of the Government. I refer particularly, of course, to the advisory commission and its many subcommittees.

Neither would it be fair to unreservedly criticize the many activities conducted by officers of our Army. I shall refer to some of them in a critical way, but I want to say that in dealing with matters with which they are familiar, and which their military training has qualified them to conduct, the officers of the Regular Army have performed their duties well. I have no doubt a more thorough investigation of many other bureaus of the Army would demonstrate the same thing.

Neither do I wish to unjustly or unreservedly criticize the head of the War Department. He has had to deal with a multitude of questions during his incumbency, the disposal of many of which heartily meet my approval. It would require too much time to enumerate the favorable comments I might make. The Secretary has done that effectively in his speech made to the committee on January 28, 1918. No investigation would have been undertaken if there had not been criticism, and it was to find out whether such criticisms were justified and whether corrections could be made to better the service that led the committee to undertake the investigation. If I were to criticize the Secretary of War personally, it would be that he has undertaken to do too many things himself, some of which, at least, might have been attended to by subordinates, and that he has been too open to access to people who might have had their needs provided for through some subordinate officer, leaving him too little time to deliberate over the many larger problems coming before his department. If I were to make a further criticism, it would relate to his temperamental relationship to war. Doubtless he himself would admit that he is a pacifist by nature. For example, he is even now opposed to universal military training, one of the benefits we ought to get out of

the great sacrifices we are making; and I can not divorce myself from the conclusion, based on his own testimony, that he has been inclined to plan for the prosecution of the war—and this condition has to some degree permeated the department—on the basis that we are 3,000 miles from the front instead of hastening preparation with all the vigor we would exercise if our borders were the battle front.

ORDNANCE BUREAU.

During its investigations the committee has examined officers of the Ordnance Bureau, officers and civilians connected with the Quartermaster's Bureau, the office of the Surgeon General, the Aviation Service, and some other less important branches of the military service. I think it proper to call to the attention of the Senate a few of the salient features of the results of this examination. The Bureau of Ordnance for the last 16 years has had at its head one of the ablest officers in the Army. Speaking personally, I have had a great admiration for Gen. Crozier. He was promoted to the rank of brigadier general and placed at the head of the Ordnance Bureau because of his generally recognized fitness, and in most respects he has borne out the prophecy of his early career. It is not his fault that much earlier action was not taken to provide a larger amount of artillery than we now have. It is true that even if the recommendations he has so many times made had been adopted we would still have been in a weaker position than we should, but his record shows that he has frequently urged appropriations for the Ordnance Bureau very much larger than his immediate superiors in the department or Congress have been willing to grant. The truth is, as he states himself, the fault is with the country, which has not always been correctly informed and has been inclined to listen to the arguments of those statesmen who have been, during the past 25 years, figuring how much highway or some other local improvement could be constructed from the appropriation to build a battleship or furnish the War Department with suitable artillery. It can not be denied that the failure of the many attempts to properly prepare the country for war when the sentiment of the country was not sufficiently favorable to do so is now costing us an expenditure of billions of dollars which might have been saved if a systematic, thoughtfully carried out program had been followed and our action based to some degree on the military preparations of other Governments, for the money expended in normal times would have provided a much larger return. Now exorbitant prices must be paid for everything required to provide for the present emergency.

Having said this much in justification of Gen. Crozier's position—and I might say more—I feel that it is necessary to call to the attention of the Senate some of the conditions for which he is partially responsible. At the beginning of the war the Government owned about 600,000 Springfield rifles and about 180,000 Krag rifles, for which latter there was no suitable ammunition; in fact, such Krag ammunition as we had was very old and probably dangerous. The Springfield rifle is of the highest type, and, speaking roughly, it is probably fair to say there is no better rifle in the world, although it has not the longest range; but I do not think the range of the rifles used in the present war has any material influence on results. The question which immediately developed, however, was with reference to an additional supply of rifles sufficient to meet our needs. I think those responsible may properly be criticized for their conclusion in this matter.

The War Department found it necessary to adopt one of two courses—either continue the manufacture of the Springfield type or take advantage of the facilities for manufacturing rifles developed in this country as a result of the European war and adopt the rifle used by Great Britain, or some modification of it. The ammunition used by the British is not like our Springfield ammunition, and that is also true of the French ammunition. It was finally decided to manufacture the Lee-Enfield rifle, the one being made in the United States for Great Britain, but changing it so that our ammunition could be used. Before the necessary changes could be made two months had passed, and supplying our Army with rifles has been delayed by at least that time. I think I will show that the delay has been much longer than two months. It is true that it is absolutely essential that an army should use but one kind of small-arm ammunition, but the question naturally arises whether it would not have been better to have manufactured the Lee-Enfield British type for service abroad and use the Springfield rifles we had on hand for training purposes at our camps. If this had been done, we would have supplied our Army with rifles in a much shorter time.

Small arms are manufactured in two Government arsenals, and by running them in two shifts of 10 hours a day they have a combined maximum capacity of about twelve hundred rifles per day. I wish to recall to the Senate that on August 29, 1916—the national defense act was passed in June—an appropriation was made for the manufacture of rifles and pistols, which justified running to their full capacity both of our armories. The one at Rock Island, Ill., had been closed down, and the other at Springfield, Mass., was manufacturing only about 75 rifles a day. After the passage of this appropriation bill, an order was given to start up these foundries, but so ineffectively was it carried out that the Rock Island Arsenal, which had been closed down, did not turn out a single rifle until June 23, 1917, or almost a year after the national defense act was passed and 10 months after the appropriation was made for that purpose. In the meantime there had been a slight increase in the output of the Springfield Arsenal, but when we declared war the total output from the latter arsenal was comparatively small.

British rifles had been manufactured in this country at Eddystone, Pa.; Ilion, N. Y.; and New Haven, Conn.; and as soon as the change in type could be made these foundries commenced turning out the Lee-Enfield rifle, so modified that our ammunition could be used. While manufacturing for the British Government these foundries had attained a combined capacity of 6,000 rifles a day. Two months before we declared war they had commenced reducing the number of their employees in proportion to the completion of the work they then had in hand, and as it required something over two months to entirely complete their British contracts, they did not succeed in turning out anything like their full capacity of the new type rifles until very recently. If they had been immediately employed to turn out the British rifle at the rate of 6,000 a day from the time we declared war, we would now have practically 1,800,000 rifles of that type, which, with the 600,000 Springfields on hand for drill and target purposes in this country, would have been amply sufficient to arm all of our forces with the required number of rifles. There were some questions relating to our ammunition, which were arguments in favor of making the change, but all of these arguments in favor of the change did not commence to overcome the advantage of immediately providing the largest supply of rifles possible—a rifle which has served England satisfactorily during three years of actual warfare.

I have discussed this matter in considerable detail, because it illustrates the point I wish to make relative to the management of the Ordnance Bureau. Its head had been engaged in technical matters all his life. He had constantly sought—justifiably so in ordinary times—for the best the market could produce, and in this case he was unwilling to modify that standard of perfection even though a modification would have greatly hastened the production of a satisfactory arm and one which would have answered all our purposes.

In order that the Senate may be fully informed upon this subject, I shall give the number of rifles which have been produced since our declaration of war up to and including December 31, 1917:

Manufactured at the Springfield Armory	87,324, or	350 per day.
Manufactured at the Rock Island Arsenal (from June 23, 1917, when the first delivery was made)	17,060, or	115 per day.
Manufactured by the Eddystone Co	128,124, or	500 per day.
Manufactured by the Winchester Co	78,538, or	300 per day.
Manufactured by the Remington Arms Co	34,414, or	100 per day.
Total output	345,460, or	1,365 per day.

During that time, if we had continued the manufacture of the British rifle, we could have manufactured at least 6,000 a day, a total of about 1,500,000, or more than four times as many as were actually produced, all of which shows that not only was two months lost in making changes necessary to permit the use of American ammunition, but it has taken many months to reach a quantity production equal to the capacity of these plants when we engaged in war.

The result of delays incident to preparation immediately before the war and in commencing our activities after the declaration of war in matters relating to machine guns, light artillery, and middle heavies is even more deplorable than that relating to small arms. The national-defense act of June, 1916, provided for a five-year program in the manufacture of ordnance, and included an appropriation of $12,000,000 for machine guns, but it was not until December 14 that 4,000 Vickers guns, tripods, and spare parts were ordered, and not until April, 1917, that 1,300 Lewis guns were ordered. I do not intend to discuss the long-drawn-out controversy about the Lewis gun. Possibly Gen. Crozier is right in his claim that the gun did not function satisfactorily until after our declaration of war, but it had been used during the previous two years by the English to good advantage, and it was very easy to obtain evidence that the gun was giving satisfaction. There is a very considerable plant in the United States at Utica, N. Y., engaged in the manu-

facture of these guns, and I think that plant should have been enlarged without delay and as many guns as possible turned out at once, even if a better gun would be provided later on. Incidentally, we have lost a great deal of time in changing this plant, which was manufacturing guns for British ammunition, to manufacture a gun to use American ammunition. After many trials and investigations it was decided to manufacture Lewis guns for aircraft purposes, and orders were given for these guns late in the fall of last year, but no Lewis guns are even now being manufactured for ground service.

Mr. WADSWORTH. Mr. President, will the Senator suffer an interruption just at that point?

Mr. WEEKS. I shall be very glad to.

Mr. WADSWORTH. It so happens that three days ago I visited the Savage Arms plant at Utica, and I spent three hours in going through it. That plant is now turning out 100 Lewis machine guns per day, an average rate of 3,000 per month. That production might have been started earlier in the summer.

Mr. WEEKS. That illustrates very clearly, Mr. President, the point that I am trying to make. We delayed giving orders for our equipment and failed to take advantage of all the facilities available to furnish it.

It was finally decided to manufacture for ground service what is known as the Browning gun, an untried weapon in actual service, but a gun which promises well in the tests that have been made. None of these rifles, however, can be delivered until March of this year, and those of the heavier Browning type not until May of 1918. It is absolutely essential that infantry regiments in these days have a very considerable number of machine-gun companies, and our troops will be handicapped more or less by this failure to act promptly in providing some kind of machine gun. I will put in the RECORD at this point a table showing the number of machine guns we had on hand at the beginning of the war—a pitiful showing:

Two hundred and eighty-two Marlin automatic machine guns, caliber .30, model of 1904.
One hundred and forty-eight Colt machine guns, caliber .30.
Three hundred and sixty-three Lewis machine guns, caliber .503.
Six hundred and sixty-six Benét-Mercié machine rifles, model of 1909.

Although we have had a very good 3-inch gun in the United States it was decided to adopt the French 75-mm. gun. I will put in the record at this time a table showing the number of guns and carriages we had on hand at the beginning of the war, including the 4.7 howitzers—another pitiful showing:

3-inch guns and carriages	528
4.7-inch guns and carriages	64
6-inch howitzers and carriages	8
3.8-inch howitzers and carriages	28
4.7-inch howitzers and carriages	108
3.8-inch guns and carriages	8
2.95-inch mountain guns and carriages	80

I want to particularly call attention to the delays incident to undertaking this work. I have already called attention to the time when the order was given to manufacture the Vickers and Lewis guns. The orders for other heavier artillery were not given until some time subsequent. Gen. Crozier testified that he was delayed somewhat by lack of appropriations, which were made in June, 1917, but he also testified that no attempt was made to use any part of the hundred millions of dollars of the emergency fund given the President until August, 1917, or perhaps in the month of September, when $35,000,000 was placed at the disposal of the Ordnance Bureau. That enabled making the contracts before the appropriation bill of October, 1917, was passed.

The natural query coming to one's mind after examining all this testimony in detail is why there should have been any material delay after the declaration of war in making contracts to carry out the program authorized in the national defense act? It will be remembered that this was provided in five parts. Preparations had to be made for placing the activities for the first part, and they had been placed, so that by multiplying that by four it would not seem that it would have taken any particular time to take the next step; and yet months passed—precious months, as has been demonstrated by the unpreparedness of our troops.

During the examination the chairman of the committee asked this question:

And yet between the appropriations of 1916 and June, 1917, practically nothing was done toward construction. I am still not satisfied with the explanation you made about the delay.

Gen. CROZIER. Senator, what I shall have to say to you, then, is that I am not satisfied either, and I was not satisfied at the time.

The CHAIRMAN. Who was responsible?

Gen. CROZIER. The Secretary of War.

The CHAIRMAN. Somebody is responsible, and I want to find out who.

Gen. CROZIER. The Secretary of War has to be responsible. That is to say, the program of treatment of the subject of machine guns, coming finally to the test of May, 1917, was a program which was adopted by the War Department; it was prescribed by the Secretary of War, who took a personal interest in the subject, and was not the program of the Ordnance Department.

I need not dwell longer on this subject than to refer to the dates when orders were given for the manufacture of the different classes of artillery with which our Army is to be provided, and I wish to insert in my remarks a list of the contracts and the dates on which these contracts were made.

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

List of principal items purchased by Field Artillery section since declaration of war.

P. O.	Firm.	Material.	Quantity.	Date.
26	Bethlehem Steel Co.	75-mm. gun carriage	4	May 12, 1917
13	do	do	340	May 18, 1917
17	do	do	268	May 21, 1917
12	New York Air Brake Co.	do	400	June 8, 1917
154	France	do	48	July 2, 1917
134	do	do	572	July 9, 1917
367	Willys-Overland Co.	do	2,927	Dec. 1, 1917
380	France	do	448	Nov. 28, 1917
105	Rock Island Arsenal	3-inch carriage limber	166	Apr. 9, 1917
14	Bethlehem Steel Co.	do	436	May 18, 1917
2	A. C. & F. Co.	do	661	June 6, 1917
220	do	do	880	Aug. 22, 1917
18	Bethlehem Steel Co.	do	268	May 21, 1917
154	France	do	48	July 2, 1917
134	do	do	572	July 9, 1917
380	do	do	448	Nov. 28, 1917
342	A. C. & F. Co.	do	2,053	Nov. 5, 1917
0	do	75-mm. gun caisson	3,348	June 5, 1917
218	do	do	2,400	Aug. 24, 1917
15	Bethlehem Steel Co.	do	900	May 18, 1917
154	France	do	48	July 2, 1917
134	do	do	572	July 9, 1917
343	A. C. & F. Co.	do	14,608	Nov. 5, 1917
7	do	75-mm. caisson limber	3,348	June 6, 1917
219	do	do	2,400	Aug. 23, 1917
16	Bethlehem Steel Co.	75-mm. caisson limber	900	May 18, 1917
154	France	do	48	July 2, 1917
134	do	do	572	July 9, 1917
348	A. C. & F. Co.	do	14,368	Nov. 5, 1917
3	do	75-mm. battery wagon	333	June 5, 1917
224	do	do	200	Aug. 28, 1917
344	do	do	1,348	Nov. 5, 1917
34	do	75-mm. forge limber	333	June 5, 1917
223	do	do	200	Aug. 25, 1917
345	do	do	1,338	Nov. 5, 1917
36	do	75-mm. store wagon	333	June 5, 1917
222	do	do	200	Aug. 24, 1917
346	do	do	1,122	Nov. 5, 1917
35	do	75-mm. store limber	333	June 5, 1917
221	do	do	200	Aug. 24, 1917
347	do	do	1,122	Nov. 5, 1917
434	Maxwell Motor Co.	75-mm. 2-horse battery reel.	1,640	Nov. 28, 1917
125	Walter Scott	4.7-inch gun carriage	250	July 12, 1917
1—	Rock Island Arsenal	do	183	July 23, 1917
409	Studebaker Corporation	do	500	Dec. 8, 1917
10	A. C. & F. Co.	4.7-inch carriage limber	453	June 6, 1917
787	Maxwell Motor Co.	do	479	Nov. 28, 1917
8	A. C. & F. Co.	4.7-inch gun caissons	1,848	June 5, 1917
402	Ford Motor Co.	do	901	Dec. 5, 1917
155	French Government	155-mm. howitzer carriage.	24	July 2, 1917
135	do	do	235	July 9, 1917
313	Osgood Bradley Co.	do	900	Oct. 29, 1917
311	Mosler Safe Co.	do	1,221	Nov. 1, 1917
327	French Government	do	184	Nov. 14, 1917
366	Standard Steel Car Co.	do	250	Nov. 21, 1917
155	French Government	155-mm. howitzer carriage limber.	24	July 2, 1917
135	do	do	235	July 9, 1917
327	do	do	184	Nov. 14, 1917
433	Maxwell Motor Co.	do	2,448	Nov. 28, 1917
155	French Government	155-mm. howitzer caisson	24	July 2, 1917
135	do	do	235	July 9, 1917
402	Ford Motor Co.	do	8,937	Dec. 5, 1917
240	French Government	155-mm. gun carriage	48	Aug. 9, 1917
310	Minnesota Steel & Machinery Co.	do	1,388	Dec. 2, 1917
327	French Government (by cable).	do	72	Nov. 14, 1917
60	Midvale Steel Co.	8-inch howitzer carriage	80	May 14, 1917
239	Watertown Arsenal	9.5-inch howitzer carriage.	250	Sept. 1, 1917
231	Standard Steel Car Co.	do	964	Nov. 16, 1917
309	J. G. Brill Co.	6-horse reel and cart	1,100	Oct. 27, 1917
386	do	do	1,200	Dec. 15, 1917

Mr. WEEKS. As a further comment of delays which have taken place, about 5,000 of the 75-mm. guns and carriages have been ordered. Small orders were placed throughout the summer, but the main order to the Willys-Overland Co., for 2,927, was not made until December 1, 1917. The same thing is generally true of other guns and gun parts. For instance, the largest order for 3-inch carriage limbers was given to the American Car & Foundry Co. on November 5, 1917. Nearly three-fourths of the 75-mm. gun caissons were provided for in an order on the same date, November 5, 1917, and so on down through the list. Instead of being made in May and June, or possibly in July,

these contracts were very largely made in November, many of them as late as December. It seems to me that a realization of the necessity to have acted promptly would have produced a very different result.

It is true that testimony has been submitted to show that we have made arrangements with France for artillery of various calibers for the year 1918, and it is represented that this arrangement was suggested by the French Government. Whether or not this is so, on account of the delays to which I have briefly referred we could not have provided any considerable amount of artillery for ourselves before the end of this year. But even under these circumstances it seems to me to be very doubtful wisdom to have to depend on France, where there must be an active demand for the employment of every mechanic in providing the requirements in that country. We have a much larger supply of labor than either England or France, especially skilled labor, and it should not have been necessary for us to depend on those countries for this assistance, or, at least, to nothing like the extent we find it necessary.

One of the most acute and dangerous situations developed by the committee's investigation relates to providing a suitable supply of powder.

I want to say, Mr. President, that in all cases where officials of the department or officers of the Army appeared before the committee they were advised that if there were anything of a confidential character in their testimony which should not be included in the public record it should be reserved for executive session. As far as it is possible for me to do so I have limited the citations I shall make to the public record, because it would be manifestly unwise to discuss a confidential matter on the floor of the Senate. I say that at this time because the powder situation is one that can not be discussed in great detail, and I have left out all figures in my reference to it.

Powder can not be readily obtained in England. France, or Italy; indeed, those countries have been, and are at present, drawing on the United States for their supplies. It would not be justifiable, in my opinion, for me to give detailed figures relating to this subject, but I can say without impropriety that about half of the capacity to manufacture in the United States is under contract to our allies, and our total capacity is not more than half our probable needs for the year 1918. Yet no definite step was taken to provide this additional capacity until the month of December, when construction of one unit of an additional supply was undertaken, and within 10 days the construction of another unit was also undertaken. However, if both of these units were in full operation and we had full use of the present capacity, we would still probably be providing for less powder than we will need this year. Of course, the correctness of this statement depends somewhat on the number of troops we have in action.

I can not state too strongly my impression based on the testimony submitted to the committee that there has been gross neglect in providing this absolute requirement, a neglect which would be almost fatal to our war plans if they were not also hampered by the shipping situation.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. WEEKS. I do.

Mr. TOWNSEND. May I ask whether Congress had provided the money necessary for securing the amount of powder that we needed?

Mr. WEEKS. Mr. President, I do not recall in detail the appropriations; but the Senator from Michigan will remember that we provided in the spring of 1917, before the declaration of war, an appropriation of $100,000,000 for emergency purposes, and, substantially speaking, that appropriation was not expended; so that the money was available for such purposes as the construction of powder plants, purchase of ordnance, or any similar use.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. WEEKS. I do.

Mr. WARREN. I assume that the Senator means the $100,000,000 which was given to the President?

Mr. WEEKS. I am speaking of that now. I do not remember about the detailed appropriation for powder in the appropriation bill.

Mr. WARREN. The $100,000,000 was to be controlled by the President?

Mr. WEEKS. Absolutely; and there is nothing on record to show that any request was made for a part of this fund for that purpose.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. WEEKS. I do; yes.

Mr. TOWNSEND. I was a member of the Appropriations Committee at the time. My memory is that the appropriations asked for by the department for powder and other Army supplies were always granted.

Mr. WEEKS. Mr. President, it would have been the height of folly to have failed to grant a request of the department for funds to provide powder. I can not imagine that any Senator would interpose an objection of any kind to such a request.

It must be remembered that powder plants can not be constructed in a few months. It requires many months, and we can not expect supplies from the plants now under construction until the campaign of this year has been well advanced, and then only a moderate quantity; indeed, these plants will not be able to operate to their full capacity this calendar year.

A similar conclusion is justified in the failure to provide chlorine, toluol, and other absolutely necessary materials. The testimony, however, is much too confidential to discuss on the floor of the Senate.

QUARTERMASTER BUREAU.

The examination made by the committee of the Quartermaster Bureau developed that much excellent work had been done, but many failures, which might have been avoided, were made. The head of that bureau has labored under the disadvantage of not being a trained quartermaster, but a commissary, with which service he had been connected until the amalgamation of the Paymaster, Quartermaster, and Commissary Departments a few years ago. In the particular line in which he has been trained too much praise can not be given him. I think it fair to say that there is no substantial complaint against the food furnished the Army; indeed, I have not heard or seen a complaint which could not be directly charged to some local condition, and the rationing of our men has, on the whole, been a tremendous success. Gen. Sharpe is entitled to the credit for this result.

The purchasing of supplies, however, has not in all respects been handled satisfactorily, and would have been distinctly otherwise, in my opinion, if it had not been for the assistance rendered by the Committee on Supplies; but that assistance involved complications—differences between the Quartermaster's Bureau and the Committee on Supplies—and in many cases a failure to obtain good results. It ought to be said, however, that there has been an enormous enlargement in the number of officers connected with both the Ordnance and Quartermaster's Bureaus, and that, necessarily, it took time to secure suitable men and train them for their duties. But the same delay in getting under way and in giving contracts is found in the Quartermaster Department that I have instanced in connection with the activities of the Ordnance Bureau. For example—and I will only give one instance, because it is typical—it was, of course, known as soon as war was declared that overcoats for the entire number of men enlisted or drafted would be required before the cold weather, and yet contracts for but 152,000 overcoats were made in April, but 50,000 in May, and, in addition to that, about a million and a half between the 1st of June and the 1st of September. The deliveries of these overcoats, however, were put at such dates that they could not possibly have been received in time to even furnish a million men with overcoats before cold weather. For example, 1,632 were to be delivered in May, 15,700 in June, 80,000 in July, 150,000 in August, 350,000 in September, 340,000 in October, 170,000 in November, and 250,000 in December, or a total of 1,357,332, or less overcoats than we had men in the service on the 1st of January of this year. This indicates that some of our men, either those under arms or those in the noncombatant forces, could not possibly have been supplied with overcoats in time to prevent the suffering which has undoubtedly resulted from this neglect.

Senators should recall that men doing duty at night require overcoats during the month of September in almost all sections of the country. It is not safe to say that even if these overcoats had been supplied before the 1st of December there would not have been suffering on account of failure to furnish them earlier.

This illustration is not unlike others which may be instanced; in fact, technicalities of one kind or another prevented our using all the facilities we had at hand. Great clothing centers were not employed in the slightest degree in manufacturing clothing for the Army. Not a contract was let in Rochester, N. Y., or in Newark, N. J., which are among the most important clothing centers in the United States. I do not find that any contract of any considerable amount was let to a manufacturer of clothing west of the Allegheny Mountains. There were some small purchases to make up our requirements made in a few

western cities, but there were not more than 50,000 overcoats purchased from these sources. If there had been a planning board to give consideration to the letting of these contracts, they would have been distributed throughout the country, especially in those places where other work was not being done, and where labor could easily be obtained and properly housed.

The experience of the American Uniform Co., of New York, is not unlike that of many other manufacturers. This concern, which had manufactured 500,000 uniforms for the British Army within a period of 60 days, and had ample capital and suitable facilities for doing the work, was refused contracts on account of technicalities which seem almost absurd when we consider that our men, as a result of such neglect, failed to receive warm clothing before the cold weather came on. In their endeavors to obtain a contract, which was finally refused on the ground of insufficient capital, although they had one of the best lists of stockholders, containing many men of very high financial rating, and a capital of $750,000, they were hampered in every way. To give an example of the situation, I quote what took place at the quartermaster's office in New York. The representative of the company received this information in reply to interrogatories by the manager of the uniform company. The quartermaster said:

> The uniform company must own the shops. I asked him if this meant to own the building in which the shops were located. He said no, but that a lease from the landlord of the building would be required. I asked him whether this would not be satisfied by taking a lease from the present tenant, and he said that he would look on this with disfavor. I then asked him if the uniform company must own the machinery in the shop. He said yes. I pointed out that in some cases special machinery was leased. He said that in such cases a lease direct from the licensing company would be required. I asked him whether there was any objection to leasing the machinery from the present owner of the shop, and he said that he would look on this with disfavor.

In other words, instead of stretching a point to get a large manufacturer interested in making uniforms, every possible obstacle was placed in the way of the company receiving a contract. Whether there was personal animosity or other similar reason I am not able to say; but it is pretty nearly a disgraceful development that every attempt was not made to get our men warmly clad before the winter weather.

This uniform question brings out the most unsavory development which has taken place since the investigation commenced.

I feel that inasmuch as there has been so much comment in the press regarding this matter, I should bring it to the attention of the Senate. It is known as the Base Sorting Plant arrangement. In its inception undoubtedly the method used was wise, because the Government was furnishing the cloth from which the uniforms were to be made, and there was a natural desire that the clippings belonging to the Government should be used for governmental purposes; but in connection with carrying out this arrangement—and perhaps he was its promoter—there appeared on the scene one Samuel Kaplan, of New York, who soon became connected with the committee on supplies and within a very short time—not much more than a week, according to the evidence—obtained a contract for the sorting of these rags at 6 cents a pound, the contract being let to the Base Sorting Co., of New York, a company organized for this purpose with a capital of $50,000, of which $10,000 was paid in. One of the three active men in the Base Sorting Co. was a brother of Kaplan. Other rag dealers soon became active and insistent that a suitable arrangement had not been made, and the result was a modification of the contract so that only a half a cent a pound profit should be paid to the Base Sorting Plant. Later on, the agitation being continued and those connected with the company evidently becoming frightened, they offered to do the sorting for nothing; and in December, as a result of an investigation made by the Equipment Bureau, the Secretary of War canceled the contract altogether.

At the time this contract was made there was another contract let, which presumably has also been canceled——

Mr. HARDING. Mr. President——

The PRESIDING OFFICER. Will the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WEEKS. I yield.

Mr. HARDING. If it will not interrupt the Senator, I will ask him if he has noted in the press the dismissal from service in the Army of the officer who interfered with the contract?

Mr. WEEKS. I read that in the morning paper. I was going to refer to it.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Colorado?

Mr. WEEKS. I yield.

Mr. THOMAS. If the Senator will permit an interruption, I noticed that article myself this morning, and as the result of it I have addressed a letter to the Secretary of War asking for particulars connected with the dismissal of Capt. Pereless, with a hope that I may be able to lay the information before the Senate to-morrow morning.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Will the Senator from Massachusetts yield to his colleague?

Mr. WEEKS. I yield.

Mr. LODGE. Who gave the first contract at 6 cents a pound to Kaplan?

Mr. WEEKS. The committee on supplies. Kaplan, while not a member of that committee, was a member of the subcommittee of the committee on supplies.

Mr. LODGE. Who was at the head of the commission?

Mr. WEEKS. Mr. Eisenman. I should say that Mr. Rosenwald, of the Sears, Roebuck Co., a member of the advisory commission, is the chairman of the committee on supplies. Mr. Eisenman, of Cleveland, Ohio, is the vice chairman of the committee on supplies and had this particular matter in charge.

Mr. GALLINGER. Will the Senator permit me?

Mr. WEEKS. I yield.

Mr. GALLINGER. Will the Senator state how long the contract ran at which 6 cents a pound was paid?

Mr. WEEKS. It was an indefinite contract, as I remember, but contained the usual provision made in Army contracts permitting its cancellation.

Mr. GALLINGER. The Senator does not quite understand me. How long a time did this arrangement continue before it was changed from 6 cents a pound to half a cent a pound?

Mr. WEEKS. It continued two or three months, as I recall.

Mr. GALLINGER. Could the Senator state approximately how large the profit received was?

Mr. WEEKS. I shall do so, because I want the Senate to know the facts.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Will the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. I yield.

Mr. HITCHCOCK. If the Senator would like to insert it in the RECORD, I have here the data relating to that contract in a compact form.

Mr. WEEKS. I will ask unanimous consent to insert the data in the RECORD.

Mr. HITCHCOCK. I can read it in this connection.

Mr. WEEKS. Very well.

Mr. HITCHCOCK. July 26 Mr. Eisenman sent to the Quartermaster's Department a letter from Kaplan giving plans for Government control of clippings.

August 9 Eisenman recommended raising the profit from one-half cent per pound to 1 cent per pound.

August 21 Eisenman was advised that a company had been formed, with Mr. Ira A. Kaplan as president.

August 22 the contract was signed.

September 13 Eisenman left contracts for sale of condemned clothing and blankets to Base Sorting Plant for execution with the Quartermaster General.

September 20 the contract was signed.

November 14 one of the dissatisfied rivals, Mr. Leuthner, called the attention of the Secretary of War to the fact that the contract was outrageous and would result in a profit of $400,000 on clippings. The Quartermaster's Department immediately began to investigate.

December 3 Eisenman sent a proposed supplementary contract reducing the profit on clippings back to one-half cent per pound.

December 8 Eisenman forwarded offer from Base Sorting Plant from the same concern to cut off the other nominal one-half of 1 per cent profit.

December 19 the Quartermaster General canceled both contracts and gave the 30 days' notice to take over the plant. The testimony shows that contracts were duly entered into first at 5½ cents, then at 6½ cents, and then dropped from 6½ to 5½, from 5½ to 5, and finally when an investigation was had the contract was canceled by the War Department.

Mr. WEEKS. I was about to say when interrupted that at the time this contract was made there was another contract let which presumably has also been canceled, although the Military Committee could not seem to obtain the evidence that this had been done. This latter was a contract to take over all of the condemned material from the Army, including blankets, uniforms, overcoats, and so forth. This contract was made at 5 cents a pound. While the company was operating on the 6 cents a pound basis it made money at the rate of $400,000 a year on the first contract. It was easily demonstrated that the work could be done for 1⅝ cents a pound. If the second contract had not, or has not, been canceled, the profits, according to the testimony of

Capt. Pereless, Quartermaster Corps, United States Army, would run into the millions of dollars.

I do not believe that any member of the committee on supplies, referring now to Mr. Rosenwald and Mr. Eisenman, knew what it cost to sort rags, although it would seem that they should have found out before making such a contract. Certainly the rag dealers knew, and the fact that a man connected with the committee on supplies, or a subcommittee, should have been instrumental in bringing about such a contract, his brother being one of the officers of the company given the contract, another brother being connected with two comparatively small woolen mills, the only mills manufacturing for the Government which have been commandeered, and having still another brother of draft age who suddenly left the country before the passage of the draft act and who has not returned, surrounds the whole enterprise and the name with a kind of cloud which leaves an extremely bad impression. I wish to absolve, however, the committee on supplies from any responsibility in this matter, except it does seem to me that before making such a contract the committee should have learned the real cost of doing such work and made a businesslike contract.

This also brings up an important question in regard to the manner of making purchases of Army supplies. In most cases, except in contracts for shoes, the contracts were not made as a result of competition. It was claimed that conditions were such that this could not be done, but, leaving out the contracts for shoes, the total contracts made by this bureau during the months beginning with the declaration of war and up to the 1st of January aggregated about $700,000,000. It is worth noting that the Paymaster's Bureau of the Navy continued its policy of the past, and all contracts were made as a result of competition, the bureau having expended $300,000,000 without any difficulty in supplying the requirements of the Navy by following that system. While I do not claim that excessive prices were paid—indeed, it would be almost impossible to determine whether or not they were—contracting without competition is contrary to law and to every business precedent governed by prudence. It also involves some serious situations. For instance, the blankets which were furnished to the Government ranged in prices from $2.75 to $6.50. If he wishes to, one may assume that in each case the Government got its money's worth; but it can be easily assumed also that excessive prices were paid for some of these blankets, and certainly those purchased at the lower prices were of pretty poor quality. For instance, Gen. Greble, the commandant of the National Guard encampment at Fort Worth, Tex., testified that although his men had three blankets apiece they suffered exceedingly with the cold, and it was necessary to put in an emergency order to buy puffs. Twenty-five thousand were purchased for his camp. In other words, in many instances there was no standard of quality fixed or businesslike method followed in making purchases.

I wish to comment on the blanket question in passing. According to the evidence we have purchased 19,000,000 blankets. Gen. Pershing says that a man in the trenches will require nine blankets a year. Therefore if we had a million men in the trenches we have already purchased blankets enough for two years. But if the men are in camp they do not need half as many blankets as they would in the trenches. As more than half of our men up to this time and for the larger part of this year will be in camp, it would seem that we have bought blankets enough to last our forces from two to four years. That may be a wise provision in looking ahead, but, on the other hand, it must be remembered that manufacturing capacity which might have been utilized for some other purpose has been used in manufacturing blankets and quite likely delayed other necessary production. That is another point in favor of a planning board, to look ahead and determine these questions before action is taken.

It should be said that some requirements of the Government were so much greater than facilities to furnish them that competitive buying would not have been desirable. This is particularly true of the purchase of duck. The capacity of the manufacturers of this material was thirty times less than the requirements of the Government, and it was necessary to go out and develop facilities for providing this cloth. I do not intend to criticize the failure to purchase duck by competition, or of any other article where the facilities for its supply is less than the requirements of the Government.

At the first examination of the Secretary of War I, and I think others, got the impression that the camps had been supplied with all the requirements needed by the troops which had not been transferred to Europe. Later on he modified this statement by saying that the rush requirements of the troops had been supplied; but to show the extent of the failure to promptly supply troops under the program adopted by the War Department I wish to call attention to the testimony of Maj. Gen. Greble. Gen. Greble appeared before the committee December 28, 1917, and in some detail stated the failure to supply his camp at Fort Worth, Tex.

It must be remembered that this is a National Guard camp, that the National Guard was called into the service in July, and that, therefore, the testimony he gave represented conditions something like six months after his men had been mobilized. Gen. Greble, in answer to the inquiry whether his camp was properly equipped, gave this testimony:

The following is a list of present shortages expressed in percentage on the more important articles of equipment: Rifles, 59 per cent short; bayonets, 65 per cent short; pistols, 86 per cent short; cartridge belts, 59 per cent short; machine guns, none on hand (20 Colts shipped)—

Mr. SMITH of Michigan. What was the date?

Mr. WEEKS. December 28, 1917—

automatic rifles, 88 per cent short; 3-inch guns, 88 per cent short; 6-inch howitzers, none on hand; trench mortars, none on hand; 1-pounder cannon, none on hand; Artillery harness, 92 per cent short; horse equipment, 81 per cent short; Infantry equipment (this includes haversacks, first-aid pouches, and canteens), 78 per cent short; small-arms ammunition, 75 per cent short; Artillery ammunition, 90 per cent short.

In discussing the question of other equipment he furnished us the following information:

OFFICE OF DIVISION QUARTERMASTER,
Camp Bowie, Fort Worth, Tex., December 23, 1917.

Memorandum to commanding general.

1. The following is my estimate of the amount of transportation required to properly equip this division that is to be furnished by the Quartermaster's Department:

Item.	Total required.	On hand.	Necessary to equip.
Wagons, escort	405	362	43
Rolling kitchens	116		116
Carts, ration	113		113
Carts, water	109		109
Motor cars	46	1	45
Motor trucks	245		245
Trucks, technical supply	12		12
Rolling kitchens, trail-mobile	10		10
Motorcycles with side cars	105		105
Bicycles	259		259
Spring wagons (for Artillery regiment)	7		7
Water carts, trail-mobile (for sanitary trains)	6		6

JOHN P. HASSON,
Major of Infantry, National Army,
Division Quartermaster.

If any Senator thinks that is an individual instance and should not be given too much importance, I call to the attention of the Senate a letter, dated as late as January 13, from the captain of a company at one of the western camps. I will read a portion of it. The writer says:

I have no canteens, no ammunition belts, no haversacks, no pack carriers, no bayonets for Enfields, no automatic rifles, no grenades, no rifle grenades, no pistols, no alidades, no sketching boards, no field glasses, no gas masks.

In other words, the statement, inadvertently, I think, which has given the country the impression that these camps were fully supplied is not correct. The camps are not supplied, and very largely so because of the reason I assigned earlier in my remarks—entirely unjustifiable delays in making contracts to provide these necessities.

I think that probably this condition is an exaggeration of the shortages at many of the National Guard camps; but if this is true of a National Guard camp, how much more acute was it likely to be at a National Army camp, where the men were mobilized two months later. They had no equipment as did the National Guard before being called into the service. An examination of the dates of orders given for much of this equipment, which would have been furnished promptly if contracts had been made immediately after the declaration of war, shows the extent we have been delayed in enabling our Army to fit itself for service abroad. Many of these articles should have been furnished in their entirety early in the fall, but there were cases like that of cartridge belts, a very simple article, contracts for which were not given until long after they should have been delivered.

AVIATION.

I have suggested that the committee examined developments in the Aviation Service. On the whole, the evidence shows that this development has been carried on intelligently and systematically. While the actual number of machines constructed does not compare favorably with impressions given the public, not, perhaps, by those responsible, but by others, it is represented that from now on production will be comparatively rapid. As far as any evidence submitted to the

committee shows, the motor constructed for these airplanes has met all requirements and tests. At present it would seem that if there is any failure in the development of the Aviation Service, it will be due to the supply of spruce, and I hardly think entirely satisfactory arrangements have yet been made for this purpose. I say this with a good deal of hesitation, however, because there is evidence that much less progress has been made than should have been. I want to add that we can never be sure a machine is going to work well because it does so in practical tests. There may be unsatisfactory developments in the Aviation Service which can not be foreseen at this time.

Quite likely the Military Committee will feel it incumbent on itself to follow up this particular investigation from time to time to be sure that everything is being done to provide this very important facility in waging war; in fact, from the strictly military standpoint, I believe it is the most important agency we are furnishing. I have great hopes that our supplementing the efforts of the allies in providing airplanes will have a very marked effect on the successful prosecution of the war.

MEDICAL BUREAU.

I have also referred to the examination of the Surgeon General's Office and regret that a clean bill of health can not be given this essential branch of our Military Establishment. It is one of the best illustrations that can be found to demonstrate the lack of careful planning ahead. If somebody had really been thinking about the requirements of this great emergency, it could not have been possible that the building of hospitals at the camps or cantonments would have been delayed, or, in fact, not undertaken as soon as any construction was commenced. Yet, the construction of hospitals for the National Guard divisions was not undertaken until the month of September, a considerable time after they had gone into camp, and many of them are not completed at this time. None of these hospitals have steam heat, some have no hot water, and a very considerable number have been for months lacking the commonest equipment necessary to hospital facilities. No sewerage systems in some of them, not even bedpans until very recently, and in more or less instances the rooms in which examinations of patients were made had no heat, although necessarily a man must be exposed for a considerable time during such examinations.

As I said in the beginning, I do not believe in placing any particular reliance on individual cases of neglect in such matters. Quite likely a considerable number of doctors have been taken into the service who were inexperienced and in some cases absolutely incompetent, but it is apparent that there are not enough doctors for our needs or sufficient nurses. If there were, it could not be possible that such a case as was recently brought to my attention in connection with the Walter Reed Hospital, in this city, could happen. At that hospital a man was placed in the measles-suspect ward on Sunday, removed Monday noon, and did not see a doctor again until Wednesday morning, although he was suffering acutely from a disease which should have been promptly treated.

As far as the National Guard camps are concerned, all the hospital arrangements have been delayed and neglected. Maj. Gen. Greble, commanding the Fort Worth, Tex., camp, reported to at least four officials of the War Department during the month of September that unless prompt action were taken there would be sickness and demoralization in his camp. Almost immediately afterwards he was sent to Europe, and did not return until November, but, notwithstanding his protests against these conditions, no action was taken to remedy them until the 15th of November. By that time the camp had become a vast hospital. Of the 25,000 men in this cantonment, 8,000 were at one time or another in the hospital during the month of November. The capacity of the hospital is 800 men, and at one time it had to accommodate eighteen hundred patients—a hospital with no sewerage system and lacking in pretty nearly every medical requirement. It is not surprising that there were 200 deaths within a short time at that camp and numbers of the men so inadequately treated that their recovery is a matter of weeks and months.

All of these instances are important illustrations of a failure to develop a definite plan before the men were ordered to the colors. While such failures are not by any means universal, they are of sufficient number to warrant their being brought to the attention of the public and to stimulate the officers of the War Department to correct them and prevent their recurrence; indeed, there can be no question that much of the sickness and many of the deaths at these cantonments were due to insufficient clothing and inadequate hospital facilities.

Now, I want to point out how far we have fallen behind other countries in this respect. Here is a quotation from the proceedings of the House of Commons. The undersecretary of state for war was asked about mortality, and the suggestion was made that an investigation be ordered of the condition of the troops at Salisbury Plain.

Mr. LODGE. What date was that?

Mr. WEEKS. The answer indicates that it was very recent. This is the answer of Mr. Tennant:

> The annual ratio per 1,000 was for the Salisbury Plain district during the period of September 1 to the 31st of December, 325.4 admissions to the hospital; deaths, 1.88.

That would indicate a number of deaths not exceeding 5 per thousand per year. The number of deaths at our camps exceeds 8 per thousand per year, 5 is about the ratio for men who have been examined of the age of our drafted men, and Mr. Tennant adds:

> Both those ratios are lower than those for peace time, and in those circumstances I can not see any necessity for the appointment of a committee to investigate.

TROOPS IN EUROPE.

Mr. President, the question has arisen about the number of troops we have in Europe. Of course, I am not going to say how many American troops there are in Europe, although I know, but the suggestion has been made by those in high authority that we have done very much better in this respect than we anticipated, based on plans made during the fall months. I want to say in reply to that—because I do not think it fair to give the public a wrong impression about what we are doing—that on the 1st day of October I had a conversation with the Secretary of War, who told me the number of troops we had in Europe or on the way there, what the plans of the department were, and what he believed the department could do in the future. The number of troops now in Europe is exactly 54 per cent of the number that would have been there on February 15, if those plans had been carried out. I do not say that in the way of criticism of the Secretary of War, but I do say it as an answer to the impression given the public that we have been accomplishing more in getting troops to the other side than was anticipated by the officials of the department. It is distinctly unwise to give the public such an impression. It is almost equally unwise to give the public the impression that we are doing less than we are, or hold up to criticism those things which should not be criticized; but, as far as possible, without exposing military secrets, the public should be given the truth in matters of that kind.

The Senator from Kentucky [Mr. JAMES] yesterday, in his forceful address, in speaking of the number of troops abroad, said that we had not 30,000 men over there but many, many times that number; that we had not a hundred thousand men over there but many, many times that number. "Many" means numerous; it does not mean twice that number but several times that amount. I can say to the Senator from Kentucky and to the Senate that the word "many" does not apply to his description in any respect. When he says "many," it entirely deludes the public and is so erroneous that it should be corrected.

Incidentally, Mr. President, I listened with a great deal of interest to the Senator from Kentucky. Many of the things which he stated are true, but they had been stated more definitely by the Secretary of War in his testimony before the committee. I am glad the Secretary of War and the Senator from Kentucky said them, because they pointed out the things the War Department has done, and the Secretary of War made some explanations for the things which had not been done. It is right that the public should know that, but no one denies that our draft law has worked well, that we repaired the German ships expeditiously, or several of the other propositions the Senator from Kentucky discussed at considerable length.

He also instanced the fact that the French and British commissioners had extolled our war preparations. Does any Senator think that the commissioners from our allied countries would make public criticisms of what we were doing? If they were going to say anything—and they may have felt it incumbent upon them to do so—necessarily what they would say to us would be flattering to our vanity or, at least, would incline that way.

There was one other point raised by the Senator from Kentucky to which I desire to refer for a moment—a delicate subject which should not be discussed in detail in public. He referred to the failure of the Root mission to Russia, not with any desire to reflect on the head of that mission or any member of it, I take it, but to indicate that even as competent a man as Mr. Root had failed to obtain results. Most of us do not know

about the details of our relations with foreign countries; we are not members of the Foreign Relations Committee; we can not know the facts; and we could not discuss them in public if we did; but in that particular case I want to suggest to the Senator from Kentucky, if he can do so, that he look at the files of the State Department and determine for himself whether everything was done that could have been done which would have enabled the mission headed by Mr. Root to have been successful. I think he will find that others than the members of the Root mission were responsible, at least to some degree, for the failure of the success of that mission.

Mr. SMITH of Michigan. Mr. President, that is a very modest statement; but the Senator leaves it in a very indefinite situation. I was almost tempted to inquire whether he meant Senators to infer that the recommendations of that commission had not received proper attention at the hands of the executive department?

Mr. WEEKS. If the Senator from Michigan is curious on that subject—and I think every Senator should be—and will examine the records of the State Department, I think he will find that the recommendations of that mission were not carried out.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. WEEKS. I yield.

Mr. STONE. I think it is rather an unfortunate statement to say that the State Department had not done its duty with respect to the Root mission. The Senator himself says that it raises a subject which can not be discussed on the floor of the Senate, and then makes a statement of fact which might be contradicted; and who knows who is right? The Senator ought not to bring a question before the Senate which he himself says it is improper to discuss on the floor of the Senate, and make an assertion of fact like that.

Mr. WEEKS. Mr. President, I did not bring the subject to the floor of the Senate. The subject was brought to the floor of the Senate by the Senator from Kentucky [Mr. JAMES] in his speech of yesterday.

Mr. STONE. The Senator brought this particular matter before the Senate.

Mr. WEEKS. I brought this particular matter to the attention of the Senate to indicate that the Root mission was not, in my judgment, entirely responsible for the failure which was instanced by the Senator from Kentucky; and I said, and I repeat, that, in my judgment, it is not proper for me to go into any further details.

Mr. STONE. Then it ought not to have been referred to.

Mr. LEWIS. Will the Senator allow me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Illinois?

Mr. WEEKS. With pleasure.

Mr. LEWIS. May I ask the Senator from Massachusetts has he some information on the point that, after recommendation was made by the Root mission on certain lines, they themselves, upon further investigation, qualified it and, out of their sense of conscientious duty, sent in other recommendations directly opposed to the one which the Senator says was not complied with?

Mr. WEEKS. No; I have not.

Mr. LEWIS. May I ask the Senator, if he gets an opportunity to do so, to investigate whether or not there were not two reports—one from the head of the mission, Mr. Root, and then another by Mr. Russell—in which there was such a divergence of views that they finally decided that the whole matter should be submitted to the department for subsequent action, and that there was never submitted, and does not now exist, a concrete recommendation of any kind?

Mr. WEEKS. I shall be very glad to leave this whole question to the consideration of the proper Senate committee, and I hope its members will consider it.

SHOES.

It is not necessary to instance every failure on the part of the War Department to act promptly to indicate that there have been many such failures, but this investigation is the only way to so forcibly bring them to the attention of the Secretary of War that such conditions will not continue; in fact, the committee could not know many of the things which have been developed by the investigation. Take, for example, the question of fitting Army shoes. There is very little doubt that the shoe now being furnished the Government is a good one. They have been contracted for in a businesslike way, and there is no criticism on that score, but the sizes of shoes manufactured as a result of the specifications sent the shoemakers are substantially the sizes which have been the standard since the Civil War. Some minor changes have been made, but, practically speaking, nothing has been done to make these sizes suitable to present requirements. Yet there has been the greatest difficulty to even get this matter considered by the War Department.

Shoemakers and others interested in this subject have devoted time and energy to the question of properly fitting soldiers with shoes, and as long ago as October, 1916, an examination was made of the soldiers at El Paso, Tex. This investigation developed that out of 30,359 men examined 21,535 were found to be fitted with shoes one-half to three and a half sizes too short. This evidence was brought to the attention of the department, but nothing was done. In August, 1917, as a result of tests made at South Framingham, Mass., 81.7 per cent of the men measured were found to be wearing shoes from one-half to three and a half sizes too short. If this is true—and it has not been denied by any officer of the War Department—it means that more than a million of the men we have in uniform are wearing shoes improperly fitted and too small for them. There is no question about the desirability of properly fitting our men with shoes if we expect the highest possible efficiency.

Since August, 1917, various attempts to get this matter adjusted have failed, or partially so, and I am informed that at this time tests are being made under the direction of the War Department. But let us consider the result of this failure. Since the declaration of war we have ordered 21,000,000 pairs of shoes, basing the orders on specifications which resulted in an error in 80 per cent of the sizes purchased, or, if not, there had been neglect on the part of the officers responsible for fitting the men to that extent. During these tests the fact was developed that at one encampment there were 7,000 pairs of shoes of sizes too small for any of the men on duty there.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WEEKS. Yes.

Mr. POMERENE. Did I understand the Senator to state correctly that there was an error in 80 per cent of the shoes?

Mr. WEEKS. That is the testimony before the committee.

Mr. POMERENE. What is the nature of that error?

Mr. WEEKS. The shoes are too short.

Mr. POMERENE. That is, that only 20 per cent of the shoes that have been ordered can be worn by our soldiers?

Mr. WEEKS. No; I do not mean that, but I mean that, as the men are fitted, 80 per cent of the men are wearing shoes that are too short, as demonstrated by the result of special tests. A final test is now being made by the War Department.

The people of the country may reasonably expect that our soldiers shall be correctly fitted with shoes, and that any system which permits such a serious failure to properly fit them should be at once eliminated.

The Surgeon General agrees that this condition should be corrected and the Quartermaster General agrees that it should be done. There is no dissent on the part of anyone, yet for months, certainly for 15 months, attempts have been made to correct this situation, and nothing whatever has been done except to issue an order—not one providing an accurate standard for fitting the men—which very slightly modified one or two sizes. A change in this condition may not have been brought about by a munitions minister; indeed, it could and should have been brought about by the officers of the department, but how are such changes to be made unless investigations demonstrate the necessity and, as a result of such investigations, the Secretary of War insists that those responsible take proper action?

This is one of the details which has come to the attention of the Secretary of War. He has passed it down the line, and while both the Surgeon General and the Quartermaster General agreed to the accuracy of the situation, nobody has followed it up and made the changes which should be made.

Mr. WADSWORTH. Mr. President, I was going to ask the Senator to relate to the Senate, as an illustration of how simply the whole thing could have been cured, the incident of the Marine Corps. When the attention of the Marine Corps was brought to a somewhat similar situation, and a device was presented to them to make it practically impossible to put a shoe on a soldier's foot which did not fit him, the Marine Corps adopted it in 10 days.

Mr. WEEKS. To those who criticize the activities of the Military Committee and question the value of the investigation I give this instance, and others of importance could be added, to show how valuable and necessary it is to develop an outside pressure which will result in internal action.

Mr. President, I want to add a word relating to that subject which I should not ordinarily do. Day before yesterday a great metropolitan journal took occasion to say that the reason three

Senators, including myself, were pushing these investigations was because of our failure to get contracts for our constituents. In my case it instanced this particular activity. My activity has consisted in writing two letters, one to the Quartermaster General and one to the Secretary of War. The man who brought the matter to me was Mr. Bliss, the president of the Regal Shoe Co., a man of the highest character, who is not doing any business for the Government, has not done any, has not sought any, and has told the Government that he does not wish to do it, but that he would do it if necessary. In these investigations, which were undertaken by Mr. Bliss months before the declaration of war, he has brought out many of these facts; and in trying to correct them he has developed a little device the purchase of which for the whole Army would probably cost four or five hundred dollars. I have no doubt Mr. Bliss would be glad to give them to the War Department, because he is a responsible man, financially and otherwise.

It may be necessary to attempt to assassinate reputations in order to prevent investigations of things that need investigating. As far as I am concerned, I care nothing particularly about this charge against me, but I bring it to the attention of the Senate to show the straits to which somebody is put, and that certainly the "galled jade is wincing" in finding it necessary to occupy three columns of the first page of a great metropolitan journal with such stuff as that to which I have referred.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. WEEKS. I do.

Mr. SMITH of Michigan. It may not be inappropriate to say that they are wasting their fire on the Senator from Massachusetts, who is as far beyond their criticisms and above the criticisms of the average caustic critic as any man in this Chamber.

COAL SUPPLY.

Mr. WEEKS. Mr. President, no better illustration of the benefits which might accrue from a war cabinet or planning board, whatever it may be called, can be found than the coal situation in the United States. It is a particularly pertinent illustration, because the condition is one confronting us to-day. Six or eight months ago it was apparent to the close observer that this condition would develop, and I wish to apply the illustration directly to New England. About seven months ago members of the Massachusetts committee on public safety and myself devoted much time in trying to bring to the attention of the authorities in Washington the fact that New England, whose industries are running at a greater speed than ever before, would probably require five or six million tons of coal in addition to the normal supply. Nothing was being done to supply this requirement. On the other hand, the Secretary of the Navy was withdrawing tugs and other coal-transportation facilities for naval uses. He had a perfect right to do so; in fact, it was probably his duty. Our naval representative in Europe was calling on him for certain classes of tonnage, and it was his duty to supply those needs. He commandeered vessels wherever he could find them, not with an intent to injure any industries—in fact, he avoided doing so as far as it was possible—but it is not the business of the Secretary of the Navy to look after the New England industrial situation. It is his business to operate his department, and he did what any man in his place would have done in all probability. He commandeered shipping which in normal times was used in transporting from one to two million tons of coal to New England, so that instead of increasing the coal-carrying capacity it was deliberately decreased, and everyone knew it.

We could not get the Shipping Board to correct this situation. Those in charge recognized its existence, but no practical step was taken to substitute other shipping for that taken by the Navy Department. In the final analysis, the advisory commission concluded that if the shortage of coal developed as was anticipated it would be necessary to divert railroad transportation facilities sufficiently to supply the need. We all know how this possibility has failed, and to-day there are cities in New England with only two or three days' coal supply on hand. Mills largely engaged in manufacturing for the Government are being closed down, and this is in addition to the industrial concerns closed down by the ill-judged and ill-timed order of the Fuel Administrator.

Let me demonstrate two or three examples of the utter folly of this order:

Plant 1. The coal consumed by this plant for the five days from January 11 to 15, inclusive, was 457,265 pounds. The coal consumed during the five days the plant was shut down—January 18 to 22, inclusive—was 300,050 pounds, a saving of 157,215 pounds. The requirements for the shut-down days were to keep the plant heated, pipes from freezing, and prevent destruction of material in process of construction or otherwise. In other words, this plant was able to save about 15 tons of coal a day, which at $7 a ton would be $105 a day. In that particular plant the loss in wages to the employees was about $7,000 a day, and the loss in production, without figuring any profit, was in excess of that amount. This plant had sufficient coal on hand to keep its employees engaged and to give them full compensation for their services.

Plant 2. This concern employs 1,800 hands and shows the following result for the four-day shutdown: Coal saved, 325 tons, which is about 66 per cent of the normal consumption, a saving in dollars of about $2,275. More than one-half of the capacity of this plant was manufacturing supplies for the Government. The loss in production aggregated over $100,000, and the loss in wages to employees to over $15,000.

Plant 3. This is a very large manufacturing industry employing 8,000 hands. It had coal on hand sufficient to continue its operations until April 1. By shutting down there was a saving of 76 tons of coal a day, or about $532. It was necessary to burn 56 tons of coal a day to keep the plant warm and prevent the spoiling of stock in process. The actual loss to the company for the days shut down was about $12,000, without figuring any profits. The employees lost about $15,000 a day in wages, and, as I have said, much of the output of this plant is subject to hurry orders from the Government and some parts of it is manufacturing wearing apparel immediately needed by men at the camps.

I do not think it necessary to add more illustrations of the result of the situation which has developed, of the failure to prepare for it, or the absolute unbusinesslike way it has been handled in the immediate past. But what would have been done if we had had a war cabinet or planning board? It would have taken up the consideration of the coal situation last summer, learned the actual production, the actual requirements of the various sections of the country, the actual available transportation facilities, and would have provided for the situation in such a way that the present crisis would absolutely have been prevented. But there was no one to do this. The President did not have the time or the information to warrant his doing so, the heads of the various bureaus and departments were looking after their own special affairs, and there was such a lack of coordination in our governmental activities that this situation did not receive proper consideration. I undertake to say that if this matter had been handled systematically and as a result of careful planning we would not have the present coal crisis, much of the suffering resulting from this condition would have been prevented, tens of millions of dollars would have been saved, and there would not have been the delay in supplying the needs of our soldiers apparent on every hand as a result of the closing-down order.

WOOL.

Another illustration of the lack of cooperative and concentrated effort, and quite as apparent an example as the coal situation, is that relating to wool. It is important that this product be controlled by the Government to insure a suitable supply of wool for the clothing for our soldiers. It will be a difficult problem to obtain this wool supply at reasonable prices unless the Government takes such action. We produce something less than 300,000,000 pounds of wool a year in the United States and use more than three times that amount, our additional supply largely coming from South America and Australia. The wool supply of the world is not increasing but the population of the world is doing so, and even in normal times the demand for wool is such that the price is gradually increasing. One of the perfectly apparent certainties resulting from a declaration of war was that there would be an immediate increase in the price of wool, and that unless something were done to control the situation the price would become exorbitant. In order to give the Government control of the situation as far as they were able to do so, the Boston wool dealers—and Boston is the largest wool center in the United States—the day after the declaration of war offered the Government their entire holdings at the going price, or the price the day war was declared. It has been suggested that this would have allowed the wool dealers a profit. Undoubtedly it would, but the profit had been earned, and their offer indicates that they did not wish to take advantage of any necessity of their own Government. It was a highly patriotic step taken by one of the best associations in the United States.

This offer was not accepted, and the investigations do not disclose in detail just what happened to it. Various people had heard of it, but nobody seemed to be willing to take the responsibility of saying the offer was declined. Later, in the month of July, the Boston wool dealers again offered the Government

one-half of the supply they had on hand, presumably the balance being contracted for by those manufacturing for the Government. In the month of September the Wool Growers' Association offered the Government its entire supply at going prices. The only definite testimony as to what became of these offers came from the Secretary of War. He stated that he had referred the question of purchasing wool from the growers' association to the raw-material division of the War Industries Board, but did not hear anything more about it. What statement could be a greater indictment of the handling of an important element in the prosecution of the war than this reference to the wool situation?

It has been said on good authority that the loss to the Government in not taking advantage of the April offer, the July offer, the growers' offer, and purchasing the imported wool available at that time would aggregate $150,000,000. It is difficult to determine whether this amount is relatively accurate, but certainly the loss in not taking advantage of the April offer of the Boston wool dealers was as much as $15,000,000, for at that time they had on hand 59,000,000 pounds of wool of all kinds.

I refer to this particular subject not so much to show what has not been done, but to enable me to express the opinion that the wool question should be given immediate consideration. In the extreme Southwest the shearing has already commenced, and in the ordinary course of conducting that business, if it is not already the case, the wool will drift into the hands of dealers, and it may be impossible to control the situation unless concerted action is taken. The Government should control the entire wool supply, using what it needs for its own purposes and turning the balance over to private consumption. Whatever may be the difference of opinion as to the merits of all-wool clothing and clothing containing a certain percentage of shoddy, there will be universal agreement that if there is to be any depreciation in the quality of cloth it should not apply to the clothing of the men doing our fighting. We civilians should wear the clothing of lesser warmth and value, and it is my judgment that this question can not be adequately controlled if action is not taken by the Government at this time. Of course, I am not referring to the failure of last year, nor will the action I urge correct it. That failure would not have been possible if we had had a planning board or war cabinet to consider such questions and determine suitable governmental action.

HOUSING.

Another illustration in favor of the war-cabinet bill. Stability of labor is the first necessity in providing for rapid construction. The concentration of the work being done for the Government is one of the alarming features of the present situation. It is reported that 86 per cent of the war activities of the Government are concentrated in a section east of Pittsburgh, bounded on the north by Massachusetts and on the south by Virginia. This necessitates a large additional force of trained mechanics in that particular region, and in order to get these mechanics they must be provided with the best living conditions possible—schools, churches, places of recreation, and housing as well. Some of the largest activities are being carried on in sections which can not possibly provide suitable accommodations for the additional labor required. The result is that men come to these places, work a short time, or until they get enough money to take them back to their homes, preferring the lower wages in the sections where they have always lived to undergoing the hardships forced upon them in the localities where their services are so greatly needed.

Shortly after the beginning of the war the housing shortage in certain sections of the country developed to such an extent that it became an obstacle to industrial production, and as far back as last June this subject was discussed. Farseeing men could not help recognizing the inevitable result of the conditions surrounding our war industries. The Committee on Emergency Construction attempted to handle it, the Council of National Defense held hearings, a housing committee was appointed and presented a report, but all of these actions were advisory. These committees had no power to act, and their efforts, therefore, were fruitless.

In the meantime the Shipping Board has actually undertaken housing in a few places, but it was not until the 14th of January of this year, when all housing matters were placed under the jurisdiction of an Advisory Council of Labor with Mr. John Lind at the head, that the first real constructive step was taken. The practical way to handle this question is through centralized control, preferably by one man, who should be given full power in the administration of any appropriation made for this purpose.

Three of the points where the housing difficulties are greatest are Quincy, Mass.; Hog Island, near Philadelphia; and Norfolk, Va. At the Fore River Shipbuilding Co., which is located at Quincy, Mass., the usual number of employees is about 3,000. There have been employed there within the past year as many as 11,000, and that number of men is required to continue the work of the Fore River Co. at its maximum capacity. However, it has been impossible, on account of the limited housing facilities, to keep the men there, and I am told that at the present time there are 3,000 less men employed than when the number was at the maximum. I have had an opportunity to witness the results of this situation—overcrowded transportation facilities on every hand, dangerous crowding in some instances, and conditions existing which can not be considered humanely decent in many respects. There are instances where numbers of men are living in one room, or in very restricted quarters, and the work at Fore River and Squantum, where a new plant is being constructed, must necessarily lose a considerable part of its efficiency, and the best results can not be obtained unless additional housing facilities are provided.

The Hog Island situation is another example of the same condition, only it is an entirely new development. The transportation facilities to Hog Island are such that it is absolutely essential to have housing constructed there in order to carry on the work expeditiously. As far as I have been able to learn, no effort has been made to develop the transportation facilities, and no steps of a practical nature have been undertaken to construct the housing necessary if we are going to secure the labor required at the largest shipbuilding plant being constructed in the United States.

The situation at Norfolk is none the less acute. There is ample testimony to show that the work there—and there is a vast amount of work being done in that neghborhood—can not be carried on with anything like the best results unless this question is settled at an early date. All the instances I have suggested relative to this subject simply bear out the fact that if somebody with power to act had been looking ahead and investigating the placing of contracts, undoubtedly contracts would have been distributed over a wider area, relieving the congestion and concentration of these activities, and lessening the acuteness of the housing situation. But whether or not this would have been done, those who were planning for providing the Government's requirements would not have had their attention distracted from this important element in the situation, and six months ago we would have had a definite plan suggested by the War Cabinet, submitted to the President, approved by him, and in active operation.

The testimony from all sides on this subject is the same. Before the Senate Commerce Committee on the 10th of January, Mr. Homer L. Ferguson, president of the Newport News Shipbuilding Co., one of the ablest consfructors in the United States, stated: "I have been trying for nine months to get housing at Newport News and have talked to governmental officials until I am sick of the subject."

I also have a communication from Mr. Otto E. Sovereign, of the Aladdin Co., of Bay City, Mich. He states that his company has given 10 years' practical experience to this subject and yet have been unable to get any attention to their representations in Washington. The reason they have been unable to get any attention—and these are but two instances of any amount of testimony that can be submitted on the subject—is because there has not been anybody here with power to act.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Washington?

Mr. WEEKS. I do.

Mr. JONES of Washington. I want to state to the Senator that I think the very next day, or at any rate within two days, after Mr. Ferguson testified before the Commerce Committee definite arrangements were made through the Shipping Board to undertake housing operations at Newport News; so that they had authority, but apparently they had not been able to get them to exercise it until the matter was brought up in the committee.

PRIORITY ORDERS.

Mr. WEEKS. Senator KELLOGG, in his speech on the railroad bill yesterday, spoke of priority orders, and what he said illustrates very well the lack of a responsible head in connection with any particular activity. He stated, if I understood him correctly, that there were five bureaus in the War Department, one in the Navy Department, one in the Shipping Board, one in the Fuel Department, and one in the Food Department giving priority orders. In other words, nine different kinds of priorities which had to be adjusted by railroad managers. Of course, in a sense, that would be physically impossible, and it created a confusion and delay which greatly impaired the efficiency of the service. If there had been one head controlling priority

orders to act as a clearing house for the requirements of the different bureaus, all of this could have been avoided.

ORGANIZATION.

When we turn to the question of organization, the investigation made by the Committee on Military Affairs has, to my mind, completely demonstrated the fact that it was impossible to expand our Military Establishment to a great war force without developing weaknesses in the methods followed or providing for intermediate steps preparatory to perfecting the organization. England, to a lesser degree France, and other nations not prepared for war found it necessary to follow a similar course. The War Department could not have accomplished what it has during the last 10 months if it had not had the assistance of the advisory commission and its subordinate committees; but all of these activities at best were but makeshift and simply pointed the way to the organization which should be made. In the final analysis, the greatest requirement in the war administration is a perfect organization. Each department has to too great an extent been run as a distinct unit, and, in many respects, entirely without any reference whatever to the requirements or activities of other branches of the Government. This has produced confusion, increases in the expense of maintenance, and entirely unnecessary delays.

When the Secretary of War was before the Military Committee he was asked if there were things which could be done by the War Department to stimulate the service so that it would be able to do more effective work. He replied that he did not know of anything he could suggest, for whenever the soundness of a change was demonstrated to him he acted at once. That sounds wise and efficient, but it is the difference between waiting until you meet a problem which may require months to prepare for and having a deliberating body looking months ahead, finding that problem, and preparing a definite plan for its solution when it develops. Many activities can not be provided for in a day, week, or month. It requires a long time to erect plants, make necessary additions to plants, or design and construct machinery, and unless we provide a planning board to consider these important questions there will inevitably be delays and failures.

The changes recently made in the organization of the War Department will improve the efficiency of that service. There is no doubt about this fact, and I am glad to put myself on record to that effect. The machinery proposed, however, which was so graphically described and shown on the charts used by the Senator from New York [Mr. WADSWORTH] during his address in the Senate a week ago, has a fatal weakness. There is no real head in the case of the munition proposition or a general planning board provided. The branches of the tree, speaking of the purchaser of munitions, seem to be all right, but the trunk is not there. And if this situation were understood by the country as well as it is by those who have been examining the War Department there would be an insistent demand that now, when we have the opportunity, we create an organization as nearly perfect as possible.

I believe the Military Committee has had no other desire in criticizing the failures in the War Department brought about by inefficiency and procrastination than to correct them by inaugurating a practical organization of the war administration on a basis coordinating and concentrating every agency of the Government, making efficient and effective the scores of activities of the various departments, bureaus, boards, and commissions. Of course, there will be individual failures in such an organization, but this organization would be just as necessary to efficiency if every person connected with the Government were a genius. Real efficiency is impossible unless all of these undertakings are carried on as a result of a coherent plan devised and controlled by a central agency.

The President can not be this central agency except after examination and thorough investigation. He must necessarily be devoting his energies to the larger problems of our international relationship. The Secretaries of the departments can not be this agency. It should require every moment of their time, every ounce of their decision, and all their capacity to properly administer the affairs of the branches of the Government over which they preside. Take, for example, the case of the Secretary of War. I think his door has been wide open to everyone who had any business with him. He has to attend meetings of the various boards with which he is connected, and it is physically impossible for him to devote the time necessary to working out definite plans for solving the great number of problems arising in connection with our prosecution of the war. The records of the Council of National Defense and of the advisory commission show that they hold weekly or fortnightly meetings at which many of these problems are considered. Sometimes the urgency of departmental work prevents the attendance of the heads of the various departments at important meetings of these committees. We are told that Cabinet meetings are infrequently held and are usually of short duration, and after going through the entire list of boards and commissions it is apparent that there is no central body to carefully consider all the requirements of the Government or prepare any concrete plan of action.

Moreover, in addition to the Cabinet, the Council of National Defense and the Advisory Board, and so forth, and so forth, and so forth, we have at least four new creations of importance—Fuel, Food, Shipping, and Transportation Commissions. The heads of these commissions do not meet the Secretaries of the departments except upon comparatively rare occasions at meetings of what is known as the superwar council, a new creation and one without any power. The meetings of this council are, in effect, simply discussions and produce no practical results.

I have said that the failure to centralize these activities has produced extravagance. It is hardly necessary to go into details to demonstrate the correctness of this assertion. All of the testimony before the committee bears out the statement; indeed, how could it be otherwise even under the revised plan of the Secretary of War? Under this plan we will be purchasing supplies for the War Department through at least five different agencies. In addition to that, purchases are being made for the allies, for the Shipping Board, for the railroads, and for the Navy. In the plan of the Secretary there is coordination, as far as the War Department is concerned, up to a certain point, however much one might deprecate the fact that a colonel of Infantry has been put at the head of this activity, to whom four major generals are subordinate. Col. McRoberts, formerly vice president of the National City Bank, of New York, is purchasing agent for another bureau; and just recently another man has been appointed to assist in purchasing supplies for the War Department, in all probability the best-fitted man in the United States for such a task. I refer to Mr. E. R. Stettinius, of the firm of Morgan & Co., of New York.

When Morgan & Co. undertook purchases in this country for Great Britain in the beginning of 1915, what did it do? Naturally, it adopted the course any good business firm would follow. Not having in the firm or connected with it an entirely suitable man for such service, it looked about and found a man who seemed to promise to fill the requirement. This man was Mr. Stettinius. It developed that he was the right man in the right place. He did the work well, so well that he not only gave entire satisfaction to the British Government but was made a member of the firm of Morgan & Co. If he had failed, another man would have been found in the shortest possible order. That is the course followed by a business firm. What does the War Department do under these circumstances? It wants to accomplish exactly the same result as the British Government, although its purchases will not perhaps be larger than those of England during 1916, for it is interesting to note that during the years 1915, 1916, and 1917, Mr. Stettinius purchased $4,000,000,000 of supplies for the English Government. The department creates an organization such as I have described, looks about and adds to it Mr. Stettinius, not as its head, for which position he has demonstrated his capacity, but uses him under the title of surveyor general of supplies. Even the Secretary of War can not tell just what this means. The testimony indicates that he is subordinate to Col. Peirce; and yet, he is not only the adviser of the colonel but of the Secretary as well. He is a kind of court of last resort in an advisory capacity, but he has no authority whatever. In other words, apparently the very man required for the situation has been obtained, but that man can not accomplish results. He is in an impossible position, and the administration is throwng away an opportunity to make an effective organization and the one personality that would be sure to make the organization effective.

In our conduct of the war the President occupies in this country a position similar to that occupied by Mr. Lloyd-George in Great Britain. He must necessarily be the clearing house and the final authority in every action taken. He is the Commander in Chief of the Army and Navy. His constitutional authority makes him Commander in Chief of all our military forces, and while it has been suggested that the proposed war-cabinet bill is unconstitutional, I believe every lawyer will agree that any constitutional authority conferred on the President can not be lessened or added to by an act of Congress. As a matter of fact, however, the President does not fill the position occupied by Mr. Lloyd-George in Great Britain. Mr. George presides over the war cabinet, and although he does not give his entire time to that service he is present at its meetings every day of the week and frequently presides at meetings several times a day, for the majority of the members of the British War Council have no portfolios and devote all their time to the consideration of plans

for furthering the prosecution of the war. The authority of the war council extends to all departments of the Government, to the armies in the field, the fleet, and to every form of industry; and in this way in planning for the army or navy the industrial requirements of the nation are given proper consideration

I do not mean to suggest that the war council directs the operations of the Army or the Navy or that the proposed war cabinet would do so in this country. It should have nothing whatever to do with matters relating to military or naval operations like the direction of the Army or the operations of the fleet. Those matters are essentially under the control and jurisdiction of the heads of those departments; but the overhead matters, like making plans and considering industrial questions, would come under the jurisdiction of the war cabinet, which would, in turn, report to the President and every act of which would be subject to his approval. No other body now in existence, or which can be organized, would be able to do this. The Council of National Defense can not, the Advisory Commission can not, and the War Industries Board can not.

Senators advocating these measures have been charged with partisanship, but the country should not fail to note that this investigation has been conducted for nearly two months, has given consideration to a great number of important subjects, and there has not been the slightest partisan bias in its deliberations. Not a question indicating partisanship was raised until the President deliberately injected politics into the situation by an attack upon the chairman of the committee and the committee itself, which the chairman represents, and by calling to the White House many Democratic party leaders, not for consultation purposes but to insist that a discussion of this question on the floor of the Senate be prevented if possible. This latter statement, of course, is based upon current gossip, but as far as I can learn it has never been denied.

Here is a vital question to consider. Have we come to such a pass that the action of the most important committee in Congress at this time is to be forbidden by the President of the United States as far as he is able to do so? He need not necessarily approve, and he has the power to disapprove, this legislation if it ever reaches him, but it is vital to free speech and independence of action of a coordinate branch of the Government that such a position as has been taken by the President be resented by every Member of this body. Almost immediately after this interview at the White House opposition developed not only to the hearings of the committee but to the legislation proposed. There was a cleavage in the committee, and the very member who moved to report out the munitions bill became arrayed against any legislative action. I submit to the Members of the Senate opposed to this legislation whether they had seen any attempt at partisanship on the part of any member of the committee until it was injected into the activities of the committee by the President himself?

The majority in this Chamber may be forced into a refusal to adopt the committee's propositions. There is every evidence that the greatest effort is being made to bring this about, but I want to say that if action is prevented in such a way it is unwise even from the lowest standpoint these matters can be considered—that of strengthening one's political party. These measures may not be adopted now, but they are fundamentally right and should pass, although their aim may be partially accomplished by the twistings and turnings being made in the War Department, and which I presume will continue to be made, since the Military Committee commenced its investigation.

Let me call to your attention a partial list of changes which have been made in the organization during the last two months, most of which I believe have resulted from the investigation made by the Committee on Military Affairs:

1. A modification and practical elimination of the Advisory Commission.
2. Dissolution of Committee on Supplies.
3. The discontinuance of the operations of the Board to Control Labor Standards.
4. Change in the Chief of the Bureau of Ordnance and the reorganization of the bureau.
5. Change in the Chief of the Quartermaster Bureau and a reorganization of that bureau and its methods.
6. The appointment of a superwar council, which includes the members of the Council of National Defense and the heads of the Food, Transportation, Shipping, and Fuel Commissions.
7. The appointment of a council of war in the War Department.
8. Adoption of a plan for reorganizing the purchasing system of the War Department.
9. Under this plan the appointment of Col. McRoberts as the ordnance purchasing agent.
10. The creation of the position of surveyor general of supplies, and the appointment of Mr. Stettinius to that place.
11. The forwarding of additional clothing to furnish delinquencies in equipment of the camps. Orders for this action were sent by telegraph.
12. The appointment of a board to control shipping—Messrs. Franklin, Raymond, and Guthrie.
13. The appointment of the Chief of Staff to serve at the War Department instead of in Europe, as had been done.
14. And the press now states that the President is to recommend that the War Industries Board be given more definite powers.

There may be other changes, but the ones I have enumerated are sufficient to indicate that things have been moving in the War Department, and undoubtedly they have been stimulated by the activities of the Military Committee.

The committee could have added greatly to the evidence in favor of the legislation it proposes; in fact, I have been unable to find any approved business man connected with the activities of the Government who does not believe this legislation is essential to the proper conduct of the war. Among those who have given evidence are Mr. Willard, until recently the head of the War Industries Board, and who has been connected in an important way with the activities of the Government since a considerable time before the beginning of the war. The chairman of the committee asked Mr. Willard this question: "There may be no desire on the part of the Navy to cooperate with you in this. Suppose they withdrew from it at any time?" Mr. Willard replied:

> Then it would not work, of course. Secretary Daniels and Secretary Baker have both said that they would cooperate. The weakness of the plan is that if they did not cooperate, or if a problem of some kind should develop which the departments as now organized did not seem to be able to deal with promptly and efficiently, then the President should have authority to say that this man who represented him at the head of the War Industries Board should have full authority to take that matter up and deal with it promptly. With that arrangement I do not see any reason why this will not work, but it is lacking now in that one definite thing.

Another efficient member of the War Industries Board, also associated with the activities of the Government since the Advisory Council was formed, is Mr. Bernard Baruch, of New York. Let me give you exactly what he says on the subject:

> But I would have this: I would have a man at the head, and I would have the President authorized to give that man such authority at any time as the situation seemed to require so he could take over all or any part of it, but I do not think it would be wise for him to take over all of it.
>
> Senator WADSWORTH. I see. Have you any observations to make of a general or particular character, with respect to the business organization herein laid out or which might be used?
>
> Mr. BARUCH. As I understand it, it is an effort to lessen competition and to centralize purchasing and procurement, and in that I indorse it as a step in the right direction.
>
> Senator WADSWORTH. Do you think it goes far enough?
>
> Mr. BARUCH. No, sir.
>
> Senator WADSWORTH. Would you care to say to the committee in what respect it does not go far enough, and enlarge upon that?
>
> Mr. BARUCH. It may go far enough, as far as this department is concerned.
>
> The CHAIRMAN. As at present constituted?
>
> Mr. BARUCH. Yes.
>
> The CHAIRMAN. In what other respect do you think the general plan should go further?
>
> Mr. BARUCH. I think that the purchases should be centralized in one agency, directly under the President, and not as a Cabinet officer.
>
> Senator WADSWORTH. Not as a Cabinet officer?
>
> Mr. BARUCH. I do not think that is necessary, because I look upon this as a war measure and one that should cease with the war.

One of the most important witnesses in favor of this legislation was Mr. Gifford, a director of the Committee on National Defense. No man has been more intimately associated with every class of business man or the work of the Government during the last 18 months than he. In his testimony relating to this subject he was asked this question by the chairman of the committee:

> Do you think there should be a central head?
>
> Mr. GIFFORD. Yes, sir; I do. I am now referring, however, wholly to the war industries situation and not to those other activities of the Council of National Defense.
>
> The CHAIRMAN Did you see the program mapped out by the Secretary of War for coordination?
>
> Mr. GIFFORD Yes, sir; I have seen it.
>
> The CHAIRMAN. Is there anything lacking about that to make it a perfect system?
>
> Mr. GIFFORD. Nothing but the power to carry it into effect. The Council of National Defense has no power.

And he goes on to explain that in the plan suggested by the Secretary the one thing that is lacking is a central organization with power in addition to the plan proposed.

Mr. Vauclain, the President of the Baldwin Locomotive Works, has also been one of those who have been here during the last 18 months and has done sterling work for the Government. In connection with his appearance before the committee regarding

another phase of the investigation he was asked these questions by Senator WADSWORTH:

Senator WADSWORTH. To come back again to my proposition, so as to be clear about it, that question of confidence in the judgment of men who go out and negotiate for this material for artillery or powder or munitions—I do not want to misquote you at all, and correct me if I am wrong—your judgment is that things would work better and we would make our decisions quicker and get started quicker if those men who do the negotiating did not have to submit their proposals to the consideration of boards of three or four or five men?

Mr. VAUCLAIN. Certainly.

Senator WADSWORTH. You believe in single head executives?

Mr. VAUCLAIN. I do.

Senator WADSWORTH. You think there should be a man in charge, for instance, of what you are in charge of, and a man in charge of another thing and another thing, etc., without the interposition of consulting boards?

Mr. VAUCLAIN. Yes, sir.

Senator MCKELLAR. And clothed to act by authority of law?

Mr. VAUCLAIN. I think he should be a regular officer of the Government.

Senator MCKELLAR. A statutory officer.

Mr. VAUCLAIN. Yes, sir.

One of the members of the House mission to Europe, who gave very much consideration to the details of handling the war questions in Europe, wrote me, without solicitation, on the announcement of the introduction of these bills, as follows:

JANUARY 19, 1918.

Hon. JOHN W. WEEKS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: My recent trip to England and France, when I was a member of Col. House's mission; my observations here, where I am a member of the priorities committee; and a good deal of continuous thought about the matter make me entirely sure that this situation should be reorganized and that there should be in substance a war cabinet of, say, five men, who should have no executive function and whose whole job should be to determine the program, war and otherwise; that is to say, should determine the war program and how far it can go because of other needs.

It should work closely with the supreme war council on the other side, so that it would be the body which should determine what this country is to do. It should also inform the supreme war council of what this country could do, so that the demands formulated by the supreme war council would be possible of fulfillment.

There should also be a supply department, which should be executive, and preferably should deal with the entire question of military supply. It should not build ships, either mercantile or Navy, but should furnish the materials to the shipbuilding plants. It probably should not take over the operation of Navy ordnance plants or Army arsenals. They are only a drop in the bucket anyway.

I realize that there has been an enormous amount of discussion about this matter and that you have been in the thick of it. The thing that has struck me in most of the reports of the discussions that I have heard has been that the emphasis has been on the munitions department rather than on the war cabinet. I think that they are both important, but the war cabinet is the more important. An inefficient department of supply or departments of supply can do better if the demand is formulated and they are told what they have got to supply than the best supply department in the world can do if it does not know what it is called upon to supply.

The supply department, when it is created, should have simply a supply function. It should not have anything to do with the formulating of demand.

The service men can be of great value in the formulating of demand. It is a military question, and one which ultimately they must decide, although, possibly, they had better act as advisors of the members of the war cabinet. The supply end, which is a job of mobilizing industry, can better be done by civilians and as a civilian organization.

I hope you will excuse me for butting in, but I am afraid the influence is getting put on the least important of the two things which are being so much agitated to-day.

Yours, very truly.

_____.

Mr. Howard Coffin, originally a member of the Naval Board appointed by Secretary Daniels to consider important naval questions some time before the beginning of the war and later a member of the Advisory Commission, in addition to serving on the War Aircraft Board, testified in the strongest terms in favor of the director-of-munitions bill and the war-cabinet bill. I have not his testimony before me.

For many months the United States Chamber of Commerce has had a committee considering war questions, the membership of which includes: William Butterworth, president of Deer & Co., of Moline, Ill.; John H. Fahey, former president of the United States Chamber of Commerce of Boston; Harry A. Wheeler, former president of the United States Chamber of Commerce of Chicago; Homer L. Ferguson, president of the Newport News Shipbuilding & Dry Dock Co.; Charles Nagel, former Secretary of Commerce and Labor; Lewis E. Pierson, former president of the American Bankers' Association and chairman of the board of directors of the Irving National Bank, New York. This committee was organized on June 12, 1917, and has been substantially giving its time to war questions since that date.

The following extracts I shall give from its report will indicate the position the committee has taken on this subject. Mr. Catchings, its chairman, greatly impressed us with his clear statement as to the desirability of legislation of the kind proposed by the Military Committee. This war committee reported to the Chamber of Commerce of the United States as follows:

When, on July 13, your committee stated in a war bulletin that there was need for a central agency to control the procuring of war materials and supplies, to formulate programs, to reach decisions, to stop debate, and to take decisive action, your committee was but making public statement of views held by many officials of the Government and others in intimate contact with the situation.

* * * * * * *

Toward the end of July the need of centralized authority and responsibility in connection with the procuring of war supplies and materials was recognized in the appointment of the War Industries Board. Unfortunately, the statutory power and responsibility to make war purchases remained scattered in the various Government departments. This has made it necessary for the War Industries Board, in its efforts to secure coordination, to rely only upon the common desire and purpose of all Government officials.

In a bulletin issued on August 10 your committee pointed out that the War Industries Board had no authority to decide inevitable differences of opinion between independent activities or to formulate policies subordinating one war-time activity to another. Furthermore, the bulletin stated that, not being an official department of the Government engaged in procuring war materials and supplies, the War Industries Board was not in a position to plan and execute broad programs to meet the great industrial problems of the war.

* * * * * * * *

"*Resolved by the representatives of American business, met in war convention,* That all war buying should be assembled under the control of one board or executive department; and be it further

"*Resolved,* That this war-supply board or department should be given full power to procure war supplies to the best advantage to the Government as to price, quality, and delivery, and in a way to maintain essential industrial life without disturbing social and economic conditions, including the power to fix prices not only to the Government but to the public on essential products and to distribute output in a manner to promote the national defense and the maintenance of our industrial structure; and be it further

"*Resolved,* That Congress be hereby requested to pass such statute as may be necessary to give the President of the United States all power necessary to concentrate in this manner the resources and the industrial energy of our country toward winning the war; and be it further

"*Resolved,* That the national chamber do its utmost to make effective the purposes of these resolutions."

* * * * * * * *

1. It is clear that without our efforts and resources the war can not be won.

2. With the experience of both friend and foe to guide us, we continue to rely upon the executive organization inherited from the times of our peaceful isolation, reenforced only by the Food Administration, the Fuel Administration, the War Trade Board, and the committees and boards formed under the Council of National Defense, the principal one of which is the War Industries Board. There has been created no department of munitions or war supplies, war-supply board, or similar agency of whatever name, able to bring about centralized control or cooperation between the various Government activities engaged in procuring war materials and supplies.

3. We are forced to the conviction that disaster is inevitable unless prompt provision is made to centralize the control of the industrial energy and material resources of the country.

No attempt has been made to get associations or individuals to take any action in regard to the war cabinet or munitions bill; but this has been done by some organizations, and notably by the Merchants' Association of New York, which on February 2 passed resolutions favoring the passage of both bills. This is one of the largest and most representative business organizations in the United States. These resolutions not only point out what this association believes are the existing conditions but do not mince words in describing in detail the belief that both of these measures should be passed. Among other things, they say:

There is imperative need for a controlling head, directly under the President, to decide upon policies, subject to the President's approval; to prepare a general program; to define the part to be taken in such program by every subordinate department; to supervise, control, and coordinate all their operations; and, in general, to perform the functions of a general manager in a great business corporation.

And, speaking of the President's connection with this legislation, they say:

It is not proposed to deprive him in the slightest degree of any of his constitutional powers, but simply to place at his command an agency which can devote itself exclusively to a mastery of such details and to the supervisory work necessary for effective operation.

The association then points out seven deficiencies of the many it has noticed. They are as follows:

1. That there is conflict of jurisdiction between the War, Navy, Marine, Shipping, Fuel, and other departments.
2. That the President has so many matters of fundamental importance pressing upon him that he is physically incapable of supervising in detail the functions of these departments.
3. The fuel supply of the Nation has fallen short because no effective coordination with transportation facilities has been effected.
4. Building of ships has been held up for the same reason—lack of proper transportation and fuel transportation.
5. The labor supply for shipbuilding has been shortened by failure to provide necessary housing accommodations for workmen.
6. Factories which might have been employed upon essentials have been employed upon the production of munitions and supplies which can not possibly be used for a year to come.
7. The activities of these factories is urgently needed in the production of other material at once.

One of the notable features of the present situation is the virulence used in attacking those who favor this plan. They are referred to as plotters, mischievous meddlers, and even as servitors of the enemy. Every means of false suggestion has been used to discredit a sincere and loyal attempt to make a change which will materially increase the efficiency of our war administration.

Let us see a little more definitely what the war-cabinet bill really means. Its purpose is to authorize an agency, which we have never had and have not now, to prepare programs to carry on the war. In a little more detail, it will advise and formulate plans and policies, and under the direction of the President will procure their execution. It will coordinate and direct, under the control of the President, all the functions of government. It will consider and determine, subject to the President's approval, every difference that may arise between departments or agencies of the Government. This organization would be a clearing house which would consider every phase of a situation and report to the Commander in Chief, who would then exercise his powers as such over the activity involved.

It has been claimed that it would reduce the present Cabinet officers to the positions of clerks. There is no justification for this claim, because they would administer their departments exactly as in the past; but whenever there was a conflict of authority, or whatever differences might develop, the question would be considered and brought to the attention of the President for his action. The war cabinet would be the President's staff—a staff not unlike a military staff—looking after the matters relating to his command and reporting to him the results of its investigations.

It has been charged that Congress is meddling in the war and trying to curtail the authority of the President. The President will name these men; Congress will not do so, and there is no possibility that it will furnish a means for Congress to interfere with any activity over which it has no jurisdiction. Can it be possible that the President will be embarrassed by such a cabinet, as he has suggested he would be? It would seem as if he would be embarrassed to a greater extent by a perpetuation of the disjointed system which now exists, a system which has failed to produce ships, notwithstanding the shipping plans; which has failed to deliver sufficient fuel, notwithstanding the unbounded coal supply we have; which has been responsible for a failure to protect our soldiers against sickness and furnish them with suitable clothing. We are the inventors and leaders in aeroplanes, and yet we have no aeroplanes. We have the greatest steel works in the world, and yet we have few guns. We lead the whole world in automobile manufacture, and yet we are just commencing to obtain motor trucks; and the worst of all, the system we have had is responsible for camp hospitals not having heat, water, or sewerage.

Congress has resolved that every resource of the country shall be devoted to the successful prosecution of the war, and as far as possible this pledge has been fulfilled. Can anyone claim that it is not the duty of Congress to see that the resources it has provided are so expended that a consummation of the purposes for which they are given is insured? How are we to know that this is being done in a manner satisfactory to the Congress and the people of the country unless investigations are held and the details of the work of the administration scrutinized? Moreover, we owe everything to our men on the other side and to those on this side training to take their place at the front. They are to be plunged into the vortex of the most deadly military operations men have ever had to encounter. Every conceivable device to kill, maim, and torture is in operation on that great battle front. What excuse can we make to our soldiers if we are neglectful of their security, their comfort, and, in the final analysis, their lives? The loyal man in the United States is not he who complacently assumes that everything is as it should be, who is willing to accept general statements for detailed information, but on the contrary is the one who is ever alert to do and to see that there is done not our bit but our very best. We owe this to our fighting forces, our country, and to ourselves, and should not be diverted from that course by unreasoning or uninformed criticism from anyone, whatever his position may be.

RAILROAD CONTROL.

During the delivery of Mr. WEEKS's speech,

The PRESIDING OFFICER. The Senator will suspend for a moment. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

After the conclusion of Mr. WEEKS's speech,

REORGANIZATION OF EXECUTIVE DEPARTMENTS.

Mr. KIRBY obtained the floor.

Mr. POMERENE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Johnson, S. Dak.	Overman	Smoot
Borah	Jones, Wash.	Page	Sterling
Calder	Kellogg	Pittman	Sutherland
Cummins	Kenyon	Poindexter	Swanson
Curtis	King	Pomerene	Thomas
Dillingham	Kirby	Ransdell	Thompson
Fletcher	Knox	Reed	Tillman
France	McCumber	Robinson	Townsend
Frelinghuysen	McNary	Shafroth	Trammell
Gallinger	Martin	Sheppard	Underwood
Gronna	Nelson	Shields	Vardaman
Harding	New	Smith, Ga.	Wadsworth
Henderson	Norris	Smith, Mich.	Williams
Johnson, Cal.	Nugent	Smith, S. C.	Wolcott

Mr. GRONNA. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to illness in his family. I ask that this announcement may stand for the day.

The PRESIDING OFFICER (Mr. WOLCOTT in the chair). Fifty-six Senators have answered to their names. There is a quorum present. The Senator from Arkansas will proceed.

Mr. KIRBY. Mr. President, I find it necessary, as a member of the Military Affairs Committee who was present during the investigations before that body, to reply to some of the unjust criticisms and assertions, assertions and criticisms not warranted by the disclosures made by the testimony before that committee. Especially is this true with reference to certain statements made by the Senator from Nebraska [Mr. HITCHCOCK], the Senator from New York [Mr. WADSWORTH], and the Senator from Massachusetts [Mr. WEEKS].

I had intended this morning to limit my discussion to the provisions of the war-cabinet bill and the bill introduced by the Senator from North Carolina [Mr. OVERMAN] to improve the existing War Department machine, but I believe the condition requires that other statements shall be noticed, and briefly I am going to refer to them.

In the first place, the criticisms do not take into account the difficulties that had to be encountered, and the main purpose of most of the criticism, it seems to me, is to attack and embarrass the administration rather than to complain of the inefficiency of the War Department. I do not attempt to justify inefficiency anywhere on the part of any man. When we declared war we undertook the mightiest enterprise in the annals of time, to wage successful war 3,000 miles across the sea, with an Army that had not been raised to be transported in ships that had not been built, against an enemy that must be fought in the air, on the earth, under the earth, and under the sea, a powerful enemy that had whipped the other great nations of the Old World to a standstill.

No other nation in the history of the world, no nation upon the face of the earth now, no nation but ours was equal to such a task.

The things already done in its accomplishment have been so great as to stagger the belief of our own people and to challenge the wondering admiration of the allied nations.

The difficulties were indeed great. We had no battle field of choice, were without an army except an insignificant handful of trained men, and were not permitted to choose the field of operations for our Army, as had been done in wars heretofore. No; we must fight yonder in France on the battle line already fixed, almost stationary, where the allied forces and the enemy are intrenched, and we must first cross 3,000 miles of ocean in which lurk the deadly submarines that brought about the war.

We could not fight except on the sea, where no enemy battleships could be encountered, until we could get the consent of the other nations to land our Army upon their shores. It is easily perceived that the allied nations, in a death grapple with the enemy, successfully resisting his advance into their country, would not allow us at once to take an active part in their vast operations or turn over part of the battle line to us, inexperienced in this new method of warfare. So changed have become the conditions of fighting in this war that our own officers even, regardless of their rank and experience in the service, were absolutely without knowledge or experience of how the campaigns must be conducted and the warfare must be waged.

These were the difficulties that confronted us at the time we went into this war. Now, what has been done? When war was declared the small machine that had controlled our little Army, insignificant in numbers, and provided for its maintenance, began to expand and reach out to accomplish a task the like of which had never before been dreamed of. The great captains of industry and finance, the ablest merchants in the marts of trade, the most powerful leaders of American labor, the most resourceful men in the professions were all called in conference and responded instantly, voluntarily placing all

their ability and wisdom acquired from experience at the Nation's service. Surveys of the Nation's resources, industrial and financial; of its raw materials, manufacturing capacity, transportation facilities; surveys of the world's supply of products necessary to be used in arming, equipping, maintaining, and feeding our armies and those of the allied nations were made.

These volunteer and advisory agencies, in conjunction with the War Department, found new sources of supply of raw materials, developed new sources of manufacture, and mobilized the Nation's resources and powers.

What has been the result? In less than nine months an army of a million and a half men has been assembled, fed, clothed, housed, uniformed, and equipped, and several times more men than we had in our Regular Army when war was declared are already yonder in France, fully equipped, trained, on the battle front and capable, in the estimation of France, of successfully resisting and defeating the invading enemy and holding the battle line. That has been done up to now.

There has been criticism of some of these volunteer agencies. It is unwarranted and unjust in a large respect. It has been said that their procedure was necessarily unfair; that the Government had to expect a man who was interested in a particular line of manufacture or industry to serve here for the Government, frequently dealing with his own concern, and not give his own private industry the advantage. In other words, it was said if this man's personal interest conflicted with the public trust reposed in him he would necessarily not serve well two masters, and that the Government interest was more likely to suffer than that his own private interests should be permitted to do so. The familiar legal principle is invoked that a man should not be put in a position where his actions in the performance of the trust would conflict with or affect his individual and private interests. The law scrutinizes closely all such transactions, but allows them to stand when they appear to be fair.

It was unfortunate that able men who only understood the conditions and how to supply the munitions for the Government could not be found outside of the industries and manufactories which had to be dealt with in their procurement—unfortunate for the men, since it subjected them to criticism, regardless of the fairness of their transactions and their great benefit to the Government.

That has been the criticism against these volunteer organizations and boards; but no single particle of testimony has been brought out in the investigation which discloses any crooked transaction by any of these boards anywhere, and I challenge the Senator from Nebraska or the Senator from New York or the Senator from Massachusetts to point out the evidence, if such there is in existence. It is not there. It never has been there.

There was a supply committee, and it is said they have contracted with certain corporations and not with others. The supply committee had this sort of a condition confronting it: There were only 12 or 15 manufacturing institutions in the United States that had been taking Government contracts. The demand was so great and the supply was insignificant of material, both the raw material and manufactured products, that they found it necessary to suspend the public letting of contracts. Why? The public letting of contracts was intended, of course, to protect the Government by encouraging competition in bidding and preventing awarding of contracts at too high a price.

There could be no competition, however, under the condition existing—the law of supply and demand was eliminated when the demand was so great and there was no supply; it was deficient, inadequate, short—did not exist. It was in future to be manufactured. The law of supply and demand had been put aside, was gone, was not operating any more. Then what could be done? You could not have competitive bids for the immediate supply of materials and products not in existence, and for which the manufacturing capacity of the country was inadequate. No; these things had to be developed.

This committee, composed of men expert in the manufacture of things that had to be supplied, made a survey of the manufacturing capacity of the country, found it inadequate, encouraged the extension of some plants, the conversion of others, and the operation of all to maximum capacity for supplying the Government's needs. They standardized the fabrics, determined the amount required, and allocated it to all the different manufacturing concerns in quantities proportioned to their capacity. They engaged all that could be interested. They fixed the price that should be paid for the materials to be manufactured where possible and a reasonable price for the manufactured product, and employed the services altogether of about 300 manufacturing plants where heretofore the Government had only used about 12.

What has been the result? The Army has been clothed, uniformed, and supplied with shoes, blankets, and tents, which could not otherwise have been done.

The further charge was that the committee had violated the law in refusing to advertise for bids. The law requiring the advertising for bids was properly suspended by an order duly made, and it was done in order that the supply might be increased, that the goods might be had, and that the Government should not be robbed by those who had the control of the deficient supply that was on hand. That was the reason which actuated the supply committee. Had they continued to issue the advertisements for bids, showing there was so great a demand for certain kinds of material, those who had the short supply there was on hand would have increased the price outrageously, to the Government's injury. That would have been done unquestionably. That has been the experience in all lands. The committee thought that was the best business ability that could be exercised, and they used it for the benefit of the Government.

The matter is strikingly illustrated in a cartoon by T. E. Powers I picked up the other day. It appeared in the Arkansas Gazette, and I noticed it also in the Washington Times of the same date. It shows strongly the point and the grasping greed the supply committee attempted to outwit in doing what it did. There are two sets of three pictures each in the cartoon. The first illustrates the Food Administrator talking to the consumer, saying "Now, fish is good food. You ought to eat fish and help win the war, that the Army may have meat." The fish dealer, standing under a sign, "Fish 6½ cents a pound," hears the conversation. The next morning the man says to his wife, "You need not bother about a roast to-day; I will get some fish. Fish is good food, and we can conserve the meat supply and help our Army and the armies of our allies." When he reaches the fish dealer's he finds fish marked $9 a pound, and is shown a fish as big as his finger at four and a half dollars.

The next pictures show the Food Administrator telling the man to help win the war by eating corn bread, so that we shall have more flour and a better grade of food for our allies, as well as our own troops. The corn-meal seller, with a sign over his door, "8 cents per pound," hears the conversation. The next day the man says to his wife, "I will go down and get some of this corn meal. It is fine, and we can help the Government and conserve the food supply." When he reached the place where they sold corn meal there stood a great big dealer in the front door, under the sign changed to "Corn meal, 80 cents a pound." No wonder the would-be purchaser collapsed, fell dead.

That is a very clear illustration of the condition that had to be met, and that was met successfully, by the supply committee and these other committees by cutting out the advertisements for bids and the awarding of contracts.

Yes; but it is asked, Did not this man Eisenman, the chairman of the supply committee, permit a contract to be made with one Kaplan, who had a brother in the National Council of Defense, for a base sorting plant—a rag plant, if you please—where they were to collect all the rags that were cut from the cloth from which the uniforms were being manufactured in different cities, widely situated, in one particular place and sort and get them ready for sale? I understand that was done. What about this rag plant? The Government had never operated one before. Always heretofore all the clippings that had been cut from all the cloth that had been manufactured into overcoats and into uniforms and into soldiers' clothes had been given free of charge to and kept by the manufacturers of the uniforms. They never had been preserved. It never had been expected they could be of any benefit to the Government. But at this time, here was so much cloth that was being cut out into these clippings and into these rags that was not put into uniforms that this committee said, "We ought to have a base sorting plant; we ought to collect and save these rags." Why? Because this is valuable material. They can be cut up and worked into some of these fabrics that must be made, as "reworked wool," and it is worth 50 cents a pound as reworked wool to put into these different fabrics. Now, these different clothing manufacturers who made the uniforms and overcoats lived in 5 or 6 or 10 or 15 different cities, as New York, Chicago, Cleveland—they were far separated. Then they located this base sorting plant at New York, where the rags were collected. They called before this branch of the committee, before the plant was authorized, the people who were dealers in rags to ascertain what it would cost to collect and assort the rags.

From what they were able to learn they concluded about 6 cents a pound would be a price that would allow a reasonable, fair compensation for the service. The rags were worth, when assorted, anywhere from 30 to 40 to 60 cents a pound, to be used as "reworked wool."

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. WOLCOTT in the chair). Does the Senator from Arkansas yield to the Senator from Utah?

Mr. KIRBY. I yield.

Mr. SMOOT. Was there any evidence before the committee that it was worth 6 cents a pound to assort those rags?

Mr. KIRBY. Yes; they said——

Mr. SMOOT. I wish to say to the Senator that any man who said it was worth 6 cents a pound to assort rags knew nothing about what he was talking about. All they had to do was to write to any woolen mill in the United States and they would have found that not only the sorting of rags of one color is not worth more than 1 cent, but that to sort the white from the colored is worth not to exceed 1 cent and a quarter a pound.

I have had millions of pounds of such rags assorted, and I never paid more than a cent a pound for assorting rags. These rags were of one grade of cloth. It seems to me that anybody who would testify that it was worth 6 cents a pound to assort such rags ought to have his head fixed.

Mr. KIRBY. I regret exceedingly that they did not call the Senator from Utah in reference to this rag-sorting cost, because he seems to know about it.

Mr. SMOOT. If the committee had done so, I should have been able to have informed them.

Mr. KIRBY. I have said that I regret exceedingly that it was not done.

They stated that the testimony before them showed that the profit would not be great at that price, and the Government would have a saving, in any event, of the difference of between 6 cents agreed to be paid for collecting and sorting and 40 to 60 cents a pound, which the rags were worth for reworked wool. They had to be collected from the different places where the clothing was being manufactured. There was also a provision put in the contract that the profits, even, should be limited to not more than 1 cent per pound, and finally to not more than one-half a cent. The matter of price was subject to audit and adjustment by a provision in the contract, just like in all of the contracts of the Government. What was the result? There was an audit made; there was an adjustment made; and the profit was reduced to half a cent a pound. Finally the contract was canceled and nothing whatever—no profit at all—was paid.

That is the condition as it has actually developed. The Government has the Base Sorting Plant; the Government has saved all of the money that these collected rags were worth—from 40 to 60 cents a pound for reworked wool that heretofore had been given absolutely free of charge to the manufacturers of uniforms.

Mr. POMERENE. That was done; and as soon as it was discovered that excessive profits could be made the Government changed the system?

Mr. KIRBY. My attention has been called—and I thought I made that statement—to the fact that as soon as it was discovered or intimated that the profit would be excessive there was an audit and an adjustment of the amounts to one-hall cent a pound, and finally the contract was canceled and nothing was paid. It is not shown by a particle of testimony that this man Eisenman or any man on his committee had a single particle of interest, financial or otherwise, in the operation of the Base Sorting Plant. It cost nothing to assort the rags therefore no profit was paid therefor, and the testimony has come to us just in this way. That is what has been done. It was shown also that the men on the Council of National Defense who were interested in the operation of this plant, or rather who had relatives interested in the plant, did not have anything to do with the letting of the contract for its operation nor with the establishment of the plant. Nobody has questioned that statement. The Government has not only not been injured, but greatly benefited by the establishment of the rag plant.

I want to say to Senators that the performance of this committee has been very great; it has been most efficient and has been without expense to the Government so far as the talent employed was concerned, and I want to put into the RECORD here to-day as a perpetual memorial to the vastly beneficial and unselfish service these patriotic men rendered the Government in our time of need the memorandum report of that committee made to the Secretary of War. I ask leave to include it, without reading, in my remarks as a part thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report referred to is as follows:

DECEMBER 29, 1917.

MEMORANDUM FOR THE SECRETARY OF WAR SUBMITTING STATEMENT OF THE FUNCTIONS AND ACTIVITIES OF THE COMMITTEE ON SUPPLIES OF THE COUNCIL OF NATIONAL DEFENSE.

The committee has been subdivided into the four following sections: Woolen goods, cotton goods, knit goods, and shoes and leather.

WOOLEN GOODS SECTION.

This section has devoted itself to the business of assisting the Quartermaster Department in purchasing woolen fabrics for Army use, having in mind three main objects:

1. Quantity: It became evident very early that enormous quantities of woolen cloth would be required. While at the outbreak of the war less than a dozen mills had been accustomed to bidding on Government contracts, we have secured the cooperation of over 300 mills, comprising nearly all the larger establishments and most of the smaller ones that were adapted to manufacture Government fabrics.

We have investigated the productive capacity and equipment of all the woolen mills in the country. It is safe to say that not more than 10 per cent of the mills adapted to such work are not now engaged in the manufacture of fabrics suitable for military use.

Additional purchases in very large amounts, many of them on very short notice, have been made for a number of foreign governments, and in no case have these been allowed to interfere with our own requirements.

We have purchased over 19,000,000 blankets, over 20 000,000 yards of overcoating, and over 30,000,000 yards each of shirting flannel and suiting, involving an expenditure of over $345,000,000.

2. Quality: With the assistance of the cooperative committees of the two associations of woolen manufacturers specifications have been made with the view of maintaining the quality of the Government fabrics and increasing the sources of available supply. While many emergency purchases were made of fabrics not strictly according to specifications, due to urgent and immediate calls from various departments, we have now thoroughly standardized the fabrics which are being manufactured by the different mills.

3. Price: From April to the present time prices of raw materials have advanced from 30 to 40 per cent, supplies from 25 to 100 per cent, and labor at least 20 per cent. In spite of this advance in the cost of manufacturing this committee has been able to obtain all the fabrics required at prices less than 10 per cent over those prevailing in April, while for the past four months it has paid a fixed and uniform price for each of the standard fabrics.

General: It has been necessary to go into a wide field of operation in placing these huge contracts. We have secured for American manufacturers the release of large quantities of foreign wools, the exportation of which the British authorities were reluctant to permit. We have also obtained the consent of the British Government to the release of nearly 78,000,000 pounds of Australian wool for military uses, at a saving of over $25,000,000. We have arranged for the securing of much necessary machinery and many supplies needed in the manufacture of this tremendous yardage. We have written hundreds of letters of inquiry and advice to many different manufacturers, have consulted with them personally on manufacturing problems, and have endeavored with the loyal and valuable cooperation of the woolen industry to place its resources at the services of the country.

A careful survey of the situation leads us to believe that we have greatly increased the production, standardized the quality, and saved many millions of dollars in the purchase of woolen fabrics.

THE BASE SORTING PLANT.

There is attached hereto a copy of a certified report, marked "Exhibit A," from Messrs. Loomis, Suffern & Fernald, of New York City, on the Base Sorting Plant.

The men selected for the task of arranging the business of collecting together the rags resultant from the cutting of Government woolen goods were selected because of their fitness and for the same reason that other men have been selected to perform the necessary functions in carrying to a successful conclusion our part in the war. Up to some four of five months ago the Government contractors who were making clothing for the Government from materials furnished to them by the Government, retained as a gratuity all of the rags resulting from the cutting of goods. These, in turn, were sold by the manufacturers of clothing to the many rag dealers in the trade at prices that before the war ranged from 25 cents to 28 cents a pound—up to 40 cents a pound and above since the war. In order to stabilize the price on all woolen materials it became necessary in the refinement of the job to stabilize the price of all the fundamentals that went into the manufacture of the goods. Thus it became necessary to stabilize the price of wool substitutes and shoddies, these for the most part being made from rags and clippings remaining from the goods that were cut for Government uniforms. Since the Government now owned all of the remnants and rags resulting from the manufacture of uniforms, it became necessary to establish a medium whereby these rags could be concentrated or brought together in one spot. Uniforms for the Government are made in Boston, New York, Brooklyn, Philadelphia, Chicago, San Francisco, St. Louis, and many other points. The gentlemen comprising the base sorting plant were asked to perform this function for the Government because of their technical knowledge of the business, so that the redistribution of these rags to the cloth manufacturers could be made in the best and most intelligent manner. A maximum price was thus established upon these cuttings and sold by the Government to the cloth and blanket manufacturers at a uniform price, approximately 10 cents a pound below the market. The resulting saving to the cloth and blanket manufacturers was deducted from the price of the goods sold to the Government, thus giving the Government, first, the advantage of millions of dollars in the savings of the clippings, and, second, in the resulting savings from the price per yard on cloth and blankets the Government purchased from those manufacturers. The saving thus far in these operations has been almost a million dollars, and the plan contemplates and will save to the Government many millions of dollars more in the future.

It has also eliminated any incentive for clothing manufacturers to use extravagantly the Government cloths, and this saving will be a very large item.

It has stabilized the price of reworked wools, checking a rise of 60 per cent from April last and reducing this figure to 45 per cent, holding it at this point since July last and to this day. This also has been a very large saving to the Government.

It has also prevented the profiteering in these reworked wools by those engaged in that industry.

The base sorting plant is run by three of the most competent men in the industry and without any compensation whatsoever and without any profit. All accrued profits from the very organization of this plant belong to the Government without any charge for services of these men and without profit to anybody but the Government.

The Base Sorting Plant is now and has been since its inception under the absolute supervision and control of the depot quartermaster at New York City and the War Department.

THE USE OF RECLAIMED AND REWORKED WOOL.

Reclaimed and reworked wool has been used in conjunction with virgin wool in the manufacture of 30-ounce melton and 3-pound blankets, and has resulted, on orders placed since May 1, in a saving of over $31,000,000 by the Government. It has conserved wool to the extent of at least 70,000,000 pounds. It has saved the Government a calculable amount of over $24,000,000 and an incalculable amount due to the lessening of the demand for raw wool to the extent of 25 per cent of this country's wool clip. In addition, the benefits derived in consequence of the comparatively earlier delivery of cloth and blankets because of the use of reclaimed and reworked wool can not be expressed in terms of dollars and cents.

The opinion of the Bureau of Standards, Department of Commerce, to wit: "The importance of new wool fiber as distingushed from reworked wool and mixtures in fabrics has been greatly exaggerated" is very interesting to note.

As a matter of fact, mixtures prepared in accordance with current United States Army specification for blankets and 30-ounce O. D. melton are superior in heat retentive qualities to similar cloth produced from the best grades of wool now available—i. e., quarter-blood wools. The reason for this superiority is found in the greater felting quality of reworked wool, resulting in a more complete filling of the interstices which exist in all cloth.

COTTON GOODS.

Since May this section has studied the markets and needs of all the Government departments for cotton cloth, bandage cloths, blue and brown denims, duck of all kinds and weights, pajama cloths, hospital gauze, domets, flannellettes, and various other fabrics. It has listed all available duck machinery and has made recommendations covering over 250,000,000 yards of goods; has opened up new sources of supply for duck from tire fabric makers, carpet makers, and cotton mills not ordinarily on fabrics for which there was such urgent need.

It has stimulated production, advised as to technical procedure, acted as the advisor of the priorities committee on all textile matters, has equitably allocated huge quantities of paulin duck over the duck trade, secured for the Government prices running uniformly below—and often far below—the market, coordinated in so far as possible cotton goods purchases made by the different Government departments, and now in addition to the above is, at the instance of the War Industries Board, deciding as to the distribution of certain grades of duck, on which there is a shortage, to the civilian trade.

It is also handling all waterproofing contracts for the Quartermaster Corps.

KNIT-GOODS SECTION.

The quantities of gloves, underwear, and other knit goods needed by the Army was largely in excess of the machine capacity of the country. As a result it has been necessary to open up new sources of supply and to greatly increase the output of present mills in order to meet the requirements. In addition the specifications have in many instances been changed, so that to-day the goods ordered are of a much better and warmer quality.

To give a clear idea of the vast quantities bought, and particularly of the short space of time in which the purchases were accomplished, a table of purchases to date of the principal articles, together with the amounts purchased to October 6, 1917, follows:

	Purchased to Oct. 6, 1917.	Purchased to Dec. 28, 1917.
Drawers, winter	13,369,813	25,150,332
Undershirts, winter	10,872,692	21,084,053
Gloves, woolen	4,600,697	11,349,664
Stockings, wool, light weight	11,621,534	31,754,373
Stockings, wool, heavy	7,922,088	21,130,088
Toques	.....	2,825,000

In addition to the above, large quantities of cotton drawers, undershirts, and stockings have been purchased.

SHOES AND LEATHER.

It has been our effort to assist the Government in the expert knowledge necessary to make purchases in the most efficient manner. This necessitated the cooperation of shoe manufacturers, tanners, and all those producing the essential supplies in order to secure quantity and quality at a fair price, necessitated the standardizing and redrafting of specifications, and further needed the incorporation of a new type of shoe more adequate for present-day war requirements.

In recommending the purchases of approximately 21,000,000 pairs of leather shoes, we call attention to the following:

a. Our plan of a combination of competitive bidding for part and a fixed price for part has made a saving to the Government of $1,632,000 over the plan of strictly competitive bidding for the entire amount.

b. In order to eliminate speculation on the purchase of materials, options were obtained on leather and supplies and guaranteed to the manufacturers at a fixed low price. This policy has permitted a net saving of approximately $4,000,000.

c. Original specifications called for calf, veal, or kip. We recommended a change to side leather, which was adopted, thereby increasing wearing service and resulting in a saving to the government of $806,000.

d. Believing an army shoe made with a drill lining was unsuitable for war requirements, we recommended a new model unlined shoe, which was adopted, and which has been more serviceable in every respect at a reduction in cost, thereby permitting a saving of $496,000.

e. Total savings from the above suggestions approximated $6,934,690.

Realizing the importance of prompt delivery, the following figures are of interest:

	Receipts.	Estimated requirements.
Received to—	*Pairs.*	*Pairs.*
Sept. 1, 1917	2,833,653	1,754,000
Oct. 1, 1917	4,344,725	2,792,000
Nov. 1, 1917	6,915,834	4,101,000
Dec. 1, 1917	8,896,939	4,826,000
Expected—		
Jan. 1, 1918	10,611,789	5,581,000
Feb. 1, 1918	11,756,989	6,373,000
Mar. 1, 1918	14,259,989	7,196,000
Apr. 1, 1918	16,795,989	.....
May 1, 1918	19,341,989	.....
June 1, 1918	20,842,989	.....

RUBBER BOOTS AND ARCTICS.

In the recommending of purchases of rubber footwear we have taken advantage of the total daily productive capacity of the country, and have recommended purchases of the best quality produced at exceptionally low prices for delivery in accordance with our needs in quantities as follows:

	Pairs.
Four-buckle arctics	2,476,000
Hip rubber boots	1,500,000
Short rubber boots	735,000

MATERIAL FOR THE REPAIRING OF BOOTS AND SHOES.

Having in mind the repair of leather and rubber footwear in this country and in France we have recommended large purchases of the necessary materials for the deliveries needed at very low competitive prices and have done so after most careful consideration and investigation. In this connection we have put under specification, have recommended, and will complete recommendations within a few days, for approximately 10,000,000 pairs of leather tap soles, 7,000,000 pairs of heel lifts, and 6,000,000 pairs of top lifts, and all other necessary materials in similar proportions.

CANVAS LEGGINGS.

After making a most careful investigation of existing conditions we have recommended and are about to recommend purchases of approximately 11,000,000 pairs of canvas leggings, having optioned the materials and allotted same to successful bidders in quantities in accordance with the size of their contracts.

LEATHER GAUNTLETS.

In a similar manner we have recommended and are about to recommend the purchases of approximately 2,500,000 pairs of gauntlets.

PURCHASES FOR ALLIED NATIONS.

Pursuing the same general policy we have outlined purchases for Great Britain, France, Belgium, and Russia on the following articles, totaling approximately $40,000,000: Leather shoes, four-buckle arctics, hip rubber boots, short rubber boots, and materials for the repair of leather shoes.

In outlining these allied purchases we did not allow materials or deliveries of the finished product to in any way interfere with the needs of our own Government.

Recommendations according to the above approximate $190,000,000. These have been made only after most careful investigation and exhaustive study.

MISCELLANEOUS.

Cots: Purchases were authorized and made of 2,107,056 cots, of which 1,132,056 were canvas Army cots; 975,000 all-steel cots. The committee was instrumental in effecting the substitution of the superior and more economical all-steel cot.

Aviators' clothing: We were requested by the Signal Corps early in September to assist them in the clothing requirements for aviators, and make recommendations as to where their requirements could best be taken care of, both as to price and deliveries.

All official requests for such information have been taken care of to date, and all contracts completed with the exception of recommendations made December 20. The amount of contracts, placed and completed, amount, in round figures, to half a million dollars.

STATISTICS AND PRODUCTION.

This department was instituted in May, 1917, soon after the committee was authorized by the Secretary of War to assist the Quartermaster Corps in the purchase of certain items of clothing and equipage. The first work of this department was the collection from all available sources of the data necessary to the work of the committee on all contracts existing on May 1 on the items in which the committee was interested, together with the recording and summarizing of the same data on all contracts placed after May 1 on the recommendation of the committee.

Early in June the system of recording data was in full operation and the work of installing a production or "follow-up" system was commenced. At the same time the department started a system of charts, presenting graphically the relation between estimated requirements, contracts places, etc.

The necessary forms and blanks for the follow-up work were started in July, and all contractors were at once notified to report to the committee on forms supplied them for the purpose, first, of deliveries made to date on each contract and thereafter weekly on the weekly shipments made on each contract.

The information thus obtained was tabulated and has been used as a basis for all follow-up work intending to increase deliveries and by the various purchasing divisions of the committee in determining the size of new contracts, etc. Weekly reports were also obtained from the various quartermaster depots which were used as a check on the reports of the different contractors.

By August 1 the foundations of our present system were established, and since that time the system has been expanded as additional articles have been added to the list on which the committee was asked to advise.

Our work may now be divided into three main divisions, with the following principal subdivisions:

1. Contracts:
   (a) Authorizations from Quartermaster General.
   (b) Contracts placed.

2. Production:
   (a) Weekly report of each contract.
   (b) Status of each contractor.
   (c) Delinquencies and speeding up of production.
3. Statistics:
   (a) Weekly report of work of committee.
   (b) Charts.

How the work of this department has been increased can be shown by the following comparisons:

Original number of articles handled by the committee	19
Present number of articles handled by the committee	142
Number of contracts placed before May 1, 1917	625
Number of contracts placed between May 1 and Dec. 22, 1917 (approximately)	4,650

The money value of these purchases totals approximately $800,000,000, and the cost of the adjudication of this immense volume of business has been less than $20,000.

Every effort is used, with the assistance of the various members of the committee, to prevent delinquencies and to hasten production. Any shortage of deliveries must be adequately and immediately explained, and overproduction is urged through letters, telegrams, and personal interviews. The total number of letters sent and received to date has been approximately 80,000 and of telegrams approximately 10,000.

From all the various reports received we are able to tell at any time what has been accomplished by this committee, and our present status is shown by the attached weekly report.

GENERAL.

It has been necessary for this committee to give some preference orders to manufacturers under section 120 of the act of June 3, 1916, in order to insure priority to Government contracts.

A number of lawsuits and contemplated legal actions arising between civilian contractors and manufacturers and calculated to throttle the effectual delivery of merchandise to the Government have been amicably adjusted.

More than 100 manufacturers, leaders in their respective lines, in conferences with several hundred others, have assisted in the careful study of quartermaster specifications, resulting in skilled revision and modernization. The elimination of middlemen has been largely accomplished

Satisfactory results have been achieved in assisting the Finance Bureau of the Quartermaster Department in expediting payment to contractors. We have in many instances taken advantage of cash discounts never before contemplated in Government purchases.

We have cooperated with the various agencies functioning on the settlement of labor difficulties.

We have zealously attempted to assist those doing business with the Government by consistently directing all inquiries, which have been voluminous.

The efforts of this committee have been helpful in securing fuel, machinery, raw materials, railroad and express facilities for those Government contractors entitled to assistance.

Mr. KIRBY. Mr. President, this committee, as has been heretofore said, dealt in about $800,000,000 worth of goods in about four months, in about 4,500 separate transactions, averaging about 200 orders a working day, of $4,000,000 in amount; wrote about 80,000 communications and sent 10,000 telegrams. It did this in the short period of time in which it was operating. The great men who were on this Council of National Defense and who had nothing to do with the activities of this particular supplies committee—Mr. Willard, the president of this great railroad company, and Mr. Gifford, who was acting as the director of the Council of National Defense; Mr. Catchings, the chairman of the Chamber of Commerce of the United States, and some of the other men who are in that class, who were in constant touch with the conditions—said that, with the help and assistance of these volunteer agencies, we were able to go forward twice as fast, to accomplish twice as much, as would otherwise have been done, and at only one-half the expense to the Government that must have resulted otherwise. That is what these other men who are in touch with this condition thought about it.

Well, it is said that some of the blankets are not as good as they ought to be. The blankets have been manufactured and bought according to specifications made by the department and furnished to this particular agency for guidance. The blankets which were not the best were doubtless bought because of the emergency created by the unusual winter and because the best other blankets had not been properly distributed. All of this cloth was manufactured and delivered, however, in time for it to have been manufactured into uniforms, allowing seven weeks for the manufacture of uniforms, in time to have reached the soldiers before the winter came on.

The Senator from Massachusetts [Mr. WEEKS] said that some American clothing company was not treated fairly in the allocation of these contracts for the manufacture of cloth into uniforms. This particular company which he complains about not being fairly treated did not have any plant that it could convince the Government of its ability to manufacture; it did not own the plant; it did not own the building; it was more of a broker going out to secure these contracts and to sublet or farm them out. They were sort of sweatshop manufacturers who were going to work in that way.

The Government said, "No; we do not allow these contracts to go to any manufacturer who does not comply with the sanitation and health laws of the State where his manufactory is situated." That was the reason that some of these fellows did not get contracts. That, however, did not delay the manufacture. The uniforms were manufactured in time to have gotten to all the cantonments when needed if they had been properly distributed and winter had not arrived in unusual severity and a month early. But the voluntary organization had nothing to do with the manufacture of the uniforms. That is the condition along that line.

Would it have been done better if we had had the war cabinet which Senators are talking about here to-day? What difference would it have made under the circumstances? There is no possible inference or reason to be drawn from these occurrences that would call for the support of a war-cabinet bill, which takes the conduct of the war out of the hands of the President of the United States, the Commander in Chief of the Army and Navy, and puts it into a cabinet that is proposed by the Congress, and whose authority is absolutely defined and fixed in the bill.

Mr. KING. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. KIRBY. Yes.

Mr. KING. I should like to ask the Senator from Arkansas whether there was the slightest evidence before the committee that any member of this great organization of which he is speaking used his high position for private gain or for the advancement of the interest of any particular person or corporation with whom he was remotely, directly, or indirectly connected?

Mr. KIRBY. There was not one particle of evidence to justify that sort of inference.

Mr. KING. Or could any such conclusion be drawn from any of the evidence before the committee?

Mr. KIRBY. Not further than an inference that might arise from the fact that this man Kaplan, who was in charge of operating the Base Sorting Plant, or who inaugurated it, was of kin to a member of the Council of National Defense, who was not even on the supplies committee, and the fact that there was more paid, or rather agreed to be paid, than, as afterwards developed, the service was worth.

Before I forget it, I desire to say that the only complaint made by responsible men or manufacturers before our committee about the manufacture of cloth and fixing the price was made by some gentlemen who had great capacity for manufacturing, who manufactured fine woolens and fine cloths for the making of officers' uniforms in the allied and other armies overseas. They did not say that the price fixed by the committee for the manufacture of cloth was too high, but they said the price fixed by it was so low that they could not make a profit at all on it in their mills, which they used for the manufacture of this other cloth; that they could not afford to manufacture it at the price. That was the chief criticism by anybody who was in a position to know about it. But the committee was able at the prices fixed to get all the needed cloth manufactured.

Mr. KING. May I ask the Senator from Arkansas another question?

Mr. KIRBY. Certainly.

Mr. KING. Was there any evidence before the committee which tended to show that any of the articles constituting this $800,000,000 expenditure, to which the Senator referred, cost the Government more than they would have cost if a different method of handling the business had been adopted or if these civilian employees or the men who volunteered their services had not been giving their services, and the work had been discharged solely by the department or the officers of the Government? Would the articles purchased have been obtained cheaper than the cost that the Government was compelled to pay?

Mr. KIRBY. There was no testimony that would indicate that such was the fact; there was not a particle of testimony to that effect. There was this sort of a proposition: It was stated that the Navy was able to procure its supplies, and was able to procure its fabrics and uniforms by advertising for bids, and it was asked why the Army had not been able to do the same thing by competitive bidding. Then it straightway developed that no good could have resulted to the Government from competitive bidding when there was no supply of the things to be purchased on hand; when the supply had to be manufactured, and new sources of supply found and developed. The Navy, in the last analysis, has done well, admirably, but that fact has been unfairly used throughout this investigation in disparagement of the War Department and its agencies. Daniel Willard, when he testified, was asked, "Do you not think that the War Department would have done better if it had an organization like the Navy," replied, "The Navy is a small machine in comparison with the War Depart-

ment." It was then insisted that the work might have been done just as well or better; that the Navy was about one-third or one-fourth as large as the War Establishment, but Mr. Willard said, "It does not appear that way. I am told the War Department is eight or nine times as large now. * * * As it comes through the clearance committee, the Navy Department there, we will say, is 10 or 15 per cent, and the Army is all the rest of it."

When Mr. Baruch was asked the same question, what did he say? He said:

"Yes; the Navy has done well, but the Navy is a small, compact organization, which was already in the market; and it was allowed to go out and dip into the stores of manufactured supplies without consulting the convenience or the necessities of the other departments."

Mr. JOHNSON of South Dakota. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from South Dakota?

Mr. KIRBY. Yes.

Mr. JOHNSON of South Dakota. I desire to ask the Senator from Arkansas if it is not his belief that Members of Congress would bring about greater efficiency, get along faster, bring about better results, serve the Congress and the Government better and the soldiers better, if they would take these specific complaints directly to the War Department and demand an immediate investigation and report on them, rather than bring them onto the floor of the two Houses of Congress at this critical time?

Mr. KIRBY. I think there is no doubt but that it could be better done in that way.

Mr. WILLIAMS. But then they would not have a chance to make a speech.

Mr. KIRBY. Yes; that would not furnish a man an opportunity to make a speech.

I regard it, Mr. President, as most unfortunate that the Committee on Military Affairs, of which four members have spoken here and one in New York, did not reduce to writing its findings from the testimony given and the disclosures made. I insisted that that be done. It was not done. If it had been done, the statement could never have been made by the Senator from Nebraska that "by the 20th of January the committee, with practical unanimity, decided that drastic action was required, and thought, instead of bringing the testimony before the Senate and denouncing the particular officials who were inefficient or incompetent, that it ought to bring in a bill that would provide a remedy and relieve the conditions." There was no such unanimity of opinion in that committee, and I deny the statement. It could not have been made if my suggestion had been followed out. I have insisted that that sort of a report ought to be made instead of bringing all these things out on the floor of the Senate and laying them before the people, each man insisting that the committee's investigation disclosed a certain condition, when everybody else on the committee is disagreeing to the statement so made.

I want to mention the matter of rifles, about which complaint has been made. The Senator from New York [Mr. WADSWORTH] said that there was a lack of foresight, a lack of vision, in not making rifles back yonder in 1916; that one of the Government arsenals was absolutely idle; that smoke no longer ascended from its chimneys; that operations there had been abandoned; and that the other factory was not run to full capacity in 1916. The War Department was blamed for this inactivity, for this lack of foresight, for this lack of vision and lack of preparation for a war that was to come in April of the next year. Lack of preparation in 1916! When we were fighting out and winning a political campaign upon the issue that we had been kept out of war and that there was no necessity for the country going into war! They are blaming the War Department for not having anticipated that sort of a condition when there was no appropriation made for carrying out any sort of a program, if it had been instituted. The appropriation for small arms for that year, I understand, was only $250,000; at any rate, it was about one-tenth of what it had been several years prior thereto. Is there any lack of wisdom or lack of foresight under the circumstances? Yet the department is criticized severely because of that.

They talk about the shoes that were manufactured. They do not contend that the right kind of shoes have not been manufactured; they do not say that the shoes have not been manufactured as the War Department specifications provided they should be manufactured, but they say 80 per cent of the shoes manufactured are too small for the soldiers who are to wear them. I do not believe that. If all the experts in the world should come here telling me that 80 per cent of the soldiers of this Army of 1,500,000 are wearing shoes two or three sizes too short for them I would say it is not true; it is contrary to human experience; it is contrary to the physical facts and not to be believed. A soldier can not wear shoes two sizes too short for him; he can not march in them; he can not get around in them; and he can not fight in them. That is said to be a great shortcoming in the War Department that might have been remedied by a war cabinet. How? How would it have been remedied by a war cabinet?

A coal shortage has developed and that is charged to the administration of the Secretary of War, although he had nothing to do with it, I understand, so far as the activities of the department were concerned. It is but a criticism of the administration for not having foreseen the conditions. It is a criticism of the administration for not having been able to forecast the weather for the last year, and to ascertain long in advance that there would be such a spell of winter weather as has not occurred in this country for years, that would block transportation, and would keep the coal supply on hand from being distributed to the consumers who were in need of it. All that is charged up to the War Department; and it is said it might have been remedied had we had a war cabinet.

Mr. KING. Mr. President, will the Senator permit me another question?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. KIRBY. Certainly.

Mr. KING. One of the most frequent criticisms urged against the policy which has been pursued by the War Department is found in this, that, instead of letting all contracts to the lowest bidder, the contracts have been given for cost plus a given per cent, ranging from 10 per cent down, in no case more than $250,000 profit to be allowed on any one contract. I desire to ask the Senator whether the investigation shows that, as the result of that character of contracts, the Government has suffered any disadvantage, or whether, if competitive bidding had been resorted to, the results which have been desired could have been so successfully, so efficiently, or so cheaply consummated?

Mr. KIRBY. Mr. President, in answering that I will say that we had before us the facts in connection with the whole development of cantonment building. The testimony does not disclose that the Government has been fleeced or robbed because of extortionate prices charged for the work done. The testimony does disclose that there was no possibility on earth of having these cantonments built by competitive bidding. There are no concerns in the United States that could have undertaken and completed so great a task or project in the time that it had to be done with the capital it had on hand. It was a physical impossibility. Therefore, the Government said, "We will pay you so much cost plus so much per cent if the expenditure reaches a certain amount, cost plus so much per cent if the expenditure reaches a certain other amount, and cost plus so much per cent if the expenditure reaches a certain other amount, but in no event, regardless of cost, shall you ever have more than $250,000 because of any single improvement." The testimony disclosed that the overhead expenses of these great construction concerns are from 2 to 3 per cent—that is the estimate of overhead expense—to enable them to get ready, go on the ground, and manufacture the particular articles or undertake the particular construction work. The percentage of profit that has been paid to the construction companies for the erection of these cantonments, taking them all into consideration, does not amount to more than 2½ or 3 per cent on the entire contract price. They could have been constructed under different conditions at far less expense to the Government, but they all had to be constructed at the same time and within about four months, and it could not have been done by any other method than the one pursued. That was what the evidence before the committee disclosed.

It has also been said that, if we had had a more efficient medical department, we would have had the hospitals sooner completed. There was no order issued to hold up or delay the construction of hospitals. The contracts were all let together, and it was intended that all the buildings should be constructed along together. The contractors built certain sections and certain portions of these cantonments to the exclusion of certain others. It may be that they had to build the hospitals with more care; I do not know as to that; but some of them were not completed at the time the men were expected to be mobilizing. These cantonments had to be finished in two or three months, and they were finished in that time. That has been accomplished. Could a war cabinet have done better? My own personal judgment now is, since I have seen the whole picture, that probably we did not need any cantonments. Having seen all there was to see of the conditions as they have been brought out concerning these things in our country and the billeting of

our soldiers in France, it is probable that if we had said, say, to a small town above Little Rock in my State, "You have one company; get up two; you have enough room there to house two companies and take care of them;" and then we had said to another town, "You take four"; to another, "You take five"; and then, as these men were trained, gradually bring them together in one place or send them on to France and have them finish their training there. It might have been that we could have saved money in that way. Our soldiers are not in cantonments and camps in France to-day; they are billeted out among the people. They sleep in a loft here; they sleep in a barn or storeroom there; they sleep wherever they can properly and safely be taken care of; but our hospitals in France are the best in the world. We had to construct the hospitals which have been erected over there, and that is the kind we have there at the front. There has been some delay in the construction of hospitals at the cantonments in this country. They may not have been constructed as early as they could have been if something else had been neglected, but the death rate per thousand, even in the cantonments, is less than it is in civil life.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. KIRBY. I yield.

Mr. POMERENE. If I may make a suggestion, I have heard some criticism on the floor of the Senate with reference to the hospital conditions in the South. The cantonments were placed in the South largely because, as I understand, it was thought that the climate was milder, and for that reason it was a more desirable place to locate the cantonments; but the South this year has been in the grip of winter just as the North has been, and some of the Senators who have criticized the Government for not having proper hospitals at the cantonments in the South last summer were complaining very bitterly because the cantonments were located in the South and because the soldiers were not left in the New England States and elsewhere for the purpose of training. I refer to this to indicate how very easy it is to find fault with the things which other people are doing.

Mr. KIRBY. Mr. President, the hospital condition in the cantonments is not bad; it has not been shown to be bad. There is a difference between the camps and the cantonments. It was not expected that a hospital would be placed at the National Guard camp in Texas of which Gen. Greble is in command. It was thought that the soldiers of the National Guard stationed there were reasonably well seasoned; that they would go down there and remain in their camp and that a tent hospital, a field hospital, would be all that would be necessary for the men in that camp under the conditions that usually exist in that section; but the weather, as the Senator from Ohio has said, has been unusualy rigorous; the thermometer there has fallen below zero, a thing that I remember to have occurred but once before in my whole life up to now, and I live farther north than the camp in Texas.

As to the location of the cantonments and camps the Surgeon General swore that they were all well located except one; that there was no objection from a sanitary or hygienic standpoint to the location of any cantonment but one, and that that objection had been shortly removed. They were located under medical supervision and after consultation, not with the Surgeon General's office, but with the particular branch of the Army medical service of the department that located them.

They complain of the powder-manufacturing facilities not being adequate and say that we will not be able to manufacture all the powder that we probably will need; that we are not making all the poison gas that is expected to be used in our explosive shells "over there," and they say that it is because we do not have a war cabinet. They do not say that we have not enough powder; no man has dared to stand on this floor and say that the disclosures before the committee reveal the fact that we have not all the powder we can use or that we will use for this whole year. It is true we have had to buy some of our shells in France, and they talk about "poor, bleeding France." Do you know that the testimony as it comes to us about that proposition shows this, and nothing more? France said to us, "We have mobilized and centralized our industries for the manufacture of munitions until we will have to demobilize them unless the employees are furnished more to do, unless we can supply you with explosives. We have more than we can possibly use; our manufactories are already organized and operating to a great maximum capacity and output, and unless you let us manufacture your shells and ammunition of a particular kind we are going to be in distress, because we must slow down, and our workmen will be out of employment; there will be nothing for them to do." That is the reason for purchasing from France, to improve conditions for France as well as to supply our needs in the shortest time in the most practical and businesslike way. The same reason holds also for procuring our big guns and certain types of machine guns that Gen. Pershing decided were best adapted for our own use in battle. We bought those guns from our allies, who had them to spare, because they were the kind we needed and we could get them when we needed them, delivered where they were to be used. They could not be manufactured by us here in time, anyway, and the fact that they have not been is no criticism of the efficiency of the War Department. If we could have manufactured them all on time, it had been better in any event because of the shortage of shipping to buy where no ships were needed for delivery.

As to supplying chlorine and gas, about which complaint is made, we have already made arrangements until October 1 for our supply of explosives and poison gas; they are coming along, and are being supplied, and we have made arrangements to construct—and their construction is actually under way now—plants to take care of the condition from then on. What more could have been done by a war cabinet? The Nebraska Senator criticized unsparingly all activity in any way responsible for the condition for producing supplies and munitions that are absolutely indispensable and having them delivered at the ports for shipment when there were not sufficient ships provided to carry such supplies without delay. He insisted that all the energies of the Government should have been directed rather to the construction of shipping and not the preparation of the supplies and munitions which had had to wait for the ships. That certainly is a peculiar view, supported by neither reason, sense, nor sound judgment. It had been a beautiful spectacle indeed to have constructed the ships to the exclusion of the manufacture of the supplies, absolutely necessary for the support of our own and the allied armies, which had to be carried whether we had constructed ships or not. It was the intention, of course, and every energy of the Government that could be brought into activity for the purpose was started for the completion of both projects. Had it been done otherwise it might have resulted only in having newly constructed ships lying idly at the wharf waiting the manufacture of supply cargoes. Such view also leaves altogether out of consideration the prospect that we should be able to procure ships enough from our allies and by purchase from neutral nations to carry such munitions that had to be supplied.

Mr. President, I can not recall all of the little criticisms which have been made. I did not expect to reply to any of them; I did not know the testimony before the committee was going to be used and distorted in the particular way in which it has been made use of. I have tried, however, to reply to everything that I thought ought to be mentioned that has not been correctly reflected before the Senate according to the testimony and disclosures brought out in the investigation of the committee.

Now, let us see about the war cabinet. What is the expert opinion of the necessity for it? The Secretary of War says, "I think that with this organization as it is now completed"—and there are over 15,000 men in this organization; there is that much talent being employed—"I think with this organization as it is now completed, from the experience of the past improvements can be made that will enable it to perform the service better than any other organization that can be effected at this time." The War Industries Board, which is criticized, has at the top the Secretary of War, the Secretary of the Navy, the Secretaries of other departments, and men connected with various industries, and in each particular line there is one man who is at the head and who has supreme authority all down through that particular branch, with the President over all. Those men are all on the War Industries Board. The Secretary of War thought that by adjustment and conference and agreement it could handle all the problems that will come before this board to be dealt with. Why? Because the members have all the authority; there is this man in his field, and that man in his field, and another man in his field; we have it all there—the entire field—and all the improvement that could be suggested by Willard; that could be suggested by Baruch; that could be suggested by Gifford; that could be suggested by Catchings, the chairman of the United States Chamber of Commerce; that could be suggested by Coffin, of the Air Board—all the improvement that could be suggested was that the machine might be improved and made more nearly perfect if there was statutory authority vested in one man to perform certain particular functions of combination of agencies or activities.

Some one asked him—Willard—if he thought this man ought to be a member of the Cabinet. He said, "No." Some one asked if he thought he ought to be put over the Cabinet. He did not know whether he ought to be put over the Cabinet or not.

I will read you just what these men said.

Mr. Willard, in reply to the question about whether or not this man ought to be a Cabinet official, said:

I have never thought of it in that connection. I do not think he needs to be, certainly, and his only function would be to procure something that the other agencies had failed to procure in the most satisfactory way.

Senator WARREN. But his authority would be supreme in that particular thing in the procurement of that particular thing?

Mr. WILLARD. Yes; and I think he should be. As it is to-day, if anything is to be procured for the Government, it must be done by certain departments and can not be done anywhere else, not even by the President. There ought to be an agency that could deal quickly with that, and that agency should be a man reporting to the President—

That is what he thought about it—

Senator KIRBY. With supreme authority?

Mr. WILLARD. Yes; when called upon to act; but I would not turn it all over to him at once, you understand. I would not turn it over to him at all unless it developed that it was necessary. (R., 1825.)

That is what he thought about the operation of this war-making machine. He was here in the course of its construction and saw all these things being done, and he was on the advisory commission of the Council of National Defense, and all departments in the War Department reported to him any and all information that he asked for, that he might be kept in touch with everything. He discussed it with the other members of the advisory council, and that is what he said to our committee.

Mr. POMERENE. He was the chairman of the advisory commission?

Mr. KIRBY. Yes. Let us see what else he said:

I do not think there can be any objection to this particular plan.

That was the plan of the War Department, as outlined on the charts on the wall here when Senator WADSWORTH spoke. They asked him specifically about it as now organized and he said:

The objection that is made to the war ministry, as it is understood, is this: We have got a large plan working, with 15,000 men pretty well organized. We have put a lot of good strong civilians in there. Now, to go and change it all at once would make more or less confusion and it is not necessary if you arrange to take care of any defects that may develop in this plan—

The plan is there, the machine is there, it is in operation, and he does not think it ought to be changed except to have some authority that might remedy a defect if one developed—

It is not necessary now to do the thing that is in mind when you speak of a war minister because we have done away with the necessity in some way, but with this plan that we have we have got to put something in between to prevent competition in articles that are short and to develop supplies of raw material and finished products. A war industries board can do that, and if it has the standing that it would have if the head of the board reported to the President and had his authority from the President this plan I believe will work just as well, and I would prefer it to the arrangement of a minister of munitions. (R., 1826.)

That is what he said about it—

I think the organizations that have been formed are the organizations that he would use, because I think they have been made efficient. What duties he should take over I do not think you should prescribe in the first instance.

This statement is in line with the Overman bill.

What duties he should take over I do not think you should prescribe in the first instance.

He thought that you should not limit it by authority of statute here. The power should be elastic; it should be plenary; it should be in the hands of the Commander in Chief of the United States of American in the war, that he might use it only if necessary, and that it ought to be sufficient for any condition that may develop.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. KIRBY. Certainly.

Mr. WADSWORTH. Does not the Senator know that that is exactly what the munitions bill does—leaves it entirely with the President, with plenary powers?

Mr. KIRBY. I am talking about the war-cabinet bill and the Overman bill now.

Mr. WADSWORTH. Was not the Senator quoting Mr. Willard?

Mr. KIRBY. I was.

Mr. WADSWORTH. Mr. Willard was talking about the munitions bill in his testimony.

Mr. KIRBY. I read just what Mr. Willard said, and it is from pages 1822, 1825, and 1826.

Mr. WADSWORTH. When Mr. Willard testified, no war-cabinet bill had been introduced. It was not under discussion. He was speaking of the director-of-munitions bill.

Mr. KIRBY. I am reading his testimony, and the Senate may put its own construction upon it.

I do not think you should say a man should be appointed with authority to do a lot of things. I think if you authorize the President—this has grown out of my experience on the board—if you authorize the President to say that a man at the head of war industries shall have authority to do such things as the President may delegate to him from time to time, that will cover everything that is necessary, and he will only take over those activities that are necessary to be taken over. It is not necessary to take over all the purchasing.

This is with reference to the munitions suggestions here:

Perhaps only a small part of it will have to be taken over, but there will come important questions from time to time—perhaps the question of powder supply, possibly the question of nitrate supply, perhaps of forgings—some particularly important things may come up which may not be going along as it should under the existing organization, and in that instance let the President have authority to say that that matter shall be transferred to this individual. (R., 1822.)

He said he did not favor the creation of a civilian authority to take over those activities.

Mr. Baruch said:

It seems to be in the minds of many to destroy many of the splendid things that have been done, but in my opinion it would not be necessary, and I must concur with Mr. Willard and say that whereas there may be things, and there are things, to criticize, there has been a lot done.

The CHAIRMAN. I do not think the committee feels that all of this system should be abolished.

Senator W. * * *

Mr. BARUCH. As I said, a great many of these agencies are in the right direction, but they have not gone far enough, and they ought to go further, so as to have this definitely fixed in this individual acting under authority, because all of the authority should be given to the President; that is, a man who is responsible. (R., 1840.)

That was his view of it.

As a matter of fact, this agency would be established so when the war is over it drops away, and it leaves the Navy, which we are all proud of—they have no task compared with what the Army has, and it was an older organization and received more money, and there were a good many reasons why it should be where it is. It would, it seems to me, be wrong to let the Navy go out and take its supplies here and there. For instance, a question which you very seldom hear discussed, is the question of chemicals which enter not only into explosives and food, but into the very clothes and everything you have got on you. There is trouble there in competition. They require large quantities for ammunition, and the Navy needs ammunition, and they have got to go out and get their supplies. It should not be right that they could go out and dip in here and dip in there without respect to the other departments of the Government or the allies. These things stretch out into innumerable things, which must be centralized somewhere. [R. 1843–44.]

Now I want to read you what Mr. Gifford said and Mr. Catchings. This is from Mr. Gifford's testimony:

My view would be that if the President had the power to appoint a director on the War Industries Board, I would prefer one man. I would prefer a one-man board, where direct executive work could be done. Then, if it were made possible by Executive order, we will say, for the President to transfer from the War Department, the Navy Department, or the Shipping Board, any purchasing committee which it might develop should properly be centralized from these departments into this section, as the scheme works along, we would transfer such things as had to be centralized, such as steel, for instance. No one questions, for instance, that steel will have to be centralized. It will have to be centralized somewhere. We can not have it handled by the Army, the Shipping Board, the Navy, and our allies. If they could be transferred out of the various departments and put under direct war industries, you would have a workable organization that would not be so comprehensive and so detailed as to break down in its functioning, and yet you would obtain the object of taking care of

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these vital needs, which I call the war industries. [R. 1864–5.]

Senator KIRBY. This top man would have to have sufficient information about the productive capacity and the supplying capacity to know all about the needs, as well as the power to do the thing after he knew.

Mr. GIFFORD. He is obviously the one man in the Government to know the whole productive capacity of the country. You can have 15 bureaus of the Government all learning about the total capacity of the country, but the thing must be dealt with as a unit. They must all look to Washington or some individual man or board.

Mr. Gifford was asked, "Do you not think the ministry of munitions in England is a desirable thing to copy here?" He said, "No; do not follow that as your ideal," and then he read into the record these criticisms of the munitions board in England:

This article says, on the subject of purchases for the Government, that the subject has received the attention of the Associated Chambers of Commerce of England, and a memorandum has been prepared which has been submitted to the various ministers:

"The council desires to record its opinion that such diversity of control, which permits competitive purchasing, does not make for economical and efficient national production. They are informed that orders for supplies are placed by the ministry of munitions, the Admiralty, the war office, and the air board, acting as the chief services, and that each of these has separate departments, which operate, frequently without consultation, in competition with each other."

He said, "I think we can do better than that," and they are bottoming this upon the war board or munitions board in England.

Now, I am going to read from Mr. Catchings's testimony and then quit.

Mr. Catchings, too, was in favor of an elastic central power that might be exercised when power was needed; that might be put in operation by the President and might stop on any particular line when the necessity no longer existed for its use.

He said:

I want to say in connection with a sudden change that it has never seemed to us at any time that a sudden change should be made, but that these various organizations should be taken over under another control. We certainly should regard it as most unfortunate if the splendid buying organizations that have been created, particularly such an organization as the Bureau of Supplies and Accounts, should be disturbed; but in our judgment there is no reason why that bureau should not be responsible to a man who was responsible for the activities of other bureaus and buying departments, so that he could bring about a common connection and singleness of purpose between them.

The CHAIRMAN. In other words, you would not wipe out any of the organizations, but would leave to the central power—whatever you might call him—the authority to absorb, to utilize, and to eliminate as he saw fit.

* * * * * * *

Mr. CATCHINGS. It seems to us, sir, that it is quite unthinkable in this enormous enterprise, of such a vital nature and difficulty, to consider destroying what we have. You must use what you have and build up from it. You can not stop fighting the war while we create an organization. [R. 1901.]

Every man there whose experience was such as to bring him in contact with the organization of the war machine, and who had seen its development and its operation, who was capable of forming an opinion, said that was the only improvement he could suggest in the organization as it now existed. The Overman bill provides that the President shall appoint this man for the exercise of this elastic power; that he shall report directly to the President, and that he shall remedy any particular condition that seems to be wrong, using all other departments and agencies in all other departments where it is necessary to do so. That bill will remedy any possible defect that can be conceived to exist along that line.

Now as to the war-cabinet bill: If the President is capable of conducting this war as Commander in Chief of the Army of these United States, he ought to have granted to him all the power of the Nation that he thinks necessary to be used. We have said he is capable. The people have said so. The people of these United States implicitly believe so. This war-cabinet bill, as proposed, would take away from him the function of being Commander in Chief of the Army, and of carrying on the campaigns as he thinks they ought to be conducted. I say that the war cabinet proposed, with its fixed authority and its fixed jurisdiction and with the right to do the things that are proposed to be given it to do by the bill that has been introduced, would conflict with the operations of the departments of the Government by the President of the United States as Commander in Chief, and that it could not but result in confusion and injury to the conduct of any possible plan of conduct of the war. No wonder that the President has objected to this; and the necessity for it is not shown to exist. What could have been done that has not been done?

Mr. President, I have only discussed the matter along the line of criticism. I did not intend to do anything but discuss the two measures when I started out; but I believe, on the whole, that remarkable things have been accomplished by the agencies that have already been developed; that it was not possible to do these things without making a few mistakes, without a plan miscarrying here and there. Having seen the entire investigation, with my experience in the past in weighing testimony, with my experience in the past in deciding controversies and cases, I believe that there is no particular thing or things done or left undone that can be pointed out that should condemn this war machine as inefficient. I believe that all has been done, and reasonably well done, that was humanly possible under existing conditions since war was declared by these United States. If anything has not been done that ought to have been done, a war cabinet could not have remedied it, in my opinion; and I believe in future if there is necessity for improving this machine that the agencies provided by the Overman bill will do it without confusion, that they will do it without disorganization or interruption of a machine that has done all these things so well, and can do all things necessary to be done better in future for having done them in the past.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

RECESS.

Mr. SMITH of South Carolina. Mr. President, several Senators who intend to discuss the railroad bill have intimated that they desired to make such preparation. In view of the importance of the bill, the absence of a number of Senators, and the difficulty at this time of securing the attendance of a sufficient number to give the matter the attention that it deserves, I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 3 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Saturday, February 16, 1918, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *February 15, 1918.*

The House met at 12 o'clock noon.

Rev. William Couden, of Washington, D. C., offered the following prayer:

Our Father which art in Heaven, we thank Thee for the historic religious ideals that find freedom in our Nation and that are zealously serving our needs to-day; for Judaism, with its ancient glory of the law and the prophets; for Catholicism, with its organization and conservation; for Protestant Christianity, with its differences, its unities, and its openness. Unite us all under the flag for world justice, humanity, and kinship.

By the lips of Thy Son Thou hast said, "Many are called, but few are chosen." Let the myriads in our Nation hear and answer the call to political, industrial, financial, and domestic loyalty; and let the few chosen to plan and to lead, as the Members of this House be wise in counsel and true to their grave responsibilities. In the name of Jesus the Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. GREGG, by unanimous consent, was given leave of absence for three days, on account of illness.

RESIGNATION FROM COMMITTEE.

The SPEAKER laid before the House the following communication:

Hon. CHAMP CLARK,
Speaker House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Accounts.

Sincerely, yours, CHRISTOPHER D. SULLIVAN.

The resignation was accepted.

H. H. HOGAN.

Mr. MOON. Mr. Speaker, I ask unanimous consent to consider in the House the bill (S. 3689) authorizing the Postmaster General to cancel or readjust the screen-wagon contract of H. H. Hogan, of Kansas City, Mo.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to consider the bill S. 3689.

Mr. COX. Let it be reported, Mr. Speaker.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That should the Postmaster General find as a fact that the screen-wagon contract of H. H. Hogan, of Kansas City, Mo., was entered into prior to the entrance of the United States into the war with Germany, and that the prices agreed to be paid in said contract are at the present time inequitable and unjust by reason of the increase in the cost of materials and labor employed in the performance of such contract, the Postmaster General is authorized, in his discretion, with the consent of the said H. H. Hogan and his bondsmen, to cancel the same or to readjust the terms of said contract in such manner as to relieve the contractor from the hardships being by him suffered on account of such increased costs and expenses.

The SPEAKER. Is there objection?

Mr. CANNON. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of no quorum, and the Chair will count. [After counting.] Sixty-seven Members present, not a quorum.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following-named Members failed to answer to their names:

Anthony	Currie, Mich.	Fuller, Mass.	Humphreys
Austin	Curry, Cal.	Godwin, N. C.	Husted
Bacharach	Dallinger	Goodall	Hutchinson
Beakes	Darrow	Graham, Pa.	Ireland
Bland	Davidson	Gray, Ala.	Johnson, S. Dak.
Bowers	Drukker	Gray, N. J.	Jones, Va.
Britten	Dyer	Green, Iowa	Kahn
Campbell, Kans.	Eagan	Gregg	King
Capstick	Eagle	Hamilton, N. Y.	LaGuardia
Carter, Mass.	Ellsworth	Haugen	Littlepage
Clark, Fla.	Fairchild, B. L.	Heintz	Lunn
Coady	Fairchild, G. W.	Hollingsworth	McCormick
Cooper, Ohio	Flynn	Hood	McLaughlin, Pa.
Copley	Focht	Houston	Maher
Costello	Francis	Huddleston	Mann

Miller, Minn.	Purnell	Scott, Pa.	Vare
Moores, Ind.	Ragsdale	Scully	Venable
Neely	Robinson	Slemp	Voigt
Nelson	Rodenberg	Smith, T. F.	Ward
Nicholls, S. C.	Rucker	Sterling, Ill.	Webb
Nichols, Mich.	Sabath	Strong	Wilson, La.
Nolan	Sanders, Ind.	Tinkham	Wilson, Tex.
Platt	Sanders, La.	Van Dyke	Winslow
Price			

The SPEAKER. On this call 335 Members have answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3433. An act requiring the Government to furnish uniforms to officers of the Army or Navy, and for other purposes; to the Committee on Military Affairs.

ELECTION TO COMMITTEE.

Mr. KITCHIN. Mr. Speaker, I nominate for election the gentleman from New Mexico, WILLIAM B. WALTON, as a member of the Committee on Irrigation.

The SPEAKER. The gentleman from North Carolina nominates the gentleman from New Mexico, Mr. WILLIAM B. WALTON, to be a member of the Committee on Irrigation.

The question was taken, and Mr. WALTON was elected.

H. H. HOGAN.

Mr. MOON. Mr. Speaker, I renew my request for the consideration of the bill S. 3689, authorizing the Postmaster General to cancel or readjust the screen-wagon contract of H. H. Hogan, at Kansas City, Mo.

The SPEAKER. Is there objection?

Mr. DOWELL. I object.

URGENT DEFICIENCY BILL.

Mr. SHERLEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9867) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. GARNER in the chair.

The Clerk reported the title of the bill.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SHERLEY. Mr. Chairman and gentlemen of the committee, presenting, as chairman of the Committee on Appropriations, the first bill from that committee since it fell to my lot to succeed the distinguished gentleman from New York, Mr. Fitzgerald, I believe that I may be pardoned for saying just a very few words outside of the bill proper. There has been in this country from time to time, and especially recently, considerable agitation for what is generally spoken of as a budget system for the consideration of the financial affairs of the Nation. Unfortunately we have always been more or less under the tyranny of phrases, and, as a result of that loose thinking that sometimes seems to be a national characteristic, many people speak about a budget system without any realization of what is involved, and much criticism that is unintelligent is leveled at Congress, and much praise is given administrative suggestion because of the supposed failure of Congress to institute a budget system.

I shall not to-day take time to go elaborately into this subject. I hope at a future day to speak concerning it at length, but I do want to say a few words touching the recommendation that has been made by the President of the United States in favor of one appropriating committee of the House, and also touching the broad aspect of a budget. Personally I have always favored a concentration of appropriating power, but I do not consider that that represents in any degree an adequate remedy or anything more than a step toward a budget consideration, and I have not sought to press it at this time because of the tremendous tasks that are placed upon Congress and the Government in connection with the prosecution of this war. To undertake a reform of that magnitude, a reform that did not meet with the universal acquiescence of the House, would have been simply to cripple and not help in the presentation of great financial bills. No man at this time desires to be chairman of the appropriating committee carrying the power to appropriate for all departments unless he could have behind him the support of the entire membership of the House. To have undertaken that reform, even though a majority of this Congress favored it, and then to have been faced with a minority that was opposed to and sullen because of such a change would have been to so cripple the efficiency of the committee having charge of appropriations as to have practically destroyed it; and realizing that, it would have been folly on the part of the chairman of the Committee on Appropriations now to urge that reform. But I am not willing that the absence of any action should be construed as a permanent acquiescence in the present system.

But even the putting of all power into the hands of the Committee on Appropriations or any other committee would of itself be of little value unless it was accompanied, first, by the presentation of estimates from the administrative branch of the Government in budget form, and second, the consideration by the Congress of those estimates in their totals, as well as in their separate details.

It is a simple fact that there is nothing required except an Executive order in order immediately to put into effect an administrative consideration of estimates from a budgetary standpoint. At present all estimates are made by the heads of the various departments, and they go to the various Cabinet officials, who in turn give them to the Secretary of the Treasury, who transmits them to Congress. He transmits them without any power to review them to change them, but simply as the messenger through which they reach Congress. Nothing is needed except the desire of a President—and this has been true always—to have consideration at his council chamber of those estimates as they come from the various departments in their relationship to each other, and the giving to the Secretary of the Treasury the power to act as a real financial head of the Government with power to supervise and control the estimates of the various departments. And until that reform is undertaken by the administrative end of the Government no real budgetary system can be put into effect. That fact should be borne in mind by those who are so free unintelligently to criticize the Congress of the United States. [Applause.]

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. MADDEN. If the budget system were in effect to-day and this committee was called upon to report simply on the request of the department under the budget system, this bill would carry $523,572,000 more than it does.

Mr. SHERLEY. Not necessarily. Congress would not have to vote all that was asked, simply because asked, as a result of a budgetary consideration by the administrative officers

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. I do not want to be diverted into too long a talk on this question, because I have so much to present in connection with the bill. I yield briefly.

Mr. MONDELL. My recollection is that President Taft at one time made something of an effort along this line. I do not know whether he had a Cabinet consideration of estimates or a personal consideration by the President.

Mr. SHERLEY. Every President has had a certain consideration by the Cabinet and by himself of the estimates made by the different departments in their relation to each other, but there has never been a Secretary of the Treasury with the power to revise and control the estimates of other departments. I called attention, in a speech made a number of years ago during the administration of Mr. Taft, to the effort that was made by John Sherman as Secretary of the Treasury to obtain just that power and the opposition it met with from every other Cabinet official, an opposition which served to prevent the reform being adopted.

Mr. LENROOT. Mr. Chairman, will the gentleman yield for a question?

Mr. SHERLEY. Yes.

Mr. LENROOT. The gentleman stated that he believed that it would not be wise to have the appropriations in the hands of one committee so long as there was an active minority opposed to it. I assume those views are limited to the duration of the war.

Mr. SHERLEY. Unquestionably. I did not mean to make it so broad as to say that because there was always somebody objecting that therefore it should not be done; but I did mean to say that at this time to undertake a reform of that magnitude without the general consent of everybody would be to simply confuse and not clarify the situation.

Mr. LENROOT. I thought that was what the gentleman had in mind.

Mr. SHERLEY. And as a practical man I tried to recognize that situation. The true idea of a budget is one that requires the consideration of expenditures in their relationship not simply to the merit of the activity proposed but also the relative merit of one activity as compared to another, and this consideration in its relationship to the fundamental one of the ability of the country properly to stand the taxation necessary to pay for the expenditures made. In other words, in peace times, after determining the desirability of expenditures, the amount of them that are to be made should be determined by the burden that they will place upon the Nation.

But in war times just the converse of that proposition becomes true as to the large expenditures, because in time of war you have to consider not what you properly can do, but what you must do. We make appropriations at this time of war not with regard to the burden that they will place upon the people of America, but we make them with regard to the requirements of prosecuting and winning the war and because that is superlative every other consideration must give way. So there is an entirely different relationship in regard to expenditures in war times than what they are in peace times, and the need for a budget in a peace-time sense does not exist in war time.

Now, there is another matter in connection with the budget that is very important for the Congress to consider whenever we get to a period where consideration can be given to other than war matters. No man trusts an agent that he can not control. Under our system of government the legislative branch does not control the administrative agents of the Government. We can deny them moneys, but except to a very limited sense we have nothing to do with the selection of the various agents who carry out the various policies. If a member of the Cabinet is carrying on work in an unsatisfactory way to the Government, Congress has no control over him, or rather has no control by which he can be removed and other of its choice selected. It can simply express its lack of confidence by refusing moneys, but the President alone can determine the personnel. Now, the result of that has always been, and probably always will be, to cause a certain amount of friction between the legislative and administrative ends of government, and as a result of that the legislative end has undertaken to prevent what it thought would be abuses of power by constant limitations and by classifications and enumerations, so that our supply bills have become so detailed that the committees dealing with them and the Congress dealing with them spend days and weeks and months in consideration of details that ought not to concern Congress at all, because just to the extent that the Congress is forced to give its time annually to little details—the number of clerks, the salaries they shall be paid, and the internal organization of this bureau and that bureau—just to that extent will it cease to have a voice in the great policies of the Government. And that is what has been happening for the past 40 years in America.

More and more Congress spends hours and days of debate touching clerks' salaries and less and less touching the great policies of the Nation. If this body, the responsible representative body in a true democracy, is to have the power it ought to have, it must have time to deal with the big things and not the need of dealing with the small things. Now, in order that that may happen we must have a reform in the methods of governmental bookkeeping. At present your governmental bookkeeping is for one purpose, and one purpose only, and that is to prevent embezzlement or misappropriation of funds, and it performs that service exceedingly well, but it performs no other. All of your appropriations are so made and your bookkeeping accounts so kept that they serve only in preventing Smith or Brown from spending money for some purpose other than that for which it was appropriated, but do not require or show economy of expenditure. There is no system by which the legislative body could take the expenditures of a previous period and from them determine whether they have been economically or wastefully expended; and as a result, in order to ascertain that, we go through a cross-examination of individuals that amounts at times to a severe grilling of them and frequently without obtaining any real result. When we find some abuse we come in and recommend a particular provision prohibiting the doing of something that we think brought on the abuse and we tie the hands, or try to tie the hands, of an incompetent administrative officer, and then wake up a few weeks afterwards and find we have also tied the hands of all the good administrative officers as well and that the bad administrative officer has usually found some method of circumventing the prohibition that we placed upon him. I remember a great speech made by Roosevelt some years ago in which this was the dominant thought, that you can not tie a man's hands and prevent him from doing harm without at the same time preventing him from doing good.

Now, our Government was built in the beginning upon the theory that all power would be abused and that the only remedy for the abuse of power was so to divide it as to prevent anyone from doing much harm, and, incidentally, we succeeded as well in preventing a great many people from doing much good, and if it was not for the practicability of the people of America in overriding mechanical obstacles that are constantly put in their way we would have more difficulty than we have. Now, if you will get a system so you can know whether an administrative officer is well or badly performing his functions, then the remedy will be not to curtail his power, but to cut off his head when he does not deliver. [Applause.] When he fails to show that he is an efficient officer let him go into the discard and let some man of capacity take his place. [Applause.] That is the tendency of all modern government everywhere except here on this floor and in national matters.

Mr. MADDEN. What suggestion has the gentleman to offer?

Mr. SHERLEY. The whole tendency of modern governmental thought is to put responsibility and power together, and then the people, knowing who is responsible, know how to remedy matters when things go wrong.

Mr. MADDEN. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. MADDEN. What is the gentleman's remedy; how is the gentleman going to reach the question that he is talking about now; how is he going to get control over the executive branch of the Government through the Congress so as to compel them to be efficient, economical, and effective?

Mr. SHERLEY. Part of it can not be done without a great change in our organic law. Part of it can be done by one of the suggestions I have just made, and that is a system of bookkeeping that will enable committees to see what has been done in the previous year without going through the labor that we go through now. We have to examine into everything now in order to find out anything that may be wrong. A proper system of cost keeping, a modern system, whereby you find what it costs to perform a given activity would enable a committee reviewing the activities of the Government for any previous period to determine whether it had been economically done or not, and then when it found it had not been so performed, it could very easily deal with that particular situation, and it would not have to spend the time it now does in going into every detail. It could then appropriate moneys in lump sums very much larger than we have done in the past.

There has grown up an idea, that I shared here for many years, that it was the wise thing for Congress to appropriate money in great detail specifiying and limiting power of administrative officers. It was the prevalent idea of the committee of which I am a member, and particularly the prevalent idea of the then distinguished clerk of that committee, Mr. Courts, and yet it is an idea that is fundamentally wrong, because it is bound to lead, as it is leading, to worse and worse confusion.

One result is that a good administrative officer has to ask for more money for each purpose than he would have to ask as a total for all purposes, because he is limited and tied, and has no leeway. So what I would like to see is a reform in the methods of keeping the accounts, whereby the committees could check up their activities and fix responsibility, and then we could appropriate money in large sums; and that part of the appropriation which is mechanical could be made each year as it is made in most governments, by a few lines of legislation, without a rewriting of so many clerks of Class A, B, C, and D, and free Congress from spending its time with little, insignificant things. We have reached a time and place in the world's affairs where the Congress of the United States must consider bigger matters than simply the pay of a particular clerk and a particular department.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. SHERLEY. Yes; I yield to the gentleman.

Mr. KELLEY of Michigan. The gentleman was discussing in a way the responsibility of Cabinet officers to Congress. I had a letter the other day from a gentleman who is quite a student, and who suggested in his letter that a change ought to be made whereby Congress, by a vote of lack of confidence in a Cabinet officer, would automatically vacate that office. Would the gentleman think that such an arrangement as that, patterned somewhat after the English system, would be a remedy for what he suggests?

Mr. SHERLEY. Perhaps so, though it carries with it more changes than just what the suggestion indicates.

Mr. ROSE. Will the gentleman yield?

Mr. SHERLEY. In just a moment. I would welcome giving Cabinet officers certain days on the floor of the House of Representatives, and I would do it for two reasons—not only to give

the Cabinet officer an opportunity to present his case in the open, but I would also do it because it would give to Congress an opportunity to explode a great many false reputations that have existed in America for a great many years past. [Applause.]

Mr. ROSE. I would like to ask the gentleman if by what he has just said he intended to convey the idea that he favors great appropriations rather than enumerating the causes for which the money is appropriated?

Mr. SHERLEY. No; I do not. I mean to say that when you have a system of bookkeeping by which you can tell when a man is not only disregarding the purpose for which moneys are given, but also when he has expended them unwisely and extravagantly, that then we can afford to appropriate in large sums with less specification, because every adminstrative officer will know that on his head rests the responsibility of having those moneys properly expended and that he can not hide or shirk that responsibility.

Mr. ROSE. In what manner then would you bring before the Congress the items making up the appropriations asked for?

Mr. SHERLEY. I would bring them as we are bringing some now, but by the reform we would not be doing it without Congress knowing anything about it half the time. Dozens and dozens of items are being carried in great lump sums, and have been carried in years past, because if we were to specify all of them we would simply do nothing else. Take ordnance, and you vote a thousand million dollars to ordnance officers to expend. Even in the old days you voted five to ten millions of dollars to them in three or four lines. Now, you had to trust those officials in the expenditure of those appropriations. And then you would turn around and specify to the last degree how many people those ordnance officers should have as clerks in their offices. You gave them the control over millions and millions, and said, "You are not worthy of being trusted to say whether you ought to have five or seven clerks in the administration of that fund." And if you can get folly worse than that, I have yet to see it. And you did it without any system of bookkeeping and report to Congress whereby you could tell how well or poorly the work was being done and only by examinations that a few committees occasionally made as to some expenditures did you learn some of the facts that ought to be plainly shown by periodical statements.

What has been the result? When the great war broke there happened just what I prophesied three years ago would happen, namely, a breakdown at the desk of these administrative officers, not because they were inefficient, not because the Government was not efficient in the sense that term is used ordinarily, but because Congress had refused for years to give a sufficient corps capable of expending quickly and dealing with a great matter such as was thrust upon it. And every man who wants to be honest must admit it. And yet there is always a tendency here to blame the other man for failures and never to look into our own hearts to see how far we are to blame for those things.

But I do not desire now to deal further with the subject of the budget. I hope to make to the House some time a speech at some length dealing with that alone. However, I did not want as chairman of the committee to present my first bill and totally ignore this very important subject.

I desire now to address myself to the bill. It is one of great magnitude. It is a bill that carries in the way of cash an authorization for more money than used to be expended in the entire running of the Government for a fiscal year. In other words, as a matter of deficiency, to make up the things that were overlooked or could not be anticipated, we are now appropriating more money than we formerly appropriated for the entire conduct of the Government for a year. And that is but an illustration of this great essential fact, that should be borne in the minds of all men in responsible place, that the most difficult thing that has come to a public man now, to-day, is to keep a proper perspective, to realize something of the magnitude of affairs in the great drama that is being played and of which he is a part.

I could stand on this floor for hours and speak nothing that was not literally true, and speak nothing that was not critical of the prosecution of this war; and yet my speech would be false. And I could stand here for a day and speak of nothing that was not complimentary and to the credit of the administration of this war, every word of it being true, and yet my speech would be false. And so it is very easy for gentlemen to find things that are wrong. It is very easy to enumerate what seems a great many things that are wrong and thereby conclude that everything is wrong, and yet the facts, the real facts, would not warrant it, because the only way to judge is to judge not of some, but all, to know not simply the truth, but all the truth, if you are going to pass real judgment upon what has been done.

Now, perhaps at no place in this Government does there come in the course of time more information, scattered and from many directions, but still more information touching the prosecution of this war, than at the committee table of the Committee on Appropriations, because that committee last fall made all the war appropriations, and this year it has had to consider, as it always has considered, deficiencies; and in considering deficiencies, of necessity you have had to consider the various activities of the different departments. Men get impressions as the result of months of testimony and talk with many men. I have some impressions touching this war and touching the country's condition. There are so many men who have volunteered to play the rôle of critics and of panegyrists that it does not seem necessary for me to adopt either rôle, and I shall not attempt it to-day. But it may not be amiss if I should state what to my mind consitutes the great problem in the efficient prosecution of this war and on the doing of which will depend from now on how well or how badly we play our part. Three words describe three things involved, and they are all intimately linked together—ships, cars, storage.

The latter, people have not thought a great deal of, and yet it is one of the things that has served to accentuate the difficulties relative to the other two. If you have a superabundance of cargo space, and if you have a rail transportation system more than adequate, storage becomes a negligible proposition. But to the extent that either rail transportation or ocean transportation is deficient, to that extent does storage become of the first importance, because if it be deficient it simply serves to put an added burden upon rail and ocean transportation and to make even greater the deficiency in those two branches.

Now, that is what has occurred in large measure in connection with this war. This country has not had for the past 10 years or more an adequate transportation system—rail transportation system—and it was perfectly apparent to every thoughtful man—and if you will hunt through the files of debates here and of speeches elsewhere you will find that time and time again attention has been called to the fact—that whenever this country got into the full tide of prosperity and of economic development and of output the rail transportation would prove totally inadequate. Well, the rail transportation was not only called upon to deal with what might be called the output of ordinary good times, but it was required to deal with an expansion such as the country had never known. We had been expanding in manufacture here in America before we went into the war, and since to an extent never dreamed of before, and that in turn has made an output vastly greater—a tonnage output—than what existed shortly prior to that, when there had been a lessening of industrial activity in the country.

In connection with that absence of rail transportation facilities was an antiquated system of storage and of wharfage and port facilities. We never have had for many decades a great ocean carrying fleet, the reasons for which are manifold, and I will not now undertake to speak of them; but everyone was conscious of the fact that the country was sorely lacking in ships, and, of course, with the tremendous falling off of tonnage caused by the depredations of the U-boats the tonnage of the world has become inadequate, and of necessity that presented a problem of first importance.

Now, we had the railroads unequal to their burden; we had unequal storage facilities, and we had a lack of ships.

This was not any particular person's fault; certainly it was not any political party's fault that has been in power only the last few years. But as a result of it, railroad cars became warehouses and piers became warehouses; sheds and piers that were meant to be used for the loading and unloading of freight were used as warehouses for the storage of freight, and there began to pile up thousands and thousands of tons of freight at our eastern seaboard. The situation was made worse by virtue of several other matters. The industrial activity of this country, speaking by and large, is confined in one geographical section. In a big sense the East, the Northeast, and a little section of the Middle West represent the great manufacturing section of America, and as a result of it, it was natural that for an immediate, quick output you had to go into that section.

What has been the result? The result has been that you have placed in three or four States of the Union the great majority of the war orders of the Government. You have added congestion there and a burden there upon transportation that served to disrupt and interfere with transportation everywhere else. That involved your fuel problem. It brought a problem so acute that it was necessary to turn in and take drastic action relative to the use and transportation of coal.

I hold in my hand an outline map of the United States. Gentlemen will see a lot of dots at different places which indicate various contracts for war material that have been placed in America. What does it show? It shows that out of twenty-three hundred odd firms, holding about fifty-odd thousand important war contracts of the Government, a fourth are in New York State, half are in New York, Pennsylvania, and Ohio, and three-fourths are in seven States. Is it any wonder that you have a labor problem that is involving the best thought of America in order that these factories may continue their output without diminution?

Is it any wonder that you got a congestion of freight as a result of that? And yet that was not altogether a matter that could have been prevented.

Mr. HARDY. Will the gentleman yield?

Mr. SHERLEY. I yield to the gentleman from Texas.

Mr. HARDY. In the gentleman's opinion does not that same condition accentuate the housing problem that is now one of the important questions confronting the Government?

Mr. SHERLEY. Why, yes. That was part of what I meant by the labor problem.

Mr. HARDY. In other words, we ought to try to decentralize some of this Government industry?

Mr. SHERLEY. That is easier to say, perhaps, than to do.

Mr. WILSON of Illinois. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. WILSON of Illinois. Before the gentleman gets away from this subject of storage in railroad cars, has he any information as to the number of cars that are now held on sidetracks as warehouses?

Mr. SHERLEY. No; I have not. I was unable to go into that detail. I am afraid I have gone into so much detail now in the hearings that I am liable to make the mistake that I was accusing the Congress of making—thinking too much of little things and not enough of big ones.

Mr. WILSON of Illinois. Let me say, I have read somewhere that there were 700,000 cars held for storage purposes.

Mr. SHERLEY. I do not really know, and, of course, the number would change from day to day. My understanding is that there has recently been a very great relief of the situation, due to the drastic action that was taken in connection with fuel; and I know from a talk I had not later than this morning that the conditions at the seaboard are very greatly improved, and that steps are actually being taken which warrant the assertion that that situation, to the extent that it is solvable—because there are certain conditions which you can not change—is being solved.

Mr. SNYDER. I should like to say to the gentleman, however, that I have just come back from central New York, and the embargo conditions up there are exactly the same as they have been for the past five or six weeks. There has been practically no relief there.

Mr. SHERLEY. That may be; but again I suggest that you have to look at the whole picture and not at one part of it. You can take a dime and hold it close enough to your eye to shut out the entire horizon.

Mr. FOSS. Will the gentleman yield?

Mr. SHERLEY. I yield to the gentleman from Illinois.

Mr. FOSS. Does not the gentleman think a mistake has been made in shipping goods from the point of production down to the eastern seaboard before they were ready to put them on board the ships, thereby congesting a large amount of goods in the East here?

Mr. SHERLEY. In some measure that is true.

Mr. FOSS. Thereby necessitating the building of these warehouses.

Mr. SHERLEY. In a measure that is true. Yet it is only fair to say that some of the very manufacturing firms in the gentleman's country and elsewhere have been insisting that they be permitted to ship goods so as to get them out of their way so that they could go on producing others. It is so easy to stand here looking backward and say, "This, that, or the other thing should have been done"; but we all learn by experience. One of the real problems has been to coordinate production with transportation facilities, both by rail and by water, and in turn to coordinate transportation facilities with men—with men at the front.

The critic in one breath wants to know why you do not put more men across the water. He rarely knows how many men are there, or how many men are going, but the less he knows about either fact the more he cries out, "Why are they not going across the water?" And then in the next breath he wants to know why on earth you congest the freight at your ports of embarkation. The men who go across the water determine the amount of freight that has to go to the coast and how fast it has to go there. These things are tied together in such a way that it is not easy to solve them. Now, there is in this bill an appropriation of $100,000,000, with a contract authorization of $50,000,000, for the purpose of acquiring storage facilities on the Atlantic coast and in the interior. Gen. Goethals, who is now in charge of the Quartermaster's Department, and is also an acting member of the staff in charge of storage, came before the committee with a proposition looking to the expenditure of that amount of money. He very frankly stated that he was not prepared to give to the committee all of the details of that proposal, but as a member of the New York Port and Harbor Development Commission he had become familiar particularly with conditions there, and he and other gentlemen were making studies of conditions generally, and he said it was perfectly apparent that that amount, and probably a greater amount of money, would be needed in order to create the proper storage facilities. I want to say in passing that some of this work is going on now, and that this remedy is not awaiting the passage of this bill, for which I am glad.

Mr. SMITH of Michigan. Is the storage problem acute on foreign shores?

Mr. SHERLEY. There is a problem there, but it is separate from what I am talking about now. I shall be glad to speak of it a little later.

The committee did not undertake to limit or to tie the expenditure of this amount of money. We were not in a position, and I do not think Congress is in a position, to determine where and how the storage facilities should be acquired; but we propose, in the voting of this money, that the administrative officers may have the means, and then upon them will rest the responsibility of supplying the country with proper storage facilities. The plan as stated by Gen. Goethals was only tentative, and therefore was subject to some revision, and I understand informally has received some revision. It looked to 30 days' storage capacity at the coast and six months' or less capacity in the interior. That is tied to a plan touching transportation of troops abroad, and I do not feel that I ought to undertake to enumerate in detail the amount of material and supplies that they should carry with them; but it is hoped and believed that this will result in giving us such storage facilities as will make unnecessary undue delays in transportation by rail or by boat. It requires but a moment's thought to realize that if in the loading of a vessel you take two or three days longer than you ought, or if in the unloading of it you take two or three days longer than you ought, you have to just that extent reduced the number of ships you have in over-seas transportation, and to any extent that you can accelerate the loading and unloading of ships, to that extent you have added to your tonnage, because you make more trips possible with the same ships.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. MOORE of Pennsylvania. Did the committee consider the wisdom or unwisdom of concentrating this storage business at one port along the coast of the United States?

Mr. SHERLEY. No; the committee did not. The committee did not believe—perhaps that is putting it too broad—but I do not believe I have sufficient capacity or the time to qualify me to pass upon that matter. The statement was made in the hearings that in a large measure six different ports would be developed for the use of the Government.

Mr. MOORE of Pennsylvania. There is a general impression that the concentration of the war business of the country at one port has been responsible for much of our transportation difficulties.

Mr. SHERLEY. That is true, and it is also true that that impression usually represents nothing but the selfishness of a locality not favored. There is an impression abroad that there is too much shipbuilding in Philadelphia. I do not share that belief, but that is the impression caused by the greed of other localities that would like the business; and it is that same sort or narrow viewpoint that makes men complain, without looking at the whole picture, because their locality does not happen to be the favored locality.

Mr. MOORE of Pennsylvania. There may be some natural advantages elsewhere, apart from other reasons. Why should other points, like Charleston, Savannah, Norfolk, Jacksonville, Baltimore, Boston, and Philadelphia be left out of consideration?

Mr. SHERLEY. In the first place, the gentleman has assumed a premise which I do not think exists, and, in the second place, if I was able to answer him I would know the whole problem, and I do not. I do not know what place ought to be used; I

have not the information and could not get it short of six months' study.

Mr. MOORE of Pennsylvania. It has been said here—the gentleman did not say it—that as much as $25,000,000 might be spent in extending the storage facilities at one port.

Mr. SHERLEY. I would not be at all surprised, and I have no doubt it would be justified. If the gentleman will permit, I will read him the ports that are going to be used. I will say this, further, to him, that, whether he likes it or does not, you can not possibly take away the primacy of New York as a great port of embarkation. You can not do it, not simply because of the port, but you can not do it on account of the trade conditions and the rail conditions and a lot of other things that can not be changed overnight. It may be, and probably is, exceedingly unfortunate for war purposes that there grew up in America transportation methods and systems and ports and cities without relationship to war needs, but they have; and, these facts being so, we can not run away from them, and men who start to criticize ought to remember them in their criticisms.

Mr. MOORE of Pennsylvania. Will the gentleman pardon me for one more question?

Mr. SHERLEY. Now, I do not mean my answer to apply personally to the gentleman from Pennsylvania——

Mr. MOORE of Pennsylvania. I understand that. I did raise the question of the wisdom of this concentration. It seemed to me a fair question whether it is wise, from a governmental viewpoint or from a military standpoint, to concentrate all shipping business at one place. The possibility of the enemy making an attack on that point adds to the seriousness of the question.

Mr. SHERLEY. I question whether that is a matter that the Committee on Appropriations could decide. I do not think it could come to a wise conclusion, for it has not the means. I read from the hearings, page 503, where Gen. Goethals says:

> In the general scheme, as I have outlined it, we contemplate using Boston, New York, Philadelphia, Baltimore, Norfolk, Newport News as a part of the Norfolk scheme, and Charleston.

I am assuming that Gen. Goethals and the gentlemen associated with him, men distinguished for their achievements in private business life, have worked out a scheme that is proper and practicable. If they have not, we are that much to the worse; but I am satisfied that a better one can not be worked out by legislative enactment.

Mr. HARDY. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. HARDY. Does not that scheme involve practically the utter neglect of every port west of the Mississippi River and, in fact, west of Florida?

Mr. SHERLEY. Yes; I think it does, in a large measure.

Mr. HARDY. Would not that leave the transportation that ought naturally to come down the western section of the country for export, leave it unprovided for, and tend to congest—the very thing that the gentleman complains of?

Mr. SHERLEY. No; I think not; and for the very plain reason that if the gentleman will take a map and draw the distance from Galveston or New Orleans to France, then draw a line from Charleston, one from Baltimore, one from Philadelphia, one from Boston, I think he will get his answer, bearing in mind that the longer a ship takes to go across the sea the less number of trips it can make.

Mr. HARDY. But if you are so congested with freight in the eastern ports that you can not get the ships unloaded, you have destroyed your transportation.

Mr. SHERLEY. Of course, if you can not move it out of New York, you had better move it at New Orleans, but this $150,000,000 is to make it more expeditious to move it to these various ports and to get it across the water.

Mr. SNYDER. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. SNYDER. I was in New York the other day talking with quite a number of men on this very subject, and they said that there was a considerable quantity of munitions passing through New York that they would be glad to have passed through the port of Philadelphia.

Mr. SHERLEY. All I can say, and I do not want to seem discourteous—as I may seem to have been in my desire to be emphatic—I think this problem will be worked out by those who have the time and who have the information very much better than we can hope to work it out on the floor of Congress.

Mr. LONGWORTH. Before the gentleman leaves this subject of unloading ships, I want to say that he may recollect the statement of the gentleman from Minnesota [Mr. MILLER], which came under his personal observation, that the unloading of a ship of steel goods at a port in France took 60 days.

Mr. SHERLEY. That is possible, and one of the reasons was that in the loading of that ship on this side it was loaded without any real knowledge of the problem of unloading it, or, even if the knowledge existed, without the facilities to get it loaded properly.

Mr. LONGWORTH. That ship could probably have made two complete trips in that time.

Mr. GREENE of Vermont. Mr. Chairman, if the gentleman will permit me, I think that one of the problems that the War Department now has under serious consideration is the unloading of ships across the water, and that, too, is complicated by the fact that their port facilities are very limited.

Mr. SHERLEY. I am aware of that, and we are carrying moneys for that in this bill. Part of the moneys being provided for the Engineer Department are for the purpose of improving facilities abroad in the unloading of ships and in the transportation and movement to the front of the munitions that go there. That illustrates another proposition, that the same men who now as critics complain about the lack of port facilities in France are the same distinguished gentlemen who insisted upon putting fighting men on the front, and who interfered by their agitation with the orderly plan of developing facilities for handling troops before you put the troops there in great mass. You can not eat your cake and have it, too. You can not do certain things except at the expense of other things, and there has been much childish and unreasoning criticism by men who have insisted on a thing being done without realizing that when done it prevented something else of equal or greater importance. But that is to be expected because we are dealing with big matters that are beyond the ken of most of us, and mistakes necessarily are made, and mistakes are imagined when they are not made.

I want to pass now from this desultory statement, touching what I believe to be, as I have stated, the most important phase of our war problem, to a consideration of the details of the bill itself. The estimates as submitted to Congress amounted in the way of appropriations and authorizations to $1,635,792,341.64. The total of the amount of appropriations and authorizations granted is $528,572,259.18 less than that sum. The amount of direct apprpriations is $907,397,259.18 less than the amount of direct appropriations requested, and the amount of authorizations granted is $378,825,000 more than the amount of authorizations requested. That means that we have very greatly cut the amount of money appropriated and we have considerably increased the amount of contract authorizations.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent to proceed for one hour more, in the hope that I shall not use it all.

Mr. LONGWORTH. I would like to ask unanimous consent that the gentleman may continue until he concludes his remarks.

Mr. SHERLEY. I hope to do that within one hour.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to proceed for one hour more. Is there objection?

There was no objection.

Mr. SHERLEY. As I stated, we have increased the authorizations and decreased the cash, but we have decreased both authorizations and cash by more than $500,000,000. It is proper that some general explanation should be given of so marked a cut as that. Let me say in advance that that cut, in the judgment of the committee, is made without in any sense impairing in the slightest degree the efficient prosecution of the war. No moneys anywhere were denied for any purpose that it was believed were necessary for the prosecution of the war, and no member of the committee permitted any belief or hope as to an early termination of the war to control him in voting, because, manifestly, no more fatal mistake could be made than to undertake to act upon the belief that the war might end at an earlier period than the facts may warrant.

Mr. MADDEN. How does the gentleman account for the wide difference of opinion between the executive heads of the Government and the committee on the matter of the amount of money needed?

Mr. SHERLEY. I am going to explain that in a moment. Two hundred and ninety million dollars of that cut is represented in a clothing estimate, which was not allowed for this reason. But little if any of that money will be needed prior to the 1st of July, and this bill is a deficiency bill to make provision for the needs of the various departments up to July 1.

Mr. MADDEN rose.

Mr. SHERLEY. In just a moment. I think I will anticipate the question. The Army and the Navy have a right to incur deficiencies to any amount necessary in connection with clothing and are ordering and have ordered all the clothing that is believed necessary. Therefore, the giving of this amount would have no value in speeding up in the slightest degree the matter

of clothing, and it was thought desirable that the actual amount that should be necessary to pay the clothing bill should be left to the consideration of the Committee on Military Affairs, that deals with it under our present system, in connection with the Army bill, or if by chance later on it is necessary to consider it as a deficiency, there will be of necessity another deficiency bill, when the Appropriations Committee could do so more accurately than now, so we just cut it out of this bill entirely. I now yield to the gentleman.

Mr. MADDEN. In view of the general information that is in the possession of everyone to the effect that most of the men in the cantonments have only one suit of clothes and only one pair of shoes, it would seem as if it would be very wise to allow the money so that they could pay for the shoes and the clothing they have to have in order to supply the needed clothing to the men who are already short.

Mr. SHERLEY. It would seem so, if either of the gentleman's statements was warranted by the situation, but they are not in my judgment. I do not think conditions are anything like what the gentleman states touching either shoes or clothing, but if they were the refusal of an appropriation of this money would not interfere one iota with the procurement of one shoe or one shoe lace or one coat or button on a coat, and if the gentleman will think for just a moment touching the power that exists in the Army and Navy to incur deficiencies for clothing purposes he will realize that my statement is true.

Mr. MADDEN. I realize that, if the gentleman will allow me, but at the same time they ought to be paid for the things they supply.

Mr. SHERLEY. They will be. Their bills will not come in until after July. I have not heard of any clothing manufacturer who was not being paid if his bill was properly presented and audited. There is plenty of cash in the Treasury available for that purpose now. Now, to go on with the items showing cuts. Armories and arsenals, there was a cut of two and a half million dollars, and that is due to the elimination of certain matters which on reconsideration by the department were not pressed at this time and do not represent any real denial of moneys for any needed facilities. Transportation of the Army was cut $70,000,000, and it was cut that amount because of facts which were presented touching the probable transportation of men. It was not believed the amount was needed that was asked to the extent of $70,000,000. That is necessarily an estimate. Nobody can estimate accurately, but it had to be based somewhat upon the transportation that had taken place during the past six months and on the estimate of the next six months. Obviously, the amount for transportation the first six months would not be needed in the second because of the cost the first six months of assembling of all of our present Army, but if more moneys are needed for that purpose it will be met as needed. There is some transportation that can be a matter of abuse, and it was thought wise that Congress should appropriate what seemed to be a sufficient amount without putting moneys at the disposal of the department beyond what was needed.

Mr. TILSON. Will the gentleman yield?

Mr. SHERLEY. I will.

Mr. TILSON. Does this transportation money apply to the moving of enlisted men between now and the 1st of July?

Mr. SHERLEY. Yes.

Mr. TILSON. Is the gentleman taking into consideration the possibility of the next draft being earlier than the 1st of July?

Mr. SHERLEY. Yes. That was part of the theory on which the whole item was based. Whether we have made a correct conclusion is difficult to say, but that item was presented, as I recall, by Col. Daly, of the War Department, and the cut that we made represents an agreed judgment of his and the committee, and if it be an error it is one that will be corrected without difficulty.

Mr. TILSON. As a matter of fact, I was trying to get at whether the gentleman had any information or whether it is possible at this time to tell whether the draft would be made the 1st of May or the 1st of July, and that might make a large difference in this item.

Mr. SHERLEY. My impression is, and I would not like to say it was more than an impression, that it contemplated that a draft would be made prior to July. Of course, not the calling in of all of these men but some portion of them. But that is just an impression, and I may be in error, because the gentleman will appreciate there is a lot of testimony that goes out of one's head.

Mr. TILSON. I am perfectly aware that it is not probably known by anybody whether that will be done at one time or another.

Mr. SHERLEY. Storage and shipping facilities. There is a cut there of $35,000,000, and that was really due to a duplication in large measure of estimates. I have spoken of the appropriation of $100,000,000 with $50,000,000 authorization to the Quartermaster General for this purpose. His estimate was made after some estimates had been made and submitted in detail for storage at various places, and the bigger scheme swallowed up the smaller, and this $35,000,000 was deducted.

There were construction items under the quartermaster, $85,000,000. Some of them represented real cuts where the committee did not believe that the amount was needed. For instance, I recal an item of $2,000,000 for painting cantonments. The committee thought if provision was made for painting the outside of the cantonments and a certain amount of interior work it was all that was necessary, and we did not need to spend all the money that was asked for painting both inside and outside of these wooden buildings as a manner of preservation of them, particularly in view of the fact that nobody at this time was in a position to say for how long these cantonments would be used. There was an item of heating of garages for motor vehicles, $3,000,000. The committee did not allow it because before this bill can become a law and long before these heating plants could be had, the weather itself will make unnecessary any heat for the garages. Now, this coming winter it may be necessary to heat some of these garages to prevent freezing both of water and gasoline in the tanks of many of these motors that are housed there and to enable men to work in them. But that was a matter which could go over. It was not so pressing as to be work that needs to be done now, as contemplated in a deficiency bill that provides only to July 1. There were some repairs at some camps which were cut, some items as to repair shops, where we did not think that a sufficient case was made to warrant the increase of facilities at those camps in that particular. There was a cut of a half a million in the operation of camp utilities. There was a request for an additional cantonment of $8,185,000 and a cantonment for Ordnance personnel of $4,460,000 that were eliminated because there was nobody at this time prepared to state where they were to be and when they were needed.

There was a cut touching refrigerator plants of $5,000,000, because that is carried in the lump-sum appropriation touching storage facilities There was for military posts and exchanges a cut of $250,000; barracks and quarters, seacoast posts, a cut of $2,209,000, which represents that much error in the presentation of the estimates, which were checked up and caught up by the gentleman presenting the estimates and the committee.

In the Medical Department there has been an allowance practically of everything that is asked.

The Army Medical Corps figured originally, I believe—or perhaps it might be more accurate to state that provision was originally made—for a 3 per cent capacity in hospitals at the various camps and cantonments—3 per cent of the total cajacity of the camps and cantonments. The Surgeon General's Department seemed to believe that 5 per cent is now necessary in order to make assurance doubly sure against the sickness that might arise in connection with the training of men in these various camps and cantonments. They also estimated on the basis of 5 per cent capacity to take care of in this country the troops that might be overseas and facilities of 20 per cent capacity to take care overseas of the troops there. The Navy has a large program in the way of hospital facilities, and the Marine Public Health Service have another one. If it related to anything except the health and lives of the boys that are fighting for their country, this committee would have recommended, I have no doubt, considerable cuts in those estimates. It is not always that you find a highly skilled medical officer who also is a fine business man. And the problem confronting the committee in connection with these estimates was not an easy one. We solve it by allowing what was asked, because that solution was along the line of safety for the lives and health of the boys. And perhaps that is about as explanatory a statement as can be made touching the estimates submitted by the various medical departments of the Government.

Mr. TILSON. I wish to ask in regard to just one detail. Does the gentleman's bill carry anything for sewage for hospitals at the National Guard camps?

Mr. SHERLEY. My impression is that it does.

Mr. TILSON. My observation in those camps leads me to believe that that was the thing most needed of all, namely, the sewage disposition from the hospitals of National Guard camps.

Mr. SHERLEY. It carries everything that the medical men are able to think of.

Mr. SHALLENBERGER. Is it all contained in this medical department?

Mr. SHERLEY. There are some $18,000,000 contained in the way of construction, repairs, and enlargements of hospitals for the Army. There is quite a considerable sum, several millions of dollars, in the way of enlargement of marine hospitals, under

the Public Health Service, and quite a sum in this regard for the Navy. There are the items that are carried under the head of barracks and quarters, and water, sewers, roads and streets, and things of that kind, that would also relate directly or indirectly to matters of sanitation. Then there are certain items touching sanitation of areas outside of camps under the Public Health Service.

Mr. SHALLENBERGER. I just observed that the items referred to were not in the medical department.

Mr. TOWNER. I notice in the item of water and sewers at military posts the appropriation is over $13,000,000. I will ask the gentleman if that includes cantonments?

Mr. SHERLEY. It includes more than that. These are items that have been allowed. I say "allowed," but it does not very much matter whether the committee thought it ought to be allowed or not. The money has been spent and the thing done, and we are simply paying the bill. I am not saying that in criticism. It is already spent, and ought to have been done, because these things were things of first importance, but manifestly when it came to the committee as a proposition of money spent we had no option as to whether we would vote it or not.

There has been estimated here $36,424,175 under the various heads of barracks and quarters, waters and sewers, regular supplies, roads, walks, wharves, and drainage, construction and repair of hospitals, at the 16 cantonments, and there had been under the similar heads a total of $18,353,194 at the various 16 camps. Then there are a number of items under the same head that relate to work done at other places outside of these 16 cantonments and 16 camps.

Mr. TOWNER. Those are included in other items in the bill?

Mr. SHERLEY. No. "Barracks and quarters" is only carried once in the bill, and it represents money used for cantonments and camps, and also for other purposes. There was submitted to the committee, as the result of a suggestion made at the hearing last fall, a table that undertook to segregate and group these matters, and it is from that table that I have been endeavoring to read.

Perhaps there are some other cuts that ought to be enumerated as being of sufficient magnitude to deserve attention at this time.

In the Provost Marshal's office there was a cut of $2,000,000. That $2,000,000 was a cut because of a request of that amount to reimburse the President's fund, and that brings up a subject that it is well to speak of generally. The President very properly, as occasion arose from time to time in various departments, has advanced moneys to carry on necessary activities. As a very good illustration of that, the War-Risk Insurance Bureau was created by an act of Congress, passed a few days, or a week, maybe, before Congress adjourned. Of necessity no adequate provision could be made by Congress for taking care of that organization. It has grown and is growing, and will continue to grow, by leaps and bounds. It was necessary for the President to advance $500,000 to be used for that bureau in the employment of clerks and procurement of space, and other purposes incident to the organization of the bureau.

So in the case of the Provost Marshal's office, $2,000,000 was advanced; in other bureaus, lesser sums. In some instances, as in these two, requests were made for us to appropriate sums in order that that fund might be reimbursed. The committee concluded not to do that in any instance presented here, not in the slightest as a criticism of the President's use of the fund, for so far as it has come to the attention of the committee there has been no disposition on the part of the Executive to give funds indiscriminately and without thought; but because of a realization that of necessity the President could not watch all of the details, and that it was not intended that the $100,000,000 fund should be a revolving fund, always to be kept at that amount, but was given for the purpose of meeting exigencies as they arose, and that if subsequently there came such a diminution of it as to make it desirable the President should be voted additional sums, Congress would unhesitatingly do it. This Congress and any Congress will always vote to the President of the United States the moneys necessary to meet situations such as this when the country is engaged in war; and, to the great credit of the country, it has never had a President that did not deserve that confidence at the hands of the legislative branch of the Government. [Applause.] But just as a matter of keeping track of things, in order to prevent departments undertaking to get from the President moneys and then spending them without getting the viewpoint of Congress at all, and then coming to Congress and asking that the money be given back by which it could reimburse the President, the committee thought it wise not to recommend such sums, and has not done so.

That explains that cut of $2,000,000 in connection with the Provost Marshal's office.

In the Food and Fuel Administrations there was a cut of $250,000. That is a joint fund, and while both Mr. Garfield and Mr. Hoover expressed the belief and the desire that the fund should be separated and the two departments carried separately in the future, and while the committee believed that that is a proper thing to do, it did not feel like doing it in a deficiency bill when in a few weeks the matter will come up for a more minute examination in connection with the sundry civil bill. We cut the amount asked for because we believed that they did not need the full amount asked. It was not cut with the idea of restricting their activities, but certain estimates were made on the basis of an increased salary roll for a six months' period. This bill will not become a law until, at the best, about four months before the end of the period. Manifestly in many instances there should have been a cut of one-third in connection with salaries and expenses of that sort. In that way will be explained many of these cuts.

Now, there are a great number of other items that come from all the different departments of the Government. It is a time when the war, like charity, is made to cover a multitude of sins, and when a department, whether it has any relationship to the war or not, is glad to take war as an excuse for getting moneys for increasing its activities. So far as we could we tried to check those things, and where we thought moneys were being asked that were not necessary we cut them.

There were certain deficiencies that were perfectly patent. There is quite a deficiency here in regard to soldiers' homes, which was allowed in its entirety. It grew out of the increased cost of food and fuel. It did not require very much of argument to convince anybody who has to pay his own bills that it was costing the Government more money to pay its bills in regard to both food and fuel, and those matters became matters of mathematical calculation in large measure.

There was an estimate of $6,000,000 to furnish seeds to the farmers of the country at cost. That was submitted to the committee and was cut $2,000,000. It was cut $2,000,000 because of a belief that with the $2,500,000 which they have available, and which was voted them last fall, and with the $4,000,000 which will be made available through the passage of this bill they would have as large a fund as was needed. That fund is a revolving fund. One of the questions that came up was how far they would be able to turn over the money. Manifestly they will begin buying right away the seed, and manifestly they will have to sell that seed very shortly, the time being shorter or longer according as the planting season is earlier in one section and later in another section. To a limited extent seeds sold where planting is very early will be sold early enough for the money obtained from those sales to be again used in the purchase of new seeds, and to that extent the fund can be made to go further than its total would indicate. Just how far that may be it is impossible to tell. But believing that there would be some of that, and believing that the estimates proposed were based on a belief a little more gloomy than the facts warranted, because there is always too much rain, or too little, and the weather is never quite right for farming, and things are always going wrong, and still do not always go quite as badly wrong as folks think [laughter], the committee felt warranted in making the reduction indicated.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield there?

Mr. SHERLEY. Yes.

Mr. SMITH of Michigan. I will say to the gentleman that in October out in Michigan it rained 28 days out of 31.

Mr. SHERLEY. I have no doubt of that, and I have no doubt that the frost has killed all the fruit. It always does. [Laughter.]

Mr. SMITH of Michigan. I can say to the gentleman that it has killed a good deal of the wheat.

Mr. SHERLEY. I recognize that; and because it was a concrete situation we undertook to deal liberally with the department. There are sections where the selection and adaptation of certain kinds of wheat and cotton and sorghum are such as to make difficult the procurement of the proper kind of seed, and it is perfectly manifest that the Government must now go into this activity. I also believe it likely that the Government will not lose anything by this expenditure, and that the sales of these seeds shall be as the law contemplates they should be, at such price as to cover the cost of procurement and the actual distribution cost and overhead charge. I would not ordinarily like even this plan of State socialism, but facts are facts, and facts are stubborn things, and we are doing many things now in this war that I hope and believe none of us will be doing or wanting to do, unless it be my distinguished friend from New York [Mr. LONDON], in the days that will come after peace is declared.

Mr. SMITH of Michigan. I am sure that the action of the committee in this regard will be appreciated very much by the farmers, who are trying under these circumstances to produce

sufficient crops to serve the needs of the country. But I would like to inquire whether it would be proper for the gentleman to state how the seed will be sold, so that the farmers can avail themselves of it. Will it be sold by the Secretary of Agriculture direct to the farmer or will it be placed in seed houses in the different States so that the purchases can be made through them?

Mr. SHERLEY. Well, we did not go into the question fully as to the method of distribution. We did make an inquiry which I think is interesting, and which I think the gentleman will enjoy reading, touching the method of acquiring information as to the amount of seed needed and the method of procurement of the right sort of seed for sale and distribution. I assume that the Agricultural Department will through its own agencies undertake to distribute this seed.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman permit a question?

Mr. SHERLEY. Certainly.

Mr. GARRETT of Tennessee. I suppose it would be very much like the system developed about the distribution of nitrate of soda?

Mr. SHERLEY. I would assume that is true.

Mr. SMITH of Michigan. Yesterday I addressed a letter to the Secretary of Agriculture, asking about the matter the gentleman has referred to.

Mr. SHERLEY. I am sure you will get more accurate and fuller information from the Secretary than from me.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. TEMPLE. Is it expected to get the bill through both Houses and signed in time for use of the seed in the spring-wheat planting?

Mr. SHERLEY. I hope to get it through the House by Saturday, and I hope it can be passed through the Senate within a week. There is $2,500,000 now that the Secretary has, and, of course, it can be used for the immediate needs, pending these other moneys. Now, gentlemen, I have already taken more time than I expected to. I want to speak to the committee about one matter of great importance.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. SHALLENBERGER. I want to ask a question about the policy of the committee. I observe that it has reduced the immediate appropriation, but granted quite liberal authorizations. Is not that unusual in a deficiency bill, to grant such authorizations?

Mr. SHERLEY. Yes; it would be; but this is not a usual deficiency bill. What I mean is that many of the deficiencies are of a different character. We are making contracts in large sums. For instance, the engineers wanted $140,000,000. We gave them $70,000,000 in cash and $70,000,000 authorization, and we did it upon this theory, that while it was necessary for the Engineer Department to be in a position to incur obligations of the Government and let contracts for the procurement of locomotives, rails, and other facilities, amounting to a total of $140,000,000, by no possibility could the bills be presented by July 1. In that connection I will say that the Engineer Department has unpledged a free balance of $114,000,000—and we gave them $70,000,000 more, making $184,000,000 cash, which is more money than they can possibly need to pay bills between now and July 1, and other appropriations could be made afterwards without now tying the Treasury. It is an unfortunate thing to tie the Treasury by positive appropriations to any greater extent than necessary. That was the general policy the committee followed.

Mr. SHALLENBERGER. Then the authorizations are for contracts between now and July 1?

Mr. SHERLEY. Yes; while it is a continuing authorization, we were advised that they expected to enter into the contracts before July 1.

Mr. SHALLENBERGER. The same department asked the Military Committee for $800,000,000 for the year beginning the 1st of July.

Mr. SHERLEY. Yes; but the committee did not undertake to deal with matters that will probably come before the gentleman's committee touching the fiscal year 1919.

Mr. WHALEY. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. WHALEY. Is the nitrate of soda fund to be made a revolving fund?

Mr. SHERLEY. Yes; and the reason for that was developed from a statement contained in a letter from the Secretary of Agriculture, that while there was some uncertainty whether he would be able to get ships in order to get additional nitrates, still it was desirable that the fund should be a revolving fund during the war. The committee, realizing that that was true, felt warranted in presenting legislation to that extent, and it is contained in the bill.

Now, gentlemen, one of the problems that confronted the committee, and which was the most difficult in many ways of solution, was the problem in connection with the building program for the District of Columbia. I said awhile ago that it was very much easier to look back and see mistakes than to look forward and see needs. I think one of the big mistakes that Congress made—and perhaps nobody was more responsible for that mistake than myself, unless it was the distinguished gentleman from New York, Mr. Fitzgerald—was that instead of building 1,000,000 square feet of space last year in Henry Park we ought to have built three or four million square feet. We probably would have been denied the request if we had come in with a suggestion of that kind, but that is what ought to have been done. We ought to have taken certain land then available and placed on it buildings to the extent of three or four million square feet of space, and as a result of that we would have had a building plan that would have been more uniform, more permanent, and more desirable than what has taken place and what is now going to take place.

Mr. MADDEN. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. MADDEN. Has the War Department, or whatever department has jurisdiction, lived within the estimate of the cost of $2,000,000?

Mr. SHERLEY. Not entirely; there has been put into this building a sprinkler system in order to lessen, as far as practicable, the danger of fire.

Mr. MADDEN. They would not be able to get insurance unless they did.

Mr. SHERLEY. They do not have any insurance, but it is to lessen the fire danger. By virtue of that fact and some other minor things there have been expenses which will carry the cost of the building over $2 a square foot, which was the estimate, to $2.16 a square foot; and, so, to that extent they have not kept within their appropriation. But that is less than we can build wooden buildings for to-day. In the items we are carrying in the bill for wooden buildings we are figuring on a basis of $2.25 a square foot.

Now, there is at present, occupied by various departments of the Government, 3,826,511 square feet of rented space, or, rather, there was on the 1st of January. This matter changes from day to day and it will keep a man busy to keep up with the changes, but the committee sent out a series of questions to every department and has compiled information as to that data touching rentals. For that space the Government is now paying $1,764,019.40 annual rental. The space obtained lately is costing a dollar or more a square foot. Now, the estimate of space needed by the departments prior to July 1 is 2,109,761 square feet, and that means net.

Mr. SLOAN. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. SLOAN. As to the value of buildings occupied by the Government, can the gentleman state about what percentage of the value of the building is paid in rentals?

Mr. SHERLEY. No; I can not state from my knowledge what that would be. We are paying now, I should say, what a president of a railroad many years ago described as "all the traffic will bear." It is so much higher in some instances that you do not like to think of the extortion.

But they have asked all that they could get, and are still prepared to do so. There is figured as additional space after July and up to the next July of 2,316,270 square feet. The committee has presented a proposal here that has one vice. It is inadequate, but again the committee tried to keep within what would seem to a good many people reasonable bounds. I say inadequate because if this war continues for more than this year, the expansion is going to be away beyond even what that table indicates.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. MADDEN. Of course, if these buildings are of a temporary character, or even if they be of a permanent character, they could be so laid out as to extend them without any additional expense in the cost per cubic foot, so that if you prepare for just what you know you need now and you lay your plans for additions that may meet the future needs you would be perfectly safe.

Mr. SHERLEY. I agree with the gentleman, if we do that, but unfortunately we think we do it when we do not. Right now the departments are being handicapped, seriously handicapped, for the lack of at least a million square feet of space, that ought to be available this moment, and that is understating the situation. But you know it is hard for men to expand in their minds

as fast as events expand for them, and we did not want to bring in here a proposal that looks too extravagant.

Mr. MADDEN. Sometimes what looks to be the most extravagant is the most economical.

Mr. SHERLEY. That is true.

Mr. MADDEN. Has the gentleman been able to obtain any information as to the length of time it will require to complete the character of buildings the committee recommend for construction?

Mr. SHERLEY. Yes; I am going into all that detail in a moment, which I hope will give the gentleman the information he desires. What we are proposing is that there shall be erected in Seaton Park—and Seaton Park is that part of the Mall that lies immediately to the east of Henry Park, and Henry Park is that part of the Mall where these buildings that were ordered built last year now are, at Sixth and D Streets—that at Seaton Park there shall be constructed one concrete building of 270,000 square feet, and when I speak of square feet I am speaking of gross, not including the walls, but gross in the sense of including halls and other space not used commonly as offices. It is inside wall floor space.

Besides this 270,000 square feet of concrete in Seaton Park, we propose also 370,000 square feet of wooden buildings, all to be three stories in height, the wooden buildings to be of the same style as the buildings now in Henry Park, and the concrete building to be reinforced concrete of a plain design, three stories high, and, of course, entirely fireproof. Then, just beyond the present Henry Park buildings to the west it is proposed to put up a wooden building of 300,000 square feet of space. That would make in that part of the Mall an addition of 940,000 square feet of floor space. The reason for putting one concrete building there was this: Those buildings in Henry Park are now largely used, not entirely, by the ordnance people. Practically a third of those buildings are reserved for the use of the Navy, and they are to give that up under the new plan, which proposes building them a concrete building at Seventeenth and B Streets, to which I shall come in a few moments.

It is evident that the ordnance people will eventually need all of the present space at Henry Park, and will need, in addition to that, considerable concrete space for the certain protection of their records, their drafting force, and drawings. I do not believe that there is any real fire risk in the sense of danger to human life in connection with those buildings. The policing of those buildings, the fire protection in the way of the sprinkler system and otherwise is such, together with the character of the building, which would enable, in case of emergency, the rapid emptying of them, even in case of fire, that there would be no great danger to the people stationed within them.

But there is a fire risk in connection with the records. The people could get out but the records would not get out, and there would be as much delay by virtue of the destruction of certain classes of drawings and records as could possibly come to us in the prosecution of the war. It is therefore highly important that we should have a concrete building there, and if it was not because of the time involved I should favor building only concrete buildings from now on. But the War Department needs immediately a great deal of space. They have stated that if we could supply very shortly some six or seven hundred thousand square feet of space, that that would take care of the acute phase of the situation until we get further relief from the concrete buildings that we are proposing, and so it was planned in this way.

It is proposed at Seventeenth and B Streets—and that is right across from the Pan American Union Building—to place two buildings, one for the Army and one for the Navy, running west toward the river, that shall have a total floor space of 1,775,000 square feet, 940,000 square feet to be for the use of the Navy and 835,000 square feet for the use of the Army. The Navy Building will be sufficient to take care of all of the Navy activities with its prospective expansion, save only that space now occupied in the Navy Annex and for which they have a lease of some years. It might even take care of that, if need be, and that lease might be transferred for the use of other departments. As a result of building these buildings they state that they are able and willing to stay in the present quarters, crowded though they are, and to immediately release for the use of the Army the approximately 300,000 square feet, gross area, down at Henry Park, and so the plan contemplates their release of that and the immediate use of it—it ought to be ready in a few days—by the Army. By this plan the Navy subsequently can, and will, release practically all of the space it now has in the Army and Navy Building for the use of the State Department, which is greatly in need of additional space. After completion of all the buildings here proposed there should be such release of rented space by the Navy and War Departments as would enable other bureaus to be better accommodated, but we have made no certain provision for a number of these, and later adjustments will need to be made of available space. We have made no provision for Treasury needs, but an estimate has been submitted for taking over the Arlington Hotel site and erecting a 10-story building. It came in too late for our consideration, even should the committee desire to consider it.

The estimated cost of the concrete buildings is $3 a square foot. The salvage when these buildings shall have been removed, as eventually they will be removed, will be practically nothing. In other words, what you get for your machinery, windows, sashes, electric fixtures, and other matters that are the subject of salvage will probably not be more than what it will cost for the removal of the concrete buildings.

The cost of the wooden buildings will be $2.25, as best we can figure it. I hope it will be a little under that. As I stated a few moments ago, the Henry Park buildings are going to cost now, with the deficiencies added to them, $2.16. The salvage on the wooden buildings will probably be about 25 cents, so as to make about $2 net for the wooden buildings as against $3 net for the concrete buildings. I think it is important that the committee should keep those figures in mind. The cost is as 2 to 3. Now, these figures were arrived at by consultations with the officer in charge of public buildings and grounds and consultations with the Superintendent of the Capitol, consultations with Gen. Goethals—though I ought to say, in justice to him, that his statement was simply a general statement as to cost without going into the details—and by consultation with the Bureau of Yards and Docks of the Navy, and consultation with one of the officials of the Treasury Department in connection with public buildings. They represent what ought to be the outside cost. The Navy people have actually built concrete buildings at a square-foot cost of $2.50—I mean, under modern conditions at present prices.

Mr. MOORE of Pennsylvania. Did they do that by advertising for their materials according to law?

Mr. SHERLEY. I can not answer that, as to whether they did it in this instance or not in that way, but they did it for that figure. It is done largely by having the cheapest kind of construction and by having a plan that makes your ground floor practically rest upon the ground, not requiring the support for it that would be required for the other floors. If there has to be some stepping, owing to the grade, they estimate that the price would run, at the outside, to $3.08, and anywhere between $2.50 and $3.08 is what is figured would be the cost, dependent upon the character of the ground, the amount of grading that would have to be done, the levels that the buildings were to attain, and matters of that sort. The committee took $3 in order to be safe, and it is proposed that these two concrete buildings shall be built under the direction of the Navy Department. The Bureau of Yards and Docks of the Navy has probably had more experience in concrete buildings than any people outside of the Army engineers in connection with Panama, and river and harbor work, which is rather different work from this. It is believed that it will take from three to five months as the minimum and maximum to build the wooden buildings, and from four and a half or five months to seven months as minimum and maximum for building the concrete buildings. Of course the amount of building of concrete, if it was increased very much more, might delay quite a bit the finishing of all of the work, because the assembling of the sand and gravel and concrete and the steel for reinforcement, and all of those things, go to delay construction, as you gentlemen appreciate without my stating it.

Mr. MEEKER. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. MEEKER. Is it possible for these concrete buildings to be so constructed that the department can be getting into them before their completion?

Mr. SHERLEY. Partly; but these buildings are going to be three-story buildings only in height. They are made three-story buildings for several reasons, but, among others, to hold down the cost, to prevent the need of elevators, and for quickness of completion. Now, it is possible that part of them may be done, or one building may be done sooner than the other, but I am giving you the outside figures touching the program.

Now, some of these buildings are being put on the Mall and some of them on the park area. I could stand here and give you 20 good reasons why you ought not to build on either the Mall or the park if I was hunting simply reasons to criticize a building program, and when I got through somebody might ask me what I would do in lieu of that, and I might have some difficulty in answering that. No one wants to see either the Mall or the parks of Washington disfigured. No one desires to do it for the sake of doing it; but no one with appreciation of

the needs of the Nation is going to stop to consider parks in connection with the prosecution of this war. So the committee has no apology to make for proposing to build upon these public areas. The Mall as we have known it is gone forever. I hope that some day will come a bigger and a better one. Some day there may come a scheme whereby we will bring the Mall into the life of the city instead of having it as it is now, and make Pennsylvania Avenue a street to be proud of, a street to rival Princess Street in Edinburgh, with a park on one side and beautiful buildings on the other. But the Mall at present is gone, and the old Mall, spacious in the days of the driving of horses, is to-day so narrow as to be nothing more than a green setting for a few public buildings that are in it; and the great park development of Washington is coming in the Potomac, and the connecting that with Rock Creek, and the driveways that will be measured in many miles instead of in squares.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. SMITH of Michigan. It occurs to me from the location of the buildings that the gentleman has mentioned that there will be a great congestion. Was that considered by the committee?

Mr. SHERLEY. I will come to that in a moment. It was considered. If there is any difficulty in connection with this matter that we have not considered, we are not conscious of it, because it was a very difficult problem.

Mr. MADDEN. And the gentleman had to consider transportation facilities in all this?

Mr. SHERLEY. Yes. Of necessity that also had to be considered. That is one of the determining factors, the proximity to our Government activities, because there is no thing that breeds a waste of time more than scattered activities whereby the man in charge would have to spend half a day in traveling from one place to another. The buildings that will be put at Seventeenth and B Streets will be, by virtue of their bulk, really attractive looking buildings. I think everybody was agreeably surprised at the appearance of those buildings in Henry Park. We had been told that they were going to be so ugly that when they proved not to be that ugly we were rather agreeably surprised.

Now, without adding to the cost there can be made ornamentations of the two faces, that on Seventeenth Street and that on B Street of the first building, and on one face of the second building on B Street, such as will take away from them any ugly appearance. The height is not sufficient to dwarf the Lincoln Memorial, and they do not go far enough back to do it. It took a good deal of nice planning to get buildings of sufficient area and yet so constructed that they would not go back too far toward the Lincoln Memorial or too far to the south to obstruct the vista that should be had of the Lincoln Memorial. The base of the Lincoln Memorial will be almost as high as the roof of these buildings, and in order that we might not again have the unreasoning hysteria touching smokestacks, a hysteria and propaganda of supersensitive art critics of the country which resulted in the inexcusable delay of a power plant that is much needed now, we propose to have the power plant of these buildings next to the brewery on the river, and if it can detract any from the beauty of the brewery we are not aware of the fact. I now yield to the gentleman from New Jersey.

Mr. PARKER of New Jersey. I have always been very much struck with the fact that the most beautiful view back of the White House was toward Arlington, and I want to know whether any of these buildings have been placed so as to interrupt that view?

Mr. SHERLEY. They have not. One of the proposals that was made was to use the ellipse, that is the loop beyond the rear of the White House. That was rejected. Another proposal was to put the buildings in an L shape around the Monument, occupying some of the space that is now occupied by the swimming pool there. That was thought undesirable, and impracticable except at great expense in the construction because there used to be a great pond there, and it meant a lot of filling, and the spreading of your bases over a very much larger area.

Mr. PARKER of New Jersey. My recollection is that the Lincoln Memorial is nearly in line with the portico in the rear of the White House and Arlington.

Mr. SHERLEY. No.

Mr. PARKER of New Jersey. With the house at Arlington.

Mr. SHERLEY. No; it is not. Here is the White House. Here is the Ellipse. Here is the Washington Monument, and Arlington is off here [illustrating on map].

Mr. PARKER of New Jersey. To the left of that?

Mr. SHERLEY. Here is the Lincoln Memorial.

Mr. PARKER of New Jersey. That is more in the direction of Arlington.

Mr. SHERLEY. Here is where these buildings will be put.

Mr. PARKER of New Jersey. I think it would interfere with that vista, and I wish the gentleman would look at it——

Mr. SHERLEY. I have several times.

Mr. PARKER of New Jersey. The gentleman does not think that the view from the rear of the White House toward Arlington is interrupted by these buildings?

Mr. SHERLEY. I am answering the gentleman that it is not, in my judgment. Existing buildings would interrupt the view if it be as the gentleman thinks. Here is the Pan American Building. This here is a new building, and this is a building under way, and there is another one under way here. Here is another building proposed. All of this area which ought to have been taken last year and on which should have been placed one great series of large buildings of concrete has been taken by various departments on account of the need and covered with wooden buildings. These proposed buildings could not of necessity interfere with the view of Arlington. That would not be interfered with, if it be not interfered with already by the buildings that are there.

Now, some one inquired, and it was a proper inquiry, in connection with transportation facilities. Well, it looks like no matter where we live or work we have to walk if we want to be on time. But assuming that the street car companies will have waked up to their obligations and deal with them adequately, the places selected do not present difficulties as great as would be had if they were put elsewhere. It is proposed now that one of the electric street car lines shall come down—it now comes down Pennsylvania Avenue and on G Street—it is proposed that it shall make a loop in here and strike Virginia Avenue, and then come on back and up again so that all of these buildings would be within two or three squares of that car line. They are now within a few squares of the Pennsylvania Avenue line and have only a couple more squares from the F Street line on Seventeenth and H.

Mr. SMITH of Michigan. Will the gentleman pardon just one more question?

Mr. SHERLEY. Certainly.

Mr. SMITH of Michigan. And then I will subside. Was the housing proposition considered at the time that these buildings were located?

Mr. SHERLEY. The gentleman means the housing of employees?

Mr. SMITH of Michigan. The housing of employees.

Mr. SHERLEY. Yes; that has been thought about.

Mr. SMITH of Michigan. Because there are now bills being considered requiring hundreds of millions of dollars for the housing of employees here and elsewhere.

Mr. SHERLEY. I have thought a great deal about it, and I think the committee has thought about it somewhat. I believe that it is going to be desirable to build on some areas between the Capitol and the Union Station some women's hotels of concrete, which can be built there from plans which I have seen, I believe, at a cost of $500 a room, and each of these buildings contemplates about 1,500 rooms capacity, with the proper parlor floor, and perhaps a gymnasium or swimming pool included in it.

I think that it is essential that this Government should do something looking particularly to the housing of some of the women employees of the Government.

Mr. SMITH of Michigan. I am glad to get the gentleman's idea.

Mr. SHERLEY. I say "women employees," because the necessity of the situation that confronts them is more difficult than that which confronts men. Men who are worth their salt can usually find somewhere to sleep and take care of themselves, and if all the clerks, both women and men, would consider somewhat living over in the Southeast instead of everybody trying to congest up in the Northwest, they would help to solve a great deal of the problem in connection with the housing of employees. But something ought to be done in regard to the women employees, and I hope there may. We did not go into it to present any real plans to the House at this time. We have presented a plan——

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SHERLEY. I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent for 10 minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. SHERLEY. We have not undertaken to bring out a plan for the housing of employees.

Now, I think I am warranted in asking this of the House: Even though this building plan does not represent just what the individual Member might have thought desirable, to bear in

mind that it is the result of a month of very hard, conscientious work. It represents the judgment of the committee, and when I say the judgment of the committee, I mean that. It represents not simply the judgment of the majority members, but equally of the minority members. It is the most practical thing we could work out.

These buildings ought to be, to the extent that they can be, built of concrete, for two reasons, both of them important. First, the absolute security to life and property; and, second, buildings sufficiently permanent, though not intended to be kept for all time, as will take care for a few years after the war closes of all of the needs of the departments; because we are never going back to the old condition that we knew in Washington. You will never go back to the old size of governmental activities. You will never see the Washington that you knew three or four years ago. There will go up in this city, from selfish interests, a great cry to immediately build great monumental buildings that will take considerable time, and in the meanwhile to tear down anything that they can tear down, in order to continue the very profitable business that was illustrated in a rent account of $1,700,000 for 3,000,000 square feet of floor space, much of which is not office space at all, but really storage space.

The committee felt that it would be derelict in its duty if it did not present to the House a building program that had enough permanency to give the Government some little leeway and not hold it subject to the greed of men renting space to it. If we have erred, we have erred on the side of conservatism. We would rather not have had to go on the park areas at all. But if you take the areas that are full of buildings now and tear them down, laying aside the cost of acquiring the land, you will postpone by a month, two months, or three months the procurement of these buildings; and time is money now. Therefore the committee presents this in the hope that it may have the approval and indorsement of the Committee of the Whole.

Mr. LONGWORTH. I would like to ask the gentleman a question concerning a subject in this bill on which he has not touched. I observe there is a deficiency appropriation for heavy cannon. If I recall correctly, we appropriated last year something like $2,100,000,000?

Mr. SHERLEY. The gentleman is mistaken in his assumption. There is an item of $676,000 under the head of "Field artillery," which he assumes is for heavy cannon. In point of fact, it is for mortars.

Mr. LONGWORTH. That is correct, but it is "For purchase, manufacture, and test of mountain, field, and siege cannon."

Mr. SHERLEY. That is just the generic term. You must permit a little camouflage even in the description of matters of this kind.

Mr. LONGWORTH. I wanted to ask the gentleman if he could state approximately the condition of the manufacture of cannon to-day?

Mr. SHERLEY. Well, I think I could. I would rather not.

Mr. LONGWORTH. The gentleman would prefer not to do so?

Mr. SHERLEY. I would prefer not to do so. In the first place, because it is difficult to trust one's memory, and, for a better reason, that I do not think it is desirable to go into the detail of it. I will say this to the gentleman, however, which I think will perhaps answer his question. I do not believe that there will need to be any slowing up of the activities of the war by virtue of an inability to get heavy field artillery. Now, I presume that is what the gentleman wanted to know?

Mr. LONGWORTH. Yes, incidentally; but it occurred to me, having appropriated $2,100,000,000, the House ought to have some information, if the gentleman would think proper, as to the state of the development—how many guns are in process of manufacture and when it is expected that they will be delivered.

Mr. SHERLEY. I have within reach a detailed statement not only of that but of nearly every other activity. I do not feel warranted publicly in stating that. I will be glad to give the gentleman such information for his own use as I may have.

Mr. LONGWORTH. That will be perfectly satisfactory.

Mr. MADDEN. Members of the House ought to be able in some way to get the information.

Mr. SHERLEY. I think that is true, and I think most of the gentlemen can get the information who undertake to get it for their own use. But I am not willing to take the responsibility on this floor of making public details of that kind.

Mr. MADDEN. I am not asking the gentleman to do that.

Mr. SHERLEY. I know he is not. But I would be glad to give the gentleman personally any information I can at any time.

Mr. MADDEN. I will be delighted to have it. While I want to do everything I can to promote the success of the war, at the same time I want to have some intelligent conception of why I am doing it.

Mr. SHERLEY. Well, I will answer the gentleman as to that phase of it now. He is not being asked to spend any money in connection with field artillery proper, and therefore a knowledge of that schedule is not necessary for a determination of his duty on this bill.

I thank the gentlemen of the committee for their generous consideration. [Applause.]

Mr. GILLETT. Mr. Chairman, I am not a member of the subcommittee that framed this bill, but in the absence of some of the other members I did sit more or less with the committee, and the chairman very courteously consulted me about some of the items. I agree with my distinguished friend who preceded me in the opinion that it is a well-digested bill. The gentleman from Kentucky [Mr. SHERLEY] in his very elaborate and thorough speech voiced my sentiments, and I am in full accord with him. Although its size shocked us, or would have shocked us six months ago, yet we are getting accustomed to it, and it is a bill which I think we must all unite in supporting and passing.

Mr. LONGWORTH. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. LONGWORTH. Speaking of the size of the bill, I read an interesting statement this morning concerning the cost of various wars. This bill is almost identically the amount of the cost of the war between Great Britain and South Africa, which lasted for two years.

Mr. GILLETT. Now, Mr. Chairman, I take advantage of the liberty of general debate for a few minutes to call attention to an incident which happened last week on one of the very few days when I was not present. It was an extension of remarks by the gentleman from Oklahoma [Mr. FERRIS]. I am sorry to see that he is not present at this time, but I notified him this afternoon that I should make some comments upon it, and he has had every opportunity to be here.

The gentleman from Oklahoma [Mr. FERRIS] asked unanimous consent to extend his remarks, and under that unanimous consent he published what I presume some of you have read, an editorial which was a glorification of the Democratic Party and denunciation of the Republican Party. The whole tenor and purpose of the editorial was to convey the impression that the recent investigations and disclosures and the criticisms of the War Department were a part of a Republican campaign preparatory to the next election.

Now I think that was a most unfair and improper use of the privileges of extension, because I think you gentlemen on that side will admit that during the whole of the last session, and during this session, we on this side of the House have studiously abstained from any action or from any debate which could be construed as criticism of the administration. I know for myself that has been the rule of action, and, as far as I know, on this side of the House it has also been the invariable rule of action.

I do not think that the gentleman from Oklahoma, or any other gentleman on that side of the House, would have spoken the words which are here inserted in the RECORD in that editorial; they would have been ashamed to. There is nothing at all improper in it as an editorial. It is one of that kind of partisan outbursts which all party organs indulge in at election time and which undoubtedly most of us in elections and on the stump indulge in—abuse of the other party and glorifying our own party, although perhaps this distorts the truth more than usual. But at this time and under these circumstances I think it was very unfair for the gentleman from Oklahoma to put it in the RECORD.

Mr. MADDEN. Will the gentleman yield?

Mr. GILLETT. I will.

Mr. MADDEN. And it is particularly unfair in view of the fact that it gives it the franking privilege.

Mr. GILLETT. Mr. Chairman, yes, I presume the reason the gentleman put it in the RECORD was that probably out in the wilds of Oklahoma there was some disturbance and worry about the criticisms of the administration which were being made, and the gentleman thought that by having something which he could frank and which would stir up partisan bitterness amongst his political supporters there he would divert their attention from the real facts and make them think this was a Republican political scheme. Whereas I am sure you gentlemen know that in this House nothing has happened upon which to base such a charge.

Mr. SLOAN. In the request for leave to extend, does the gentleman advise the House of the nature of the proposed extension?

Mr. GILLETT. No; I think the gentleman's manner of securing his leave to print was as objectionable as what he printed.

A few days before he obtained his leave he rose in the House and made this request:

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.
The SPEAKER. Is there objection?
Mr. WALSH. Mr. Speaker, reserving the right to object, on what subject?
Mr. FERRIS. I want to print a short editorial on the war, peace, and against war.

Mr. Chairman, that "short" editorial, as he describes it, occupies over two of the wide columns of the CONGRESSIONAL RECORD in small print! He calls that a short editorial, and I venture to say that 90 per cent of the editorials which are published in the country are far shorter than that. He obviously wished to minimize it. Then he speaks of its subject as "Peace and against war.' I do not like to use the language which naturally comes to my mind in describing that statement, but I shall leave it to the House to read that editorial and see whether "Peace and against war" fairly describes it any more than the expression "short" describes the length of the editorial.

Mr. ROBBINS. On what day was that printed?

Mr. LONGWORTH. Monday, February 4, and is on page 1793.

Mr. WALSH. Mr. Chairman, I desire to ask the gentleman if this editorial which appears in the RECORD appears as a result of that request?

Mr. GILLETT. No; he did not print it then, because the gentleman objected; but a few days after that, at the end of the session, when as you know very few Members are here, after there had been a debate in which the gentleman from Oklahoma [Mr. FERRIS] had taken part, at the end of the session the gentleman from Oklahoma again rose and again requested to extend his remarks in the RECORD. This was on a different day, a few days later. Of course, the membership of the House presumes, as we know is always presumed, that when a man who has just made remarks rises and asks permission to extend that it is for the purpose of extending those particular remarks, and I have no doubt that when the gentleman rose and asked to extend his remarks in the RECORD everybody assumed that, and it may possibly have occurred to the gentleman himself that they would assume that. Nobody then objected, and the gentleman then printed this "short" editorial on "Peace and against war." As I say, I think the manner in which the gentleman inserted the matter in the RECORD is as objectionable as the matter itself.

Generally Members of the House trust each other, and as a rule the Members of the House do not take advantage of each other, but we all know that there are occasionally men who have to be watched. I never supposed the gentleman from Oklahoma, for whom I always have had great regard and respect, was in that class, and I am sorry and disappointed to find both what he has done and the manner in which he did it.

The minority has carefully ascertained from such partisan debate as is illustrated by this editorial, and we have in a measure departed from what is ordinarily the province of a minority. The normal province of a minority is to criticize. It is always good for the Government that there should be an alert, active minority, ready to criticize and watch what is being done by the majority. It conduces to good administration. But under the extraordinary circumstances of this session the minority was faced by two alternatives. Should we follow the ordinary course of a minority, should we criticize and oppose the majority and the administration, or under the very peculiar circumstances which now exist, appreciating that the prosecution of this war was the one thing that both majority and minority were bent upon, should we ignore the ordinary practice of the minority, although we did see frequent acts of the administration which we did not approve—should we openly criticize them or remain silent? I have thought it my duty under the present circumstances to depart from and abandon the ordinary conduct of a minority, and instead of criticizing lend my best efforts to the support and assistance not only to the majority of this House but to the administration, to hold up its hands, and to increase its strength and popularity as far as I could.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. GILLETT. Yes.

Mr. LONGWORTH. In substantiation of the gentleman's argument, may I call his attention to the fact that on the conscription measure, which was more necessary than any other in the proper prosecution of this war, the draft law, the support the President received on this side of the House as compared with the support he received on the Democratic side was in the ratio of 3 to 1.

Mr. GILLETT. Mr. Chairman, I have avoided even pointing out such facts as that here. I do not wish to raise any question of partisanship, and I have not. I think on the Democratic side of the House, as well as on ours, there has been no attempt to criticize us or excite our partisanship. We all know that these investigations which have been made, the investigations of the War Department and the disclosures and the criticism which followed, were not made by a partisan Republican committee, but were made by Democratic committees. The disclosures were brought forward by Democratic committees, and the criticisms have been made more by Democratic Members of Congress than by Republican Members of Congress. Therefore for the gentleman from Oklahoma [Mr. FERRIS] to inject into this House a charge of that kind is I think entirely uncalled for and is worthy of criticism. Of course the results of these investigations are still pending. Just what a Member of the minority ought to do under the circumstances doubtless we have all of us found difficult to decide. I get letters from my constituents, as I presume you all do, of two different tenors. Some letters are complaining of existing conditions, are complaining of the great powers of the administration and its abuses, and are demanding criticisms and change. On the other hand, I have some letters urging me to continue to support the administration, and I had one yesterday which went so far as to ask me to support the administration and to support every recommendation, general and specific, which the President should make.

If we are to do that, we might just as well resign. That, of course, means that we are never to express our own opinions but we are always to express the opinions which come to us from the White House. I do not suppose any Member on either side of the Chamber would pretend that was a proper attitude for us to take. Now, for myself, I have the greatest admiration for the occupant of the White House. I think in one respect his conduct has been absolutely above all criticism, and our Nation is to be congratulated that he is there and that he is our spokesman in the state papers which he has issued. [Applause.] It seems to me that as the man who is voicing the opinion of the United States, the man who is the spokesman for the whole people and who is placing our case before the world, he has been as nigh perfect as could be hoped from humanity. [Applause.] In that I yield him honor and praise and unstinted admiration. In the past his wonderful facility in epigrams has sometimes led him to make those which were unfortunate, but since this war began he has been a superb spokesman for the whole American people. But although we admire him in that capacity, I do not suppose it follows that we, as Members of a coordinate branch of the Republic, are bound to think that he is perfect in every other act that he performs. I do not believe it necessarily follows that his selection of agents, his judgment of men, is perfect. I do not believe it follows that his administrative ability is perfect or that his judgment of organization is always beyond criticism. And it seems to me in those matters we must follow our own judgment and perform the duty which has been imposed upon us by our constituents. Now, these investigations which have been made—not by Republicans, but which have been made by Democratic committees—these investigations have borne fruit. Until they were made there was no suggestion in the War Department, for instance, that there should be any changes at all; but, following these investigations, changes of organization have already been inaugurated in the War Department, and whether they may effect good, I am very sure they can not do harm and make it any worse. Of course no mere organization of itself would insure good results. Any personnel can spoil any organization. You must have an efficient man for chief responsibility in order to make any organization effective. But at the same time a good organization with the same personnel will achieve vastly better results than a poor organization. And these investigations have apparently produced changes of organization which I believe will be for the better, and indeed the President apparently up to the time of these investigations did not believe that any reorganization of the department was necessary, although such reorganization was urged and agitated in Congress.

These disclosures were made upon the very heels of these investigations, and now the President comes to Congress and asks it for absolute power to make a reorganization of his department. He does not say to Congress, "You were intrusted by the Constitution with the power of organization of departments, and I would be glad to have you reorganize them." He does not even suggest to Congress what reorganization he would like, what reorganization Congress under its constitutional powers should effect; he simply asks us to abandon all our constitutional rights and to pass them over to the President and allow him to make any reorganization he desires. That may be the wisest plan, but I think any Congress would be somewhat slow in adopting such a plan as that. Now, there is another instance where it seems to me——

Mr. BORLAND. Will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. BORLAND. The gentleman recalls that we gave a former President power in a similar way to reorganize the customs service as being about the only practical way by which that service could be reorganized. We permitted the President to reorganize and redistrict the country for customs purposes and abolish quite a number of customs offices.

Mr. GILLETT. Yes.

Mr. BORLAND. That is upon the theory that if we by legislative act should try to abolish any customs office we would get into a great many difficulties that could not be solved in a legislative way. Does not the same principle apply to reorganizations of other departments—that it could be better carried out on a general comprehensive plan than by piecemeal work by Congress?

Mr. GILLETT. Does the gentleman think the best way to reorganize the departments is to give the President the power to reorganize as he pleases.

Mr. BORLAND. I certainly do.

Mr. GILLETT. Well, that is where——

Mr. BORLAND. There exists overlapping authority, and the President, as head of the executive department of the Government, can curtail a great deal of that overlapping authority and produce a great deal better results than——

Mr. GILLETT. He can under the present law.

Mr. BORLAND. I am not so sure.

Mr. GILLETT. That is where the gentleman is mistaken, because, if he will look at the law, he will see that under the recommendation of the Bureau of Efficiency—if that is the right title—the President can already make very extensive reorganizations. And, if the gentleman will recall, the reason we intrusted the reorganization of the customs service to the President was not because the Executive was especially qualified to do it, but because of the fact that it affected interests in this House; because that was a matter which spread all over the country, and combinations were made in the House to prevent such reorganization.

Mr. BORLAND. Did not we realize that it was practically impossible to abolish a single customhouse by action of this House?

Mr. GILLETT. Not a single customhouse, but many.

Mr. BORLAND. And therefore it was necessary to have the President deal with the entire proposition.

Mr. GILLETT. But that has no application, for instance, to such a thing as a department of munitions—no application at all.

Now, another matter which has been suggested to the House by the President, on which it seems to me Members of Congress ought at least to hesitate before following such a suggestion as my correspondent made, is the recent bill which was introduced by the leader of the majority and referred to the Ways and Means Committee, in which one man, the Secretary of the Treasury, is given power over a fund of $500,000,000, with authority to issue notes for $4,000,000,000, by which he shall practically finance this war, and which gives him power to practically close any large industry in the country.

Now, that may be wise; but what impressed me in that bill, I wondered at the assurance of the administration in asking that the Secretary of the Treasury, subject to the approval of the President, should have the power to appoint a board of directors, not to be confirmed by the Senate, but to be appointed by himself, the salary to be fixed by himself up to an amount not exceeding $12,000, and then this board appointed by himself and with the salary fixed by himself could at any time be dismissed by him. He appoints them, he has the power of dismissal, and he has the power of fixing their salary. And yet that great organization, which would be but a puppet of the Secretary of the Treasury, will have the whole business of the country in its grasp. When an administration comes before Congress and asks such authority it seems to me that Members of Congress on both sides of the House might well consider carefully the merits of the question and whether or not authority of that kind should be granted.

Mr. ROBBINS. Who prepared such a bill as that?

Mr. GILLETT. It is prepared by the administration. I can not tell who, but it is sponsored before the committee by the Secretary of the Treasury, its chief beneficiary. All I know is that it is presented as an administration bill, giving the Secretary of the Treasury, who I do not think has the entire confidence of the business world, these unheard of powers.

Now, we on this side have not been backward in giving the President authority. We ought not to be. I recognize that in a time of war the President ought to have very large powers. We certainly have given generously to the administration since this war began powers far beyond what any President of the United States ever exercised. And I for one expect to continue to grant powers which I deem necessary—not everything, it seems to me, that an administration may ask—but I expect to continue in the future, as I have in the past, to join with that side of the House and loyally grant every dollar which we think he can wisely spend, and to give all the powers which we think are necessary for the prosecution of the war, and to suppress all partisan feeling as far as possible.

But if we granted everything the administration asked this very appropriation bill before us would be $500,000,000 bigger than it is. The Committee on Appropriations has cut out of it $500,000,000 which was asked; not because we did not wish to grant the administration everything which we thought they could possibly use, and not from any criticism of the departments in their estimates, but because errors were found—places were found where large amounts could be cut down without any injury to the Government. And therefore, as I say, by refusing to simply blindly grant the requests of the administration we have cut out of this bill $500,000,000. And last summer we cut out—I do not remember how much, but I venture to say $1,500,000,000 from the requests that were then made. I do not mean, of course, that that is all saved. Very much of it is postponed, very much of it is uncertain; but, at any rate, for the time being it makes the expenses so definite that you can compare them with the receipts and be able to calculate upon the necessary revenues.

Mr. TOWNER. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. TOWNER. In these eliminations which have been made, cutting out the $500,000,000 from the estimates of the departments, the committee unanimously, without any division, recommends the elimination?

Mr. GILLETT. Certainly.

Mr. TOWNER. So that the eliminations have the approval of both sides of the House?

Mr. GILLETT. Certainly. There never has been since the beginning of this war any partisan division. I think always the Appropriations Committee has been less subject to partisanship than any other committee. But there never has been since the beginning of this war, to my knowledge, the slightest partisan division in the membership of that committee. I am happy to say that the majority of it treat the minority with just as much consideration as if they belonged to their own party, and I think we have tried to cooperate with them, and we have given the administration every dollar which we thought it could wisely expend.

I noticed in the paper last night, in large headlines, that the President had ordered an investigation of the Hog Island yard. Why, my friends, that shows again that Congress ought not entirely to sit here as a rubber stamp for the administration and that the action of our committees is useful, because some weeks ago in this House the Committee on the Merchant Marine and Fisheries, by unanimous vote I believe, and certainly by no partisan vote, went to the Committee on Rules and asked them to give a rule for the investigation of conditions at Hog Island.

Mr. GARRETT of Tennessee. Will the gentleman permit a question?

Mr. GILLETT. Yes.

Mr. GARRETT of Tennessee. I know the gentleman desires to be accurate.

Mr. GILLETT. I certainly do.

Mr. GARRETT of Tennessee. The request as it came to the Committee on Rules was not a request for the investigation. It was a request that the Committee on Rules consider a resolution. Subsequently the author of the resolution came before the Committee on Rules and withdrew the request.

Mr. GILLETT. Yes. And I can tell the gentleman, and he probably knows, why he withdrew it. I see no difference in the gentleman's statement and mine, for the gentleman, I am sure, will admit the purpose was for a rule allowing the Committee on Merchant Marine and Fisheries to investigate. The reason why that request was withdrawn was that a member of the Committee on the Merchant Marine and Fisheries had a consultation with the chairman of the Shipping Board and told him the facts which that committee wished to investigate and the scandals which they thought existed, and the chairman of the Shipping Board asked that he be allowed to make the investigation himself first. And on that assurance the Committee on the Merchant Marine and Fisheries did not press their request. But they took the initiative. They had made the request and the chairman of the Shipping Board undertook to make an investigation, and therefore they withdrew their request for an investigation. That was several weeks ago, I think, and now last night the paper said, as if it was a new

thing, "The President has ordered an investigation of the Hog Island scandal."

Mr. GARRETT of Tennessee. I will say to the gentleman, if he will permit, that I do not know anything about the conference between the gentleman from Pennsylvania [Mr. EDMONDS] and the head of the Shipping Board, Mr. Hurley; but Mr. Hurley appeared before the Committee on Rules and stated that he could see no objection whatever to the investigation; that the investigation which had been carried on by the Senate had been very helpful to the board and he did not oppose in any way action by the Committee on Rules. Nor did the Committee on Rules at any time oppose any investigation. There never was any feeling about the matter.

Mr. GILLETT. Exactly. I did not mean to intimate that there was. It was amicably agreed that the chairman of the Shipping Board should make an investigation. I simply use this as an illustration here. So there was something useful that the action of a committee of Congress effected, and that is the attitude which I have assumed on these investigations.

The comments on these investigations are what I object to in that article. These investigations that have caused so much disturbance throughout the country did not originate in partisan feeling. They originated in Democratic committees. Of course, it is always a question to be considered in a war whether you are going to do more good by making an investigation and bringing out disclosures and thereby disquieting the people than by not making the investigation; whether you will do more good and at the same time obtain better results, and whether the obtaining of better results is going to be more important than to excite distress and disquiet among the people. I have felt that it was not for us in the minority to take that responsibility. But I do believe myself that the result of these investigations, judging from the changes that apparently are contemplated by the administration in the War Department, has been helpful.

But I have wandered far afield from what I intended, and that brings me back to my text, this insertion in the RECORD by a gentleman on that side of the House of charges that I do not believe any man on that side of the House would have wanted to stand up in his seat and make himself, and I think it is unworthy of the gentleman and unwise and objectionable, and I hope it will not be repeated. [Applause.]

The CHAIRMAN (Mr. GARNER). The time of the gentleman from Massachusetts has expired.

Mr. GILLETT. I yield to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The Chair will state to the gentleman from Massachusetts that he did not happen to be in the Chair when the gentleman from Illinois [Mr. CANNON] was through, but he is informed that the gentleman from Illinois yielded to the gentleman from Massachusetts such time as he might desire.

Mr. GILLETT. He did.

The CHAIRMAN. That was 20 minutes. The Chair permitted the gentleman from Massachusetts to run over that time.

Mr. GILLETT. When the Chair said my time had expired I asked to be recognized in my own right, and I thought that after that I was talking in my own right.

The CHAIRMAN. Does the gentleman desire to yield some of his time?

Mr. GILLETT. I desire to yield to the gentleman from Wyoming.

The CHAIRMAN. How much time?

Mr. ROBBINS. Mr. Chairman, how is the time divided in this debate? Is there any limit on it?

The CHAIRMAN. No; only the general rule.

Mr. GILLETT. The gentleman from Kentucky [Mr. SHERLEY] consumed two hours and a quarter. I understood the gentleman from Kentucky to say that he hoped to read the bill to-night.

Mr. SHERLEY. I think we can read the bill for an hour to-night.

Mr. GILLETT. I yield to the gentleman from Wyoming [Mr. MONDELL] the balance of my time.

The CHAIRMAN. That is 45 minutes. The gentleman from Wyoming is recognized for 45 minutes.

Mr. MONDELL. Mr. Chairman, on a previous occasion, when we were considering an appropriation bill, I stated, speaking for myself, but I think expressing the views of the members of the committee, that I could not say even in regard to a bill relative to the details of which I might be much more familiar than I am with this bill, that all of the sums proposed to be appropriated were necessary or essential.

The duty of the committee is to scrutinize with care the estimates submitted, and in time of peace the duty of the committee is to guard with very jealous care the Federal Treasury, and to resolve any doubts that they may have in their minds in favor of the Treasury rather than in favor of the estimates. But in time of war the committee is compelled to adopt a different attitude toward estimates. Its first duty is to see that no sums asked for and necessary, or likely to be necessary, for the prosecution of the war are withheld, and in case of doubt it is the duty of the committee to resolve the doubt in favor of the Government, in favor of the estimates and the opinions of the men who present them.

That is what the committee has done in this bill, as in the case of all other bills that have come before the committee since the war began. It is true there has been a reduction in many of the estimates, more apparent than real in some cases, all of which illustrates how much more careful and thorough and painstaking committees of Congress sometimes are than the gentlemen who prepare estimates, because I believe that the men who appeared before the committee in support of the estimates will admit that after the matter had all been thrashed out and the committee had reached a decision the committee had made a better guess as to the amounts they would be likely to need, even from the standpoint of abundance, than they themselves had made in the original estimates.

Not a necessary dollar has been withheld. Of that I am assured by the gentlemen on the subcommittee who are much more familiar with the items than I can be, and I feel confident of that from what knowledge I have personally of the items in the bill.

The Republican Party, whatever else may be said about it, whatever sins of omission or commission it may have been guilty of as an organization, has beyond all question and controversy been ever and always a party of patriotism. [Applause.] There has never been any question about that in the mind of any honest, unbiased, and unprejudiced well-informed person. The Republican Party during this war is simply marching true to form [applause]; simply pursuing its historic policy; simply maintaining its unvarying and unvaried attitude of patriotism and support of the Government and administration. [Applause.]

Now, the gentlemen on the other side are doing likewise. But it makes a good deal of difference, when you come to all of these matters of legislation and appropriation, whether those who are suggesting and asking for and are to administer and use them are of your own political household of faith or whether they are of another political household. No matter how good a patriot a man may be, if he is a good citizen and worth his salt he is also a partisan, using the term in its proper and best sense, and there is always an inclination to follow your own administration wherever it may lead and whither it may wander, no matter how far afield. There is likewise always a temptation to criticize the opposition, and it is a temptation that within proper lines and limitations should be yielded to, so far as opposition and criticism may be helpful and useful in the establishment of proper policies in the wise development of administrative measures and the economical expenditure of the public money.

As the Republican Party began, so it will continue, so far as this war is concerned and all other wars in which we may ever be involved. It may make other mistakes in other times, but if it remains true to the principles on which it was founded, and which have ever actuated the overwhelming majority of its membership, it will always be found supporting the Government, holding up the arm of those in authority, maintaining the dignity of the Nation, and standing for the honor of the flag. These are somewhat trying times for a patriot, particularly one not of the administration party, but also, I may say in passing, at times for those of the administration party; for revolution succeeds revolution, either in proposal or performance, more rapidly under this flag and in these days than anywhere under popular government. Starting out at the beginning of the war with a Constitution that limited and restricted the powers and prerogatives of Congress, we have been compelled to take a view of the great palladium of our liberties that justified us in granting extraordinary powers to those in control. No sooner do we make one extraordinary grant of power, which seems the very apex and pinnacle, than we are asked to grant other powers that loom so mountain high that the first enactment is as a molehill in comparison. We are asked now, or will be shortly, not only to grant autocratic powers to the President beyond those legally held by any prince or potentate under the sun—we have already done that—but we will be asked to grant powers to reorganize the governmental structure in a way that would leave the President the most unlimited autocrat that the world has seen in many a long day. It may be that a part of these things ought to be done. I am not at this time expressing an opinion.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Does the gentleman desire that last statement to stand fully—to reorganize the entire structure of the Government?

Mr. MONDELL. The administrative structure, perhaps I should have said.

Mr. GARRETT of Tennessee. The Executive.

Mr. MONDELL. Not the judicial structure.

Mr. GARRETT of Tennessee. Nor the legislative.

Mr. MONDELL. Well, the legislative structure seems for the time being—and I am not saying that in a criticizing way—to exist only for the purpose of placing autocratic power in the Executive. There is no necessity for changing the legislative structure, so long as the legislative machinery works along the lines of the Executive will in all of these propositions intended to promote executive and administrative power. I thank the gentleman for correcting me, or giving me an opportunity to make a little more clear what I had in mind. And I will say to the gentleman that I am not making any promises or predictions on my own behalf as to what my attitude with regard to those propositions should be. I am simply referring to their very extraordinary character, a character that a short time ago would have shocked us all, but we are getting gradually accustomed to proposals that in other times would have been calculated, as we then viewed the matter, to make the Goddess of Liberty up yonder on the Dome of the Capitol totter on her lofty pedestal. I hope the lady is herself becoming accustomed to these changes, even as we are, because I would not want to have the Dome endangered, or that splendid emblem of liberty unsteady on its foundations.

Mr. SHERLEY. She is used to exalted attitudes.

Mr. McKENZIE. If the gentleman will permit, is it not a fact that the Republican Party always having stood for and believed in a strong, centralized government, the members of that party received a less shock from some of these proposed reforms than our Democratic brethren, who have always taken the opposite view?

Mr. MONDELL. I think the gentleman is right about that to a certain extent, though we have not stood for an autocratic Government.

Mr. SHERLEY. Does the gentleman's remark, being translated, mean that he is willing to do that in time of peace, when there is no excuse for it?

Mr. MONDELL. That is not so much a matter of party as it is of personal temperament. The gentleman from Kentucky [Mr. SHERLEY], without intending to do it, has cast something of a reflection on these revolutionary performances. Having so far considered, and, finally, with some reluctance, approved and embraced them as necessary in war, I would not venture now to criticize them.

Mr. SLOAN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. SLOAN. Are the gentleman from Ohio, the gentleman from Iowa, and myself correct in drawing this conclusion from the profound and philosophic discussion of the gentleman from Wyoming, that there is any general or comprehensive surrender of the Executive jurisdiction of this country?

Mr. MONDELL. I have heard some suggestions that were a little startling, but I think that is the most startling of them all. Has there been any surrender of Executive jurisdiction? Well, not that anybody has heard of.

Mr. MADDEN. Was that a question or a comment?

Mr. MONDELL. A question in the form of a comment, and the questioner knew the answer. Certainly there has been no surrender of Executive jurisdiction, and more power is asked for, and, within certain limits, perhaps it should be granted.

Mr. TOWNER. The inquiry was suggested by the gentleman from Tennessee [Mr. GARRETT] as to whether or not the bill to which the gentleman refers was any interference with the powers of the legislative department. I want to call attention, just by way of illustration——

Mr. GARRETT of Tennessee. Will the gentleman permit?

Mr. TOWNER. Did I misunderstand the gentleman from Tennessee?

Mr. GARRETT of Tennessee. I did not say anything about the bill. I referred to the statement of the gentleman from Wyoming.

Mr. TOWNER. I accept the amendment. Just by way of illustration I should like to call the gentleman's attention to the fact that the bill which we have under consideration makes an appropriation for transportation of the Army of $125,000,000. Is it not true that if the powers are granted to the President which he desires, he might transfer that appropriation of $125,000,000 from the transportation of troops to, for instance, the Indian Service or any other service that he desired?

Mr. MONDELL. I think that is undoubtedly true.

Mr. TOWNER. And that would be an entire abrogration to the Executive of appropriations which are specific?

Mr. MONDELL. Assuming that the new organization, or reorganization, or consolidation sought would involve, as I think it logically would, lump-sum appropriations, that is entirely true. In other words, we could not well appropriate for several branches of the public service under certain heads, and under certain jurisdictions and control, if we had a provision of law whereby all present organizations might be wiped out and those distinctions cease.

Mr. TOWNER. But I will say to the gentleman that that is not left only to inference, because, as I understand the bill, and as it has been published and proposed, it allows the President to transfer these funds by an Executive order, if he so desires.

Mr. GARRETT of Tennessee. Only for the purposes for which they are appropriated, I think.

Mr. MONDELL. Now, while it is true that we, as a party, and gentlemen on both sides, have given the Government all the funds and all the authority and all the man power necessary for the conduct of the war, and shall continue to do so, it is also true that within certain lines, intended to be helpful and constructive, we can not, even while the war is in progress, entirely absolve ourselves from the duty of reasonable criticism. That should be limited to those things which will, as the gentleman from Illinois so well stated a moment ago, be helpful and useful in bringing about reforms.

Mr. LONGWORTH. May I ask the gentleman if another bill recently introduced in Congress, to form a war corporation with $500,000,000 capital, to be administered by one man, has had the benefit of the gentleman's perusal?

Mr. MONDELL. I must say that I am reserving the shock which I expect to receive when I carefully peruse that bill to a later day.

Mr. LONGWORTH. I think the gentleman, in referring to the bill introduced into another body as being a very great grant of power and authority, will find when he examines this bill more carefully that it confers, on another gentleman it is true, but a member of the family, a far greater power than that which shocked his judgment.

Mr. MONDELL. I think that is probably true, because when in a great industrial country you give control over practically all the industries of the country, you not only grant a most extraordinary power, affecting every individual in the country in his business and in his opportunity to gain a livelihood, but, in addition to that, you place in the hands of the officer who is granted that power, a political power so great that it is altogether possible that it might be so used as to perpetuate a man or party indefinitely. I think that is one of the things that should be very carefully considered, because I hope gentlemen on the Democratic side are no more disposed than gentlemen on the Republican side to create conditions in this country under which men will be greatly tempted to use extraordinary power and authority for the purpose of perpetuating their control. I hope we are all of us willing to take our political chances, and we all realize that it is better for our country that no party shall be so fortified and intrenched that the siege guns and the mortars of an outraged citizenship can not dislodge it from its trench lines and its citadel. [Applause.]

But I am not going to criticize unless I think it will be helpful to better conditions. It requires considerable restraint to withhold criticism when in times like these there is so much that is subject to criticism, but I propose to do it as far as possible and never indulge in criticism except as I hope it may be helpful.

Mr. GREEN of Iowa. Will the gentleman yield before he goes to another topic?

Mr. MONDELL. I will.

Mr. GREEN of Iowa. What does the gentleman think of the practice of a government—I am not speaking of this Government now—in trying to build up public opinion through organs created and managed by itself, as the German Government has done by its control of the press and its publication of articles which originate entirely with the Government, and of course which finds everything the Government does highly satisfactory and worthy of the highest merit?

Mr. MONDELL. I think there will be no disagreement on the proposition that there is very great danger in a press official or otherwise controlled politically by a government by an administration. There is an appropriation bill which we passed regularly through this House that for years has carried legislation which I had some part in framing intending to restrain and control the effort to build up public sentiment favorable to a certain kind of administration. That was in time of peace. We are in war now, and, while I personally think we may be overdoing the matter of official publicity, I think some of it has been helpful and useful in certain lines, and I am not disposed to criticize it, although I do feel that it has gone far afield. Of course, when I say this I do not intend to include the three publicity agents at Hog Island, one drawing a salary of $10,000,

one at $7,500, and one $6,000 a year, whose duty it was to camouflage the situation and cover with an ambuscade of rhetoric and misinformation the patriotic gentlemen who were drawing seven salaries in the alleged behalf of the launching of a merchant marine.

Mr. SLOAN. If the gentleman will yield, I am somewhat concerned about the question submitted by the gentleman from Iowa [Mr. GREEN], and I would like to know if he can give the relevancy of that question. I did not understand that there were any publications of that kind in America, and if there are not why take up European government practices as if there were such here in America?

Mr. MONDELL. Well, whatever the facts are let us, for the sake of the argument, assume there are not. [Laughter.]

But there are some things that ought to come out, there are some things that have come out, in regard to some of our cantonments, and shipbuilding, and all that sort of thing, and it is proper they should come out, and they have come out largely through the efforts of Democrats. They have come out in a way I hope may be helpful. You can not properly charge the man at the head of affairs with responsibility for these things. Some of them are perhaps inevitable in times of enormous expansion. The thing to do, when we find them, is to punish the men who are guilty in order that they shall no longer cast discredit on men in authority and bring dishonor to their Government.

There was a cloth-sorting contract made here some time ago. A certain gentleman named Eisenman, of the Council of National Defense, had something to do with it. A gentleman named Pereless, who, it seems, is an organization expert from New York, was invited down here and put in charge of a bureau or division for the reclamation of waste materials. He was given a captain's commission. In due course of time it became his duty to examine into this sorting contract, this contract under which certain gentlemen were to take old uniforms, I believe, and make them over or utilize them as best they could. I know little about the contract. In the course of his service Capt. Pereless made an investigation into this contract. He was called to testify in regard to it before a Senate committee. It is claimed by those who pretend to know that the Government has saved a great deal of money, several millions, by reason of the contract having been annulled or modified. Capt. Pereless was a captain, but he is a captain no longer. He was honorably discharged, it is true, as a man who had so well served his Government should be, but the captain did not want to be separated from the public service. He desired to serve.

He had asked to be put on the inactive list in order that he might secure service somewhere else under the Government, because I assume his service in the particular bureau to which he had been assigned was not altogether pleasant after he had made the investigations and revelations referred to. Instead of a transfer he got a discharge. I commend that particular case to the gentlemen who are responsible under the administration and for the honest conduct of affairs. It may have been entirely proper, but it would be a very unhappy thing at this time of crisis, when we need all of the honest men and all of the careful, painstaking men, and all of the fearless investigators we can get to guard the Government against waste and looting and fraud—it would be most unfortunate in this juncture if it should become known or believed that when men do what they believe to be their duty they soon find themselves separated from the public service and returned to private life. It would be a very sad and unfortunate thing for the country if we should arrive at that condition of affairs, and I hope that some one will investigate that discharged, which is referred to on the first page of one of the morning papers of this city.

Mr. LONGWORTH. May I suggest to the gentleman that he read into his speech the examination in that case?

Mr. MONDELL. I will be glad to do so, if the House will give me that privilege. The portion of the article in the Washington Post of this morning relating to Capt. Pereless's examination is as follows:

SAVED UNITED STATES ABOUT $2,000,000.

On December 29 he was summoned as a witness before the Senate Military Committee, and described at length the investigation into the sorting plant, the cancellation of which saved the Government about $2,000,000. The following is the verbatim report of a portion of the testimony, taken from the official committee report:

"Senator MCKELLAR. In your dealings with Mr. Eisenman, was he much interested in this control, retaining this control, through the Base Sorting Plant?

"Capt. PERELESS. Well, he was very anxious not to have the contract annulled.

"Senator MCKELLAR. What did he say about it?

RECALLS EISENMAN'S WORDS.

"Capt. PERELESS. I only spoke to him once, when I delivered a letter to him in which the Quartermaster General advised him the contract would be annulled, and he seemed to think it would be a very great mistake and a bad thing for the Government; that the Government could not carry on that sorting themselves. He asked me who I reported to and where I got my orders, and he said he would show me where I got my orders.

"Senator MCKELLAR. That he would show you where you got your orders?

"Capt. PERELESS. Yes, sir.

"Senator MCKELLAR. In other words, he felt offended that you should have brought in any such notice.

"Capt. PERELESS. He probably did not feel I had any authority for doing it, although I had the letter signed by Gen. Sharpe.

"Senator MCKELLAR. And he threatened you for your action in the matter?"

TRANSFER REFUSED HIM.

After this, in January, Capt. Pereless presented a plan for the reorganization of the conservation division, which was not acted upon. Two other men were placed in charge of the reorganization, and Capt. Pereless, who found himself deprived of the opportunity to do the work for which, as an expert, he had been requested to come to Washington, asked to be returned to the inactive list of the Officers' Reserve Corps, with the intention of being assigned to duty in another branch of the service.

Instead, Capt. Pereless received orders giving him an honorable discharge from the Army and dismissing him from the service.

He protested against this discharge, stating that he desired active duty elsewhere. That request was denied.

Naturally the incident has aroused much interest in the Army in view of the testimony of Capt. Pereless before a committee of the United States Senate, where he was summoned to inform Senators of conditions within the department with which he has had to do.

Mr. Chairman, so much for my preface now. I want to discuss an item in the bill, and I may ask the gentleman in charge of the time for a few minutes more in which to discuss it.

Mr. MADDEN. I would like to read the real story if this is but the preface.

Mr. MONDELL. A provision was inserted in the national-defense act which became a law the 17th of last August for a revolving fund of two and a half million dollars, which was to be used for the purpose of purchasing, sorting, storing, and selling seeds for cash. Under that appropriation a large amount of seed corn was secured and a considerable amount of wheat, barley, rye, some cotton, and other seed, and is being distributed and sold. The Department of Agriculture has asked for an additional sum of $6,000,000 for the same purpose. The committee has reported $4,000,000 for that purpose. At the proper time I shall ask to increase that amount to $6,000,000, the amount of the estimate, and shall seek to modify the language somewhat by providing that these seeds in addition to being sold at cost for cash may also be sold on credit not to exceed one year with approved security of local business organizations. I think there is no item in this bill more important in its way than that. Of course, when you are at war the most important items are for guns and powder and uniforms, but at the same time we must sustain the men in the field and we must sustain the populations at home, and we need to encourage agriculture. The item in question has served a useful purpose. It has enabled the department to purchase the seeds and the department is now selling them and will continue to do so. It has obligated the Government in practically the full sum—two and a half million dollars—but can use considerably more.

But so far as a considerable part of the country is concerned, this fund is not available in a satisfactory way so long as the sales must be for cash. There has been a good deal of agitation at one time or another, there always is from time to time when we have droughts, freshets, and that sort of thing, for the free distribution of Government seed. I am one of those who believe we ought to be very careful about making free distributions. They are not very likely to be equitably or wisely distributed. It is not a good thing to get the people to thinking that Uncle Sam is a liberal, not to say spendthrift, father, who can pick dollars off of bushes along the road and hand them out wherever they think they need them. The people of the country, the farmers of the country, hard up as some of them are, are not paupers. I think they want to pay for what they receive. But let me illustrate the condition in a territory some three or four hundred miles wide and stretching from the Canadian border to the Gulf, including the States from Texas north to North Dakota, parts of some eight or nine States. Over a considerable portion of most of those States we have had a condition of drought, very severe in Texas, equally so in some parts of Montana, less severe and less trying in other sections in between. In my own State of Wyoming for a number of years past we have had in several counties local organizations of bankers, merchants, and stockmen who have obligated themselves for a sufficient sum of money to furnish seeds to those who needed them and were unable to purchase and pay cash for them. These local organizations have sold these seeds at cost. They have loaned the money without interest or with a very small interest charge, and in most cases, I believe, they have been successful in securing the return of the loan, all or a very great portion of it.

But there is a condition up there now under which it is more difficult than it ever has been in the past for these local organizations to handle the situation. There are many reasons for that, which I have not the time to discuss, but that such is the fact is known to all of the people of that section. My thought is this: That if we could provide that this fund, or seeds purchased with it, might be loaned on approved security given by business organizations, we could very quickly secure those organizations and thus furnish seeds for which those organizations should become responsible. We might thus very promptly distribute among the farmers of such sections the rye, wheat, sugar-beet seed, potatoes, corn, kaffir corn, millet, and cotton, which they must have if we are to have the maximum production of that great western country. My thought is that the Secretary of Agriculture might call upon such local organizations to inform him as to the amount of money needed in their counties, for instance, assuming the county as the unit of organization for the purpose of securing seed. Local organizations in my State know what is needed, because they have been in the business in the past. The question would be asked of such local organizations, To what extent will you guarantee the Government the return of the funds—$5,000, $10,000, $15,000, or $20,000—covering the cost of seed needed in that locality by those unable to pay cash? These local organizations could very quickly place before the Secretary statements showing their financial responsibility. They would provide the agency through which the seeds could be distributed. They would be distributed wisely and well through such agencies, because the organization that distributed them would be responsible for the return of the money. I think within 30 days throughout all this section where this help is needed organizations of that kind could be provided.

Of course, where no such help is needed such an organization would not be forthcoming. Where it was needed, public sentiment and the disposition of the business people of the community to meet the needs of the community would immediately lead to the formation of such organization. In my State there are, I believe, several of them that could within a week place before the Secretary every needed evidence of their responsibility. He could furnish them the seed——

Mr. ROBBINS. Will the gentleman yield?

Mr. MONDELL. In a moment. Or he could allow them to secure the seeds, giving them the necessary credits, and very promptly the machinery could be put in motion that would get into each section the seed that is needed. Before I yield to the gentleman, may I speak on a line of thought I have in mind? It may be said, if you are to do this in the territory you describe, why not do it everywhere. Because there is this difference in the situation: The country I have mentioned——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Will the gentleman yield me 10 minutes additional?

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that the gentleman may continue for 10 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the gentleman from Wyoming may continue for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. I thank the gentleman. I yield to the gentleman from Iowa.

Mr. TOWNER. I was going to make the suggestion that the gentleman ask for time in his own right.

Mr. MONDELL. Why are we asking this kind of aid in that particular section? Because it is a new country; because we have little accumulation of capital. In the older communities of the country, although there may be farmers just as needy as they are in these sections, and no doubt there are, there are men with capital who can handle these matters, who can furnish credit, whereas we are in a position where we lack capital. We lack the capital we have had in past years which has been extending this credit.

Mr. ROBBINS. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. ROBBINS. Is it not a fact that the great difficulty with the American farmer to-day is lack of labor more than lack of seed?

Mr. MONDELL. Well, there is a lack of labor, and there will be a lack of labor; but I do not think we should decline to aid the farmer in securing the seed that he is willing to plant because of the fact that there may be difficulty either in the planting or the harvesting of it. No farmer, as my friend understands, will ask for seed unless he feels reasonably assured he will be able to gather the harvest. No association such as those I have suggested will guarantee repayment except in communities where they feel reasonably confident that there will be labor enough to gather the harvest. And you would be surprised how the people of a community rise to a situation like this.

The young boys, the girls, the old folks, the clerks, people in all employments give their help in time of need to gather the crops, and to a considerable extent in the planting of them and in the tending of them. I come from a country which mainly gave its quota before the draft, and so we were stripped of the stalwart young fellows early in the conflict. And yet we got along pretty well. I do not think any of our crops were lost because of the lack of labor, but it required the aid and help of everybody in the community. And the communities rose to the occasion. Of course, we brought in help from all directions and we paid perfectly fabulous prices.

Mr. ROBBINS. The trouble with Pennsylvania is this: The State Grange at a session last week passed resolutions from data obtained from members to the effect that they needed 210,000 laborers on the farms of Pennsylvania within the membership of the grange.

Mr. MONDELL. I think that is true, and I think that is a matter we should attend to. What I am interested in now is to get seed, because if we do not have the seed where it is needed there will be no crops. You probably do not have that difficulty, but the gentleman from North Dakota [Mr. BAER] knows the situation in his State, as I know it in mine, and that we need the seed, and our people need the aid in securing the seed, and they will be able to pay for it, and local organizations will volunteer to become responsible for the return of the funds and for the handling, administration, and distribution of the seed. All we want is a little credit.

Mr. BAER. Does not the gentleman think that this would bring more valuable results if it were loaned to the farmers on credit to enable them to get food and grain and cotton for our allies than to put it in these vast reservoirs out there where the farmers have not sufficient credit and it will not do any good? That is, if the grain is in the elevators and they have not the cash to buy, it will not do them any good.

Mr. MONDELL. Whatever benefits may follow from other assistance and other help and come from other sources, here, it seems to me, is an opportunity to loan the Federal credit in a way that will certainly bring immediate returns in increased crop production, and it can be done in a way that will guarantee the return of the moneys without loss. Under a procedure of that sort, which is very simple, the Secretary of Agriculture could let it be known that he stood ready to hear from these voluntary associations, not to exceed one in a county, business associations of men who were responsible as to the amount they were willing to guarantee in repayment on seed, and in a very short time the machinery could be set in motion and the seed furnished.

This is a tremendously important thing. I have been hearing from my people for months in this matter of seed. I have said to them that I did not believe that Congress was disposed to make a free-seed distribution; that I doubted the wisdom of that sort of thing.

But there is a way to do it, expeditious, certain, comparatively simple, and I am sure in a great many communities in the State which my friend represents there are volunteer associations of business men and stockmen who would be willing to take this matter up.

Mr. BAER. Does the gentleman's constituents ask for free seed? It is my understanding that my constituents would not take free seed if they could get them. They do not want to be an object of charity. They want to borrow the money to get seed.

Mr. MONDELL. Coming to think of it, I think those people who have suggested free seed come from just over the line; I do not have in mind anybody from Wyoming who has made that suggestion. [Laughter.] But they want an opportunity to plant their fields. They have gone through trying times of drought, and the country is new, and capital is exceedingly limited, and the banks are small.

Mr. COX. How about the labor supply?

Mr. MONDELL. I discussed that with my friend from Pennsylvania awhile ago. If the farmer does not feel that he has labor to plant the fields, he will not want to buy seed, and if a local association that is responsible for the repayment does not believe that the farmer can plant, cultivate, and harvest, it will not help him get the seed.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. All time has expired. The Clerk will read.

Mr. DILLON. Mr. Chairman, I ask for recognition. I want to speak about 15 minutes.

Mr. SHERLEY. We have had 4 hours and 20 minutes of debate, exactly divided between the two sides. That is very

liberal debate. I hope the gentleman will not prolong the general debate at this time.

Mr. DILLON. I would like to have only 15 minutes.

Mr. SHERLEY. If the gentleman does that, other gentlemen will want time. I do not want to be discourteous to gentlemen, but I am anxious to make progress on the bill.

Mr. DILLON. I have been in attendance for the last four weeks, and I was unable to get a hearing before the Committee on Agriculture. I ask for 15 minutes.

Mr. GILLETT. This morning, before any time for debate was fixed, the gentleman from South Dakota had asked for 15 minutes, and he was assured he would get it.

Mr. SHERLEY. Very well. In view of that fact I shall not object.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to address the committee for 15 minutes. Is there objection?

There was no objection.

Mr. DILLON. Mr. Chairman, it is constantly asserted that the live-stock market is controlled by the packers. Do these profiteers fix the price the producer is to receive and the price the consumer is to pay? It would seem so.

The cattleman ships his cattle to the stockyards. Wherever the stockyards are located the packing houses have their plants. The buyers of live stock each morning fix the price to be paid for live stock. There is but one price, one lone bidder, and the owner must accept the price offered. Otherwise, he must ship back home, and his losses are beyond repair.

If he ships to another market he finds the same packers, the same profiteers, ready for the big bargains that are to fall into the combination net. They divide among themselves, on the basis of percentage, the live stock coming into the market. They likewise divide the territory and each packer has the exclusive right to sell in his territory. They fix the price for the farmer's stock and likewise the price that the consumer of finished products must pay. Thus they control both ends of the market.

In order to perfect their control they own the market places, stockyards, refrigerator cars, and cold-storage plants. They have driven out of business the small operators who formerly operated slaughterhouses. The local dealer in order to insure a steady supply must now buy from the big packing establishments.

By their combination they control the meat supply from the stockyards to the consumer. No independent operator can break through the operations of these profiteers, who are entrenched behind the market places, the packing plants, the cold-storage plants, and the ownership of the refrigerator cars. They control every artery of trade in these products. In addition to the meat products, they control, in the same manner, all the by-products of the industry, such as lard, hides, fertilizer, and so forth.

The packers, the produce speculators, and the jobbers are in absolute control of all of the instrumentalities of the market. There are 75 cold-storage plants in New York City and 48 in Chicago. In these two large cities are found a combination of food profiteers fixing the selling price of the product in the hands of the producer and likewise fixing the price that the consumer must pay.

The Butter and Egg Board of Chicago fixes the daily price for eggs, butter, and poultry. They gamble in future delivery just the same as is done in the grain products. When these articles are plentiful they fix the price the producer is to receive, and then they buy all the available supply providing for future delivery. Through these gambling devices the price may be forced up or beaten down at the will of the profiteer.

The sale of fictitious eggs is constantly going on in these markets. The honest sale of eggs has almost become a mere incident of the business in these markets. Recent investigation in Chicago disclosed the appalling fact that 4,000 carloads of eggs that had never had any existence were bought and sold on the Chicago Board of Trade.

Every time fictitious eggs are sold the sale is registered and aids in the fixing of prices for the real commodity. On every sale of these fictitious eggs the price is forced up one-half cent to 1 cent per dozen. It is said by one writer that these profiteers on the easter egg trade alone took $6,000,000 of excess profits.

Herbert Hoover, before the Senate Committee on Agriculture on June 19, 1917, made the following statement:

> Thousands of men in this country who never owned a commodity in their life have bought canned goods, flour, wheat, and every food commodity to speculate for the rise.

He further stated:

> Practically the entire wheat supply to Belgium is to-day imported from the United States, and, despite the extraordinary costs of transportation, the price of bread is 60 per cent of the price in New York City. A large portion of the wheat in France comes from this country, and yet the price of bread is, again, 40 per cent below our own. In England, where food control was started too late, the price is 30 per cent below our price, and in Canada, again, we see a lower range of prices to the consumer than in our own country, although the producer realizes the same price.

John J. Dillon, former commissioner of foods of New York State, says the food exchanges are "gambling dens."

It is said that New York City food profiteers one week in November, 1916, on the item of eggs alone, took a toll of $1,000,000. These eggs were purchased at about 17 cents per dozen and sold at 60 to 70 cents per dozen, after having been held for months. Investigation shows that it costs 2 cents per dozen to hold eggs for 10 months.

It is estimated that the people of New York City would save $10,000,000 on eggs, $7,000,000 on live poultry, and $10,000,000 on dressed poultry annually by establishing municipal cold-storage plants. Apples are sold in the fall of the year for three to five dollars per barrel. The consumer later pays twelve to fifteen dollars for the same apples.

The earnings of Armour & Co. in 1914 were $7,509,000, while in 1916 they were $20,100,000. Swift & Co. earned in 1914, $9,450,000, in 1916 they earned $20,465,000. In 1914 the United Fruit Co. earned $2,264,000 and in 1916 they earned $11,943,000. This is what the profiteers are doing to the producer and the consumer.

During the canning season, when the price is at the lowest point, the jobbers buy all the product of the plants engaged in canning fruits and vegetables. After the season is over they fix their own price by gentlemen's agreements and the consumer is forced to pay the price the combination fixes. There is no real competition in the jobbing trade on food products.

On account of market conditions vegetables and fruits frequently sell on the market at high prices while the supply is so great that it is rotting on the farms. The food speculators would rather destroy produce than lower the price to the consumer. Our system of distribution has broken down. From all parts of the country comes a demand for some new method of distribution to take the place of the inefficient, worn-out method now in use.

The middlemen have taken possession of the market places and converted them into veritable gambling dens. Nothing except the lash of public opinion will drive them from these public places. The producer must carry his products closer to the consumer, and the consumer must get in closer touch with the producer. Cooperative buying agencies and cooperative selling agencies is one solution of this difficult problem. Through these agencies the profiteer can be eliminated.

It is doubtful if any one can defend the present market system. It is doubtful if a system of markets can be successfully regulated by law. Cooperative methods, if they can be properly financed, ought to remedy the evils existing in our market system. If success can not be acquired along cooperative lines the people will ultimately demand Government control and ownership of cold-storage plants, terminal markets, and public warehouses, operated either by State or National Government. When so operated the gambling dens, the combination of profiteers, and speculators in food products will be eliminated in favor of the producer and consumer. Give the farmer an honest market and he will produce the food. [Applause.]

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. WILLIAMS. I suggest to the gentleman from South Dakota that if some of these profiteers who are robbing the people were put in the penitentiary, where they belong, it might help the situation also.

Mr. DILLON. I think it would. I think it ought to be done.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COUNCIL OF NATIONAL DEFENSE.

For expenses of experimental work and investigations undertaken by the Council of National Defense, by the advisory commission, or subordinate bodies; for the employment of a director, secretary, chief clerk, expert, clerical, and other assistance, equipment and supplies, including law books, books of reference, newspapers, and periodicals; subsistence and travel, including the expenses of members of the advisory commission or subordinate bodies going to and attending meetings of the advisory commission or subordinate bodies; rent of offices and grounds; repairs and upkeep of buildings occupied by the council; and printing and binding done at the Government Printing Office, $250,000.

Mr. WALSH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. WALSH. Mr. Chairman, I was unfortunate not to hear the very able speech of the chairman of the Committee on Appropriations, the distinguished gentleman from Kentucky [Mr. SHERLEY], so that I do not know just to what extent he went into some of these various items, but I desire to ask him with reference to this particular appropriation, and to inquire just

what experimental work is being conducted, and whether it comprehends activities by some of the various subcommittees or advisory bodies relating to war problems or tests made of materials used by the War Department?

Mr. SHERLEY. The gentleman means tests by the Council of National Defense?

Mr. WALSH. Yes; under this item.

Mr. SHERLEY. I do not recall that there was any testimony touching the activities of the council in the way of experimental work. There is being done quite a bit of experimental work of a very valuable character by the Bureau of Standards, and some of that may have come about through direction of the council, but I think it more likely to have come as the direct result of the War Department's suggestions or requests.

Mr. WALSH. Would that come out of that appropriation?

Mr. SHERLEY. No. The language that has struck the gentleman is simply the language that was used in the first instance touching the Council of National Defense, and this $250,000 is largely for the pay of employees and clerks of the various committees under the Council of National Defense. The gentleman will find in the hearings a very interesting account by Mr. Gifford, the director of the Council of National Defense, touching its existing organization and touching the elimination of committees—the subsidiary committees that grew up under the advisory commission. The gentleman will recall that it is both a council and an advisory commission.

Mr. WALSH. Yes.

Mr. SHERLEY. There has been some criticism in the past of the advisory committees because they were composed of men largely representing industries with which they were supposed to deal. Most of these committees have now distributed their duties and the organizations which speak for these industries have no governmental connection. Those former committees have largely been eliminated. The gentleman will find an interesting statement along that line.

Mr. WALSH. This general reorganization that has been effected, I suppose, is set forth in the hearings?

Mr. SHERLEY. There is an attempt by question and answer to give a clear view of the existing relationship of the council and the subsidiary committees to the organization. It is set out in some detail. The statement by Mr. Gifford is a very creditable one. He made a very enlightening statement.

Mr. WALSH. I understand he is still the director?

Mr. SHERLEY. He is still the director.

Mr. WALSH. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. The gentleman's pro forma amendment is withdrawn.

Mr. BLACK. Mr. Chairman, I want to ask the gentleman a question right there. What limit is there on the item of subsistence in this paragraph? Is there any limitation by law as to how much could be allowed per day from this amount?

Mr. SHERLEY. Four dollars' per diem allowance in lieu of subsistence or $5 of actual expense. That is the law.

Mr. BLACK. That is the law, and they could not exceed that amount?

Mr. SHERLEY. That is my understanding.

Mr. BLACK. It would not be necessary to put in any limitation?

Mr. SHERLEY. I think not. I think at some time we shall have to enlarge that limitation of $4 in connection with certain classes of people, because I think it is not covering their actual expenses in some instances; but I think the limitation as it exists applies to the council without need of further legislation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS.

The limitation upon the amount which may be expended for office rent in the District of Columbia for the fiscal year 1918, contained in the naval appropriation act approved March 4, 1917, is increased from $1,500 to $2,332.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I rise to obtain information from the chairman of the committee as to whether the subcommittee made any provision or any inquiry as to allowing additional rental to the Vocational Educational Board?

Mr. SHERLEY. No; we did not.

Mr. STAFFORD. There is a bill pending in the House granting them additional authority for rental purposes in the District of Columbia, and I wished to know whether the committee took any action on that subject.

Mr. SHERLEY. We did not, because there was nothing formal before the committee. A gentleman called informally to see me touching the matter to which the gentleman from Wisconsin refers. That bill, in my judgment, ought not to become a law, because it would take all the funds that they have available for this purpose. Something undoubtedly ought to be done in connection with taking care of their rent situation, but the committee did not and ought not to consider matters that do not come before them in the regular way. At the time I had the talk with the gentleman I suggested that the way that matter would probably be considered would be by the submission of a proper estimate; and I still think that is the way to have it considered.

Mr. STAFFORD. The gentleman recognizes the need of some authorization to this board to provide authority for them to pay for their present quarters.

Mr. SHERLEY. They have an actual deficiency and it will have to be paid; but there are some things in connection with that situation that I think are not altogether to be commended. The committee did not feel that they ought to deal with the matter without a formal request.

I will say further, in reply to the gentleman, that there are a number of things that will probably have to be picked up in the Senate. The committee found itself in a situation where, if it was to report the bill at all, it had to draw a dead line touching new estimates. We could be considering this bill yet if we had permitted the departments to continue to send estimates down; so we finally served notice that estimates that came in thereafter fell outside the dead line and that they would have to be taken up in the Senate.

Mr. STAFFORD. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

DEPARTMENT OF STATE.

For additional employees in the Department of State, $50,000: *Provided*, That not more than four persons shall be employed hereunder at a rate of compensation exceeding $1,800 per annum.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Will the chairman of the committee kindly explain the reason for granting to the Department of State this additional $50,000 for clerical services here in the District of Columbia?

Mr. SHERLEY. A part of it was for the purpose of providing for the continuation of the pay of employees that they now have. A part of it represents an increase in the number of such employees. Broadly speaking, the situation is this: The State Department has had and will continue to have a very great expansion under present conditions, and it was important that they not only have additional clerical help, but that to a limited extent they have additional high-paid help, and therefore the provision is carried that not more than four persons may be employed hereunder at a rate of compensation exceeding $1,800 per annum. The reason for this is that there is a certain character of confidential work, the gathering together of intelligences that come to the Government not only through the State Department but through naval and military sources, and work in connection with the War-Trade Board, that require men of very high grade, who could not be expected to be obtained for $1,800.

Mr. STAFFORD. I assume that these employees are to be engaged in clerical work? Or will they be employed in other capacities?

Mr. SHERLEY. Most of them will be clerks, except these four, who will be engaged in work of a good deal higher order than just purely clerical work. And as I stated, a large part of it will be in connection with the handling and arranging of the intelligences that are received through the State, military, naval, and other agencies of the Government, and which the gentleman will appreciate is a matter of first magnitude and value at this time.

Mr. STAFFORD. We have had this very problem under consideration in connection with the framing of the legislative appropriation bill. The estimate in that connection is for $120,000 and the revised estimate for the next fiscal year is $264,000. The phraseology is somewhat different, and I was wondering whether there is any need of having it in the form of additional employees. As carried in the estimate for the legislative bill the phraseology is "for additional clerical services, to be expended in the discretion of the Secretary of State."

Mr. SHERLEY. As I recall, the request before the subcommittee of which the gentleman is a member was to change the language in which the estimate was originally submitted into language corresponding with this which is now carried in this bill.

Mr. STAFFORD. That may be.

Mr. SHERLEY. I think the gentleman will find that is the situation.

Mr. STAFFORD. I have a note on my copy of the bill, making some suggestions along that line, but I do not recall distinctly whether we were to strike out "clerical services," and just say "additional employees."

Mr. SHERLEY. I think it was desired that we should use the language employed herein.

Mr. STAFFORD. I withdraw the pro forma amendment.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

The Clerk read as follows:

Post allowances to consular and diplomatic officers: To enable the President, in his discretion and in accordance with such regulations as he may prescribe, to make special allowances by way of additional compensation to consular and diplomatic officers in order to adjust their official income to the ascertained cost of living at the posts to which they may be assigned, $400,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I notice that the committee has extended the authority of the existing phraseology in the diplomatic bill so as to authorize the Department of State to increase the salaries of the consular and diplomatic representatives at all posts rather than the authority, as conferred in the last Diplomatic and Consular appropriation bill, to our consular and diplomatic officers of a belligerent country and countries adjacent thereto.

Mr. SHERLEY. This language is in exact accord with the Diplomatic and Consular appropriation bill as it passed the House. The reason for the change in that bill and in this was this: The need was not confined simply to belligerent countries and to nonbelligerent countries designated heretofore. For instance, there are South American countries where the condition is more acute than it is abroad in the warring countries and countries adjacent to the warring countries. A statement presented by the State Department was of such unquestioned need that we could not do otherwise. For instance, it developed in one instance that there was a loss on exchange of 25 per cent. In other words, the salary of the man stationed there was reduced 25 per cent by the exchange loss. We simply allowed a sum that, in the discretion of the Secretary of State, might enable him to equitably deal with these people.

Mr. STAFFORD. Did the Secretary of State advise the committee whether he intended to pursue a uniform policy in all countries with reference to the salaries of diplomatic and consular representatives?

Mr. SHERLEY. No; I do not know that it is possible to pursue a uniform course. I do say that it would be dependent on the actual situation and need. There are some places where a very slight increase might be necessary, or none at all, and there are other places where there would have to be a large allowance made. There was no way of our undertaking to determine the matter except by general consideration of the situation and the appropriation of a sum that would not permit of great extravagance and yet would relieve the situation.

Mr. STAFFORD. In the bill which passed the House last Saturday, the Diplomatic and Consular appropriation bill, there is an authorization of $800,000, which is virtually 50 per cent of the salaries paid to the consular and diplomatic officers.

Mr. SHERLEY. I think the gentleman is mistaken in his figures.

Mr. STAFFORD. I have the bill here.

Mr. SHERLEY. Not mistaken in the amount of $800,000, but the amount of the salaries to the consular and diplomatic officers—it is more than $1,600,000 I think.

Mr. STAFFORD. I will give the gentleman the figures carried in the bill. There is $534,350 to ambassadors and ministers, and for consular officers, $1,208,500.

Mr. SHERLEY. There are quite a number of other officers that the gentleman has not enumerated.

Mr. STAFFORD. This phraseology only goes to post allowances for consular and diplomatic officers.

Mr. SHERLEY. The post allowance does not mean that it is limited simply to the salaries of consular and diplomatic officers. It relates to other employees of the embassy.

Mr. STAFFORD. Is the phraseology broad enough to warrant that?

Mr. SHERLEY. I think so, unquestionably. We have been acting under it, and we appropriated $100,000 for officers in China and $200,000 for officers of belligerent countries at the last session.

Mr. STAFFORD. I wish to have the gentleman's opinion as to whether this phraseology carried in this bill, as well as in the Diplomatic and Consular appropriation bill, is broad enough to allow an allowance to others than the consular and diplomatic officers.

Mr. SHERLEY. Yes; it says for post allowances. That means for the post; it does not mean for consular and diplomatic officers alone.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I ask for three minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks for three minutes more. Is there objection?

There was no objection.

Mr. FLOOD. The secretary to the embassy and legation is a diplomatic officer?

Mr. STAFFORD. Yes.

Mr. SHERLEY. It is a post allowance and not to consular and diplomatic officers alone. In other words, the allowance is to the post. It is not simply to increase the salary of the diplomatic officer and the consular officer, but also for his employees at the different posts.

Mr. LONGWORTH. Does that include the minister or the ambassador?

Mr. SHERLEY. It might include him, but in point of fact it was not intended to include him.

Mr. LONGWORTH. Does it include him, and have any of these salaries been raised?

Mr. SHERLEY. Not that I know of, but the language is broad enough to deal with all of them.

Mr. LONGWORTH. They certainly ought to be, and I would be glad to know that some of them had been included.

Mr. FLOOD. It has not been paid to the minister or to the ambassador.

Mr. STAFFORD. If the gentleman will read the qualifying language after the title he will find that the phraseology is limited to make special allowances by way of additional compensation to consular and diplomatic officers in order to adjust their official income to the ascertained cost of living at posts to which they may be assigned.

Mr. SHERLEY. I think the word "officers" there means clerks, as well as diplomatic and consular officers.

Mr. STAFFORD. It does not say "officer"; it says "officers."

Mr. SHERLEY. "Officers" means more than simply the head officer. The clerk is an officer within the meaning of this.

Mr. STAFFORD. I would not construe the word "clerk" to be an officer.

Mr. SHERLEY. It has been so construed. The gentleman can be perfectly sure that if that were not true the State Department would have asked for a change of language.

Mr. STAFFORD. I am glad to have the statement of the gentleman that this authorization means not only, as it apparently does on its face, to provide additional compensation to officers, but that it can be used also for the secretarial force or the clerical force.

Mr. SHERLEY. They need it more than the others.

Mr. STAFFORD. I know that, but there is no provision in express language covering their cases.

Mr. SHERLEY. I think it does cover their cases.

Mr. LONGWORTH. The gentleman from Virginia [Mr. FLOOD] says these are never paid to the ministers or ambassadors.

Mr. FLOOD. I say it has not yet.

Mr. LONGWORTH. Therefore it must be paid to the clerks and secretaries.

The Clerk read as follows:

For washing and hemming towels, purchase of awnings and fixtures, window shades and fixtures, alcohol, benzine, turpentine, varnish, baskets, belting, bellows, bowls, brooms, buckets, brushes, canvas, crash, cloth, chamois skins, cotton waste, door and window fasteners, dusters; flower-garden, street, and engine hose; lace leather, lye, nails, oils, plants, picks, pitchers, powders, stencil plates, hand stamps and repairs of same, spittoons, soap, matches, match safes, sponges, tacks, traps, thermometers, toilet paper, tools, towels, towel racks, tumblers, wire, zinc, and for blacksmithing, repairs of machinery, removal of rubbish, sharpening tools, street car tickets not exceeding $250, advertising for proposals, and for sales at public auction in Washington, D. C., of condemned property belonging to the Treasury Department, payment of auctioneer fees, and purchase of other absolutely necessary articles, $3,500.

Mr. WALSH. Mr. Chairman, I move to strike out the last word.

I notice in this item and in one or two other items in the bill, an amount specified for street car tickets. I wish to ask if it is the practice to pay the street car transportation of the employees in these departments, or for what purpose these street car tickets are used?

Mr. SHERLEY. That is the usual language carried in the regular appropriation. The enumeration was to prevent the amount being exceeded, and simply applies to those cases where messengers or employees are sent on official business and are given street car tickets for that purpose. It is not the practice nor should it be the practice to pay the car fare of employees generally.

The Clerk read as follows:

For salaries of officers and employees, $1,268,000; furniture, equipment, and supplies, including not exceeding $100 for street car tickets, $121,000; traveling expenses, including not exceeding $4 per diem in lieu of subsistence, $24,000; telegraph and telephone service, $4,800; stationery and miscellaneous expenses, including subscriptions to periodicals, $20,000; printing and binding, $60,000; rental of quarters, $40,000; in all, $1,537,800.

Mr. WALSH. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee if this appropriation is to cover a deficiency in salaries of officers and employees, in addition to the appropriation which was made when that bureau was authorized?

Mr. SHERLEY. Yes. The money that was appropriated then would not have carried it to any extent. Two hundred and fifty thousand dollars was given, and they have had $500,000 from the President, which I spoke of in my general address, and which they asked to have returned, but which we are not returning. This sum of $1,537,800 is to carry them up to July. I think this ought to be said about the War-Risk Bureau: They have had a very unusual task. It is no small matter to organize a bureau to deal with a million or more of men in the service, to arrange the allowances that should be made to dependents under the law, to take care of the insurance phase of the law, and to carry on the other activities that existed under the old law relative to insurance of ships and crews. They are getting under way and have now gotten out all of the November and December checks. They have been aided in their organization by the Bureau of Efficiency. The hearings disclose some of the problems and some of the waste that they have undertaken to meet. They have been seriously handicapped by lack of space, and they should and will have, I hope, before we are through, housing capacity in a fireproof building.

They are now scattered around through the National Museum and a number of other places. They have been doing an efficient work, considering their difficulties. The committee allowed them all that they thought they could properly expend between now and July 1, because we believed that everybody in this Congress and this country wanted to make sure the prompt and efficient payment of moneys to the dependents of the boys who were at the front. We have not tried to restrict them unnecessarily. We hope we have supplied them with funds enough for them to go forward economically and take care of this work.

Mr. WALSH. Can the gentleman state the number of employees in this very important bureau?

Mr. SHERLEY. They have about 1,700 now. The gentleman will find in the hearings a detailed statement as to the number and compensation of employees at that time. They expect to have about 1,200 more employees.

Mr. TREADWAY. Will the gentleman allow me to state that it so happened that I made an inquiry of the department on that very question last Saturday, and at that time they had over 2,000 employees and had issued $7,000,000,000 of insurance.

Mr. SHERLEY. The gentleman's information is a month later than mine. I, of necessity, have to speak of the date of the hearing, and that was about a month ago. At that time they had 1,700.

Mr. TREADWAY. I had the information last Saturday night, and they had then over 2,000.

Mr. WALSH. I am indebted to the gentleman from Kentucky for the information he has given and agree with him that there should be no desire to be parsimonious in the allowance to this bureau. And I am also very much interested to learn that the delay in sending out these checks is being obviated, because I have had several communications and inquiries in reference to the allotment to soldiers, and I understand the delay——

Mr. SHERLEY. I think they are catching up very rapidly, and they expect to be able to stay current. I want to say another thing that may interest the gentleman. I suggested during the hearing, and probably it had been suggested before, that it was greatly desirable that every soldier should have a number that he should always retain, and that the attempt to classify him by name, regiment, company, State, or locality would end necessarily in confusion. That prophecy was more than verified by the very unfortunate loss of life recently in connection with the sinking of one of our transports.

It is my understanding now that the War Department proposes, in connection with the Bureau of War-Risk Insurance, to give a number, which shall remain the same always, to all of our men in the service.

Mr. WALSH. And that will be done for the military branch of the service, for identification for all purposes.

Mr. SHERLEY. The same number will be used always and will make a perfect identification.

Mr. WALSH. I withdraw the pro forma amendment.

The Clerk read as follows:

For additional clerks from March 1 to June 30, 1918, inclusive, at rates of compensation as follows: Clerks—1 of class 4 and 1 of class 1; in all, $1,000.

Mr. WALSH. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the committee if any request was made from the Secret Service Division of the Treasury for an appropriation to permit that division or branch of the department to increase its force of secret-service men. I understand that they do not have a very large force of men, and that a great deal of the so-called secret-service work is being performed by the bureau in the Department of Justice, and upon inquiry which I have made from time to time of the Treasury Department they stated that they are not able to increase their force because the appropriation is so limited.

Mr. SHERLEY. They did not ask in this bill for anything of the kind. They asked for $1,500, which was based on the additional clerks needed from January to June 30, and we gave them $1,000, because this bill will not become a law before March, and, figuring at the rate of four months instead of six months, it makes $1,000.

Mr. WALSH. Does the gentleman know in connection with any other measure which may come from his committee whether there is any proposition to increase the number of employees in that bureau?

Mr. SHERLEY. My impression is there is an increase asked in the sundry civil bill.

We increased their number slightly last year, and as far as I understand there is a request for an increase now.

Mr. WALSH. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

The unexpended balance of appropriation of $100,000 contained in the deficiency appropriation act approved October 6, 1917, for repairs, alterations, and extensions of certain buildings and their equipment belonging to the United States on squares No. 226 and No. 228 in the city of Washington, is made available for the repair, alteration, and extension of such buildings and their equipment belonging to the United States on square No. 227, in the city of Washington, as the Secretary of the Treasury may designate, to fit them for temporary use by the Treasury Department.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. Will the gentleman state where these buildings are located?

Mr. SHERLEY. These buildings are located catacorner from the Treasury Department at Fifteenth Street and Pennsylvania Avenue, and extend southerly. There are three squares of buildings there. The old Poli Theater is on part of it. And in that connection I want to say for the benefit of the gentleman and the committee that there has been submitted to the Congress an estimate from the Treasury Department looking to the acquirement of the Arlington site and the erection there of a building for the housing of the Internal Revenue Bureau and the War-Risk Insurance Bureau.

Mr. WALSH. The Hotel Arlington?

Mr. SHERLEY. Where the old Hotel Arlington was. That estimate came to the committee too late for it to give it consideration, and it is too important a matter to be acted on without full hearing and consideration. The proposal is for an expenditure of about $4,200,000, which would acquire the land and give us a 10-story building and an annex.

Mr. WALSH. Will the gentleman permit an interruption? Is not there a building in the process of erection?

Mr. SHERLEY. There is, but it is only in process of erection, and this would acquire the ground and take over the contracts and the fabricated steel—some 80 or 90 per cent of which is already fabricated—and may offer the solution of the housing needs of the Treasury Department, because the proposals made in this bill for buildings are not sufficient to take care of the Treasury needs.

Mr. WALSH. That would be a fireproof building?

Mr. SHERLEY. A permanent building.

Mr. NORTON. As to the building that is going up on the Arlington site now, south of the University Club, has the contract been made for the rent of that by the Government?

Mr. SHERLEY. No; I was just saying that an estimate had been submitted by the Treasury Department asking for an appropriation of $4,200,000 for the acquiring of the property and taking over of the contract for certain portions of the material, and erecting that building to some 10 stories in height.

Mr. NORTON. The building that is now being put up there is being put up, I understand, by private parties, with the expectation of renting it, though, to the Federal Government.

Mr. SHERLEY. I do not know anything about their expectations. There has no assurance been given of any kind, and there is no authority as yet for the rental of it.

Mr. WALSH. Will the gentleman permit? Is it being built as an office building or as a hotel? I refer to this building that is in the course of erection.

Mr. SHERLEY. It started out originally as a hotel, I think, but is now being erected as an office building.

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

In the committee this afternoon we had up the subject, and perhaps the chairman of the committee made investigations in his subcommittee as to the Government taking possession of the property to the west of the Poli Theater that for a number of years has been occupied by a moderate-priced hotel. That property would be suitable, I would say, for office purposes, and no testimony has ever been advanced by any of the Treasury officials as to whether that property was available for office purposes or not.

Mr. SHERLEY. I will say to the gentleman that I have made no personal investigation, but it is my understanding that the Treasury Department did, and reported that the size of the rooms and the character of them were such as not to make it worth while to take over the property. It is under a lease, which can be canceled, of course, but I think there is a 30-day limit to it. Now, personally, I know nothing as to the property. I understand the rental is a fair rental as rentals went in the old days, and that the property is not of such a character as to lend itself readily to use by the Government for office purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Detroit, Mich.: Attendants' quarters building, $31,500.

Mr. WALSH. Mr. Chairman, might I inquire of the chairman of the committee when he expects the committee to rise?

Mr. SHERLEY. I will say to the gentleman that I hope very shortly to move to rise. I thought we might run through some of these Treasury items, which would carry us to the District of Columbia items, and the committee could then rise. That will probably take five minutes, unless we strike something that is a matter of controversy, in which event I will move to rise then.

The Clerk read as follows:

New York (Stapleton): Remodeling old white house for attendants' quarters, psychiatric units, female nurses' quarters, ambulance house, junior medical officers' quarters (temporary), temporary hospital ward unit, and approach work; mechanical equipment, including refrigerating plant, telephone and bedside call systems, $256,500; miscellaneous furniture and equipment, $45,000; in all, $301,500.

Mr. WALSH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. WALSH. Can the gentleman from Kentucky state what the general policy of the department is with reference to the extension and remodeling of these marine hospitals?

Mr. SHERLEY. It was to provide for an increase of 744 beds in the marine hospitals. There has been an increased demand upon the marine hospitals, aside from the demands that would come incident to the war. Under our compensation law governmental employees who are injured are eligible to treatment in such hospitals, and then the growth of the merchant marine and the growth of the naval service have put added demands upon the marine hospitals.

The Public Health Service presented plans for the improvement of a number of marine hospitals. The gentleman will find them enumerated throughout the bill. We allowed them, with a cut of practically 10 per cent that was made because there were certain items in connection with officers' quarters and attendants' quarters that seemed to us to be extravagant. I recall that at Boston, Mass., it was proposed to build a $16,000 frame house of eight rooms. The committee thought that a little skill would enable them to build an eight-room frame house for less than $16,000. They considered the matter carefully, and were led to believe that the necessary quarters can be provided without spending so much money from the Treasury. We feel sure that can be done.

Mr. WALSH. Can the gentleman state whether the extension or remodeling of these marine hospitals was induced by a possible demand owing to the return in the future of men injured in the service?

Mr. SHERLEY. Yes. There has been a presidential order making the marine hospitals open for the use of the Navy, and I have no doubt that if the need should arise they could be used for the Army as well, and probably will be.

Mr. WALSH. I assume that in this remodeling it is an attempt to modernize the equipment?

Mr. SHERLEY. It is in a sense; but the gentleman will find the details set out under each heading. The purpose largely was to increase bed capacity.

Mr. WALSH. Mr. Chairman, I withdraw the pro forma amendment.

The CHAIRMAN. The Clerk will read.

Mr. TREADWAY. Mr. Chairman, I would like to ask the gentleman from Kentucky how much longer he desires the committee to sit before he will move to rise?

Mr. SHERLEY. I just stated that if we could read until we reached the heading, "District of Columbia," on page 18, I would move to rise. It will take only a few minutes.

Mr. TREADWAY. Very well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ENGRAVING AND PRINTING.

For engravers' and printers' materials and other materials except distinctive paper, miscellaneous expenses, including paper for internal-revenue stamps, and for purchase, maintenance, and driving of necessary motor-propelled and horse-drawn passenger-carrying vehicles, when, in writing, ordered by the Secretary of the Treasury, $400,000, to be expended under the direction of the Secretary of the Treasury.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wisconsin moves to strike out the last word.

Mr. STAFFORD. I wish to inquire as to what is the reason for authorizing the purchase of passenger-carrying vehicles under the Bureau of Engraving and Printing?

Mr. SHERLEY. That is just the usual language. It is the current language. This $400,000 was not for commercial vehicles at all.

Mr. STAFFORD. That was the purpose of my inquiry, whether it was planned to authorize the bureau or the Director of the Bureau of Engraving and Printing to purchase a passenger-carrying vehicle.

Mr. SHERLEY. It was not. If we had changed the language it probably would mean the opening of a new account on the Treasury books.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

District of Columbia.

Mr. SHERLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9867) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. JONES of Texas for 10 days, on account of serious illness in his family.

NOBEL PEACE PRIZE FOR 1918.

The SPEAKER laid before the House the following letter:

DEPARTMENT OF STATE,
Washington, February 11, 1918.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: At the request of the Secretary of the Nobel Committee of the Norwegian Parliament, I have the honor to inclose herewith, for the information of the House of Representatives, a copy of a circular issued by the Nobel Committee furnishing information as to the distribution of the Nobel peace prize for the year 1918.

I have the honor to be, sir,
Your obedient servant,
ROBERT LANSING.

[Det Norske Stortings Nobelkomité. Nobel Committee of the Norwegian Parliament.]

NOBEL PEACE PRIZE.

All proposals of candidates for the Nobel peace prize, which is to be distributed December 10, 1918, must, in order to be taken into consideration, be laid before the Nobel Committee of the Norwegian Parliament by a duly qualified person before the 1st of February of the same year.

Any one of the following persons is held to be duly qualified: (a) Members and late members of the Nobel Committee of the Norwegian Parliament, as well as the advisers appointed at the Norwegian Nobel Institute; (b) members of Parliament and members of government of the different States, as well as members of the Interparliamentary Union; (c) members of the International Arbitration Court at The Hague; (d) members of the commission of the Permanent International Peace Bureau; (e) members and associates of the Institute of International Law; (f) university professors of political science and of law, of history, and of philosophy; and (g) persons who have received the Nobel peace prize.

The Nobel peace prize may also be accorded to institutions or associations.

According to the Code of Statutes, section 8, the grounds upon which any proposal is made must be stated and handed in along with such papers and other documents as may therein be referred to.

According to section 3, every written work to qualify for a prize must have appeared in print.

For particulars qualified persons are requested to apply to the office of the Nobel Committee of the Norwegian Parliament, Drammensvei 19, Kristiania.

LEAVE TO EXTEND REMARKS.

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a communication addressed to the President and to the Members of Congress by the executive committee of the Socialist Party of the United States under date of February 9, 1918, and a copy of my reply thereto.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD by printing an address by the executive committee of the Socialist Party of the United States to the President and Congress and the reply of the gentleman from Texas to the same. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, I ask unanimous consent that my colleague [Mr. JONES of Texas] be permitted to extend his remarks in the RECORD by printing a letter recently addressed to the Committee on Foreign Affairs.

The SPEAKER. Whose letter?

Mr. BLACK. The letter of my colleague [Mr. JONES of Texas].

The SPEAKER. The gentleman from Texas [Mr. BLACK] asks unanimous consent that his colleague [Mr. JONES of Texas] be permitted to extend his remarks in the RECORD by printing a letter written by him to the Foreign Affairs Committee. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, upon what subject?

Mr. BLACK. It is a short letter in reference to a peace resolution introduced last August.

The SPEAKER. Is there objection?

Mr. WALSH. I object.

ADJOURNMENT.

Mr. SHERLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Saturday, February 16, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the treasurer of the Washington-Virginia Railway Co., transmitting report of the Washington-Virginia Railway Co. for the year ending December 31, 1917 (H. Doc. No. 935); to the Committee on the District of Columbia and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting deficiency estimate of appropriation required by the United States Public Health Service for the fiscal year ending June 30, 1918, for maintenance and ordinary expenses of the Quarantine Service (H. Doc. No. 936); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. FERRIS, from the Committee on Public Lands, to which was referred the Senate joint resolution (S. J. Res. 104) authorizing the assistant to the Secretary of the Interior to sign official papers and documents, reported the same without amendment, accompanied by a report (No. 316), which said bill and report were referred to the House Calendar.

Mr. HAMLIN, from the Committee on the Territories, to which was referred the bill (H. R. 9832) to authorize the incorporated town of Seward, Alaska, to issue bonds in any sum not exceeding $25,000 for the purpose of constructing dikes, flumes, and other works to confine the waters of Lowell Creek for the protection of said town, reported the same without amendment, accompaniel by a report (No. 317), which said bill and report were referred to the House Calendar.

Mr. LANGLEY, from the Committee on Invalid Pensions, to which was referred the bill (H. R. 7738) to increase the rate of pension allowed to Army nurses, reported the same without amendment, accompanied by a report (No. 318), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. McCLINTIC: A bill (H. R. 9897) to authorize the contesting and cancellation of certain homestead entries, and for other purposes; to the Committee on the Public Lands.

By Mr. DENT: A bill (H. R. 9898) to establish in the Coast Artillery Corps of the Regular Army an Army mine-planter service; to the Committee on Military Affairs.

Also, a bill (H. R. 9899) authorizing appropriations made for the national security and defense to be used for the purchase of real estate, or the use thereof, when such purpose is not specifically stated in said appropriation; to the Committee on Military Affairs.

Also, a bill (H. R. 9900) authorizing the President during the existing emergency to sell war supplies, materials, and equipment heretofore or hereafter purchased, acquired, or manufactured by the United States; to the Committee on Military Affairs.

Also, a bill (H. R. 9901) to give indemnity for damages caused by American forces abroad; to the Committee on Military Affairs.

Also, a bill (H. R. 9902) to amend section 8 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917; to the Committee on Military Affairs.

Also, a bill (H. R. 9903) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 9904) to amend present laws restricting the purchase and distribution of military stores and supplies, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 9905) to provide quarters or commutation thereof to commissioned officers in certain cases; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 9906) providing that post-office laborers be allowed a concompetitive examination for promotion; to the Committee on Reform in the Civil Service.

By Mr. GOULD: A bill (H. R. 9907) providing commutation of quarters for officers of the Army during the period of war; to the Committee on Military Affairs.

By Mr. ROWE: A bill (H. R. 9908) to amend sections 4402, 4404, and 4414 of the Revised Statutes of the United States; to the Committee on the Merchant Marine and Fisheries.

By Mr. CANNON: Resolution (H. Res. 250) for the relief of Mary M. Savoy; to the Committee on Accounts.

By Mr. EMERSON: Joint resolution (H. J. Res. 247) to investigate the Brude lifeboat; to the Committee on Naval Affairs.

By Mr. O'SHAUNESSY: Memorial of the General Assembly of the State of Rhode Island indorsing the so-called daylight-saving bill now before Congress, and urging the Senators and Representatives from that State to give it their cordial support; to the Committee on Interstate and Foreign Commerce.

By Mr. STINESS: Memorial of the General Assembly of the State of Rhode Island, indorsing the so-called daylight-saving bill now before Congress and urging the Senators and Representatives from that State to give it their cordial support; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY of Rhode Island: Memorial of the General Assembly of the State of Rhode Island, indorsing the so-called daylight-saving bill now before Congress and urging the Senators and Representatives from that State to give it their cordial support; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DILL: A bill (H. R. 9909) granting a pension to Thomas W. Atchley; to the Committee on Pensions.

By Mr. FERRIS: A bill (H. R. 9910) granting an increase of pension to John Short; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 9911) granting an increase of pension to John A. J. Hicks; to the Committee on Invalid Pensions.

By Mr. GALLAGHER: A bill (H. R. 9912) granting a pension to George B. Trayes; to the Committee on Invalid Pensions.

By Mr. GLYNN: A bill (H. R. 9913) granting an increase of pension to Sanford E. Chaffee; to the Committee on Invalid Pensions.

By Mr. HEATON: A bill (H. R. 9914) granting an increase of pension to George Joseph; to the Committee on Pensions.

By Mr. KEY of Ohio: A bill (H. R. 9915) granting an increase of pension to Harry E. Bryan; to the Committee on Pensions.

By Mr. MERRITT: A bill (H R. 9916) granting a pension to Carl N. Hubley; to the Committee on Pensions.

Also, a bill (H. R. 9917) granting a pension to Stephen K. Hamilton; to the Committee on Invalid Pensions.

By Mr. STEVENSON: A bill (H. R. 9918) granting a pension to Zebulon R. Campbell; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 9919) to correct the military record of Darius Atkinson; to the Committee on Military Affairs.

By Mr. TAYLOR of Arkansas: A bill (H. R. 9920) granting a pension to Mary A. Himmah; to the Committee on Invalid Pensions.

By Mr. TOWNER: A bill (H. R. 9921) granting an increase of pension to Daniel Keene; to the Committee on Invalid Pensions.

By Mr. WASON: A bill (H. R. 9922) granting an increase of pension to Francis Roy; to the Committee on Invalid Pensions.

By Mr. WATKINS: A bill (H. R. 9923) for the relief of John McW. Ford; to the Committee on Public Lands.

By Mr. WHITE of Ohio: A bill (H. R. 9924) granting an increase of pension to John P. Bateman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9925) granting an increase of pension to Thomas R. Thompson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Irishwomen's Council, asking for the recognition of the independence of Ireland in the form of an Irish republic; to the Committee on Foreign Affairs.

Also (by request), resolution of the Grand Army of the Republic, favoring legislation giving American citizenship to aliens who serve in the Army or Navy; to the Committee on Immigration and Naturalization.

Also (by request), resolution of the Grand Army of the Republic, requesting the enactment of legislation for the return of the remains of those soldiers and sailors who may die abroad; to the Committee on Military Affairs.

Also (by request), resolution of the Grand Army of the Republic, asking for the passage of a bill providing for the payment of pensions monthly instead of quarterly; also a resolution of the same organization, asking for increase of pension to Civil War Veterans and aid to blind veterans; to the Committee on Invalid Pensions.

By Mr. CARY: Resolution of the Twentieth Century Topic Club, asking for the repeal of the periodical postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. CLARK of Pennsylvania: Petition of Mrs. Margaret Walthauser, Mrs. Louise Lang, Mrs. S. Althof, and 18 others, praying for the passage of House bill 7995, for the preservation of the *Niagara*, Commodore Perry's flagship in the Battle of Lake Erie; to the Committee on Naval Affairs.

By Mr. DILL: Petition of citizens of Spokane, Wash., asking for the passage of House bill 5531; to the Committee on Military Affairs.

By Mr. ESCH: Papers in support of House bill 9838, granting a pension to Sarah Morrill; to the Committee on Invalid Pensions.

By Mr. FOSTER: Petition of citizens of Oblong, Ill., protesting against grading second-class postage on any zone basis; to the Committee on the Post Office and Post Roads.

By Mr. FULLER of Illinois: Petition of Dr. F. A. Eastman and 60 other citizens of Rockford, Ill., opposing the zone system for second-class mail; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolution of the New York Antivivisection Society, protesting against compulsory inoculation of soldiers; to the Committee on Military Affairs.

Also, petition of H. M. McLarin, president of the National Federation of Federal Employees, against the Borland eight-hour amendment; to the Committee on Agriculture.

Also, petition of George F. Washburn, president Massachusetts Real Estate Exchange, favoring legislation for Federal acquisition of railways and canals to transport coal from mines near coast to all points along Atlantic coast; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON of New York: Affidavits to accompany House bill 9841, granting a pension to Charles B. Carlson; to the Committee on Pensions.

By Mr. HILLIARD: Resolutions adopted by the Woman's Club of Racine, Wis., and by the New Century Club of Wichita Falls, Tex., urging the repeal of that section of the war-revenue act increasing postage rates on periodicals; to the Committee on Ways and Means.

By Mr. STINESS: Resolution of the General Assembly of Rhode Island, indorsing the daylight-saving bill now before Congress, and urging the Senators and Representatives from Rhode Island to give it their support; to the Committee on Interstate and Foreign Commerce.

By Mr. TILLMAN: Resolution of a mass meeting held in Fayetteville, Ark., expressing loyalty to and confidence in the administration, especially in its conduct of the war, and deploring that criticism of the war management which has been of a destructive character; to the Committee on Military Affairs.

SENATE.

SATURDAY, *February 16, 1918.*

(Legislative day of Friday, February 15, 1918.)

The Senate met at 11 o'clock a. m.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. CUMMINS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Henderson	Overman	Tillman
Chamberlain	James	Saulsbury	Townsend
Colt	Johnson, Cal.	Shafroth	Trammell
Culberson	Johnson, S. Dak.	Sheppard	Underwood
Cummins	Jones, N. Mex.	Smith, Mich.	Vardaman
Curtis	Jones, Wash.	Smith, S. C.	Warren
France	Kellogg	Smoot	Watson
Gallinger	Knox	Swanson	Weeks
Hale	Lodge	Thomas	Williams
Hardwick	McCumber	Thompson	Wolcott

Mr. JAMES. I wish to announce that my colleague [Mr. BECKHAM] is detained on official business.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. MCNARY, Mr. NEW, Mr. OWEN, Mr. POINDEXTER, Mr. REED, Mr. ROBINSON, Mr. SHIELDS, Mr. STONE, and Mr. SUTHERLAND answered to their names when called.

Mr. SUTHERLAND. I wish to state that my colleague, the senior Senator from West Virginia [Mr. GOFF], is absent owing to illness.

Mr. FRELINGHUYSEN, Mr. ASHURST, Mr. HARDING, Mr. HITCHCOCK, Mr. KING, Mr. KIRBY, Mr. STERLING, Mr. MARTIN, and Mr. NORRIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-eight Senators have answered to the roll call. There is a quorum present.

Mr. JOHNSON of California. I wish to announce that on Tuesday next after the routine morning business, with the consent of the Senate, I shall speak to the pending bill and the demonstrated necessity for Government ownership.

Mr. SMITH of South Carolina. Mr. President, it is very evident that for the time being at least the attention of Senators is given to certain hearings, investigations, and so forth, and Senators are going to committee rooms rather than appearing on the floor of the Senate. So it is almost impossible for us to keep a quorum here, at least to keep enough Senators here to justify business in debating the pending measure.

I wish to give notice now that on Monday next I shall make an effort to have some definite time fixed at which we shall get a vote on this bill. It seems to me that if the procedure we have followed up to the present is to be kept up, it might be a very good plan to adjourn the Senate until the work of the investigating committees has ceased.

Mr. THOMAS. Or adjourn sine die.

Mr. SMITH of South Carolina. As the Senator from Colorado suggests, it might be very well to adjourn sine die and let the business of the country be transacted in the committee

rooms. But be that as it may, it is useless to try to keep up this procedure that seems to be more or less a farce.

If the Senate is convinced as to the merits or demerits of this bill, I think we can conserve time and it would be of benefit to the country by bringing it to a vote. It is the most important measure that has been before this body in a generation or longer, and it is not receiving the attention that its importance entitles it to receive. I shall attempt to bring the matter to a close at the earliest possible time by a vote.

Mr. JONES of Washington. Mr. President——

Mr. SMITH of South Carolina. I yield to the Senator from Washington.

Mr. JONES of Washington. I wish to suggest to the Senator that the very moment we agree upon a time to vote then we shall not have anyone here to listen to the discussion.

Mr. SMITH of South Carolina. Then it will not change the situation.

Mr. JONES of Washington. I wish to ask the Senator if he does not think it would be wise for the Senate to revoke the permission that we have granted committees to sit while the Senate is in session, especially when such an important measure as this is under consideration?

Mr. SMITH of South Carolina. I think that is a splendid suggestion, but I am still of opinion that if Senators would really realize—not know, for perhaps they do know, but realize—the importance of this measure and the importance of an early determination of it they could suspend some of the hearings. I am of opinion that we have gotten into the habit of paying more attention to something that is sensational than to the fundamental principles to which we as Senators ought to devote ourselves.

Mr. OWEN. Mr. President——

Mr. SMITH of South Carolina. I yield to the Senator from Oklahoma.

Mr. OWEN. I wish to make a suggestion to the Senator from South Carolina. If the Senate would agree that a certain number of hours should be set apart for the consideration of this bill, and the Senate would order the committees to withhold their hearings within that period, the Senate in that way might have the presence of its membership to hear the discussion, and especially if we should have an agreement that speeches should not exceed 30 minutes, so that the Senate would not be exhausted by very long speeches but would still be able to get the different points of view of Senators on the floor.

Mr. SMITH of South Carolina. The suggestions indicate that there is a necessity for having some understanding. So I give notice now that on Monday I shall make an effort to have some definite time fixed at which we can vote upon the bill.

Mr. VARDAMAN. Will the Senator allow me to make a suggestion?

Mr. SMITH of South Carolina. Certainly.

Mr. VARDAMAN. There are a number of subcommittees at work to-day. One of which I am a member will probably finish its work this afternoon. If the Senate should adjourn until Monday and the Senators are given notice that the rule permitting committees to sit during the session should be revoked for the purpose of inducing the Senators to attend upon the deliberations of the Senate pending the consideration of the bill now before the Senate, I think it would result in a full attendance Monday morning and meet with the approval of Senators generally. I realize the necessity for immediate action upon the pending bill. It is a measure of far-reaching importance and ought to be passed upon at the earliest possible moment, and the suggestion I have made is for the purpose of facilitating its passage.

Mr. SMITH of South Carolina. Mr. President, time is too precious to waste. I do not say waste any of the arguments, but to waste any more time in the process of getting to some kind of an end of this matter. I do not think that I shall ask for any adjournment until Monday. I will let the debate take its course, even though it requires Senators to speak to empty benches, and I repeat that on Monday I shall make an effort to have a day fixed for a final vote.

Mr. CUMMINS. Mr. President, I desire to say a word to the chairman of the committee before he takes his seat, in view of the notice he has given. There is no Senator who is more anxious than I am to facilitate the disposition of this bill, and no Senator deplores more than I do the fact that the majority of the Members of the Senate are sitting in committees where they think their work is imperative. But we shall have to choose between work in committees and work on the floor of the Senate. If Senators are free and do not choose to occupy their seats, that is a privilege that they must be permitted to exercise. But a very large part of the Senate is not free. It is sitting in committees considering important legislation, and it is perfectly absurd and indefensible for the Senate to have under consideration a bill of this character and permit its important committees to sit for the consideration of measures which demand the attention of Senators elsewhere.

I have said this as a prelude to the suggestion that notwithstanding my great desire to speed the disposition of this bill there will be no unanimous consent to fix a time to vote upon the bill until there has been a fair opportunity to debate it upon the floor of the Senate, and there will be no fair opportunity to debate the bill until these committees cease their sittings and are at liberty at least to attend the sessions of the Senate.

Mr. OWEN. Mr. President, it seems to me in order to get the attention of Senators to the proceedings of this body it might be arrived at by setting apart a certain number of hours each day in which the bill would be debated and during which time the committees would be requested by the Senate not to sit but the Members to attend the sessions of the Senate. It is a very important bill, and I think Senators ought to debate it and ought to hear it debated; but without any plan it is obvious that the committees will go on as they have in the past, and if the members of those committees are not present to hear the discussion of the bill Senators feel that they ought to repeat things which they have said before as they get the different membership present. If we could get the Senate together to consider this bill within a certain number of hours each day, it could be debated to the satisfaction of every Member of the Senate and at the same time the Senate would really hear the discussion.

Mr. CUMMINS. That is precisely in the line of my suggestion.

Mr. OWEN. Can we not reach some plan?

Mr. CUMMINS. If the committees would meet in the morning and the Senate not meet until 2 o'clock and divide the day in that manner, it would be perfectly satisfactory, I am sure, to everyone. But without thinking of myself or of any other member of the committee, it is not fair to the Interstate Commerce Committee, to the chairman of the committee, who has devoted a great deal of time to this subject, to allow him to bring forward a bill and have it considered under such circumstances as to prevent any full or fair consideration of it.

If an arrangement can be made through which a day can be divided in that way, I shall be perfectly content; but I am not willing that the bill shall be voted upon with the greater number of Senators occupied in their committee rooms and so occupied that they can not possibly be here. I do not know whether or not they could get excused to come here to vote upon the bill. It may be that they might be relieved for that one act.

Mr. THOMAS. Mr. President, it seems to me we are wasting a good deal of time over a subject which, however long we may discuss it, will not amount to much. I think the attendance of Senators in the Chamber is just about as numerous when committees are not sitting as when they are sitting. I know of no manner in which Senators can be compelled to remain here unless we change our rules. We might close our cloakrooms, and possibly the restaurant, and by that means shut off all other places of entertainment and make those who are not attracted here by the speeches come here for want of a place offering better opportunities for entertainment.

The fact is that Senators do not and will not remain here during the discussion of important measures, except occasionally, and the sessions of the committees and the absence of those sessions neither of them in my judgment affects the average attendance of Senators upon the floor during the discussion of bills. So let us go on and discuss this measure and reach a vote as soon as we can.

Mr. NORRIS. Mr. President, there is a great deal of force in what the Senator from Colorado [Mr. THOMAS] has said. It may be that we would not have much of an attendance on the floor if committees were not in session, but there are Members of the Senate who want to hear this debate and who do have important committee hearings which they also desire to attend. There ought to be an arrangement, at least for those who want to hear the discussion, to be able to be here without neglecting some other important business.

I thought yesterday, when we took a recess until 11 o'clock this morning, it was breaking in without any notice on arrangements that had already been made for hearings before some committees at least; that if the Senate met at 11 o'clock it would interfere with those. I have no objection to meeting at 11 o'clock if some other arrangement is made about committee meetings or if we could have some notice that that was going to happen in a week from now.

I desire, however, to state what actually occurred this morning in the Committee on Agriculture. The Committee on Agri-

culture is having hearings which are vitally important, or I think they are vitally important, on the question of the conservation of food and production of food, which will go as far as anything else in winning this war. We have been meeting in that committee and running our sessions up until 12 o'clock, with those hearings. Yesterday the committee adjourned at 12 o'clock to meet this morning and expected to run until 12 o'clock. In the meantime the Senate took a recess until 11 o'clock. That meant that those hearings were interrupted. Members of the committee were over there—I was among the number—anxious to hear the most interesting discussion of a witness who was giving us some extremely valuable information as to the condition of the live-stock and the grain-producing sections of the country. Some of us at least wanted to be here. It is impossible, however, to be at both places at the same time. The Senate took its action after the committee had adjourned, and at 11 o'clock to-day there was before the committee a man from Oklahoma——

Mr. OVERMAN rose.

Mr. NORRIS. In just a moment I will yield to the Senator. The president of the Farmers' Union of the State of Oklahoma, one of the most interesting witnesses, a man who is well informed, was giving us in concise language valuable information, which every Senator would be glad to read if he could not be there and hear it; but when the Senate met at 11 o'clock we had to leave in the midst of his testimony. It was not fair to those who desired to get this information; it was not fair to those who desired to be present at the hearings and who also desire to hear this debate. Now I yield to the Senator from North Carolina.

Mr. OVERMAN. Mr. President, I desire to say, along the line of what the Senator from Nebraska [Mr. NORRIS] has been saying, that no notice was given of the intention of the Senate to meet at 11 o'clock this morning, and that in the Committee on Appropriations we had under consideration one of the great appropriation bills.

Mr. NORRIS. Exactly.

Mr. OVERMAN. At 11 o'clock, the usual time, not knowing that the Senate had taken a recess until 11 o'clock this morning, a meeting of the committee was called; but as soon as we got that notice, we adjourned the committee.

Mr. NORRIS. Exactly.

Mr. OVERMAN. There ought to be some notice of such intention on the part of the Senate, so that the chairmen of committees should be aware of it when they call meetings of committees.

Mr. NORRIS. Certainly. What the Senator says merely bears out what I have stated. I wish to say that the witness before our committee, to whom I have referred, had made arrangements to go away to-day, as he had a right to do, because we understood the committee would be able to continue in session until 12 o'clock, at least, yet because of the action of the Senate here yesterday all of these matters have been interfered with.

Mr. MARTIN. Mr. President, I merely wish to say a few words. I shall not occupy the Senate five minutes.

I think it is known to all Senators that the Director of Railroads is very much embarrassed by the want of the legislation contemplated by the pending bill. He called me over the telephone and told me that he was delaying matters; that the whole business of railroad traffic was impeded, hindered, and delayed because of the lack of legislation that was absolutely necessary for him to carry out the purposes for which the railroads were taken over. I think the primary consideration should be with the Senate to speed this bill. I think everything ought to give way for it, and that it ought to be kept continuously before the Senate. The debate ought to be allowed to proceed in order to reach a vote as early as possible.

I am not suggesting that there should not be debate. The bill is a very important measure and Senators ought to debate it. I am not attempting to suggest that it should not be debated, but I do suggest and I do appeal to Senators to give the fullest opportunity for debate in order to speed this bill to a final vote.

I do not myself believe that any time will be gained by undertaking to change the long-accustomed usages of committee meetings. Committees will adjourn to enable their members to be in the Senate when they can do so. The Appropriations Committee had the diplomatic bill before it this morning, and it adjourned the consideration of that bill in order that its members might be on the floor of the Senate to hear the discussion of the railroad bill. I think other committees will do the same. I do not believe it would be wise to change or attempt to regulate the hours of committee meetings. I think all we can do is to keep the railroad bill continuously before the Senate and to speed its passage as far as possible. I feel that that is urgently important. I think if we will go along in the old beaten path Senators who want to be present and hear the debate can be here, just as the members of the Appropriations Committee adjourned their session so as to be present in the Senate Chamber this morning. I do not believe we shall gain any time by attempting to coerce committees by new regulations to which they are not accustomed. To just let the debate proceed, keep the bill before the Senate, and get a vote as soon as possible is what I think should appeal to every Senator on the floor.

Mr. CUMMINS. Mr. President, I recognize the difficulty of carrying forward a discussion of the apparently uninteresting subject proposed in the bill now before the Senate. It would be a fitting tribute to the occasion if some one of my distinguished associates upon the other side of the Chamber were to move for an adjournment in order that our minds might be composed and in order that we might gradually prepare ourselves for the consideration of the questions which are before us. I am not saying this in any malicious or ill-natured spirit, for I understand perfectly that for a little while at least it is necessary that most of the Senators shall be absent from the Chamber; and I premise what I have to say with the suggestion that if presently there are no great number of Senators who take any interest in this matter I shall move to adjourn until we are better prepared to discuss the vital things that are proposed in the bill.

Day before yesterday I listened with profound interest to the eloquent homily delivered by the Senator from Illinois (Mr. LEWIS), a distinguished member of the committee which reported the bill under consideration, upon liberty, justice, independence, the equality of opportunity, and the perpetuity of democracy throughout the world. What does it avail us to thrill, as we all did, under the utterance of these lofty sentiments unless we are willing to carry into legislation the principles which he so beautifully expressed? And I am waiting with a good deal of interest to see whether he and the other members of the committee who listened to him as I did are willing to enact justice as well as proclaim it.

Why should we erect a statue to liberty, to freedom, to equality, and then at once close and lock the doors to the opportunity declared by our forefathers, and to fortify which and to perpetuate which we are now summoning all the energy of all the people of the United States?

These abstract conceptions of democracy, of equality, of justice are recognized by all people and have been recognized by all nations during all times; but the difficulty has been that we arise from the worship of the shrine of these exalted conceptions and immediately proceed to enact injustice; not consciously, for I am not suggesting a conscious purpose on the part of any Senator or any Member of Congress to do injustice. I am only calling to your attention the fact that it is infinitely easier to eulogize justice, democracy, liberty, equality, than it is to enforce these noble sentiments through the legislation which alone can secure them for the people of the country.

A few hours ago I received a letter from a distinguished educator of my State, a man who, I am sure, feels none of the prejudice which is supposed to exist against wealth or property; and I intend to take the liberty to read it, for it is very brief. He says:

> I understand the Senate will pass a bill guaranteeing the railroads an income equal to the average of the past three years. I know we do not do this for the men whom we drafted. Why are the railroads treated better than our soldiers? An answer will be appreciated.

How would you, fellow Senators, have answered the letter I have just read? How would you have distinguished the difference between taking the man from his ordinary avocation and the compensation which his energy and ability command and taking the property which he might have theretofore accumulated? There is a difference. But I mention the letter for the purpose of emphasizing the thought which is uppermost in my mind as we continue the consideration of the bill which proposes high compensation to the railroad companies whose properties have been taken over by the Government.

I answered him by saying that under our Constitution every citizen owed to his country, without compensation, without reward, his life if it became necessary to take it, but that under the same Constitution when the Government took property for the defense of the Nation it must pay just compensation for it. Whether this distinction can be defended in the court of original reason it is not for me to say, but it is pertinent here when we remember that we are about to offer compensation for railroad property of 10, 12, 15, and 20 per cent per year upon all the capital which the owners of the property have invested in its creation and construction. Whatever may be the necessities of warfare, and ours are very great at this time, there is nothing in our Constitution, noth-

ing in our traditions, nothing in our civilization, which warrants the compensation proposed in the bill before us.

I shall confine myself at this time to the question of compensation for the use of the property which the Government has taken over and is now operating. I intend to prove—and I use the words deliberately and reflectively—that the compensation proposed in the bill is about $200,000,000 annually more than it ought to be, more than it need be, in order to fulfill the highest standard of the law and of the Constitution.

The bill proposes that the Government shall remain in possession of the properties of which it has assumed control for 18 months after the war shall have ended. None of us can predict with certainty the period of the war, but it is conservative, I think, to suggest that the bill means Government possession and operation for at least four years. The aggregate overpayment which this measure offers is, therefore, about $800,000,000. I intend to show that this vast sum is to be taken each year from the people, who are already overburdened, and to be given to the railway corporations without a shadow of right, reason, or justice.

There is but one precedent in all history for the proposal contained in the first section of the bill now before the Senate. It will be found in the Scriptures, and may be thus quoted, although I am not entirely sure of the literal accuracy of the quotation; but somewhere in the Holy Writ it is said—not approvingly, I am glad to know—

To him who hath shall be given, and from him who hath not shall be taken away, even that which he seemeth to have.

Mr. ROBINSON. Mr. President, I would ask the Senator from Iowa if he is sure of the accuracy of his Scriptural quotation, if he is attempting to quote Scripture?

Mr. CUMMINS. I said that I was not absolutely sure of the literal accuracy of the quotation, but I will risk something upon its substantial accuracy.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I yield to the Senator from Pennsylvania.

Mr. KNOX. If the Senator will yield to an expert upon the subject, I will give him the quotation accurately.

Mr. CUMMINS. There is no man in the Senate to whom I would appeal more readily than to the Senator from Pennsylvania in order to know just what the Bible says upon any question.

Mr. KNOX. That is a just acknowledgment, which I very much appreciate; but the concluding line of the passage which the Senator from Iowa has quoted is "from him shall be taken away even that which he hath." The word "away," I think, is used, but the word "seemeth" is not in the quotation.

Mr. CUMMINS. I felt that way, but I might as well confess now to the Senator from Pennsylvania that I have recently read that verse of the Scriptures, and I think the word "seemeth" is in the verse.

Mr. KNOX. Mr. President——

Mr. CUMMINS. I am afraid the Senator from Pennsylvania has not read the modern version or the modern translation of the Bible. I am afraid since his boyhood he has not consulted that Book very much or he would know that the word "seemeth" is there.

Mr. KNOX. I should like to say, Mr. President, that I not only insist that I am correct, but that I would not have ventured to have undertaken to correct the Senator from Iowa if he had not just a few moments ago disavowed that he had recently looked the quotation up.

Mr. CUMMINS. I did not disavow that.

Mr. KNOX. That was the impression made on my mind.

Mr. CUMMINS. I said I was not sure of the literal accuracy of my quotation. Mr. President, might I ask the Secretary of the Senate to produce his Bible, and to read that verse in the Scriptures?

Mr. GRONNA. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. CUMMINS. I yield to the Senator from North Dakota.

Mr. GRONNA. I think the Senator from Iowa might have said that this was stated by the Master in the Sermon on the Mount; and while the Senator from Pennsylvania (Mr. KNOX) is correct according to the Gospel of St. Matthew, the Senator from Iowa is correct according to the Gospel of St. Mark.

Mr. CUMMINS. Mr. President, it is evident that the Senator from Pennsylvania never got further than the first book of the New Testament. It really is an unimportant thing, but I should be very glad if the desk would give to the Senate the full and accurate version of this quotation.

The PRESIDING OFFICER. The Chair will say to the Senator from Iowa that the Senate seems to be without a Bible.

Mr. CUMMINS. No matter, Mr. President, what the variation in memory may be with regard to the Bible, the thought is that it is the way of the world to give to those who have and to take away from those who have not the little they are struggling to keep. It is from that standpoint I mention the only precedent of any high authority for the proposal made by the majority of the committee.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. CUMMINS. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. If the Senator will allow me, in behalf of the committee and for myself, before he begins a discussion of the proof that we are likely to pay or that we are going to pay the railroads $200,000,000 annually more than they are rightfully entitled to, I presume he means by that that we are now going to continue to allow the roads to earn out of their property $200,000,000 that they have been earning and have not been forbidden by any law to earn and by any process to earn any less, and that the proof which he will bring is, in effect, that for all the times of peace up to this emergency they have been earning that amount or a pro rata amount upon the property.

Mr. CUMMINS. Mr. President, the Senator from South Carolina has a glimmering, at least, of the thought in my mind, although he does not express it just as I should. I think he will clearly perceive the basis of the statement I made a few moments ago as I proceed with my argument, and I tell him now, and I tell the Senate now, that every fact which I shall use upon the point just made will be found in tables that have been prepared by and been furnished to me by the Interstate Commerce Commission or the statistical bureau of that body, with this exception, that I take one fact from the report of the majority of the committee, now so ably represented by the Senator from South Carolina.

Mr. SMITH of South Carolina. I should like to ask the Senator just a question. The Senator can not say, and he is not saying, that the committee in this proposed law is allowing the railroads $200,000,000 annually more than they were making before this war period?

Mr. CUMMINS. I do not.

Mr. SMITH of South Carolina. That is the point I was making.

Mr. CUMMINS. I do not make any such assertion, although I may accompany what I said with the statement that, in my judgment, we are allowing the railroads nearly $200,000,000 more than they would earn during the next few years if the property were to remain in their possession and under their control.

Mr. President, the question presents an issue so big in principle and so tremendous in consequences—for its consequences are not confined to the mere payment of the money, vast as the sum is, during the period of Federal control—that no Member of Congress can escape it. No matter what we may do here, it will be settled finally in the highest forum of a free country.

Although I am conscious that I repeat some things that have already been said, in order to preserve continuity, I refer to the way in which the question arose and the manner in which it comes before this body. In 1916, as a part of the military appropriation bill of that year, we passed a provision which authorized the President in time of war to take possession, to assume control, and to operate the systems of transportation in the United States in order to more effectively prosecute the war. Let it be distinctly understood as I proceed that I have no criticism of that legislation; it meets my hearty approval, as it did when it was adopted by Congress. Let it be also understood that I have no objection to the act of the President in taking possession of the railroads of the United States. I am willing, and I am desirous, of making that control as effectual and as complete as it is possible to make it.

The Senator from Minnesota [Mr. KELLOGG] yesterday recited very graphically, and I think very correctly, the things that had been accomplished by the railway companies in order to make their properties more efficient since the war began. There is not a single word which he uttered respecting the loyalty of the railway managers and their sincere desire to render all the assistance which they could render to the Government in its hour of peril to which I do not heartily subscribe. I think that the railway managers of the country from the 7th of April, 1917, until the 28th of December of that year when they were relieved of their responsibility by the action of the Government, accomplished almost a miracle in the better use and in the

higher coordination of the transportation facilities of this country in order to meet the imperative and supreme needs of the Nation.

At the same time, I was of the opinion from the beginning—and observation and experience have only strengthened the conviction which I entertained—that it was not within the power of the railway companies to do the things which this country required to be done under the conditions which confronted and surrounded us. If there had been nothing more in the problem than the mere handling and movement of engines and cars, I agree with the Senator from Minnesota that the organizations already in charge of these great enterprises could have handled and moved the cars and the traffic more efficiently than it is possible for the Government to do in the first hours of the transition, because there is a confusion incident to the change which only time can remove, and some of us are not sure that even time will obliterate the difficulties and embarrassments under which the Government must act. But there was one obstacle, fatal, insuperable, which the railway management could not overcome; there was one thing which the railway companies could not do, no matter how loyal their officers and managers were and no matter how efficient they might have been. That thing was the operation of the transportation instrumentalities of this country as a unit. That obstacle was the impossibility of treating the railroads of the United States as a single system, ignoring all corporate interest or selfish advantage. It could not have been expected and, of course, was not accomplished. Nor could the obstacle have been overcome by the repeal of the antitrust law with regard to the railroads, nor by the repeal of the antipooling provision of the interstate commerce act, because, even if the railway companies had been free to agree with each other respecting the disposition of traffic, the movement of trains, and the division of earnings, there still would have remained the natural, the inevitable desire upon the part of those who were responsible to the bondholders and stockholders of any given company to work for them as against the whole world. There was but one way to mobilize all the transportation facilities of the United States, and that was to brush aside, to eliminate every interest which the railway companies had, except the interest to serve their country.

It is for this reason that I stated in the minority views which I had the honor to present, that my only criticism of the administration was that it had not taken possession of the railways of the country immediately after the declaration of war, precisely as Great Britain did. Great Britain entered the war on the 3d or 4th day of August, 1914, and on the same day or the day following the Government took possession of all the railways of Great Britain. I modify that by saying all the railways of England, Scotland, and Wales, and within a few weeks thereafter assumed the same possession of the railways of Ireland. Great Britain knew, just as we ought to have known, that when it was desired to put into the service of the Government, shorn of every other interest, all the transportation facilities of a great country, we must remove an obstacle which could not be removed by the voluntary arrangements or agreements of the railroad companies themselves. I would have been far better satisfied if on the 8th day of April, 1917, the President had done what he did upon the 28th of December, 1917, for, if the transfer had then been accomplished, some of the chaos which is incident to a change so mighty in its character could by this time have been overcome, and we would be enjoying at this moment a more efficient transportation service than we now enjoy.

I think, too, that it is to be regretted that in the act of taking the railroads the proclamation of the President, which evidenced the purpose of the Government, was not more specific and definite. We do not know what railroads have been taken over.

There is no human being who knows how much of the 250,000 miles of American railways is now in possession of the Government. There has been no action on the part of the Government with respect to any one system or any one railway that has not been taken with regard to every railway in the country; and the director general declared before our committee that the notices, giving an account of the President's proclamation, which were sent out to all the railway companies of the United States, were not to be construed as a declaration upon the part of the Government that the companies or railroads to which these notices were sent had been taken over. Nobody knows at this moment whether the 1,800,000 men who are now operating these properties are working for the Government or are working for their respective corporations. Nobody knows whether the millions of dollars which are pouring every day into the treasuries of these companies belong to the United States or whether they belong to the railway corporations. There is great danger of a destruction of the morale of the service in view of this unfortunate uncertainty.

I mention these things, Mr. President, not for the purpose of arraying myself in opposition to the administration with regard to its action in the matter, but as expressive only of my regret that the action was not sooner taken and was not more certain and definite in its character.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I yield to the Senator from Utah.

Mr. KING. It is rather presumptuous upon the part of a Senator who is not a member of this important committee and who has not had the advantages that have accrued from listening to the testimony offered in the hearings to make any suggestions with respect to the question which the Senator is now discussing; but does it not seem to the Senator that his criticism of the taking over of all of the railroads and his suggestion that the morale of the service is now deleteriously affected is rather unfair and unwarranted? Could the President have acted other than in the manner in which he did act? Was it not better, and was it not the only way, to take all of the railroads, and then, by a policy of exclusion, remit to private management and control again those that were found to be unnecessary for the public defense?

As I understand, if the Senator will pardon me further, in taking over the roads there has been no attempt to interfere with the management of the roads. Directors, presidents, and superintendents have been left in control, and the employees are as they were prior to the 26th day of December, 1917. There is a constructive possession by the Government, not an actual physical one, and nothing has been done by the Government to interfere with the operation of the roads under the control of those who in the days and years passed have been controlling and operating them. So I ask does not the Senator think that his criticism is rather too severe in respect to this course of procedure?

Mr. CUMMINS. It might be said, Mr. President, that my criticism is immaterial, but it is not severe. The Government knew or, from my standpoint, ought to have known when possession was taken of the transportation systems of the country, that they must all be taken. It is a figment of the imagination, I think, to insist that the Government may go forward gradually and ascertain just which of these railroads it desires to continue to operate. If the Government were taking possession of the railroads for military purposes only, there would be much weight in the suggestion just made by the Senator from Utah; but the Government has taken possession of these railroads for all purposes. The direct service to the Government is very small as compared to the service rendered in general commerce. General commerce must go forward. It must continue unabated, and we hope with accelerated vigor. All the railroads, or all the competitive railroads at least, are necessary in order to carry this commerce; and I am not a believer in the theory which apparently prevails in some quarters that the Government ought to take possession of a little part or even a large part of the entire system and exclude a great number of properties which depend for their existence and for their maintenance upon the continued relation with the properties that may be taken over by the Government. That is a difference in view.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. CUMMINS. I yield to the Senator from Arkansas.

Mr. ROBINSON. In order that I may get more accurately the viewpoint of the Senator from Iowa on this subject, does the Senator feel that the Executive should be required to take over a road or a system that he does not need?

Mr. CUMMINS. I do.

Mr. ROBINSON. The Senator is aware of the fact that in some sections of the country—in many large areas, perhaps—there is not that pressing need for Federal control and operation of railway lines that exists in the East; and the Senator feels that if the President takes over one railroad he should be required to take over all? Do I understand the Senator correctly?

Mr. CUMMINS. No. The Senator from Arkansas knows my view upon that subject——

Mr. ROBINSON. I am not sure that I do.

Mr. CUMMINS (continuing). Because I have introduced an amendment which covers my thought in the matter. I do not want to discuss that amendment at this time.

Mr. ROBINSON. I understand.

Mr. CUMMINS. I referred to the action of the President in a purely preliminary way, in rather a historical way.

Mr. ROBINSON. If a road is constructively taken over—and I think the Senator will understand what I mean by that—notice is given that it is taken over, but no interference is in fact put into operation by the Executive. In that case would any legal damage accrue to that railroad by reason of the alleged constructive taking over?

Mr. CUMMINS. I do not think any legal damage occurs.

Mr. ROBINSON. Then what would be the harmful effect of giving the Executive the opportunity of making the necessary investigation to satisfy himself as to just what lines are needed, if the constructive taking of the property does not work any legal damage to the railroad?

Mr. CUMMINS. Mr. President, I attempted to say a few moments ago that I thought the railroad systems of this country must be considered as a unit when the Government is operating them, and that is the one reason which made it necessary for the Government to take them from the possession of their owners and submit them to public operation. If that reason did not exist, then, in my judgment, the President has acted without authority.

Mr. ROBINSON. If I correctly understand the Senator's viewpoint, it is that if the Executive takes a line of railroad he should also be required to take all competing lines.

Mr. CUMMINS. That is my opinion. I do not intend to discuss that in connection with section 1, however.

Mr. ROBINSON. I understand. I only asked the Senator that question because at this time he was, as I construed his remarks, criticising the Executive for the manner of the taking.

Mr. CUMMINS. I am sorry that a mere expression of difference of opinion with regard to the best way in which to have proceeded is to be construed as a criticism. I do not look upon it as a criticism. I do not want to stand in the attitude of criticising a policy in which I thoroughly believe; but I hope I may be at liberty, without offense, to express the notion that it would have been more effective and more just if the action of the Government had covered the properties which are necessarily affected by the action.

Mr. ROBINSON. I will say to the Senator, and then I will not interrupt him further on this point, that my use of the word "criticism" was exactly in that sense. I assumed that the statement that the taking over could have been accomplished in another way was at least an implied criticism; but I did not use the word "criticism" in any objectionable sense, and, of course, I concede the Senator's right——

Mr. CUMMINS. I hope the Senator from Arkansas will understand that all I am trying to do is to reach the truth of this matter, and that I intend to treat every difference of opinion with the utmost toleration. I so often need indulgence of that kind myself that I am not inclined to bear very hardly upon those who may differ from me about it.

Mr. ROBINSON. I hope I have not said anything to imply that the Senator from Arkansas has any other desire or any other purpose in connection with the matter. I concede the Senator's right and his duty to express his views.

Mr. CUMMINS. Passing from the act of 1916, which is the origin of the authority which has been exercised by the President, permit me to say, Mr. President, that the next visible step taken in this course was in the proclamation of the President, issued, I think, on the 28th day of December, 1917. I have already indicated my view of that act on the part of the President. I think he had reached a time or confronted conditions of a character which made it absolutely necessary to do the thing which he did; and the logical outcome of the thing he did was to take possession of the entire transportation system of the country, because he proposed, and the Government now proposes, to render general service to the people of the United States in the transportation of their persons and their properties, entirely removed from the mere prosecution of the war or the transportation of war material.

Having introduced it in this way, I call your attention to the first section of the bill, for it is this section which gives rise to the question I am discussing. The part of it upon which I desire to comment reads:

That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation—

I beg you to note that the word "railroads" is not in the act of 1916. It is not in the proclamation of the President. It is not in the statement issued by the President which accompanied the proclamation. It was inserted in the bill by the Committee on Interstate Commerce, and I think very unfortunately inserted. I might as well explain it now, although it has nothing to do with the compensation that is to be agreed upon between the railroads and the country. It is unfortunate because it permits a railroad which is owned and controlled by another railroad to enter the Court of Claims and secure what the Constitution denominates just compensation for the use of that particular road, although it has been fully compensated for in dealing with the system of which that railroad is a part.

As an illustration, take the Union Pacific road as the system, and the Oregon Short Line Railroad as one of its parts. The Union Pacific Railroad owns the stock of the Oregon Short Line. There may have been a recent consolidation; I do not know. It owns practically all of the stock of the Oregon Short Line. So far as the business done over the continuous rails which stretch from Omaha to Portland is concerned, the Union Pacific can determine just what division of those earnings shall be made. It can give the Oregon Short Line a mileage division, or it can give it a larger or a lesser part of the earnings upon through business, and substantially all of the business is of that character. The Union Pacific enters into an agreement with the Governement under the standard that is here proposed, reaping the full benefits of the earnings of all its properties. The Oregon Short Line says: "We will not enter into any agreement with the Government. We will appeal to the condemnation tribunal here created, and finally to the Court of Claims, and secure an award with respect to the value of the use of our properties," although every beneficial use of that property has passed to the Union Pacific, which has already entered into an agreement with the Government.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I yield.

Mr. KELLOGG. I should like to ask the Senator from Iowa if it is not a fact that the committee inserted the word "railroads" in order to cover a case of this kind: There may be some single short-line railroad not connected with any interstate system of roads, and the committee thought it would be wise to use the word "railroads" so that if the President saw fit to take over that line the President could do it. It was not put in there, as I understand, for any purpose of the kind now mentioned by the Senator, and this is the first time I have ever heard that mentioned. Is it not a fact that in the case mentioned by the Senator—the case of the Union Pacific and the Oregon Short Line, the President is not obliged to make any arrangement with the Union Pacific unless the Oregon Short Line comes in as a part of the system, and the roads have no rights whatever that the President is not willing to give them?

Mr. CUMMINS. Mr. President, I entirely acquit the committee of any design to enhance the sum which we are called upon to guarantee to the railway companies by the introduction of the word "railroads"; and I am quite willing to accept the view just stated by the Senator from Minnesota as to the reason in the minds of the members of the committee when that word was inserted. I only say that it is capable of indefinite abuse. When you remember that the Pennsylvania Railroad Co., for instance, has within it more than a hundred railway corporations—I think I am very much beneath the number, possibly—when you remember that the Great Northern and the Northern Pacific own all the stock of the Chicago, Burlington & Quincy Railroad Co.; when you remember that the Southern Pacific Railroad Co. controls, through stock ownership or leases, practically all the railroads in the southwestern part of the country, you can easily see how the use of a word of this kind, employed for a perfectly proper purpose, may be used for a very improper purpose. I was only commenting on it as I passed, because I think before we have finished the bill we ought in some way to limit the compensation of these properties which are parts of a system already under an agreement with the Government.

I proceed with the reading, although I am bound to say that I think when the Senator from Colorado [Mr. THOMAS] in 1916 used the term "systems of transportation" he had a more accurate and comprehensive view of the thing to be accomplished than the Senators who put into the bill subsequently the word "railroads."

That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier making operating returns to the Interstate Commerce Commission that during the period of such Federal control it shall receive as just compensation not exceeding an annual sum (herein called standard return), payable in reasonable installments, for each year and prorata for any fractional year of such Federal control,

equivalent as nearly as may be to its average annual railway operating income (including therein such income of lines acquired by, leased to, or consolidated with such carrier between July 1, 1914, and December 31, 1917) for the three years ended June 30, 1917, and in addition thereto an annual sum payable likewise in reasonable installments reckoned at a rate per centum to be fixed by the President upon the cost of any additions or betterments, less retirements, or road extensions, made during the six months ended December 31, 1917.

It is, Mr. President, to the standard of compensation declared in that part of the section which I have read to which I especially object. I happened to receive a few days ago a circular letter issued by Carpenter & Co., of Washington. It is typical of a great many circular letters that are being issued concerning this bill and I want to read a very little part of it. It begins:

DEAR SIR: If you contemplate investing in any of the standard railroad or industrial stocks on the New York Stock Exchange, the inclosed list, showing present and past earnings, will no doubt be very interesting.

There is every reason to believe that the legislation outlined by President Wilson will be carried into effect at an early date and earnings of railroads guaranteed as indicated by the double stars, consequently such roads as Union Pacific, Reading, Atchison, Great Northern, Northern and Southern Pacific are particularly attractive.

I need not read more of this letter, and I produce it only for the purpose of showing the effect which this proposed legislation is producing in the minds of those who are interesed in the selling and buying of railway securities.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I yield to the Senator.

Mr. KELLOGG. I should like to ask the Senator if he thinks a circular letter sent out by a broker to sell stock is a fair piece of evidence to submit to the Senate as to the reasonableness of any bill?

Mr. CUMMINS. The letter that I submit is perfectly fair, for I shall prove before I am through that all the statements made in the letter and in the circular attached to it are based upon irrefutable facts, and after all it is the public estimate of what given legislation will do for a particular interest that is valuable when we come to consider the public mind. Attached to this letter there is a circular which is dated New York, January 25, 1918. It is headed:

The record below of earnings includes those of many railroad issues to date. The double stars after figures given indicate the net earnings that would be allowed if plans now carried by bills pending in Congress on railroad control are finally approved.

I may say here that the bill before us has increased to some extent the guarantee proposed by the railway companies as compared with the bill which was originally introduced.

Atchison—

Meaning the Atchison, Topeka & Santa Fe.

Mr. WATSON. If the Senator will yield——

Mr. CUMMINS. Certainly.

Mr. WATSON. In regard to that statement, I presume the Senator refers only to the increment between June 30, 1917, and December 28, 1917.

Mr. CUMMINS. It is to that part to which I refer, and I am not criticizing that part of it either.

Mr. WATSON. No, I understand.

Mr. CUMMINS. But nevertheless it is a fact that the compensation has been increased since the bill was introduced.

The Atchison is dignified and distinguished by two large stars, which declares that its earnings upon stock as guaranteed by this bill will be 12 per cent. The Baltimore & Ohio has also two stars after its name, and it is said that the guaranteed earnings will be 7 per cent; the Chicago & North Western, also designated by two stars, earnings 10 per cent. This is of course upon capital stock. The Chesapeake & Ohio, 8 per cent; the Delaware & Hudson, 11 per cent; Great Northern, preferred, 10 per cent; Illinois Central, 11 per cent; Louisville & Nashville, 15 per cent; Norfolk & Western, 14 per cent; New York Central, 11 per cent; Northern Pacific, 10 per cent; Reading, 9 per cent; Southern Pacific, 11 per cent; Union Pacific, 14 per cent. There are others of less consequence which I need not read.

Mr. President, I can not agree with the Senator from Minnesota that estimates of the character I have just read are either immaterial or unimportant. There are no shrewder——

Mr. WOLCOTT. Mr. President——

Mr. CUMMINS. I will yield in just a moment. There are no shrewder or more intelligent observers in the country than those who are engaged in the business of buying and selling railway stocks, and when it is known that Wall Street looks upon this bill from the standpoint I have just indicated we may be very sure that the country at large will view it in practically the same way. I now yield to the Senator from Delaware.

Mr. WOLCOTT. Mr. President, as illustrating what seems to me to be the utter unreliability of such a statement, gotten up by stock brokers who may be actuated by a purpose to bull a certain line of stock, I should like to call to the Senator's attention something that came under my observation, I think it was last year. I used to curiously follow some of these estimates and see how they panned out. I recall that one railroad was for weeks listed in such a circular as earning 8 per cent on its stock. I observed when the actual report got out that the railroad was earning 1 per cent. The experts in that case were about 7 per cent off.

Mr. CUMMINS. The Senator from Delaware is very unfortunate. I suppose he was easily misled. I said a moment ago I intended to prove that these statements were correct by the reports of the Interstate Commerce Commission, and while in some instances there is a slight variation, in some instances they are a little too high and in some instances they are too low. I instance it only to show that upon the basis that we are preparing for this country those who are to deal in these stocks in the future understand what we are doing for the railway companies. I have not as yet come to that part of my argument in which I shall attempt to analyze whether we ought to pay them 10, 12, 15, or 20 per cent or not. I will come to that a little later on, but I am trying to hammer in, if I can, and if it can not be hammered in before an uninterested Senate it will be hammered in before an interested country, that in time of war, in time of dire distress, in a time when every man must give to his country all he has and all he is, when unselfishness ought to prevail, we are proposing to give to the railway corporations of this country a reward upon their capital stock never before dreamed of in the avarice of public utility capital.

The Senator from Minnesota [Mr. KELLOGG] said, and said correctly, that this bill does not require the President to make an agreement with each railroad employing the standard which we authorize. Technically, Senators, that is true. Practically, it is a direction to the President to make agreements with these railway companies upon the basis which we are here establishing.

We all know the atmosphere which surrounds the whole subject at this time. We are told that the railway stocks and the railway bonds must be strengthened and fortified in the markets of the country. We are told that the confidence of the people in their soundness must be increased and deepened. We are told that if the railway companies were compelled to resort to legal proceedings in order to ascertain the just compensation for the use of the property the financial and commercial fabric of the country would totter and fall, and we were told before the committee in substance that if we did not enter into contracts of this character with the railroad companies they would resort to legal procedings; that the only way in which we could secure the cooperation of the railway companies of the country was to establish the standard that is proposed in this bill. I have no doubt, although I do not know, of course, that they have communicated the same purpose to the President and to the Director General. Personally, I do not accept their statements in that regard. Personally, I believe that if we would offer to them fair and just compensation, so that they must endure some of the consequences of the war and incur some of the perils and the hazards of the greatest disaster that ever fell upon mankind, they would accept it as loyal citizens, convinced that a lesser compensation than the bill proposes is, under the circumstances, fair and just. But whether they would or no affects me not at all. I desire to offer to them and pay to them a compensation that will be the full measure of the Constitution, the full measure of equity and justice and fairness as between the people who are to pay the money and the people who are to receive it; and when such an offer is made I believe that the railway companies will accept it. But they will take, of course, all they can get. That is one of the attributes of human nature, and we must not expect any other attitude on their part.

Recurring to the suggestion that this is but an authority to the President not to exceed a compensation ascertained in the manner described in section 1 of the bill, I desire to show, if I can, what the President's view is about it. I have no disposition whatever to conceal the authorship of this part of the bill. As reluctant as I am to differ from the President in this respect, my duty compels me to differ and I desire that Senators shall know that the President has become convinced that this is the proper standard of compensation. In his proclamation through which he assumed the possession and control of the properties he said—this is dated December 26, 1917—

The director shall, as soon as may be after assuming such possession and control, enter upon negotiations with the several companies looking to agreements for just and reasonable compensation for the possession, use, and control of their respective properties on the basis of an annual guaranteed compensation above accruing depreciation and the maintenance of their properties, equivalent, as nearly as may be, to the average of the net operating income thereof for the three-year period ending June 30, 1917; the results of such negotiations to be reported to me for such action as may be appropriate and lawful.

In the statement of the President which accompanied the proclamation he said:

Immediately upon the reassembling of Congress I shall recommend that these definite guarantees be given: First, of course, that the railway properties will be maintained during the period of Federal control in as good repair and as good equipment as when taken over by the Government; and, second, that the roads shall receive a net operating income equal in each case to the average net income of the three years preceding June 30, 1917.

In his message to Congress which followed shortly thereafter the President repeated this view and explicitly recommended that he be given authority to agree with the several railway companies so that each of them will receive an income ascertained according to the standard described both in the proclamation and the statement.

With this history of the development of the matter there can be no question with regard to the views of the President respecting compensation, and I assume that if the authority here expressed be granted he or the Director General will enter into agreements with these railway companies guaranteeing to them the net income which I have described. It is utterly impossible for him to differentiate between the railroad companies. It would take as long for the President to ascertain what is just compensation for each of these properties as it will require the Interstate Commerce Commission to do the like thing. We all know that when this bill is passed, if it is passed in its present form, there will be a general offer to the railway companies of an agreement to pay the sums of money ascertained in the manner set forth in the first section of the bill, and some of the railway companies will accept the offer, and that will constitute the agreement between them and the Government.

Mr. President, it is not agreeable or pleasant for me to differ from the President in this or any other matter. I understand the weight of the burden which he is bearing. I can appreciate the responsibilities which now rest upon him, and the Lord knows that I have no other purpose in my heart than to be of the utmost assistance to him in the cruelest hour through which mortal man ever lived. But it seems to me that I can best help him to bear his responsibilities by bearing my own.

This is not an Executive function. This is a legislative question originally, and the man who blindly follows the recommendation of the President, granting to him all the deference that we can pay and ought to pay to our leader in this great conflict, and repudiates his own sense of justice upon a question which is not for the President to decide but for us to determine, is not only false to his duty to the people of this country, but he is shrinking from a responsibility that his oath imposes upon him.

Whenever the President in a matter which pertains to the military movements and the military preparation of the United States in order to successfully carry on the war puts his judgment before me I shall follow it, unless I am so clearly convinced of its unsoundness as to make it impossible to accept it. It is not only my desire, but it is my highest pleasure to do so. But with regard to the compensation which shall be paid for these properties, of which he is already in possession and which he is already operating, and of which he will continue to hold possession and continue to operate, my judgment can not be influenced by his. The compensation has no reference to the prosecution of the war. Whether we give the railway companies a billion dollars in round numbers, which is here proposed, annually for the use of their property, or whether we give them $750,000,000 or $800,000,000 annually, as I propose, can not in the slightest degree affect the strength of the United States in the war.

If I believed that the President knew more about the subject than the Members of the Senate know I might feel differently. But here are Senators who have given a score of years or more to the study of these economic problems, and it is no reflection upon the President or upon the Director General to declare that the Senate knows more about adequate compensation for the use of the railroad properties of this country than either of them can know. There is no disloyalty to the President in considering this subject from an independent standpoint, and I, at least, must so view it.

The Senator from South Carolina [Mr. SMITH] in opening this discussion indicated that those of us who felt that the compensation proposed in the bill was excessive were endeavoring to introduce some new or untried theory in public affairs. Mr. President, I can not so look upon it. The only new, untried thing is the standard of compensation proposed in the bill. Never before in the history of economics has a suggestion of that kind been made with regard to public utility property. I modify that statement because that is the basis upon which Great Britain is operating and rewarding her railroad properties.

I might just as well turn for a moment to Great Britain, although I shall deal with it more in detail later, in order that we may know what Great Britain did and what her action accomplished for her railway property. The day after the war Great Britain took over the possession of her railroad property. There was no agreement made at that time between the Government of Great Britain and the railroads of Great Britain. No one suggested making any agreement between the public and these railway companies.

Mr. THOMAS and Mr. WATSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Iowa yield, and if so to whom?

Mr. CUMMINS. I yield first to the Senator from Colorado.

Mr. THOMAS. I wish to inquire whether the action of Great Britain was not based upon a preexisting statute?

Mr. CUMMINS. It was based upon the statute of 1871. I now yield to the Senator from Indiana.

Mr. WATSON. I wish to ask the Senator from Iowa if his statement does not cover the time previous to the taking over, and if shortly after the taking over they did not arrive at an agreement as a basis of compensation?

Mr. CUMMINS. No; as I understand the record made there, and as it was introduced before our committee, the consent of the railway companies of Great Britain with regard to compensation was not asked. The act of 1871 under which the Government took possession of the railroads in 1914 was not substantially different from our act of 1916, and made no provision for compensation other than the general statement that when the power exercised under it did take place the compensation was to be made. When on the 4th day of August, I believe, 1914, the council in Great Britain determined it was necessary to take over the railroads and they were taken over, the operating body, the directors appointed by the law, and who were in existence at the time they were taken over, simply published a statement that for the week following—and I want to mark that because it is one of the things that we will presently have to consider in this bill—for one week the Government would take over the railroads of the country and would pay or guarantee the net income for 1913; that is, guarantee the net income that was earned in 1913 with some modifications that were to be made by a consideration of the earnings for the first six or seven months of 1914.

Mr. KELLOGG. Mr. President——

Mr. CUMMINS. I yield to the Senator from Minnesota.

Mr. KELLOGG. I would like to ask the Senator from Iowa if the reason of that was not because under the law they could not be taken over except for one week at a time?

Mr. CUMMINS. I am not complaining because our Government did not take them over for one week at a time.

Mr. KELLOGG. I understood the Senator's statement was that the Government of Great Britain only made the guarantee from week to week.

Mr. CUMMINS. That is all.

Mr. KELLOGG. It was because they could not take the railroads over except from week to week.

Mr. CUMMINS. Precisely, and we would be a great deal better off if we could only guarantee an income for one week, because then we would be at liberty to pay the compensation from time to time in accordance with changed conditions. But we propose to authorize the President to enter into an agreement that may extend for 10 years.

Mr. POMERENE. Mr. President——

Mr. CUMMINS. I yield to the Senator from Ohio.

Mr. POMERENE. The Senator has just made a statement that in his judgment it would be better to have taken over these roads from week to week.

Mr. CUMMINS. No, I did not intend to say that if I did say it.

Mr. POMERENE. I certainly understood the Senator to say it would be much better to take them over from week to week. If the Senator did not make such a statement——

Mr. CUMMINS. What I said, or meant, was that it would be better if the compensation was determined from week to week.

Mr. POMERENE. What is the difference?

Mr. CUMMINS. There is a great difference.

Mr. POMERENE. There would be 52 times as many controversies to settle as there would be by determining it in advance.

Mr. CUMMINS. That might be a great advantage. If the first agreement pays $200,000,000 more than ought to be paid it would be quite advantageous to make another.

Mr. POMERENE. That is an assumption without a statement of fact, in my judgment.

Mr. CUMMINS. I can not answer for the judgment of the Senator from Ohio. It is my judgment that it does.

Mr. POMERENE. I realize that. The Senator now makes a statement that it is $200,000,000 too high. In his statement submitted here it is stated that it is $175,000,000 too high. I do not refer to this in a critical way, but I do mean to infer from the statement I have made that it is physically impossible for any Senator, or anybody, on the information we have now, to determine to a farthing what would be fair compensation.

Mr. CUMMINS. The Senator from Ohio, I think, is not quite fair in that statement. I agree that it is a matter of judgment within fair limits respecting compensation, but if I were to propose that the railroads of the country should be paid only $100,000,000 a year I think no one would question that the compensation would be inadequate. If the Senator from Ohio would propose that the compensation should be $2,000,000,000 per year I think most people would assert that it is excessive. So we can reach limits beyond which, or under which, the common judgment of mankind repudiates the proposal.

Mr. POMERENE. Even though I think that the Senator from Iowa is extreme in his view—and he perhaps will think I am after I shall have made my statement—I am quite sure that he would never suggest making the compensation $100,000,000; neither would I make the compensation $2,000,000,000.

Mr. CUMMINS. And what the Senator from Ohio has just said is the very pith of this whole argument. I think it is plain that the compensation of $965,000,000 in the aggregate is obviously shocking and excessive. I believe that nine men out of ten will so believe. When I say in my minority report that the compensation is $175,000,000 more than it should be, I recognize that there may be a variation of five or eight or ten or twenty million dollars among men who look at the subject from the standpoint that I occupy. The compensation can not be reduced to an absolute mathematical accuracy, especially with the information which we now have.

But I proceed with Great Britain, because great strength is given to this bill by the assertion continually made that we are simply following the practice of Great Britain, and that we are not doing any more for our railway companies in this bill than Great Britain did for hers in the act of the council to which I have referred. I repeat that Great Britain is not bound for more than one week at a time by the standard of compensation which she has created; she is at liberty to revise, modify, or amend it whensoever she pleases. But that is not the principal thought in my mind.

Mr. WATSON. Mr. President, just a moment, if it will not interrupt the Senator.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. WATSON. Is it not a fact that there was an agreement between the Government of Great Britain and the railroads that were taken over that they were to receive a standard return, equivalent to their average annual return of 1913, less a certain bonus paid to labor?

Mr. CUMMINS. I do not remember that there was any agreement. There was a general assent to and acceptance of the order of the British Government, and there was an agreement subsequently with regard to certain bonuses that grew out of an advance in the wages of the men employed. The increased wages were assumed by the Government in lieu of the elimination of the modifications in the original order concerning the net earnings for the first seven months of the year 1914; but the efficacy—the binding effect—of the order of Great Britain, so far as compensation is concerned, does not depend upon the assent of the railways of Great Britain.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, I should like to call attention to a fact, and perhaps he can correct me if I am wrong. My impression is that the act of 1871, as subsequently modified by the act of 1888 and some other modifications of that act, made certain railroad officials a part of the military organization. The relation was such that they had certain titles or rank in regard to the service that they might assume in time of war, so that when war did occur the railroads, under the act looking toward the functions to be discharged by them, almost automatically went under Government operation without the legislation which we have necessarily to pass.

As was mentioned by the Senator from Minnesota (Mr. KELLOGG), they took the year 1913, and it was so stated in the report furnished our committee, as being the more prosperous, because 1914 up to the time when the war broke out, had shown a deficit in railroad earnings by virtue of the war. They took 1913 as the basis; they took the first six months, with the modification that the first six months of one year and the first six months of the other year should ultimately be the standard. They found that the first six months of 1914 showed a deficit, and that was abandoned. They then took the flat standard of 1913. Later on the Government assumed all the extra charge that came from the increase of the pay of the railroad employees; they took it off the railroads, and did not charge them with any of the extra pay which they granted to the employees, but still gave the roads their standard return of 1913.

Mr. CUMMINS. Mr. President, the statement of the Senator from South Carolina is substantially correct, although I do not understand that the assumption on the part of the Government of the bonus given to the railway men had quite the basis which is stated by the Senator. The one was set off against the other. However that may be, it is not material to what I am attempting to put before the Senate.

Without any agreement on the part of the railroad companies—because, as stated by the Senator from South Carolina, under the act of 1871 as followed by that of 1888, an act of subsequent years—there was created what was known as a railway executive committee. It was composed of the general managers of the principal railways of Great Britain. It was headed by the president of the Board of Trade, a Government body exercising a Government function. The very moment that the council issued the order for the possession of the property, the Board of Trade and the railway executive committee had possession, not of a part, but of all the railways of the kingdom, with the exception of Ireland, and proceeded to operate those properties as employees of the Government and not of their respective corporations. They were all, and are all, officers in the army of Great Britain, holding appropriate rank and being directly and properly responsible to the Government for every act which they perform. The Government fixed the compensation that should be paid to those railways as the net earnings of 1913; that is, the Government guaranteed the net earnings of that year. Why? Because it believed that the net earnings of that year fairly represented the value of the use of the property; not because the net earnings of any public utility property furnishes a standard for the value of that property, but because the amount which the Government would guarantee under that standard was believed by the officers of Great Britain to be fair and just compensation for the property so taken over.

What did it do for the owners of the railway properties of Great Britain? That is the point universally ignored in citing the action of Great Britain as a precedent for the standard announced in this bill. What did this guarantee do for the bondholders and the stockholders of the British railroads? The argument has been conspicuously silent with regard to that subject up to this time; but let me now suggest that the guarantee given or announced by Great Britain for the English railways paid the interest upon the bonds of those railways and less than 3½ per cent upon the stock of the railway companies. Great Britain is now paying, on an average, 4 per cent upon the railway bonds and 3¼ per cent upon the railway stock.

Mr. President, if it had been proposed to do that for the railways of the United States, my voice at least would not have been lifted up in protest against the bill. I am willing to pay those railways of the United States which my amendment covers 25 per cent more, aye 40 per cent more, upon their stock than the British Government has guaranteed to pay or now pays upon the British railways' stock. How idle it is to hold up Great Britain as the example which we ought to follow at this moment and to conceal the fact that Great Britain is paying her railway stockholders less than one-third what it is proposed by this bill to pay to American railway stockholders.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I yield to the Senator from Utah.

Mr. KING. If it is not in the order that the Senator intends to discuss the matter, I hope he will say so, and pretermit the answer that I should like until he reaches the particular point in his argument; but the point I had in mind was this: We have in this country, in the State constitutions and in the National Constitution, a provision that private property may not be taken for public use except just compensation shall

be made. The Government, it seems to me, may not take my house or the Senator's store or any property that he has, personal or real, for war purposes or for any governmental purpose without paying just compensation. In ascertaining what would be just compensation, the courts have laid down very precise rules, and the value of the use may be very readily determined. Does the Senator differentiate between the public utilities corporation and private property? If the Government, as I have said, takes the Senator's store or property for war purposes it makes compensation for it, and that compensation is determined by the value of the use. If the Government only takes it temporarily and uses it, it pays the value of that use as just compensation. If the Government takes a railroad in which the Senator is interested, takes the use of it during the period of the war, is a different rule to be applied in determining the value there than would be applied in determining the value of the use of the property owned by private individuals? If not, then does it not come down to the proposition that the Senator is arguing, that, if the Government takes the use of public utilities property, a different standard is to apply in the courts in determining the value than if the Government takes the property of private individuals or the use of it during the period of the war?

Mr. CUMMINS. Undoubtedly, as is recognized by all the courts, I think. The Constitution applies to public utility property just as fully and completely as it does to private property. We can no more deprive a railway company of the use of its property without making just compensation for it, than we can deprive the owner of purely private property of its use without making just compensation for it, but when we come to determine what just compensation is for the use of public property—public in the sense that it is devoted to a public use—a very different rule applies than is invoked for the determination of the same question with regard to private property.

I did not intend to deal with this question at this time, but I am quite willing to divert myself a moment to answer it. When one invests his money in a public enterprise, such as the creation of a public highway for the purpose of furnishing to the people of the country transportation facilities, he agrees that he will exact no more for the service rendered than a fair return upon his investment—some people say upon the value of the property which he creates—but, if the principle is carried out to its end, the two statements are the equivalent of each other. He agrees that he will not make a fortune out of the use of the property; that he will be content with a fair and reasonable return. When one invests money in a purely private enterprise, he makes no such agreement; he is at liberty to make all the profit which he can make without any restriction whatsoever; and in estimating the value of the use of his property, or in estimating the value of the property itself, if it be taken, then the court must take into account his privilege of making unlimited profit out of the property if the property is adapted to the acquisition of such profit. It is not so with public property, and the sooner we reach a sound conclusion on that very vital and important inquiry, the sooner we will be able fully to appreciate our duty respecting this bill.

Mr. WOLCOTT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Delaware?

Mr. CUMMINS. I yield.

Mr. WOLCOTT. Can the Senator inform the Senate how the yield to the British railways, under the Government guarantee of 3½ and 4 per cent as I understood the Senator to say, compares with the yield to the same stockholders for the year prior, say to the assumption of control by the Government?

Mr. CUMMINS. My recollection is that the year 1913 was a comparatively good year for the British railways, and that the guarantee of the net earnings for that year gives to the stockholders of the British railways all that they were getting before, and possibly more.

Mr. WOLCOTT. The point I should like to have enlightenment upon, if the Senator can give me light upon it, is as to whether the British Government gave to the railways a guarantee such as to reduce to the security holders their yield from their securities, or did the British Government see to it by the guarantee that they should get the same return they had been receiving during the prior year?

Mr. THOMAS. Does the Senator mean the securities or stocks?

Mr. WOLCOTT. Stocks.

Mr. CUMMINS. I have said that the Government would pay, or supply if there was a deficiency, the net earnings of the railways as shown in their operations for the year 1913.

Mr. WOLCOTT. By which the stockholder would get the same yield that he had been getting. Now, if that be true, would not this be the parallel in this country—that our Government should give a guarantee to the railroads of a sum sufficient to enable the railroads in this country to pay to their stockholders the same amount of return they had been receiving during prior years?

Mr. CUMMINS. I do not think it would be parallel, because the returns in this country might be excessive; they were not excessive in Great Britain; but, so far as I am personally concerned, I am very, very willing that the Government shall guarantee the interest upon all the bonds and guarantee all the dividends that have been customarily paid in the past. That, however, is not the question in issue; the question is, whether the Government shall guarantee the interest upon all their bonds and nearly twice the dividends that have heretofore been paid?

Now, I do not want there to be any misunderstanding upon that point. The railroads in Great Britain have followed what I regard as the honest and just course in railway operation, namely, they do not collect from the people who employ their service more than is necessary to pay interest upon their bonds and dividends upon their stock, and a very small dividend, too, and some of them do not get that much. Our railroads charge the people of this country enough to pay interest upon their bonds, dividends upon their stock, and enough to build their railroads besides. That is the difference between the English custom or practice and the American custom.

During the year 1913 the net earnings of the English railways did not result in an excess or surplus after paying interest and dividends of more than, if I remember it, one-tenth of 1 per cent. It would delight me if the Senate would accept with regard to surplus the outcome of the English plan. I have offered, and will presently explain, an amendment which affects 86 roads in the United States, embracing a little more than half the railway mileage, roads which move about 75 or 80 per cent of the traffic, which will reduce the guarantee proposed in the bill, as nearly as can be estimated, $183,000,000 per year, and yet pay all the interest upon all the bonds issued by these companies and pay, as well, their habitual customary dividends upon the stock, varying from 5 per cent to 10 per cent.

I do not want any one to get the impression that I desire to reduce this compensation with regard to dividend-paying roads below the point that will enable them to maintain their securities in full and complete strength and give them a standing in the markets of the country that will command the utmost confidence. I am complaining about the surplus which we are guaranteeing for the railroads in the United States. Great Britain did not guarantee any surplus; the English railroads have never collected any surplus, and, in my judgment, railways ought not to collect a surplus from their rates for transportation, except a surplus that will tide them over a lean year now and then.

Mr. WOLCOTT. Mr. President, will the Senator allow me to interrupt him further?

Mr. CUMMINS. I yield.

Mr. WOLCOTT. I am trying to get at the basis of the Senator's reasoning. I understand that he is perfectly willing to allow the railroads enough of a yield to pay the interest on their fixed securities—bonds—and a dividend equivalent——

Mr. CUMMINS. Equivalent to the dividend that they have been regularly paying.

Mr. WOLCOTT. A dividend equivalent to that which they have been regularly paying in the past. Now, does the Senator think it is a legitimate item to allow the railroads a sort of surplus account to take care of depreciation?

Mr. CUMMINS. Mr. President, the Senator from Delaware must be aware that depreciation is taken care of before net income is reached at all.

Mr. WOLCOTT. That is by the Government, the Senator means?

Mr. CUMMINS. No, by the railroads. The railroads charge off, and have the right to charge off, every year a certain depreciation of their property, and for many years they have done it under rules that have been promulgated by the Interstate Commerce Commission. This depreciation becomes a part of the expense of operation and maintenance, and is taken care of before they reach net income. Of course, the Government will take care of depreciation. This bill provides that the Government must return these properties to the railroad companies in as good condition as they were when taken, and the Government must maintain them, and must charge off annually a suitable and adequate sum for depreciation.

Mr. WOLCOTT. I understand that. I am not at all familiar with the allowances made to the roads by the Interstate Commerce Commission. Do I understand from the Senator that the Interstate Commerce Commission in the accounts filed with the commission allows the railroads credit for current depreciation? Has that been the practice?

Mr. CUMMINS. Certainly. The railroads are not at all agreed about the amount; and the Interstate Commerce Commission does not prescribe a fixed rule as to the percentages, but each railroad not only has the right to charge off the current depreciation of its property, but it is its duty to do so, a duty that is enforced upon them by the Interstate Commerce Commission. The charges for depreciation in the accounts vary from 1 per cent to 6 per cent each year. But, however that may be, the depreciation is fully protected in the operating expenses of the railroads, as I shall presently show.

At this time I am only concerned in leaving the proper impression with regard to the British treatment of railways. There is a great system—small compared with ours, of course, but doing an immense business—I think comprising more than 20,000 miles of single track, with a far greater percentage of double track, triple track, and quadruple track than we have in our country; a great system, serving one of the most energetic and successful countries in the world. When Great Britain takes that system, it simply says: "We will guarantee you enough to pay you the interest upon your bonds," which is about one-half per cent less in Europe than the average interest upon American railway bonds, "and enough to pay an average of 3½ per cent upon the stocks that are outstanding." That is all that Great Britain has done in awarding just compensation for the use of that vast property.

Great Britain was conscious that all the people of that country must bear the burdens of the war in which she was engaged; and I am only endeavoring to fasten upon the minds of the Senate and the country the idea that when our Government takes possession of our railroads, in the midst of a world-destroying war, of the outcome of which no human being can be certain, we remove from this property all the peril, all the hazard of the war; we lift it up out of the chaos and the confusion and the fluctuations of all other business; we say to these companies: "No matter what may happen to other properties in the United States, no matter how values may decline, no matter how profits may disappear, no matter what sacrifice must be made in order to maintain the Union, we will see that you shall receive each year a certain income upon the value of your property."

The Government of this country has already asked the people to loan to it, I think, five billions of dollars; and between now and the 30th of June, as we were told, it is likely that it will ask our people to loan it the further incomprehensible sum of ten billions of dollars. It asks them to give, from what they have, these incalculable amounts and to receive from it a promise that at the end of the period named in the bond they will accept the principal, and in the meantime will accept 4 per cent per annum; and the people loyally and gladly are coming to the rescue of the Government and are furnishing it credit in a way unknown to any other period of the nation, and all they ask is 4 per cent. Yet in the midst of this loyal scene, in which the people of America are striving with each other in order to exhibit their loyalty and their desire to help in the time of stress and strain, in comes this bill, which declares that with a Government guarantee which makes the payment of the sum guaranteed as certain as the continuance of the Government itself, in the face of all these circumstances and perils and dangers, these same men who are staggering under the burden of loaning their Government money at 4 per cent shall guarantee to the stockholders of the railways of the United States from 10 to 20 per cent upon the par value of their securities. It is a monstrous proposal.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. CUMMINS. I do.

Mr. SMITH of South Carolina. If the Senator will allow me, I think in all fairness he ought to call attention to the fact that the Government took over these roads. They did not come in of their own volition. They would have had to bear the vicissitudes of the changing war conditions, and were bearing them until the Government, of its own volition, took them. The Government is now just proposing to give them what was the result of the vicissitudes up to the time that it took them.

The railroads, as I say, did not come in of their own volition. We took them over, and under the due process of law the committee attempted to find out what they had been earning under the very vicissitudes that the Senator remarks upon.

The Government might take over a horse that belonged to me that was worth, say, $200. It can not foretell what that horse may be worth to-morrow. It may die, but the Government must pay me according to the value of it at the time the Government took control. The record from the Interstate Commerce Commission shows that what we are allowing the railroads out of their earnings is what they were earning when we took them, not when they volunteered to come and asked us to take them, and demanded this as a recompense.

Mr. TOWNSEND. Mr. President——

Mr. CUMMINS. I desire to say a word in response to the Senator from South Carolina [Mr. SMITH].

Mr. TOWNSEND. I was just going to suggest that I take it the Senator from Iowa is not going to finish his speech to-night, and as he has been talking a long while, and evidently is somewhat weary, we might take an adjournment now. It is approaching the hour of 5.

[At this point Mr. CUMMINS yielded the floor for the day.]

Saturday, February 16, 1918.

Mr. CUMMINS. Mr. President, so much time has elapsed since I suspended my argument upon the measure under consideration that I may be permitted to restate very briefly the subject under discussion. I am considering the first section of the bill reported by the Interstate Commerce Committee. It gives to the President the authority to enter into agreements with the various railway companies of the country for the compensation which they are to receive during Federal control for the use of their properties. The compensation mentioned in the section, and which the President is authorized to agree to pay, is the average net operating income of these companies during the three years ending June 30, 1917.

I had mentioned the fact that the President had reached the conclusion, evidently long before this legislation came before Congress, that the standard which I have mentioned, and which is found in the section, is the proper standard of compensation. He so declared in the proclamation under which the Government assumed possession and control of the properties; he reiterated it in the statement which accompanied the proclamation; and he again expressed it in his message to Congress immediately after the holiday recess. We have a right, therefore, to assume that, if the authority specified in section 1 is conferred upon the President, he will enter into agreements with these companies upon the basis I have suggested. Moreover, the Director General in his appearance before the committee argued at very considerable length for the standard that is here set up. I am not suggesting this in a critical way; I am mentioning it only to make it absolutely sure that, if we do give the President the authority to enter into these contracts of the character which section 1 prescribes, he will exercise the authority, for his conclusion upon that subject is now fixed and, I believe, unalterable.

I think the compensation recommended by the President—and I say it with all the deference in the world to him—is excessive. I think it introduces into governmental railway operation the same abominable profiteering which disfigures other fields of governmental activity. There is one thing that the people of this country will not endure. Loyal, as they are, enthusiastic, as they are, determined, as they are, to carry on the war to a successful end, they will not tolerate the general practice of creating fortunes out of the war. There is such universal indignation against the practice that I need but mention it in order to command the assent of every Senator and every citizen of the Republic. If we want a united, determined, aggressive citizenship, we must take care that the burdens of the war are fairly and equitably distributed and that those who have the power to profiteer shall not be given the opportunity to satisfy their cupidity and their avarice. I want Senators to remember that it is just as important to secure the cooperation of the great body of the people, as it is to strengthen and fortify the railway securities. I think I do not disparage or depreciate or diminish the value or importance of the latter, but the former must be borne in mind in the consideration of every question which distributes money, collected from the people, among those who may render service to the Government.

Do not imagine that I have any prejudice against the railway companies. I am a law-abiding man; I believe in order and regularity. I am still clinging to the Constitution amidst the waves of war. I have not yet given up that ark of safety for the American Republic. It would have commanded my instant assent if this bill had provided that the value of the use of the various railroad properties of which the Government takes possession should be ascertained by an impartial tribunal, preferably the Interstate Commerce Commission, which has at its

command, and has now in its records, a very large part of the information necessary speedily to arrive at a just result. I would have been glad if from the judgment of the Interstate Commerce Commission, or any other impartial tribunal, there could have been a proper appeal to the courts, in order that the judiciary of the land might utter the last word upon this vital subject; and with the judgment so determined I would have been absolutely content. I would have been glad also if in the meanwhile the President could have been given the power to advance to the railway companies whatever may become necessary to enable them to properly protect their securities; and finally, whatever balance there may be, whether in favor of the Government or in favor of the railways, could be fairly adjusted. This would have been a just, orderly way in which to have ascertained the value of these properties and to have secured a judgment with regard to the value of the use of these properties.

Every citizen of the land would have been content if that proceeding had been adopted. We have just that proceeding here, but we have it accompanied with an authority to the President to enter into agreements with these companies, agreements which shall take the place of and be a substitute for the proceedings which arrive in a legal way at the result we are seeking; and I want you to bear in mind all the time that it is only with respect to the authority that we are proposing to give to the President that I have any question. I assert that the standard that we are erecting here for him furnishes to these companies, or some of them, an excessive compensation, and that if we make contracts of this character we will be subject to all the criticism that is now poured out upon the profiteering which has been so prevalent in many activities of the Government.

Mr. KENYON. Mr. President, may I ask my colleague a question?

Mr. CUMMINS. I yield.

Mr. KENYON. I am asking purely for information, because I believe my colleague probably knows more about this subject than any other man in Congress.

This standard that we give to the President leaves it with the President, as I understand, to determine whether or not he shall do this, whether or not he shall come to this standard; or, if he can come to an agreement with the railroads to pay less, he then can do it; can he not?

Mr. CUMMINS. He has the power to do it, the legal authority to do it; but he has stated that this is the compensation which he thinks ought to be given to these companies.

Mr. KENYON. That is, in his address to Congress? Is that the statement of the Senator?

Mr. CUMMINS. In the proclamation, in the statement which accompanied it, in the message which he delivered to Congress after the holidays, and through the Director General in his testimony before the committee.

Mr. KENYON. That is the question that has been troubling me—whether we are authorized to assume that the President will grant this compensation which the Senator thinks is excessive; and I agree with him in that. The President, of course, may change his mind.

Mr. CUMMINS. At least it would be safer not to invest him with the authority, if we are clearly of the opinion that it does provide for an excessive compensation. At least, so I view it.

Mr. KENYON. And yet, if the President should become convinced that the compensation was excessive, he could of course change his mind and not reach the high standard which the bill allows him to reach.

Mr. CUMMINS. He has the abstract authority to reduce the compensation.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. KELLOGG. I should like to say to the Senator, if he will permit me to interrupt him, that while the President did recommend in his message and the Director General testified that he thought this the proper standard, it was all in the light of its being a maximum; and I am informed by the men who will execute it, who appeared before the committee, that it is simply a maximum, and that the President expects, with his advisors, to treat it as such, and, in cases where the maximum would be too much, not to grant it.

Mr. CUMMINS. Mr. President, I am not in the confidence of the advisors of the President or the Director General. I do not know what they intend to do; but so far as I am concerned I do not intend to give the President the power to do wrong if I can prevent it. I do not intend to give the Director General the authority to pay more than ought to be paid if my vote and my voice can prevent the granting of that authority. I can not understand how any Senator can satisfy his conscience, if he believes the standard is wrong and ought to be reduced, by conferring the authority upon the President in the hope that he will not exercise the power that is given to him.

As I said in the very beginning, I have no desire to interfere with the responsibilities of the President. He must bear them. They are heavy, onerous, and he has my sympathy every moment of the day, and will have my assistance upon every occasion. But I can help him best by bearing my own responsibilities, and so can you; and if you believe that this standard is excessive, then it is your duty to limit his authority within the fair bounds of reasonableness.

Let another thing be understood: The amendment which I shall offer to the first section, and which I am really discussing as I move forward with the proposition itself, is applicable to 140,000 miles of single-track railway. It is applicable to a little more than one-half of the railway mileage of the country; but within that one-half are the great monopolistic systems which have in the past oppressed, through excessive rates, the people of the country, and have accumulated more than under any fair adjustment of rates they should be permitted to accumulate. There are 110,000 miles of the 250,000 miles in the country to which my amendment does not apply at all, and I pause here to say that in my judgment the standard of the bill not only does not give to those railroads an excessive compensation, but I believe that in some cases it will give them less than just compensation.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. NORRIS. My understanding—and I should like to have the Senator correct me if I am wrong—is that in those cases of which the Senator is speaking now, where the President believes that the basis of payment would not bring a sufficient return, he has power to increase it; has he not?

Mr. CUMMINS. The two classes are not entirely the same. That is, the paragraph to which the Senator refers says that as to any nondividend-paying carriers he may do whatever he pleases; but there are some roads that pay small dividends, and that would be included within the 110,000 miles which I mentioned a moment ago that would not be included within the paragraph which the Senator has before him.

Mr. NORRIS. Does the Senator include in those 110,000 miles the nondividend-paying carriers?

Mr. CUMMINS. All of them.

Mr. NORRIS. All of them?

Mr. CUMMINS. They are all included.

Mr. NORRIS. As to those, at least, the President has authority to make an agreement that would give them a reasonable and fair rate?

Mr. CUMMINS. He has.

Mr. NORRIS Under the bill as it stands now, if they did not get any dividends in those three years, he can pay them what he thinks is a fair return?

Mr. CUMMINS. They are not exactly the same. I pick out of all the mileage of the country those roads and those systems whose net income, as compared with stock capitalization, is more than 5 per cent, and apply the standard of my amendment to them and no others; so that the amendment which I will propose, if adopted, will not change the bill in any respect in so far as concerns the 110,000 miles of railway which represent in a broad way the weaker and the poorer lines.

With that statement, I now ask the attention of the Senate to the proof which I said in the beginning I would produce. But before I do that, Mr. President, I desire to print as part of my remarks and at the proper place a table concerning the net earnings of the English railways which was introduced before the committee, and about which I spoke day before yesterday when I was discussing this question. It is found on Part V of the hearings, on page 965. It shows, with regard to nearly all the British railways, the net earnings for the year 1913. In other words, it shows the return which Great Britain has guaranteed to her railways; and I only repeat that her guarantee is substantially 4 per cent upon the bonded indebtedness of the railways, and 3½ per cent upon the stock of the railways. That is the standard which Great Britain thought it was fair to use in the compensation of her railways; and I say again that I am not only willing to go as far as Great Britain did in compensation, but I am willing to double the amount awarded by Great Britain to the shareholders.

There being no objection, the table above referred to was ordered to be printed in the RECORD, as follows:

Railways in United Kingdom whose gross receipts for the year 1913 exceeded £1,000,000.

[Authority: Railway returns of the United Kingdom for the year 1913.]

Name of road.	Gross receipts.	Ordinary stock.	Preferential stock.	Guaranteed stock.	Total stock.	Dividends on ordinary stock.	Dividends on preferential and guaranteed stock.	Total dividends.	Rate of dividend (per cent).	Net income.	Fixed charges.[1]	Net income less fixed charges.	Rate of return (per cent).
Great Central	£5,929,558	£10,658,020	£17,185,428	£3,382,061	£31,225,509	.....	£866,076	£866,076	2.77	£2,218,221	£1,352,885	£865,336	2.77
Great Eastern	6,015,142	15,362,886	14,731,708	6,094,627	36,189,221	£384,072	825,228	1,209,300	3.34	2,17-,330	950,385	1,222,945	3.38
Great Northern	6,742,119	22,451,250	19,759,520	3,435,740	45,649,510	788,838	910,910	1,699,748	3.72	2,463,016	700,189	1,762,827	3.83
Great Western	15,431,412	36,695,210	11,936,348	25,555,191	74,186,749	2,284,451	1,874,577	4,159,028	5.61	5,929,034	1,574,657	4,354,377	5.87
Lancashire & Yorkshire	6,595,159	18,821,470	29,104,816	2,595,012	50,522,298	846,966	1,019,267	1,866,233	3.69	2,602,111	713,811	1,888,300	3.74
London & North Western	16,326,621	42,890,095	27,873,631	15,100,406	85,864,132	3,002,306	1,718,962	4,721,268	5.50	6,334,595	1,512,792	4,821,803	5.62
London & South Western	5,414,019	22,189,814	18,709,226	797,980	41,688,020	851,199	738,526	1,589,725	3.81	2,190,502	595,021	1,595,481	3.83
London, Brighton & South Coast	3,534,118	10,447,085	10,121,672	1,955,860	22,524,617	548,472	603,876	1,152,348	5.12	1,531,911	378,445	1,156,466	5.14
Midland	15,129,136	78,195,397	63,988,974	18,089,560	160,273,931	2,636,194	2,069,951	4,706,145	2.94	6,362,738	1,431,787	4,927,951	3.07
North Eastern	11,315,139	32,036,605	16,273,797	8,503,295	56,813,697	2,242,142	991,040	3,233,188	5.69	4,454,968	914,869	3,540,099	6.23
North Staffordshire	1,058,978	3,594,650	3,317,483	1,170,000	8,082,133	179,732	158,024	377,756	4.18	441,288	95,071	345,217	4.28
South Eastern & Chatham Railway Companies managing committee	4,890,598	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
London, Chatham & Dover	.....	11,259,282	7,878,832	122,313	19,260,427	.....	331,107	331,107	1.72	816,193	483,253	332,940	1.73
South Eastern	.....	10,049,230	12,286,385	1,784,300	24,119,915	401,969	533,940	935,909	3.88	1,416,960	483,537	933,423	3.87
Total England and Wales	98,381,981	314,653,994	253,158,820	88,587,343	656,403,159	14,166,341	12,641,490	26,807,831	4.08	38,937,867	11,189,702	27,748,165	4.23
Caledonian	5,129,155	35,569,253	14,523,437	9,268,154	59,383,847	646,311	968,183	1,614,494	2.72	2,334,041	707,851	1,626,190	2.74
Glasgow & South Western	2,012,737	12,651,790	5,491,091	2,260,450	20,403,331	314,052	301,962	616,014	3.02	825,568	229,969	595,599	2.92
North British	5,254,607	21,579,157	27,575,987	.....	49,155,144	437,361	1,078,830	1,516,191	3.08	2,427,282	857,725	1,569,557	3.19
Great Northern of Ireland	1,191,283	4,049,989	1,749,035	869,270	6,668,264	242,997	104,730	347,727	5.21	457,631	105,788	351,843	5.28
Great Southern & Western	1,630,763	5,479,800	1,693,765	719,384	10,072,749	266,276	184,193	450,472	4.47	716,018	215,362	500,656	4.94
Total United Kingdom	113,600,532	393,983,986	304,198,105	103,881,403	802,063,494	16,073,33-	15,279,391	31,352,729	3.91	45,693,407	13,305,397	32,392,010	4.04
Per cent of gross receipts of all railways in United Kingdom	86.60	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

[1] Includes interest on loans, debenture stock, and miscellaneous fixed charges.

Gross receipts of all railways as follows: England and Wales, £109,938,244; Scotland, £13,612,712; Ireland, £4,523,117; total, £128,174,131.

Mr. NORRIS. Mr. President——

Mr. CUMMINS. I yield to the Senator from Nebraska.

Mr. NORRIS. The Senator, in referring to the bonded indebtedness of the British railroads, says that the British Government has guaranteed practically 4 per cent. Does he mean that they have fixed in the guaranty a definite per cent——

Mr. CUMMINS. Oh, no.

Mr. NORRIS. Or does he mean that they are paying whatever interest those bonds bear, and that that amounts to practically 4 per cent?

Mr. CUMMINS. The latter is what I mean. The 4 per cent is an average of the interest.

Mr. NORRIS. The guaranty provides for the interest on the bonds, whatever it may be according to the terms of the bonds?

Mr. CUMMINS. No; the English agreement was to guarantee the net earnings of the year 1913, the year before the war. The net earnings did pay 4 per cent upon the bonds and 3½ per cent in substance upon the stock, and that is the amount which Great Britain pays.

Mr. NORRIS. Do not the bonds bear a specific amount on their face?

Mr. CUMMINS. I do not know. Some of them bear 3½ per cent interest, some of them 4½, but the average is about 4.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. KELLOGG. Did I understand the page referred to by the Senator to be page 965 of volume 5 of the RECORD?

Mr. CUMMINS. Some one has taken that volume from my desk.

Mr. KELLOGG. Very well. That shows that the rate of return was 4.4 per cent, and that the dividend that they paid on their stocks the previous year was 3.91 per cent, if that is the table to which the Senator refers.

Mr. CUMMINS. The table shows what it shows. My statement with regard to the aggregate guarantee is derived from the testimony of Mr. Julius Kruttschnitt as well as the testimony of Clifford Thorne, both of whom have computed the returns that were made under the English guaranty.

Mr. SMITH of South Carolina. Mr. President, will the Senator allow me at this juncture just to read a brief statement taken from the British report and printed in a memorandum submitted to the Committee on Interstate Commerce relative to the Government control of railroads in Great Britain in its financial aspect with relation to the railway employees? It was prepared by the Legislative Reference Division of the Library of Congress, and printed for the use of the Committee on Interstate Commerce. It is just a few lines which, if the Senator will allow me, I should like to read, right on this point.

Mr. CUMMINS. Very well.

Mr. SMITH of South Carolina. It says:

1913 a "banner year." The general opinion in railway, engineering, and investing circles at the time the terms of compensation were announced was, that "the Government has been generous." The year 1913 had been a "banner year," marking "the high level of prosperity" of the British railways since the beginning of the century. The average dividend rate upon the total ordinary capital (excluding nominal additions), whether or not ranking for dividend, had been higher in 1913 than for many years previous. The Investors' Review has declared that "as 1913 was a very good year, taken all around, the shareholders have not much to grumble about." The Scottish railways responded at once to the new situation which the agreement brought about, by making the dividend announcements which, because of the uncertainty due to the war and to the assumption of control by the government, had been postponed.

Mr. CUMMINS. I was stating a fact, not endeavoring to explain it.

Mr. SMITH of South Carolina. The point I was making was that the railroads have postponed any dividends on their stock and after they made the agreement with the Government they immediately resumed payment of dividends on their stock.

Mr. CUMMINS. That fact is entirely irrelevant and immaterial to the point I am making. I am trying to show what Great Britain did for her railways, which was a guarantee of net earnings for the year 1913, and I have endeavored to point out what those net earnings were in order to show what return upon capital Great Britain allowed to the bondholders and the shareholders of her railways.

I ask the Senate now to look with me for a moment upon what the proposed guarantee will do, if it were accepted by all the railroads. I do not know that it will be accepted by all the railroads. I think it is more than likely that some of the weaker railroads will insist upon their reward in legal proceedings, but I am very sure that all the great systems of railways in the United States will eagerly accept the offer. But let us assume now that they will all accept the offer of a guaranteed operating income, the average of the three years just passed.

According to the terminology of the reports required by the Interstate Commerce Commission the net operating income of a railroad is the sum which remains of operating earnings after deducting the expenses of operating, maintenance, taxes, and the like. A great many roads have other sources of income, and to those sources I will presently make some reference. They are outside of the present arrangement, and these roads will be possessed of these incomes in addition to the guaranteed sum which the Government proposes to pay.

The majority report says that the aggregate guarantee for all the railroads is $945,000,000. I say in frankness that that is a few million dollars, very few, however, more than I had estimated as the guaranteed amount of the average net income, but I will, as I ought, accept the view of the majority of the committee in that respect.

We undertake also to pay in addition to the $945,000,000 per year a fair per cent upon the increase in the value of the property between the 30th of June, 1917, and the 1st of January, 1918. This increase is estimated by the majority of the committee at from ten to fifteen million dollars. I will assume the lower of the two amounts. We then reach an aggregate guarantee—and if one road does not get it another one will—for all the railroads of the United States of $955,000,000 annually.

Let us see what that will do for the capitalization of all the railroads of the United States. As shown by the report of the Interstate Commerce Commission filed in the hearings the par value June 30, 1917, of all railway bonds, eliminating duplications, was $10,021,730,075. Is there any dispute about that? If there is I should like to hear it made now.

There were outstanding on the 30th of June, 1917, $10,021,730,075. The people who hold these bonds have agreed with the railway companies with regard to the returns upon their part of the capital or capitalization. No matter what we do, the bondholders who own this vast sum in securities will neither receive more nor less. Their return is fixed by agreement.

Mr. President, the annual interest charge upon the bonded debt of all the railroads in the United States for the year ending June 30, 1917, was in round numbers $400,000,000. As I remember it, as reported by the Interstate Commerce Commission, it was $405,000,000. There was some interest upon floating debt or unfunded debt which I need not mention at this time. It would make no difference in the results which I shall read.

Deducting $400,000,000 required to pay the interest upon all the bonds held by the public or eliminating duplications, all the railroads, considering them as one, would have at the end of the first year of this guarantee $550,000,000 available for their shareholders or their stockholders.

Now, do not let us misunderstand the meaning of that situation. I do not say that these railway companies would distribute $550,000,000 in dividends. They have not done that in the past and I have no reason to believe that they will do it in the future. But these companies will have of the Government guaranty $550,000,000 available for shareholders, money that can either be used for dividends, for an increase in the value of the property, or for the extinguishment of debt, or some other capital account. In any event, it inures to the benefit of the stockholders. It is their money and they can use it as they desire.

A very simple computation, the simplest in the world, shows what we are guaranteeing upon an average for all the railways in the United States, and I am treating them now as one company, remember. We are guaranteeing 8.5 per cent on all the stock of all the railroads in America, and that without taking into consideration the other sources of income which many of these companies have, and which will swell the power of the railway companies to return dividends to or construct property for their shareholders.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I yield.

Mr. KELLOGG. Where does the Senator get his figures for that statement?

Mr. CUMMINS. Which statement?

Mr. KELLOGG. That 8.50 per cent on all the stock not including the corporate income.

Mr. CUMMINS. The Senator must have noticed where I got it.

Mr. SMOOT (to Mr. CUMMINS). You did not give the aggregate.

Mr. CUMMINS. I beg pardon; I think I omitted one element there, and then the Senator can make his inquiry. I have already shown the interest charge. I now come to the stock. The aggregate par value June 30, 1917, of the capital stock of all railroads, eliminating duplications and omitting some of the very small roads which do not report, was $6,314,570,554.

Mr. KELLOGG. That is a correct statement.

Mr. CUMMINS. Does the Senator say that is not correct?

Mr. KELLOGG. It is a correct statement of the amount of stock outstanding. But the experts of the commission furnished the figures which I quote, which show that the interest on bonds is $450,000,000 instead of $400,000,000, and that the total dividend, if all the income, both corporate and net operating income was applied to the stock, would be only 8.26 per cent.

Mr. CUMMINS. The statement is wrong, that is all, in my judgment; or if that statement is right then the Interstate Commerce Commission has made a different one to the committee. I do not pretend to reconcile all these figures. I say that the Interstate Commerce Commission filed with our committee a statement which showed that the interest paid upon all the bonds outstanding on the 30th day of June, 1917, was $405,000,000, and all we need to do is to recur to the report in order to verify what I have said.

I have not included in my computation the interest upon the unfunded debt, the current debt, nor do I think it ought to be included.

That is a varying sum paid from month to month, and the debt existing in one part of the year may be entirely discharged in another part of the year. The Senator from Minnesota will observe that I confine my statement to the interest upon the bonded debt, and upon this statement I reaffirm that the United States, if it gives this authority, is authorizing the guaranty of a sum that, aside from all other sources of income, will be the equivalent of 8.5 per cent upon all the stock of all the railroads——

Mr. NORRIS. Mr. President——

Mr. CUMMINS. Even if my figures were modified in the way suggested by the Senator from Minnesota, and I have had no opportunity, of course, to examine those figures because they were not put before the committee. They were evidently furnished recently and may be accurate, but I should like to have an opportunity to examine them, because there is nothing so deceptive as figures.

Mr. SMOOT. There is a difference of only one-quarter of 1 per cent.

Mr. CUMMINS. It makes so little difference anyhow that the disparity is a negligible matter. I yield to the Senator from Nebraska.

Mr. NORRIS. I think it would be interesting if the Senator has the figures if he would tell us, in connection with the figures he has just given, how much revenue the railroads have derived in the same fiscal year from other sources.

Mr. CUMMINS. I can not give that accurately because I have it combined with the net operating income in another connection.

Mr. NORRIS. Could the Senator give it approximately?

Mr. CUMMINS. I think it is something like fifty millions of dollars.

Mr. KELLOGG. If the Senator desires it I will state that the statistician of the Interstate Commerce Commission says that the total corporate income outside of net operating income amounts to $150,000,000, and the obligations for net rentals paid is $119,000,000.

Mr. KING. Will the Senator allow me?

Mr. CUMMINS. Of course, I am very glad to have the Senator from Minnesota answer the question, but I have not examined the table.

Mr. NORRIS. If the Senator will permit me, it occurred to me when the Senator was giving the figures that he was omitting one item which would not apply to all roads, but to a great many roads, the amount of income from the sale of public lands, etc. I suppose it is not included.

Mr. CUMMINS. No.

Mr. NORRIS. With some roads that would be quite a large item, so much so that it would have quite an effect upon the income.

Mr. CUMMINS. Mr. President, I will presently, when I come to consider the railroads which are affected by the amendment which I will propose, show precisely the combined income guaranteed by the Government, that is, the net operating income and the income from other sources, not separated but combined, in order that there may appear precisely what each of these companies will have at the end of each year of Federal control for the benefit of their stockholders. I yield to the Senator from Utah.

Mr. KING. I was about to suggest to the Senator from Iowa that the figures just submitted by the Senator from Minnesota [Mr. KELLOGG] seem to be based entirely upon incomes derived from operating roads or leased roads. There is considerable income that is derived from other property than what might be denominated strictly railroad property, for instance, coal companies, hotels, a large quantity of real estate, and that would swell considerably the figures submitted by the Senator from Minnesota.

Mr. CUMMINS. Possibly so. I have not examined the table, so I am not able to advise upon it.

Mr. President, no matter whether the percentage suggested by the Senator from Minnesota or the percentage which I have named is correct, either is intolerable. Either will inflict an injustice from which this country will never recover, because we are taking now a step which involves something more than the mere ascertainment and payment of just compensation for a limited period.

Mr. President, remember that more than one-half the capital stock was issued originally in defiance of both law and morals. Remember that more than one-half of it—and I am not now imagining, I am stating the result of investigation after investigation that has heretofore been carried on—more than one-half of the capital stock was issued without any consideration whatever paid to the railway corporation or corporations which issued it. I do not assert that the present holders of the railway stock have paid nothing for it; I do not know; but I do know that a large part of it is absolutely baseless, so far as consideration is concerned. And so we are proposing here to guarantee to all this great mass of inflated, watered capital stock an annual return of more than 8 per cent upon its face par value. It may be that action of that kind can be defended, but hitherto I have not heard anyone with sufficient temerity to undertake its defense.

Mr. SMOOT. Was that upon the par value or the market value?

Mr. CUMMINS. The 8.5 per cent is upon the par value. This showing, however, does not represent the full iniquity of the proposal. I have been considering now the effect of the guaranty upon the railway stock of all the railroads without discrimination as between them. I shall now separate these railroads into two classes. I intend now, after setting aside companies operating 110,000 miles of the railways of the country which I think this bill does not guarantee more than they should receive, to ask your attention to 86 systems of railway which represent 140,000 miles of single track, and which carry from 75 to 80 per cent of the traffic of the country, and I want you to consider what this guaranty will do for them, for I do not want to withdraw one single farthing from the proposed guaranty so far as the weaker and poorer railroads are concerned. I would add to the guaranty rather than diminish it, not in the aggregate, but as to particular properties.

I will at this point read the amendment which I had printed, because I think that in discussing what we are about to do for the railways covered by my amendment we ought to carry in our minds the change which the amendment suggests. The amendment is to be added after the word "included," on line 17, page 2, of Senate bill 3752, and reads as follows:

Provided, That the standard return to any such carrier whose average rate of net income to capital stock for the years aforesaid has been more than 5 per cent shall not exceed the net railway operating income for the calendar year 1917 after deducting therefrom the amount available out of earnings for investment and surplus: *Provided further*, That the last preceding limitation shall not be employed so as to reduce the net income (above all operating expenses, taxes, interest, and all other fixed charges) of any such carrier below the amount required to meet each year the regular dividend accruals on all capital stock outstanding December 31, 1917. The surplus over and above the standard return as so computed shall be paid into the revolving fund hereafter created, and such part thereof as may be necessary shall be used in additions, betterments, and extensions to said property. All of said property constructed out of, or purchased by the same, shall belong to, and shall be held in trust for, the public, and no return to any railway company shall ever be paid thereon.

If you will turn to the minority views which I submitted you will find on pages 7 and 8 a table which names the railways that will come within the amendment which I have proposed, and whose standard return will be affected by the amendment. These railway companies or systems are 86 in number and, as I have more than once said, they comprise about 140,000 miles of single-track railway. The table to which I have referred, the original of which I hold in my hand, was prepared by the Bureau of Statistics of the Interstate Commerce Commission. I accept it implicitly, for I believe that it states in each instance the exact truth.

Taking up the table, I call attention, first, to the Pennsylvania Railroad Co. The proposed standard return, that is the return of the bill, the net operating income of the company for the three years which have been taken as the test, is $46,764,485. The average net income for the three years ended June 30, 1917, was $44,534,939.

The statement of those two sums of money requires me now if I can, to explain what these terms "net railway operating income" and "net income" mean, as they are employed by the Interstate Commerce Commission and as they are used in the reports made by the railroad companies. I do this because it would appear from the statement that the proposed standard return of net operating income is larger than the average net income for these years. It is larger because in the column of average net income for the three years ending June 30, 1917, the interest upon all debts has been deducted, whereas in the proposed standard return—that is, the average net railway operating income—the interest upon indebtedness has not been deducted. On the other hand, the income from other sources than mere railway operation has been carried into the item $44,534,939, and "net income" shows not only the net railway operating income but the net income from other sources, less the interest that has been paid both on bonds and the general indebtedness.

I think that it is worth while, Mr. President, at this point to explain just what these terms mean. I have before me the preliminary Abstract of Statistics of Common Carriers for the year ended June 30, 1916, which was issued by the Bureau of Statistics of the Interstate Commerce Commission, and is an official document. It is the last one of its kind that has been printed. I will take the Pennsylvania Railroad as an instance, in order that we may fully understand how these things are computed.

I pass the assets and liabilities, that is, the balance sheet, and come to the income account for the year. The first item in the income account for the year is $220,113,358. That represents the railway operating revenue. The next item is $155,278,979. That represents the railway operating expenses. That includes all the expenses of operation of every kind, maintenance of all kinds, all salaries from that of the president to that of the section hands, all wages, all supplies, everything that enters into the operation of the railway. That leaves a net revenue from railway operation of $64,834,379. There is then mentioned "Railway tax accruals." Those are the taxes for the year and the uncollectable railway revenue; and those two items are deducted from the net revenue, which leaves $57,460,639. That is the railway operating income of the Pennsylvania Railroad. There are certain adjustments of a minor character named in the bill that I need not mention. That is the railway operating income, and it is what remains of the operation revenue after the deduction of all expenses, including taxes.

Now, we come to quite a different aspect of the matter. We come, now, to what is known as nonoperating income and nonoperating expenses. Let us see what they are. I will not read the amounts attendant upon them. Omitting the three items which are taken in under this section, which do not really make very much difference in the outcome—and I will not pause to explain why they are taken in—the first item of credit in the nonoperating income is the income from lease of roads; the second is miscellaneous rent income; the third is nonoperating physical property; another is the dividend income; and that I desire to impress upon the minds of all Senators who are here. The Pennsylvania Railroad Co. receives in dividends from other railroad companies, and possibly from other properties, too, $15,450,308. Then, income from funded securities, income from unfunded securities, and accounts, and all other nonoperating income.

Now, we come to the debit balance in nonoperating revenues. First, we have hire of freight cars, rent of locomotives, rent for other equipment, joint facility rent—these are taken into the bill as a part of the railway operating income; but they are so small, and they so nearly balance each other, that it makes no difference in the outcome—rent for leased roads. The Pennsylvania Railroad Co. paid during the year covered by the figures $10,128,558 as rent for roads which it leased. Then, the miscellaneous tax accruals, separately operated properties, interest on funded debt, amounting to $11,763,357, and interest on unfunded debt, amounting to $262,487, all other income deductions, and so on.

Those two classes of items were balanced up, and they then were carried into the operating income which I have already described, and the outcome was that the net income of the Pennsylvania Railroad Co. for that year was $53,733,439. That was the amount that the Pennsylvania Railroad Co. had for its shareholders; that was the amount that it could use in any way it saw fit for the benefit of the owners of the property and all the property that is included within their capitalization.

Now let us see how it used that money. In the first place, it paid $2,002,198 to sinking fund. That, of course, is to retire, I assume, some obligations in a certain time. That is a direct payment upon capital, of course, and is for the benefit of shareholders. Next, dividend appropriations of income. It paid $29,952,222 in dividends for that year. The third item is income appropriated for investment in physical property; that is to say, it took of its net income that belonged to its shareholders, $15,000,000 and more, and instead of dividing it as dividends among the stockholders it bought property for the

stockholders or constructed property for the stockholders but it was none the less an earning for the shareholders. Then, the next item is miscellaneous appropriations of income, $2,267,414.

After paying the dividend of 6 per cent—for that is the dividend of the Pennsylvania—and after putting fifteen and a half million dollars in new property and after putting two and a quarter million dollars in some other kind of property, it still had remaining undistributed and undisposed of $3,996,260 as the result of the year's operation, and when it added that to the surplus which it had accumulated in former years it had at the end of the year, after all expenses and charges and interest and dividends, and after it had taken nearly $18,000,000 for the purchase of new property, it had with which to begin the year, a surplus of $29,541,830, being the accumulation of that year and of previous years.

I have gone carefully into this and somewhat in detail, and I know in a wearisome way, but I think it is due to the members of the Senate who care to acquaint themselves with the subject, who care anything about the enormous burden that we are assuming, to know what is meant by "railway operating income," and what is meant by "net income," and what the two combined will do for the stockholders, as well as for the bondholders of the railway companies.

With that explanation I take up again the table furnished me by the Interstate Commerce Commission.

If the guaranty which is proposed in this bill is given, the stock of the Pennsylvania Railroad Co. will earn in each year of Federal control 8.92 per cent. In stating that I am assuming that the income of the property from other sources—that is, outside of the operating income—will be the same that it has been in the three years that are past.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Iowa yield to the Senator from Colorado?

Mr. CUMMINS. I yield.

Mr. THOMAS. May I ask the Senator if that includes the interest on the bonded debt?

Mr. CUMMINS. The interest upon the bonded debt has all been taken out, as well as all other debts.

Mr. THOMAS. Then the eight and odd per cent is net?

Mr. CUMMINS. The 8.92 per cent is net—net to the stockholders.

Mr. THOMAS. After the payment of the bonded interest?

Mr. CUMMINS. After all expenses of operation, maintenance, depreciation, taxes, fixed charges and interest are paid; and that will be true of each one of these companies which I am about to name.

Mr. KING. Mr. President, would that include the war taxes, too?

Mr. CUMMINS. It does not include the war tax. I suppose the Senator from Utah has reference to the war tax of 1917.

Mr. KING. October, 1917.

Mr. CUMMINS. It does not include that. We all have to bear our war taxes. Certainly I do not want to guarantee these companies against their war taxes.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. If I correctly gather what the Senator has said, the Pennsylvania Railroad Co. under this proposed arrangement would net nearly 3 per cent more than they have been able to net under their unrestricted management in normal times?

Mr. CUMMINS. No.

Mr. SMITH of Michigan. Well, 2.7 per cent.

Mr. CUMMINS. I think that is hardly right, because the Pennsylvania Co. has been earning these amounts in the past.

Mr. SMITH of Michigan. Yes; but, notwithstanding all that, it is proposed by this bill to give them a sum in excess of what they would earn in ordinary, normal times; is it not?

Mr. CUMMINS. I think that is the proposal, if you qualify it by saying "ordinary, normal times." I am not asserting that we are proposing to give to the Pennsylvania Railroad Co. more than it earned during the year 1916.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I yield to the Senator from Utah.

Mr. SMOOT. My colleague [Mr. KING] asked the question as to whether this covered war taxes. I doubt very much whether there are more than two or three railroads in the United States that will have to pay war taxes under the present law. They do have to pay the increased surtax; but as far as the excess-profits tax is concerned, I think there are only two railroads in the United States that will pay any excess-profits tax. The Pennsylvania will not have to pay any.

Mr. STONE. The New York Central would.

Mr. SMOOT. The Union Pacific would.

Mr. CUMMINS. I think the Senator from Utah is probably right; but, however that may be, the taxes for the first half of the year 1917, whatever they may be under the act of 1917, are not deducted as expenses from the operating revenue.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. NORRIS. I wish the Senator in this connection would tell us how the average income for the three years mentioned in the bill compares with the average income of the railroads in normal times.

Mr. CUMMINS. If the Senator will tell me what he regards as normal times it will be easier for me to answer the question.

Mr. NORRIS. Well, before the war. I want to know, and I think the Senate would like to know, how the income of the three years that have been selected for the average compares with the income of 10 years preceding.

Mr. CUMMINS. I am just estimating it, but I think the average of the 3 years would be $150,000,000 a year more than the average for 10 years.

Mr. NORRIS. Then is it true that the three years selected are practically the most profitable dividend-paying years in the history of railroading in this country?

Mr. CUMMINS. The years 1916 and 1917, with practically all the railroads, and certainly as to the aggregate, show a net operating income very far in excess of any other years in the history of the country. For instance, the net operating income of all the railroads for 1916 was, in round numbers, $1,050,000,000. For the year before, 1915, the same net operating income was only about $755,000,000. The net operating income for the year 1917 is about one billion and forty million dollars. I am speaking in round numbers; I do not remember the exact sum. But those two years go far beyond any other year in amount. I think it is true that there are some years in which the rate of return upon what they call their book value was larger, or as large, anyhow, as during the year 1917; but so far as amounts are concerned, there are no years comparable with 1916 and 1917.

Mr. JOHNSON of South Dakota. Mr. President——

Mr. CUMMINS. I yield to the Senator from South Dakota.

Mr. JOHNSON of South Dakota. I understood the Senator to answer the question of the Senator from Colorado that the net income of this particular road, the Pennsylvania, was something over 8 per cent after all deductions had been made, of course, of the interest on bonds and various other things. That is true, is it?

Mr. CUMMINS. I said the net income which we will guarantee. In other words, we guarantee an operating income for the Pennsylvania Railroad; and that operating income carried into its net income will pay on all the stock of the Pennsylvania Railroad 8.92 per cent.

Mr. JOHNSON of South Dakota. Another question: That is regardless of the amount of bonds. Suppose, then, that a railroad should be built at a cost of $25,000 a mile, and they should immediately turn around and bond that road for forty or fifty thousand dollars a mile, as has been done at various times. Would not the net income which they receive be that much more proportionately on that part of the income than the difference between the bonds and the actual cost of the road?

Mr. CUMMINS. It would be if that had been true of any past transaction of the Pennsylvania Road. Of course, our guaranty to the Pennsylvania Road would not cover the issuance of bonds in the future, because we have that within our control.

Mr. JOHNSON of South Dakota. I only speak of it in a general way, wishing to get that matter clear in my mind.

Mr. CUMMINS. The New York Central Railroad will be guaranteed 12.96 per cent upon its capital stock.

The Baltimore & Ohio will be guaranteed 5.83 per cent.

The Pennsylvania Co., as distinguished from the Pennsylvania Railroad Co., will be guaranteed 11.92 per cent.

The Philadelphia & Reading Railway Co. will be guaranteed upon its stock 25.70 per cent.

The Delaware, Lackawanna & Western Railroad Co. will be guaranteed 32.90 per cent upon its stock.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. HITCHCOCK. I should like to understand to what extent these companies will be permitted to pay dividends to their stockholders out of these profits.

Mr. CUMMINS. There is a subsequent provision in the bill that without the consent of the President they shall pay no larger dividends than they have been in the habit of paying heretofore.

Mr. HITCHCOCK. Then in the case of the Pennsylvania Road, for instance, which has been paying 6 per cent, as I recall, it will not be permitted to pay the 8½ per cent to which the Senator has referred?

Mr. CUMMINS. I do not know. They will not be permitted to pay it without the consent of the President.

Mr. HITCHCOCK. With the President's consent, then, they might be permitted to distribute all of these earnings in dividends?

Mr. CUMMINS. Oh, yes; precisely.

The Michigan Central Railroad is guaranteed an income that will pay 18.48 per cent upon its capital stock, and I suppose a large part of the stock of the Michigan Central is owned by the New York Central.

The Central Railroad of New Jersey is guaranteed an income that will pay 20.25 per cent upon its stock.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa further yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. HITCHCOCK. One more question: Will the Senator from Iowa state whether the President also has authority to require the investment of some of the surplus earnings in betterments on the roads?

Mr. CUMMINS. The bill provides that he can require railroad companies to better and improve their properties; but, of course, if they do, then we have to begin to pay interest upon that.

Mr. HITCHCOCK. Not during the operation of this bill.

Mr. CUMMINS. Surely, unless they are taken out of earnings.

Mr. HITCHCOCK. I am assuming that they are taken out of earnings. Take the case of the Pennsylvania for a concrete case. The Government, under this bill, guarantees a net operating earning of 8½ per cent, is it?

Mr. CUMMINS. 8.92 per cent.

Mr. HITCHCOCK. 8.9 per cent. If the President simply permits them to earn their 6 per cent dividend as heretofore, and requires them to put into betterments the remaining 2.9 per cent, will they be permitted to have guaranteed earnings on that additional amount invested in betterments?

Mr. CUMMINS. This bill provides that so long as the Government is in possession of the property the compensation shall not be increased on that account if the betterments are made out of earnings.

Mr. HITCHCOCK. Yes.

Mr. CUMMINS. But instantly the roads are returned to their owners, then they begin to charge the public rates that will make returns upon these added values. But I want the Senator from Nebraska to bear in mind that what I am trying to do is to take that 2.92 per cent, in the case of the Pennsylvania Road, and put it into the Treasury of the United States, unless the Director General or the President uses it in the betterment and in the improvement of the property so far as the public needs may require. We have reached a time when it seems to me that if the payment of 6 per cent upon all the capital stock of the Pennsylvania Railroad Co., and the payment of all the interest upon all its indebtedness together constitute fair and just compensation for the use of the property under all the circumstances, it should be for the Government to take this surplus and use it in the development and betterment of the property; and when it is returned to the Pennsylvania Road, if it ever is returned, let us return it under such conditions that the company will not be permitted at any time to charge the public for a return upon values so created.

Mr. HITCHCOCK. One other question: Under the construction which the Senator from Iowa desires to put upon this law, or under the form in which he desires to put it, would the railroads during the next year earn as much and receive as much as they received during the average of the past three years?

Mr. CUMMINS. Mr. President, one can only conjecture about that. The business of the United States may collapse at any moment. There seems to be a disposition to limit the business of the United States now to such businesses as are absolutely necessary to carry on the war. If that policy is pursued, it is perfectly apparent that the volume of traffic will very greatly diminish, and the revenues of these railroads will be very much less.

Mr. HITCHCOCK. The Senator has misunderstood my question. Suppose the bill is amended to suit his views: I ask him then whether the guaranty which he would make would give as great compensation to the roads for the next year as they have received for the average of the last three years?

Mr. CUMMINS. It would not. That is the very thing I am complaining about—that we are guaranteeing these roads their average income under rates that ought to shock the mind of any man who gave examination to the subject; rates that were only permissible because it was necessary to maintain them in order to enable 200,000 miles of the railways in this country to survive. We have been compelled to enrich the Pennsylvania, the New York Central, the C., B. & Q., the North Western, the Union Pacific, in order that other and less favored or less fortunate competitors might live.

Mr. HITCHCOCK. Then the fact is that the Senator from Iowa proposes in this bill to regulate and reform the railroad incomes of the United States.

Mr. CUMMINS. No. I am proposing to give them a great deal more than they ought to have. I can not understand the mind of any man who believes that these railroads ought to have the income of the last three years just because they have earned such an income in the last three years. That to me is a proposal that is much more mysterious than any of the problems of the tariff with which we have struggled in times gone by. I do not believe that simply because the railways have earned these sums of money in the last three years therefore they are entitled to earn them in the future. I do not believe that the earnings of a railway property form a measure for estimating or determining the value of the railway property. The earnings for the last three years would indicate that the railroad property of the United States was worth more than $21,000,000,000. I do not believe it. I do not think that there has been $12,000,000,000 of independent capital invested in the railway properties of the United States, and I for one intend, so long as my strength endures, to protest against the proposed capitalization of excessive earnings and the unearned increment; and that is what this bill is intended to accomplish.

Mr. HITCHCOCK. Mr. President, I do not want the Senator to assume that I am out of sympathy with his position.

Mr. CUMMINS. Oh, I understand it.

Mr. HITCHCOCK. There is much justification for it; I live in a State in which the prosperous railroads earn very large returns upon their investment; but I wanted to get clearly before the Senate whether the Senator proposes in this bill, which is an emergency measure and a war measure, to really reform the railroad earnings of the country as a permanent policy.

Mr. CUMMINS. Not at all. I propose to offer them what I regard as just compensation for the use of their property.

Some people seem to think that in the emergency, because the United States is struggling for its life, because we are about to call upon all the energies of the people to support our armies and our navies, now is the appropriate time to give the railroads a great deal more than they ought to have. There seems to be an impression that everybody should suffer but the railway companies in the distribution of our burdens. I would very much rather give the railroads this income in time of peace than in time of war. I might find it possible to justify these exactions if we were going forward in a normal way with an opportunity for earnings and profits such as we formerly enjoyed; but I have a good deal of contempt for the profiteers in the conflict in which we are now engaged.

Mr. STONE. Mr. President——

Mr. CUMMINS. I yield to the Senator from Missouri.

Mr. STONE. As I understand the Senator, he objects to the earnings of the railroads he names. His remarks may be applicable to all railroads, but I refer to those he names. He thinks they have been earning unusual, rather what I may characterize as abnormal, profits during the years 1916 and 1917, and that that ought not to be made the basis for compensation to the railroads for the use of their properties during the remainder of the war. If it be true that during the years he mentions, embraced in the period of the war, these earnings have been made by the railroads named, and if it is to be presumed, as I submit it may reasonably be presumed, although I am not arguing the question one way or the other, that like earnings could be made by the same railroads during the current year and the next year, if the war goes on, then during the time while the Government has possession of the railroads I am a little puzzled to know why the capacity earnings of the railroads during the period of the war should not be made a fair basis of compensation for that period.

The bill limits the occupation and control of the railroads to the period of the war, or substantially that. I ask the Senator to inform me if the Pennsylvania or the New York Central or

any other railroad earned a certain per cent of profit out of its total business during the years 1916 and 1917, a war period, and could earn in reasonable expectation a similar per cent during the remaining years of the war, whatever it may be, why that would not be a fair basis of compensation for the time we are to have control of the properties.

Mr. CUMMINS. Upon the basis of the question of the Senator from Missouri, why should we guarantee anything? Why not let the roads earn what they can and let them take what they earn. As far as I am concerned, I am quite——

Mr. STONE. But the Government is going to operate the railroads.

Mr. CUMMINS. I know, and that is it precisely. Our whole thought seems to be for the railroads. Here are the railroads in the midst of war and the Government thinks they ought to be managed under the direction of the Secretary of the Treasury. All the officers of the companies are retained, all the employees of the companies are retained. We are guaranteeing to the presidents and managers of these big companies their tremendous salaries. We are guaranteeing to all these officers, and I have no doubt they have earned their money in times past, the compensation which they have formerly received, and I commend that spectacle to the Senator from Missouri when he comes to argue this matter elsewhere. But I am willing to do that if the railroads will take their chances. Give each railroad what it earns under Government direction——

Mr. ROBINSON. Mr. President——

Mr. CUMMINS. And if a railroad does not earn anything let it suffer, and if another railroad earns very much let it profit. But we are proposing to make certain what is uncertain. It is just the difference between a Government bond and the note of a speculator without fixed responsibility. You can not——

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. CUMMINS. In just a moment. You can not float one at the same rate of interest that you float the other. I yield to the Senator.

Mr. ROBINSON. The Senator from Iowa has asked what is the necessity for a Government guarantee to the railroads, and he has indicated——

Mr. CUMMINS. No; before the Senator from Arkansas begins, what I stated was in view of the question put by the Senator from Missouri [Mr. STONE]. I understand the necessity of guaranteeing an income and I believe in guaranteeing an income.

Mr. ROBINSON. Very well, but certainly the plain indication of the Senator's question was that Congress was doing an injustice to the public in making any guarantee at all, for he followed the question with the declaration that he was willing that the railroads under Government control and operation should be left to earn what they could and to receive what they earned. The Senator now states that he did not intend any such implication.

Mr. CUMMINS. No, I hope I did not say anything of that kind. The Senator from Arkansas misunderstood me. The Senator from Missouri was propounding a question and wanted to know why we could not guarantee the earnings which these companies would receive in the years of the war and for 18 months thereafter, and I said that I was willing that they should receive those earnings, but I hope the Senator from Arkansas did not understand that I am so insane as to think we ought not to accompany this transition with a guarante..

Mr. ROBINSON. If the Senator will permit me, I repeat, the implication which I thought was contained in his answer to the question of the Senator from Missouri, and his declaration was that he was willing that the railroads should be left to earn what they could and to receive what they earned without a Government guarantee; so no guarantee should be made.

In this connection, with the Senator's permission, I will state that the unified operation of the railroads under Federal control will undoubtedly very materially affect the earnings of all the railroads under that control. It will enable some of the railroads to earn very much more than they would have earned under private control and it will prevent many of the railroads from earning as much as they would under private control, and therefore arises the necessity for a Government guaranty of some kind.

Mr. CUMMINS. The statement of the Senator from Arkansas is unanswerable. It would be in the last degree unwise for the Government to assume the direction of the railroads of the United States without making provisions for the necessary income for the railroads. I was simply suggesting that if this bill was founded upon the assumption that the railroads would earn these sums of money in the next two or three years it must be borne in mind that their capacity to earn is conjectural. No human being can determine what they will earn. The whole commercial fabric of the United States may collapse long before the period of Federal control ends. Commerce may diminish, but the pay of the railroads goes on just the same. The guarantee of the Government is binding upon us no matter what may be the consequences of the war.

If I may proceed with this table, I notice that to the Bessemer & Lake Erie Railroad Co. we propose a guarantee in the sum of 647 per cent upon its stock, upon the Chicago & Erie 70 per cent, upon the Hocking Valley 11.94 per cent.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. CUMMINS. I yield.

Mr. POMERENE. The Senator has referred to the Bessemer & Lake Erie Railroad Co. and the guarantee of 647 per cent on the capital stock. Can the Senator inform us as to the amount of capital actually invested in that company?

Mr. CUMMINS. I can not, but——

Mr. KNOX. Mr. President——

Mr. CUMMINS. I think I can tell you.

Mr. POMERENE. If I may interrupt the Senator, the Senator from Minnesota [Mr. KELLOGG] the other day in his very able argument gave us a statement of the property valuation of that company. I do not remember the number of million dollars, but assuming that the property statement was correct the earnings of that company would only be about 10 per cent on the investment.

Mr. KNOX. Mr. President, I happen to know a good deal about the Bessemer & Lake Erie Railroad. It is not a railroad in the ordinary sense at all. It is a mere incident to the Carnegie Steel Co.'s business. It is a road built to enable them to carry their own ore from Lake ports to Pittsburgh, so that they might operate their mines in the Minnesota regions more economically than if they had their ore hauled by the Pittsburgh & Lake Erie Railroad. It was owned entirely within the Carnegie Steel Co. and capitalized at only $500,000, although it operates property worth in the neighborhood of thirty-five or forty million dollars. The earnings are not at all excessive. They do not represent hundreds of per cent; they represent practically a little less than 10 per cent upon the entire capital invested. Those figures are very misleading because of that fact.

Mr. CUMMINS. Mr. President, I am not to blame for the deception in the figures. I am simply reading from the report made by this company to the Interstate Commerce Commission.

Mr. KNOX. I only state the facts. The report does mislead; I do not say the Senator does but the report misleads, because there is no analogy between that property and other railroad property.

Mr. CUMMINS. I quite agree with that. It is a very smaller matter. It is a small railroad.

Mr. KNOX. It is, however, just as well to have it correct.

Mr. CUMMINS. I think if that railroad stood alone it would hardly be worthy of comment, and I only read it in order to indicate the application of a rule of the sort that I am opposing.

I turn now to other railroads in the table, to which I shall often refer. The Illinois Central Railroad will be guaranteed a net income of 11.33 per cent upon its capital stock; the Louisville & Nashville an income of 16.75 per cent; the Norfolk & Western an income of 12.51 per cent; the Atlantic Coast Line 10.80 per cent. I shall only mention a few of the principal companies in order that the full significance of what we are doing can be understood.

I turn to the western district and find that our guarantee together with other income which the company possesses will furnish to the Atchison, Topeka & Santa Fe a return of 9.70 per cent upon its capital stock. The Chicago & North Western will be guaranteed an income of 10.18 per cent; the Chicago, Burlington & Quincy, 22.05 per cent; the Minneapolis, St. Paul and Sault Ste. Marie, 12.09 per cent. So I might proceed naming all these railroads which compose the 140,000 miles which my amendment will affect. It is sufficient to say that the average guaranteed income upon capital stock in the eastern district is 11.48 per cent; the average in the southern district is 12.37 per cent, and the average in the western district is 9.96 per cent. Of course these averages are applied only to the roads which have in the last three years earned a net income of more than 5 per cent upon the capital stock.

Mr. President, I have presented the effect of this bill with a great deal of earnestness and at very great length. The subject, I think, interests the people of this country more than any other matter. It is obvious that when these incomes are guaranteed, when wages are increased, as they will be, when the cost of operation increases as it must, the rates which are to be paid by the people of the country for the transportation of their commerce will also be increased.

I think that is the purpose of those who originated the plan which we are asked to approve to increase rates for transportation. There has been a struggle for years, intense, comprehensive, to increase rates. Those who have desired increases have been but partially successful. Whenever the Government guarantees the income which is here proposed, that struggle will have ended in victory for the carriers and these properties will be returned, if they ever are returned, to their owners burdened with a system of rates which will impose unreasonable, unfair taxes or impositions upon the people of the country who are least able to bear their burdens.

I can not avoid the conclusion that we are here proposing to pay for the use of this property at least $175,000,000 per year more than just compensation for its use. I have endeavored to show why my mind tends toward that conclusion. I shall offer an amendment which will not interfere with the payment of interest upon the railway securities, which will not interfere with the payment of any dividends that have heretofore been paid, whether it be 5 per cent or 8 per cent, but which will, when applied to these 86 systems and railroad companies, reduce our guaranty substantially $175,000,000 per year.

Remember that we are undertaking to maintain the properties. We are undertaking to finance them. If enlargements should be necessary, we are undertaking to so deal with them that at the end of the period of Government control they shall be returned to their present owners in as good condition as they now are. All that the owners will lose will be their use in the meantime, and, Senators, if the catastrophe through which we are now passing, if in this world-wide and world-destroying struggle the railway properties can enter and emerge in full complete condition, ready again to perform their service for commerce and receive while they are passing through this ordeal all the interest upon their bonds and all the dividends upon their stock guaranteed and insured by the Government, they ought to be content. To do more for them is to encourage and establish a system of profiteering which the people of the country will condemn and repudiate.

I wonder that the railway owners of the country are not wise enough, have not vision enough, to look forward to the end of this war. We will win the war. No matter how long the struggle may continue we will win the war; but the vital conflict in the interest of the American people will be confronted after the war. I can not help but think that the owners of these vast properties would be wiser if they would recall what is now transpiring in Russia. It would seem to be instructive if they would remember what is moving beneath the surface in Germany. It would help them, I am sure, to a sound judgment if they would look across the sea upon the unrest which is disturbing Great Britain. It is idle to think that America can escape the influences of that great movement sweeping over the earth.

I, for one, as I said before, believe in property; I believe in law; I believe in order; I believe in the Constitution; and I should like to do something to strengthen American institutions against the shock which they are sure to experience. We can not fortify ourselves against that vital moment by taking from the people of this country the money which is proposed in this bill and paying it to the railway corporations.

Mark my words, that the multitudes of America will believe that we are taking from them $175,000,000 annually more than they ought to pay. Remember what I say, that in the days to come they will decide that we have taken from them this vast sum of money and without reason, or without justice, or without necessity have transferred it to coffers already overflowing with riches. I beg the Senate not to do it. If it values stability, if it desires peace and content among the people, if it wants to preserve the love and the affection and the enthusiasm of the people of this country, so that we can press forward with all our strength to a world victory for justice and order, let us not do this unjust thing.

Mr. President, I ask that the table which I referred to as having been prepared by the Interstate Commerce Commission may be printed as a part of my remarks.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection the request of the Senator from Iowa will be granted.

The table referred to is as follows:

INTERSTATE COMMERCE COMMISSION,
DIVISION OF STATISTICS,
Washington, February 5, 1918.

The statement covers Class I operating roads whose ratio of average annual net income to capital stock was over 5 per cent for the three years ended June 30, 1917. The totals, by districts, are as follows:

District.	Proposed standard return (A). (b)	Railway operating income for the year ended June 30, 1917, modified as in standard return (D). (f)	Net income less dividends and sinking fund appropriations for the year ended June 30, 1917 (E). (g)	Modified standard return under the proposed amendment (F). (f) (g) (h)	Difference between standard return in S. 3632 and modified standard return. (b) (h) (i)
Eastern	$271,832,392	$287,529,552	$76,861,276	$206,628,725	$65,205,667
Southern	100,931,987	128,147,658	62,874,878	65,272,780	35,659,207
Western	299,214,232	341,618,298	104,227,284	227,004,724	72,209,538
Total	671,978,641	757,295,508	243,963,438	498,904,229	173,074,412

In compiling the data consolidations, reorganizations, etc., were not given consideration, as to analyze all such cases would consume more time than was available. It is probable that the omission would not materially affect the totals.

Statement showing for the roads named certain figures based on interpretations of Senate bill 3632 and of the proposed amendment, compiled from data as returned in the annual reports of the carriers named to the Interstate Commerce Commission.

Road. (a)	Proposed standard return. (A.) (b)	Capital stock actually outstanding. Average for the three years ended June 30, 1917. (B.) (c)	Average net income for the three years ended June 30, 1917. (C.) (d)	Average per cent of net income to capital stock. (d)÷(c). (e)	Railway operating income for year ended June 30, 1917, modified as in standard return. (D.) (f)	Net income less dividends and sinking-fund appropriations for the year ended June 30, 1917. (E.) (g)	Modified standard return under the proposed amendment. (F.) (f)−(g). (h)	Difference between standard return in S. 3632 and modified standard return. (b)−(h). (i)
EASTERN DISTRICT.								
				Per cent.				
Pennsylvania R. R. Co	$46,764,485	$499,195,567	$44,534,939	8.92	$47,948,734	$14,473,083	$33,475,651	$13,288,835
New York Central R. R. Co	53,511,241	249,676,123	32,367,299	12.95	58,188,321	21,259,322	36,928,999	16,582,242
Baltimore & Ohio R. R. Co	25,403,074	210,809,812	12,285,229	5.83	26,148,113	2,367,279	23,780,834	1,622,149
Pennsylvania Co	14,850,556	80,000,000	9,537,859	11.92	13,967,372	354,938	13,612,434	1,238,122
Philadelphia & Reading Ry. Co	15,928,993	42,481,700	10,916,875	25.70	17,413,452	6,037,921	11,375,531	4,553,462
Delaware, Lackawanna & Western R. R. Co	15,855,114	42,220,400	13,890,580	32.90	16,541,813	8,064,744	8,477,069	7,378,045
Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co	10,195,615	67,511,723	4,558,593	6.75	13,391,545	1,270,315	10,195,615	.....
Lehigh Valley R. R. Co	11,083,606	60,608,000	7,169,999	11.83	10,754,534	1,029,268	9,725,266	1,358,340
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co	9,985,039	57,027,200	5,048,902	8.85	11,781,922	6,589,013	5,192,909	4,792,133
Michigan Central R. R. Co	8,099,779	18,735,400	3,463,464	18.48	8,568,841	1,391,115	7,177,726	922,053

NOTE A.—Based on the average annual "Railway operating income," plus or minus the net debits or credits of hire of equipment; equipment rents and joint facility rents, for the three years ended June 30, 1917. Railway operating income is railway operating revenues less railway operating expenses, railway taxes and uncollectible railway revenues.

NOTE B.—Represents the average annual par value of common and preferred stock outstanding and not held by or for the issuing company, for the three years ended June 30, 1917.

NOTE C.—"Net income" is "Railway operating income" plus nonoperating income and minus deductions for interest, rents, and certain other fixed charges.

NOTE D.—Based on the latest available figures which are used for illustration only. (See also Note A.)

NOTE E.—Represents "Net income" as reported, less appropriations from income and surplus for sinking and other reserve funds and for dividends. It is possible that it may have been appropriate to consider other items in arriving at this figure, but to expedite the work only the two items mentioned were used.

NOTE F.—In some cases it is possible that the amount shown will need to be increased to provide for the regular dividends, because of fluctuations in nonoperating income items. Where the figures are the same as shown in column (b) the amendment is not understood to supersede the original provisions of the bill.

Statement showing for the roads named certain figures based on interpretations of Senate bill 3632 and of the proposed amendment, compiled from data as returned in the annual reports of the carriers named to the Interstate Commerce Commission—Continued

Road.	Proposed standard return. (A.)	Capital stock actually outstanding. Average for the three years ended June 30, 1917. (B.)	Average net income for the three years ended June 30, 1917. (C.)	Average per cent of net income to capital stock. (d)÷(c).	Railway operating income for year ended June 30, 1917, modified as in standard return. (D.)	Net income less dividends and sinking-fund appropriations for the year ended June 30, 1917. (E.)	Modified standard return under the proposed amendment. (F.) (f)—(g).	Difference between standard return in S. 3632 and modified standard return. (b)—(h).
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
EASTERN DISTRICT—continued.				Per cent.				
Central R. R. Co. of New Jersey	$9,313,973	$27,436,800	$5,556,775	20.25	$9,724,798	$2,093,157	$7,631,641	$1,682,332
Delaware & Hudson Co	7,415,150	42,502,600	5,437,547	12.79	6,354,377	115,649	6,238,728	1,176,422
Philadelphia, Baltimore & Washington R. R. Co	3,661,608	25,571,000	2,941,156	11.50	4,405,575	1,891,996	2,513,579	1,146,029
Pittsburgh & Lake Erie R. R. Co	9,051,626	31,991,200	7,537,923	23.56	9,542,425	[1] 1,655,137	9,051,626	.....
Elgin, Joliet & Eastern Ry. Co	2,867,702	10,000,000	945,239	9.45	2,605,512	[1] 22,438	2,627,950	239,752
Maine Central R. R. Co	2,970,826	18,199,317	1,605,075	8.82	3,257,175	696,689	2,560,486	410,340
Buffalo, Rochester & Pittsburgh Ry. Co	3,276,410	16,500,000	1,560,021	9.45	3,510,448	597,541	2,912,907	363,503
Bessemer & Lake Erie R. R. Co	4,745,332	500,000	3,236,080	647.22	4,821,261	2,234,014	2,587,247	2,158,085
Chicago & Erie R. R. Co	228,186	100,000	70,449	70.45	[1] 8,210	109,132	[1] 117,342	345,528
Hocking Valley Ry. Co	2,665,004	10,999,500	1,313,129	11.94	3,370,767	1,747,785	1,622,982	1,042,022
West Jersey & Seashore R. R. Co	956,867	10,317,983	691,139	6.70	995,075	141,920	853,155	103,712
Central New England Ry. Co	1,470,608	8,547,200	717,566	8.40	1,510,731	615,118	895,613	574,995
New York, Philadelphia & Norfolk R. R. Co	998,311	2,500,000	893,508	35.74	1,175,032	711,121	463,911	534,400
Rutland R. R. Co	1,026,227	9,150,300	575,651	6.29	1,120,184	518,804	610,380	415,847
Bangor & Aroostook R. R. Co	1,557,656	4,079,067	337,808	8.28	1,746,135	391,823	1,354,312	203,344
Cumberland Valley R. R. Co	1,261,941	5,333,550	1,280,684	24.01	1,558,969	1,116,564	442,405	819,536
Kanawha & Michigan Ry. Co	1,306,255	9,000,000	991,665	11.02	1,447,115	704,126	742,989	563,266
Lehigh & New England R. R. Co	1,155,024	6,000,000	819,722	13.66	1,179,287	345,779	833,508	321,516
Chicago, Terre Haute & South Eastern Ry. Co	926,804	4,300,000	234,761	5.46	1,251,092	469,800	781,292	145,512
Lehigh & Hudson River Ry. Co	525,315	1,340,000	374,915	27.98	525,791	217,843	307,948	217,367
Monongahela Ry. Co	583,175	3,809,333	352,809	9.26	615,154	259,927	355,227	227,943
Cincinnati Northern R. R. Co	322,799	3,000,000	288,573	8.95	377,724	219,907	157,817	164,982
Port Reading R. R. Co	169,236	2,000,000	182,547	9.13	42,971	[1] 103,337	149,308	19,928
Detroit & Toledo, Shore Line R. R. Co	462,061	1,428,000	348,020	24.37	462,298	239,805	222,493	239,568
Buffalo & Susquehanna R. R. Corp	593,466	7,000,000	496,202	7.09	743,001	299,820	443,181	150,285
Staten Island Rapid Transit Ry. Co	329,703	500,000	160,119	32.02	168,563	[1] 87,868	256,431	73,272
Detroit & Mackinac Ry. Co	313,624	2,950,000	218,976	7.42	342,555	157,735	184,820	128,804
Total Eastern district	271,832,392	1,593,322,780	182,921,748	11.48	287,529,552	76,861,276	206,626,725	65,205,667
SOUTHERN DISTRICT.								
Illinois Central R. R. Co	$16,672,020	$109,288,114	$12,383,882	11.33	$22,710,792	$13,450,104	$9,260,688	$7,411,332
Louisville & Nashville R. R. Co	17,509,852	72,000,000	12,053,800	16.75	22,731,889	12,062,423	10,669,465	6,840,383
Norfolk & Western Ry. Co	20,862,896	138,580,857	17,342,819	12.51	24,183,243	10,498,407	13,684,835	7,178,060
Chesapeake & Ohio Lines	13,265,327	62,783,000	5,848,431	9.31	15,633,269	5,473,252	10,160,017	3,105,310
Atlantic Coast Line R. R. Co	10,269,314	68,754,700	7,424,004	10.80	12,714,215	5,376,338	7,337,877	2,931,437
Central of Georgia Ry. Co	3,462,855	20,000,000	1,878,570	9.39	4,358,315	1,937,392	2,420,923	1,041,932
Nashville, Chattanooga & St. Louis Ry	3,217,945	15,994,831	2,175,423	13.60	4,435,754	2,804,138	1,632,623	1,585,319
Mobile & Ohio R. R. Co	2,591,017	6,016,800	883,067	14.76	3,142,328	1,241,732	1,900,595	690,421
Cincinnati, New Orleans & Texas Pacific Ry. Co	3,285,023	5,443,400	2,448,928	44.99	4,979,323	3,315,131	1,655,190	1,629,833
Florida East Coast Ry. Co	2,858,295	10,833,333	1,090,321	10.06	4,007,115	2,174,754	1,832,332	1,025,932
Alabama Great Southern R. R. Co	1,741,801	11,210,350	1,364,246	12.17	2,420,082	1,220,663	1,199,419	542,382
New Orleans & North Eastern R. R. Co	1,016,703	6,000,000	646,449	10.77	1,368,821	571,537	797,284	219,419
Richmond, Fredericksburg & Potomac R. R. Co	1,195,007	4,315,057	979,486	22.70	1,508,012	558,470	949,542	245,465
Georgia Southern & Florida Ry. Co	516,777	3,768,000	222,186	5.90	747,160	353,353	393,807	122,970
Charleston & Western Carolina Ry. Co	478,916	1,200,000	260,036	21.67	583,845	308,683	275,162	203,754
Gulf & Ship Island R. R. Co	600,705	7,000,000	373,070	5.33	616,872	298,856	318,016	282,689
Alabama & Vicksburg Ry. Co	333,781	2,100,000	360,784	17.18	497,285	272,453	224,832	108,949
Washington Southern Ry. Co	499,026	4,000,000	348,641	8.72	730,923	504,627	226,296	272,730
Atlanta & West Point R. R. Co	259,820	2,463,600	292,922	11.89	387,782	273,114	114,668	145,152
Western Railway of Alabama	294,904	3,000,000	251,851	8.39	398,619	179,446	219,173	75,731
Total	100,931,987	554,745,062	68,636,910	12.37	128,147,658	62,874,878	65,272,780	35,659,207
WESTERN DISTRICT.								
Atchison, Topeka & Santa Fe Ry. Co	$38,139,059	$332,323,877	$32,230,091	9.70	$43,076,082	$20,209,304	$22,866,778	$15,272,281
Southern Pacific Co	38,377,277	272,725,239	17,983,726	6.60	43,883,903	2,187,028	38,377,277	.....
Chicago, Milwaukee & St. Paul Ry. Co	27,214,821	233,235,167	14,336,613	6.15	27,978,372	186,287	27,214,821	.....
Chicago, Burlington & Quincy R. R. Co	34,040,162	(G)110,839,100	(G)24,444,045	(G) 22.05	(J)40,616,182	(H)22,283,311	18,352,871	15,687,291
Chicago & North Western Ry. Co	23,451,674	157,591,852	16,040,315	10.18	26,184,581	7,562,445	18,622,135	4,829,538
Great Northern Ry. Co	28,754,716	249,361,863	24,021,687	9.63	28,910,903	6,514,433	22,396,413	6,358,303
Northern Pacific Ry. Co	30,383,324	247,982,000	24,287,781	9.87	34,943,547	10,954,428	23,989,119	6,394,205
Union Pacific R. R. Co	23,744,051	321,835,100	31,018,328	9.64	26,109,233	6,295,077	19,813,180	3,930,862
Minneapolis, St. Paul & Sault Ste. Marie Ry	11,637,004	(G)37,810,200	(G) 4,571,790	(G) 12.09	(J)11,847,688	(H)2,611,881	9,235,807	2,401,197
Oregon Short Line R. R. Co	10,243,359	100,000,000	9,381,016	9.38	12,781,039	12,038,105	712,934	9,530,425

[1] Deficit or reverse item.

NOTE A.—Based on the average annual "Railway operating income," plus or minus the net debits or credits of hire of equipment, equipment rents, and joint facility rents, for the three years ended June 30, 1917. Railway operating income is railway operating revenues less railway operating expenses, railway taxes, and uncollectible railway revenues.

NOTE B.—Represents the average annual par value of common and preferred stock outstanding and not held by or for the issuing company, for the three years ended June 30, 1917.

NOTE C.—"Net income" is "Railway operating income," plus nonoperating income and minus deductions for interest, rents, and certain other fixed charges.

NOTE D.—Based on the latest available figures which are used for illustration only. (See also Note A.)

NOTE E.—Represents "Net income" as operated, less appropriations from income and surplus for sinking and other reserve funds and for dividends. It is possible that it may have been appropriate to consider other items in arriving at this figure, but to expedite the work only the two items mentioned were used.

NOTE F.—In some cases it is possible that the amount shown will need to be increased to provide for the regular dividends, because of fluctuations in nonoperating income items. Where figures are the same as shown in column (b) the amendment is not understood to supersede the original provisions of the bill.

NOTE G.—Figures based on the two years ending June 30, 1915, and June 30, 1916.

NOTE H.—Year ended December 31, 1916.

NOTE J.—Partly estimated.

NOTE K.—Figures based on the two years ending June 30, 1916, and June 30, 1917.

Statement showing for the roads named certain figures based on interpretations of Senate bill 3632 and of the proposed amendment, compiled from data as returned in the annual reports of the carriers named to the Interstate Commerce Commission—Continued.

Road. (a)	Proposed standard return. (A.) (b)	Capital stock actually outstanding. Average for the three years ended June 30, 1917. (B.) (c)	Average net income for the three years ended June 30, 1917. (C.) (d)	Average per cent of net income to capital stock. (d)÷(c). (e)	Railway operating income for year ended June 30, 1917, modified as in standard return. (D.) (f)	Net income less dividends and sinking-fund appropriations for the year ended June 30, 1917. (E.) (g)	Modified standard return under the proposed amendment. (F.) (f)—(g). (h)	Difference between standard return in S. 3632 and modified standard return. (b)—(h). (i)
WESTERN DISTRICT—continued.				Per cent.				
Texas & Pacific Ry. Co. (Rec.)	$4,145,821	$38,755,110	$2,548,330	6.58	$5,768,676	$4,349,712	$1,418,964	$2,726,857
Chicago, St. Paul, Minneapolis & Omaha Ry. Co	4,955,248	29,815,000	2,854,452	9.57	5,460,301	1,439,690	4,020,611	934,637
Duluth, Missabe & Northern Ry. Co	5,377,214	4,112,500	4,693,088	114.12	7,150,468	1,059,334	5,377,214	.....
El Paso Southwestern Co	(J) 4,256,395	(G) 25,000,000	(G) 2,190,198	(G) 8.76	(J) 6,112,390	(H) 2,082,092	4,030,298	226,097
Houston & Texas Central R. R. Co	1,732,973	10,000,000	1,088,368	10.88	2,901,747	2,276,369	625,378	1,107,595
Duluth & Iron Range R. R. Co	2,398,945	5,333,333	2,040,987	38.27	2,633,753	606,835	2,026,918	372,027
Fort Worth & Denver City Ry. Co	1,904,975	9,243,800	1,297,029	14.03	2,564,989	1,330,242	1,234,747	670,228
Panhandle & Santa Fe Ry. Co	1,341,385	604,500	389,097	64.37	1,983,820	1,013,527	970,293	371,092
St. Louis, Brownsville & Mexico Ry. Co	990,237	500,000	263,544	52.71	2,046,814	1,231,316	815,498	174,739
Chicago, Rock Island & Gulf Ry. Co	(J) 961,648	(G) 469,000	(G) 83,685	(G) 17.84	(J) 1,273,057	(H) 46,112	961,648	.....
Bingham & Garfield Ry. Co	1,299,862	6,171,667	1,405,681	22.78	1,812,940	38,582	1,299,862	.....
Louisiana Western Ry. Co	903,918	3,360,000	802,684	23.89	1,372,421	1,285,784	86,637	817,281
Nevada Northern Ry. Co	885,023	2,000,000	879,907	43.99	1,231,472	203,722	885,023	.....
Vicksburg, Shreveport & Pacific Ry. Co	347,934	4,999,300	299,634	5.99	(J) 628,981	399,599	229,382	118,552
Houston East & West Texas Ry. Co	377,627	1,920,000	234,199	12.20	581,755	450,559	134,196	243,431
Cripple Creek & Colorado Springs R. R. Co	(K) 360,737	757,000	171,612	22.67	529,520	134,395	360,737	.....
Colorado & Wyoming Ry. Co	333,053	100,000	162,636	162.64	415,503	106,133	309,370	23,683
Wichita Valley Ry. Co	353,169	1,020,000	117,936	11.56	346,926	12,974	333,952	19,217
Arizona & New Mexico Ry. Co	302,651	2,770,000	237,614	8.58	468,199	130,742	302,651	.....
Total	230,214,262	2,210,635,611	220,076,073	9.96	341,618,298	104,227,284	227,004,724	72,209,538

NOTE A.—Based on the average annual "Railway operating income," plus or minus the net debits or credits of hire of equipment, equipment rents, and joint facility rents, for the three years ended June 30, 1917. Railway operating income is railway operating revenues less railway operating expenses, railway taxes, and uncollectible railway revenues.

NOTE B.—Represents the average annual par value of common and preferred stock outstanding and not held by or for the issuing company, for the three years ended June 30, 1917.

NOTE C.—"Net income" is "Railway operating income," plus nonoperating income and minus deductions for interest, rents, and certain other fixed charges.

NOTE D.—Based on the latest available figures which are used for illustration only. (See also Note A.)

NOTE E.—Represents "Net income" as operated, less appropriations from income and surplus for sinking and other reserve funds and for dividends. It is possible that it may have been appropriate to consider other items in arriving at this figure, but to expedite the work only the two items mentioned were used.

NOTE F.—In some cases it is possible that the amount shown will need to be increased to provide for the regular dividends, because of fluctuations in nonoperating income items. Where figures are the same as shown in column (b) the amendment is not understood to supersede the original provisions of the bill.

NOTE G.—Figures based on the two years ending June 30, 1915, and June 30, 1916.

NOTE H—Year ended December 31, 1916.

NOTE J.—Partly estimated.

NOTE K.—Figures based on the two years ending June 30, 1916, and June 30, 1917.

Mr. ROBINSON obtained the floor.

Mr. POMERENE. Mr. President, I know that the Senator from Arkansas has given a great deal of very careful thought to the bill now pending before the Senate and I feel that Senators ought to hear what he has to say. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KING in the chair). The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	New	Smoot
Beckham	Henderson	Norris	Sterling
Borah	Hitchcock	Nugent	Stone
Calder	James	Overman	Sutherland
Chamberlain	Johnson, Cal.	Page	Swanson
Cummins	Johnson, S. Dak.	Phelan	Thomas
Curtis	Jones, N. Mex.	Pittman	Tillman
Dillingham	Jones, Wash.	Poindexter	Trammell
Fernald	Kellogg	Pomerene	Vardaman
Fletcher	Kenyon	Robinson	Wadsworth
France	King	Saulsbury	Watson
Frelinghuysen	Knox	Shafroth	Weeks
Gallinger	McKellar	Sheppard	Williams
Gronna	McNary	Simmons	Wolcott
Hale	Martin	Smith, Mich.	
Harding	Myers	Smith, S. C.	

Mr. MCKELLAR. I desire to announce that the Senator from Kansas [Mr. THOMPSON] is detained on official business.

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, the Chair announces that a quorum is present. The Senator from Arkansas is recognized.

Mr. ROBINSON. Mr. President, I express the hope that Senators whose other duties will enable them to do so will remain in the Chamber during the brief time that I shall attempt to discuss two matters connected with the bill under consideration.

In all that has been said by the Senator from South Carolina [Mr. SMITH], the Senator from Minnesota [Mr. KELLOGG], and the Senator from Iowa [Mr. CUMMINS] concerning the importance of this measure I heartily concur. Considered from the standpoint of property values involved and the economic issues which are in part, if not wholly, determined by the bill, it is perhaps more far-reaching than any other measure that has come before the Congress.

It is not necessary to argue the wisdom of promptly disposing of the issues raised by the pending legislation. That must be apparent to every Senator. I do not mean to imply that undue haste should occur in determining such important questions as we now consider, but it may with propriety be asserted that all unnecessary delay should be avoided, and the questions now at issue should be determined just as quickly as their importance and nature will permit.

The Director General is very anxious that Congress shall act, for it is necessary to arrange as soon as practicable for certain funds in connection with the maintenance, the depreciation, and the operation of the carriers under his control. It is desirable to end, in so far as legislation can do so, the existing uncertainty as to the status of the railroads and the policy of the Government in the operation of them and to take such action as may be necessary to prevent loss and inconvenience to the carriers and to the public resulting from the lack of necessary arrangements for maintenance and indispensable improvements.

Furthermore, the financial plans and policies of the administration can be much more readily formulated and consummated; the enormous funds necessary to be secured through liberty loans and otherwise for the requirements of the Treasury in the prosecution of the war can be much more readily obtained when the vexing questions connected with this legislation have been answered and the purpose and policy of the Government respecting the control and operation of transportation lines have been definitely fixed by law.

This bill providing for the operation of transportation systems while under Federal control and for just compensation to their owners should be kept before the Senate until disposed of. It ought not to be laid aside for the consideration of appropriation measures or other bills, however important, unless of a very emergent nature.

It is not my intention to undertake at this time a discussion of all the important controverted subjects connected with the bill. I prefer rather to pursue a course which I hope will be helpful to some Senators who desire to understand that feature of the bill immediately under consideration, namely, section 1, relating principally to the authorization of agreements between the Government and the railroads in settlement of the compensation due the owners for the taking of their property by the President. I shall direct my remarks for the pres-

ent principally to the subject of "Compensation." Before entering upon a discussion of this fundamentally important feature of the bill it may not be undesirable to discuss another topic concerning which the Senator from Minnesota [Mr. KELLOGG] has expressed an opinion contrary to that asserted by the Senator from South Carolina [Mr. SMITH] and the Senator from Iowa [Mr. CUMMINS].

SOME OF THE REASONS FOR FEDERAL CONTROL.

The Senator from Minnesota [Mr. KELLOGG], in his very able and instructive address on this bill delivered on Wednesday last stated that, in his opinion, it was unnecessary and unwise for the Federal Government to take possession of and to operate the railroads; that all justifiable ends could have been as readily accomplished through private control and operation under the supervision and counsel of a central authority, the Director General.

The Senator from South Carolina [Mr. SMITH] has forcefully informed the Senate of the reasons requiring the Government to take over the roads and operate them, and the Senator from Iowa [Mr. CUMMINS] has reinforced his position in this regard, expressing the opinion that the Executive should have acted when the war began, and that the only important mistake was in too long delaying action under the act of August 29, 1916.

I believe, and shall attempt to demonstrate, that Federal control and operation were necessary, indeed, almost unavoidable, and that the President acted wisely in not exercising the powers conferred upon him by Congress to take over the railroads and operate them in a time of war until the necessity for such action had been recognized by public opinion. For the Government to take possession of and use the railroads was a very radical step, involving it in great liabilities and responsibilities. And it does not seem to me to be a proper subject of censure or criticism that the Chief Executive was not hasty in exercising the very extraordinary authority.

The Senator from Minnesota [Mr. KELLOGG] does not, in my opinion reflect the prevailing judgment among other well-informed students of transportation conditions in the United States when he declares that it was unnecessary and unwise to take over and operate the railroads during the present war. His legal knowledge, his broad experience and devotion to the public interest give force to any opinion he may express, but it seems to me that the weight of the argument is against his contention. With no disposiion to assert myself as an authority on the subject, I take the liberty of summarizing briefly some of the arguments which, to my mind, conclusively justify the taking and operation of the railroads by the Government under existing conditions.

During recent years railroad extensions and construction have not kept pace with the requirements of commerce. It would not be profitable to enter upon a discussion of the reasons for the partial suspension of railroad building in the United States during late years. It is the fact which is important in this debate. While traffic was constantly and rapidly increasing, railroad extensions and equipment were not being provided in proportion. With the outbreak of the war, transportation requirements, particularly on the lines approaching the Atlantic seaboard, were greatly increased. The railroads seemed unable correspondingly to increase their facilities. In this address I lay no blame upon them for this.

While many lines in other parts of the country promptly transported the freights tendered them, the railroads in the East, particularly those which reach our greatest seaport, became overcrowded, resulting in thousands of freight cars being used for warehouse purposes. The inability of ships sailing from New York Harbor to obtain coal, added to other embarrassments to shipping, accentuated the difficulties until the congestion became appalling.

It became apparent that one practical means of relief could be found in the diversion of freight. This could not be legally accomplished under private control, the law giving to the shipper the privilege of routing his freight. The Federal Government operating the roads could disregard shippers' routings and send the freight over any line.

Moreover, the rerouting of freight materially affects the operating revenues of the carriers and implies the necessity for pooling earnings, which can not legally be done under private control. Even if the antipooling sections of the law had been repealed, railroads operating under a competitive system, which has been regarded as one of the fundamental features of private control and operation, would not be able promptly to effect voluntary arrangements which would deprive one road of its normal business for the benefit of a competing carrier.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. ROBINSON. I yield to the Senator from Minnesota.

Mr. KELLOGG. I wish to say that in that regard I agree with the Senator. I do not wish to be understood as disagreeing on that proposition. Government direction was undoubtedly necessary to accomplish that, because under the present law the railroads themselves could not bring about that result.

Mr. ROBINSON. I think the Senator's statement adds strength to the argument which I am attempting to make, and I thank him for it.

It should be remembered that at the time the President took possession of the railroads the military operations of the Government were being greatly embarrassed. Troops, supplies, and munitions destined for the battle front were being delayed both on the railroads and at port. Only the strong arm of the Government could clear the lines, hurry necessary fuel to the ships, and hasten the transportation of soldiers and supplies to France. Unified control was partially accomplished through the railroads war board, a voluntary organization composed of some of the best and ablest railroad men in the Nation while the carriers were yet under private control. The service which this board rendered was in many respects admirable and highly commendable, but the board could not make or repeal law, and, most important of all, it could not remove the natural obstacles to unified operation created by the desire and obligation of every railroad manager to secure for his line all the business he could obtain.

Under Government control it is possible to make common use of all tracks, facilities, and equipment. This could not be legally done under private control.

Under private control it was not possible to distribute efficiently cars and motive power, and in consequence some roads were at times over supplied, while others were unable to obtain a sufficiency. Under private control when freight was diverted by the action of the war board, it probably constituted a violation of law and gave rise to many difficulties which do not arise under Federal control.

Furthermore, the railroad representatives were fearful of a decline in railroad credit. They claimed to need the financial support of the Government to sustain and stabilize railroad securities, in the absence of which the railroads were threatened with ruin.

Before the President exercised the powers conferred upon him by the act of August, 1916, the public had generally come to anticipate the taking over and operation of the roads by the Government, and I believe the wisdom of his action has been disclosed by events which have already occurred and will be further vindicated in the future.

Whatever may be our views concerning the wisdom and necessity of Federal control, it is an accomplished fact that the President, under the authority of Congress, has taken possession of the railroads and is operating them through the agency of the Director General. The taking possession of the roads and the use of them by the Government creates a legal liability on the part of the Government to the owners to pay for the use of the property taken.

THE NATURE AND EXTENT OF THE GOVERNMENT LIABILITY.

I shall now briefly speak of the nature and extent of the Government liability. This legislation is framed upon the theory that the Government's possession and use of the railroads is merely temporary, and that, therefore, the true legal measure of "just compensation" is not the value of the property taken, but is the value of its use. The Congress can not declare, as has been heretofore stated in the debate and as every Senator probably understands, what constitutes just compensation. It can not determine the amount due the railroads and provide a fixed sum by appropriation. Under the Constitution, the question as to what constitutes just compensation is a legal question, to be determined by the courts after a consideration of all the facts and circumstances. The Congress can not even instruct or direct the courts to embrace or exclude elements of value, nor can it restrict them in determining the amount of just compensation due. If the Congress could impose upon the courts a direction as to what facts should be considered and what elements of value should be embraced in determining the question of just compensation, it could effectually confiscate property and thus defeat the very purposes of the constitutional provision that "private property shall not be taken for public use without just compensation." I maintain, notwithstanding the prolonged and, to my mind, in some respects erroneous argument of the Senator from Iowa, that the standard return is the best and fairest basis for agreement as to just compensation that has been suggested, for the all-controlling reason that it

approximates closely the legal measure of the amount recoverable at law.

Mr. President, the Government's obligation is to pay to the railroads what is due them for the use of their property. Congress can not deprive the carriers of the right to receive compensation for the use of their property taken and used by the Government. Certainly no Senator would desire to do that. The Congress can provide the means and the tribunal for determining the amount of compensation to be paid for private property taken for public use, but it can not restrict or circumscribe the power of the tribunal to determine the amount of compensation to be paid. The standard return provided for in this bill—namely, the average annual railway operating income for the three-year period ended June 30, 1917—constitutes a just basis for an agreement respecting just compensation. Some have claimed that the compensation which may be obtained under this standard return is too little, while others, including the Senator from Iowa, have asserted that it may be entirely too much.

Every Senator who has discussed this subject has expressed the opinion that it is both desirable and necessary to enact legislation to enable the President to make agreements with the railroads, and thus avoid the necessity for litigating the question of compensation in the courts. This proposition seems self-evident. If the railroads of the country should be remitted in the first instance to the courts for a determination of the question of just compensation, it would require the talent, the energy, and the resources of many of the best men of the Nation for many years before these disputes could be settled. In addition to this, it would lessen the efficiency of the transportation systems and weaken the Government in the conduct of the war. It must be admitted by all that it is desirable to provide for settling the question of compensation out of court. Of course, the Congress can not take away from the railroads the right to litigate the question. We can not compel any carrier to enter into an agreement. We must provide a means for determining judicially the amount of compensation due any carrier for the taking and use of its property by the Government. It follows that any agreement provision, to be acceptable, must be of such a nature that it is likely to be availed of, both by the Government and by the carriers. It would be futile to spend our time in formulating a method for settling out of court these disputes if the provisions of the law enacted by Congress were such that in all probability the railroads would not take advantage of them, but would prefer to take their remedy through judicial process.

The chief value of the standard return is that it approximates the actual amount of compensation which a court would in all probability award a carrier upon a trial of its case. It is necessary and advisable that any agreement provision which we write in this bill should have that characteristic. Since the railroads can not be deprived of the right to sue for compensation and have a court pass upon the amount due, it would be absurd to deny to them approximately the amount to which they would be plainly entitled under the law. It seems to me to be the wise course to so write this bill that the railroads can obtain without litigation approximately what they would be likely to get through litigation, and if we do this, in all probability the carriers will enter into an agreement; if we fail to do this, they will likely decline to enter into agreements, and will resort to the courts for their remedy.

It is my purpose now to attempt to show that the provision in this bill respecting compensation through voluntary settlement between the President and the carriers is fair and just, and approximates the basis upon which the courts would determine it. If I can establish this proposition, I will be entitled to have your favorable action concerning this provision.

The primary and fundamental element which a court will consider in determining the value of the use of property, is its earning capacity. I do not mean to imply that other elements do not enter into the subject, or to assert that other facts should not receive due consideration. I merely say that the principal thing in determining the value of the use of property is its earning capacity. The carriers had established their earning capacity under Government regulation and supervision. A system of rates which determines the amount of their earnings has been in operation with the approval of the Government as just and reasonable, and this system of rates has been recommended as a fair basis for present and future charges. That is to say the Interstate Commerce Commission has fixed the rates, and recommended to Congress that the rates so fixed be determined legislatively as fair and reasonable.

Prior to the passage of the act to regulate commerce in 1887 the power of the railroads to make rates was unlimited. Few legal restrictions, especially of a Federal nature, existed on the authority of a carrier to charge any rate it desired. With the act of 1887 began the period of regulation which extends to the present. The act of 1890, commonly called the Sherman Antitrust Act, the act of 1906, and the act of 1910 constituted an evolution in the regulation of the railroads through Federal agency. Gradually the power of the Federal regulating body was increased and extended until now it may be said that the Interstate Commerce Commission has the power to make and determine rates.

The railroads blame upon overregulation by the Interstate Commerce Commission and State commissions many of the deficiencies in railroad affairs. Their representatives assert that the Government, through the Interstate Commerce Commission, has pursued a niggardly policy which has prevented them from making sufficient earnings to adequately provide extensions, additions, and equipments. I do not subscribe to this declaration without material modification.

The standard return is based upon the average annual earnings for the three-year period ended June 30, 1917. These earnings were made under Federal regulation, under rates fixed and controlled by a Federal agency, the Interstate Commerce Commission.

What would be the legal effect of this in a judicial proceeding to determine just compensation? In my opinion, the earnings of the railroads under rates fixed by the Government agency would not be conclusive of just compensation. Evidence would be admitted to show that the earnings which the Government permitted were inadequate to meet the requirements of the constitutional provision as to just compensation, or, on the other hand, that they were in excess of just compensation. The rate-making power, within certain limitations, is, of course, a legislative power. It would be perfectly competent for the legislature to adopt toward the railroads a policy which would enable them to realize very great profits, profits in excess of the measure of the value of the use of their property when taken by the public. The principal limitation upon the legislative power to make rates is that they shall not be confiscatory. A rate which is not confiscatory may not, however, be compensatory in the true sense of that term. It would undoubtedly be competent to show as an evidence of the value of the property or its use the earnings of the railroads under Government regulation. In all probability a court would give great weight and credence to this evidence.

It is not only true that the standard return approximates the legal basis for just compensation, but it is also the most convenient plan that has been suggested for adjusting controversies concerning compensation. It involves the use of terms, records, and accounting systems of the Interstate Commerce Commission.

Some difference of opinion has been expressed as to just what items should be embraced in the standard return.

Apparently all are agreed that it should include operating revenues, operating expenses, railway tax accruals, and uncollectible railway revenues, but there is considerable difference of opinion as to whether other items should be included. The present bill as amended includes "equipment rents" and "joint facility rents." In determining the standard return it is well to know something of the details of the character of the Government operations, what changes will be effected in existing methods and practices, and the purpose of the Government in providing the standard return, or any other, for that matter.

During the course of the remarks of the Senator from Iowa [Mr. CUMMINS] the question arose as to what is the necessity or justification for the Government to make a guaranty to the railroads. I attempted then to explain briefly the justification for this proposal. Under Government operation and control it will be the policy to affect very materially the business of the carriers operated by the Government. Some of the railroads will no doubt have their business very materially increased, while others will experience a great falling off in the traffic which they carry.

It may with propriety be assumed, first, that the Government will so conduct the railway operations as to affect the net income of individual carriers, and perhaps of the carriers as a whole, and the net income will very likely be quite different from what it would be under private operation.

Second, the Government desires to be just and fair, both to the public and to each individual carrier whose property is taken over, and it, therefore, desires to establish a basis for the standard return that will not favor one carrier as against another.

Third, as to the roads taken over and operated, the Government will receive the income and make or authorize the expenditures so far as the income items included in the standard return are concerned, and it will further guarantee to each of such carriers a definite amount, retaining the surplus income, if any, and providing from other sources for any deficit there may be, and, further, that the carriers, individually, will be re-

sponsible for receipts and expenditures involving income or other items not included in determining the standard return.

If these assumptions be correct, every item of income that may be affected in one way or another by Government operation should be included in arriving at the standard return. Of course, it is not necessary to carry this idea to the extreme. It is the opinion of the best experts I have consulted that in practically all cases justice will be done if the standard return outlined in the proposed bill is adopted.

Some of the reasons justifying these conclusions are embraced in the following suggestions:

EQUIPMENT RENTS.

The term "equipment rents" includes not only hire or rent of freight cars but also of locomotives, passenger cars, floating equipment, and work equipment. As to most roads the item of greatest importance is "hire of freight cars." The credit to this account represents amounts receivable by an owning company for the use of its freight cars leased or interchanged, and the debit represents amounts payable by the using carrier for the use of freight cars of other carriers leased or interchanged and for the use of freight cars of individuals and companies not subject to the act to regulate commerce. Taking the carriers as a whole, the balance is always a debit. As to freight cars interchanged among carriers in the United States, the debits and credits should equal each other, but freight cars are frequently leased from individuals or companies that do not report to the commission, in which case there would be a debit with no corresponding credit. The payments made for the use of private freight cars are also a debit, with no corresponding credit. There is a large interchange of freight cars with Canadian roads and some interchange with Mexican roads; and as the roads in these foreign countries do not report to the Interstate Commerce Commission the car interchange may affect the balance either way, depending upon the ownership of the cars interchanged. There is also a negligible amount of income received by the carriers for freight cars rented to industrial concerns, logging roads, and so forth, that do not report to the commission and for which there is no corresponding debit.

Rents from locomotives and passenger cars are largely between carriers, although either the debits or credits to income may be affected by rentals received or paid to companies which do not report to the commission or at least do not report as steam roads. For example: A carrier might rent a locomotive to or from an industrial concern or a logging road, neither of which reports to the commission, or it might rent a passenger-train car to or from the Pullman Co. which does report to the commission, but not as a steam railroad. Floating equipment is perhaps generally rented from individuals or concerns other than steam railroads so that in the railroad account the balance as a whole would probably always be a debit. The amounts received and paid from the use of work equipment are of minor importance, and perhaps represent in most cases payments among steam railroads, so that the debits and credits should be approximately equal.

The Government operations will undoubtedly affect the use of equipment. The Government may send to Canada or to Mexico a greater number than usual of the cars owned by the carriers of the United States, thus increasing the rental credit, or it may so conduct operations that a greater number than usual of cars of the Canadian or Mexican roads may be used on the lines of our carriers, thus increasing the rental debit; it might require the railroads to rent a greater number of units of floating equipment or to release units now in use by the steam railroads; it might require the Pullman Co. to turn over all or certain of its cars for use by the steam railroads as their equipment rather than Pullman equipment; it might change the rate or the basis for the allowance to private freight-car owners for the use of their cars, thus affecting the amount of such payments; and it might, so far as some carriers are concerned, entirely change the movement of freight using some lines exclusively for passenger service and others for freight service.

The effect upon the total, however, is of little importance as compared with the effect upon the income of individual roads. It is conceivable and, indeed, quite probable that locomotives may be transferred from southern and western roads to eastern roads. If the item "rent for locomotives" be omitted in arriving at the standard return, the eastern roads, it would seem, will individually be required to pay a rental for such of these locomotives as they may use, and this will be an expenditure chargeable to income, for which no provision for reimbursement will have been made. The use of the locomotives, however, will not benefit the eastern carriers, because their returns from freight and passenger service will have been fixed on the results of operations during past years. In this case the eastern roads would be the losers and the southern and western roads the gainers.

In case the Government should make a freight road of one carrier and a passenger road of another, the income of these two carriers from rent of equipment might be affected in exactly opposite ways—one might be benefited and the other damaged.

It may be said with conservatism that to omit the one item of "equipment rents" from those included in determining the standard returns may result in bankrupting fairly prosperous roads, unless, of course, means be adopted to prevent the injustice that may fairly be expected to result.

JOINT-FACILITY RENTS.

It is a matter of general knowledge that the gross rental for joint facilities—facilities used in common by two or more carriers—is in part an operating expense and in part a rent proper. In some leases the contract stipulates for the use of the joint facilities at a rate per ton, per car, per mile, or some lump-sum basis, the payment including not only rent (income) but maintenance and operation as well. In other leases the contract stipulates that the income item of rents based upon a percentage rate applied to the cost of the facilities as well as to the expenses of maintenance and operation shall be divided upon a tonnage or per car basis. It is, therefore, evident that no hard and fast rule can be laid down for the separation of the rental feature from the operating feature, nor for the apportionment of the rental feature between the users of the facility. In the case of the first arrangement mentioned, the joint-facility rent is not a fixed amount nor does it appear to bear any relation to the capital invested. As a matter of fact, it is what is left after expenses have been provided for, maintenance and operation being apportioned as closely as can be determined to actual cost. The rent necessarily depends largely upon the volume of traffic handled. For this reason it should be accorded the same treatment as operating expenses and not burden the income of a road with expenses from which it will derive no revenue and, conversely, relieve the income of a road of expenses traceable to the traffic of that road.

The result in the aggregate, and consequently the amount involved in the Government guarantee will not be appreciably affected since the debits to the income of the lessee roads will practically equal the credits to the income of the lessor roads. For this reason the amount paid by the Government will not be appreciably affected if joint-facility rents are included in the standard returns. However, the inclusion will prevent many cases of injustice to carriers which might otherwise arise.

LEASED ROAD RENTS.

Some experts claim that "leased road rents" should not be included in the standard returns, for the reason that they are not a measure of the carrier's operations.

MISCELLANEOUS RENTS.

The items included in miscellaneous rents are relatively unimportant, and in most cases will not be seriously affected by Government operation. Consequently these items need not be included in the standard returns.

Thus the standard return approximates the measure of compensation to which the carriers are legally entitled and at the same time will prevent unfair discrimination in the amount of compensation to be paid individual carriers. It is also consistent with existing methods of accounting prevailing among the railroads and in the Interstate Commerce Commission and will, therefore, present little technical difficulty in ascertaining the sums to be paid under such agreements as may be made.

In the event no agreement is made the amount of just compensation due may be investigated by boards of referees who will report their findings to the President. He may then agree with any carrier upon any sum as compensation not in excess of the amount found due by the board of referees.

As already stated the provisions in the bill authorizing agreements are designed to afford a fair and speedy method of determining out of court controversies concerning compensation.

If no agreement is made based upon the findings of the referees, either the President or the carrier may institute a proceeding before the Court of Claims for the determination of the amount of compensation and in such proceeding the report of the referees is made prima facie evidence of the amount due.

Considering all the facts and circumstances, it appears that the provisions in this bill relating to the amicable adjustment of compensation due the carriers are fair to both the public and the railroads.

If the railroads had continued in private operation it is quite probable that the amount which the public would have been required to pay for transportation would have exceeded the amount that will be paid to the railroads under Federal control. I do not believe any well-informed person will assert that there existed at the time the Government took possession of the railroads any considerable probability of a substantial reduc-

tion in the early future of railroad rates. On the contrary, it appears quite probable that if the Government had not taken over the roads an increase in rates might have been made. Since the standard return represents an average for the three-year period, which embraces one lean year and two prosperous years, as to railroad earnings, it is not unfair and it does not appear likely that the railroads would voluntarily relinquish all claims for compensation or the right to have the amount of compensation due them determined by legal process, for sums manifestly less than could be recovered in court.

THE STANDARD RETURN COMPARED WITH OTHER PLANS FOR COMPENSATION.

No other plan has been suggested which, in my opinion, so nearly as the standard return meets the requirement of fairness and justness to both the public and the carriers.

AVERAGE MARKET VALUE OF RAILROAD STOCKS.

It has been suggested that the average market value of railroad stocks for a fixed period constitutes a better basis.

The evidence disclosed that the market value of railroad stocks bears little relation to the earning capacity of the roads, or, for that matter, to the value of the railroad property used for carrier purposes.

The market value of railroad stocks is influenced, if not controlled, by many other conditions. In some notable cases when the earnings of a road have been at their maximum the stocks have sold at a much lower price than at other times when the earnings have been far less.

Take another instance: When a railroad management has "skinned" the property, that is, has stinted expenditures for maintenance, depreciation, betterments, and extensions, and has declared substantially all earnings in dividends, the stocks have found high values on the markets.

Furthermore, railroad stocks, as everyone knows, have been the subject of speculation and manipulation and do not, therefore, furnish a fair or stable basis to determine the value of the use of the property upon which they are supposed to be based.

In illustration of the unfairness which would result from basing compensation upon the market value of railroad stocks I cite the testimony of Mr. Kruttschnitt, at pages 293 to 296 of the hearings. I will read a portion of his testimony.

Mr. Kruttschnitt was asked by the Senator from Iowa [Mr. CUMMINS] this question:

It is something the company can do whatever it likes with. In other words, I did not contemplate compelling the railway companies to divide their compensation among the shareholders in dividends if they did not desire to do it. We are dealing with the railway companies which own the property.

Mr. Kruttschnitt had been asked by the Senator from Ohio [Mr. POMERENE] some time previously his opinion concerning the proposal to base the compensation upon the average market value of railroad stocks, and here is his reply:

Well, it seems to us that if you impress or commandeer—which is what the Government has done—the use of these properties from the owners that you should pay a fair return on the value of the properties and not on market prices of stock, which are notoriously fickle, follow no law whatever, and are subject to violent fluctuations, sometimes for a reason that can be assigned, and more frequently for reasons that no man can assign.

The best test of the value of the use of the property which the Government takes is, of course, the return or income which the owners have been getting from it before the date of impressment, and my views yesterday were directed to that feature of compensation. Now, if you take the commission's estimates or statements to this committee of the market value of stocks, over a certain period which they worked up, I think, at your request——

Senator CUMMINS. In that respect I hope Mr. Kruttschnitt will take into account the fact that the total furnished by the commission is of comparatively little value, because for the three years that it names it simply takes the high point and the low point for the year and makes an average of the two. A fairer average of the market value of stock would require an enlarged basis.

Mr. KRUTTSCHNITT. Quite right. I did not know how it was arrived at. I simply got it off these statements. If they are not reliable, I do not think it is worth while to waste any of the committee's time in argument on it, except to say if they had been reliably gathered, and if they had multiplied the total bonds and stock issued by these prices, you would have gotten for the years in question—which I think were 1912, 1916, and 1917—values which were highest in 1912, lower in 1916, and still lower in 1917. In the interval values of the property have increased largely from 1912 to 1917. In other words, making the multiplications, you will find that the valuation of the properties derived from the multiplication of the average cost of stocks and bonds by their amounts would represent $1,600,000,000 less in the latter period than the former; yet in the interim $2,000,000,000 more money has been put into the property, so it shows how misleading such a plan of deducing value would be.

In answer to a further question Mr. Kruttschnitt made this statement:

Now, to take some concrete examples, I will cite Southern Pacific stock, as it is our own stock, and I am more familiar with it than any other. Southern Pacific stock sold about 10 years ago at its maximum, which was $128 or $130. It sold a couple of weeks ago at $75, a fall of 55 points—$55 a share.

In the same period the Southern Pacific Co. put $400,000,000 of new money—actual cash—into its property.

Senator POMERENE. In what period?

Mr. KRUTTSCHNITT. In about 10 years; and increased its property values by about 50 per cent.

Senator POMERENE What do you mean by that?

Mr. KRUTTSCHNITT. I mean that, using approximate figures of 10 years ago, the property values of the Southern Pacific properties were $800,000,000 and to-day about $1,200,000,000. Now, the actual cash put in the property increased about 50 per cent, and the market quotations of the stock fell 55 points on 130—that is, 42 per cent. The money put in the property increased 50 per cent, and the market value of the stock decreased 42 per cent.

Further on he made this statement, after reading which I will proceed with my argument:

I cite that to show that without any increase in the amount of stock the market quotations have little or nothing to do with the intrinsic value. Remember, market quotations apply to a very small fraction of the stocks of conservative companies. There is a certain amount floating around that is bought and sold, but the great mass of the stock of the companies is held for investment and is not on the market. The price would no doubt be very different if the entire stock were on the market.

Mr. Kruttschnitt is one of the best informed men concerning railroad matters and especially railroad finances in the United States.

Another plan which is merely a modification of that just discussed is that the Government should pay to the carriers the amount of interest on their indebtedness and their regular dividends. The objection to this plan is threefold. It would not be acceptable to the railroads. Few, if any, agreements would be made under it, and the whole subject matter would be remitted to the courts. As I have already said, it is useless to authorize agreements that will not be made, and it is the part of wisdom to permit agreements that ought to be made and probably will be entered into.

This objection of itself, if well founded, is of course conclusive.

However, a second objection exists in the fact that this plan would penalize conservative railroad management and capitalize or place a premium on reckless railroad financing. Managements which have strained every effort to pay dividends, carriers which have been negligent in the matter of improvements, additions, equipments, extensions, and maintenance in order to pay large dividends would receive more compensation than others which have been properly managed and, while only declaring small dividends, have kept up, improved, and extended their properties.

In the third place I think this proposition is open to the objection that it makes no adequate provision for the future as to maintenance.

Of course it could be modified so as to embrace a guaranty for adequate maintenance, but that is not contemplated in the proposition as submitted.

A representative of the railroad brotherhoods suggested that the compensation contemplated in the standard return provided for in this bill be paid until the Interstate Commerce Commission could determine the actual investment of the property for carrier purposes, and that when the commission had determined the same compensation be based upon a reasonable percentage of this investment.

It is to be noted that this proposition recognizes and accepts for temporary purposes the standard return. Mr. Prouty, who has had the direction of the valuation of the physical properties of railroads, stated to the committee that it would probably be three years before the work as to any of the carriers would be finally determined. This fact, of course, renders the suggestion inapplicable at present. Moreover, it involves a very important controversy concerning which there exists very great difference. The committee did not deem it advisable to inject into this bill the long-standing and far-reaching dispute concerning what constitutes the correct basis of value as to railroad property and as to railroad rates.

The total amount of compensation which the President is authorized to agree upon with the carriers under the provisions of this bill can not be definitely stated for two reasons: First, it is not yet known what carriers will be retained under Federal control; and second, we can not now determine what amounts may be paid to roads under agreements made between the carriers and the President in exceptional cases.

The Senator from Minnesota [Mr. KELLOGG] has, however, stated the total amount which the President is authorized to agree upon with all the carriers as accurately as the subject is capable of being stated. It is as follows:

Net railway operating income for class 1 roads.

1915	$683,104,833
1916	984,872,959
1917	1,020,800,000
Average	896,259,264

The Interstate Commerce Commission has made an estimate which will bring this total, if all roads in classes 2 and 3 are embraced in the agreement, to $935,000,000, approximately $100,000,000 less than the amount received by them in 1917. The commission also estimates investments by the carriers in their property made during the period between June 30 and December 31, 1917, at $130,403,315. If the President should fix the rate at 5 per cent this would amount to $6,500,000, making the total $941,500,000. After deducting interest on debt, war taxes must be deducted to find the amount available for dividends.

THE BRITISH PLAN OF COMPENSATION TO RAILROADS WHILE UNDER GOVERNMENT CONTROL.

In critcizing the authorization in this bill for agreement as to compensation as too favorable to the railroads the Senator from Iowa [Mr. CUMMINS] made a comparison between the British plan for compensation to railroads while under Government control and that contemplated in this bill.

I was so astonished at some of the statements which he made that I asked for a copy of the notes of his remarks.

On page 33 of these remarks, as submitted to me by the official stenographer, the Senator from Iowa is quoted as making the following statement:

> There was no agreement made between the Government of Great Britain and the railroads of Great Britain. No one suggested making any agreement between the public and these railway companies.

In answer to a question of the Senator from Indiana [Mr. WATSON], if shortly after the taking over an agreement was not arrived at as a basis of compensation, the Senator from Iowa [Mr. CUMMINS] made the following statement:

> No; as I understand the record made there, and as it was introduced before our committee, the consent of the railway companies of Great Britain with regard to compensation was not asked. The act of 1871, under which the Government took possession of the railroads in 1914, was not substantially different from our act of 1916, and made no provision for compensation other than the general statement that when the power exercised under it did take place the compensation was to be made. When on the 4th day of August, I believe, 1914, the council in Great Britain determined it was necessary to take over the railroads and they were taken over and the operating body, the directors appointed by the law and who were in existence at the time they were taken over, simply published a statement that for the week following—and I want to mark that, because it is one of the things that we will presently have to consider in this bill—for one week the Government would take over the railroads of the country and would pay or guarantee the net income for 1913. That is, guarantee the net income that was earned in 1913, with some modifications that were to be made by consideration of the earnings for the first six months or seven months of 1914.

This statement is totally at variance with the record as I understand it. I have before me a copy of the British act entitled "The regulation of the forces act, 1871." In section 16 of that act there is a clause expressly authorizing agreements between the Government and the carriers as to compensation. I will read the provision:

> There shall be paid to any person or body of persons whose railroad or plant may be taken possession of in pursuance of this section, out of moneys to be provided by Parliament, such full compensation for any loss or injury they may have sustained by the exercise of the powers of the secretary of state under this section as may be agreed upon between the said secretary of state and the said person or body of persons, or, in case of difference, may be settled by arbitration in manner provided by the lands-clauses consolidation act, 1845.

So, in answer to the assertion of the Senator from Iowa that no agreement was asked and no agreement was authorized in that statute, I read the statute itself. It is not only true that the act authorized agreements as to compensation, but on September 15, 1914, it was announced that the Government and companies had come to an agreement.

This agreement, although amended six months later, and again modified in certain important respects, is still the basis of the financial arrangement between the Government and the railways.

THE TERMS OF THE AGREEMENT.

The terms of the agreement are briefly stated as follows:

> His Majesty's Government have agreed with the railway companies concerned that, subject to the undermentioned conditions, the compensation to be paid them shall be the sum by which the aggregate net receipts of their railways for the period during which the Government are in possession of them shall fall short of the aggregate net receipts for the corresponding period of 1913. If, however, the net receipts for the first half of 1914 were less than the first half of 1913, the sum payable is to be reduced in the same proportion. This sum, together with the net receipts of the railway companies taken over, is to be distributed amongst those companies in proportion to the net receipts of each company during the period with which comparison is made.
>
> The compensation to be paid under this arrangement will cover all special services, such as those in connection with military and naval transports rendered to the Government by the railway companies concerned, and it will therefore be unnecessary to make any payments in respect to such transports on the railways taken over.

In addition to the net receipts of railways proper the Government guaranty extended to the net receipts of six classes of enterprises when owned by railway companies included in the agreement. These six classes all follow:

First, omnibuses and other passenger vehicles not running on a railway.

Second, steamboats.

Third, canals.

Fourth, docks, harbors, and wharves.

Fifth, hotels, restaurants, refreshment rooms, and cars.

Sixth, other separate business carried on by the companies.

Thus it will be seen, the statement of the Senator from Iowa to the contrary, that the law of Great Britain did authorize an agreement between the railway companies and the Government touching the compensation. It will also be observed, notwithstanding the statement of the Senator from Iowa, that the agreement was in fact entered into, and under the terms of that agreement the Government not only guaranteed, with certain modifications, the net income of the railroads for 1913, which was the best year they had ever known, but it also guaranteed six other classes of business which had no immediate relationship to the carrier business.

I repeat, it is apparent that under the agreement entered into by the British Government with the carriers immediately after they were taken over the Government not only guaranteed the net income for the year 1913 as modified by the comparison with a portion of the year 1914, but it also guaranteed noncarrier business of six classes in which the railroads were engaged, including hotels, refreshment rooms, and cars. In addition to this the Government received free transportation of troops and supplies and assumed the payment of 25 per cent of the bonus to railroad employees. I have not undertaken to work out a comparison between this British guaranty and the guaranty contemplated in this bill, but it is perfectly apparent that the statements of the Senator from Iowa to the effect that no agreement was entered into between British railroads and the British Government is error.

Mr. CUMMINS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Iowa.

Mr. CUMMINS. I did not say that the law of 1871 did not authorize an agreement. It not only authorized an agreement, but it provided a tribunal for determining differences in case no agreement is made. I did say that the compensation was fixed by the Government without an agreement. I may have been in error in that statement, although I understood it to be true at the time I made it. What was in my mind was that immediately after the 4th day of August, when the British Government took possession of the railroads, it promulgated the basis of the compensation that it would pay to the railroads, and there was no agreement at that time. I had not seen the document which the Senator from Arkansas is now reading at the time I made the statement, but it is quite apparent from its terms that there did finally come an agreement between the Government and the railroads that embodied the order which was originally made. In so far I am quite willing to acknowledge the error of my statement.

Mr. NORRIS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Nebraska.

Mr. NORRIS. I am interested to know what was the actual compensation fixed. The Senator refers to a particular year. What was the dividend paid during that year?

Mr. ROBINSON. I am going to discuss that. It follows as a logical sequence to what I have just referred, and if the Senator will permit me, I will take it up in the order I had intended. It will be only two or three minutes before I reach it, if that long.

It may be mentioned in this connection that the railroads of Great Britain are standardized; that dividends and interest rates are lower in Great Britain than in the United States; and that the British guaranty can not furnish a reliable basis of comparison as to what should be the guaranty in the United States.

Now I am coming to the point that the Senator from Nebraska [Mr. NORRIS] has just asked me about. I am going to discuss now briefly dividends under British control.

DIVIDENDS UNDER BRITISH CONTROL.

On page 49 of the stenographer's notes of his remarks the Senator from Iowa [Mr. CUMMINS] made this further statement with respect to dividends paid under British control of railways:

> Great Britain is now paying on an average of 4 per cent upon the railway bonds and 3½ per cent upon the railway stock.

It is not my purpose to undertake an analysis of the British system of control of railroads, but if an argument against this bill is based upon the practice of our ally concerning the operating of railroads by public authority, it is essential that the material facts upon which that argument is based be accurately stated.

The proviso in the agreement as to compensation providing for a proportionate reduction of the amount to be paid by the Government to the railways of the net receipts of the companies for the first half of 1914 were less than the net receipts of the first half of 1913 was withdrawn January 1, 1915. Thereafter the sum which the Government guaranteed the companies as net receipts were to be equal to their aggregate net receipts for 1913, subject to a deduction amounting to one-fourth of the first general bonus.

Subsequently the Government made a concession in a supplementary agreement providing for the payment to the railways as from August 4, 1914, of interest at the rate of 4 per cent upon capital expended upon new works that have been brought into use since December 31, 1912.

In Great Britain the Government not only guaranteed a reasonable per cent on the money invested in the railroads after the beginning of the war but it extended its guaranty back to the 1st of January, 1913, or December 31, 1912.

Early in 1916 the Government made a concession and acknowledged its liability in respect of such maintenance work as in the ordinary course of events would have been undertaken, but which, owing to the war, was being deferred. The Government finally conceded its liability not only for what the deferred maintenance work would cost at ordinary prices but for the probable increased cost of the work occasioned by higher prices of labor and material.

Thus it is to be seen that the agreement is not fully stated when it is merely expressed as a guaranty of the income for 1913, the Government in effect guaranteeing a much larger sum. The agreement was understood by the public to guarantee the net receipts of the railroads for the year 1913, and it was regarded by the railroads as liberal for the reason that 1913 had been a "banner year," marking "the high level of prosperity" in railroad operations.

The Government of the United States contemplates taking in this bill as the basis of its standard return the average annual railway operating income for a three-year period, which embraces one lean and two fat years as to railroad operations. The Government of Great Britain based its standard return, if you will call it that, upon the net income for the most profitable year the railroads of Great Britain had ever known. This guaranty resulted in a falling off of dividends as to the 25 principal railroads of Great Britain.

As to the average dividend paid in 1913 by these railways—and I am talking now only of the 25 principal railways of Great Britain; as to other roads, I have not the figures, except as they are embraced in the table presented this morning by the Senator from Iowa, which I assume to be correct—but speaking now of the average dividends for the 25 principal railways of Great Britain, the average paid in 1913 is said to have been 5.06; in 1914, 4.65; in 1915, 4.60; and in 1916, 4.65 per cent. The reduction in dividends was due in part, at least, or in some cases, to the necessity for strengthening reserves.

While the net receipts of the 25 companies in 1916 show a marked advance over the preceding year the dividends paid were substantially the same, the increase in net receipts being absorbed by increasing the reserve.

Notwithstanding that the prices of British railway stocks had fallen off during the four-year period preceding the war and were unusually low during the conflict the prices of these stocks have substantially declined since the summer of 1914.

Considering the fact that the British railroads are capitalized at approximately $300,000, while American railroads are capitalized at something like $62,000 per mile, and having in mind the further facts that British railroads have long been standardized, and that interest and dividends are considerably lower in Great Britain than in the United States, no fundamental objection in principle can be urged against the plan in this bill to guarantee the average annual operating income for the three-year period ended June 30, 1917, as compared with the British plan guaranteeing the net receipts of the railways for 1913 with certain modifications.

Every Senator understands that under our Constitution the power of Congress does not extend to the determination of the question of the amount of just compensation and that no provision of law can deprive the owners of railroad property of the right to have a judicial determination of the amount due them. We can impose increased burdens of taxation, and if the war continues this will probably occur. However much we may admire the spirit of liberality and however anxious we may be to encourage all persons and all industries to voluntarily contribute to the common welfare in this period of emergency, we can not require the owners of property to devote it to the public use for less than its actual value. Our obligation under the Constitution is to provide for the payment of such sums as will reimburse the owners of the property for the injury which they will sustain by reason of the Government use of their properties.

The maximum which the railroads claim would be the receipts for 1917. Their representatives have insisted that the standard of compensation as proposed is unfair and inequitable in that it is based upon the operating revenues for the year 1915, which was undoubtedly an abnormal and unprofitable year as to railroad operations. Nineteen sixteen and seventeen were very profitable years. It would be of great value to the railroads to be relieved from the possibility of misfortune and a consequent loss of revenues and the decline in the value of their securities. And to obtain this boon they should, of course, be willing to relinquish some part of the maximum claim which might be asserted.

It seems clear that while the standard of compensation authorized in this bill permits a reasonable and generous latitude to the President in making agreements with the railroads, it will also give him the power to safeguard the public against injustice and extortion in individual cases where to grant the maximum might prove excessive. The President will not make agreements which he regards as subservient of the public interest and the discretion to refuse to enter into an agreement and thus to remit the carriers to the courts for remedy will enable him to make adequate provision for the protection of the public interest in exceptional cases which Congress can not take notice of because of lack of time and the necessary information.

That I understand is the policy of the Director General.

Mr. President, repeatedly during the course of his remarks, the Senator from Iowa referred to the fact that the question as to what compensation shall be paid to the railroads by the Government for the taking and use of their property during the period of Federal control will be and must be finally determined in another forum. He suggested in his remarks to the Senator from Missouri [Mr. STONE] that the Senator from Missouri would have an opportunity to answer to the people of Missouri and the people of the United States for his consenting to this guarantee of the standard return.

Mr. President, questions as to what constitutes due compensation are not under our system of Government tried by elections. The Senator from Iowa is a great lawyer, and he knows that they are not. Questions as to what constitutes due compensation under the Constitution of the United States are determinable in the courts of the country. The Senator from Iowa ought not to try to intimidate Senators in the discharge of their duties in attempting to arrange a fair provision for agreement by threatening them with carrying this subject into politics.

But I say to the Senator from Iowa that I think he is wrong. I think he is insisting on writing into this bill terms authorizing an agreement that will not be accepted. I think if the standard he proposes be written into the law the whole subject will be made the matter of litigation.

So far as I am concerned, I think I am doing right, and I am ready to accept his challenge whenever he throws the gauntlet before me. It would be unfair to submit in an election the question of just compensation to voters who have to pay that compensation. There is not a judge, there is not a lawyer in the world who would not recoil with amazement from such a suggestion.

I propose in this instance to do my duty as I see it to the public, and I think I am doing that when I am arranging for them to receive transportation during this war period for less than it would cost them during a time of peace, notwithstanding the fact that the cost of materials has risen and that the labor wage has risen and will continue to rise. Under the terms of this agreement the public will receive transportation for less than they were paying before the war began, and that is the answer to the argument of the Senator from Iowa.

Mr. THOMAS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Colorado.

Mr. THOMAS. I have listened to the Senator's argument with a great deal of interest, but it seems to me that it assumes that all of the great roads or railroad systems that are to be taken over by the Government have been profitable within the years that are fixed as the standard for just compensation.

Mr. ROBINSON. No.

Mr. THOMAS. What I want to ask the Senator is his view as to the effect of this proposed standard of compensation upon railroads or railroad companies which in this interval were either in the hands of receivers or operated without any profit whatever.

Mr. ROBINSON. Mr. President, in reply to the question of the Senator from Colorado, I will state that there is a provision in the bill which authorizes the President to make any agreement he chooses in case he finds that the condition of any non-

dividend-paying carrier, as the bill is now written, was so exceptional during the whole or a substantial portion of the three-year period by reason of nonoperation, receivership, or the fact that the investments in property were not fairly reflected in the operating revenue or for any other abnormal cause. The provision is very broad. If the President finds that by reason of any of those things the standard of return provided for in the bill is plainly inequitable as a means of just compensation to such roads, he is, I say, authorized to make any agreement that he chooses with that road.

Mr. THOMAS. I do not recall that provision in the copy of the bill which I have.

Mr. ROBINSON. It is in the bill, I say to the Senator.

Mr. THOMAS. I am not questioning that.

Mr. ROBINSON. I will read it.

Mr. THOMAS. I do not recall it in the copy of the bill that I read last night.

Mr. ROBINSON. It is on page 5 of the bill, commencing with line 1, and I will read it:

> If the President shall find that the condition of any nondividend-paying carrier was during all or a substantial portion of the period of three years ended June 30, 1917, because of nonoperation, receivership, or where recent expenditures for additions or improvements or equipment were—

I read it "were"; it is printed in the bill "when"—

> not fully reflected in the net operating railway income of the said three years or a substantial portion thereof, or other undeveloped or abnormal conditions, so exceptional as to make the basis of earnings, hereinabove provided for, plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

Mr. CUMMINS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Iowa.

Mr. CUMMINS. The paragraph just read by the Senator from Arkansas relates only to nondividend-paying carriers, and gives the President with regard to those railroads the authority to pay more than the standard return described in the bill.

Mr. ROBINSON. And also the authority to pay less.

Mr. CUMMINS. It was intended to give him the authority to pay more.

Mr. ROBINSON. Yes; certainly; or to pay something where nothing had been received during the three-year period.

Mr. CUMMINS. Precisely.

Mr. ROBINSON. Those that have not been in operation, of course, would not have any standard return.

Mr. CUMMINS. I have no objection to that; I think that is a very wise provision, because there are many railroads concerning which the standard return would not be just compensation. I think that all were convinced of that; and my remarks, of course, were devoted entirely to the other class of railroads.

Mr. ROBINSON. I will state to the Senator from Iowa that that is the reason that I have laid no emphasis on the provision to which the Senator from Colorado has referred. I, too, was confining my remarks principally to the provision the Senator from Iowa discussed.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON. I yield to the Senator from Nebraska.

Mr. NORRIS. While the Senator is on that subject, I should like to inquire, if some road should not come under the provision the Senator has read, but still was paying a dividend that was so small that anybody could see that it was inadequate, what provision does the bill make for payment in such a case; for instance, if a road, instead of being a nondividend-paying road, is paying 1 per cent, which everyone concedes is not enough?

Mr. ROBINSON. No roads have done that. I will say to the Senator from Nebraska that the record does not disclose that there are any roads within that class. The committee proceeded upon the theory that the railroads might very well be divided into two classes in respect to dividends, namely, dividend-paying roads; that is, those roads which pay what is called a regular dividend and nondividend-paying roads—roads which do not pay any regular dividend.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Utah?

Mr. ROBINSON. I yield to the Senator from Utah.

Mr. KING. As I understand the Senator, there is no purpose on the part of the committee in this proposed legislation to transmute a road which pays an irregular and a small dividend into a regular dividend-paying road, or, at least, to give that road the same compensation as would be given to roads that had been making large earnings and had been paying dividends in a regular way?

Mr. ROBINSON. Oh, certainly not. The clause that I have just read, in response to the question of the Senator from Colorado, was designed to meet cases where the subject matter would have to be litigated, unless some provision of that sort were inserted. There are many roads, for instance, that were not operated for a substantial portion of the three-year period. There are others that are just beginning operations; there are a number that have been in receiverships, where the standard would not be applicable for many reasons that are recognized, and the purpose of the provision is to enable the President to agree with the roads that are in an exceptional class and that can not for one reason or another accept the standard return. Of course, as to a road that has been operating at a loss, if such there be, the Government, if it takes the property, would have to pay something, and the President is given the power to determine that.

Mr. SMITH of South Carolina. Mr. President——

Mr. ROBINSON. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. I think, before the Senator from Arkansas passes from the argument in favor of the action of the committee in fixing the standard return, that attention ought to be called to the fact that the statistics show that the standard return we propose to give the roads is practically the return they received under the rates which were in operation before the war began.

Mr. ROBINSON. I have said that; I have argued that at length. I have alleged that the standard return is based upon the revenue that they earned under governmental regulations fixed by the Interstate Commerce Commission. I went into that subject very fully, as I thought.

Mr. KING. The Senator did so at the outset of his remarks.

Mr. SMITH of South Carolina. Probably I was diverted for a few moments or was compelled to leave the Chamber for a short while.

Mr. ROBINSON. I think if the Senator will take the trouble to read the portion of the remarks I made while he was out he will find it.

Mr. President, I am very grateful to Senators for the very courteous attention with which they have listened to me concerning this subject. It is a difficult one. If one were to follow his natural disposition, it would probably be to pay the railroads just as little as possible, but, under my oath as a public officer and in consideration of what I conceive to be my duty, I must not attempt willfully to deprive the railroads of what they are entitled to, and at the same time I must not seek to impose upon the public an unfair burden.

The supreme crisis which now confronts civilization will probably be passed within the next six months. Every student must recognize the necessity for marshaling our resources and more forcefully applying our energies. Along almost 500 miles of battle front a conflict will likely soon begin which may determine the fate of civilization.

The railroads of the country are a material and necessary factor in the successful prosecution of this war on the part of the United States. We must operate them during the war under unified control; we must speedily hasten to France the troops and supplies which are necessary to enable us successfully to maintain this combat. This measure is a part of the administration war program. It has been found necessary in the public interest, and the administration and the public await with anxiety the final disposition of this bill.

Mr. CUMMINS. Mr. President, there are two statements made by the Senator from Arkansas to which I desire to make a very brief reply. He has questioned the propriety of a remark which I made more than once during the course of my argument respecting the character of the issue which we are now settling. I hope the Senator from Arkansas did not understand that I even intimated that a settlement of this question by the courts or through legal proceedings was subject to review in a political forum. I tried to make it very clear that I desired full compensation to be paid to the railway companies, and that the best way in the world to ascertain what that compensation is, or ought to be, was by resort to legal tribunals, and that with the result or with the award that might be made by these tribunals every good citizen of the land must be content, and by them he must abide. The suggestion I made was with regard to agreements concerning compensation, and that presents a political question—not a partisan but a political question. The wisdom or unwisdom of making a particular agreement with the railway companies concerning compensation is one which belongs to the people of this country, and they will finally settle it. I did not assume, of course, that the conclusion reached by any Senator or the vote cast by any

Senator would be influenced by anything save his own conscience and his own judgment. I have so high an opinion of the discrimination of the Senator from Arkansas that I wanted to make that distinction perfectly clear. I know that he must appreciate the difference between the two things.

In the second place, he has stated several times that the system of rates under which the earnings of the railway companies of the United States had been accumulated in the last three years is a system of rates established by the Government. I can not concur in that statement; it is, in my judgment, inaccurate. The Government has never established a system of rates; the Government has the power, through the Interstate Commerce Commission, to revise, upon complaint or upon its own motion, rates which have been initiated and established by the carriers. It has no further or other power in that respect, and the Interstate Commerce Commission has not at any time established the generally prevailing rates for the movement of commodities throughout the United States. It has passed from time to time upon complaints, either upon the part of a shipper or some one else interested, upon the reasonableness of certain rates, and it has passed from time to time, upon the application of the railway companies, upon the propriety of an increase in certain rates; but it is not accurate to declare that the rates which have been established and which have been effective in the United States have been established by the judgment of the Government. They have been established by the judgment of the carriers, subject only to revision, under proper circumstances, by the commission.

EXECUTIVE SESSION.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

PETITIONS AND MEMORIALS.

Mr. THOMPSON presented a petition of Reno Post, No. 83, Grand Army of the Republic, Department of Kansas, of Nickerson, Kans., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a petition of the Board of Medical Registration and Examination of the State of Kansas, praying for the enactment of legislation to provide for the creation of advanced rank for the Medical Corps of the Army, which was referred to the Committee on Military Affairs.

He also presented a memorial of the Retail Merchants' Association, of Osawatomie, Kans., remonstrating against the repeal of the second-class postage rate, which was referred to the Committee on Post Offices and Post Roads.

Mr. GRONNA. I present a concurrent resolution of the special session of the Fifteenth Legislative Assembly of the State of North Dakota, which I ask may be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

STATE OF NORTH DAKOTA,
DEPARTMENT OF STATE,
February 11, 1918.

To all to whom these presents shall come:

I, Thomas Hall, secretary of state of the State of North Dakota and keeper of the great seal thereof, do hereby certify that the annexed copy of a concurrent resolution duly and regularly adopted by each branch of the Fifteenth Legislative Assembly of the State of North Dakota, as appears from the official journal of the house and senate of the said legislative assembly, has been compared by me with the official journal of the house and senate of the said legislative assembly in this department, and that the same is a true copy thereof, and of the whole of such record.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol, in the city of Bismarck, this 11th day of February, A. D. 1918.

[SEAL.]

THOMAS HALL,
Secretary of State.

—

Joint resolution. (Introduced by J. F. T. O'Connor, of Grand Forks.)

Whereas the House of Representatives of the United States has passed a proposed amendment to the Constitution of the United States extending equal suffrage to the women of our Nation; and

Whereas the proposed amendment is now before the Senate of the United States for consideration; and

Whereas all the political parties in the State of North Dakota have declared in their platforms for equal suffrage; and

Whereas equal suffrage has been indorsed by the President of the United States: Therefore be it

Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That our Senators in Congress be urged to vote for the equal suffrage amendment; and be it further

Resolved, That copies of the resolution be sent to our Senators and Representatives in Congress, to the President of the United States, and to the Secretary of State for the United States of America.

Mr. GRONNA. I present a concurrent resolution of the Fifteenth Legislative Assembly of the State of North Dakota, which I ask may be printed in the RECORD.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

STATE OF NORTH DAKOTA,
DEPARTMENT OF STATE,
February 11, 1918.

To all to whom these presents shall come.

I, Thomas Hall, secretary of state of the State of North Dakota and keeper of the great seal thereof, do hereby certify that the annexed copy of a concurrent resolution duly and regularly adopted by each branch of the special session of the Fifteenth Legislative Assembly of the State of North Dakota as appears from the official journal of the house and senate of the said special session has been compared by me with the official journal of the house and senate of the said special session of the Fifteenth Legislative Assembly in this department, and that the same is a true copy thereof and of the whole of such record.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol in the city of Bismarck, this 11th day of February, A. D. 1918.

THOMAS HALL,
Secretary of State.

—

Concurrent resolution introduced by woman's suffrage committee—a concurrent resolution to the Federal Congress and the Senators and Representatives therein from the State of North Dakota concerning the Susan B. Anthony national amendment.

Be it resolved by the Senate of North Dakota (the House of Representatives concurring therein), as follows:

Whereas there is now pending before the National Congress of the United States an amendment to the Federal Constitution known as the Susan B. Anthony national amendment; and

Whereas the Legislative Assembly of the State of North Dakota believe that the same should be submitted to the States of this Union as an amendment to our Federal Constitution: Now, therefore, be it

Resolved, That the State of North Dakota, through its legislative assembly, does herewith respectfully petition and urge the National Congress of the United States to favorably consider and early approve the said Susan B. Anthony national suffrage amendment; and be it

Resolved, That the secretary of state be instructed to send a copy of these resolutions to the Senators and Representatives of the State of North Dakota in Congress.

Mr. PHELAN presented a petition of Labor Council of San Francisco, Cal., praying for an increase in the salaries of all civilian employees of the Government, which was referred to the Committee on Appropriations.

Mr. CALDER presented a petition of the Alumnæ Association of Vassar College, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

Mr. KELLOGG presented a petition of sundry citizens of St. Paul, Minn., praying for the repeal of section 209 of the war-revenue act, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. PHELAN, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the bill (S. 758) to increase the productive agricultural area of the United States by the reclamation of arid and swamp lands, reported it with amendments and submitted a report (No. 271) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8696) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1919, reported it with amendments and submitted a report (No. 272) thereon.

He also, from the same committee, to which was referred the bill (S. 279) authorizing the Secretary of the Interior to issue patents in certain cases to missionary or religious organizations, reported it without amendment and submitted a report (No. 273) thereon.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 921) for the relief of James Duffy, reported it without amendment and submitted a report (No. 274) thereon.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3802) authorizing appropriations made for the national security and defense to be used for the purchase of real estate, or the use thereof, when such purpose is not specifically stated in said appropriations (Rept. No. 275);

A bill (S. 3800) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes (Rept. No. 276);

A bill (S. 3803) authorizing the President during the existing emergency to sell war supplies, materials, and equipment heretofore or hereafter purchased, acquired, or manufactured by the United States (Rept. No. 277);

A bill (S. 3801) to amend section 8 of "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917 (Rept. No. 278);

A bill (S. 121) to prevent the desecration of the flag of the United States, and to provide punishment therefor (Rept. No. 279); and

A bill (S. 3528) to suspend for the period of the present emergency sections 45, 46, and 56 of an act entitled "An act for making further and more effectual provisions for the national defense, and for other purposes," approved June 3, 1916, and for other purposes (Rept. No. 280).

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POINDEXTER:

A bill (S. 3872) appropriating the sum of $2,000, to be used under the direction of the Yakima Tribal Council for expense in presenting Indian matters to the Government officials in Washington City or in the employment of attorneys to assist them in securing information relative to tribal rights and property; to the Committee on Indian Affairs.

By Mr. HALE:

A bill (S. 3873) granting a pension to Isabel Wardwell (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3874) providing medals for certain persons; and

A bill (S. 3875) for the promotion of Col. William A. Simpson, United States Army, retired; to the Committee on Military Affairs.

A bill (S. 3876) granting a pension to Jennie Magee; and

A bill (S. 3877) granting a pension to Leonora Forney; to the Committee on Pensions.

By Mr. JOHNSON of California:

A bill (S. 3878) to fix the compensation of certain employees of the United States; to the Committee on Appropriations.

By Mr. HENDERSON:

A bill (S. 3879) for the relief of the Overland Trust & Realty Co., of Reno, Nev.; to the Committee on Public Lands.

A bill (S. 3880) to extend the franking privilege to the officers of State councils of defense; to the Committee on Post Offices and Post Roads.

By Mr. MYERS:

A bill (S. 3881) to provide for the sale of isolated tracts of enlarged-homestead land; to the Committee on Public Lands.

By Mr. SUTHERLAND:

A bill (S. 3882) for the relief of Killian Delabar; to the Committee on Claims.

A bill (S. 3883) granting a pension to Harrison Pierson; to the Committee on Pensions.

A bill (S. 3884) to regulate the salaries of fourth-class postmasters; to the Committee on Post Offices and Post Roads.

GRAND CANYON NATIONAL PARK.

Mr. ASHURST submitted an amendment intended to be proposed by him to the bill (S. 390) to establish the Grand Canyon National Park in the State of Arizona, which was referred to the Committee on Public Lands and ordered to be printed.

THE COMMITTEE ON THE CENSUS.

Mr. SHEPPARD submitted the following resolution (S. Res. 206), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the Census of the United States Senate be, and it is hereby, authorized to employ an additional clerk, at the rate of $100 per month, to be paid out of the miscellaneous items of the contingent fund of the Senate, for a period lasting until the end of the present session of the Congress.

ADDRESS BY BAINBRIDGE COLBY.

Mr. FLETCHER. Mr. President, I have a copy of a very impressive address by Mr. Bainbridge Colby, a member of the Shipping Board, on the rapid and continued construction of merchant vessels. I ask that it be referred to the Committee on Printing with a view to having it printed as a public document.

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Without objection, it will be so ordered.

WOMAN SUFFRAGE.

Mr. THOMPSON. I present in the form of a petition a short editorial appearing in the Washington Evening Star regarding woman suffrage. I ask unanimous consent that it may be printed in the RECORD, to be considered in connection with that important subject when the resolution providing for the submission of the national amendment is before the Senate for final action.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOVING TOWARD SUFFRAGE.

Both of the national committees having declared in favor of Federal woman suffrage, the two parties stand aligned on this issue on equal terms. The other day the executive committee of the Democratic Party voted 5 to 2 in favor of suffrage, while a poll of the full national committee showed 28 for and 14 against the Anthony amendment and 6 unreported. The Republican national committee at St. Louis has just adopted a resolution virtually to the same effect, commending the votes of those Republican Members of the House who favored the amendment. These declarations must have an effect upon the Senate, which is soon to vote on the proposed constitutional amendment. Converts to the cause are being reported from time to time, though not identified, for the campaigners for the women's cause are shrewd enough to keep their "captures" undisclosed to prevent pressure from the other side. It is known that the situation is very close, and the fact that no move is being made at present to bring the resolution to a vote suggests that its advocates are not quite sure of having yet the necessary two-thirds. Suffrage, however, can not be indefinitely postponed. It is bound to win eventually, so why not now?

BUREAU OF EFFICIENCY (H. DOC. NO. 901).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Appropriations and ordered to be printed:

To the Senate and House of Representatives:

As required by the acts of Congress approved March 4, 1915, and February 28, 1916, I transmit herewith the report of the United States Bureau of Efficiency for the period from November 1, 1916, to October 31, 1917.

WOODROW WILSON.

THE WHITE HOUSE, *16 February, 1918.*

ADJOURNMENT.

Mr. MARTIN. I move that the Senate do now adjourn.

The motion was agreed to, and (at 3 o'clock and 20 minutes p. m.) the Senate adjourned until Monday, February 18, 1918, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate February 16 (legislative day of February 15), 1918.

CONSULAR SERVICE.

CLASS 8.

Ralph H. Bader, of Virginia, now vice consul and interpreter at Teheran, to be a consul of class 8 of the United States of America.

Thomas H. Bevan, of Maryland, now a consular assistant, to be a consul of class 8 of the United States of America.

William W. Brunswick, of Kansas, now vice consul at Havre, to be a consul of class 8 of the United States of America.

Algar E. Carleton, of Vermont, now vice consul at Hongkong, to be a consul of class 8 of the United States of America.

Felix Cole, of the District of Columbia, now vice consul at Archangel, to be a consul of class 8 of the United States of America.

Harris N. Cookingham, of New York, now vice consul at Barcelona, to be a consul of class 8 of the United States of America.

Paul H. Cram, of Maine, now vice consul at Cette, to be a consul of class 8 of the United States of America.

Raymond S. Curtice, of Pennsylvania, now vice consul and interpreter at Seoul, to be a consul of class 8 of the United States of America.

J. Preston Doughten, of Delaware, now vice consul at Calcutta, to be a consul of class 8 of the United States of America.

Stillman W. Eells, of New York, now vice consul at Hamilton, Bermuda, to be a consul of class 8 of the United States of America.

John A. Embry, of Florida, now vice consul at Odessa, to be a consul of class 8 of the United States of America.

Robert W. Harnden, of California, now vice consul at Seville, to be a consul of class 8 of the United States of America.

Samuel W. Honaker, of Texas, now vice consul at Johannesburg, to be a consul of class 8 of the United States of America.

Paul R. Josselyn, of Iowa, now vice consul and interpreter at Tientsin, to be a consul of class 8 of the United States of America.

Robert L. Keiser, of Indiana, now vice consul at Sao Paulo, to be a consul of class 8 of the United States of America.

Irving N. Linnell, of Massachusetts, now vice consul at Vancouver, to be a consul of class 8 of the United States of America.

Leland B. Morris, of Pennsylvania, lately vice consul and interpreter at Smyrna, now on detail in the Department of State, to be a consul of class 8 of the United States of America.

Charles Roy Nasmith, of New York, now a consular assistant, to be a consul of class 8 of the United States of America.

Harold B. Quarton, of Iowa, now a consular assistant, to be a consul of class 8 of the United States of America.

Raymond P. Tenney, of Massachusetts, now assistant Chinese secretary to the American legation at Peking, to be a consul of class 8 of the United States of America.

Hugh H. Watson, of Vermont, now vice consul at Liverpool, to be a consul of class 8 of the United States of America.

George W. Young, of Maryland, lately vice consul and interpreter at Aleppo, now on detail at Bordeaux, to be a consul of class 8 of the United States of America.

TEMPORARY PROMOTIONS IN THE ARMY.

FIELD ARTILLERY ARM.

To be first lieutenants with rank from August 30, 1917.

Second Lieut. William R. Gerhardt, Field Artillery, vice First Lieut. Erwin C. W. Davis, promoted.

Second Lieut. Theodore E. Buechler, Field Artillery, vice First Lieut. Emile G. De Coen, promoted.

Second Lieut. Frederick E. Tibbetts, jr., Field Artillery, vice First Lieut. Arthur N. White, promoted.

Second Lieut. Samuel D. Ringsdorf, Field Artillery, vice First Lieut. Patrick L. Lynch, promoted.

Second Lieut. Redmond F. Kernan, jr., Field Artillery, vice First Lieut. Ivan N. Bradley, promoted.

Second Lieut. Theodore L. Futch, Field Artillery, vice First Lieut. John J. McCollister, promoted.

Second Lieut. Russell L. Meredith, Field Artillery, vice First Lieut. Frank A. Roberts, promoted.

Second Lieut. William I. Wilson, Field Artillery, vice First Lieut. William D. Alexander, promoted.

Second Lieut. Harold A. Cooney, Field Artillery, vice First Lieut. Herbert L. Lee, promoted.

Second Lieut. John T. Knight, jr., Field Artillery, vice First Lieut. Richard J. Marshall, promoted.

Second Lieut. Miles A. Cowles, Field Artillery, vice First Lieut. Ralph T. Heard, promoted.

Second Lieut. Lawrence McC. Jones, Field Artillery, vice First Lieut. Harcourt Hervey, promoted.

Second Lieut. Gordon G. Heiner, jr., Field Artillery, vice First Lieut. Francis W. Sheppard, promoted.

Second Lieut. Edward J. Wolff, jr., Field Artillery, vice First Lieut. Robert W. Daniels, promoted.

To be first lieutenant with rank from October 25, 1917.

Second Lieut. Addison H. Douglass, Field Artillery, vice First Lieut. John S. Winslow, promoted.

To be first lieutenants with rank from October 26, 1917.

Second Lieut. Arthur E. Fox, Field Artillery, vice First Lieut. George N. Ruhberg, promoted.

Second Lieut. Lewis A. Bond, Field Artillery, vice First Lieut. Armand Durant, promoted.

Second Lieut. Robert A. B. Goodman, Field Artillery, vice First Lieut Thomas T. Handy, promoted.

Second Lieut. Devereaux C. Josephs, Field Artillery, vice First Lieut. Frank B. Tipton, jr., promoted.

Second Lieut. Henry M. Rees, Field Artillery, vice First Lieut. Stanley F. Bryan, promoted.

Second Lieut. John G. Paul, Field Artillery, vice First Lieut. Oliver L. Haines, promoted.

Second Lieut. James V. Brinckerhoff, Field Artillery, vice First Lieut. Oscar I. Gates, promoted.

Second Lieut. William G. Cummings, Field Artillery, vice First Lieut. Gerald E. Brower, promoted.

Second Lieut. Harold T. Brotherton, Field Artillery, vice First Lieut. William J. Jones, promoted.

Second Lieut. Larkin W. Glazebrook, jr., Field Artillery, vice First Lieut. Yarrow D. Vesely, promoted.

Second Lieut. Samuel D. Smoley, Field Artillery, vice First Lieut. William B. Dunwoody, promoted.

Second Lieut. Charles F. Neave, Field Artillery, vice First Lieut. Charles B. Thomas, promoted.

Second Lieut. Robert W. Wilson, Field Artillery, vice First Lieut. Oliver J. Bond, jr., promoted.

Second Lieut. Donald H. Brown, Field Artillery, vice First Lieut. Robert H. Ennis, promoted.

Second Lieut. Ralph de P. Terrell, Field Artillery, vice First Lieut. Benjamin E. Carter, promoted.

Second Lieut. Stephen B. Ives, Field Artillery, vice First Lieut. Henry B. Parker, promoted.

Second Lieut. Robert F. Webb, Field Artillery, vice First Lieut. Francis Fielding-Reid, promoted.

Second Lieut. William G. Lasch, Field Artillery, vice First Lieut. Harold R. Ristine, promoted.

Second Lieut. Miller H. Pontius, Field Artillery, vice First Lieut. Edmund B. Edwards, promoted.

Second Lieut. Fritz A. Nagel, Field Artillery, vice First Lieut. Oscar L. Gruhn, promoted.

Second Lieut. Adrian J. McDonald, Field Artillery, vice First Lieut. Theodore W. Wrenn, promoted.

Second Lieut. John E. Hartigan, Field Artillery, vice First Lieut. Harold W. Rehm, promoted.

Second Lieut. John L. Handy, Field Artillery, vice First Lieut. John B. Pitney, promoted.

Second Lieut. Edgar A. O'Hair, Field Artillery, vice First Lieut. Clifford H. Tate, promoted.

Second Lieut. Stephen Mahon, Field Artillery, vice First Lieut. Ottomar O'Donnell, promoted.

Second Lieut. Addison B. Green, Field Artillery, vice First Lieut. Oliver P. Echols, promoted.

Second Lieut. John R. Shepley, Field Artillery, vice First Lieut. Clement Ripley, promoted.

Second Lieut. Roger A. Sanford, Field Artillery, vice First Lieut. Edward M. Smith, promoted.

Second Lieut. Kenneth L. Holmes-Brown, Field Artillery, vice First Lieut. John O. Hoskins, promoted.

Second Lieut. Oliver B. Cunningham, Field Artillery, vice First Lieut. William Clarke, promoted.

Second Lieut. Harvey E. Ragland, Field Artillery, vice First Lieut. Albert R. Ives, promoted.

Second Lieut. Charles H. Burchenal, Field Artillery, vice First Lieut. Arthur Brigham, jr., promoted.

Second Lieut. Robert E. Crotty, Field Artillery, vice First Lieut. William M. Jackson, promoted.

Second Lieut. Wilton Lloyd-Smith, Field Artillery, vice First Lieut. Joseph A. Sheridan, promoted.

Second Lieut. Frank C. Delaney, Field Artillery, vice First Lieut. Hugh C. Minton, promoted.

Second Lieut. Pell W. Foster, jr., Field Artillery, vice First Lieut. Charles W. Gallaher, promoted.

Second Lieut. Kennedy Hassenzahl, Field Artillery, vice First Lieut. Laurence V. Houston, promoted.

Second Lieut. Arthur P. Patterson, Field Artillery, vice First Lieut. Stacy Knopf, promoted.

Second Lieut. Robert P. Reynolds, Field Artillery, vice First Lieut. James M. Garrett, promoted.

Second Lieut. Philip G. Hodge, Field Artillery, vice First Lieut. David M. Pope, promoted.

Second Lieut. Dennis P. McCarthy, Field Artillery, vice First Lieut. Eugene H. Willenbucker, promoted.

Second Lieut. Albert Tate, Field Artillery, vice First Lieut. Louis C. Arthur, jr., promoted.

Second Lieut. Le Count H. Slocum, Field Artillery, vice First Lieut. John F. Hubbard, promoted.

Second Lieut. John H. Shelton, Field Artillery, vice First Lieut. Franklin M. Davison, promoted.

Second Lieut. Louis H. Lathrop, Field Artillery, vice First Lieut. William E. Shepherd, jr., promoted.

Second Lieut. John Van H. Challiss, Field Artillery, vice First Lieut. Robert M. Bathurst, promoted.

Second Lieut. Junius S. Roberts, Field Artillery, vice First Lieut. William H. Saunders, promoted.

Second Lieut. Frederic W. W. Graham, jr., Field Artillery, vice First Lieut. Charles H. Hurdis, promoted.

Second Lieut. Joseph R. Estabrook, Field Artillery, vice First Lieut. Henry J. Schroeder, promoted.

Second Lieut. Harold D. Finley, Field Artillery, vice First Lieut. James K. Tully, promoted.

Second Lieut. Leo Joseph Vogel, Field Artillery, vice First Lieut. John M. Devine, promoted.

Second Lieut. James P. Kelly, Field Artillery, vice First Lieut. Harold A. Nisely, promoted.

Second Lieut. Richard B. von Maur, Field Artillery, vice First Lieut. James L. Guion, promoted.

Second Lieut. Harold T. Deeds, Field Artillery, vice First Lieut. George D. Wahl, promoted.

Second Lieut. Millard L. Hamaker, Field Artillery, vice First Lieut. Basil H. Berry, promoted.

Second Lieut. John B. Fidlar, Field Artillery, vice First Lieut. Ray H. Lewis, promoted.

Second Lieut. Wilbur B. Sumner, Field Artillery, vice First Lieut. Solomon F. Clark, promoted.

Second Lieut. Douglas Henry, Field Artillery, vice First Lieut. Augustus M. Gurney, promoted.

Second Lieut. John A. Graves, Field Artillery, vice First Lieut. Oliver B. Cardwell, promoted.

Second Lieut. Hastings S. Morse, Field Artillery, vice First Lieut. William O. Butler, promoted.

Second Lieut. George M. Schurman, Field Artillery, vice First Lieut. Rex W. Beasley, promoted.

Second Lieut. William E. Corkill, Field Artillery, vice First Lieut. Frank Langham, promoted.

Second Lieut. Charles D. Brown, Field Artillery, vice First Lieut. William F. Maher, promoted.

Second Lieut. Lester M. Kilgarif, Field Artillery, vice First Lieut. Walter F. Wright, promoted.

Second Lieut. Henry W. Krotzer, Field Artillery, vice First Lieut. Sidney F. Dunn, promoted.

Second Lieut. James B. Catlett, Field Artillery, vice First Lieut. Louis W. Hasslock, promoted.

Second Lieut. Robert L. Randol, Field Artillery, vice First Lieut. Breckinridge A. Day, promoted.

Second Lieut. Douglas L. Crane, Field Artillery, vice First Lieut. Paul C. Harper, promoted.

Second Lieut. Melville H. Rood, Field Artillery, vice First Lieut. Joseph Kennedy, promoted.

Second Lieut. Thomas L. Chalmers, Field Artillery, vice First Lieut. George D. Shea, promoted.

Second Lieut. Harry N. Blue, Field Artillery, vice First Lieut. John V. D. Hume, promoted.

Second Lieut. Fredric H. Timmerman, Field Artillery, vice First Lieut. Woodrow W. Woodbridge, promoted.

Second Lieut. James H. McHenry, Field Artillery, vice First Lieut. Gervas S. Taylor, promoted.

Second Lieut. Alford J. Bardford, Field Artillery, vice First Lieut. John G. Pennypacker, promoted.

Second Lieut. Gurney L. Smith, Field Artillery, vice First Lieut. Richard H. Schubert, promoted.

Second Lieut. John M. Franklin, Field Artillery, vice First Lieut. Edward J. F. Marx, promoted.

Second Lieut. George S. Goodspeed, Field Artillery, vice First Lieut. Wilbur C. Carlan, promoted.

Second Lieut. Amos E. Carmichael, Field Artillery, vice First Lieut. George R. Rede, promoted.

Second Lieut. Raymond H. Seagle, Field Artillery, vice First Lieut. Gilbert F. Kearns, promoted.

Second Lieut. John V. Anderson, Field Artillery, vice First Lieut. Van Rensselaer Vestal, promoted.

Second Lieut. Leon C. Swager, Field Artillery, vice First Lieut. John H. Carriker, promoted.

Second Lieut. Henry W. Wiley, Field Artillery, vice First Lieut. Peter P. Michalek, promoted.

Second Lieut. Walter Rompel, Field Artillery, vice First Lieut. William G. Gough, promoted.

Second Lieut. Winfred C. Green, Field Artillery, vice First Lieut. Joseph H. Mullherrin, promoted.

Second Lieut. Marion I. Voorhes, Field Artillery, vice First Lieut. Azel W. McNeal, promoted.

Second Lieut. Algernon S. Coleman, Field Artillery, vice First Lieut. David H. Trevor, detailed in the Signal Corps.

Second Lieut. Leslie W. Devereux, Field Artillery, vice First Lieut. William B. Wrigl t, jr., promoted.

Second Lieut. Robert F. LaBarron, Field Artillery, vice First Lieut. Victor H. Bridgman, jr., promoted.

Second Lieut. Edgar G. Crossman, Field Artillery, vice First Lieut. Wendell L. Bevan, promoted.

Second Lieut. James H. Boyd, Field Artillery, vice First Lieut. Henry J. MacPeake, promoted.

Second Lieut. Ralph K. Learnard, Field Artillery, vice First Lieut. Frank W. Lykes, promoted.

Second Lieut. Pitt F. Carl, jr., Field Artillery, vice First Lieut. Richard T. Guthrie, promoted.

Second Lieut. David W. Potter, Field Artillery, vice First Lieut. Ittai A. Luke, promoted.

Second Lieut. John H. Gardner, jr., Field Artillery, vice First Lieut. Roger Griswold, promoted.

Second Lieut. Earl C. Ewert, Field Artillery, vice First Lieut. Henry Lockwood, jr., promoted.

Second Lieut. Donald D. Demarest, Field Artillery, vice First Lieut. Alan L. Campbell, promoted.

Second Lieut. David J. Fitzgerald, Field Artillery, vice First Lieut. Oscar B. Rall, jr., promoted.

Second Lieut. William C. Chanler, Field Artillery, vice First Lieut. John R. Larkin, promoted.

Second Lieut. Ralph W. Hahn, Field Artillery, vice First Lieut. Douglas R. Coleman, promoted.

Second Lieut. Orrin P. Kilbourn, Field Artillery, vice First Lieut. George P. Winton, promoted.

Second Lieut. Robert E. Jacobson, Field Artillery, vice First Lieut. George F. Downing, promoted.

Second Lieut. John T. Clancy, Field Artillery, vice First Lieut. Wallace W. Crawford, promoted.

Second Lieut. Richard A. Miller, Field Artillery, vice First Lieut. Christiancy Pickett, promoted.

Second Lieut. Winthrop W. Leach, Field Artillery, vice First Lieut. Rush H. Rogers, promoted.

To be first lieutenant with rank from November 3, 1917.

Second Lieut. John W. O'Harrow, jr., Field Artillery, vice First Lieut. John C. Adams, promoted.

To be first lieutenants with rank from November 5, 1917.

Second Lieut. James B. Dick, Field Artillery, vice First Lieut. Arthur C. Waters, promoted.

Second Lieut. Carol S. S. Kennedy, Field Artillery, vice First Lieut. Ernest T. Barco, promoted.

To be first lieutenants with rank from November 13, 1917.

Second Lieut. Dan Cummins Kenan, Field Artillery, vice First Lieut. Lester A. Daugherty, promoted.

Second Lieut. Joseph A. Martz, Field Artillery, vice First Lieut. Walter G. Witt, promoted.

To be first lieutenant with rank from November 22, 1917.

Second Lieut. Andrew S. Messick, Field Artillery, vice First Lieut. Joseph E. Takken, promoted.

To be first lieutenant with rank from November 25, 1917.

Second Lieut. Lee B. Goff, jr., Field Artillery, vice First Lieut. Raymond J. Watrous, promoted.

To be first lieutenant with rank from December 5, 1917.

Second Lieut. Kenneth S. Wallace, Field Artillery, vice First Lieut. Jerome J. Waters, jr., promoted.

To be first lieutenant with rank from January 2, 1918.

Second Lieut. Ralph Heatherington, Field Artillery, vice First Lieut. Thomas G. Hanson, jr., promoted.

To be first lieutenant with rank from January 8, 1918.

Second Lieut. Eugene B. Ripley, jr., Field Artillery, vice First Lieut. Bertram N. Rock, promoted.

To be first lieutenant with rank from January 21, 1918.

Second Lieut. Thornton Davis, Field Artillery, vice First Lieut. Alexander S. Quintard, promoted.

To be first lieutenants with rank from January 24, 1918.

Second Lieut. Frederick M. Williams, Field Artillery, vice First Lieut. Marcus A. S. Ming, promoted.

Second Lieut. Harry B. Routh, Field Artillery, vice First Lieut. Lewis E. Goodrich, promoted.

To be first lieutenant with rank from January 25, 1918.

Second Lieut. William E. Farthing, Field Artillery, vice First Lieut. Victor R. Woodruff, promoted.

To be first lieutenant with rank from February 6, 1918.

Second Lieut. Jackson H. Boyd, Field Artillery, vice First Lieut. Robert W. Yates, promoted.

To be first lieutenant with rank from February 7, 1918.

Second Lieut. Noel Noyes, Field Artillery, vice First Lieut. Dan C. Schmahl, promoted.

POSTMASTERS.

ALABAMA.

Walter H. Speegle to be postmaster at Hartsells, Ala., in place of Elizabeth Simpson. Incumbent's commission expired May 20, 1917.

Leon M. Stevenson to be postmaster at Roanoke, Ala., in place of W. Z. East. Incumbent's commission expired November 13, 1917.

ARIZONA.

Leslie C. Jolly to be postmaster at Clarkdale, Ariz., in place of Otto Janssen, resigned.

Mary E. Brown to be postmaster at Parker, Ariz., in place of Allen W. Bryant, resigned.

John W. Brown to be postmaster at St. Johns, Ariz., in place of C. Scheele. Office became presidential April 1, 1917.

CALIFORNIA.

Jennie F. Curry to be postmaster at Camp Curry, Cal., in place of David A. Curry, deceased.

Janet D. Watson to be postmaster at Tahoe, Cal., in place of Herbert S. Watson, resigned.

Susan M. Sigler to be postmaster at Universal City, Cal., in place of Frederick Donaghy, deceased.

COLORADO.

William M. Kintner to be postmaster at Swink, Colo., in place of David M. Fox, resigned.

FLORIDA.

Walter B. Leonard to be postmaster at Hastings, Fla., in place of Charles E. Kettle, resigned.

ILLINOIS.

Patrick H. Fitzgerald to be postmaster at Tiskilwa, Ill., in place of Addie M. Chenoweth, deceased.

KANSAS.

Henry Mattison to be postmaster at Mount Hope, Kans., in place of W. E. Mattison, deceased.

KENTUCKY.

H. Otto Razor to be postmaster at Salt Lick, Ky., in place of E. Thurston Royse, deceased.

LOUISIANA.

Clifford C. Anderson, jr., to be postmaster at Lake Arthur, La., in place of W. G. Chapman. Incumbent's commission expired April 28, 1917.

Edwin H. Hall to be postmaster at Mooringsport, La., in place of M. M. Bonham, resigned.

Maggie E. Jones to be postmaster at Ringgold, La., in place of Maggie Tooke. Office became presidential October 1, 1917.

MISSOURI.

Robert S. Harriman to be postmaster at Pilot Grove, Mo., in place of Edverda Barnes, resigned.

NEW JERSEY.

Francis J. Imlay to be postmaster at Allenhurst, N. J., in place of R. Crawford. Office became presidential July 1, 1916.

Clark P. Kemp to be postmaster at Little Silver, N. J., in place of George E. Borden, resigned.

J. Edward Harned to be postmaster at Woodbridge, N. J., in place of John F. Ryan, resigned.

NORTH CAROLINA.

Roy E. Wilder to be postmaster at Spring Hope, N. C., in place of Joseph S. Stallings, resigned.

NORTH DAKOTA.

Swain G. Northfield to be postmaster at Edinburg, N. Dak., in place of Andrew C. Jensen, declined.

OHIO.

William H. Wisman to be postmaster at New Paris, Ohio, in place of Harry D. Collins, resigned.

OKLAHOMA.

Fred O. Weldon to be postmaster at Comanche, Okla., in place of Jessie A. Tucker, resigned.

John L. Rogers to be postmaster at New Wilson, Okla., in place of Roy M. Mobley, resigned.

Victor A. Schiefelbusch to be postmaster at Sand Springs, Okla., in place of Lee B. Fitzhugh, resigned.

Joshua W. Anderson to be postmaster at Talihina, Okla., in place of James N. Ross, resigned.

TENNESSEE.

Cleveland M. Reames to be postmaster at Somerville, Tenn., in place of J. N. Maxwell. Incumbent's commission expired June 10, 1917.

VIRGIN ISLANDS.

W. S. Lee to be postmaster at Charlotte Amalie, Virgin Islands.

WYOMING.

Minnie C. Corum to be postmaster at Encampment, Wyo., in place of W. H. Wolford, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 16 (legislative day of February 15), 1918.

APPOINTMENTS IN THE ARMY.

QUARTERMASTER CORPS.

Brig. Gen. Isaac W. Littell to be brigadier general.

MEDICAL CORPS.

To be first lieutenants.

William Charles Munly,
Albert Elwood Pagan,
Forrest Pitt Baker,
Cole Blease Gibson,
George William Rice,
Royal Kendall Stacey,
William Campbell Colbert,
Ernest Leroy Wilson,
William Stephen Culpepper,
Charles Roland Glenn,
Gordon Adams Clapp, and
Clive Paul Mueller.

FIELD ARTILLERY ARM.

Ansel G. Wineman to be second lieutenant.

PROVISIONAL APPOINTMENTS IN THE ARMY.

INFANTRY ARM.

To be second lieutenants.

George E. Kraul,
Peter A. Ryan,
Archie D. Cameron,
Ray W. Miner, and
Jack A. Nichols.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

To be captains.

First Lieut. Sigurd J. Simonsen,
First Lieut. Thomas G. Bond,
First Lieut. John E. Haywood,
First Lieut. Willis H. Hale,
First Lieut. Noe C. Killian,
First Lieut. Lindsay P. Johns,
First Lieut. Walter R. Mann,
First Lieut. Henry W. Lee,
First Lieut. Charles A. Shamotulski,
First Lieut. Sidney F. Mashbir,
First Lieut. William P. Scobey,
First Lieut. William C. Moore,
First Lieut. Albion Smith,
First Lieut. Le Roy Lutes,
First Lieut. Edwin D. Patrick,
First Lieut. Herman F. Kramer,
First Lieut. Clarence P. Evers,
First Lieut. William H. Coacher,
First Lieut. Edward S. Johnston, and
First Lieut. John T. Henderson.

To be first lieutenants.

Second Lieut. William F. Johnson,
Second Lieut. Earle T. Decker,
Second Lieut. Uel Stephens,
Second Lieut. Jack A. Nichols,
Second Lieut. George E. Kraul,
Second Lieut. Peter A. Ryan,
Second Lieut. Archie D. Cameron,
Second Lieut. Ray W. Miner,
Second Lieut. Harry A. Seymour,
Second Lieut. Edward J. Oliver,
Second Lieut. Ralph K. Fletcher,
Second Lieut. Thomas R. McCarron,
Second Lieut. Le Roy W. Wilson,
Second Lieut. Oscar P. Hilburn,
Second Lieut. Ray A. Martin,
Second Lieut. Thomas F. Troxell,
Second Lieut. Thomas E. Hibben,
Second Lieut. Edward R. Schauffler,
Second Lieut. Louis A. Kuerzi,
Second Lieut. Vance L. Richmond,
Second Lieut. Orlando C. Brown,
Second Lieut. Frank H. Hollingsworth,
Second Lieut. Earle T. Loucks,
Second Lieut. Alfred D. Cameron,
Second Lieut. Keelah Bouve,
Second Lieut. Herbert S. Havens,
Second Lieut. Joseph E. Pierce,
Second Lieut. John G. Davis,
Second Lieut. William E. G. Cooper,
Second Lieut. Thomas A. O'Brien,
Second Lieut. George H. Passmore,
Second Lieut. Wayne Marshall,
Second Lieut. George O. A. Daughtry, jr.,
Second Lieut. Edward A. O'Malley, jr.,
Second Lieut. Eugene J. M. Fitz-Gerald,
Second Lieut. Francis M. Fuller,
Second Lieut. Frank B. Hayne, jr.,
Second Lieut. Newton G. Bush,
Second Lieut. Paolo H. Sperati,
Second Lieut. Alan L. Hart,
Second Lieut. Worden H. Cowen,
Second Lieut. Russell L. Bonnell,
Second Lieut. Harold L. Morian,
Second Lieut. Le Roy W. Nichols,
Second Lieut. Francis D. Ross,
Second Lieut. Keith F. Driscoll,

Second Lieut. Sidney A. Sands,
Second Lieut. Harvey J. Silvestone,
Second Lieut. Christian A. Schwarzwaelder,
Second Lieut. Charles M. Chamberlain, jr.,
Second Lieut. Allan B. Clayton,
Second Lieut. Harry B. Sepulveda,
Second Lieut. Howard N. Merrill,
Second Lieut. Sherman L. Hougen,
Second Lieut. Melvin P. Spalding,
Second Lieut. Bernard Meredith,
Second Lieut. Harold G. Johnstone,
Second Lieut. Manoah N. Swetnam,
Second Lieut. William F. Newton,
Second Lieut. Andrew F. Hassel,
Second Lieut. George S. V. Little,
Second Lieut. Gordon F. Stephens,
Second Lieut. William MacG. Hall,
Second Lieut. William O. Nelson,
Second Lieut. Pierce Butler, jr.,
Second Lieut. Albert C. Ames,
Second Lieut. Charles L. Bolte,
Second Lieut. William A. Moss,
Second Lieut. Eugene C. Callahan,
Second Lieut. William H. Duncan,
Second Lieut. John B. Brainerd, jr.,
Second Lieut. Theodore F. Wessels,
Second Lieut. Edward Law,
Second Lieut. Sherman K. Burke,
Second Lieut. Arthur J. McChrystal,
Second Lieut. Reynier J. Wortendyke, jr.,
Second Lieut. Malcolm F. Lindsey,
Second Lieut. Willard Smith,
Second Lieut. Jean E. Nelson,
Second Lieut. Kirkwood D. Scott,
Second Lieut. Horace O. Cushman,
Second Lieut. William M. Hutson,
Second Lieut. Thomas M. Galbreath, jr.,
Second Lieut. Carter Glass, jr.,
Second Lieut. Lambert A. Wood,
Second Lieut. Thomas Phillips,
Second Lieut. David H. Finley,
Second Lieut. Robert S. F. Randolph,
Second Lieut. Eli A. Barnes,
Second Lieut. Richard F. Bailey,
Second Lieut. Myron M. Andrews,
Second Lieut. Richard S. Hevenor,
Second Lieut. Albert E. Purchas, jr.,
Second Lieut. Bryan G. Dancy,
Second Lieut. Vinton L. James, jr.,
Second Lieut. William F. Campbell,
Second Lieut. Louis T. Bass,
Second Lieut. Charles J. Carey,
Second Lieut. Stuart Cutler,
Second Lieut. Elbert G. Spencer,
Second Lieut. John R. Boatwright,
Second Lieut. Graeme K. Howard,
Second Lieut. Lester N. Allyn,
Second Lieut. Henry L. Barrett,
Second Lieut. Howard W. Sears,
Second Lieut. Raphael Semmes,
Second Lieut. Robert E. McDonald,
Second Lieut. Elmer R. Ames,
Second Lieut. Thomas S. Morrison, jr.,
Second Lieut. Raymond R. Tourtillott,
Second Lieut. George A. Hadd,
Second Lieut. Leo A. Dunbar,
Second Lieut. James S. Candee,
Second Lieut. Joseph P. Cromwell,
Second Lieut. Harry M. Mayo, jr.,
Second Lieut. Bernard P. Hoey,
Second Lieut. Arleigh L. Willis,
Second Lieut. Eustace P. Strout,
Second Lieut. Wallace W. Parker,
Second Lieut. Ray M. Hare,
Second Lieut. Walter Francis Mullins,
Second Lieut. Henry L. P. King,
Second Lieut. Craig P. Cochrane,
Second Lieut. Harry W. Koster,
Second Lieut. Alfred J. McMullin,
Second Lieut. Eugene E. Pratt,
Second Lieut. Julien H. Needler,
Second Lieut. Frank J. Knell,
Second Lieut. Gerald L. Marsh,
Second Lieut. William A. Wieland,
Second Lieut. John Conrad Cattus,
Second Lieut. Edmond S. Donoho,
Second Lieut. Donald N. Swain,
Second Lieut. John F. Mead,
Second Lieut. Charles McF. Petty,
Second Lieut. Harold A. Black,
Second Lieut. Robert J. McElroy,
Second Lieut. George P. Seneff,
Second Lieut. Harry C. Boehme,
Second Lieut. Russell G. Ayers,
Second Lieut. William A. Wappenstein,
Second Lieut. Charles H. Owens,
Second Lieut. Carter Collins,
Second Lieut. Clarence E. Lovejoy,
Second Lieut. William A. Gray, jr.,
Second Lieut. Hays Matson,
Second Lieut. George E. Abrams,
Second Lieut. Clifton R. Breckinridge, jr.,
Second Lieut. Charles McKnight, jr.,
Second Lieut. Richard L. Tayloe,
Second Lieut. Albert D. Foster,
Second Lieut. Ralph Eberlin,
Second Lieut. Edward T. Harrison,
Second Lieut. Donald P. Spalding,
Second Lieut. Ercil D. Porter,
Second Lieut. Warner Harwood,
Second Lieut. Clyde A. Fowler,
Second Lieut. Laurence J. Potter,
Second Lieut. Claude A. White,
Second Lieut. Brayton Wilbur,
Second Lieut. John F. Farnsworth,
Second Lieut. Chester B. Blakeman,
Second Lieut. Henry N. Bakken,
Second Lieut. Archer L. Lerch,
Second Lieut. Rodney S. Sprigg,
Second Lieut. Milton W. Emmett,
Second Lieut. John A. Pierce,
Second Lieut. Wendell L. Clemenson,
Second Lieut. Jonathan W. Edwards,
Second Lieut. William H. Thomas,
Second Lieut. Charles J. Deahl, jr.,
Second Lieut. Frank M. Ogden,
Second Lieut. Bruce F. Higginbotham,
Second Lieut. William O. Owen,
Second Lieut. Arcadi Gluckman,
Second Lieut. Reginald D. Grout,
Second Lieut. Dale M. Hoagland,
Second Lieut. Charles A. Campbell, jr.,
Second Lieut. Maurice W. Ocheltree,
Second Lieut. Roy T. Rouse,
Second Lieut. Ivan B. Snell,
Second Lieut. Wendell Westover,
Second Lieut. James W. Rice,
Second Lieut. William Edgar,
Second Lieut. Gustav H. Lamm,
Second Lieut. James P. Gammon,
Second Lieut. James A. Giacomini,
Second Lieut. Henry K. White,
Second Lieut. Alva W. Snyder,
Second Lieut. Ralph P. Van Zile,
Second Lieut. Talbott B. Fowler,
Second Lieut. Matthew F. Garvey,
Second Lieut. Samuel L. Metcalfe,
Second Lieut. Frank W. Halsey,
Second Lieut. Kirby Green,
Second Lieut. Myron J. Conway,
Second Lieut. Harold C. Reed,
Second Lieut. Samuel H. Ladensohn,
Second Lieut. Clyde A. Ames,
Second Lieut. Irwin L. Lummis,
Second Lieut. Joseph G. Babb,
Second Lieut. Hollis B. Hoyt,
Second Lieut. Clarence M. Collord,
Second Lieut. Russell L. McKown,
Second Lieut. Frederick W. Hackett,
Second Lieut. Roy G. Rom,
Second Lieut. Fred H. Reynolds,
Second Lieut. Van C. Walton,
Second Lieut. Matthew W. Steele,
Second Lieut. Lawrence W. Marshall,
Second Lieut. John A. Otto,
Second Lieut. Joseph B. Sweet,
Second Lieut. Walter D. Luplow,
Second Lieut. John H. Helmer,
Second Lieut. Sidney P. Howell,

Second Lieut. Henrick Antell,
Second Lieut. John L. Weeks,
Second Lieut. Arthur G. Levy,
Second Lieut. Lewis R. Byington,
Second Lieut. Cecil W. Borton,
Second Lieut. Donald Timerman,
Second Lieut. Harper A. Holt,
Second Lieut. Leon L. Kotzbue,
Second Lieut. Leander I. Shelley,
Second Lieut. Arvid P. Croonquist,
Second Lieut. James E. Cole, jr.,
Second Lieut. Roger Morton,
Second Lieut. Gunther Orsinger,
Second Lieut. Gregory A. Harrison,
Second Lieut. Paul McC. Boston,
Second Lieut. Elmer L. Mott,
Second Lieut. Thomas R. Holmes,
Second Lieut. Harold W. Batchelder,
Second Lieut. Jay H. Cushman,
Second Lieut. John P. Redwood,
Second Lieut. Robert H. Engle,
Second Lieut. Samuel Y. Dinkins,
Second Lieut. Roscoe I. MacMillan,
Second Lieut. Nicholas D. Woodward,
Second Lieut. Henry R. Horak,
Second Lieut. James F Burke,
Second Lieut. Henry C. Switzer,
Second Lieut. William K. Dickson,
Second Lieut. Clarence A. Martin,
Second Lieut. Elmer J. Croft,
Second Lieut. Mark G. Brislawn,
Second Lieut. Edgar L. Noel,
Second Lieut. Henning Linden,
Second Lieut. Gerold E. Luebben,
Second Lieut. Thomas W. Proctor,
Second Lieut. Robert F. Kelley,
Second Lieut. George J. Leftwich, jr.,
Second Lieut. Neely Powers,
Second Lieut. Harrison G. Reynolds,
Second Lieut. Trevor W. Swett,
Second Lieut. George Read, jr.,
Second Lieut. James C. Clements,
Second Lieut. Charles H. Jacobs,
Second Lieut. Hanford MacNider,
Second Lieut. Alexander D. Wilson,
Second Lieut. Edward N. Wigton,
Second Lieut. Eric F. Pihlgard,
Second Lieut. Leslie N. Ross,
Second Lieut. Arthur W. Mudge, jr.,
Second Lieut. Thomas H. Nicholl,
Second Lieut. James L. Hubbell,
Second Lieut. Benjamin H. Decker,
Second Lieut. Walter A. Dumas,
Second Lieut. Edwin E. Keatley,
Second Lieut. W. R. Barksdale Stevens,
Second Lieut. Earle L. Hazzard,
Second Lieut. Moses Taylor, jr.,
Second Lieut. George H. McKee,
Second Lieut. Lett W. Bissell,
Second Lieut. William B. White,
Second Lieut. George C. Parkhurst,
Second Lieut. Luther W. Turner,
Second Lieut. William H. Deyo,
Second Lieut. Francis W. Dunn,
Second Lieut. Don M. Scott,
Second Lieut. Allen W. Cook,
Second Lieut. Robert E. Wysor, jr.,
Second Lieut. Robert Dechert,
Second Lieut. James E. Wharton,
Second Lieut. William O. Wyckoff,
Second Lieut. Carleton Smith,
Second Lieut. Paul C. Gripper,
Second Lieut. Martin D. Barndollar, jr.,
Second Lieut. Raymond C. Alley,
Second Lieut. Francis C. Lewis,
Second Lieut. Lewis Simons,
Second Lieut. James H. Day,
Second Lieut. James M. Austin,
Second Lieut. Albert W. Vinal,
Second Lieut. Paul G. Corker,
Second Lieut. Hiram Russell Ide,
Second Lieut. James A. Rogers,
Second Lieut. Randolph R. Brown,
Second Lieut. Leon R. Mead,
Second Lieut. Harold C. Conick,
Second Lieut. Loren A. Wetherby,
Second Lieut. James J. Coghlan,
Second Lieut. Samuel H. Cross,
Second Lieut. Carl U. Luers,
Second Lieut. Bernard B. McMahon,
Second Lieut. Carlton Banigan,
Second Lieut. Winchester Kelso, jr.,
Second Lieut. George E. Fingarson,
Second Lieut. Leaver Richardson,
Second Lieut. Lawrence M. York,
Second Lieut. James F. Lilley,
Second Lieut. Elwood M. S. Steward,
Second Lieut. Herbert L. Scales,
Second Lieut. Ernest Albert Rudelius,
Second Lieut. Joseph W. Emery, jr.,
Second Lieut. William L. Blanton,
Second Lieut. Harold E. Sturcken,
Second Lieut. Milton Petersen,
Second Lieut. Gillette Hill,
Second Lieut. Stuart M. Firth,
Second Lieut. Porter P. Wiggins,
Second Lieut. Eugene W. Markey,
Second Lieut. Barnard Pierce,
Second Lieut. Robert A. Cochran,
Second Lieut. Proctor Calvin Gilson,
Second Lieut. Paul B. Matlock,
Second Lieut. Charles W. Nevin, 2d,
Second Lieut. William L. Kleitz,
Second Lieut. Orville W. Harris,
Second Lieut. Stanley Raymond Putnam,
Second Lieut. Harold D. Comey,
Second Lieut. John T. Zellars,
Second Lieut. Alexander C. Dick,
Second Lieut. Richard A. McClure,
Second Lieut. Robert K. Massie, jr.,
Second Lieut. Twomey M. Clifford,
Second Lieut. Harry A. Welsch, jr.,
Second Lieut. Tranny L. Gaddy,
Second Lieut. Dennis J. O'Toole,
Second Lieut. Melvin H. Leonard,
Second Lieut. Ben C. Marable,
Second Lieut. Arthur A. Weiskopf,
Second Lieut. Francis O. Noble,
Second Lieut. John A. Ballard,
Second Lieut. Harry H. Martin,
Second Lieut. Herbert T. Perrin,
Second Lieut. Arthur W. Pope, jr.,
Second Lieut. Joseph B. Conmy,
Second Lieut. Emons B. Whisner,
Second Lieut. George W. Griner, jr.,
Second Lieut. Hugh T. Mayberry,
Second Lieut. Charles D. Pearce, jr.,
Second Lieut. Edward D. McDougal, jr.,
Second Lieut. Philip W. Lowry,
Second Lieut. Charles P. Winsor,
Second Lieut. John Doble,
Second Lieut. Moses McK. Darst,
Second Lieut. Robert R. Smith,
Second Lieut. Evan C. Dresser,
Second Lieut. James G. Carr,
Second Lieut. Daniel E. Farr, and
Second Lieut. Chester McN. Woolworth.

COAST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. David C. Kelly,
Second Lieut. Edward F. Chase,
Second Lieut. Robert A. Wheeler,
Second Lieut. Catesby ap L. Jones,
Second Lieut. William W. Savage,
Second Lieut. Charles J. Schaefer, jr.,
Second Lieut. LeRoy A. Whittaker,
Second Lieut. Harold W. Kramer,
Second Lieut. Harold P. Detwiler,
Second Lieut. Clarence F. Hofstetter,
Second Lieut. John J. Vandenburgh,
Second Lieut. Paul S. Roper,
Second Lieut. John S. Beck,
Second Lieut. Clarence G. DeSwarte,
Second Lieut. Bradley B. Brown,
Second Lieut. Mahlon A. Combs,
Second Lieut. Leslie A. Kibbe,
Second Lieut. Lawrence L. Clayton,
Second Lieut. Sanford D. Ashford,
Second Lieut. William Mayer,

Second Lieut. James L. Craig,
Second Lieut. Glenn H. Stough,
Second Lieut. Charles E. Loucks,
Second Lieut. Edmund B. Tazewell,
Second Lieut. Hugh M. Cochran,
Second Lieut. Bruce W. Thayer,
Second Lieut. Arthur C. Cox,
Second Lieut. Paul J. Hunt,
Second Lieut. Chauncey K. Smullen,
Second Lieut. Moses W. Pettigrew,
Second Lieut. Harold H. Hilton,
Second Lieut. Walter F. Kraus,
Second Lieut. Milton M. Levy,
Second Lieut. D. Marshall Taylor,
Second Lieut. Samson H. Rosenblatt,
Second Lieut. Hugh N. Mavor,
Second Lieut. George A. Woody,
Second Lieut. Maurice R. Gowing,
Second Lieut. Geoffrey M. O'Connell,
Second Lieut. Lloyd W. Goeppert,
Second Lieut. Frank R. Rawson,
Second Lieut. Francis Bell, jr.,
Second Lieut. Harrison G. Overend,
Second Lieut. Arthur W. Gower,
Second Lieut. Guy C. Smith,
Second Lieut. Otis C. Moore,
Second Lieut. George C. Tinsley,
Second Lieut. Arthur F. Gilmore,
Second Lieut. Thomas B. Hobson,
Second Lieut. John T. Lewis,
Second Lieut. Walter A. Upham,
Second Lieut. Julian D. Conover,
Second Lieut. Ralph A. Grant,
Second Lieut. Alvah P. R. Conklin,
Second Lieut. William Q. Jeffords, jr.,
Second Lieut. Frederick W. Gilchrist,
Second Lieut. Samuel L. McCroskey,
Second Lieut. George A. Patrick,
Second Lieut. Horace H. Powers,
Second Lieut. Walter C. Thee,
Second Lieut. Gwynne C. McCaustland,
Second Lieut. Wayne E. Davis,
Second Lieut. Oliver B. Bucher,
Second Lieut. Edgar W. King,
Second Lieut. John W. Dillard,
Second Lieut. Jesse K. Mattox,
Second Lieut. Wallace E. Armstrong,
Second Lieut. Riley E. McGarraugh,
Second Lieut. Fletcher H. Etheridge,
Second Lieut. David Beale,
Second Lieut. Charles T. Trickey,
Second Lieut. Allan P. Bruner,
Second Lieut. Edwin M. McGinnis,
Second Lieut. Francis S. Sweet,
Second Lieut. Arch C. Huston,
Second Lieut. Ulric J. Mengert,
Second Lieut. Hugo Dalsheimer,
Second Lieut. Richard W. Coward,
Second Lieut. Edward T. Browne,
Second Lieut. John O. Merrill,
Second Lieut. Horace C. Levinson,
Second Lieut. Percival S. Howe, jr.,
Second Lieut. Miles W. Kresge,
Second Lieut. Edwin S. Roscoe,
Second Lieut. George W. Ricker,
Second Lieut. Edward S. Fraser,
Second Lieut. Milton W. Pollock,
Second Lieut. Sumner T. Pike,
Second Lieut. Sealand W. Landon, jr.,
Second Lieut. Harold Connett,
Second Lieut. Leslie Clyde,
Second Lieut. John M. Silkman,
Second Lieut. John S. Jenkins, jr.,
Second Lieut. Stanley R. Mickelsen,
Second Lieut. William LeRoy Hart,
Second Lieut. Lawrence B. Morse,
Second Lieut. George P. Lee,
Second Lieut. Ralph E. Glasheen,
Second Lieut. Earnest J. Oglesby,
Second Lieut. Eugene M. Vigneron,
Second Lieut. Carroll G. Riggs,
Second Lieut. Henry C. Meredith,
Second Lieut. Dana L. Barbour,
Second Lieut. Ralph Beatley,
Second Lieut. Max W. Thornburg,
Second Lieut. George W. Farnham,
Second Lieut. Richard M. Kimball,
Second Lieut. Edwin F. Barry,
Second Lieut. Eugene S. Taliaferro,
Second Lieut. Robert A. Clyde,
Second Lieut. Andrew F. Patterson,
Second Lieut. Forrest G. Tucker,
Second Lieut. Howard T. Evans,
Second Lieut. Spessard L. Holland,
Second Lieut. William P. E. Ainsworth,
Second Lieut. Herbert F. E. Bultman,
Second Lieut. Donald F. McClure,
Second Lieut. Wilton B. Persons,
Second Lieut. Homer Case,
Second Lieut. Edward P. Sykes,
Second Lieut. John V. Ray,
Second Lieut. Burleigh A. Lum,
Second Lieut. Wilbur S. Vaughan,
Second Lieut. Reginald S. Fleet,
Second Lieut. Roland D. Hawkins,
Second Lieut. Melzar M. Whittlesley,
Second Lieut. Roscoe P. De Witt,
Second Lieut. John G. Murphy,
Second Lieut. Walter J. Collet,
Second Lieut. Joe J. Miller,
Second Lieut. John Van A. Mackenzie,
Second Lieut. Frank J. McSherry,
Second Lieut. George F. A. Mulcahy,
Second Lieut. Charles S. Hammond,
Second Lieut. William B. Jones,
Second Lieut. Cornelius S. Whittelsey,
Second Lieut. Carleton, E. Saecker,
Second Lieut. Robert B. Adams,
Second Lieut. Clarence C. Harshman,
Second Lieut. Lewis J. Taylor,
Second Lieut. Pennock H. Orr,
Second Lieut. John K. Christmas,
Second Lieut. James M. Harris,
Second Lieut. Walter B. Littlefield,
Second Lieut. Philip H. Middleditch,
Second Lieut. Wilfrid W. Montagne,
Second Lieut. Donald B. Webster,
Second Lieut. George B. Roberts,
Second Lieut. Frank E. O'Neill,
Second Lieut. Banks G. Moreland,
Second Lieut. Monroe Warren,
Second Lieut. James M. Ralston,
Second Lieut. Ransom D. Spann,
Second Lieut. Donald G. Crowell,
Second Lieut. Arthur C. Hawkins,
Second Lieut. Otto de Lorenzi,
Second Lieut. Richard M. Kew,
Second Lieut. Alexander G. Campbell,
Second Lieut. Ernest R. Campbell,
Second Lieut. Joseph G. Pringle,
Second Lieut. John W. Card,
Second Lieut. Jack Phinizy,
Second Lieut. Manly B. Gibson,
Second Lieut. Charles H. Hagelstein,
Second Lieut. Huntington R. Hardwick,
Second Lieut. Robert C. Jordon, jr.,
Second Lieut. Malcolm S. Cone,
Second Lieut. Alvah E. Moody,
Second Lieut. Robert K. Gooch,
Second Lieut. Oliver N. Hollis,
Second Lieut. Cranston B. Rader,
Second Lieut. Cedric E. Scheerer, and
Second Lieut. Geoffrey Marshall.

PROMOTIONS IN THE ARMY.

INFANTRY.

To be first lieutenants.

Second Lieut. Joseph I. Cohen,
Second Lieut. Henry A. Barber, jr.,
Second Lieut. Robert A. Willard,
Second Lieut. John M. Erwin,
Second Lieut. William B. Carswell, jr.,
Second Lieut. Wilson G. Bingham,
Second Lieut. Charles C. Bartley,
Second Lieut. Robert MacD. Graham,
Second Lieut. Rudolph F. Whitelegg,
Second Lieut. Loyd Van H. Durfee,
Second Lieut. John H. Norton,

Second Lieut. William W. Paca,
Second Lieut. John T. B. Bissell,
Second Lieut. Charles A. Mahoney,
Second Lieut. George S. Eyster,
Second Lieut. Henry R. Anderson,
Second Lieut. William McC. Chapman,
Second Lieut. Kenneth P. Murray,
Second Lieut. Roger W. Stembridge,
Second Lieut. Norman McNeill,
Second Lieut. Glen H. Anderson,
Second Lieut. Bryant E. Moore,
Second Lieut. Leo V. Warner,
Second Lieut. Howard A. Deas,
Second Lieut. Henry W. Bobrink,
Second Lieut. Onslow S. Rolfe,
Second Lieut. Louis A. Freeman,
Second Lieut. Henry P. Gantt,
Second Lieut. Jesse B. Matlack,
Second Lieut. Julius E. Schaefer,
Second Lieut. Theodore D. Schmidt,
Second Lieut. Parry W. Lewis,
Second Lieut. Edward W. Timberlake,
Second Lieut. Vincent N. Taylor,
Second Lieut. William W. Jenna,
Second Lieut. William R. Fleming,
Second Lieut. Paul W. Cole,
Second Lieut. Francis P. Simpson,
Second Lieut. Harry C. Barnes, jr.,
Second Lieut. Robert J. Hoffman,
Second Lieut. Clare W. Woodward,
Second Lieut. John S. Mallory,
Second Lieut. Frederick D. Sharp,
Second Lieut. William S. Barrett,
Second Lieut. Paul R. Goode,
Second Lieut. Harry N. Rising,
Second Lieut. Josephus B. Wilson,
Second Lieut. Henry C. Demuth,
Second Lieut. Lowell M. Riley,
Second Lieut. Edwin C. Maling,
Second Lieut. George D. Watts,
Second Lieut. Emil Krause,
Second Lieut. Robert L. Bacon,
Second Lieut. Walker G. White,
Second Lieut. Earle E. Sarcka,
Second Lieut. Edwin J. House,
Second Lieut. Arthur C. Purvis,
Second Lieut. James J. Hea,
Second Lieut. Edgar B. Moomau,
Second Lieut. Frank S. Long,
Second Lieut. Carlisle B. Wilson,
Second Lieut. William E. Whittington,
Second Lieut. Harold L. Milan,
Second Lieut. Robert A. Bringham,
Second Lieut. Horace Harding,
Second Lieut. Earle A. Billings, and
Second Lieut. Royal H. Place.

COAST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. Dean I. Piper,
Second Lieut. Otto M. Jank,
Second Lieut. Herman U. Wagner,
Second Lieut. Philip S. Day,
Second Lieut. George W. Hirsch,
Second Lieut. Forrest C. Shaffer,
Second Lieut. William R. Deeble, jr.,
Second Lieut. Frank F. Reed,
Second Lieut. John W. Coffey,
Second Lieut. Frank C. Meade,
Second Lieut. Lawrence Dwight,
Second Lieut. Everett T. Brown,
Second Lieut. Clyde H. Morganthaler,
Second Lieut. Willard M. Hall,
Second Lieut. Tracy C. Dickson, jr.,
Second Lieut. Robert W. Hasbrouck,
Second Lieut. Howard P. Faust,
Second Lieut. John T. de Camp,
Second Lieut. Wallace D. Collins,
Second Lieut. Sargent P. Huff,
Second Lieut. William H. Donaldson, jr.,
Second Lieut. Henry M. Black,
Second Lieut. Willard D. Murphy,
Second Lieut. Council B. Palmer, and
Second Lieut. John C. Hawkins.

TEMPORARY PROMOTIONS IN THE ARMY.

INFANTRY ARM.

To be colonels.

Lieut. Col. Paul Giddings,
Lieut. Col. Edward S. Walton,
Lieut. Col. Alfred T. Smith,
Lieut. Col. Ira L. Reeves,
Lieut. Col. Fred L. Munson,
Lieut. Col. Thomas M. Anderson, jr.,
Lieut. Col. John E. Hunt,
Lieut. Col. Claude H. Miller, and
Lieut. Col. Harold B. Fiske.

To be lieutenant colonels.

Maj. Edwin J. Nowlen,
Maj. Raymond Sheldon,
Maj. Edwin J. Bracken,
Maj. George W. England,
Maj. Clyde B. Parker,
Maj. Alvin C. Voris,
Maj. Frank R. Curtis,
Maj. Fred L. Davison,
Maj. George E. Kumpe,
Maj. Milo C. Corey,
Maj. Arthur M. Ferguson,
Maj. De Witt W. Chamberlin,
Maj. Walter H. Johnson,
Maj. Robert G. Rutherford, jr.,
Maj. Robert E. Grinstead,
Maj. Albert S. Williams,
Maj. William B. Graham,
Maj. Charles J. Nelson,
Maj. E. Alexis Jeunet,
Maj. Charles H. Danforth,
Maj. Gideon H. Williams,
Maj. Leonard T. Baker,
Maj. Charles S. Frank,
Maj. Franklin S. Leisenring,
Maj. Charles F. Andrews,
Maj. Allan L. Briggs,
Maj. James M. Petty,
Maj. John B. Shuman,
Maj. Charles G. Lawrence,
Maj. Frederic G. Kellond,
Maj. William P. Kitts,
Maj. Walter Harvey,
Maj. Frank B. Davis,
Maj. Harry D. Mitchell,
Maj. Ode C. Nichols, and
Maj. Kirwin T. Smith.

To be majors.

Capt. Joseph E. Barzynski,
Capt. Ben W. Feild,
Capt. Bloxham Ward,
Capt. Paul H. Clark,
Capt. Thomas H. Lowe,
Capt. James W. H. Reisinger, jr.,
Capt. Rupert A. Dunford,
Capt. Charles C. Bankhead,
Capt. John P. Adams,
Capt. Ira Longanecker,
Capt. William C. Whitener,
Capt. Frederick J. Ostermann,
Capt. William J. Connolly,
Capt. Everett D. Barlow, jr.,
Capt. Lawrence E. Hohl,
Capt. James G. Boswell,
Capt. Arthur D. Minick,
Capt. Paul R. Manchester,
Capt. Byard Sneed,
Capt. Oscar Westover,
Capt. Martyn H. Shute,
Capt. Fred A. Cook,
Capt. George G. Bartlett,
Capt. Henry B. Clagett,
Capt. Richard H. Jacob,
Capt. Ralph A. Jones,
Capt. Hugo D. Schultz,
Capt. Jacob E. Fickel,
Capt. Jesse W. Boyd,
Capt. Ebenezer G. Beuret,
Capt. Rush B. Lincoln,
Capt. Walter F. L. Hartigan,

Capt. Bruce Magruder,
Capt. George H. Huddleson,
Capt. George C. Keleher,
Capt. Harry H. Pritchett,
Capt. Edgar L. Field,
Capt. Earl C. Buck,
Capt. Jere Baxter,
Capt. A. Ellicott Brown,
Capt. James M. Lockett,
Capt. Eugene Robinson,
Capt. Jesse C. Drain,
Capt. Alexander W. Chilton,
Capt. William E. Morrison,
Capt. Donald J. MacLachlan,
Capt. Charles H. Rice,
Capt. Irving J. Palmer,
Capt. Melvin G. Faris,
Capt. Alexander W. Maish,
Capt. William J. McCaughey,
Capt. Eugene R. Householder,
Capt. Eugene Santschi, jr.,
Capt. William A. Ganoe,
Capt. Elmer F. Rice,
Capt. Benjamin F. Castle,
Capt. John W. Lang,
Capt. George T. Everett,
Capt. Henry H. Arnold,
Capt. Walter R. Wheeler,
Capt. Barton K. Yount,
Capt. Denham B. Crafton,
Capt. William E. Selbie,
Capt. John L. Jenkins,
Capt. Charles H. White,
Capt. Alvin G. Gutensohn,
Capt. Stanley L. James,
Capt. John S. Sullivan,
Capt. Bruce B. Buttler,
Capt. Evan E. Lewis,
Capt. Paul A. Larned,
Capt. James H. Laubach,
Capt. George R. Harrison,
Capt. Ralph W. Dusenbury,
Capt. Thomas C. Spencer,
Capt. Fauntley M. Miller,
Capt. Ray C. Hill,
Capt. Patrick J. Morrissey,
Capt. Thomas M. R. Herron, and
Capt. John D. Reardan.

CORPS OF ENGINEERS.

To be lieutenant colonels.

Maj. Lewis H. Rand,
Maj. Edward M. Markham,
Maj. Thomas H. Jackson,
Maj. George B. Pillsbury,
Maj. Gustave R. Lukesh,
Maj. John R. Slattery,
Maj. Albert E. Waldron,
Maj. Francis A. Pope,
Maj. Gilbert A. Youngberg.
Maj. Edward N. Johnston,
Maj. Clarence O. Sherrill,
Maj. Ernest D. Peek,
Maj. George R. Spalding,
Maj. Elliott J. Dent,
Maj. William P. Stokey,
Maj. Wildurr Willing,
Maj. William A. Mitchell,
Maj. Mark Brooke,
Maj. Laurence V. Frazier,
Maj. Harold C. Fiske,
Maj. Max C. Tyler,
Maj. Ulysses S. Grant, 3d,
Maj. William H. Rose,
Maj. Lewis M. Adams,
Maj. William D'A. Anderson,
Maj. Joseph H. Earle,
Maj. Thomas M. Robins,
Maj. Roger D. Black,
Maj. Theodore H Dillon,
Maj. De Witt C. Jones,
Maj. Ernest Graves,
Maj. Francis B. Wilby,
Maj. Clarence S. Ridley,
Maj. Alvin B. Barber,
Maj. Roger G. Powell,
Maj. John N. Hodges,
Maj. James J. Loving,
Maj. Edward D. Ardery,
Maj. James G. Steese,
Maj. Roger G. Alexander,
Maj. James A. O'Connor,
Maj. Lewis H. Watkins,
Maj. Gilbert E. Humphrey,
Maj. Richard Park,
Maj. Daniel I. Sultan, and
Maj. Glen E. Edgerton.

To be majors.

Capt. Clarence L. Sturdevant,
Capt. Earl J. Atkisson,
Capt. Richard T. Coiner,
Capt. Robert S. A. Dougherty,
Capt. Stuart C. Godfrey,
Capt. Francis C. Harrington,
Capt. Cleveland C. Gee,
Capt. John M. Wright,
Capt. John R. D. Matheson,
Capt. William H. Sage, jr.,
Capt. Charles J. Taylor,
Capt. Edwin H. Marks,
Capt. Earl North,
Capt. Albert H. Acher,
Capt. Gilbert Van B. Wilkes,
Capt. John C. H. Lee,
Capt. Frank S. Besson,
Capt. Lindsay C. Herkness,
Capt. Albert K. B. Lyman,
Capt. Frederick S. Strong, jr.,
Capt. Daniel D. Pullen,
Capt. Carey H. Brown,
Capt. Oscar N. Solbert,
Capt. Beverly C. Dunn,
Capt. Donald H. Connolly,
Capt. Raymond F. Fowler,
Capt. David McCoach, jr.,
Capt. James G. B. Lampert,
Capt. Philip B. Fleming,
Capt. John W. Stewart,
Capt. Joseph C. Mehaffey,
Capt. Paul S. Reinecke,
Capt. Raymond A. Wheeler,
Capt. W. Morris Chubb,
Capt. Howard S. Bennion,
Capt. William C. Sherman,
Capt. Rudolph C. Kuldell,
Capt. Roscoe C. Crawford,
Capt. Earl G. Paules,
Capt. Bradford G. Chynoweth,
Capt. Milo P. Fox,
Capt. John C. Gotwals,
Capt. Francis K. Newcomer,
Capt. Charles F. Williams,
Capt. Gordon R. Young,
Capt. Richard U. Nicholas,
Capt. James A. Dorst,
Capt. Rufus W. Putnam,
Capt. Lunsford E. Oliver,
Capt. William H. Holcombe,
Capt. James B. Cress,
Capt. Charles P. Gross,
Capt. Bernard A. Miller,
Capt. Peter C. Bullard,
Capt. Brehon B. Somervell,
Capt. Xenophon H. Price,
Capt. Robert W. Crawford,
Capt. Frederick S. Skinner,
Capt. Dabney O. Elliott,
Capt. Allen P. Cowgill,
Capt. George F. Lewis,
Capt. Harrison Brand, jr.,
Capt. Frederick W. Herman,
Capt. John H. Carruth,
Capt. Oscar O. Kuentz,
Capt. William E. R. Covell,
Capt. Edwin R. Kimble,
Capt. Joseph D. Arthur, jr., and
Capt. Ernest F. Miller.

COAST ARTILLERY CORPS.

To be lieutenant colonels.

Maj. Malcolm Young,
Maj. Laurence C. Brown,
Maj. Harry L. Steele,
Maj. Thomas F. Dwyer,
Maj. James B. Mitchell,
Maj. Alfred S. Morgan,
Maj. Charles H. Hilton,
Maj. Edward L. Glasgow,
Maj. Percy Willis,
Maj. William F. Stewart, jr.,
Maj. Joseph B. Douglas,
Maj. Hudson T. Patten,
Maj. Edward Kimmel,
Maj. John A. Procter,
Maj. John B. Christian,
Maj. Frederick W. Phisterer,
Maj. Robert H. C. Kelton,
Maj. Percy P. Bishop,
Maj. Henry J. Hatch,
Maj. Elmer J. Wallace,
Maj. William F. Hase,
Maj. William R. Doores,
Maj. James F. Howell,
Maj. Jesse C. Nicholls,
Maj. Henry W. Schull,
Maj. Clifton C. Carter,
Maj. Stanley D. Embick,
Maj. William H. Monroe,
Maj. Leonard D. Waldron,
Maj. Ernest A. Greenough,
Maj. Alexander Greig, jr.,
Maj. James A. Ruggles,
Maj. Terence E. Murphy,
Maj. Harry W. Newton,
Maj. Allen D. Raymond,
Maj. James R. Pourie,
Maj. John L. Hughes,
Maj. John W. C. Abbott,
Maj. Harry T. Matthews,
Maj. Harry C. Barnes,
Maj. Stephen H. Mould,
Maj. Louis S. Chappelear,
Maj. Granville Sevier,
Maj. Robert F. Woods,
Maj. Albert C. Thompson,
Maj. Ellison L. Gilmer,
Maj. John McBride, jr.,
Maj. Richard K. Cravens,
Maj. George O. Hubbard,
Maj. James M. Wheeler,
Maj. Harrison S. Kerrick,
Maj. Frank J. Miller,
Maj. Philip S. Golderman,
Maj. Charles L. Lanham,
Maj. George F. Connolly,
Maj. John S. Johnston,
Maj. Joseph S. Hardin,
Maj. Louis E. Bennett,
Maj. George L. Hicks, jr., and
Maj. Lynn S. Edwards.

FIELD ARTILLERY ARM.

To be colonels.

Lieut. Col. Clarence N. Jones,
Lieut. Col. Frederick B. Hennessy,
Lieut. Col. Laurin L. Lawson, and
Lieut. Col. John W. Kilbreth, jr.

To be lieutenant colonels.

Maj. Walter S. Sturgill,
Maj. Sherman Miles,
Maj. Cortlandt Parker,
Maj. Richard C. Burleson,
Maj. Joseph R. Davis, and
Maj. John R. Starkey.

To be majors.

Capt. Horace H. Fuller,
Capt. John M. McDowell,
Capt. Raymond E. Lee,
Capt. Jason McV. Austin,
Capt. Belton O'N. Kennedy,
Capt. Burton O. Lewis,
Capt. Herbert R. Odell, and
Capt. Clyde A. Selleck.

To be captains.

First Lieut. Bertram N. Rock,
First Lieut. Alexander S. Quintard,
First Lieut. Marcus A. S. Ming,
First Lieut. Lewis E. Goodrich,
First Lieut. Victor R. Woodruff,
First Lieut. Robert W. Yates, and
First Lieut. Dan C. Schmahl.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

The following-named lieutenant commanders to be commanders:

William R. Sayles, jr., and
Charles R. Train.

Lieut. Edgar G. Oberlin to be a lieutenant commander.

The following-named lieutenants (junior grade) to be lieutenants:

Karl F. Smith,
Willis A. Lee, jr., and
Edwin Guthrie.

Medical Inspector Charles P. Kindleberger to be a medical director with the rank of captain.

The following-named medical inspectors to be medical directors with the rank of captain:

Arthur W. Dunbar and
Theodore W. Richards.

Surg. Joseph C. Thompson to be a medical inspector with the rank of commander.

Surg. Karl Ohnesorg to be a medical inspector with the rank of commander.

Surg. Frederick W. S. Dean to be a medical inspector with the rank of commander.

The following-named passed assistant surgeons to be surgeons with the rank of lieutenant commander:

William H. Short,
Herbert L. Kelley, and
Julian T. Miller.

The following-named surgeons to be medical inspectors with the rank of commander, for temporary service:

Clarence F. Ely,
Albert J. Geiger,
Perceval S. Rossiter,
Charles C. Grieve, and
John D. Manchester.

The following-named officers to be lieutenant commanders for temporary service:

Howard H. Crosby,
George E. Brandt,
William C. Owen,
Francis T. Chew,
Francis Cogswell,
James McC. Irish,
John B. Staley,
Charles H. Davis, jr.,
Paul E. Speicher,
Arthur S. Carpender,
John L. Kauffman,
Robert A. Burg,
William D. Brereton, jr.,
Harrison E. Knauss,
William R. Munroe,
Schamyl Cochran,
Albert M. Penn,
William F. Gresham,
Robert O. Baush,
Paul H. Bastedo,
John C. Hilliard,
Philip Seymour,
Frank R. Berg,
Andrew D. Denney,
Charles M. Yates,
Stuart O. Greig,
James C. Van de Carr,
John C. Cunningham,
Jabez S. Lowell,
John F. Shafroth, jr.,
Karl F. Smith,
Ernest W. McKee,
Dallas C. Laizure,
Jules James,
John F. McClain,
John R. Beardall,
Archibald H. Douglas,

Rufus King,
Timothy J. Kelcher,
Howard B. Mecleary, and
Willis A. Lee, jr.

The following-named officers to be lieutenants for temporary service:

Leon S. Fiske.
Earl M. Major,
William F. Loventhal,
Paul R. Glutting,
Harold M. Horne,
Walter E. Borden, jr.,
Arthur T. Emerson,
Arthur C. Geisenhoff,
Grover C. Klein,
William F. Boyer,
Bartley G. Furey,
Willard A. Kitts, 3d,
Bertram J. Rodgers,
Carroll W. Hamill,
Clinton H. Havill,
Lew W. Bagby,
Byron S. Dague,
Lyman K. Swenson,
Frank E. Beatty, jr.,
Gail Morgan,
Woodbury E. Mackay,
Gilbert F. Bunnell,
Thorwald A. Solberg,
Clifford H. Roper,
Edward P. Sauer,
Augustus J. Selman,
John H. Carson,
Milton O. Carlson,
Robert B. Carney,
Arthur W. Radford,
George F. Martin,
John A. Vincent,
Bernard F. Jenkins,
Boyd R. Alexander,
Edward L. Eriesson,
Frederick B. Craven,
Richard R. Claghorn,
Edwin S. Earnhardt,
John M. Bloom,
John E. Williams,
Jesse L. Kenworthy, jr.,
Webster M. Thompson,
Albert E. Schrader,
Louis R. Vail,
William R. Casey,
Paul S. Goen,
Archibald E. Fraser,
Harry V. Baugh,
Dennis L. Ryan,
Andrew DeG. Mayer,
Arnold H. Bateman,
Charles G. Halpine,
Charles T. Joy,
John S. Watters, jr.,
Alva J. Moore,
Walter W. Webb,
Nelson N. Gates,
Henry L. Phelps,
Benjamin R. Holcombe,
Archer W. Webb,
Charles G. Berwind,
John E. Reinburg,
William L. Keady,
John A. Terhune,
Charles J. Wheeler,
Theodore T. Patterson,
John A. Sternberg,
George P. Brewster,
Samuel P. Ginder,
Henry B. Broadfoot,
Van H Ragsdale,
John Wilkes,
Robert J. Walker,
Robert B. Twining,
Homer L. Grosskopf,
William P. Bacon,
Henry N. Fallon,
Wilbur W. Feineman,
Maxwell Cole,
Bruce P. Flood,
Henry J. White,
Oscar W. Erickson,
Gilbert W. Sumners,
Henry C. Merwin,
Fred D. Kirtland,
James M. Steele,
Arthur D. Burhans,
Casper K. Blackburn,
Amos B. Root,
Thomas D. Warner,
Paul W. Rutledge,
T. De Witt Carr,
Albert M. Rhudy, and
Charles P. Cecil.

The following-named officers to be lieutenants (junior grade) for temporary service:

Michael Higgins,
George Crofton,
William J. Creelman,
Herbert E. Fish,
Walter S. Falk,
Barnett B. Bowie,
James J. Cullen,
John P. Richter,
John R. Burkhart,
John R. Likens,
Charles Franz,
Frank O. Wells,
Thomas W. Smith,
Bernhard Christensen,
Raymond L. Drake,
Henry Lobitz,
John Danner,
James F. Hopkins,
Charles Schonborg,
Walter J. Wortman,
Alexander Stuart,
William Derrington,
Frank D. Blakely,
James F. McCarthy,
Frederick T. Montgomery,
Harry Adams,
Henry Rieck,
John Sperle, jr.,
Constantine Clay,
Roderick M. O'Connor,
William Herzberg,
Jarrard E. Jones,
Zenas A. Sherwin,
Paul R. Fox,
Otto Boldt,
John B. Martin,
Arthur H. Hawley,
David W. Harry,
Charles S. Wolf,
George R. C. Thompson,
Olav Johnson,
Ole P. Oraker,
Byron C. Howard,
William S. White,
Francis G. Randall,
Franz J. M. Parduhn,
Henry I. Edwards,
Christopher Murray,
John P. Judge,
John C. Linberg,
Birney O. Halliwill,
Albert Seeckts,
William C. Bean,
James A. Martin,
William H. Dayton,
Edward W. Furey,
Arthur W. Bird,
Willis Dixon,
Charles Allen,
Adolph Peterson,
William E. O'Connell,
Harry T. Johnson,
Harry N. Huxford,
Thomas James,
William Fremgen,
Daniel W. Nelson,
Joseph H. Aigner,
Clarence D. Holland,

Frederick T. Lense,
Axel V. Kettels,
John W. Merget,
Albert A. Hooper,
Harry Champeno,
George R. Veed,
Niels A. Johnsen,
Isidor Nordstrom,
Charles H. Foster,
James H. Bell,
John J. Clausey,
Charles H. Anderson,
Edward S. Tucker,
Charles Dunne,
George J. Lovett,
Walter Collins,
Frederick W. Teepe,
Edwin W. Abel,
Albert C. Byrne,
George L. Russell,
Orrin R. Hewitt,
Otto T. Purcell,
William R. Gardner,
Joseph R. Bradshaw,
George W. Fairfield,
William M. Miller,
Joseph C. Stein,
Louis F. Miller,
Robert M. Huggard,
Paul B. Cozine,
Earl F. Holmes,
John Atley,
Gregory Cullen,
Bertram David,
George Knott,
Thomas Macklin,
Richard O. Williams,
Michael Macdonald,
Charles S. Schepke,
George D. Samonski,
William O. King,
James E. Orton,
William Cronan,
Charles L. Bridges,
Arthure Langfield,
Albert Klingler,
John Ronan,
William Seach,
William T. McNiff,
Meade H. Eldridge,
Ernest R. Piercey,
William R. Buechner,
Bernhard Schumacher, and
Benjamin F. Singles.

Lieut. Maurice R. Pierce to be a lieutenant commander for temporary service.

Lieut. Charles L. Best to be a lieutenant commander for temporary service.

Lieut. (Junior Grade) Calvin T. Durgin to be lieutenant for temporary service.

Lieut. (Junior Grade) Humbert W. Ziroli to be a lieutenant for temporary service.

Ensign Charles B. Babson to be a lieutenant (junior grade) for temporary service.

The following-named chief warrant officers to be ensigns for temporary service:

Charles B. Babson,
Thomas W. Smith,
William Derrington, and
Henry McEvoy.

Machinist Claude S. Padgett to be an ensign for temporary service,

Boatswain Walter B. Buchanan to be an ensign for temporary service,

The following-named officers to be ensigns for temporary service:

William M. Fester,
Clarence E. Miller,
Homer E. Curlee,
Stuart L. Johnson,
Joe B. Cadenbach,
John L. Kershaw,
Patrick H. Foley, and
Harold D. Kent.

The following-named enlisted men to be ensigns for temporary service:

William J. Lowe,
Thomas F. Eagan,
Carl H. Forth,
William W. Funk,
Ivan E. Pitman,
Henry C. Vogt,
Vern W. McGrew,
Frank A. Jahn,
Gustave O. Kolle,
Robert N. Lockart,
Conrad L. Bayer,
Edward J. Sherry,
Richard E. Miegel,
William T. Crone,
Albert F. Holst,
Gilbert R. Whitworth,
Conrad E. Nordhus,
Arthur E. Redding,
Richard Higgins,
David R. Knape, and
Marcus L. Kurtz.

The following-named to be ensigns for temporary service:

John F. W. Gray,
Gysbert V. S. Harvey,
James L. Lohrke,
Fred P. Ritchie,
John G. Kenlon,
Hancock Banning, jr.,
Enoch S. Farson, jr., and
Michael Spring.

The following-named officers to be rear admirals for temporary service:

Joseph Strauss,
Edward W. Eberle, and
Robert E. Coontz.

The following-named officers to be captains, for temporary service:

Leigh C. Palmer,
Albert W. Marshall,
Thomas A. Kearney,
Dudley W. Knox,
Edward McCauley, jr.,
Willian L. Littlefield,
Earl P. Jessop,
Arthur Crenshaw,
Amon Bronson, jr.,
Harry E. Yarnell,
Arthur MacArthur,
David E. Theleen,
Arthur J. Hepburn,
Thomas C. Hart,
Cyrus R. Miller,
Orin G. Murfin, and
Luther M. Overstreet.

The following-named officers to be commanders, for temporary service:

David McD. LeBreton,
Andrew C. Pickens,
Nathaniel H. Wright,
Prentiss P. Bassett,
Husband E. Kimmel,
Robert A. Dawes,
Paul E. Dampman,
Clyde S. McDowell,
Paul P. Blackburn,
Charles C. Soule, jr.,
Charles H. Bullock,
Lawrence P. Treadwell,
Halsey Powell,
Forde A. Todd,
Cleon W. Mauldin,
Chester L. Hand,
Aubery K. Shoup,
Abram Claude,
Nathan W. Post,
William F. Halsey, jr.,
Roscoe F. Dillen,
Allen B. Reed,
Christopher R. P. Rodgers,
David W. Bagley,
Walter A. Smead,
Arthur C. Kail,

Clarence E. Wood,
Max M. Frucht,
Charles S. Joyce,
Ormond L. Cox
Royal E. Ingersoll,
Herbert F. Leary,
Chester W. Nimitz,
Reuben B. Coffey,
Joseph V. Ogan,
Albert T. Church,
Logan Cresap,
John N. Ferguson,
Louis C. Farley,
Arthur C. Stott,
William S. McClintic,
Byron McCandless,
Roscoe C. MacFall,
Robert L. Irvine,
Bruce L. Canaga, and
Walter B. Woodson.

Robert A. Barnet, jr., to be a second lieutenant in the Marine Corps, for temporary service.

POSTMASTERS.

KENTUCKY.

Barbara A. Hogue, Benham.
C. E. Barnett, Earlington.
Sarah W. Simms, Springfield.
Lewis P. Martin, Wayland.
Samuel F. King, Winchester.

MINNESOTA.

Erick L. Slindee, Adams.
Frank W. Zaffke, Backus.
Joseph S. Stearns, Campbell.
Charles G. Leppla, Fort Snelling.
C. Edward Sarff, Keewatin.
P. Andrew Bromstad, Milan.
Walter L. O'Neill, Remer.

HOUSE OF REPRESENTATIVES.

SATURDAY, *February 16, 1918.*

The House met at 12 o'clock noon.

The Rev. William Couden, of Washington, D. C., offered the following prayer:

Dear God, our loving Father in Heaven, "Thou hast made us for Thyself and our souls are restless until they find their rest in Thee." Comes to us once more the fleeting, precious moment when we are wont to enter into communion with Thee through the gate of prayer. Be it for us a shelter from care and a retreat for peace, cleansing, and preparation. Banish from us our sin, our worldliness, our unbelief. Grant unto us in the stress of many conflicts and the clamor of many voices serenity of spirit and steadfastness to truth. Keep ever before us the cross of Christ, the sign of his sacrifice and triumph, the emblem of Thy love for us, the measure of our value to Thee, the symbol of our possible service to each other, and the mark of our eternal hope. And to-day and all our days, dear Lord, help us "that by the practice of those things we know to be true we may be led forward to a knowledge of those things we can not now comprehend." Through Jesus Christ, our Lord, amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States, by Mr. Sharkey, one of his secretaries, was received.

PERSONAL EXPLANATION.

Mr. JOHNSON of Kentucky. Mr. Speaker, I will be glad if the House will indulge me not to exceed three minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, in the Evening Star of yesterday I find the following:

Chairman JOHNSON, in his policy of legislation by slander, has attempted to beat down all criticism or suggested amendment of the details of his bill by slurring sweepingly not only the Star but all Washington real estate men, representing all local landlords, and even his fellow Representatives who had the audacity to attempt to improve his bill. Of the committee representing the Real Estate Brokers' Association, Chairman JOHNSON says: "They and their clients are the profiteers."

I should apply the short and ugly word to that, Mr. Speaker, but I shall refrain from doing so, and simply say that the newspaper maliciously has garbled what I said, and has put me in a position of saying what I did not say. I did not refer in that connection to the Real Estate Brokers' Association, but instead to "real estate men" other than to that association. Further along the newspaper says:

In deprecating a hearing of the association's committee, he says: "Would the gentleman advocate giving burglars and thieves a hearing in preparing laws to stop them from their practices?"

Now, Mr. Speaker, what I did say will be found on page 2112 of the RECORD, and it is this:

But in this instance the Washington Star is confronted by a double question—the Government clerks upon one side, to whom it wishes to sell its papers, and the real estate men upon the other side, from whom it receives hundreds of thousands of dollars every year in the way of pay for advertisements.

Now, what I said referred to the "real estate men" and not to those of the Real Estate Brokers' Association who came to see me about the matter. Concerning the gentlemen who compose the special committee of the Real Estate Brokers' Association I have no word of criticism, but instead words of commendation. Mr. Wardman is one of those gentlemen, and never yet in any of the correspondence that has reached me, or the telephone messages, or people who have come to see me, have I heard anybody charge him for profiteering; but, on the other hand, I have heard people say that he has protested against it, and would not permit people in his apartments to do so. Of Mr. Fairfax I have never heard any criticism. I never heard a word against Mr. Story. On the other hand, I have heard words of praise of him.

If the Star or anybody else has so distorted my remarks or has misunderstood my remarks as reflecting upon any of these gentlemen, I regret it exceedingly. If I have been so unfortunate as to have my remarks susceptible to that sort of construction, I regret that. If, in the excitement of debate, I have said anything reflecting on these gentlemen, I certainly am most sorry for it and apologize to them for it.

Now, there is another place, on page 2124 of the RECORD. The gentleman from Massachusetts [Mr. TINKHAM] was saying:

Now, Mr. Chairman, only one word in closing, and that is this, that the minority of the Committee on the District of Columbia are as sincerely desirous of stopping unfair profiteering in the District of Columbia, or in any other part of the United States, as the majority, or the honorable Representative from Kentucky [Mr. JOHNSON]; but they do not want to pass a bill which they believe is not only unconstitutional, in at least one of its phases, but unworkable, and which will not produce the results which are believed by both sides to be desirable. I therefore believe that one of three courses should be followed in relation to this bill: As no hearings were given and only an hour and a half given to the consideration by the committee, it should be referred back to the committee for reformation, or——

Mr. JOHNSON of Kentucky. Will the gentleman yield just there?

Mr. TINKHAM. I will.

Mr. JOHNSON of Kentucky. Would the gentleman advocate giving burglars and thieves a hearing in preparing laws to stop them from their practices?

There I was simply inquiring whether or not the gentleman would be willing to go beyond the Real Estate Brokers' Association in the hearings, or whether he would consent to let the profiteers come there and take up the time and delay the hearings on the bill. I meant nothing more than that. And yet the Evening Star, in its ugliness, has put me in the attitude of applying that language to the Real Estate Brokers' Association, when I never intended to do so, and the writer of that article knew, when he garbled what I said, that he was doing so for the purpose of misrepresenting me.

NOTIFICATION OF ILLNESS OF SOLDIERS.

Mr. REAVIS. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 228, to provide notification of illness of soldiers.

The SPEAKER. The gentleman from Nebraska asks unanimous consent for the present consideration of House joint resolution 228, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That in all cases where an enlisted man or officer of the United States Army is admitted to an Army hospital in continental America on account of a dangerous injury or disease, and in all cases of admission for slight illness or injury and the same becomes dangerous after such admission, immediate notice shall be given to the nearest relative of such enlisted man or officer under such rules and regulations as the Secretary of War may prescribe.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, as I understood the reporting of the resolution——

Mr. FOSTER. Mr. Speaker, I want to reserve the right to object.

Mr. STAFFORD (continuing). The Clerk read the committee amendment instead of the original resolution.

Mr. SHERLEY. Mr. Speaker, I feel constrained, in view of the necessity of getting through with the deficiency appropriation bill to object to the consideration of such matters at this time.

The SPEAKER. The gentleman from Kentucky objects.

Mr. REAVIS. Will the gentleman reserve his objection?

Mr. SHERLEY. No; it is because I do not want to take time that I am objecting, not because I am hostile to what the gentleman desires.

Mr. REAVIS. If there was any intention of time being taken on the resolution——

The SPEAKER. It is not debatable.

Mr. FERRIS. Mr. Speaker, I rise to a question of personal privilege.

Mr. DOWELL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Iowa makes the point of order that there is no quorum present. Evidently there is not.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Clerk will call the roll. The Sergeant at Arms will notify the absentees. The Doorkeeper will close the doors.

The Clerk called the roll, and the following Members failed to answer to their names:

Alexander	Drukker	Jones, Tex.	Sabath
Austin	Dyer	Kahn	Sanders, Ind
Bacharach	Eagan	Kennedy, Iowa	Sanders, La.
Beakes	Edmonds	Kettner	Schall
Beshlin	Estopinal	Kiess, Pa.	Scott, Mich.
Black	Fairchild, G. W.	LaGuardia	Scott, Pa.
Bowers	Farr	Linthicum	Scully
Britten	Fess	Lobeck	Siegel
Brodbeck	Flynn	McCormick	Sims
Browning	Francis	McLaughlin, Pa.	Smith, T. F.
Brumbaugh	Glass	Magee	Stephens, Nebr.
Burroughs	Gould	Maher	Sterling, Ill.
Butler	Graham, Pa.	Mann	Strong
Byrnes, S. C.	Gray, Ala.	Meeker	Sullivan
Cantrill	Gray, N. J.	Miller, Minn.	Swift
Capstick	Greene, Mass.	Morin	Talbott
Caraway	Griest	Mudd	Templeton
Carew	Harrison, Va.	Neely	Vare
Church	Hastings	Nelson	Ward
Clark, Pa.	Heaton	Nicholls, S. C.	Wason
Coady	Heintz	Nichols, Mich.	Webb
Cooper, Ohio	Hensley	Parker, N. Y.	Wheeler
Costello	Hollingsworth	Platt	White, Me.
Cox	Hood	Riordan	Wilson, La.
Curry, Cal.	Hull, Iowa	Rodenberg	Winslow
Dallinger	Husted	Rose	Wood, Ind.
Davidson	Hutchinson	Rouse	
Dooling	Johnson, S. Dak.	Rowland	

The SPEAKER. On this call 319 Members have answered to their names, a quorum.

Mr. SHERLEY. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

PERSONAL EXPLANATION.

Mr. FERRIS rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to proceed for 20 minutes in reference to a personal matter.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to address the House for not to exceed 20 minutes. Is there objection?

Mr. GILLETT. Mr. Speaker, on what subject?

Mr. FERRIS. I want to make some remarks upon the gentleman's speech of yesterday concerning myself.

Mr. GILLETT. I have no objection.

The SPEAKER. Is there objection?

Mr. GREEN of Iowa. Mr. Speaker, reserving the right to object, I shall not object, but I hope that the other side will be as liberal on similar occasions.

The SPEAKER. Is there objection?

Mr. SHERLEY. Mr. Speaker, I desire simply to say that the gentleman has the right to take the floor as a matter of personal privilege, and, wanting to expedite the consideration of the deficiency bill, I believe this is the best way to do it.

Mr. GILLETT. Mr. Speaker, I would like to know what right he has as a matter of personal privilege?

Mr. SHERLEY. I think clearly under the precedents there is enough there to take at least 20 minutes' time in argument.

Mr. GILLETT. I am perfectly willing that the gentleman should have the time.

The SPEAKER. The gentleman is recognized for 20 minutes.

Mr. FERRIS. Mr. Speaker, I am not ordinarily thin skinned, and I am not thin skinned now. I have a consciousness that I did no wrong in inserting that article, and I have it now. The gentleman from Massachusetts [Mr. GILLETT], the leader on the Republican side, thinks that I made an error in incorporating an editorial in the RECORD of February 4, it being a signed editorial by ex-Gov. Martin H. Glynn, of New York. It was not a fugitive article at all; it was signed at both ends. The headline said it was an editorial by Martin H. Glynn, and it was signed by him at the bottom. That brings the issue squarely. I think I made no mistake. The gentleman thinks I did. I ask that the Clerk, in my time, read the editorial, and then the House can see who is right and who is wrong about it.

The SPEAKER. Without objection, the Clerk will read.

Mr. GILLETT. Mr. Speaker, that editorial has been printed in the RECORD once, and I ask whether it is fair to have it printed again in this manner?

Mr. FERRIS. It is the only way that we can arrive at what is right and what is wrong. The gentleman says I inserted it wrongfully.

Mr. GILLETT. I said it was objectionable.

Mr. FERRIS. The gentleman said more than that.

Mr. GILLETT. I should like to know what I said.

Mr. FERRIS. I am very fond of the gentleman, and he has been liberal and generous to the House and he has not been overly partisan unless this is evidence of it, and I think the gentleman will do me the fairness to say that I have not been.

Mr. GILLETT. I agree to that.

Mr. FERRIS. I have as many friends on the Republican side as on the Democratic side, and I am not dealing in petty matters.

Mr. GILLETT. I simply wish to say that I was sorry yesterday to feel obliged to say what I did about the gentleman.

Mr. FERRIS. Let us have the article and we will see who is right.

Mr. GILLETT. I shall not object.

Mr. COOPER of Wisconsin. Mr. Speaker, what is the article that is to be read? The same one——

The SPEAKER. The article is an editorial or a circular letter, or something of the sort, written by ex-Gov. Glynn, of New York.

Mr. NORTON. Mr. Speaker, it is already in the RECORD.

The SPEAKER. The Chair understands that perfectly well.

Mr. COOPER of Wisconsin. If it is already in the RECORD, I object.

Mr. FERRIS. The gentleman can not object; it is in my own time, and I will not yield further.

Mr. WALSH. He can object.

Mr. FERRIS. I will read it myself.

Mr. WALSH. Mr. Speaker, I object to that.

Mr. FERRIS. The gentleman can not object to that.

Mr. WALSH. Mr. Speaker, I rise to a point of order.

The SPEAKER. What is the point of order?

Mr. WALSH. That under the rules of the House the gentleman can not read an article written by somebody else in his own time, if objection is made to it.

Mr. FERRIS. I do not think that objection is well taken and I do not yield.

Mr. WALSH. I cite Rule XXX.

Mr. CARTER of Oklahoma. Mr. Speaker, I make the point of order the gentleman from Oklahoma is reading from the CONGRESSIONAL RECORD.

The SPEAKER. Everybody knows that.

Mr. WALSH. Section 891, Mr. Speaker, on page 423——

Mr. FERRIS. Mr. Speaker, I do not want this taken out of my time.

The SPEAKER. It will not be taken out of the gentleman's time. Will the gentleman cite his authority?

Mr. WALSH. It is a note under Rule XXX.

The reading of papers other than the one on which the vote is about to be taken is usually permitted without question (citing Hinds' Precedents, vol. 5, 5258) and a Member in debate usually reads or has read such papers as he pleases, but this privilege is subject to the authority of the House if another Member objects.

The SPEAKER. On what page is that language?

Mr. WALSH. Section 891.

The SPEAKER. The Chair knows, but what part of the page?

Mr. WALSH. It is a foot note of this section 891, at the beginning of the paragraph of section 891. It further says:

This principle applies even to the Member's own written speech or a report which he proposes to have read in his own time or to read in his place.

I submit, now, that if objection is made——

The SPEAKER. The question is to be decided by vote of the House without debate whether this paper be read or not. Shall it be read?

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. GILLETT. Division, Mr. Speaker.

The SPEAKER. The gentleman from Massachusetts demands a division.

The House divided; and there were—ayes 137, noes 101.

The SPEAKER. The Clerk will read the article.

The Clerk began the reading of the article.

Mr. FERRIS. Mr. Speaker, I want my request read, too, so it will show all the proceedings that there occurred.

The Clerk read as follows:

Mr. FERRIS. Mr. Speaker, I want to ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. FERRIS extended his remarks by inserting the following:

IT BECOMETH AND BEHOOVETH MR. WADSWORTH, MR. LODGE, MR. CHAMBERLAIN, MR. ROOSEVELT, AND ALL THEIR PHONOGRAPHIC CULT TO CHIRP LIKE A CRICKET, NOT ROAR LIKE A LION.

[An editorial by former Gov. Martin H. Glynn, of New York, in the Times-Union, Albany, N. Y., Jan. 28, 1918.]

To-day the people of this country can be divided into two camps.

Those who wanted war at any price.

And those who hoped for peace, if peace could be maintained without the sacrifice of national honor.

Now, we are at war and we have the astonishing anomaly of the leaders of the "war buzzards" trying to gnaw the vitals out of our Commander in Chief, while the great majority of those who stood for peace while peace spelled honor are upholding the President's hands as Aaron and Hur upheld the hands of Moses in his battle with Amalek.

The present volcanic attack against the war policies of President Wilson is no haphazard incident. It is a well-laid plot, nicely trained and strategically timed. Its purpose, no matter how secretive its sponsors, how insinuating its methods, how seductive its arguments, is to give the Republican Party a majority in the next House of Representatives and to pave the way for a Republican President in 1920. From a political point of view this may be tolerable; from a patriotic aspect, in a national crisis like this, it is odious and detestable.

The business of the Nation to-day is to win the war, and the political leaders, who for party gain or personal aim lay the slightest obstacle in the way of the happy consummation of this business, clothe themselves in a diabolical livery and surround their political machinations with a brimstone scent, a sulphurous odor offensive to the people who revere patriotism in politics but abhor politics in patriotism.

For months Col. Roosevelt has been injecting politics into the war through his articles in the Kansas City Star and Metropolitan Magazine. With craft and caution he has planted a bomb, intended to blow President Wilson out of political existence, and in this "Guy Fawkes" plot he has had the unctuous assistance of Senator LODGE, of Massachusetts, and the crafty support of Senator WADSWORTH, of New York. But cunning and unctuousness can not win a contest like this. The mountain of truth is too big to be discolored by such daubing brushes, the facts too potent to be minimized by impish dissimulation or distorted by cunning castigation.

The Bible says he who draws the sword shall perish by the sword. Well. Roosevelt and his followers first drew the political sword in this dispute, and with their assumptive valor they should not cry for quarter before the blade of their own rapier.

For 16 years before the present Democratic administration the Republican Party was the custodian of the welfare of this Nation, and in all these 16 years it did but little to put this country on a basis of adequate preparation for war. Grover Cleveland started the American Navy on its way to imperial strength, but Theodore Roosevelt, as President of the United States, inaugurated a naval program that curtailed the Cleveland policy. Great as our Navy is to-day, it would be far greater still if the policy of Cleveland had prevailed and the plans of Roosevelt buried in the bottom of the sea. And as it was with the Navy, so was it with the Army, for Theodore Roosevelt left the Army of the United States weaker than he had found it seven years before.

No sooner, however, had Woodrow Wilson, with his panoramic view of the history of the world in peace time and in war time, his thorough knowledge of Democratic aspirations and economic possibilities, his sympathy with the masses and his consideration of the classes—no sooner had he become President of the United States than the wheels of progress were set in motion to equip this Nation as years before she should have been equipped for the solution of pressing national problems and the handling of contingencies of an international nature.

The rehearsal of all the legislation of President Wilson to carry out this progressive program would be superfluous here. The world knows it by heart. It insures him a splendid place in the annals of statesmanship. It is the unmistakable triumph of the democratic yearning with which the heart of mankind throbs and pulses to-day. And it carried Woodrow Wilson to wonderful victory in 1916 against an avalanche of money and a labyrinth of intrigue.

[Laughter on Republican side.]

His Federal reserve-bank law, which Mulhall, the famous English economist, said was of more worth to the world than the Panama Canal, saved this country, with the advent of the war, from the most stupendous panic in history and enabled us to ride the tumultuous waters of "world-war" finance with hardly a squeak or a tremor of our old ship of state. Without this Federal reserve bank to-day the United States would be grinding and pounding on the rocks of disaster.

Nor is this all.

From a vision almost prophetic came the Federal revenue bill which wrung a lordly portion of governmental revenue from internal taxes instead of from tariff imposts which under the baneful influence of war dwindled to a sum insufficient to provide lubrication for our gears of Government, let alone provide fuel for the Treasury boiler that makes the wheels of national life go round.

Our national experience since the war started must carry conviction to every fair-minded American that for these two measures alone we owe an ineffable debt of gratitude to the wisdom and statesmanship of Woodrow Wilson.

And of our military realm we have the self-same tale.

Theodore Roosevelt may indulge himself in all the weird juggling of language that pleases his fancy; he may insensate himself in such inspirational riot of emotional frenzy as may give fire to his tongue and flare to his imagination; but the fact remains undeniable, ineffaceable, irremovable, that in two years of ante bellum days Woodrow Wilson did more to put our Army and our Navy on a footing of war than both William Howard Taft and Theodore Roosevelt did in the whole 11 years of their supine reign.

[Laughter on Republican side.]

During these two years preparedness for a possible war was pushed by President Wilson as fast as the sentiment of the country would permit and quite as fast as even the most violent of his present-day critics then deemed expedient or politic.

Suddenly, however, conditions created by the autocratic dogmatism of Germany disregarding treaties and throwing promises to the winds, hurled us into the seething whirlpool of war. Then the very men who had been at the helm of the ship of state for 16 years, the men whose policies had weakened the Army and stunted the Navy, began to howl because we could not equip a million men overnight and put them in the trenches of France in a day. They forgot the experience of England; they forgot the experience of France; they forgot their own neglect of our martial strength; they forgot everything but their own personal advertisement and their own political advancement.

Mythology tells us that Minerva sprang full-armed from the mind of Jupiter, and despite the fact that the age for mythological miracles has passed, these acrimonious critics demanded that the United States whittle rifles out of the air and by some sort of prestidigitorial art transform a million civilians into full-trained soldiers between the sinking and the rising of the sun. What these critics had failed to do in 16 years, they insist that Woodrow Wilson should do in 16 days. The wind listeth in the night, the dew falls, the stars come out, the moon works her magic charm, and behold at dawn a full-grown mushroom whitens the lawn where at sunset only an embryonic stalk snuggled in the grass. This is the kind of marvel, this the kind of impossible legerdemain that Col. Roosevelt and his school demand should be duplicated in our military world. They demand that an invincible Army be created overnight out of wind and dew, starlight and moonshine. But they fail to provide the Aladdin's lamp with which to work the miracle; they fail to furnish the necromantic art wherewith to ram into a night the task of a decade.

And this miracle, too, they demand in the teeth of the hoary-headed truth that from the days of Washington, Franklin, and Adams this Nation has set its face against a militaristic policy. A large Army, a potential Military Establishment, has been the ghost that has given this country sleepless nights for 140 years—a factitious ghost, perhaps; but nevertheless a ghost hypnotic in its influence and awesome in its sway. And the Navy, too, has been hampered by a short-sighted sentiment of the great interior part of the country whose congressional Representatives persistently opposed large naval appropriations from fear of retrenchment against the "home-town" projects of their own native heaths. For this ingrained repugnance to a big Army, an adequate Navy, neither the Republicans of to-day or the Democrats of to-day are to blame. The fault lies at the door of the predominant sentiment of the Nation since 1776. And as we have sown; so to-day we reap.

Gen. Winfield Scott, one of the world's greatest soldiers, compressed an historic situation in a nutshell when he said, "Republics are never prepared for war."

The business of Republics is peace; the business of autocracies is war.

Autocracy lives by the sword. The father and grandfather of Frederick the Great said so; Frederick himself said so; and so saith the Kaiser, and the Crown Prince, too.

A love and a craving for peace, however, form the very genesis of a republic. To this genesis republics are true; from this genesis republics depart only at the call of honor or the command of necessity.

Hence it is, though critics may forget, the people remember, that in eight months of war the United States, under the leadership of Woodrow Wilson, has done twice as much, and even more, than England and France did in the corresponding period of time. The accusations, the exaggerations, the fabrications, the distortions of supercilious censors and envious-fanged contemners of the Wilsonian policies wear such a flimsy gossamer covering as to expose this political plot in all its naked hideousness.

We make no claim that the administration has created sunbeams out of cucumbers or performed feats beyond the pale of human possibility, but we do maintain that its efforts have ben amazing, its accomplishments beyond compare in the history of modern warfare.

We have not whipped the Kaiser yet, but we will whip him if calumniating critics do not dampen the fires of enthusiasm or grease the tracks whereon must ride our national chariots of war. We have more men in France to-day than Roosevelt knows or Germany suspects, and a million more are waiting for the ships.

We have an Army so well cared for that the death rate in our ranks for the four months ending January 1, 1918, averaged only 7.5 per thousand—a death rate, mind you, less than the death rate for men of a like age in peaceful avocations at home. Compare this with the death rate of 20.14 per thousand under the good old Republican rule of the days of the Spanish-American War. Compare these figures, and then applaud the Roosevelt charges if you can!

True, we have made some mistakes, but in the magnitude of our undertaking some mistakes were inevitable, unavoidable. In balance though with the wondrous achievements these mistakes have been trivial and not worthy of the attention of the men who minimize their talents by trying to magnify molehills into mountains.

And furthermore, unlike the Spanish-American War, in which Mr. Roosevelt was a king-pin:

We have no Army contract scandals.

We have no embalmed-beef horrors.

[Laughter on Republican side.]

We have no fat old generals going to war in carriages and leading battle charges from easy rocking chairs.

We have no unpleasant gossip about the appointment of political generals and society admirals.

[Laughter on Republican side.]

We have no round-robin letters from presumptuous and inferior officers demoralizing discipline and exalting self.

In the face of these facts the wild rantings of Roosevelt and his fellow political conspirators are boomerangs, pestilential to the ears and revolting to the sensibilities of others, but harmful only to the men who hurl them. On the estimation of thoughtful people these critics make no indelible impression. They may ruffle the surface of the pool of comment, but they stir not the depths of public opinion. And with Roosevelt, Lodge, and Wadsworth as the chief creators of this curtain of camouflage political fire, fed by the tissues of ambitious misrepresentation, fanned by the sinister winds of political oratory, there stalks

forth from memory's closet the skeleton of Alger's embalmed beef with its concomitant stench; there looms into view the commander of the United States forces in Cuba, too fat to ride a horse, going into battle in a carriage, and lolloping in a portable bathtub while our soldiers had no medicines to conquer tropic ills; there looms into view this self-same commander of the United States forces in Cuba fighting his battles from the sensuous folds of a soporific hammock, while through the stupidity and carelessness of an inefficient military medical force our soldier boys found typhoid fever more deadly than bullets from the Spanish guns.

And so, in view of these verities which no political manipulation can snatch from history's page; in view of the official funeral-hued glories and the official scarlet-tinged scandals of the Spanish-American War; in view of Alger's embalmed beef of odoriferous memory; in view of inferior ships purchased by the Government at superior prices; in view of the stigma and disgrace that typhoid fever killed more of our soldiers than Spanish bullets sent to their graves; in view of the cable which Dewey cut to save the Navy from the malefic influence of Republican politics at Washington; in view of Army contracts which brought a blush to the cheek and rage to the heart of the Nation; in view of the attempt to deprive Schley of his share of glory in the Santiago victory; in view of the papier-mâché generals created as a sort of "iron-cross" reward for services rendered the good old Republican Party on many a bloodless field of politics; in view, in fine, of the bathos and the pathos of flagrant Republican mismanagement in the Spanish-American War, it becometh and behooveth Mr. Wadsworth, Mr. Lodge, Mr. Chamberlain, Mr. Roosevelt, and all their phonographic cult to chirp like a cricket, not roar like a lion.

MARTIN H. GLYNN.

[Applause.]

Mr. FERRIS. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore (Mr. GARRETT of Tennessee). The gentleman has three minutes remaining.

Mr. LONGWORTH. Will the gentleman yield?

Mr. FERRIS. I do not yield, and I want to say two or three words——

Mr. FORDNEY. The gentleman will pardon me.

Mr. FERRIS. I do not yield.

Mr. FORDNEY. I am not addressing the gentleman.

Mr. FERRIS. The gentleman is using my time.

Mr. FORDNEY. The gentleman had 20 minutes and the gentleman has used 23 minutes in reading the article, according to the clock. I do not object to the gentleman's having all the time he wants, but he has used 23 minutes in reading the article.

Mr. FERRIS. The gentleman has forgotten that there was some time consumed outside of my time.

The SPEAKER pro tempore. There was a certain amount of time taken in a wrangle that has to be deducted from the accurate time.

Mr. FORDNEY. But, Mr. Speaker, that time was not consumed out of any portion of the 23 minutes that the Clerk consumed in reading the article. I do not object to giving the gentleman all the time he wants, but 23 minutes was consumed in reading the article by the Clerk, according to the clock.

The SPEAKER pro tempore. The gentleman from Oklahoma has three minutes remaining.

Mr. FERRIS. Mr. Speaker, I did not keep the time, and I assume the Chair kept the time correctly, as he always does. I want to say that on February 4, in the regular way, standing right over there, after speaking to the leader of my party on my side about it, I asked unanimous consent to extend my remarks, which was granted, by printing that article. Now, that is a partisan article, of course——

SEVERAL MEMBERS (on the Republican side). Oh, no!

Mr. FERRIS. Oh, well, I did not expect the Republican side to approve of what I am saying; neither did I expect them to approve that article.

Mr. LONGWORTH. Will the gentleman yield for a question?

Mr. FERRIS. I do not. From the plaudits or jeers made to the article, I do not expect to have their approval.

I am merely trying to state the history. I asked it in the usual way; it was carried in the usual way. I handed it to the Clerk in the usual way, and it was printed in the usual way, and I am very sorry that the Republican Party are getting so thin-skinned that they can not admit of an article printed as an editorial, not a fugitive article, but a signed article, by the ex-governor of the Empire State of the Republic, who has been a Member of this House. [Applause on the Democratic side.]

Mr. GILLETT. Mr. Speaker, I ask unanimous consent for five minutes.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. GILLETT] asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. GILLETT. Mr. Speaker, I stated yesterday, and I repeat to-day, that I regretted very much to offer any criticism of the gentleman from Oklahoma, whom I have always respected. The criticism I made, and which he has not in the slightest answered, was that in this branch of Congress, where both sides of the House have during this war absolutely, so far as I know, ignored politics, have tried to put aside partisanship, and have by their speeches and their actions worked together, the gentleman from Oklahoma [Mr. FERRIS] for the first time printed an article which I do not believe any man on that side would have gotten up and read as his own, and thus for the first time he projected partisanship into the proceedings of this House. That was what I objected to in the matter. I said as an editorial it was all right, but as a speech on this floor I thought it was objectionable.

The gentleman has not been quite candid with the House in what he has just said.

Mr. FERRIS. State where I am uncandid.

Mr. GILLETT. The gentleman says that he asked in the ordinary way. The gentleman first got up a few days before he finally received permission to print and asked permission to extend his remarks in the RECORD. The gentleman from Massachusetts [Mr. WALSH], reserving the point of order, asked him on what subject, and the gentleman said:

I want to print a short editorial on the war—peace and against war.

You gentlemen have heard the "short" editorial.

Mr. FERRIS. That was several days prior.

Mr. GILLETT. Exactly. It was the same editorial, was it not?

Mr. FERRIS. It was the same editorial.

Mr. GILLETT. And, Mr. Speaker, the gentleman was refused consent to print that "short" editorial on "Peace and against war." Then, a few days later, after he had discussed a question before this House, he got up, when the House was about to adjourn, and asked unanimous consent again.

Mr. FERRIS. Will the gentleman yield right there?

Mr. GILLETT. Certainly.

Mr. FERRIS. The gentleman certainly does not want to do an unkind thing. He is the leader of too great a party to do that.

Mr. GILLETT. I want to present the facts fairly to the House.

Mr. FERRIS. I have the RECORD right here. I had made no speech of any sort, except to help get through some little bills from the Public Lands Committee two or three hours prior to that.

Mr. GILLETT. It may have been; but it was that afternoon.

Mr. FERRIS. How can the gentleman attach any importance or any relation to a general request to extend remarks? It had no relation in my mind or in fact. There were three or four hours between the request and when I had said a word. It was not a set speech in any sense. I was helping to get through some little bills.

Mr. GILLETT. If the gentleman says he did not think of it, I acquit him of it.

Mr. FERRIS. That is true.

Mr. GILLETT. As you all know, on this side of the House it has been the custom that objection is made unless we know of the subject; but you know, when a man has been making a speech, even if it was delivered before the House an hour before, it is customary to assume that the gentleman is seeking to extend his remarks on that speech, and, I venture to say, that was the reason no objection was made.

Mr. FERRIS. Will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. FERRIS. I read the gentleman's remarks, and he is repeating what he said in his speech, that I had made anything like a speech——

Mr. GILLETT. You did.

Mr. FERRIS. No; I did not. I replied only to some remarks about some Oregon bill. I had no interest in it, except getting through some little bills from my committee. What the gentleman says might be true if I had really made a speech, but I did not want to make any remarks on those little bills. I cared nothing about them. I was merely answering questions and making a few short statements to help others with their bills.

Mr. GILLETT. I acquit the gentleman from any purpose of intent to deceive the House, but I do think that was what prevented this House from objecting. I wish to ask the gentleman if he considers that a short editorial, and if he considers "Peace against war" a fair description of it?

Mr. FERRIS. Let me read. The facts do not hurt anybody. I will just say, in a word, if it came from anybody else but the gentleman I would not have paid any attention to it. I do not want to be considered thin-skinned about these matters. I have such regard for the gentleman that a statement like his speech yesterday really touched me a little, and I think I am justified in consuming a few moments of time.

Mr. GILLETT. Certainly; and I wish to give the gentleman an opportunity.

Mr. FERRIS. The gentleman goes back and finds where on February 1 I asked unanimous consent.

The SPEAKER pro tempore (Mr. GARRETT of Tennessee). The time of the gentleman from Massachusetts has expired.

Mr. FERRIS. I ask unanimous consent, Mr. Speaker, that the gentleman from Massachusetts may have five minutes more. I used some of his time.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. FERRIS. The first time I asked this permission was, on page 1692 of the RECORD, on February 1, just before the adjournment. This is what I said:

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, on what subject?

He objects to all extensions of remarks.

Mr. GILLETT. He objects to extensions and putting in extraneous matter. That is not a fair statement. He does not object to all.

Mr. FERRIS. I read further:

Mr. FERRIS. I want to print a short editorial on the war—peace and against war.

There is a dash there, after "war." Then, after that, it says "peace and against war." I do not recall saying the last, although I may have said it. But that editorial is on the war. [Laughter.]

Mr. GILLETT. Does the gentleman think that that is a fair characterization?

Mr. FERRIS. It is what you are trying to forget, I expect. That is all in that place there. Now, three or four days later, on February 4, just before adjournment and after the day's proceedings had expired, this happened:

Mr. FERRIS. Mr. Speaker, I want to ask unanimous consent to extend my remarks in the RECORD.

There is nothing clandestine and nothing mysterious about that. It is simply the usual course; nothing more, nothing less.

I read further:

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. FERRIS extended his remarks by inserting the following.

I did not even express approval or disapproval of the article, so that I can not understand why the gentleman should object. [Laughter.] I could express approval in part now. In the midst of jeers over there I will do it.

Mr. GILLETT. Now, Mr. Speaker, I wish to submit it to the candid judgment of this House—to that side of the House as well as this side of the House—whether it was candid on the part of the gentleman. And, by the way, I have now been shown the remarks which the gentleman made on that day, which consumed nearly a column of the RECORD, which he thought amounted to so little.

Mr. FERRIS. Oh, no; it is not a column.

Mr. GILLETT. It is more than half a column of the RECORD on that same day when the gentleman made the request and it was granted.

Mr. FERRIS. The gentleman is not fair in that assumption or right in the facts.

Mr. GILLETT. There it is, on page 1674.

Mr. FERRIS. On a bill from my committee, responding to a criticism by Dr. FOSTER, two or three hours before this request was made.

Mr. GILLETT. The gentleman is mistaken on that. On page 1674 that appears, and he made his request on page 1678.

Mr. FERRIS. There are five pages intervening.

Mr. GILLETT. Four or five pages. Now, as to these details, Mr. Speaker, I think the House is fully master of the situation, and therefore I submit——

Mr. CALDWELL. Mr. Speaker, I call for the regular order.

Mr. GILLETT. I submit it to the candid judgment of both sides of the House whether that was not an objectionable editorial, and whether the gentleman's manner in making the request for the publication of "a short editorial on peace and war" was fair and candid to this House. [Applause.]

URGENT DEFICIENCY BILL.

Mr. SHERLEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the urgent deficiency bill.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Texas [Mr. GARNER] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9867) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, with Mr. GARNER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9867, the urgent deficiency bill. The Clerk will read.

The Clerk read as follows:

Buildings: For repairs and improvements to school buildings and grounds and for repairing and renewing heating, plumbing, and ventilating apparatus, and installation of sanitary drinking fountains in buildings not supplied with same, $20,000.

Mr. WATSON of Pennsylvania. Mr. Chairman, I would like to ask whether these increased expenses in the public schools were brought about by the increased number of pupils, caused by the increased number of the floating population in Washington?

Mr. SHERLEY. There were a couple of items, generally speaking, in which that was a factor. The one that has just been read grew out of the extra cost of the repairs that had been authorized.

Mr. WATSON of Pennsylvania. There were a number of items grouped together in large sums.

Mr. SHERLEY. A good deal of that was due to fuel. The increased cost of fuel and the increased amount of fuel has greatly increased the expense of running the schools.

Mr. WATSON of Pennsylvania. Is there any rule or restriction as to a boy or girl attending the schools? Must they reside here a certain number of weeks?

Mr. SHERLEY. There is a rule or provision of law against attendance unless pupils are residents for a certain number of weeks, but we did not go into that.

Mr. WATSON of Pennsylvania. I was wondering whether it was on account of the increase of pupils.

Mr. SHERLEY. That was the case in a number of items—one or two of them—but, broadly speaking, that was not a determining factor.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Barracks and quarters, seacoast defenses: For construction of temporary barracks and quarters at seacoast posts for the accommodation of officers and enlisted men of the Coast Artillery, including heating and lighting apparatus, water and sewer systems, plumbing, roads, walks, wharves, and drainage, $3,565,000.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. TREADWAY. Mr. Chairman, in reference to this item and various other items throughout the bill for construction purposes I would like to make some inquiry as to whether the committee has any information regarding the methods under which those contracts for construction have been let. This matter has been called to my attention in correspondence, as it has been called to the attention of all, I think, in the press, that the large plants are being constructed principally by a few large contractors. The method is on the cost-plus principle, which, as I understand from builders, is the simplest in the world and the easiest to make money out of, in that the contractor himself takes absolutely no responsibility. There is a limit, of course, in the construction of the cantonments as to the amount the contractor should make out of one job, but if you follow the line of those various contracts it appears that comparatively few contractors have these jobs, in spite of the large number of buildings recently constructed.

I am credibly informed that even concerns are granted contracts that did not exist at the time of making the contract and go so far as to organize after the contract is let to a few individuals. At the present time nearly all construction throughout the country is stopped other than for governmental purposes. Where we find that formerly a large number of bids were offered in competition for contracts those concerns have practically been put out of business by the fact that all interest centers on Government construction.

Now, it seems to me that, in fairness to the maintenance of business arrangements throughout the country, these other concerns—I believe possibly not as large as those to whom the contracts have been let, yet nevertheless fully capable of carrying on such work as the construction of these temporary buildings—ought to have a chance.

Therefore I would like to know under what supervision those contracts are let, what the conditions are, who controls them, and why the smaller bidder does not have the same opportunity to get contracts under this cost-plus method as some of the largest concerns. You can probably count on the fingers of one

hand the actual concerns doing the business. They may do it under some subsidiary company and get a different title, but nevertheless there are few very large corporations with great financial backing that are actually controlling this rapid construction on the part of the Government. Therefore I think it perfectly right and proper that the committee should have some information as to who actually lets these contracts. I have known of men coming here trying to get information about specifications, and they have been shuffled around from one board to another, from one place to another, from one man to another, without meeting anyone in a responsible position who would actually give them the desired information. I am not offering this in the line of criticism, but I do think it is a matter on which we ought to have information.

Mr. SHERLEY. Mr. Chairman, there is no difficulty about the gentleman or anybody else having the information who takes the trouble to read the hearings previously had and printed and the present printed hearings. There has been much talk and much misinformation and much criticism with little reason about the waste and cost and excessive profits that have been made in connection with the building of cantonments.

The gentleman will find on pages 474 and 475 of the hearings tables setting out the exact amount of money paid to contractors for building the various cantonments and camps. You will find in the hearings of last fall the exact form in detail of the contract under which the work was performed. You will find that for the cantonments the percentage of fee paid runs all the way from 3.67 per cent, which I think is the maximum, to 2.20, which I believe is the minimum, an average of 2.84 per cent for the cantonments. For the camps the average was 6.88. For embarkation camps it was 3.11, 4.07, 6, 7.06, and 7 per cent. No contractor for any work received a fee in excess of $250,000.

Now, I have no doubt it is true that there have been a limited number of contractors, though the number is very much greater than three or four or five, which would be what you could count on one hand, and the reason for that is perfectly patent. The doing of this work was more important than the distributing of it among our various constituents. It was infinitely more important to get the work done than that contractors located here, there, or elsewhere should get the job; and men charged with the responsibility of getting work of great magnitude done within a very restricted time would naturally turn to and seek out those men of sufficient magnitude and reputation to be a guarantee of the work being done, men who had existing organizations capable of being expanded quickly to take care of this character of work. The fact that the work has been done in the time in which it has been done is pretty good evidence of the wisdom of that policy. This, I think, is likely to be true touching the new work, that where the department has found a contractor who has made good, who has done work promptly, efficiently, and economically, the natural inclination will be to give that man, with a going organization, contracts for doing work of the same type, rather than to go through the process of educating a new contractor and a new organization.

The gentleman asked about 18 questions in five minutes and I am trying to cover them in five minutes. The contracts are let through the Quartermaster's Department, and the construction has been under the direct charge of former Col. Littell, now Gen. Littell, of the United States Army. He has been advised from time to time——

Mr. CAMPBELL of Kansas. Will the gentleman state the personnel of those who let the contracts?

Mr. SHERLEY. The man who is responsible is Gen. Littell.

Mr. CAMPBELL of Kansas. Is he the person who lets the contracts?

Mr. SHERLEY. He is, as I understand it; but he has been advised in the past by a subsidiary committee under the Council of National Defense. I can not state from memory, but the gentleman will find in the hearings of last fall a full statement as to that fact.

Mr. CAMPBELL of Kansas. That is an independent committee outside of the War Department?

Mr. SHERLEY. No; it is not an independent committee outside of the War Department. It is a committee under the Council of National Defense.

Mr. CAMPBELL of Kansas. That is what I meant.

Mr. SHERLEY. But there are representatives of the War Department on that committee as I recall.

Mr. CAMPBELL of Kansas. What I wanted to get was the personnel of the board which lets the contracts.

Mr. SHERLEY. All of that was gone into at great length last year, because there was a great deal of criticism about it, and the statements were made that contractors were going to make exorbitant profits, and among other things the statement was made that it was excessive to pay 10 per cent, and the assumption was that 10 per cent would be the amount. In point of fact in connection with the cantonments, which constituted the big work, the percentage on the average was less than 3 per cent, and I doubt if work has ever been done anywhere of that magnitude on a percentage basis lower than what is shown to have been the actual result in this case.

The CHAIRMAN. The time of the gentleman has expired. Debate on this motion under the rules of the committee has been exhausted.

Mr. TREADWAY. I should like to speak in opposition to the gentleman from Kentucky.

Mr. GREEN of Iowa. I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] is recognized.

Mr. GREEN of Iowa. Mr. Chairman, the gentleman from Wisconsin [Mr. FREAR] some time ago made quite an extensive speech in support of the project for a budget system. While I am inclined to favor this project I do not think it will do away with deficiency bills or bills of this character. In times of war like these inevitably emergencies will arise without the fault of either the committee or the Government. It will be impossible in advance to prepare for all of these emergencies which through the exigencies of war come upon us. So we have this large deficiency bill at this time. I might, however, make one suggestion which I think would have something to do with reducing the amount of deficiencies in the future, and that is in the line of the remarks of the gentleman from Massachusetts who spoke a moment ago [Mr. TREADWAY].

Contractors who come here have the greatest difficulty in many instances in finding where the man is to whom they should submit their bids or their proposals. The consequence is that, not being able to find out where these proposals should be submitted, contracts are made on the open market by Government officials, or perhaps made with some kind of competitive bidding, but very much above the price at which other parties were willing to furnish the same or even better goods. The engineers' office here, or at least one branch of the engineers, has a most excellent system in that respect. It posts up in the offices, upon a large board, where anybody can plainly see it, the prices which it has been paying for articles and the articles which it needs and ought to have, and for which it seeks prices in the future. Under this system it could list bids which would be obtainable of the articles or goods desired and the prices heretofore paid by the various Government departments, which in a number of instances, I have found, has been up far above the market price; not intentionally, perhaps, but because they did not come in contact with all the parties ready to furnish the articles and desirous of furnishing them if they only knew to whom they could go.

I learned only the other day that a gentleman who wanted a contract for making detonators for fuses, as an instance of how the departments are coordinated, after being shoved around from pillar to post, found who was thought to be the proper man to submit bids to, and that man told him that the Government had no need for anything of the kind; that the contracts had all been let. He went away, but afterwards saw a business man of his acquaintance, who told him that he was sure there had been a mistake, and upon going around he found another official, who told him that that was just what they needed and had to have, and what they were willing to pay a good price for.

Matters of this kind are inevitable as long as there is so much haste in furnishing articles for which the need is great. But, at the same time, if some system was adopted whereby it would be easy for parties to come here and find the articles they wanted and what prices the department would pay, a great amount would be saved to the Government.

I understand that the Secretary of War has properly issued an order that there shall be no concealment of prices paid for the different articles. The Secretary of War, of course, has nothing to conceal and the department has nothing to conceal; but at the same time there has been a great difficulty on the part of contractors, and I myself had great difficulty, in finding out prices paid for some particular articles at an earlier date. I assume from the action of the Secretary of War that that was something he did not and would not approve. Mr. Chairman, I withdraw the pro forma amendment.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last two words. I would like to secure a little more information along this same line from the chairman of the committee, who has been so kind in his explanation to me. This matter came to my attention through the fact that on a number of occasions a very large contractor in my neighborhood had not been able to secure any opportunity to so much as figure on a propo-

sition. There is no question about the ability of this concern in the way of big contracts. Some of the largest mills in western Massachusetts and large hospitals have been built by this concern, but on inquiry here in Washington they could not get any information. They could not find to whom to apply either for specifications or for necessary data on which to so much as suggest themselves as possible contractors. They have had correspondence and interviews with the committee of Council of National Defense, or a subcommittee, and were told that there was no question as to their reputation or ability, and when the opportunity was offered they would be given a chance to bid, but that opportunity never came. Now, the reason why I would like to know, and they would, because it is not so much that these other men get the work, but here is a large concern, capable of doing this work, as hundreds of others are throughout the country, and they are losing their organization, they are losing skilled workmen, who are going somewhere else for employment, and when the war is over they will be absolutely disorganized in taking up the line of work they had previously performed.

The gentleman referred to the fact that this matter is in the hands of Gen. Littell, and he states that in all probability this same method will be continued in future contracts. If that is true, that the authorities only desire to have the very largest contractors to be considered in letting contracts, why do they not tell the contractors outright that they have no chance whatever for getting any Government work? That would be treating them fairly instead of, in the slang expression, "passing the buck," and let them think they are going to have a chance. According to the information from the chairman, this same method will continue. In fairness to similar concerns to the one to which I refer capable of carrying out a big contract, why should not they be told that they may cease their efforts to get some of this Government work?

Mr. WALSH. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. WALSH. Does my colleague understand or contend that Gen. Littell has anything to say as to whom contracts shall be awarded?

Mr. TREADWAY. I am so informed by the chairman of the committee. The men that have been here have gone to subcommittees and to the Committee on National Defense, assuming that they had the authority. That is one line that I am trying to get information on, but the chairman of the committee informs us that Gen. Littell has all the responsibility. Just where the Committee on National Defense comes in, what methods Gen. Littell pursues, just why none of these large corporations can get a look-in seems to me to be a subject worthy of consideration. But it seems to me that we should get information before the smaller contractors that there is no use in their applying for work if the scheme the chairman of the committee states is to be adopted by the department.

Mr. McKENZIE. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. McKENZIE. The gentleman from Massachusetts must have misunderstood the chairman, although I did not hear his statement, that Gen. Littell has the entire responsibility for all of these contracts. As I understand it, Gen. Littell is the man who executes the contracts, does the paper work, but the decision as to whom the contract shall be let to is made by this subcommittee of the Council of National Defense. Gen. Littell has no more to say about it than has the gentleman from Massachusetts.

Mr. TREADWAY. The gentleman's idea is that Gen. Littell is the rubber stamp to the Council of National Defense.

Mr. McKENZIE. Yes.

Mr. TREADWAY. That is not the information imparted by the gentleman from Kentucky, chairman of the committee.

Mr. CAMPBELL of Kansas. Mr. Chairman, I understand that Maj. Starrett is the man who reads the bids and passes upon them; that Maj. Starrett has a brother in the firm of George A. Fuller Co., and that perhaps is the reason why the friends of the gentleman from Massachusetts could get no contract.

Mr. STAFFORD. Mr. Chairman, will the gentleman permit me to ask a question of the gentleman from Kansas [Mr. CAMPBELL]?

Mr. TREADWAY. I yield the floor for that purpose.

Mr. STAFFORD. I would like to inquire whether this Maj. Starrett, of whom the gentleman speaks, is a member of that large construction company known as the Starrett-Thompson Construction Co.?

Mr. CAMPBELL of Kansas. I have heard that that is true. I am simply giving what has passed as rumor around through the Chamber.

Mr. STAFFORD. Has the gentleman any authoritative information as to the total amount that has been parceled out to these large construction companies? I know that Stone & Webster have had large contracts for constructing buildings at the Rock Island Arsenal, and in various parts of the country. Has the gentleman or the chairman of the committee any information as to the total amount of contracts that have been parceled out to these very large construction companies?

Mr. SHERLEY. Mr. Chairman, I prefer to answer in my own time.

Mr. STAFFORD. I am seeking information.

Mr. CAMPBELL of Kansas. I have no definite information on the subject.

Mr. TREADWAY. Mr. Chairman, if I may be allowed, I would like to say that my general criticism is not directed to the single idea that the gentleman from Kansas [Mr. CAMPBELL] expresses. I am looking at it from a broader point of view than one particular firm. The person or persons who have authority over letting contracts ought to announce—if that is their policy—that only the few largest concerns will be given consideration in assigning Government work.

Mr. SHERLEY. Mr. Chairman, I do not think that what I said a few moments ago quite bears the construction placed upon it by the gentleman from Massachusetts [Mr. TREADWAY] and by the gentleman from Illinois [Mr. McKENZIE]. I stated then, as I state now, the man primarily responsible and who signs the contract is Gen. Littell; and I take it that a man who signs a contract is responsible, and he can not get rid of that responsibility by saying that somebody else told him to do it. I never heard of any such rule in court or out of court, in Government or out of Government. The man who is responsible now is Gen. Littell. The man who advised him in the past and who presumably is advising him now is Maj. Starrett. The old committee, which was under the Council of National Defense as it was first organized, was entitled "Subcommittee on Emergency Construction and Contracts," and was composed of W. A. Starrett, chairman; C. M. Lundoff; M. C. Tuttle; Maj. William Kelley, of the office of the Chief of Ordnance; F. L. Olmstead; and J. B. Talmadge, secretary. I stated yesterday that a great many of these subcommittees had been abolished under the reorganization. The present member of the committee of the Council of National Defense dealing with emergency construction and contracts is Maj. W. A. Starrett. Who is under him I do not know. I am glad the gentleman from Kansas [Mr. CAMPBELL] has stated what he has touching Maj. Starrett. I have been told, not in an official way and I do not know how accurately, that he was a member of the Starrett Construction Co., but has not been for some four years, and while it is true that his brother has membership in the Fuller Construction Co., I have never been able to find anybody who was prepared to present anything definite touching the wrongful use of any power that Maj. Starrett may have. Either there is something wrong or there is not. If there is something wrong I hope that anybody in this House or elsewhere who has facts and not rumor will take the responsibility of presenting the matter to the Congress and to the Government, because I am sure that nobody in the Government, legislative or administrative, desires anything to continue that is wrongful. This is what frequently happens. Men in various sections of the country come on here desiring to do work that they are not competent for, but no man has yet been created so modest that he recognizes his inability to do a thing, and he insists that he and his concern can do it, whether they can or not. If he does not get the consideration that he thinks he ought to have he goes away declaring that there is an inner group that controls things.

There may be. I have no information touching it. For myself, when the war broke out I adopted this rule, that I would not recommend any human being for any contractual relationship with the Government of any kind or character, and that rule I have kept. This committee did not have opportunity or time, nor was it its function, to go into this sort of inquiry. We have published here in the hearings heretofore the character of the contracts. We have published the cost and the amount that has been paid these people, and I understand that this whole matter is now the subject of inquiry by other committees that have more direct jurisdiction of it. I hope the gentleman from Kansas [Mr. CAMPBELL], in view of the necessary inference to be drawn from the statement that he has made, will follow it up so that he will be in a position to either tell the House that he thinks there is no basis whatever for believing that Maj. Starrett is giving contracts because of those who are of kin to him or of former or present business association, or that he will show wherein it is being done, in order that we may correct the abuse.

Mr. MONDELL. Mr. Chairman, I move to strike out the last two words. I have had very little to do or experience with those who have the responsibility of making contracts. I have, however, had a little experience in that regard in one case. Some gentlemen came here from my State believing they were equipped and qualified through their eastern connections to take Government contracts of considerable size, and they asked me to present them to the men who had charge of these matters. I was in position to testify that these gentlemen were high-minded and conscientious men, and I presented them to Maj. Starrett. They were treated with consideration. I was impressed with the fact that the officer in question seemed to have had a good deal of experience and probably understood his business.

Mr. CAMPBELL of Kansas. May I ask whether Maj. Starrett is a Regular Army officer?

Mr. MONDELL. I know nothing of Maj. Starrett except the fact that he is connected with the Council of National Defense and that he is chairman of the board that makes recommendations in the matter of contracts. I do not know anything about his antecedents, but he impressed me as a courteous, capable gentleman.

Mr. KINKAID. Will the gentleman yield for a question? Is it the major or his brother who is at the head of this commission that is giving out contracts? I understand there are two Starretts.

Mr. MONDELL. The Maj. Starrett I refer to is, as I understand it, the chairman of a board under the Council for National Defense, whose duty it is to recommend to the War Department the granting of contracts.

Mr. TREADWAY. May I ask the gentleman a question in that connection?

Mr. MONDELL. I yield to the gentleman.

Mr. TREADWAY. Are those contracts in the ordinary business form that building concerns would receive if they were bidding for contracts, and have they a regular form of specifications?

That is what I am trying to get at and that is the line of inquiry I was asking the chairman of the committee when his thought went to the gentleman from Kansas [Mr. CAMPBELL] in his reply rather than to me. I would like to get some idea, some knowledge of the form of contract, the method of letting a contract, the kind of competitive bids that may be asked, and the various business methods pursued by the department. If it is by Maj. Starrett, I would like that information.

Mr. MONDELL. My understanding is that many contracts—I do not know what proportion of them—are not let under competitive bidding, but are given out on the cost-plus basis to firms or corporations agreed upon, recommended and approved by the gentlemen in the War Department to whom they make their recommendations.

Mr. SHERLEY. If the gentleman will yield, I think it was testified before the committee that the identical character of contract that was printed in the hearings last fall touching this work is being used now. The gentleman will find on page 578 of the hearings in connection with the urgent deficiency bill of last fall the contract in which all the details of it are set out, fixing the rental, fees, and the contractor's fees, and all the details of the contract.

Mr. TREADWAY. I shall be glad to look at that a little.

Mr. MONDELL. That is the cost-plus method, as I understand it.

Mr. SHERLEY. Yes.

Mr. MONDELL. And I understand most of these contracts are of that character——

Mr. TREADWAY. May I repeat my question——

Mr. MONDELL. And they are not by competitive bidding.

Mr. TREADWAY. May I repeat my question to the gentleman from Wyoming, if he has any information as to the principle on which these favored contractors are selected? That is at the bottom of the thing.

Mr. MONDELL. I have very little information, but I am very glad to give the House the benefit of what little information I have, and that arose out of this one particular case. I was impressed with the bearing of Maj. Starrett and his apparent knowledge of the matters that he had in charge. I, however, received this impression. The department naturally desires to secure contractors for this Government work who have large going administrative and technical organizations, and that kind of a concern generally is a busy concern, doing a good deal of work, and under the theory that I think somewhat prevails in making the recommendations, it occurred to me that a large concern which would be able to present evidence of its ability to do extensive work and do it speedily, a concern that had a large organization, might have an advantage over a concern with a small organization which had not been doing a large amount of work. It might be the fact, however, that the smaller concern, with its smaller organization ready and willing and prepared to put all of its energy and all of its experience in a particular work, might, as a matter of fact, be better prepared to carry out a given contract than a big concern which might make a better showing. While I did not go into the matter carefully enough to express a definite opinion, my notion is that in a matter of this sort there might be a temptation to lean upon the big concerns with their very considerable organization, large capital, and proven ability to do work, to the exclusion of a smaller outfit or organization, even though the smaller organization might be quite as well prepared and in a more favorable situation to perform a particular work than the larger corporation or organization in view of their other responsibilities.

Mr. TREADWAY. May I ask the gentleman if he does not think as a good business proposition, looking into the future, that these smaller concerns, absolutely reputable and capable of doing the smaller jobs, should be given consideration in view of the conditions that are likely to appear after the war is over if these smaller concerns become entirely disorganized?

Mr. MONDELL. I think it is undoubtedly true; there will be no disagreement on that point.

Mr. KINKAID. Will the gentleman yield for a suggestion?

Mr. MONDELL. Now, on that point, any organization that proves to the officials in charge that has business standing and ability and engineering force and an organization that will enable it to carry on that kind of work, ought to be considered. I have not enough information on the subject to say that they are not considered. I did get the impression that there might be a disposition to lean upon the larger corporations, and larger organizations by reason of the general showing they could make of financial responsibility, of large undertakings and accomplishments—large going organizations. A portion of all this equipment so useful and essential in a big piece of work might, however, be required or utilized on other Government work which they had secured or on private work. However, I assume all these things are taken into consideration.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINKAID. Will the gentleman yield?

Mr. MONDELL. If I might have five minutes more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. I yield to the gentleman from Illinois [Mr. MCKENZIE].

Mr. MCKENZIE. Is it not a fact that the one consideration that the Counsel of National Defense or Gen. Littell had to be controlled by, and the only one that they should give consideration to at all, was to get this work done and done as speedily as possible, and the question of justice or injustice to a small contractor or favors to a large contractor were not elements that enter into the matter at all? And that in doing the thing that they should have done, is it not a fact that this complaint might just as well arise and yet these men do their duty?

Mr. MONDELL. Of course, the first and essential thing is to have the work done as speedily and as economically as possible.

Mr. KINKAID. If the gentleman will permit, I want to say in justice to the administration——

Mr. MONDELL. Will the gentleman be very brief?

Mr. KINKAID. Yes. To my personal knowledge, Maj. Starrett, from the very start of the application in a certain instance, where a contract of the kind was in contemplation, gave very friendly consideration to a comparatively small firm, a relatively small organization, and the contract is going to be let, and is being let to that very firm by Gen. Littell on the recommendation of the chairman, Maj. Starrett.

Mr. MONDELL. I am very glad to have that testimony. I have no thought of criticising in the matter of the selection of the people to whom the contracts are let. It is very evident, however, that one of the greatest corporations, one, I take it, that was a great and going concern with an enormous amount of capital behind it and which no doubt made a splendid showing, is the corporation that seems to have most completely fallen down and furnished the country with the most astounding scandal that has grown out of the war.

Now, so much for that. About these cost-plus contracts, it may be possible that it was necessary to enter into that kind of a contract in some cases, but we have had an unhappy experience under them. I fear we will continue to have. It seems to me they ought to be limited to the cases of the direst necessity. There are some men and a great many women, probably a ma-

jority of them, who are virtuous by reason of their love of virtue and a high sense of obligation to themselves and their God and their fellow men. But with the many men, my opinion is that to whatever extent they may be honest from the dictates of conscience, their inclination to honesty arises more out of the very patent fact that in the main honesty is the best policy; that virtue brings its own reward, and the way of the evildoer is, in the long run, a sad way. The affairs of mankind are conducted largely in view of those facts and considerations. When you change the system of doing things in the world, based on our knowledge of human nature, and adopt a system that holds out encouragement and incentive to waste, extravagance, the padding of pay rolls, the increasing of cost, and practices of every sort and kind that an evil mind can invent and an easy conscience carry out; when you base your business on that sort of rule and policy there can be but one outcome. The cost-plus contract does not reward virtue, honesty, economy, and fair dealing, and practices based on considerations of justice and fair dealing to the Government and the people. It rewards extravagance; it rewards increases of cost; it rewards waste; it rewards all of those things that ought to be avoided in all business transactions. No policy that does this can be commended or produce good results.

Mr. CAMPBELL of Kansas. Mr. Chairman——

Mr. SHERLEY. Mr. Chairman, I do not want to unduly restrict debate, but I think in view of the fact that there is nothing pending there has been quite a little talk, and I would like to go on with the reading of the bill.

Mr. CAMPBELL of Kansas. May I have five minutes?

The CHAIRMAN. The gentleman from Kentucky [Mr. SHERLEY] asks unanimous consent that the debate on this paragraph and amendments thereto close in five minutes. Is there objection?

Mr. STAFFORD. The chairman of the Committee of the Whole offered that motion. [Laughter.]

The CHAIRMAN. There is no objection, and the gentleman from Kansas [Mr. CAMPBELL] is recognized.

Mr. CAMPBELL of Kansas. Mr. Chairman, I think it unfortunate that contracts of this character should be recommended by anyone who is related in any way with persons connected with the construction companies to whom the contracts are let. It was for that reason that I raised the question here a moment ago as to the relationship of Maj. Starrett to these construction companies.

I have never met Maj. Starrett. I do not know whether he is a Regular Army officer, or whether he belongs to the Provisional Army, or what his relations are to the title that he bears, but I think it unfortunate for the War Department that he should be selected to pass upon contracts let to the Starrett Construction Co. or the George M. Fuller Construction Co. The Fuller Construction Co. has many contracts for the construction of these cantonments. The gentleman from Illinois [Mr. MCKENZIE] asked the gentleman from Wyoming [Mr. MONDELL] if it was not the purpose in the letting of these contracts to have the construction pushed to an early completion. That should be the intention, but the contractor does not push the construction to an early completion, but purposely delays for the purpose of increasing the cost of the construction.

Mr. SHERLEY. If the gentleman will permit right there, the form of contract is such as to make a maximum, and it is to his interest to get the work done as quickly as possible.

Mr. NORTON. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Not out of these five minutes.

But the fact is that the bosses tell the men not to hurry while the contractor is within the maximum cost. They tell the men, "Do not take that 8-foot board there; saw 8 feet off of this 16-foot board. Men stand around waiting to go to work from 8 o'clock in the morning until 2 or 3 o'clock in the afternoon, without doing anything, and complaining that they have not been put to work. They are told they have no complaint; that they are getting their pay.

I talked with a captain in an Army cantonment, who showed me the steam radiator in his room. It is a small radiator. It had been set up in his room by two plumbers and two helpers, and they were three days making the connection. He was waiting in the hallways and other places while these men were putting in all this time in setting up this radiator, a work that any plumber or any plumber's helper could have done in 20 minutes, and it was only completed when the colonel ordered that that radiator be placed and placed immediately.

There are men down here within the reach of the voice of some of the men who speak in this House, on this side of the Potomac River, wasting time during the freezing weather instead of rushing the construction of the buildings on which they are at work. I have talked with men to and from their work, who were not doing a half day's work, but with a full day's pay, doing it with the full knowledge of the overseer or the men representing the contractor.

These are things that ought not to be overlooked. These are matters that are of common knowledge throughout the country. Farmers, carpenters, plumbers, business men of every character, who have visited these cantonments and have seen the manner in which they are constructed, know that there has been a waste of the employees' time and a waste of the public money, and they attribute the waste of time and the waste of money very largely to the cost-plus contract.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

QUARTERMASTER CORPS.

Mileage: For mileage to commissioned officers, members of the Officers' Reserve Corps when ordered to active duty, contract surgeons, expert accountant, Inspector General's Department, Army field clerks, and field clerks of the Quartermaster Corps, when authorized by law, $3,000,000.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD upon the employment of clerks in the departments.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Provided, That no part of the appropriations for the Quartermaster Corps shall be expended on printing unless the same shall be done at the Government Printing Office, or by contract after due notice and competition, except in such cases as the emergency will not admit of the giving notice of competition, and in cases where it is impracticable to have the necessary printing done by contract the same may be done, with the approval of the Secretary of War, by the purchase of material and hire of the necessary labor for the purpose.

Mr. NORTON. Mr. Chairman, I desire to strike out the last word of the paragraph.

The CHAIRMAN. The Clerk is in the middle of the paragraph on page 33.

Mr. NORTON. I desire to discuss the paragraph that has just been skipped over.

The CHAIRMAN. The Clerk will finish the reading of the paragraph.

The Clerk read as follows:

Henry C. Chappell: The accounting officers of the Treasury are authorized and directed to pay to Henry C. Chappell, of New London, Conn., from proper appropriations of the Quartermaster Corps the sum of $58.50 paid by him for advertisements published in newspapers soliciting enlistments in the Quartermaster Reserve Corps of the Army for service in a motor-truck company of the Quartermaster Corps.

Mr. NORTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from North Dakota moves to strike out the last word.

Mr. NORTON. Mr. Chairman, I desire to call the attention of the committee to the item for the purchase of horses and mules for the Quartermaster's Department. I would like to ask the chairman of the committee how much is intended to be used for that purpose?

Mr. SHERLEY. None of it; none of the amount carried in this bill is in connection with the purchase of horses or mules.

Mr. NORTON. The provision is such that all or any part of the $26,000,000 appropriated under the item may be used for that purpose?

Mr. SHERLEY. If the gentleman will permit, what happens is simply that we carry the regular language that is carried in the Army appropriation bill, and technically the money is available for any of the purposes enumerated, but the testimony discloses that it is not asked for that purpose at all.

Mr. NORTON. None of it is estimated for that purpose?

Mr. SHERLEY. No.

Mr. NORTON. I desire to say to the committee and to the members of the Committee on Appropriations that there has come to my particular notice the manner in which horses have been purchased for the Army. Most of the horses, or a large part of the horses, purchased for the Army during the last year have been purchased in the Northwest. There the Army has been following the practice of purchasing these horses chiefly from contractors and horse dealers instead of from horse growers and farmers. In my own particular section of the country a very bad policy, to say the least, was followed last fall and last summer in the purchase of horses and mules for the Government by the Quartermaster's Department of the Army. The usual practice was to give to some middleman or horse dealer a contract to furnish the Government with 100 horses at a fixed price. The price for Cavalry horse weighing 900 to 1,050 pounds being

$165 and the price for light-artillery horses weighing 1,100 to 1,350 pounds being $185 a head.

The man holding that contract then advertised that there would be a Government inspection at a certain town. The Government inspectors appeared there to examine the horses. In most cases the contractor had purchased no horses. They were on the day advertised for the inspection brought in by farmers and by horse growers and inspected on the ground by the Government inspector. For any horse that passed the Government inspection the contractor received the Government price as fixed in the contract. These contractors in turn paid the farmers from $90 to $115 for the cavalry horses they turned over to the Government and from $125 to $140 for the light artillery horses. For the cavalry horses the contractors received from the Government $165 a head and for the light artillery horses $185 to $190 a head.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NORTON. Certainly.

Mr. GREEN of Iowa. Do I understand the gentleman to say that there was a Government officer at that time to pass upon them, so that the contractor took no chances on the horses?

Mr. NORTON. In many cases they absolutely took no chances whatever, excepting the chance of taking and cashing the warrant that was given by the officer representing the Quartermaster's Department at the close of the sale.

Last fall I made some personal inquiry into the methods of purchasing horses for the Government. I asked the quartermaster's department at Fort Keogh, Mont., why at these inspections farmers were not advised by the officer representing the Government what price was being paid by the Government for the horses accepted by the Government. On different occasions the Army officers conducting these inspections had refused to tell farmers who had asked them the price the Government was paying for their horses. I was told by the captain in charge at Fort Keogh that his officers making this inspection were not permitted by the War Department to give out this information. Some weeks ago I made inquiry at the Quartermaster General's office here in Washington why farmers and horse growers were not told at these inspections the price the Government was paying for the horses accepted, and I was informed that it would be contrary to the rules of the Quartermaster's Department to announce, at an inspection of this kind or in a purchase of this kind, what the Government was paying for the horses. As a result, the contractor in many, many cases, without investing a dollar, made a profit of from $35 to $70 on each horse delivered to the Government.

I believe, gentlemen, that those engaged in the horse-raising industry of the country should be given a fair consideration and a square deal by the Government. I believe that if the Government is going to pay those high prices—and they are relatively high prices for horses—the men to receive the benefit of these prices should be the farmers and horse growers who sell them for use by the Government instead of the middlemen, who perform a very small service between the farmers and horse growers and the Government. The practice that is now in vogue in the Quartermaster Department for buying horses is that the Government will make purchases direct from farmers where the farmers agree to deliver to the Government or some shipping point on a railroad at least one carload of horses. In such case the Government will not pay within $20 a head of what it will pay to a regular contractor for the same kind of horses; that is, in any case the Government protects the contractor to the extent of $20 a head for each horse. Even under this arrangement few horses are bought direct from farmers. In practice the plan is being worked out about like this: A number of farmers get together in a community and agree to deliver to the Government one or more carloads of horses at a price of $20 a head less than is being paid by the Government to private contractors. At the same time they request the Quartermaster Department having charge of their section of the country to send an inspector to examine and pass on the acceptance of the horses they have to offer for sale to the Government. A date for the inspection is set by the Quartermaster Department. On this date the farmers bring in their horses for inspection. Often they have brought in two and three hundred horses without having any of them accepted by the officer representing the Quartermaster Department. In many cases Army officers have refused to accept these horses direct from farmers and horse growers, but in such cases there usually have been present at these inspections private buyers who bought many of the horses shown at sacrifice prices and had no difficulty in later disposing of them to the Government on contracts. I believe that the very bad practice and policy pursued by the Quartermaster Department in purchasing horses for the Government should be thoroughly investigated by the Committee on Appropriations when the appropriation for the purchase of horses comes up again.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Transportation of the Army and its supplies: For transportation of the Army and its supplies, including transportation of the troops when moving either by land or water, and of their baggage, including members of the Officers' Reserve Corps, enlisted men of the Enlisted Reserve Corps, and retired enlisted men when ordered to active duty, including the cost of packing and crating; for transportation of recruits and recruiting parties; of applicants for enlistment between recruiting stations and recruiting depots; for travel allowance to officers and enlisted men on discharge; for payment of travel allowance as provided in section 126 of the act approved June 3, 1916, to enlisted men of the National Guard on their discharge from the service of the United States, and to members of the National Guard who have been mustered into the service of the United States and discharged on account of physical disability; for payment of travel pay to officers of the National Guard on their discharge from the service of the United States, as prescribed in the act approved March 2, 1901; for travel allowance to persons on their discharge from the United States disciplinary barracks or from any place in which they have been held under a sentence of dishonorable discharge and confinement for more than six months, or from the Government Hospital for the Insane after transfer thereto from such barracks or place, to their homes (or elsewhere as they may elect), provided the cost in each case shall not be greater than to the place of last enlistment; of the necessary agents and other employees, including per diem allowances in lieu of subsistence not exceeding $4 for those authorized to receive the per diem allowance; of clothing and equipage and other quartermaster stores from Army depots or places of purchase or delivery to the several posts and Army depots and from those depots to the troops in the field; of horse equipment; of ordnance and ordnance stores, and small arms from the foundries and armories to the arsenals, fortifications, frontier posts, and Army depots; for payment of wharfage, tolls, and ferriages; for transportation of funds of the Army; for the hire of employees; for the payment of Army transportation lawfully due such land-grant railroads as have not received aid in Government bonds (to be adjusted in accordance with the decisions of the Supreme Court in cases decided under such land-grant acts), but in no case shall more than 50 per cent of full amount of service be paid: *Provided*, That such compensation shall be computed upon the basis of the tariff or lower special rates for like transportation performed for the public at large and shall be accepted as in full for all demands for such service: *Provided further*, That in expending the money appropriated by this act a railroad company which has not received aid in bonds of the United States, and which obtained a grant of public land to aid in the construction of its railroad on condition that such railroad should be a post route and military road, subject to the use of the United States for postal, military, naval, and other Government services, and also subject to such regulations as Congress may impose restricting the charge for such Government transportation, having claims against the United States for transportation of troops and munitions of war and military supplies and property over such aided railroads, shall be paid out of the moneys appropriated by the foregoing provision only on the basis of such rate for the transportation of such troops and munitions of war and military supplies and property as the Secretary of War shall deem just and reasonable under the foregoing provision, such rate not to exceed 50 per cent of the compensation for such Government transportation as shall at that time be charged to and paid by private parties to any such company for like and similar transportation; and the amount so fixed to be paid shall be accepted as in full for all demands for such service: *And provided further*, That nothing in the preceding provisos shall be construed to prevent the accounting officers of the Government from making full payment to land-grant railroads for transportation of property or persons where the courts of the United States have held that such property or persons do not come within the scope of the deductions provided for in the land-grant acts; for the purchase and hire of draft and pack animals in such numbers as are actually required for the service, including reasonable provision for replacing unserviceable animals; for the purchase, hire, operation, maintenance, and repair of such harness, wagons, carts, drays, other vehicles, and motor-propelled and horse-drawn passenger-carrying vehicles, as are required for the transportation of troops and supplies, and for official, military, and garrison purposes; for drayage and cartage at the several depots; for the hire of teamsters and other employees; for the purchase and repair of ships, boats, and other vessels required for the transportation of troops and supplies and for official, military, and garrison purposes; for expenses of sailing public transports and other vessels on the various rivers, the Gulf of Mexico, and the Atlantic and Pacific Oceans, $125,000,000: *Provided further*, That $75,000 of the appropriation hereby made shall be available for additional pay of employees on harbor boats, quartermaster service, in lieu of subsistence.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph just read.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order on the paragraph.

Mr. STAFFORD. I wish to inquire of the chairman of the committee whether any change in the authorization law as to the compensation of railroads or other transportation lines is embodied in the paragraph under consideration?

Mr. SHERLEY. No. It is the same as the current law.

Mr. STAFFORD. I wish to inquire further if the gentleman can give the information as to the total amount that has been paid to railroads of this country for the transportation of troops up to the present time, since the war began?

Mr. SHERLEY. No, sir; we have not that. The gentleman will appreciate that in considering these items we did not undertake to cover the whole field that the item would by its language seem to cover; but we would ask what the moneys were for, and then confine ourselves to an inquiry in that particular. The committee did not raise the question of pay to

railroads, and the need of such an inquiry did not suggest itself to the committee.

Mr. STAFFORD. Was this proposal submitted to the committee during its deliberation, that officers and enlisted men who are obliged to pay for travel in making trips to their homes, or the like, should be exempted from the 8 per cent tax levied by the war-revenue act?

Mr. SHERLEY. No such suggestion came to the committee.

Mr. STAFFORD. It has been called to my attention, and I think the Congress would have exempted the soldiers if the matter had been called to its attention when we were considering the war-revenue act, that that tax of 8 per cent on railroad tickets should not be levied and collected from officers and enlisted men when they travel and pay for that travel out of their own funds. It is just merely an additional burden placed upon them. But as the committee has not given it consideration, I do not feel inclined at the present moment to offer an amendment that might be subject to a point of order and might provoke discussion. I rose largely to inquire how much had been paid to the railroads. Of course, we are paying them fabulous amounts, and necessarily paying large amounts.

Mr. SHERLEY. No such question was considered by the committee.

Mr. MADDEN. I may say for the information of the gentleman from Wisconsin [Mr. STAFFORD] that as far as this tax is concerned each officer who travels has a right to sign an exemption certificate on every fare that he pays, and does not have to pay the tax.

Mr. STAFFORD. That does not apply to the enlisted men who return from cantonments and camps to their homes on furlough.

Mr. MADDEN. I think it does. I am not sure.

Mr. STAFFORD. I have been given different information. I do not think any one of us would wish to tax the transportation that the soldiers pay when they are making these week-end trips from their cantonments and camps to their respective homes. I withdraw the reservation of the point of order.

Mr. COOPER of Wisconsin. I reserve the point of order only for the purpose of asking one question of the chairman of the committee.

Mr. SHERLEY. Of course this paragraph is not subject to a point of order, but I am glad to give the gentleman any information I can.

Mr. COOPER of Wisconsin. Then I move to strike out the last word. I should like to inquire of the chairman what property it is which is included within the provisions of lines 17, 18, and 19—

Where the courts of the United States have held that such property or persons do not come within the scope of the deductions provided for in the land-grant act.

Can the chairman of the committee indicate in a general way just what that is?

Mr. SHERLEY. Frankly, I will say to the gentleman that this language has been carried in the military appropriation bill for a great many years. I have not had occasion to inquire into the reason of it, and I am unable to advise the gentleman touching it.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

Barracks and quarters: For barracks, quarters, stables, storehouses, magazines, administration and office buildings, sheds, shops, and other buildings necessary for the shelter of troops, public animals, and stores, and for administration purposes, except those pertaining to the Coast Artillery; for constructing and repairing public buildings at military posts; for hire of employees; for rental of the authorized allowance of quarters for officers, including members of the Officers' Reserve Corps when ordered to active duty, on duty with the troops at posts and stations where no public quarters are available; of barracks or authorized allowance of quarters for noncommissioned officers and enlisted men on duty where public quarters are not available, including enlisted men of the Regular Army Reserve, retired enlisted men, and members of the Enlisted Reserve Corps when ordered to active duty; of grounds for cantonments, camp sites, and other military purposes, and of buildings or portions of buildings for occupation by troops, for use as stables, storehouses, and offices, and for other military purposes; for the hire of recruiting stations and lodgings for recruits; for such furniture for the public rooms of officers' messes and for officers' quarters at military posts as may be approved by the Secretary of War; for wall lockers in permanent barracks and refrigerators in barracks and quarters; for screen doors, window screens, storm doors and sash, and window shades for barracks, offices, and quarters, and for flooring and framing for tents, and for the National Guard when called or drafted into the service of the United States, $52,151,604.

Mr. ANDERSON. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. ANDERSON offers the following amendment: Page 39, line 12, after the words "United States," strike out the rest of the paragraph and insert: "and for the inclosure and completion of the recreation stadium at Camp Cody, N. Mex., and athletic equipment therefor, $52,166,604."

Mr. SHERLEY. I reserve a point of order on the amendment.

Mr. ANDERSON. Mr. Chairman, I do not think it is at all certain that the amendment is subject to a point of order. However, I appreciate that under the circumstances under which this bill is being considered I must in any event appeal to the chairman of the committee for amiable consideration of the amendment.

The amendment which I have offered is intended to provide a fund of $15,000 for the completion of the recreation stadium at Camp Cody, N. Mex., and the inclosure thereof, together with athletic equipment therefor.

Every one who knows anything at all about the cantonment at Camp Cody knows that the conditions under which the soldiers are obliged to live are very different from those under which they live in any other cantonment. The camp is located in practically a desert of fine volcanic ash-like sand. It is subject to terrific winds. These winds occur very frequently, and when they do occur they raise clouds of this fine volcanic dust which make it practically impossible for men to be out of doors. A recreation stadium has been erected at Camp Cody——

Mr. JUUL. How did the Government come to locate this cantonment at that point?

Mr. ANDERSON. That question has been up a great many times in the House. I am unable to answer the gentleman's question.

Mr. JUUL. I take it the conditions are as the gentleman has stated, but how did they come to put the cantonment there?

Mr. ANDERSON. I can not answer that question. The conditions are as I have stated. They have been found by Members of this House who have visited that camp. They have been found to be as I have stated by members of the public-safety commissions of the States of Minnesota, Nebraska, and Iowa. There is no question about those conditions. As I say, they have a stadium there now, but they have not the funds with which to inclose it. There is no liberty theater there. They can not use the stadium at times when these great wind storms occur. The result of it is that some thousands of dollars' worth of smileage books that have been sent to the troops at Camp Cody are absolutely worthless. They have no place where they can use them. They have no place where they can have athletic meets or any sort of recreation. At one time they had a tent there, but these terrific winds that come so frequently blew the tent to pieces. If they are to have any recreational or athletic or educational facilities at all these facilities must be of such a character that they can be inclosed to shut out these terrific wind and dust storms. I appeal to the gentleman from Kentucky to permit this amendment to go on this bill.

Mr. SHERLEY. Mr. Chairman, the point at which the amendment is offered, without regard to other reasons, makes it clearly subject to a point of order. This is a barracks and quarters paragraph. We are carrying moneys for the purpose of increasing the recreational facilities at the various camps and cantonments. The gentleman's appeal should be to the War Department and not to the Appropriations Committee. We think when this bill passes, they will have sufficient money to take care of all proper needs touching the recreational facilities at camps.

Mr. ANDERSON. Will the gentleman point out to me where in this bill provision is made for such a proposal as I have submitted?

Mr. SHERLEY. Under military post exchanges there is a provision, although the gentleman ought not to ask me where to amend the bill.

Mr. ANDERSON. I am not asking where to amend the bill, I think it is in order here.

Mr. SHERLEY. Jesting aside, we tried to give the War Department funds sufficient to deal properly with the recreational phases of camp life. We suspected that if we were subject to criticism it would be because we had been too liberal.

Mr. ANDERSON. How much does the bill carry for this purpose?

Mr. SHERLEY. I think something over half a million dollars.

Mr. TILSON. The gentleman will find it on page 41 of the bill, $550,000.

Mr. ANDERSON. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. without objection, the amendment is withdrawn.

There was no objection.

The Clerk read as follows:

Construction and repair of hospitals: For construction and repair of hospitals at military posts already established and occupied, including the extra-duty pay of enlisted men employed on the same; construction and repair of general hospitals and expenses incident thereto; additions needed to meet the requirements of increased garrisons, temporary hospitals in standing camps and cantonments; and, during the fiscal year 1918, for the alteration of permanent buildings at posts for use as hospitals, construction and repair of temporary hospital buildings at permanent posts, construction and repair of temporary general hospitals, rental of grounds and rental and alteration of buildings for use for hospital purposes in the District of Columbia and elsewhere, including necessary temporary quarters for hospital personnel, outbuildings, heating and laundry apparatus, plumbing, water and sewers, and roads and walks for the same, $18,000,000.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. I wish to ask the gentleman from Kentucky if in the hearings it was disclosed that this amount of money will put the hospital service at the Army cantonments in such shape as to justify a belief that every facility needed for the proper care of the men will be afforded.

Mr. SHERLEY. In reply to the gentleman, I will say we gave them everything they asked for, and apparently they have asked for everything they could think of. [Laughter.]

Mr. MADDEN. There was no disposition on the part of the committee to restrict them in these funds?

Mr. SHERLEY. The committee did not restrict them.

Mr. MADDEN. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

Military post exchanges: For continuing the construction, equipment, and maintenance of suitable buildings at military posts and stations for the conduct of the post exchange, school, library, reading, lunch, amusement rooms, and gymnasium, including repairs to buildings erected at private cost, in the operation of the act approved May 31, 1902, for the rental of films, purchase of slides, supplies for and making repairs to moving-picture outfits, and for similar and other recreational purposes at training and mobilization camps now established or which may be established hereafter, to be expended in the discretion and under the direction of the Secretary of War, $550,000: *Provided*, That not more than $25,000 of this appropriation may be expended for personal services and no person shall be employed hereunder at a rate of compensation exceeding $1,800 per annum.

Mr. ANDERSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 41, line 24, after the figures "$550,000," insert:
"*Provided*, That of this sum $15,000 may be used in the completion and inclosure of the recreation stadium at Camp Cody, N. Mex., and equipment thereof."

Mr. ANDERSON. Mr. Chairman, I do not care to discuss the matter further. I have said all that I care to say about it.

Mr. SHERLEY. Mr. Chairman, I do not think the amendment ought to be adopted. I do not think it ought to be adopted, altogether aside from the merits of the proposal. If we commence the practice on an appropriation bill of this kind of specifying and indicating to the department what sums shall be spent at certain places, we will have confusion worse confounded. The committee tried to be generous. There is to be expended for the comfort and recreation of the soldiers in camps and cantonments more money than was ever expended by any other people at any time for such purposes. I do not say that because of objection to doing everything practical for their comfort, but the amount of money being spent there, the voluntary contributions and funds given by governmental action are large as sums go even in these days. The committee tried to be reasonably generous with the recreation board. We gave them a patient hearing; we went over their figures, having in mind the money they had available and the moneys that are being contributed by various charitable associations. If this particular matter of which the gentleman speaks is as desirable as his statement would lead us to believe, there ought to be funds within the amounts that have been appropriated to take care of it; but for Congress to indicate and direct that it should be so expended would be setting a precedent that would be fraught with great evil in the future.

Mr. KNUTSON. Mr. Chairman, I move to strike out the last word. I would like to say to the gentleman from Kentucky that I was at Camp Cody last fall, and the boys at that camp are without any form of recreation. The various National Guard regiments stationed at that camp had regimental funds upon which they drew to erect this stadium, but the funds became exhausted before the building was completed. It can not be used at the present time because it is not inclosed. Anyone who has been at Camp Cody will understand that all buildings at that place must be inclosed, owing to the frequent and severe sand storms which rage in that section of the country with painful regularity.

There is great need at Camp Cody for some form of recreation. I am almost under the impression that the War Department has entirely forgotten Camp Cody. There is nothing being done at that place for the comfort of the boys, and even the hospital is neglected, according to reports from several who have visited the camp. While I realize that there is a great deal of merit in what the able gentleman from Kentucky says, yet something should be done to take care of the situation.

I visited several cantonments last fall, and every camp visited had very good facilities for entertaining the boys, except at Camp Cody. I was at Camp Cody in November, and they then had a large tent which was used for entertainments, but a severe storm tore it from gudgeon to stern and the boys are absolutely without any form of entertainment—even picture shows—at the present time. I sincerely hope Mr. ANDERSON'S amendment will prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. ANDERSON) there were 16 ayes and 21 noes.

So the amendment was rejected.

The Clerk read as follows:

The appropriations made herein for "Regular supplies, Quartermaster Corps," "Barracks and quarters," "Waters and sewers at military posts," "Roads, walks, wharves, and drainage," "Construction and repair of hospitals," "Shooting galleries and ranges," "Barracks and quarters, seacoast defenses," and "Military post exchanges" shall continue available until December 31, 1918.

Mr. WILLIAMS. Mr. Chairman, I move to strike out the last word of the paragraph, and offer the motion for the purpose of making a few observations on the way some of the money we are appropriating so generously and lavishly is being expended by those in authority.

Among the various items of money appropriated in the section of the bill just read is one for the Quartermaster's Department, and I think this amount, with amounts formerly appropriated for this department, is ample and sufficient to warrant a proper and humane care to the soldiers now serving in the various camps and cantonments who are so unfortunate as to be visited with either sickness or death. I am sure it has been the intention of Congress to furnish every dollar necessary or in any way required to enable the War Department to give the very best of care and attention, including proper medical treatment, to our brave boys now in training, and in case of death to give them decent burial. Congress has done its full duty in this matter.

From divers complaints which have been addressed to me and to other Members of Congress from camps where Illinois soldiers are stationed, I am fearful that the money so generously appropriated by Congress for this purpose is not being in all cases properly and efficiently expended. I make this statement with great reluctance and sincere regret, but am impelled to do so from a profound sense of duty. I speak of this matter now because of a telegram I received this morning, signed by Dr. Sam W. Latham, State senator of Illinois, and by Hon. George W. Bagwell, State mine inspector for the eleventh district of Illinois. This telegram reveals deplorable conditions at Camp Zachary Taylor, and states a most painful and distressing event that has lately transpired there affecting an Illinois soldier and his family and friends. I read the telegram:

ELDORADO, ILL., *February 14, 1918.*

Representative THOMAS S. WILLIAMS,
Washington, D. C.:

John Alvey, a private from Saline County, in service at Camp Taylor, contracted pneumonia, from which he died. The grieved parents visited Louisville, Ky., and ordered the body shipped home. When the body arrived and the lid was lifted for the friends and relatives to see the last of the remains, imagine their surprise to find the corpse to be that of a negro. The people of Saline County wish to enter a vigorous protest against such preposterous inefficient conduct of our business. We appeal to you, as chosen Representative of the people, to take immediate and strenuous action to correct this deplorable manner of handling the Nation's affairs. We are ready to furnish proof of this statement, and letter follows explaining in detail. For the sake of Illinois and her wonderful, patriotic people, get busy.

SAM W. LATHAM,
State Senator, Fifty-first District.
GEORGE BAGWELL,
State Mine Inspector, Eleventh District.

The name of the soldier is Ferdinand L. Alvey instead of John Alvey, as stated in the telegram just read.

I desire to insert an article appearing in the Daily Register, of Harrisburg, Thursday, February 14, 1918:

TERRIBLE MISTAKE AT CAMP TAYLOR—BODY OF NEGRO SENT HERE INSTEAD OF THAT OF FERDINAND ALVEY.

Harrisburg experienced a shock Thursday morning, the sadness of which is hoped will never be repeated.

As was feared by readers of the Daily Register when it announced in its issue Wednesday that Ferdinand Alvey had grown worse, the popular and respected young man died at that cantonment following an attack of pneumonia, the latter having been brought on by a series of complications.

Mrs. John Alvey, mother of deceased, was at the bedside when her boy breathed his last. She accompanied the remains to this city, arriving Thursday morning. Rude & Templeton immediately transferred the body to their undertaking rooms and many relatives and friends gathered to take an anxious look at their departed associate.

Imagine the shock, the surprise, when the casket revealed the body of a dead negro instead of that of the popular Ferdinand Alvey. Such was the case, and the weeping of the relatives was almost more than the stout-hearted men could bear.

The casket contained the death certificate, the undertaker's certificate, and the shipping certificate, showing the same to contain the body of Ferdinand Lindza Alvey, aged 24 years, giving causes of death and other necessary information. Just where the mistake was made is not known. The undertakers here soon got the wires hot with inquiries to Camp Taylor and the Louisville undertakers.

Where the body of the mourned Ferdinand Alvey is is not known, or was not as we went to press with this paper. The stricken parents, the relatives, and friends have the profound sympathy of the entire community in their sad affair.

—

Just before the Daily Register went to press a telegram was received from Camp Taylor stating that the mistake was made and the body of the colored soldier boy shipped out before it was detected. The body of Ferdinand Alvey will leave Camp Taylor this afternoon at 5 o'clock and will arrive here Friday morning.

Mr. Chairman, this is a most shocking thing, resulting from a negligence so barbarously cruel and inhuman as to be almost unbelievable, a negligence criminal and inexcusable, demanding stern and speedy punishment.

Saline County, where this occurrence has taken place, is a small county in southern Illinois, whose citizenship is comprised largely of farmers and laboring people. These people are intensely loyal and have demonstrated their sterling patriotism in many ways since the beginning of the war. They have patriotically met every call made upon them. In the Young Men's Christian Association drive last fall the quota for Saline County was $6,000. Patriotic meetings were held in various parts of the county, and when the campaign was over it was found that $22,000 had been raised.

In each of the liberty loan campaigns they have oversubscribed their quota, as they did in the call for funds for the Red Cross.

They have not only shown their intense loyalty and love of country in meeting these material demands, but they have ungrudgingly given their loyal sons to the national cause. After the declaration of war and before the passage of the selective-draft law hundreds of brave young men from this county voluntarily enlisted and entered the Military Establishment of the Government. You will find them in the Regular Army, in the National Guard, in the Marine Corps, in the Aviation Corps, in the Medical Reserve Corps, in the Navy, and in every branch of the service.

These people, as do the people throughout all of southern Illinois, stand unreservedly and unitedly behind the Government in this hour of stress and storm, and are willing to give their all in the cause of justice and human liberty. But, Mr. Chairman, they demand, they have the right to demand, that their sons who don the uniform and go forth to fight under the flag, to live or die as God shall will, shall receive humane treatment from their Government. They demand this both for the living and for the dead.

This brave young man, Pvt. Ferdinand Alvey, who died wearing his country's uniform, was entitled to decent burial. His good father and mother, who had given him up as a sacrifice on the altar of freedom, and who had sorrowfully journeyed from their home in Illinois to Camp Taylor to be with him in the last sad hour, and had made arrangements with those in authority to have his body shipped back to the old home that he might have Christian burial at the hands of mourning relatives and friends of his youth and young manhood, should have been spared having a thing so tragic, so cruel, so grewsome, so criminally and brutally careless visited upon them by a Government to which they had made a gift so precious.

Mr. Chairman, I can say no more. Words fail me. The telegram I have just read tells the whole story and reveals a condition of such gross inefficiency and carelessness, such culpable neglect of duty, such brutal inhumanity, as to be almost inconceivable in a Christian Government.

I am not unmindful also of the outrage and great wrong done the young colored soldier and his people and friends. I am not informed as to who he was or his station in life. He died, however, wearing his country's uniform and was entitled to decent and humane burial. No doubt his good old mother, somewhere, perhaps, in a cabin in the mountains of Kentucky, maybe in an humble home in southern Indiana or Illinois, received a shock similar to that experienced by the father and mother of Ferdinand Alvey when the body of some one other than her own son was delivered to her door.

I have had other specific cases of inefficiency and neglect brought to my attention, of course not so horrible as this. I have quietly taken them up with those in authority when I could. I have made no comment. I have put nothing in the RECORD, and have carefully refrained from criticizing the War Department, appreciating the tremendous burden this war imposes on public officials in every branch of the national service. I would add nothing to the burden now being carried by any public official. I want above all things our great country to emerge victorious out of this awful struggle. Liberty, public law, our peace and security as a great people, are at stake in the conflict. We must win, and I have no respect for any man who would add one ounce to the great burdens already borne by those who are conducting the great conflict. But we can not stand for criminal inefficiency, for brutal inhumanity, in these matters. I consider it my patriotic duty to speak out in matters of this kind.

This is a terrible thing. I denounce it and those responsible for it, whoever they may be. I denounce it in the name and in the memory of Private Ferdinand Alvey, who is gone; I denounce it on behalf of his grief-stricken father and mother; I denounce it on behalf of a million and a half of his comrades now wearing the uniform; I denounce it in the name and on behalf of the great State of Illinois that gave this gallant young man to the service of the Nation, and had a right to expect for him humane treatment in life and decent burial in death.

Mr. SHERLEY. Mr. Chairman, there is no one who will not agree in its entirety with the statement of the gentleman from Illinois [Mr. WILLIAMS]. That sort of thing ought to be impossible at these camps and cantonments. I do not know anything about the facts which the gentleman relates, but I assume that he has brought them to the attention of the War Department and that a proper inquiry will be made. Certainly a condition that permits such mistakes to be made is a condition the sooner remedied the better. Yesterday I called attention to the desirability of numbering every soldier in the service in order that he might have a permanent identification that would be positive and quick and sure under all conditions. That suggestion I personally made myself nearly two months ago, to both the War-Risk Insurance Bureau and to The Adjutant General. I am glad to say, as I said yesterday, that I understand that an order has been issued for the numbering of every man in the service, giving each a number that he will retain under all conditions, and which ought to make more certain his identification; but even without that, it is hard to find excuse for such a mistake as the gentleman speaks of. I trust that there may be found some explanation that at least will show that the abuse will not continue any further.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I would like to say just a word anent the suggestion of the chairman, made yesterday, that all of our soldier boys should bear a definite number. I do this in view of a matter which is very painful to me in connection with the loss of the *Tuscania*, whereby five soldier boys living near my home went down to a watery grave. Some of the bodies have been recovered. This morning I received a letter from the father of one of those boys, a touching communication referring to the loss of his only son, and I think it is not amiss for me to read it to this House:

MILWAUKEE, WIS., *February 13, 1918.*

Hon. WILLIAM H. STAFFORD, M. C.,
Washington, D. C.

DEAR SIR: I thank you very much for your prompt reply to my message in regard to my son who was on board the *Tuscania*. As we have still received no word about him we fear he is among the lost. He was our only son, but we gave him willingly in the service of his country, our great regret being that he was not able to render more effective service before his life was taken.

We do not like to impose upon you, but if you can do anything toward helping us to find out whether his body was found and identified, and if so, where he was buried. We presume it would be impossible to have his body returned to us during the duration of the war, but if we know where he is perhaps we could get some one to look after his grave until this horrible war is over, and then we could go to see him and it might be possible to have his body brought home.

Anything you can do for us will be greatly appreciated. Thanking you, I remain,

Yours, truly, H. H. PETERSON.

I took the question of burial and disinterment up with the Cemeterial Division of the Quartermaster Corps. The representative of that division informed me that early in the war they recommended to the higher authorities that every one of our soldier boys should not only have an identification number, but two identification tags, with their name attached, to be worn by them, so that there would be no question whatever that in case of death they could be identified. This officer admitted that those boys who went down on the *Tuscania* did not have any identification number, the explanation being that they were not yet assigned to any definite branch of the service.

Five of these boys are from Milwaukee, from my own district, and I have been daily calling up The Adjutant General's office to try to ascertain whether any information has been received as to whether they are still among the missing. The names of

two were listed in the telegraphic dispatches of the Associated Press as having been buried somewhere on the Scottish coast. The representative of the Cemeterial Division assures me that no bodies during the existing war can be brought back, that in France the bodies of those unfortunates who die in battle or by reason of disease have their graves marked in every case and a record is kept of the burial through a regular organization. He also informed me that the Quartermaster Corps undoubtedly is making a record as far as they can of those unfortunates of the *Tuscania* who are being buried in graves along the Scottish coast.

The case of Harry E. Peterson, which I have just cited, had a peculiar significance to me, because he was a West Division High School boy and from my district, a classmate of my nephew, who knew him well. He was a fine type of character. The sentiment that is expressed in this letter is grandiloquent of the devotion and resolve of the father and mother who have lost their all in the ill-fated sinking of the *Tuscania*. [Applause.]

The Clerk read as follows:

PANAMA CANAL.

CONSTRUCTION.

For continuing the construction and equipment of the Panama Canal, to be expended under the direction of the governor: For completing Dock No. 6 at Cristobal, $593,190, to continue available until expended; and the limit of cost fixed by the sundry civil appropriation act approved July 1, 1916, is increased from $1,500,000 to $2,093,190.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. I wish to ask the gentleman from Kentucky whether it is because of the increased cost of labor and materials that the increased cost of this improvement here is suggested, or whether it is caused in large part by the increase in the character of the improvement?

Mr. SHERLEY. No; it is the actual increase of cost. It is a deficiency. The money that is allowed for this purpose was not sufficient to finish the entire superstructure at all, but simply to finish the foundation. The estimates were made, however, in 1916, and the increased cost in structural steel and other materials going to make the piers is responsible for this deficiency.

Mr. MADDEN. So that the language of the estimate limiting the cost was due in large measure to the fact that the material required to be used in the improvement has increased in price since the estimate was made?

Mr. SHERLEY. Yes. This dock is a duplicate of a number built down there within the limit of cost heretofore, but the increase in the cost of material makes this deficiency.

Mr. TILSON. Mr. Chairman, I rise in opposition to the pro forma amendment simply to ask the gentleman from Kentucky as to why this No. 6 Dock at Cristobal is lagging behind the others?

Mr. SHERLEY. It was started late.

Mr. TILSON. Is it an extra dock or part of a plan that was originally laid out?

Mr. SHERLEY. Well, there was a plan that contemplated at one time this dock to be built, and perhaps docks have yet to be built, but the policy was to build these docks somewhat as traffic demanded them, but they were not all undertaken at one time. This dock was undertaken very much later than the others, and that is the reason for the deficiency.

Mr. TILSON. It got caught in the high-price times?

Mr. SHERLEY. Yes.

The Clerk read as follows:

Provided, That the superintendent, assistant superintendent, and chief engineer of the State, War, and Navy Department Buildings shall serve in similar capacities in connection with these buildings.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word to ask the gentleman from Kentucky, the chairman of the committee, a question. Are these buildings mentioned in line 22, page 47, the $2,000,000 concrete buildings that were appropriated for last summer?

Mr. SHERLEY. Not concrete buildings, but the $2,000,000 frame buildings which were built down in Henry Park.

Mr. COOPER of Wisconsin. Are the employees carried in this paragraph all the employees in these buildings?

Mr. SHERLEY. This is simply for the maintenance of the force.

Mr. COOPER of Wisconsin. Simply for the maintenance of the force?

Mr. SHERLEY. Yes.

Mr. COOPER of Wisconsin. How many employees, approximately, are there employed there? Does the gentleman know about how many?

Mr. SHERLEY. I think there will be over 8,000 when they are all fully completed and filled. I do not recall the exact number now.

Mr. JUUL. Mr. Chairman, I move to strike out the last word. I desire to ask the gentleman from Kentucky a question. In line 12, page 48, are mentioned 3 forewomen, at $300 each, and 60 at $240 each. Now, what I want to ask. Is that all the compensation that these 60 women secure from the Federal Treasury for one year's work, $240?

Mr. SHERLEY. This is all the salary paid them for the part of the day's work that they give to the Government.

Mr. JUUL. Of course, I do not know, Mr. Chairman, what portion of their time they give to the Government.

Mr. SHERLEY. I was just going to tell the gentlemen that they are charwomen and give a certain part of their time in scrubbing and cleaning the buildings. That is the rate of compensation that has been carried for a number of years past. They, of course, are benefited now and will be benefited by an increase in the salary of employees generally that has been and might be enacted by Congress and which is in contemplation.

Mr. JUUL. Will these women get a percentage of the increase in addition to the sum here mentioned?

Mr. SHERLEY. They would get whatever increase is made for employees, and, presumably, if it was a percentage increase they would get that percentage on the sums named here.

Mr. JUUL. I have not figured it out, but it is about 50 or 60 cents a day, and out of that they have to pay 10 cents car fare. And if the gentleman has not absolutely made up his mind to amend his own bill, I certainly will not attempt to do it. I think they should be paid somewhat better than that.

Mr. SHERLEY. The gentleman may be quite right, and yet "the gentleman from Kentucky" is also quite right in not having the bill amended. And I will explain why. The whole policy of this bill is to deal with deficiencies and not carry increases of salary, which can and should be taken up in a different form. Now, just as the amendment that was offered a while ago by the gentleman from Minnesota [Mr. ANDERSON] might have merit as a substantive proposition, standing alone, yet it would have been a legislative mistake, because it would have set the practice of enumerating an expenditure of funds for particular purposes, where that discretion ought to be left with the department. Now, in this case, if we were to undertake to increase these compensations which the gentleman thinks are too small, it would practically open this bill for increase of compensation everywhere along the line. The result would be that one group of men one day, dealing with the matter and another group another day dealing with it, would do all sorts of grotesque things, and instead of being order there would be confusion worse confounded.

Mr. JUUL. If the gentleman will permit me, I ask, if he wants to be liberal, would it not be better if Congress would be a little bit grotesque and occasionally interfere with the chairman of the committee, rather than to ask women in the city of Washington, with prices as they are to-day, to work for $240 a year?

Mr. SHERLEY. Nobody is asking them to do that. The gentleman assumes this is compensation for their entire time.

Mr. JUUL. That is what I am trying to find out.

Mr. SHERLEY. I have stated that they are only giving limited time of each day.

Mr. WHEELER. How much time do they put in each day?

Mr. SHERLEY. About two hours.

Mr. JOHNSON of Kentucky. If I may be pardoned, I made some inquiry into the subject a year or two ago, and I ascertained that charwomen in the House Office Building got their pay there, and then went over to the Library and did some things there and got their pay; and some of them even went downtown and did cleaning and got their pay there.

Mr. WHEELER. I assume that many of these women are women with families, and only devote a part of their time to the work?

Mr. SHERLEY. Manifestly, I can not answer that.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last two words, for the purpose of giving the gentleman from Illinois some information.

Mr. SEARS. Mr. Chairman, I move to strike out the last word. If I understood the chairman, this appropriation of $67,466.67 is simply for maintenance force?

Mr. SHERLEY. Yes.

Mr. SEARS. Does this building have a separate electric-light plant or are the lights furnished by the city?

Mr. SHERLEY. It is buying light from the Potomac Electric Power Co.

Mr. SEARS. I notice in this bill, Mr. Chairman, thay have one chief electrician at $1,400 a year and three assistants at $1,200 a year each. It strikes me the committee has been rather liberal in providing for this building.

Mr. SHERLEY. In point of fact, if the gentleman will permit, I think the mistake is that we have really underestimated some of the help that is going to be needed there, as I think the gentleman will agree if he will examine it and compare it with

any other building in Washington. These three buildings are grouped and are larger than the War and Navy Building, the Treasury Building, or most of the buildings with which the gentleman is familiar. They asked for six electricians and assistants, and we cut them to four.

Mr. SEARS. Mr. Chairman, I simply want to make this observation. I am satisfied the chairman has cut it, and I am also surprised that the cut was made. This may be unusual in the city of Washington, but some of the Members of this Congress have had experience at home in running electric-light plants lighting an entire city, and no such expense as that would be considered for one moment by the citizens of any town or by any Member of Congress if they knew they were employing a chief electrician and two assistant electricians to look simply after the light in a building, when anybody who knows anything about electricity to-day knows that there is nothing to do but replace a light now and then. I am satisfied this would not be indorsed by our constituents. I have hoped that after this war a wave of economy will strike the country and that we would get back to earth once more and cease taxing our own people so much in order that people can hold good jobs in the city of Washington.

Mr. SHERLEY. I am very much gratified at the disposition of economy on the part of the gentleman from Florida [Mr. SEARS] and I hope it will prove contagious generally. However, his conception of the duties of these electricians is inadequate, I think. Their duties amount to something more than replacing worn-out electric lights with perfect ones. I think it only fair to say that there is a million square feet of floor space. There are special electrical systems for checking up the guards of this building and for fire-alarm purposes, which at this time are matters of great importance. There are many other duties that fall to the lot of these people. But I do not want by what I am saying to discourage the gentleman or anybody else from an awakened spirit of economy.

Mr. MADDEN. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. MADDEN. As a matter of fact, there is only $5,000 of this sum to be paid to electricians.

Mr. SHERLEY. Of course, nobody had any idea——

Mr. MADDEN. But I think the impression of the gentleman was that the whole $67,000 was being paid to electricians.

Mr. SEARS. I did not intend to convey that impression. There are also two painters.

Mr. MADDEN. And two painters can not do the work required there, and five painters or ten painters can not do it.

Mr. SEARS. Perhaps not. I never painted a day in my life; but two electricians can look after it.

Mr. MADDEN. I think the figures of the Committee on Appropriations will be so low that they will be found to be inadequate.

Mr. SHERLEY. I frankly stated to the House that a mistake had been made in this force and there will have to be an increase in it.

Mr. MADDEN. Surely there will.

The Clerk read as follows:

TEMPORARY OFFICE BUILDINGS.

For two three-story temporary office buildings of reinforced concrete with wings 60 feet wide, one for the Navy Department to contain approximately 940,000 square feet and one for the War Department to contain approximately 835,000 square feet, to be erected under the direction of the Secretary of the Navy in Potomac Park west of Seventeenth Street and south of B Street, beginning with the Navy Department Building at a point not less than 235 feet west of the westerly curb line of Seventeenth Street and 50 feet south from the southerly curb line of B Street and extending southerly not more than 620 feet from the said B Street curb line and westerly to a point not beyond the easterly building line of Twenty-first Street, including electrical equipment and a temporary heating plant for both buildings, to be located south of D Street and west of Twenty-fifth Street, with necessary connecting mains, $5,775,000.

Mr. CLARK of Florida. Mr. Chairman, I desire to make a point of order against this paragraph.

I make it upon the ground, Mr. Chairman, that the construction of this building has not been authorized by law, and upon the further ground that the appropriation is not to continue or to complete a work already begun or in progress.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard?

Mr. SHERLEY. Mr. Chairman, I trust the gentleman may reserve the point of order for a minute.

Mr. CLARK of Florida. I am perfectly willing to do that, and I will say to the gentleman that if he will let it go over—and we can not dispose of the bill to-day, anyhow—until Monday, I will reserve it.

Mr. SHERLEY. There is not any doubt that the matter is subject to a point of order if the gentleman wants to take the responsibility of making the point of order.

There is nothing more important to this Government at this time than the construction of these buildings as quickly as possible. The committee has not sought to take jurisdiction of this matter for the sake of having jurisdiction. We have all the work we can do, and then some, and we are not hunting new work for the Committee on Appropriations. But when situations are acute, when situations that affect the prosecution of the war come forward, that committee will in the future, as in the past, endeavor to deal with them; and for us not to have brought in these matters would have subjected the committee to criticism of the most severe kind. In the event the gentleman from Florida desires to make the point of order, I shall, of course, ask the Committee on Rules to bring in a rule making in order this important paragraph:

Mr. SEARS. What is the immediate necessity for the passage of this proposition? Is it lack of office space?

Mr. SHERLEY. Yes; lack of office space. The lack is so acute that to-day there is serious embarrassment in the efficiency of the various corps of the War Department and other departments of the Government.

Mr. SEARS. Then there is a lack of space?

Mr. SHERLEY. There is.

The CHAIRMAN. Does the gentleman from Florida [Mr. CLARK] insist on his point of order?

Mr. CLARK of Florida. Mr. Chairman, so far as the urgency of this matter is concerned, the Committee on Public Buildings and Grounds, which has jurisdiction of this subject, could have heard this matter and could have brought in this matter authorizing it at any time.

I am making the point of order, Mr. Chairman, simply to preserve the jurisdiction of the committees of this House. If it is not proper that the Committee on Public Buildings and Grounds should have jurisdiction to authorize these buildings, then the House ought, by rule, to take the jurisdiction away from it and give it to the Committee on Appropriations or some other committee.

It would have been as easy to have submitted the proposition to the Committee on Public Buildings and Grounds as to take it to the Committee on Appropriations. I do not see that any time has been gained by taking it to the Committee on Appropriations. We have been here since the beginning of the session of Congress, and our committee has been ready at all times to attend to business.

I want to say further, that while this building may be urgent, when I was a member of a public-buildings commission, composed of six Representatives and six Senators and three outside officials, representatives of the War Department and Navy Department came to that commission and represented that if they could get a million square feet of space it would be ample for the overflow of these two departments during the war, and we gave it to them. Now, without consulting us further, without even going before the Public Buildings Commission before it expired by limitation, or going before the Committee on Public Buildings and Grounds, an appropriation is brought in here authorizing the construction of 2,500,000 more square feet of space for these same people, and I submit that the orderly way to dispose of these matters is to go to the proper committee having jurisdiction of them and having those committees investigate them. We have investigated all these other matters. Those matters of public buildings have all been submitted to us, and they have had plenty of time to present this proposition. It is not right, upon the plea of urgency, to take jurisdiction from committees in this way, and I therefore make the point of order.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

For two three-story temporary office buildings of the type erected in Henry Park, one to be located in Seaton Park (north) between Four-and-a-half and Sixth Streets and south of Missouri Avenue and to contain approximately 370,000 square feet and one to be located on the Mall between Seventh and Eighth Streets and B Street north and B Street south and to contain approximately 300,000 square feet, and for a three-story temporary office building of reinforced concrete to be located in Seaton Park (south) between Four-and-a-half and Sixth Streets and north of Maine Avenue and to contain approximately 270,000 square feet, including heating and lighting and the necessary connections, to be erected under the direction of the Secretary of War for the use of the War Department, $2,377,500.

Mr. CLARK of Florida. Mr. Chairman, I make the point of order to that on the same ground.

The CHAIRMAN. The point of order is sustained. Without objection, the point of order will also be sustained to lines 5, 6, 7, and 8, because they no doubt pertain to that same paragraph. The Clerk will read.

The Clerk read as follows:

The maintenance and protection of all of the foregoing temporary buildings when completed shall be under the supervision and direction of the officer in charge of public buildings and grounds.

The CHAIRMAN. Without objection, the point of order will be sustained to that paragraph.

Mr. SHERLEY. Mr. Chairman, the Committee on Appropriations, in considering the deficiencies which have been presented to the House, had to consider, among other things, the need of additional clerks, and they had to consider questions of rent; they had to consider the various activities of the Government. It was only by a consideration of these matters that that committee or any other committee could intelligently arrive at the needs of the Government touching additional buildings in the District of Columbia. It followed of necessity that if we were to examine intelligently into matters pertaining to additional clerks, matters pertaining to rent, matters pertaining to the activities of the Government, we had also to consider the matter of new buildings, where to be located, and the extent of them.

I repeat, the Committee on Appropriations has not sought to interfere with the jurisdiction of any other committee, but the Committee on Appropriation is impressed with the fact that more important than the prerogatives of committees is the prosecution of this war, and it indulges in the fond hope that that viewpoint will be somewhat concurred in by the House of Representatives. The putting out of this bill of these provisions, if continued, will result in many days of delay in connection with the building program that is now pressing, and which is so pressing that I have been not only in daily but frequently hourly communication with the various departments, they begging that they be allowed to proceed with some of the building program without waiting for the authorization of Congress.

The building commission of which the distinguished chairman of the Committee on Public Buildings and Grounds speaks went out of existence in December. Manifestly the Committee on Appropriations could not lay before a commission that no longer existed matters that might have pertained to it when it did exist. And I repeat that I shall ask the House—not as a matter of sustaining the Committee on Appropriations, not as a matter of taking anything away from the Committee on Public Buildings and Grounds, but as a matter of first necessity to the Government in the prosecution of the war—to make these items in order by a rule, so that the House may have a chance to pass upon the wisdom of the proposals here submitted.

Mr. CLARK of Florida. May I ask the gentleman a question?

Mr. SHERLEY. Certainly.

Mr. CLARK of Florida. It is true that the Public Building Commission has gone out of existence, but does not the gentleman think that when a matter is submitted to his committee that clearly belongs to another committee, the proper thing would be to refer the gentleman submitting it to that other committee?

Mr. SHERLEY. Frankly, and I say it to the gentleman in all kindness, I do not believe that it would be possible, and that without regard to personnel, for the Committee on Public Buildings and Grounds, without going largely into the scope of the whole deficiency bill, to arrive at a determination touching the building needs here in Washington now, because the situation now is not a normal one. Oh, the gentleman may smile, but if the gentleman had worked as I have worked and the members of my committee have worked for more than a month past in trying to correlate the number of employees that are to be in the departments, now and subsequently, to the amount of space that is here—if he had sent out to every department of this Government a request, and had had a return as to the space that is being used, the rents that are being paid for it, and the amount of space that they expect to use, then he would have found that there is something more than simply a building program, as ordinarily understood, for the consideration of a committee dealing with the matter.

Mr. CLARK of Florida. I should like to ask the gentleman how he makes a deficiency out of this matter at all.

Mr. SHERLEY. I do not make a deficiency out of it as regards money. I make a deficiency out of it as regards the things needed, and in this war the important thing is to get a result and not consider simply the desires and the prerogatives of various and sundry individual Members and of committees.

Mr. CLARK of Florida. Mr. Chairman, if the gentleman will permit me, I think the Committee on Public Buildings and Grounds is as thoroughly patriotic a committee as the Committee on Appropriations.

Mr. SHERLEY. Unquestionably. It is not a question of patriotism, and nobody is suggesting that.

Mr. CLARK of Florida. And I want to say further that I think, without any reference to the question of coordination, and the question of deficiencies here and there, the Committee on Public Buildings and Grounds are as capable of dealing with a building of this character, and we would do it just as promptly. But this item has no place on a deficiency bill to start with, because it is not a deficiency and does not relate to a deficiency.

Mr. SHERLEY. That would be true of the building program that took place last year. That would be true of any building program that would now be submitted. It would not be a deficiency in the sense of money, but it would be a deficiency in the other sense, and the gentleman is putting a construction very much narrower than the facts warrant upon what constitutes deficiencies within the jurisdiction of the Committee on Appropriations. Now the concrete fact is that if this is not carried here there will be a delay of weeks in this important work.

Mr. JUUL. I desire to ask the gentleman from Kentucky another question. Is not the gentleman from Kentucky reversing himself now?

Mr. SHERLEY. That may be. I am not conscious of it.

Mr. JUUL. In his discussion with the gentlemen of the Building Committee a little while ago the gentleman from Kentucky ruled that a matter of a little new work down at Camp Cody where the sand storms occur was entirely out of order. Is not this a complete reversal of what the gentleman ruled before?

Mr. SHERLEY. I do not see it.

Mr. JUUL. That was a new appropriation.

Mr. SHERLEY. Well!

Mr. JUUL. This is new work.

Mr. SHERLEY. Well!

Mr. JUUL. It should have gone to that committee. You ruled properly that you could not take up this matter, because it was new legislation.

Mr. SHERLEY. The Chair ruled that way. The gentleman from Kentucky did not and can not pass on that question here.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

Northwestern Branch, Milwaukee, Wis.: For subsistence, $31,000;
For household, $45,000;
For repairs, $2,000;
In all, $78,000.
Eastern Branch, Togus, Me.: For subsistence, $5,000;
For household, $30,000;
For farm, $1,000;
In all, $36,000.

Mr. COX. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee whether these increases are due to the increased number of inmates in these homes or to the increased cost of living?

Mr. SHERLEY. They are practically due to the increased cost of supplies in the way of fuel and food and forage.

Mr. COX. Not much of it, then, is due to the increased number of soldiers?

Mr. SHERLEY. In only one place, as I recall, was that a factor.

Mr. COX. Where was that—in Indiana?

Mr. SHERLEY. In the Pacific Branch.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

Transportation: For travel allowance of enlisted men discharged on account of expiration of enlistment; transportation of enlisted men and apprentice seamen and applicants for enlistment at home and abroad, with subsistence and transfers en route, or cash in lieu thereof; transportation to their homes, if residents of the United States, of enlisted men and apprentice seamen discharged on medical survey, with subsistence and transfers en route, or cash in lieu thereof; transportation of sick or insane enlisted men and apprentice seamen to hospitals, with subsistence and transfers en route, or cash in lieu thereof; transportation of enrolled men of the Naval Reserve Force to and from duty, with subsistence and transfers en route, or cash in lieu thereof; apprehension and delivery of deserters and stragglers, and for railway guides and other expenses incident to transportation, $2,000,000.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. Can the chairman of the committee inform me if this $2,000,000 item for travel allowance to enlisted men, and so forth, which by special provision is made to include the Naval Reserve Force, also includes the Coast Guard personnel, which has been taken over by the Navy Department under the act combining the Life-Saving Service with the Revenue-Cutter Service?

Mr. SHERLEY. If the gentleman will permit, these services have been taken over by the Navy, and the appropriations for the Coast Guard are first available. If they are not sufficient, the moneys would be paid out of the naval appropriations.

Mr. WALSH. Then the gentleman thinks this language is broad enough to permit that?

Mr. SHERLEY. Yes. There is an express statute which says that that shall be done. These services, when they come within the naval service, are subject to the rules that appertain to the Navy.

Mr. WALSH. But I was interested to know why this paragraph made special mention of the Naval Reserve.

Mr. SHERLEY. The Naval Reserve are in a different class from the Coast Guard Service. There was formerly a special fund for the Naval Reserve, and in order to discontinue that practice they were expressly enumerated here.

Mr. WALSH. One further point. What is meant by "stragglers"? This provision says "deserters and stragglers." Are those men that have wandered off?

Mr. SHERLEY. A straggler is a man who has overstayed his leave, and yet is not strictly a deserter.

Mr. WALSH. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

Contingent, Bureau Yards and Docks: For contingent expenses and minor extensions and minor improvements of public works at navy yards and stations, $2,000,000.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. Can the chairman state the distinction between contingent expenses of the Bureau of Yards and Docks and minor extensions and minor improvements and the repairs and extensions under the previous item? Can the gentleman state whether these are permanent improvements or extensions made necessary by war emergency?

Mr. SHERLEY. They are funds that overlap; there is no line of distinction.

Mr. WALSH. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

Hampton Roads, Va., naval operating base: For additional for payment of compensation for property taken over under the authority contained in the deficiency appropriation act approved June 15, 1917, $55,072.25, or so much thereof as may be necessary.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Can the chairman state whether this is the item that provides for the purchase of a part of the old Jamestown Fair exposition grounds?

Mr. SHERLEY. Yes; this is a part of it.

Mr. STAFFORD. What progress was made toward the Government getting title to all the tract, and whether it was necessary to resort to commandeering. There was considerable opposition to the plan suggested and there was a compromise agreed upon whereby the act went through the House.

Mr. SHERLEY. Under the act as it passed Congress the President was authorized to take possession and did take possession of this land. A commission was created to determine the amount of compensation to be paid the owners. The commission made its report. That report has been acquiesced in by a certain number of the property owners and the compensation accepted. By a certain other number it has been rejected, and under the law three-quarters of the price so fixed is to be paid them and the balance left as a matter of suit. There were 22 claimants who declined to accept the award.

Mr. STAFFORD. Can the gentleman give the acreage or the extent of the property that they control?

Mr. SHERLEY. I can not give it from memory, but the gentleman will find it in a report made, known as the report of the Board for Acquiring a Naval Site at Hampton Roads, Va. He will find what he seeks in that report and a great deal more which is set out there. The effect of the act of Congress is going to be, I fear, that instead of saving money we will spend a little more than the price agreed to by the House conferees of the Appropriation Committee in conference with the Senate conferees which the House rejected and for which it substituted a provision under which this action is now taken.

Mr. STAFFORD. It was stated privately that the arrangement agreed to by Congress would result in a greater amount being paid for the land than was originally provided. We had rather a tentative assurance by the Representative of that district—of course, not binding—that the owner of the principal part of that land would adhere to his original proposition and accept the price and not attempt to withdraw from the original price agreed upon.

Mr. HOLLAND. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HOLLAND. The gentleman is mistaken about any tentative agreement that the owners would accept the price. When the original proposition was made to accept $1,400,000, that proposition would have gone through because certain business men of Norfolk were practically standing behind it and practically guaranteeing that the Government might have the property at that price, but there was no such understanding when that proposition was declined.

Mr. STAFFORD. When Congress changed the terms so as to allow the Government to commandeer immediately, did the commercial interests or any other interests withdraw from their part of the understanding, throw up their hands, and say, "Now Congress has determined another course, we will not assist to get the property at the original figures."

Mr. HOLLAND. The people are willing that the Government should have the property at a reasonable and proper figure.

Mr. FLOOD. All that was discussed on the floor was that when the offer made by the people was not accepted, then it in all probability would be thrown into court. Certain owners of a part of this property were not disposed to accept the amount offered for it as a whole.

Mr. STAFFORD. The owners of what part of the property? Were they the owners that had purchased the original site of the exposition grounds and the owners of the larger part?

Mr. FLOOD. No; the owners that we were talking about were the owners of the small lots, little dwelling houses.

Mr. STAFFORD. Mr. Chairman, of course I would not rise to criticize the action of any small owner, but I understood that the owners of the larger tracts were desirous of getting rid of their holdings, and what I want to know is whether they adhere to a gentleman's agreement and allowed the property to be handed over to the Government.

Mr. FLOOD. There was absolutely no gentleman's agreement. They offered the property at so much, and the Government declined to take it and instituted another method of procedure.

Mr. STAFFORD. Mr. Chairman, as I recall, the Government appropriated sufficient money to pay them for the property at that figure?

Mr. FLOOD. Not at that figure. It was $1,250,000, not $1,400,000.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. Can the gentleman from Virginia give the House any information as to how much of that original tract is now in possession of the Government by purchase from the owners?

Mr. FLOOD. No.

Mr. SHERLEY. I can give the gentleman the information. Seventeen claimants to property in the Pine Beach tract have formally advised of their rejection of the valuation on the property claimed by them. The valuation of the property claimed by these 17 parties as found by the board amounts to $205,865. Five claimants within the exposition site tract have formally advised the board of their rejection of the value placed on their property. The total value found for the property held by these five parties amounts to $465,586. The total amount of the awards to these 22 claimants that have formally rejected the values found for their property amounts to $671,451.

Mr. STAFFORD. Can the gentleman give us the total amount of the awards by the board of all of the property?

Mr. SHERLEY. This may answer the gentleman's inquiry. Assuming that all of the claimants other than these 22 will finally accept the valuation found for this property, it will amount to a payment to them of $751,454, which amount, added to the $503,588.25, will make the total amount necessary to carry out the provisions of the act of $1,255,072.25.

Mr. STAFFORD. Then the substituted provision of the House reducing the original authorization from $1,400,000 to $1,200,000 is a saving to the Government of in the neighborhood of $150,000?

Mr. SHERLEY. The amount that I have read will be the amount necessary to pay upon the basis of the acceptance of the three-fourths—75 per cent. They then go into court, and if they obtain a greater sum than the award, the amount may run over $1,400,000.

Mr. STAFFORD. Do I understand that the total awards for the 22 claimants is $671,000, or is that merely the 75 per cent of their award?

Mr. SHERLEY. The total amount awarded is $1,422,935. That is $22,935 more than the agreement contemplated paying under that first arrangement.

Mr. STAFFORD. And with the risk of an additional allowance being awarded by the court?

Mr. SHERLEY. In case they succeed in the court in getting amounts greater than the awards.

Mr. STAFFORD. Mr. Chairman, I withdraw the pro forma amendment.

Mr. SABATH. Mr. Chairman, I move to strike out the last word with the intention of asking the chairman of the committee a question. I notice there is an appropriation of $2,750,000 for

hospital construction. I would like to know how much of that will be expended or is intended to be expended for hospitals at the Great Lakes station?

Mr. SHERLEY. It has all been expended. Seven hundred and seventy-five thousand dollars of it went to Chicago.

Mr. SABATH. Has this all been expended?

Mr. SHERLEY. Yes; this is to take care of deficiencies.

Mr. SABATH. All of it?

Mr. SHERLEY. All of it.

Mr. SABATH. I do it because I am informed that between 55 and 60 per cent of the enlistments are made down there for the Navy, and I notice they have from 25,000 to 35,000 men stationed there most of the time, and they need a great deal of room.

Mr. SHERLEY. There has been considerable increase in bed capacity on the part of the Navy hospitals, and this is to pay the bills.

Mr. SABATH. That is all right.

The Clerk read as follows:

The total limit of cost of the five Coast Guard cruising cutters, fixed at $2,250,000 by the naval appropriation act approved March 4, 1917, is increased to $3,500,000: *Provided*, That if in the judgment of the Secretary of the Navy the most rapid and economical construction of the foregoing vessels can be obtained thereby, he may contract, within the limit of cost herein named, for the construction of said vessels upon the basis of actual cost plus a reasonable profit to be determined by him.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. What progress has been made, if the chairman knows, in the construction of these Coast Guard cutters?

Mr. SHERLEY. None. No work has been done and no work could be done on the kind of cutters they now want within the limit of cost now fixed. So they came and asked for an increase, to enable them to get cutters of a little bit wider beam, I think, and greater length, in order that they might be more seaworthy and carry heavier armament and be of greater value in connection with their use as patrol boats, and so forth. I will say to the gentleman that the committee went rather exhaustively into one phase of this matter. There seemed some question as to whether we should be appropriating money for additional Coast Guard cutters at a time when there was an apparent scarcity in yards and in labor in connection with the building of ships. It was insisted, however, both by the Coast Guard Service and the Navy, that we could have these ships built in yards not now being used and that would not be otherwise used in connection with any of the shipbuilding program, and they felt that it could be done without interfering with the labor supply; that these ships represented a type that was badly needed, and they urged both from the standpoint of the Coast Guard Service and the standpoint of the Navy's need in connection with the war maneuvers that the ships be authorized, and the committee finally acquiesced in their recommendations.

Mr. MADDEN. One of the reasons why I rose to inquire about this item was that, if I recall, a year ago when these boats were originally appropriated for it was indicated there was urgent need for their immediate construction, and I was rather curious to know why we waited a year before we began the construction of any of the boats then authorized.

Mr. SHERLEY. They said they could not get the work done for the money. This is the second time we have increased the limit of cost.

Mr. MADDEN. Could they not have started part without starting all?

Mr. SHERLEY. Except each one had to be built within a certain amount, and the amount was too small.

Mr. MADDEN. I see.

The Clerk read as follows:

Midshipmen's store fund (reimbursable): The Secretary of the Navy is authorized to advance to the midshipmen's store fund at the Naval Academy the sum of $50,000 under "General account of advances," said sum to be used for the purchase of stores and to be accounted for in the same manner as is provided for the midshipmen's store fund in the act approved May 13, 1908, and to be repaid into the Treasury not later than December 31, 1919.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. Does this item mean we are running a farm down here somewhere in Maryland for the purpose of furnishing milk for the midshipmen at Annapolis, at the Naval Academy?

Mr. SHERLEY. That is the situation.

Mr. MADDEN. And the farm is being run as a distinct institution separate and apart from the Naval Academy, and all the supplies that are raised on that farm, including milk, are sent to the Naval Academy and to no other place?

Mr. SHERLEY. They have a dairy herd there that they have been maintaining for the purpose of supplying the academy with milk, and the very great increase in the number of midshipmen at the academy, and also a desire to somewhat enlarge the herd at this time, made it desirable that they obtain this sum of money which is reimbursible out of the midshipmen's store fund, which fund was not now large enough to permit this draft to be made upon it at this time.

Mr. MADDEN. So, as a matter of fact, the midshipmen's store fund will be chargeable with the amount of this appropriation in any event?

Mr. SHERLEY. It will be, and the result of this action is simply to permit the money to be advanced.

Mr. MADDEN. It is simply an advance?

Mr. SHERLEY. Yes.

The Clerk read as follows:

For support of Indian day, boarding, and industrial schools, in addition to the general and specific appropriations made for that purpose in the Indian appropriation act for the fiscal year 1918, $250,000, or so much thereof as may be necessary: *Provided*, That no part of this sum shall be expended upon improvements or used to increase the compensation of employees: *Provided further*, That except for pay for superintendents and for transportation of goods and supplies and transportation of pupils, not more than $200 shall be expended from appropriations made in this act for the annual support and education of any one pupil in any Indian school, unless the attendance in any school shall be less than 100 pupils, in which case the Secretary of the Interior may authorize a per capita expenditure not to exceed $225: *Provided*, That the total amount appropriated for the support of such school shall not be exceeded: *Provided further*, That the number of pupils in any school entitled to the per capita allowance hereby provided for shall be determined by taking the average attendance for the entire fiscal year and not any fractional part thereof.

Mr. CAMPBELL of Kansas, Mr. WALSH, and Mr. MADDEN rose.

The CHAIRMAN. The gentleman from Kansas.

Mr. CAMPBELL of Kansas. Mr. Chairman, I move to strike out the paragraph beginning on line 8, page 67. There is much of it subject to the point of order, and if this item is justified it ought to stay in and ought not to go out on a point of order. Therefore I have raised the question directly as to the merits of the proposition. The question was presented to the Committee on Indian Affairs, but no information that would justify such an appropriation was submitted by the Bureau of Indian Affairs, and I would like to know whether or not the Committee on Appropriations had specific information justifying this appropriation?

Mr. SHERLEY. We would not have made it if we did not think so. It came before the committee by virtue of a direct reference, which is to be found in House Document No. 721, to prevent the Indian schools from being closed up this winter.

Mr. CAMPBELL of Kansas. Was there a showing made of the amount necessary for the support of any school?

Mr. SHERLEY. A detail of it was not made in all instances because of a lack of time to obtain the information. It was made as to a number and as to the rest it was safeguarded by the language which was put in this bill which would prevent the money for keeping the schools open from being used for the purpose of increasing salaries or for other purposes that might be questionable. Now, the sole purpose of this fund, and the sole purpose that it can be used for, is in connection with the maintenance of schools as they are now being run. If the gentleman thinks we ought to permit Indian schools to be closed and the Indian children to be sent home at this time, why, his motion is right.

Mr. WALSH. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I do not think so. I do not think the Congress or the Committee on Indian Affairs or this committee should permit any Indian schools to close for want of sufficient funds to maintain them, but I do believe that when a department asks for money upon a statement that it is needed to continue a school for the remainder of the fiscal year that they should state exactly how much they require for that particular school before getting the appropriation.

Mr. SHERLEY. Oh, I agree with the gentleman, but at the same time I do not want the Indian children to suffer by virtue of our failure to act. For instance, I notice that at the Haskell Institute in Kansas there is $18,000 needed in order to enable that school to continue.

Now, I submit to the gentleman that even if we did not have all the detailed information that we ought to have and that we would like to have, and had not safeguarded the funds the way we have, we are warranted in appropriating money in order that the school in Kansas shall not close and those Indian children shall not be taken out of school.

Mr. CAMPBELL of Kansas. I am glad the gentleman mentioned the Haskell School in Kansas. I would take the responsibility as a Member of this House, a member of the Committee on Indian Affairs, and as a citizen of the State of Kansas, and interested in the Indians, of stating to the chairman of the Committee on Appropriations that Haskell will not close if this bill does not include the item referred to.

Mr. SHERLEY. That may be, but even notwithstanding——

Mr. CAMPBELL of Kansas. And the pupils there will not suffer and the school will not suffer.

Mr. SHERLEY. Notwithstanding the gentleman's generous willingness to assume responsibility, I still insist that Congress would not be warranted, in view of the representations made before the committee in reference to appropriating some moneys. We diligently tried to get all the information possible, and I do not mean in anything I am saying to excuse the Indian Department for not being in a position to afford more information than they have. But in the last analysis we are faced with a situation which, on the basis of the best evidence that we could obtain, is this: That without this money being voted these schools, most of them, will have to close. Now, we safeguarded the fund and prevented it from being used, under the guise of that need, for other school purposes. For Congress not to vote the money seems to me would be to do an inexcusable thing.

Mr. CAMPBELL of Kansas. Could any bureau representing any department in Washington make a blanket covering of that sort for a claim unsupported by any details and get away with it?

Mr. SHERLEY. Oh, yes; they could.

Mr. CAMPBELL of Kansas. And get away with it? If all of the committees were as generous as the gentleman from Kentucky now appears——

Mr. SHERLEY. Of course, they could not get away with it. The gentleman from Kansas will distinguish between matters relating to teaching of children in schools and other matters that might simply relate to routine of departments in importance.

Mr. WALSH. Will the gentleman from Kansas yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. WALSH. Does not this item take care of the situation which was mentioned the other day by the gentleman from one of the Dakotas [Mr. NORTON] when he called attention to the fact that several of these schools would be obliged to discontinue?

Mr. SHERLEY. There has been tremendous pressure brought to bear upon the committee by Members of the House touching this matter.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. CAMPBELL] has expired.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent for five minutes in my own right.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CAMPBELL of Kansas. What I want is information. I have no objection to this if it has merit.

Mr. SHERLEY. The gentleman from Oregon [Mr. HAWLEY] came to the committee and wrote us touching the matter. There were any number of gentlemen that pressed the matter and from their representations the committee was forced to believe that these schools would be closed if the moneys were not appropriated. We did our best. We held this bill for sometime trying to get all the detailed information that we thought we ought to have from the Indian Commissioner. But the failure to get it would not have justified us in simply ignoring the item as a whole. We have safeguarded it by the language that is contained in the paragraph.

Now, the proposition is plainly before the committee. If they feel because of a desire to punish somebody that may not have been as efficient in the management of these matters as they should be that they should shut off these schools, this is the way to do it. But I am more concerned in the Indian children than I am in taking a slap at the Indian Department.

Mr. CAMPBELL of Kansas. I am not basing this inquiry upon the inefficiency of the Indian Department, although I do think the Indian Bureau ought not to have supported a claim like this without some detailed information.

Mr. SHERLEY. I am not quarreling with that statement, but I am dealing with the facts.

Mr. CAMPBELL of Kansas. And I do not believe that the school referred to by the gentleman from Kentucky, at Haskell, would be closed if this bill were not to carry this item.

Mr. SHERLEY. If the gentleman is sure of his facts and wants to reduce this amount by $18,000, so as to exclude that sum for the Haskell School, I shall not object.

Mr. CAMPBELL of Kansas. But the appropriation is not itemized.

Mr. SHERLEY. It is. We have got that item in the very statement that was presented to the House—House Document No. 721. And I repeat, if the gentleman desires to reduce the item by $18,000, on his assurance to the House that he has the personal knowledge it is not needed for the Haskell Institute, I will not object.

Mr. CAMPBELL of Kansas. I have the belief that it is not needed by the Haskell Institute.

Mr. SHERLEY. Now, it is up to the gentleman.

Mr. MADDEN. Mr. Chairman——

Mr. SHERLEY. I yield to the gentleman from Illinois. I hope as soon as this matter is finished to move that the committee rise.

Mr. MADDEN. That was what I was going to ask.

Mr. SHERLEY. I will ask for a vote on the amendment, and then we will rise.

The CHAIRMAN. To how much of the paragraph does the gentleman direct his motion to strike out?

Mr. MADDEN. His motion is to strike it all out.

The CHAIRMAN. The gentleman from Kansas [Mr. CAMPBELL] moves to strike out the paragraph. The question is on agreeing to that motion.

The question was taken, and the motion was rejected.

Mr. SHERLEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SAUNDERS of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9867) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, and had come to no resolution thereon.

APPOINTMENT OF SPEAKER PRO TEMPORE FOR TO-MORROW.

The SPEAKER. The Chair appoints Mr. BARNHART, of Indiana, to preside to-morrow.

ADDRESS OF THE PRESIDENT FEBRUARY 11, 1918.

The SPEAKER. The message that the President read to the House last Monday by inadvertence was not referred to any committee. It is now referred to the Committee on Foreign Affairs and ordered to be printed.

UNANIMOUS-CONSENT CALENDAR.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent that the order making next Monday unanimous-consent day be dispensed with.

Mr. GILLETT. I understand this bill will not take probably the whole day, and unanimous-consent business, I think, ought to be provided for. If there is a balance of the day they should have it.

Mr. SHERLEY. I am perfectly willing to put my unanimous-consent request in this form: That this bill be the order for Monday, and upon its conclusion, if it shall be then concluded, the remainder of the day be devoted to the Unanimous-Consent Calendar.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that the pending bill shall have the right of way on Monday, notwithstanding Unanimous-Consent Calendar, and so forth, or as much of Monday as is required to finish this bill, and if there is any time left over it will return to the Unanimous-Consent Calendar. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I would like to ascertain if possible whether an agreement can be reached as to the time of adjournment on Monday. We might run along on this bill to half past 4 and the remainder of the day would be a very inadequate time to devote to the Unanimous Consent Calendar, not amounting to more than an hour or to a half hour.

Mr. SHERLEY. I expected to finish this bill to-day, and under normal circumstances we would have finished it; but other matters came up. But I think we ought to be able to dispose of this bill on Monday in two or three hours.

Mr. STAFFORD. The discussion of the bill might be prolonged.

Mr. CANNON. We can adjourn at any time Monday.

Mr. SHERLEY. If we do not get unanimous consent, then we can provide another day. We have got to push along bills now if we are not to get into a jam later on. I think the committee ought to bear in mind that the very thing that all of us want to avoid—a late adjournment—is going to be absolutely certain unless we get these supply bills over to the Senate speedily.

Mr. STAFFORD. I have no objection to this bill taking precedence of the regular order of business on Monday. The only question in my mind is the feasibility of making the order that the rest of the day, which may be only an hour, shall be taken up by the Unanimous Consent Calendar. I would rather have a full day given over to that business. But I will withdraw my objection to his request, in view of the gentleman's statement.

The SPEAKER. The gentleman from Wisconsin withdraws his objection, and it is so ordered.

ADJOURNMENT.

Mr. SHERLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.), in accordance with the order previously made, the House adjourned until to-morrow, Sunday, February 17, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of State, submitting a supplemental estimate of appropriation required for the State Department for the relief and protection of American seamen for the fiscal year 1918 (H. Doc. No. 937); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of State, submitting a supplemental estimate of appropriation required by the State Department for emergencies arising in the Diplomatic and Consular Service for the fiscal year 1918 (H. Doc. No. 938); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of War, submitting a supplemental estimate of appropriation for salaries of draftsmen in the Bureau of Ordnance for the fiscal year ending June 30, 1919 (H. Doc. No. 939); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ROUSE: A bill (H. R. 9926) to enable the Post Office Department to bond its officers and employees; to the Committee on the Post Office and Post Roads.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 9927) to provide for the construction of a waterway from the Ohio River to Lake Erie; to the Committee on Rivers and Harbors.

By Mr. HAYDEN: A bill (H. R. 9928) to amend section 4 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended June 18, 1910; to the Committee on Interstate and Foreign Commerce.

By Mr. O'SHAUNESSY: A bill (H. R. 9929) to repair, remodel, and modernize the public building at Providence, R. I., known as the old post-office building; to the Committee on Public Buildings and Grounds.

By Mr. LANGLEY: A bill (H. R. 9930) increasing rates of pensions of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. IGOE: A bill (H. R. 9931) to amend the Judicial Code to permit appeals and writs of error from orders refusing to remand cases to State courts; to the Committee on the Judiciary.

By Mr. DENT: A bill (H. R. 9932) to amend an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States"; to the Committee on Military Affairs.

By Mr. LA FOLLETTE: A bill (H. R. 9933) requiring the incorporation of eleemosynary societies and associations, or persons not organized as societies and associations when soliciting money for charitable aims and purposes in the Nation at large, and for other purposes; to the Committee on the Library.

By Mr. HAYDEN: A bill (H. R. 9934) authorizing a right of way for the transportation of water for improvement of grazing and the development of the live-stock industry upon public and national forest lands in Arizona; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 9935) granting an increase of pension to George W. McCurdy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9936) granting an increase of pension to Riley Wiggins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9937) granting an increase of pension to John Hagaman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9938) granting a pension to Mary A. Kiplinger; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 9939) granting a pension to Annie Ridgeway; to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 9940) granting an increase of pension to David L. Buchanan; to the Committee on Invalid Pensions.

By Mr. IGOE: A bill (H. R. 9941) to correct the military record of Second Lieut. Van Buren S. Reber; to the Committee on Military Affairs.

By Mr. PADGETT: A bill (H. R. 9942) granting a pension to Deniver Moore; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 9943) granting an increase of pension to Isaac C. Masson; to the Committee on Invalid Pensions.

By Mr. SEARS: A bill (H. R. 9944) granting an increase of pension to James Wakefield Carver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9945) granting a pension to Edward A. Brewer; to the Committee on Pensions.

By Mr. SHOUSE: A bill (H. R. 9946) granting a pension to Mary A. Blake; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 9947) granting an increase of pension to Burton M. Goins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9948) granting a pension to John T. De Hart; to the Committee on Pensions.

Also, a bill (H. R. 9949) granting an increase of pension to Henry Merida; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9950) granting an increase of pension to Rufus C. Davidson; to the Committee on Pensions.

By Mr. TILSON: A bill (H. R. 9951) for the relief of A. H. Holloway; to the Committee on Claims.

By Mr. WALTON: A bill (H. R. 9952) granting an increase of pension to Albert N. Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9953) granting a pension to John C. Thompson; to the Committee on Invalid Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 9954) granting an increase of pension to Chester E. Kyte; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolution of Company B, Irish Volunteers, thanking Miss RANKIN for her efforts in behalf of Ireland, and urging Members of Congress to vote for the Rankin resolution; to the Committee on Foreign Affairs.

Also (by request), resolution of the New York City Federation of Women's Clubs, favoring the formation of an osteopathic corps in the United States Army; to the Committee on Military Affairs.

Also (by request), petition of citizens of Stockport, Ohio, urging the increase of pensions of Civil War veterans to $50 per month; to the Committee on Invalid Pensions.

Also (by request), resolution of the Association of National Advertisers (Inc.), asking for the repeal of the zonal scheme of periodical postage rates; to the Committee on Ways and Means.

By Mr. CAMPBELL of Pennsylvania: Resolution of the Montour Presbyterian Church, Oakdale, Pa., urging the adoption of an amendment to the Constitution of the United States forbidding polygamy and polygamous cohabitation; to the Committee on the Judiciary.

Also, petition of the letter carriers and many other citizens of Duquesne, Pa., favoring increased salaries to postal employees and urging the passage of the Madden bill; to the Committee on the Post Office and Post Roads.

By Mr. CARY: Petition of H. M. McLarin, president of the National Federation of Federal Employees, opposing the Borland eight-hour amendment; to the Committee on Agriculture.

Also, resolutions of the Community Association of Crawfordsville, Ind., and the Woman's Club, Beaver Dam, Wis., asking for the repeal of the periodical postage amendment of the war-revenue act; to the Committee on Ways and Means.

Also, memorial of Slovak League, Local Branch No. 20, and the petition of George Filipek, Cudahy, Wis., asking for the formation of an independent Czecho-Slovak State; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Memorial of the New York State Forestry Association, favoring S. 3344, establishing an adequate plant quarantine; to the Committee on Agriculture.

Also, petition of Russell S. Fowler, M. D., Brooklyn, N. Y., and resolutions of the Brooklyn Surgical Society, urging the passage of Senate bill 3748 or House bill 9563, advancing the rank of medical officers in the Army; to the Committee on Military Affairs.

By Mr. EMERSON: Resolution of Post 84, Veterans of Foreign Wars, concerning pension increase for veterans of the Civil War; to the Committee on Invalid Pensions.

Also, resolution of the City Council of Cleveland, Ohio, concerning the liberation of the Bohemians and Slovaks; to the Committee on Foreign Affairs.

Also, resolution of the City Council of Cleveland, Ohio, concerning Government ownership of telephone and telegraph systems; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Petition of H. M. McLarin, president of the National Federation of Federal Employees, opposing the Borland eight-hour amendment; to the Committee on Appropriations.

Also, petition of the Chamber of Commerce of Dover, N. J., for the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also, resolution of the New York Antivivisection Society, opposing the compulsory inoculation of soldiers; to the Committee on Military Affairs.

By Mr. HILLIARD: Petition of Julia D. Ferris, of Denver, Colo., urging the repeal of that section of the war-revenue act providing for increased postage rates on periodicals; to the Committee on Ways and Means.

Also, petition of Snowy Range Lodge, No. 30, Brotherhood of Railroad Trainmen, urging the Congress to refrain from action on legislation designed to place men engaged in transportation service under Federal workmen's compensation; to the Committee on Labor.

By Mr. MERRITT: Evidence to accompany House bill 9917, granting a pension to Stephen K. Hamilton; to the Committee on Invalid Pensions.

By Mr. ROUSE: Petition of citizens of Erlanger, Ky., and vicinity, asking Congress to provide for the appointment of a chaplain for every 1,200 men in the Army; to the Committee on Military Affairs.

By Mr. TILSON: Petition of Woman's Committee of the Council of National Defense, for planting tobacco lands in foodstuffs; to the Committee on Agriculture.

Also, petition of Meriden (Conn.) War Bureau, in favor of resolution for drafting of aliens; to the Committee on Immigration and Naturalization.

HOUSE OF REPRESENTATIVES.

SUNDAY, *February 17, 1918.*

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore [Mr. BARNHART].

Rev. George Robinson, D. D., chaplain United States Army, retired, offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth. Who hast set Thy glory above the heavens.

When I consider Thy heavens, the work of Thy fingers; the moon and stars which Thou hast ordained: What is man, that Thou art mindful of him? and the son of man, that Thou visitest him? For Thou hast made him a little lower than the angels, and hast crowned him with glory and honor. Thou madest him to have dominion over the works of Thy hands. Thou hast put all things under his feet. All sheep and oxen, and the beasts of the field; the fowls of the air and the fish of the sea.

But Thou hast not only thus been mindful of man in his creation, but Thou hast been wonderfully mindful of him in his redemption! Not with silver and gold, not with all the mines of earth or the depths of every sea, could one soul of man be redeemed. The price of man's redemption must be taken from off the throne of God itself, the gift of His only begotten and well beloved Son, to become incarnate, and by a death shameful and cruel at the hands of men He came to save, atone for our sins.

O Lord, our God, we thank Thee for the life of this man in whose memory this service is held; for his devotion to his country, in his young manhood following the flag and offering his life to help to save the life and integrity of the Nation; for his service in the enactment of laws in State and national legislatures, and the interpretation and application of the laws of the land in a judicial position. May the memory of these services for his fellow men be a solace to the dear ones who most greatly mourn his loss as husband and father, and may the loving, pitying One speak the words of comfort to their hearts which no human voice can speak.

Again, in this hour of sorrow, would we lift our hearts in behalf of the land we so ardently love. O Lord Jesus, when Thou wert approaching Thy Gethsemane and Thy Calvary, Thou didst pray, "Father, save me from this hour!" So thousands of hearts in this land have prayed that our country might be saved from this time of trial. But Thou, O Christ, in submission to the divine will, didst immediately add "But for this cause came I unto this hour." So it may be that for this cause, the cause of truth, of righteousness, and the true liberties of the nations of the earth, our Nation in the fulness of its prosperity has come to this time. And as Thou didst further pray "Father, glorify the name," so we believe that we have a right to pray Father in heaven, make this Nation glorious in the great cause to which it has set itself; that it may help to soon bring again to this troubled earth a peace which shall be founded on righteousness and truth, and justice for all that dwell on the earth.

In the name of the Lord Jesus Christ. Amen.

The SPEAKER pro tempore. The Clerk will read the Journal.

Mr. DIXON. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with.

The SPEAKER pro tempore. The gentleman from Indiana asks unanimous consent that the reading of the Journal be dispensed with. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the special order for this service.

THE LATE REPRESENTATIVE COMSTOCK, OF INDIANA.

The Clerk read as follows:

On motion of Mr. DIXON, by unanimous consent,

Ordered, That Sunday, February 17, 1918, be set apart for addresses upon the life, character, and public services of Hon. DANIEL W. COMSTOCK, late a Representative from the State of Indiana.

Mr. DIXON. Mr. Speaker, I offer the following resolutions.

The SPEAKER pro tempore. The Clerk will report the resolutions.

The Clerk read as follows:

House resolution 251.

Resolved, That the business of the House be now suspended, that opportunity may be given for tributes to the memory of Hon. DANIEL W. COMSTOCK, late a Member of this House from the State of Indiana.

Resolved, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, the House, at the conclusion of these exercises, shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

The question was taken and the resolutions were unanimously agreed to.

The SPEAKER pro tempore. The Chair will first recognize the gentleman from Indiana, Mr. ELLIOTT, the successor of the deceased.

Mr. ELLIOTT. Mr. Speaker, in these days of sorrow and tribulation, when the world is on fire and we are daily called upon to witness scenes of carnage and suffering such as the world has never before been called to look upon, it is hard for us to realize, living as we do so far from the scene of conflict, what this war means to this world. It is impossible for us to conceive of the untold suffering which war brings to the nations which are engaged in it. Men who have gone through the terrible scourge of fire and blood and endured hardships and the sufferings of the late Civil War can, perhaps, in a measure, realize what it all means.

While we are now most intensely interested in the daily reports of the present war and are engaged with our own troubles connected with the terrible conflict now raging in Europe, we should not forget that we, as a nation, owe a debt of gratitude to the veterans of the Civil War which we can never repay. But while this is true it is our duty to do what we can while the few survivors are living to lighten their burdens and make their pathways brighter, sweeter, and happier; and as they one by one pass to that undiscovered country from whose bourne no traveler ever returns, it is our duty and our pleasure to render to their memories that measure of love and respect which their service to our country so richly entitles them to receive.

It is, therefore, a privilege and an honor to-day to pay this last small tribute of our love and esteem to the memory of a distinguished citizen of my native State, my friend and predecessor in this House.

The sixth congressional district of Indiana has produced some very distinguished and honorable statesmen in its day, among them Oliver P. Morton, the great war governor, who was one of President Lincoln's stanchest supporters, and whose bust now adorns the Hall of Fame adjacent to this Chamber. It has from time to time been represented in this honorable body by men whose fame was as wide as the Nation, and none was more beloved and respected in the community in which he lived than DANIEL WEBSTER COMSTOCK. His early life was not spent in luxurious ease; but he, like thousands of our best men, was brought up to work for his livelihood under the honest and frugal discipline which prevailed in the homes of the good old

Quaker stock from which he descended. And it was from these sturdy ancestors that he inherited that sterling honesty and respect for the rights of others which characterized his whole life and enabled him to live through a long, busy, and honorable public career, untarnished and unchanged by his contact with the world.

He received a collegiate education at Ohio Wesleyan University, graduating in 1860, at the age of 20. He studied law and was admitted to the bar of the Henry circuit court at Newcastle, Ind., in 1862. Mr. COMSTOCK entered politics at an early age and was elected district attorney for the eleventh common pleas district of Indiana in 1862. He entered upon the duties of his office, but shortly afterwards resigned his office and, like thousands of other patriots of his time, answered his country's call, enlisting as a private in the Ninth Indiana Cavalry, although he had been offered a commission as a lieutenant. From a private he was promoted from time to time, by reason of his bravery and valiant services, and served as sergeant major, first lieutenant of Company F, captain of Company C, and subsequently was detailed as acting assistant adjutant general of the First Brigade, Seventh Division of the Military Division of Mississippi. He was honorably discharged from the service in 1865. He served his country faithfully and well as a soldier.

While in the Army Mr. COMSTOCK was cited for distinguished gallantry for rescuing, under fire, a wounded superior officer. While his regiment was covering a retirement one of the officers was shot and fell from his horse. Facing the enemy's fire Mr. COMSTOCK returned to his stricken comrade's side, picked him up, and rode away with him to safety.

After the war was over Mr. COMSTOCK married Miss Josephine A. Rohrer, who with their two daughters, Elizabeth and Clara, and their son, Paul, survive him. His military spirit was inherited by his son, who is now a major in the National Army, and who bids fair to shed additional luster to his father's honored name.

Mr. COMSTOCK's career as a lawyer was that of the average successful country lawyer. He enjoyed the confidence and respect of his community at all times, and was the possessor of a clientage as good as the average lawyer of his community. He served as city attorney for the city of Richmond, was elected prosecuting attorney for Wayne County, Ind., for two terms. He was elected judge of the Wayne circuit court twice, being nominated without opposition both times for that office on the Republican ticket, which in that county was equivalent to election. He served as circuit judge for about 12 years, and resigned to take a seat on the appellate bench of Indiana, serving in that capacity for about 15 years, and retiring in 1911. His legislative career consisted of a term of four years in the Indiana State Senate, and he was elected a Member of the Sixty-fifth Congress, serving in that capacity a trifle over two months. It is said that it had been his life's ambition to serve his country as a Member of Congress, but fate willed that his career in Congress should be short. His services to his country in a legislative capacity were limited, and his best services were rendered as a citizen, soldier, and jurist.

Mr. COMSTOCK was honored in the last years of his life by his comrades of the Grand Army of the Republic by election to the position of grand commander for Indiana. In all of the many positions of trust reposed in him by a grateful people he made good and rendered to his constituents faithful service, and after a long and well-spent life he went to his eternal rest, loved, honored, and respected by all who knew him best. [Applause.]

The SPEAKER pro tempore. The gentleman from Indiana, Mr. DIXON, is recognized.

Mr. DIXON. Mr Speaker, for the third time during the course of my congressional service we have held exercises such as these upon the death of Indiana Members of Congress. Three Members of our State delegation have died in service during that time. First Abraham Lincoln Brick, the young and brilliant representative from South Bend; then our talented and gifted Senator, Benjamin F. Shively; and now DANIEL WEBSTER COMSTOCK, our learned jurist and legislator. Each was taken in the midst of useful public service.

It is a custom of this House that those who have died in service as Members here should have accorded them some memorial of the personal regard and esteem felt by those who were associated with them.

To-day we turn aside from the routine of legislation and give voice to our mingled feelings of sorrow and respect for our late lamented colleague and friend.

Mr. COMSTOCK was born December 16, 1840, at Germantown, Ohio, and at the age of 20 graduated from the Ohio Wesleyan College, at Delaware, Ohio. After his graduation he located at New Castle, Ind., and entered the struggle for a practice in his chosen profession, the law. While but 22 years of age, he had so successfully proven his ability as a lawyer that he was elected district attorney. While occupying this position he resigned the office and enlisted in the Ninth Indiana Cavalry. His faithful service as a soldier and his ability, energy, and courage were promptly recognized by his superior officers, and he was from time to time promoted, and when honorably discharged from the Army, September 2, 1865, he was acting adjutant general of the First Brigade, Seventh Division, of the Military Division of Mississippi.

His military service ended, he returned to Indiana, and in 1866 removed to Richmond; and until his death, over 50 years later, May 17, 1917, continuously resided there. In 1867 he was married, and his widow and three children survive him. The same year of his removal to Richmond he was selected as city attorney. A few years later he was elected prosecuting attorney, and held the office for four years, 1872 to 1876, and his faithful discharge of its responsibilities and multifarious duties gave ample assurance and promise of the capable and conscientious manner in which he performed the duties of the higher office he was later called to fill. He was industrious and studious, and these qualities, together with strict integrity and fidelity to his client, enabled him to establish a large and profitable practice. He was respectful to the court, courteous to his opponent, and frank and open in his argument to the jury, and with these exceptional qualities combined it is not surprising that he succeeded in his profession.

In 1878 he was elected to the legislature of his State as a senator, and rendered honorable and faithful service during the four years he occupied that office. Later he was elected judge of the Wayne circuit court, and after a service of six years was reelected. In October 1896 he resigned as judge of the circuit court to accept a judgeship on the Indiana appellate court. This position he filled with honor to his State until January 1, 1911, a period of over 14 years.

As a jurist he had the respect and confidence of the bar and of the people, and his decisions were always made after careful study, mature deliberation, extensive examination of authorities, and with an honest purpose to render a just decision.

In 1913 he was selected as department commander of the Grand Army of the Republic, Department of Indiana. This position was of special interest to him, and he enjoyed its opportunities for service to his comrades. He came into personal relationship with the soldiers of our State and renewed the friendships formed in his Army life. He was always ready and anxious to render service for his comrades, and they had for him the highest respect and esteem. In 1916 he was elected as a Representative in Congress for the sixth congressional district and entered upon the discharge of its duties March 4, 1917.

Scarcely had he begun the work of his congressional service when he was called by death from his busy, active, and useful life. His services were so short that but few had the opportunity to know him intimately. Brief as that service was, he showed independence in action, individuality, and a fixed purpose to follow his matured judgment in matters of legislation. Many important matters were considered during his brief service, and while slow to determine his course, yet he never hesitated to support the policy his judgment led him to believe was best. The wishes and opinions of others were considered, but never controlling.

In every position he occupied in official life, whether in early manhood as prosecuting attorney or city attorney, whether in middle life as a senator in the State legislature or as circuit judge, whether in later years as judge of the appellate court or as a Member of Congress, he so performed the duties of his trust that his record was without a blot or blemish.

Our departed friend, a soldier in war and a leader of the Grand Army in time of peace, has passed into the invisible land. Many thousands of his soldier comrades preceded him and thousands more are following him rapidly on that solemn march. The ranks of the soldiers of the Civil War are being rapidly diminished by death. But a few more years and the last of these brave men will be laid to rest and the history of their deeds be but a sacred memory; but while they are mortal, their deeds are immortal and will be forever cherished in the recollections of a grateful people.

As a member of the congressional committee appointed to attend the funeral of our late colleague I was deeply impressed with the high esteem in which Judge COMSTOCK was held by his neighbors, as evidenced by their sorrow when they turned out to pay their last tribute to their friend.

The people of his city had honored him in life, and they did not fail in his death to breathe the tenderest sentiments of affection and sympathy over his remains.

The most accurate test of a man's character is the estimation in which he is held by those who knew him longest and best.

No higher tribute can be paid to a man than to be able to truthfully say of him at the end of a long life that he had held until the end the affection and confidence of his neighbors.

We to-day attest our esteem for our late colleague DANIEL WEBSTER COMSTOCK. We point with a just pride to a record of an honorable, honored, and patriotic man. We admire his record as a citizen, a soldier, a jurist, and public servant. [Applause.]

The SPEAKER pro tempore. The Chair recognizes the gentleman from Indiana, Mr. DENTON.

Mr. DENTON. Mr. Speaker, it was my fortune to have been quite well acquainted with Judge COMSTOCK. I appeared before him quite frequently when he was a judge on the bench of the appellate court of Indiana, and I also frequently met him in a social way. I found during my acquaintance with him that we were both graduates of the same college, the Ohio Wesleyan University, and this established a bond of friendship between us which continued till the time of his death. He was a lovable character and always the perfect gentleman, and one always felt better after meeting him. In his work on the bench he was honest and conscientious and sought to get at the justice of a cause instead of deciding it on legal technicalities. His long service on the bench of the Indiana appellate court, which continued past the period of life when most men have retired on account of age, shows the confidence and esteem in which he was held by his fellow citizens, as well as the vigor of his mind.

I had frequent occasion to meet him and talk with him in the early part of the extra session of this Congress, and there was a certain bond of friendship and mutual sympathy between us from the fact that we were partners in distress, both going through the experiences that fall to the lot of a new Member. He was intensely patriotic and loyal, and evinced an interest in public affairs far beyond that shown by most men of his advanced age. He was one of the most faithful attendants in the House and could always be found on the floor, listening intently whenever anything was going on affecting the interests of the country during those strenuous days following the entrance of America into the world war. Indeed, I have no doubt he shortened his life by his faithful and intense application to his duties in the strenuous days of the early part of the last session of Congress, the most strenuous, let us hope, that this Nation will ever experience.

He has fought a good fight, has served his country well and faithfully, and died in the harness. He met his end as he would have wished to—fighting for his country in the hour of her supreme crisis, forgetting partisanship for the time being, and remembering only that he was an American. All honor to his memory. [Applause.]

The SPEAKER pro tempore. It seems especially fitting that this audience should be composed so largely of young men wearing the uniform of United States soldiery, indicative of their readiness to go forth and defend the principles of freedom and liberty that have made our country all that it is, and it is especially appropriate that here in this assembly of Members of Congress are two comrades of the deceased Member, men who have already contributed of their life and substance and made their sacrifice to the cause of liberty. Of these two I shall now recognize the gentleman from Ohio, Gen. SHERWOOD, and then Comrade OSBORNE, of California.

Mr. SHERWOOD. Mr. Speaker, I presume I knew Col. COMSTOCK as well, if not better, than any Member outside of his own State delegation. I met with him on several Grand Army occasions. I was with him at a very notable dinner, perhaps as notable as was ever held in the Capital, given by Senator PAGE, of Vermont, to the 12 oldest men in Congress. At that dinner there was more ancient history, perhaps, recited, and as much patriotic history as at any gathering ever held in this Capital.

I can not arise to-day and speak to the memory of an old comrade without growing reminiscent. Of the four hundred and thirty-five Members of this House of Representatives, I believe there are only three soldiers here who now survive the Civil War—HOLLINGSWORTH, of Ohio; OSBORNE, of California; and myself. It is a sad reflection that after all of these passing years perhaps we are nearing the end of the service of the men who served in that great war, and I can not help but call up some of those memories to-day.

I can see to-day the red clay roads of northern Georgia, hot and baking under the July sun. I can see long lines of dusty blue pass by with tattered banners, and under their slouch hats I can see the hardy and stern features of stalwart men. I can see the fresh earth of the battle fields and the unburied dead. I can see Atlanta from behind her black-mouthed cannon, and on her bold green hills I can hear the roar of two hundred thousand muskets. And I can see Atlanta from a nearer view—I can see above her domes and steeples the flag of my country and of yours. And if I look back over those one hundred and ten days of skirmish and battle I can see the graves of forty thousand of our brave comrades.

We know what this war cost. It was the most peculiar war in all history. It had features that attached to no other war, either before or since. In all the armies of the Union, numbering 2,212,272 men from first to last, I never heard of a soldier who went insane. It was a cheerful war. Now, if you will examine the statistics in Berlin and Paris of the soldiers of Germany and of France—I have not the statistics of England—you will find that 5 per cent of all the soldiers that have been in for a year in those terrible trenches have gone insane.

Every man who stood behind a gun in our war knew just what he was fighting for. And another feature of the war was that it was one where the soldiers on the march and around the bivouac fires at night sung patriotic songs of their own composition. That never happened before in any war on this continent or on the Continent of Europe. In the seven years of the American Revolution they did not have a patriotic song except Yankee Doodle, and the words of it are very simple. It is the music that made Yankee Doodle popular, so well adapted to the fife and the drum. In the War of 1812 there were no patriotic songs sung that were written by a soldier; and the only one written was written by Francis Scott Key, the Star Spangled Banner, which was not sung until the close of the war and was never sung in the war by a soldier. The record of the Mexican War does not show a single patriotic song that was sung. In the War of the Rebellion we had over one hundred patriotic songs.

And one of the other peculiarities of our war was that every soldier was in sight. The trenches were only waist deep. In the war in Europe the armies are out of sight.

Col. COMSTOCK in his career illustrated the average career of the American soldier. There was more determination, more continuity, in that war than in any war of all time. Let me illustrate. On the 4th of November, 1864, our army was marching to that desperate struggle at Franklin, Tenn. It was presidential election day. Tickets then were printed. We did not have the Australian ballot. The Ohio soldiers were allowed to vote. The tickets had been sent to me for my regiments, the One hundred and eleventh Ohio and the One hundred and eighteenth Ohio. We were on a forced march that day. I rode back to the rear and secured an ambulance, and I appointed three private soldiers to go in that ambulance as judges of the election. I took an old camp kettle and put it in the ambulance to receive the ballots, and when we halted, as we used to do, about every eight miles, allowed the soldiers to vote. And we counted the votes that night by the light of a bivouac fire. Now, this was in the darkest period of the Civil War. It was only in the preceding August that Abraham Lincoln wrote a letter, and that letter is now in existence, expressing the feeling that he was not going to be reelected. He was discouraged about the universal gloom that hung over this country. I wanted to give you this to illustrate the courage, the fortitude, of the soldiers at that time. In the whole regiment, one-third of whom were Democrats, with a Democrat, Gen. McClellan, running for President, there were only seven votes against Abraham Lincoln. [Applause.]

We have never had in this country too many men of heart and brains and morals and courage in public life, and at no period in our history have men of this type been more needed than now. No time in our history has there ever been a more urgent demand for just men of courage, patriotism, and ability on the floor of Congress.

Col. COMSTOCK was a soldier and jurist of this type.

It was our own poet of patriotism, Fitz-Greene Halleck, who wrote, in Marco Bozzaris, this pathetic and heartrending couplet:

> Come to the bridal chamber, Death!
> Come to the mother's when she feels
> For the first time her first-born's breath!
> And thou art terrible!

But more terrible is the loss of a fully equipped man, mentally and morally, because his loss is not only to the family, the wife, the child, but to the State. The one loss to the other is as

the rosebud compared with the full-blown rose, grown fragrant and beautiful in God's sunshine. And the example of a well-rounded man, of power and influence for the good of his fellow man, does not attach to the newborn child.

One of the greatest of Athenian philosophers said:

Most of all, fellow citizens, if your sons ask whose example they shall imitate, what will you say? For you know well it is not music, nor the gymnasium, nor the schools that mold young men. It is much more—the public proclamation, the public example. If you take one whose life has no high purpose and crown him in the theater, every boy who sees it is corrupted. Beware, therefore, Athenians, remembering posterity will rejudge your judgment and that the character of a city is determined by the character of the men it crowns.

Two thousand years have elapsed since this classic was uttered, and it is still vital and valuable. The hope and ambition of our young men of to-day is fostered and fed by the character of the men the people of this Republic send into our highest legislative body. Col. COMSTOCK'S example is a potent teacher to the young men of his district and his State. Example teaches without a tongue. It is silent, but his action for good is more forcible than words, however eloquent.

And I must not fail to commend Col. COMSTOCK'S patriotism. He won his promotions in battle, but his patriotism was in harmony with the humane theory that the future of this country depends more upon the virtue and purposes of the people than upon a bannered army with shotted guns.

In the throes of human contention and fierce ambition came that mighty conflict of 1861–1865, from which a new Nation was born, and now, after long years, when the bitterness of strife has vanished and we can calmly recount the common deeds of valor and devotion, the immortal flower song of the young English poet, James Collins, of over a century and a half ago, comes as a sweet solace to blossom in our hearts and lives:

How sleep the brave who sink to rest,
By all their country's wishes blest?
When spring with dewy fingers cold
Returns to deck each hallowed mold,
There honor comes a pilgrim gray
To bless the turf that wraps their clay.

Never before has there been such a spectacle in all the ages, since history was born in the womb of the dead centuries, as when on Memorial Days, with the rose and the lily North and the lotus and the magnolia South the men who wore the blue and the men who wore the gray clasp hands in fraternal kinship, remembering that God is good, and consecrating themselves to fraternity and unity and a mighty future. [Applause.]

Mr. OSBORNE. Mr. Speaker, while I had known of the high character and exalted reputation as a jurist of Judge DANIEL WEBSTER COMSTOCK, of Indiana, for many years, it was not my good fortune to make his personal acquaintance until I met him in this Chamber in April last. I had known that Judge COMSTOCK was one of the four Union soldiers of the Civil War elected to the Sixty-fifth Congress; that he held a place of very great respect in the national membership of the Grand Army of the Republic, and I had written him from my home in California that I was looking forward with anticipations of pleasure to meeting him personally.

That pleasure was realized on this floor on the historic 2d day of April, 1917, when the Sixty-fifth Congress met in the extraordinary war session.

Judge COMSTOCK'S personality was most prepossessing. It was marked by geniality, kindness, and frankness of thought and expression. It was easy to see why he commanded such universal respect and affection.

During the few months that we were privileged to enjoy his membership of the House of Representatives, it was my custom to exchange views with him almost daily on the grave questions then before Congress. His mind was rich in the fruits of study, knowledge, and experience, and his heart glowed with the same unquenchable fires of patriotism and love of country which inspired him in his young manhood to serve his country as a gallant cavalryman in the Ninth Indiana. I am glad to acknowledge that I received from his fine intelligence and lofty national ideals many inspiring suggestions as to the best service which might be rendered to our country in the present time of stress and war.

I am glad that I knew Judge COMSTOCK. I admired and loved him while living. Our American Nation is enriched by the lives of men like him. The memory of his exalted character, his services in the tented field, and later as a learned jurist and wise legislator, is a glorious part of our heritage as American citizens. Wise, brave, and honest friend and comrade, hail and farewell! [Applause.]

Mr. ELLIOTT took the chair as Speaker pro tempore.

The SPEAKER pro tempore. The gentleman from Indiana, Mr. BARNHART, is now recognized.

Mr. BARNHART. Mr. Speaker, to have been a soldier who fought in defense of his country and fought in such a way as to merit promotion from the ranks to commanding officer, and a citizen who was elected district attorney, prosecuting attorney, circuit court judge, appellate court judge, department commander of the Grand Army of the Republic, and Congressman, is a substantial and unusual reward of merit for any man. Add to these honors the esteem of a community which knew him for half a century and the love of a devoted family and you have a word picture of a typical Indiana citizen—DANIEL WEBSTER COMSTOCK.

Unfortunately for me, Mr. COMSTOCK'S service in Congress was of such short duration that I had only a passing acquaintance with him, but I saw and heard enough of him to most favorably impress me with his earnestness and his patriotism. While old in years he was new in Congress, and therefore he did not actively participate in proceedings while here, but when he did speak he commanded marked attention and profound respect, for the membership saw in him the pronounced elements of a good man and a ripe scholar.

It will matter little in the day of judgment—

Says the author of John Inglesant—

by what name you have been called, whether Catholic or Protestant, Jesuit or Jansenist, Jew or Gentile. These and similar things are mere accidents of birth and circumstance. But it will matter greatly whether, having chosen your part, you follow it faithfully to the end.

Abraham Lincoln once said:

I am not bound to win, but I am bound to be true; I am not bound to succeed in all that I undertake, but I am bound to live up to what light I have; it is my duty to stand with anyone who is right, stand with him as long as he is right, and part with him when he goes wrong.

My brief acquaintance with Mr. COMSTOCK leads me to believe that his standard of life was in harmony with both the foregoing tests of good citizenship, and if I am right in this estimate his career as husband, parent, citizen, soldier, jurist, and statesman is a more eloquent eulogy on a life well spent than any I could pronounce.

But in these times, when the life of our Nation is in danger and a cruel war is raging, the soldier phase of the deceased's life record furnishes special inspiration for encomium. War is a dreadful thing, and the man who quits the peaceful pursuits of life and happiness to bare his breast to the shafts of death for his country's sake, emblazons his own glory on the scroll of fame. He says good-bye to home and family and friends; he lays down his well-begun endeavor to make a financial success of life in such a way that he is sure to be loser when he returns; he braves the danger of physical hardships, disease, homesickness, and injury or death at the hands of the enemy, and does it without any hope of reward, except the consolation in the coming years that he did his duty.

And I wonder if we who remain at home fully appreciate the sacrifice a man makes who goes forth to fight for his country. I doubt it. I see too many evidences that some of us want to make money out of the country's misfortune which necessitates the dying of soldiers at the front. I see evidences that many of us refuse to make any sacrifices of money or pleasure or comfort to show our fighting legions that we are arm in arm with them in self-sacrifice, that they may be as comfortable, healthy, and safe as possible. A famous general and celebrated humanitarian has declared that we ought to quit our social pleasures until we are sure that the lives of our soldier boys are out of danger and that we ought not to dance and "high-fly" socially while the brutal dagger of an enemy is being aimed at the hearts of our boys and the blight of destruction of liberty is darkening the sunshine of life itself. Oh, if we could only realize what the old soldiers, like the one we honor here to-day, know of the horrors of war, not only on battle field but in the suffering ever after by those who are touched by its dreadful brutality, we would more fully appreciate the blessings of life in a land of the free. Most of us live in an air of self-asserted divine right, oblivious of the fact that our splendid country and its matchless institutions are such as the result of misery and death in many hard-fought battles for freedom. This is no time for pleasure seeking and money grabbing by those who do not have to fight; and if DANIEL COMSTOCK were on this floor with his comrades and colleagues to-day, he would join them in emphatically approving what I am saying.

I know what it is to say farewell to a manly boy as he leaves for the front. On a lovely morning last summer I arose in a home made such only in name by a visitation of death,

and accompanied a splendid young fellow to a railway station where he was to take an early morning train for the far West to enter upon the gruesome but patriotic duty of drilling men to fight to kill in order that our country may live. I was greatly inspired by his cheerful courage in leaving his boyhood home, of so many pleasant memories, to go, God knows where, to risk his life that others may live free from oppression. And when the train came I said to him: "Good-by, fine boy, God bless you and keep you and bring you back in the full spirit of honor and manhood taught you by your mother." And when I saw him comfortably seated in the train I entered my auto and drove home. And as I went the black gloom of despair seemed to engulf me until I suddenly aroused to the realization that to our principles of liberty I owed the happiness and prosperity of me and mine, and I said, with an unction of soul never before felt:

Our Father's God to Thee,
Author of Liberty,
To Thee I sing.
Long may our land be bright
With Freedom's holy light;
Protect it by Thy might,
Great God, our King.

At Mr. COMSTOCK's funeral, at Richmond, Ind., I heard many tributes from neighbors and friends to his splendid citizenship and his earnest patriotism. I heard a former illustrious Member of this House, Hon. Henry W. Johnson, give eloquent public testimony to Mr. COMSTOCK's worth to his community and to his country, and I saw a great concourse of people bow in silent resignation to the inevitable as Mother Earth closed over all that was mortal of our beloved colleague. And as we turned and slowly started back, to serious responsibilities for the living, we all silently and reverently invoked the benediction:

Peace to his ashes and honor to his memory.

[Applause.]

The SPEAKER pro tempore. The gentleman from Indiana, Mr. WOOD, is recognized.

Mr. WOOD of Indiana. Mr. Speaker, I shall never forget the first time I saw Judge COMSTOCK. It is now more than a quarter of a century ago. It was at Indianapolis, the occasion being a Republican State convention. His personality and his figure were so marked that you would pick him out, no matter how large the concourse of people. Tall, straight as an Indian, with high cheek bones, aquiline nose, and prominent features, to my mind he was a present-generation representation of the old Roman tribune; and throughout his long life, active as it always was, he maintained that same activity of body up to the very time of his death. The last time that he ever visited this Capitol he walked up here from his hotel, the Dewey, on the morning of that day, and as I saw him coming into the House Office Building he seemed to walk with all the agility of young manhood.

His type is rapidly passing; and, as has been suggested here, in his passing is to be found a most forceful reminder—with what a heavy hand mortality has laid itself upon the survivors of the Civil War! For a long time after the close of the Civil War this body was dominated by the veterans of that war, and for many years thereafter they were a power in the legislation of this country. One after another they have passed away until to-day there is a very small remnant of them left. There were five elected to the Sixty-fifth Congress. Two of them are gone. I am happy to find here to-day, paying tribute, two of those who remain. Not long will it be until the veterans of the Civil War with us will be only a memory.

Indiana contributed to that great conflict 224,000 men. Five thousand of them answered the last call last year. But 18,000 now remain. Every 15 minutes of time announces the death of a soldier of the Civil War. So, as I say, not long will it be until with us they will be only a memory.

Throughout his long career Judge COMSTOCK was most active in the affairs of life. Very nearly one-half of his lifetime was spent in public office, in the discharge of public duties; and to my mind it is one of the greatest tributes that can possibly be paid to his manhood that he should have been so highly respected not only by the people of the community in which he lived, and honored by them, respected not only by the State to which he gave so much, and signally honored by that State, but at last respected by the United States.

True, he was permitted to give only a small measure of his time and ability to the Congress of the United States. Yet what little he did give was evidence of the fact of his willingness to do and his capacity to perform. On the three or four occasions when he spoke before this body upon questions that were of most vital importance and concern to the country he was listened to with attentive ears, and the words of wisdom that came from his lips found lodgment in the hearts of the men he addressed, because of the sincerity which they well knew prompted their speaking.

Throughout all the busy life of DANIEL W. COMSTOCK there was ever with him that natural human desire for companionship, for the mingling with his fellow men, and his friendships were strong and true. When I went to Richmond to attend the funeral I saw among those who came to pay the last tribute of respect Judge Joseph M. Rabb, of Logansport. They were old friends; they had been soldiers together and jurists together, friends ever; and I thought if ever there was a true tribute of respect paid, it was paid by Judge Rabb, for he had traveled far to pay this tribute. Many a time have I been regaled in listening to those two men, bantering each other with good-natured jokes and jests, and the bright humor and sharp repartee that passed between them was ever a delight.

The tribute that was paid to Judge COMSTOCK by Henry U. Johnson, one of the most eloquent men that the State of Indiana has ever produced, and one of the most eloquent men whose voice was ever heard in this Chamber, on the occasion of the funeral exercises in Richmond, I thought was most remarkable. It was not one of those fulsome tributes that are too often paid to the memory of men who are dead, but it was a recital to those old friends and neighbors and acquaintances of Judge COMSTOCK's life as it was, as it had been spent among them, and as they all knew it; and I felt that here is a tribute to a man that should be cherished forever by those of his kindred and friends left behind, for it was a most worthy tribute to a splendid character.

As that day we wended our way through the winding streets of that beautiful cemetery where we laid him away to rest among those who had passed before him, of his friends and acquaintances, I felt that it was a most fitting receptacle for all that was mortal of our colleague and friend. There we laid him in the shade of two forest trees that will stand as vigils over his grave for many years to come, and through their boughs a requiem will be chanted to his memory by each passing breeze. There he rests, and rests well, after long years of active service. He died as all of us should wish to die—in the full possession of an active body and strong mentality. Death at such a time is a fitting crown to life. [Applause.]

Mr. BARNHART resumed the chair as Speaker pro tempore.

The SPEAKER pro tempore. The gentleman from Indiana, Mr. MOORES, is now recognized.

Mr. MOORES of Indiana. Mr. Speaker, DANIEL W. COMSTOCK was a fine type of the first generation of children born in what had been the old Northwest Territory. The pioneers who came across the Alleghenies to build homes in the wilderness were the sturdy, adventurous sons of the most vigorous of the old colonial stock. They came in almost equal numbers from the northern and southern colonies and were men of courage, force, and determination, and largely of good education. In their associations in their new homes they were not in any way sectional, but from the very first intermarried with families of pioneers who had come from colonies far removed from their own places of birth. Many of the pioneers had served in the American Revolution, as had also the fathers of most of the others.

Judge COMSTOCK was born in 1840, at Germantown, midway between Dayton and Hamilton, Ohio, and was the son of a reputable physician, Dr. James Comstock, of a colonial family famed for its achievements in medicine, chemistry, and physics, born in Connecticut, himself the son of a soldier of the Revolution. The mother, Mary Wade Croke, a native of Virginia, was the daughter of Richard Croke, a native of Ireland, who came of a family of lawyers and jurists justly eminent in the English and Irish courts from the time of King Henry VIII.

DANIEL W. COMSTOCK was graduated in 1860 from Ohio Wesleyan University, at Delaware, Ohio, where he was contemporary with the poet John James Piatt, for years librarian of the National House of Representatives. A year later he located in Indiana and was admitted to the bar. In the summer of 1862 he was elected district attorney for the common pleas, and shortly after was tendered by Gov. Morton a commission in the Volunteer forces, which he refused on the ground that he had assumed the duties of prosecutor. The reverses of the spring of 1863, however, convinced COMSTOCK that his duty to the Nation was more urgent than that he owed his State, and, willing and glad to respond to the call for more men, he resigned his office and enlisted as a private in a veteran regiment, the Ninth Indiana Cavalry. His regiment was a fighting one, and was many times in action on the battle field. By rapid succes-

sive promotions he became sergeant major, first lieutenant, and captain in the line, and after the end of the war served for several months as brigade assistant adjutant general of the Seventh Division of the Military Division of Mississippi. Finally, discharged September 18, 1865, he returned to Indiana, took up law practice in Richmond, and married the wife who now survives him. Almost at once he was chosen city attorney of Richmond, and was elected prosecuting attorney in 1872 and again in 1874. He represented Wayne County in the State senate from 1878 to 1882. In 1884 he was elected circuit judge, and served for 12 years, resigning in 1896 to accept a seat on the bench of the appellate court of the State, where he served until January, 1911, having been elected three times a judge of the appellate court of Indiana. He was department commander of the Grand Army of the Republic for his State in 1913, and in 1916 was elected Representative in Congress from his district, which his party had not previously carried for years.

It is the privilege of few men to give as many years to the service of their communities, the State, and the Nation, as was the fortune of our late associate. As soldier, lawyer, legislator, and jurist, he served conspicuously, faithfully, and creditably, for practically the entire period of his manhood, by a clean life, zealous devotion to duty, and sterling honesty, avoiding even the breath of scandal or the suspicion of wrongdoing.

From the story of his life the first and greatest lesson to be learned is that of service.

At the very outset of his career in his chosen profession, honored by being given an office which offered a most enviable opportunity for achieving distinction in his profession, he cheerfully gave it up to go to the front as a common soldier, although, at a time when men were not so sorely needed, he had refused military command. Entering as a raw recruit a veteran cavalry regiment, the jest and byword of his more experienced comrades, he had the good fortune to be sent almost at once into one of the fiercest battles of the Civil War and to carry off from the field of battle under a steady fire from the enemy the body of his commander, wounded almost to the death. Repeated acts of heroism during a campaign of rather more than a month of hard fighting won for the recruit his first promotion, and the others speedily followed in the rapidly changing panorama of the latter months of the war. Such was the esteem in which he was held by the people of his city, his county, his circuit, his district, and his State that Judge COMSTOCK met a constant demand for public service, and was given scant opportunity to take rank in his chosen profession, the law.

He was a man of fine presence, with courteous and engaging manners. His opinions as a judge were clear and concise, without any attempt at rhetorical expression; they briefly stated the facts, the issue, and the principles of law involved in the decision, with abundant and apt reference to authority. He never criticized counsel, nor did he inject into his opinions lengthy discussions of broad legal questions in only a general way applicable to the matters at issue. They were as a rule of little interest even to lawyers, but in form and expression they were ideal.

He was a ready, fluent, and forcible speaker, but never wearisome; and his oratory possessed imagination and poetic expression. During his short service in the House he spoke but three times, and then briefly—on April 14 (page 673), supporting the emergency bond issue; on April 27 (page 1405), advocating the enlistment of volunteers in preference to conscription; and on May 3 (page 1774), supporting an amendment to the espionage bill. From his speech of April 27, I quote:

> Having grown up in the belief that one who makes to his country the offering of his life should live ever after in its grateful memory * * * the impression formed in youth has been emphasized by reading. * * *
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> On fateful fields of the Republic monuments are erected, on which are raised, in bronze and marble, figures of the volunteer soldier and sailor, in honor of the defenders of our common country—not to the conscript. The volunteer system has been characterized on the floor of the House as archaic, and even as vicious.
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> High praise has been given to the Volunteers of 1861. They were volunteers, without distinction of age or sex. On both sides of the line men, women, and boys entered into honorable rivalry in aiding the cause in which they believed.
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> "The wife whose babe first smiled that day,
> The fair young bride of yester eve, and matron gay,
> And aged sire, all saw loved warriors haste away,
> And deemed it sin to grieve."
>
> The result of that spirit, the hearty discharge of duty, converted an age which had become commonplace and sordid into one of heroism and self-denial.
>
> Archaic is of Greek origin, and means old. I admit the charge. The immortal 300 who defended the famous pass; Horatius, who held the bridge; Curtius, who threw himself into the breach to save his country; the young American who fired the shot heard "round the world"; the heroes of Concord and Lexington; the men who fought with Warren at Bunker Hill; the victors at Kings Mountain; those who gave the Hornets Nest its name; Francis Marion, the swamp fox; the illy fed, illy clothed, and poorly paid men who constituted an army—an army in name only—and followed the Father of his Country through the vicissitudes of the Revolution until privileged to see the banner of the proud mother country lowered to her victorious and rebellious sons; and the brave men who died in defense of the Alamo were volunteers. It has been truly said that all our wars, practically, have been fought and won by volunteers. All that is past—it should not be forgotten. * * *
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> In the great war in which we are engaged we are going to furnish, either as volunteers or conscripts, or as both, all the men necessary to its successful prosecution. In essentials we are all standing by the President; and the only question now is, Shall the army be raised by the volunteer or conscriptive system? All are agreed as to the end, but differ as to the means. * * *
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> A reference to the first American, the only Washington, always awakens interest and commands respect. This is due to the fact that we cherish his memory with religious gratitude. In whatever position or attitude history presents him, we look upon him with veneration and affection. As just as Cato, without his austerity, as brave as Caesar, without his sinister ambition, what views he expressed upon any subject are accepted as almost conclusive. The letters of the great Washington read by my distinguished friend from California on the subject must be read in connection with the times and conditions under which they were written. That time was when the country was impoverished, when Tories were busy in conspiracies and work against the colonies and the future of the struggling Republic looked dark. Bad men were sowing dissensions in the colonial ranks, attacking even the character of their unselfish leader, challenging his integrity as a man, and denying him merit as a soldier. Such conditions do not exist here. * * *
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> Certainly it is proper to take into account the spirit of the men, as soldiers, who offer without compulsion to serve, and those whose service is enforced. Heretofore we have thought it worth while to permit men to volunteer and serve their country as units, continuing the associations of civil life; boys that grew up on adjoining farms, perhaps attended the same school, to continue the associations in the same regimental and company units. It has worked well in the past. The proposed conscription does not contemplate the continuance of these relations; and men and boys, however intimate and close their associations were, may be separated and sent to widely different fields.
>
> Service in war in defense of our representative Government is a duty, but it need not be devoid of sentiment. With the service, if we would make it most effective in connection with the discharge of duty, may also go along the amenities of war, the comradeship growing out of mutual toil and suffering; the "martial courtesy which lends to danger grace, to valor pride"; relieving and mitigating its sad offices. * * *

To-day we mourn one ripe in years, who, after a long life devoted to the service of others and crowded with honors, has been taken for higher duties. In life he had our trust, our utmost confidence in his integrity, our love—and we shall long remember him as a brave, modest, courteous, kindly, Christian gentleman.

Of him we can say as a great poet said of one of our greatest captains:

> Glory and honor and fame and everlasting laudation
> For our captains who loved not war, but fought for the life of the Nation;
> Who knew that, in all the land, one slave meant strife, not peace;
> Who fought for freedom, not glory; made war that war might cease.
>
> Glory and honor and fame; the beating of muffled drums;
> The wailing funeral dirge, as the flag-wrapped coffin comes;
> Fame and honor and glory; and joy for a noble soul,
> For a full and splendid life, and laureled rest at the goal.
>
> * * * * * *
>
> But better than martial woe, and the pageant of civic sorrow;
> Better than praise of to-day, or the statue we build to-morrow;
> Better than honor and glory, and history's iron pen,
> Was the thought of duty done and the love of his fellow men.

[Applause.]

Mr. FAIRFIELD. Mr. Speaker, the splendid tributes of respect that have been paid to the memory of Judge COMSTOCK by gentlemen who knew him but confirm the impressions that were made upon my mind in a very brief association with him in this House. Perhaps the strangeness that is common to us all when first we are permitted to enter the House, drawn from a continental area representing 100,000,000 of people, was as strange to him, though aged, as to us, for every new experience puts a new stamp upon a man, and no sooner is it given than it seems as if the whole concourse of events had been directed to that end. My first meeting with our colleague was in Indianapolis, just a few weeks before the assembling of Congress—simply a passing touch; and yet, having known something of his public career, I became immediately interested in his personality.

When he came here his striking figure challenged the attention of all. The gentleness of his manner, the kindly quality that characterized his speech, together with the care with which he uttered his judgments, signified to me that the habits of his life had been the habits of a thoughtful man. No doubt all of us in these times are moved with any allusions to the soldier life. I can understand that all the things that draw men together are experienced by the soldier. A common thought, a common interest, a common suffering, a common sacrifice, are the things that tie men close together. To my mind there has been to-day the thought of the deeper current that ran through his life history. I was but a child of five when the Civil War broke out. To me it is scarcely a memory. Indistinct, far away, as if from another age, there comes a slight memory of

troops parading and of having been led by my father in safety beside the cavalry, and then I remember, too, on two or three other occasions indistinctly how my childish heart was stirred by martial music and the tramp, tramp, tramp of the boys as they marched away.

The years that have intervened, however, have made incarnate some of the phases of that mighty struggle, and the recent experiences in my home have intensified and deepened the significance of it all. When that call came from President Wilson in our recent Mexican trouble, out from my own home one young man, strong, and loving liberty, gave himself to his country only to come back to be carried out to the hill beyond the town to wait the Resurrection Morn. Ah, men, I have counted it an honor that his grave should be marked with a simple stone that is given to the private. The deeper current had run through the thought of that young man's life, and he and the older man would not have been strangers had they met here on the floor of this House. It was fortunate that DANIEL W. COMSTOCK was permitted to have a part in that great struggle in the great Civil War, to be a determining factor in seeing to it that the principles which have made this Government possible in perpetuity were made safe by the sacrifice of his time, his talent, and the endangering of his life.

The name of Oliver P. Morton has been mentioned upon the floor of this House to-day. In one of the keenest fought political battles of all the stress of that war Oliver P. Morton went before the people of our State and said:

> The Constitution and laws of the United States operate immediately and directly upon the individual and not upon the State and as if there were no States intervening.

He succeeded in that conflict and no doubt DANIEL W. COMSTOCK worked to the end that that principle might obtain in human government; and after the lapse of more than 50 years to be permitted upon this floor to vote for bills that make it possible that this war shall be efficiently conducted was but a vote in harmony with the convictions of a lifetime. Fortunate, indeed, was his entrance into the Congress of the United States. He was wise, careful, dignified, kind, gentle—one of the old school; aged, indeed, but not decrepit, but retaining the fierce fires intellectually of his youth, held by the firmness of his judgment and directed effectively in the doing of his duty.

May I not in passing say that perhaps the aged are not appreciated as they should be? I know no benediction like that of the young man coming close to the man of age, worthy, of high ideals, strong and yet tempered by his experiences—no greater benediction can come to any young man. So I have sought to know the older men of the House, perhaps reckoned among them, and yet with more than twenty years between Mr. COMSTOCK and myself. May we not prize to-day the opportunity to have listened to the recounting of the experiences of his life. We have come here from strangely differing communities. We have known each other for but a short time, and yet the membership of this House has been tied together by a common experience, by the mighty responsibilities that have been put upon the individual Members, in a way that could not have occurred probably in several sessions. I felt a little diffident even about speaking to-day, because I had not known Mr. COMSTOCK. But after having heard gentlemen talk who knew of his career I shall feel that in a sense I knew him. I felt, even in the short acquaintance, that I could learn to love and respect permanently the life that was behind him, because he bore in his attitude toward men and in the manner in which he addressed this House evidence of a cultivated mind and a gentle spirit.

The SPEAKER pro tempore. Under the special order authorizing these services, the House now stands adjourned.

Accordingly (at 1 o'clock and 32 minutes p. m.) the House adjourned to meet to-morrow, Monday, February 18, 1918, at 12 o'clock noon.

SENATE.

MONDAY, *February 18, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we pray for the spiritual uplift that will fit us for the duties of this day and of this office. Our words carry far in this place, and the influence of passion and purpose and principle touches many lives. Fit us for the sacred and solemn obligations that have come upon us in the Divine Providence. May our work be pleasing in Thy sight. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Friday, February 15, 1918, when, on request of Mr. JONES of Washington and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Henderson	New	Sterling
Bankhead	Hitchcock	Nugent	Stone
Beckham	Hollis	Page	Sutherland
Calder	Johnson, S. Dak.	Penrose	Swanson
Chamberlain	Jones, N. Mex.	Phelan	Thomas
Culberson	Jones, Wash.	Pittman	Thompson
Cummins	Kellogg	Poindexter	Tillman
Curtis	Kendrick	Pomerene	Townsend
Dillingham	Kenyon	Robinson	Trammell
Fernald	King	Saulsbury	Underwood
Fletcher	Knox	Sheppard	Vardaman
France	Lodge	Shields	Warren
Frelinghuysen	McCumber	Simmons	Watson
Gallinger	McKellar	Smith, Ga.	Weeks
Hale	McNary	Smith, Mich.	Williams
Harding	Martin	Smith, S. C.	Wolcott
Hardwick	Nelson	Smoot	

Mr. BECKHAM. I wish to announce that my colleague [Mr. JAMES] is absent on account of illness.

Mr. SUTHERLAND. I desire to announce that my colleague [Mr. GOFF] is detained by illness.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, transmitted to the Senate resolutions on the life and public services of Hon. Daniel W. Comstock, late a Representative from the State of Indiana.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Interior, transmitting a schedule of useless papers on the files of the Department of the Interior, which have no permanent value or historical interest, and requesting action looking to their disposition. The communication and accompanying papers will be referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Chair appoints the Senator from Maryland [Mr. FRANCE] and the Senator from New Hampshire [Mr. HOLLIS] the committee on the part of the Senate. The Secretary will notify the House of Representatives thereof.

PETITIONS AND MEMORIALS.

Mr. KNOX presented a petition of the Lumberman's Exchange of Philadelphia, Pa., praying for the enactment of legislation providing for a board of war control and a director of munitions; which was referred to the Committee on Military Affairs.

He also presented petitions of the Single-Tax Club, of Pittsburgh; of the Women's Trade Union League, of Philadelphia; of the Central Labor Council, of Pittsburgh; and of the Get-Together Club, of Pittsburgh, all in the State of Pennsylvania, praying for the submission of a Federal suffrage amendment to the legislatures of the several States; which were ordered to lie on the table.

He also presented a petition of the Woman's Fortnightly Review, of Mount Lebanon, Pittsburgh, Pa., and a petition of the Shadyside United Presbyterian Church, of Pittsburgh, Pa., praying for the adoption of an amendment to the Constitution to prohibit polygamy; which were referred to the Committee on the Judiciary.

He also presented a petition of the Pennsylvania State Board of Agriculture, praying for the enactment of legislation to prohibit the importation of nursery stock into the United States in order to prevent the introduction of insect pests and plant diseases; which was referred to the Committee on Agriculture and Forestry.

Mr. CHAMBERLAIN presented petitions of sundry citizens of Spokane, Wash., praying for the adoption of universal military training; which were referred to the Committee on Military Affairs.

Mr. CURTIS presented a petition of George H. Thomas Post, No. 18, Grand Army of the Republic, Department of Kansas, of Ottawa, Kans., praying for universal military training, which was referred to the Committee on Military Affairs.

He also presented a resolution of Reno Post, No. 183, Grand Army of the Republic, Department of Kansas, of Nickerson, Kans., praying for an increase in the pensions to veterans of the Civil War, which was referrred to the Committee on Pensions.

He also presented a memorial of the Retail Merchants' Association, of Osawatomie, Kans., remonstrating against the repeal of the advanced second-class postage rates, which was referrred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Woman's Kansas Day Club, of Topeka, Kans., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

Mr. McLEAN presented a petition of the Bohemian National Alliance of New Britain, of sundry Lithuanian citizens of Waterbury, and of sundry Lithuanian citizens of Naugatuck, all in the State of Connecticut, praying for the liberation and unification of the Czecho-Slovaks of Austria-Hungary into one independent Czecho-Slovak State, which were referred to the Committee on Foreign Relations.

He also presented a petition of the State Council of Defense, war bureau, of Meriden, Conn., praying for the drafting of all aliens representing the countries of our allies and of military age on the same conditions and under the same regulations that apply to American citizens, which was referred to the Committee on Military Affairs.

He also presented petitions of sundry citizens of Fairfield, Hartford, New Haven, Tolland, Middlesex, Windham, and New London Counties; of the Equal Franchise League of Madison; and of sundry citizens of Milford, all in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. PHELAN presented a petition of the board of supervisors of San Diego County, San Diego, Cal., praying that transportation instead of money pay be issued to tubercular persons among the soldiers who are discharged from service at Camp Kearney, San Diego, so as to insure their returning to their home State instead of remaining in California, which was referred to the Committee on Military Affairs.

EDWARD W. WHITAKER.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (S. 2646) for the relief of Edward W. Whitaker, reported it without amendment and submitted a report (No. 281) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. BECKHAM:

A bill (S. 3885) granting an increase of pension to Calloway Simpson;

A bill (S. 3886) granting a pension to W. H. Odum; and

A bill (S. 3887) granting an increase of pension to Samuel F. Kelly; to the Committee on Pensions.

By Mr. ROBINSON:

A bill (S. 3888) for increasing the efficiency of Army bands; to the Committee on Military Affairs.

By Mr. SMITH of Michigan:

A bill (S. 3889) granting an increase of pension to Merritt S. Harding; and

A bill (S. 3890) granting an increase of pension to Hiram Corbin (with accompanying papers); to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 3891) granting an increase of pension to Henrietta Archer Forbes (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 3892) to amend and reenact section 5200, Revised Statutes of the United States;

A bill (S. 3893) to amend and reenact section 5239, Revised Statutes of the United States;

A bill (S. 3894) to amend and reenact section 5147, Revised Statutes of the United States;

A bill (S. 3895) to regulate the allowance of overdrafts by national banking associations and to provide penalties for its violation;

A bill (S. 3896) to amend and reenact section 691a of chapter 18, subchapter 7, of the Code of Laws of the District of Columbia;

A bill (S. 3897) to amend and reenact section 713 of chapter 18, subchapter 10, of the Code of Laws of the District of Columbia;

A bill (S. 3898) to require cashiers and other officers of a national banking association handling its funds to give bond and to prevent its officers and employees from making erasures on the books of the association;

A bill (S. 3899) to repeal the sixth section of an act approved July 12, 1882, entitled "An act to enable national banking associations to extend their corporate existence, and for other purposes";

A bill (S. 3900) to amend and reenact section 5172 of the Revised Statutes of the United States;

A bill (S. 3901) to authorize national banking associations to establish and maintain branches;

A bill (S. 3902) to provide a penalty for obtaining loans or credit from a national banking association based on false statements;

A bill (S. 3903) to amend and reenact section 5137, Revised Statutes of the United States;

A bill (S. 3904) to amend and reenact sections 5222 and 5230, Revised Statutes of the United States;

A bill (S. 3905) to amend and reenact section 5209 of the Revised Statutes of the United States;

A bill (S. 3906) to amend and reenact sections 5136 and 5139 of the Revised Statutes of the United States;

A bill (S. 3907) to provide for the consolidation of national banking associations;

A bill (S. 3908) to regulate deposits received by national banking associations, to prescribe maximum rates of interest to be paid depositors, and to regulate issuance of certificates of deposit;

A bill (S. 3909) to amend and reenact sections 5235 and 5236, Revised Statutes of the United States;

A bill (S. 3910) to prevent usury, provide penalties for its violation, and for other purposes; and

A bill (S. 3911) authorizing national banks to subscribe to the American National Red Cross (with accompanying paper); to the Committee on Banking and Currency.

By Mr. JOHNSON of South Dakota:

A bill (S. 3912) granting a pension to William W. Keyser (with accompanying paper); to the Committee on Pensions.

RAILROAD CONTROL.

Mr. ROBINSON. I submit an amendment to the pending railroad bill affecting the subject of compensation. To the amendment I call the attention of the chairman of the committee, the Senator from South Carolina [Mr. SMITH], the Senator from Iowa [Mr. CUMMINS], and I desire particularly to call the attention of the Senator from Minnesota [Mr. KELLOGG] to it. I ask that the amendment be printed and lie on the table. I will state that the effect of the amendment is to eliminate from the authorization for compensation the amount alleged to have been invested in railroad property in the six-month period ended December 31, 1917.

The VICE PRESIDENT. The amendment will lie on the table and be printed.

Mr. McLEAN submitted an amendment intended to be proposed by him to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, which was ordered to lie on the table and be printed.

Mr. SAULSBURY submitted an amendment intended to be proposed by him to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, which was ordered to lie on the table and be printed.

GUARANTEED PRICE OF WHEAT.

Mr. THOMPSON submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 132) to amend section 14 of the food-control act by increasing the guaranteed minimum price of wheat for the crop of 1918 from $2 to $2.50 per bushel, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. WEEKS submitted an amendment proposing to appropriate $866,389.68 to pay the State of Massachusetts, being the amount of judgment rendered by the Court of Claims April 11, 1917, in favor of the State for war expenses, and so forth, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. WATSON submitted an amendment providing that in addition to salaries paid to rural letter carriers they shall be paid $36 a year per mile for each mile or major fraction of a mile over and above 24 miles, and so forth, intended to be proposed by him to the Post Office appropriation bill, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

WITHDRAWAL OF PAPERS.

On motion of Mr. FLETCHER, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers in the case of the bill (S. 6733, 64th Cong.) for releasing and quitclaiming of all claims of the United States to arpent lot No. 28 in the old city of Pensacola, Fla., there having been no adverse report thereon.

DISCHARGE OF CAPT. ARTHUR E. PERELESS.

Mr. THOMAS. Mr. President, I send to the Secretary's desk and ask to have read a letter received yesterday from the War Department in reply to an inquiry which I made on Friday last regarding the circumstances attending the discharge of Capt. Pereless from the Army.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows:

WAR DEPARTMENT,
Washington, D. C., February 16, 1918.

DEAR SENATOR THOMAS: The Secretary of War is away from Washington on an inspection tour for several days, and I take the liberty of forwarding to you immediately a copy of a memorandum just received for him from the Acting Quartermaster General regarding Arthur E. Pereless, concerning whom you recently inquired.

Cordially, yours,

RALPH A. HAYES,
Private Secretary.

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL OF THE ARMY,
Washington, February 16, 1918.

MEMORANDUM FOR THE SECRETARY OF WAR.

The discharge of Capt. Arthur E. Pereless from the Quartermaster Reserve Corps had no relation, directly or indirectly, to the testimony which Capt. Pereless gave before the Military Committee of the United States Senate. It is not, and has never been, the policy of the Acting Quartermaster General, to discipline any officer for the testimony before a committee of either branch of Congress.

On the other hand, the Acting Quartermaster General desires that committees of the Senate and the House shall have access to any information which may be desired, and no restrictions are imposed upon any officer called upon to testify.

Capt. Pereless was honorably discharged for reasons entirely and solely due to service considerations. It was necessary to reorganize, among other divisions of this office, the conservation division, with which Capt. Pereless was connected.

Examination of the qualifications of Capt. Pereless disclosed that he lacked the efficiency considered necessary for the performance of the duties with which he was charged. That Capt. Pereless realized the situation is shown by the fact that he himself notified a subordinate of the Acting Quartermaster General that he had tendered his resignation as an officer of the Army, which resignation an examination of the records disclosed had not been submitted in writing; and further in a letter dated January 22, 1918, signed by him and addressed to the Acting Quartermaster General, Capt. Pereless stated:

"As the necessary appointments have been made for the organization and carrying on of the Conservation Division, the necessity of my further services is no longer apparent, and I request that I be returned to the inactive list, Quartermaster Reserve Corps. The duties which I abandoned in New York, the return to which is still open to me, justify me in making the above request, as under the circumstances I do not feel that the financial sacrifice involved in the change is any longer required."

The Acting Quartermaster General does not regard it as good policy, in view of the need of officers, to make transfers to the inactive list. The extensive duties of the Quartermaster Department demand the use of every officer holding a commission and available for service. An officer assigned to the inactive list is dead weight, which no up-to-date business organization should carry.

Therefore the Acting Quartermaster General decided to pursue in the case of Capt. Pereless the policy observed in similar cases, viz, to direct his honorable discharge, and to appoint in his place an efficient officer capable of carrying on the important work of the Reclamation Division. This was done under date of January 30. Under date of February 14, in answer to a letter from Mr. Pereless, dated February 1, requesting that the order for his honorable discharge be changed so as to transfer him to the inactive list of the Quartermaster Reserve Corps, this office expressed the policy adopted as follows:

"Referring to your letter of February 1, in which you make request to be returned to the inactive list of the Quartermaster Reserve Corps, you are advised that your discharge was recommended because your services were no longer required. This office will follow the policy established of discharging all Reserve and National Army officers whose services are no longer required, rather than to return them to the inactive list."

GEO. W. GOETHALS,
Acting Quartermaster General.

ENLISTMENT OF AMERICAN BOYS IN BRITISH ARMY.

Mr. KNOX. Mr. President, I depart from my usual custom by asking to have the following telegram read from the desk and the privilege of making a remark or two relative to the subject.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

PITTSBURGH, PA., *February 17, 1918.*

Senator P. C. KNOX,
Washington, D. C.:

Joseph Barbour, age 16; Reed Miller, age 14; both under the name of Clayton; and Francis McKnight, age 16, under name of Semple, recruited by local British Army office, and spirited to Canada Saturday night. Will reach Windsor, Nova Scotia Tuesday. Mr. Heinie, local recruiting officer, refuses to take action. Have them stopped and returned at once, at Montreal, probably this evening. All are sons of American citizens. Copy of this message also sent to Secretary of State.

G. H. BARBOUR.
WM. MCKNIGHT.
A. W. MILLER.

Mr. KNOX. Mr. President, I have had this telegram read not because I have any apprehension about the action that this Government will take under the circumstances. Indeed, I saw the Secretary of State this morning and his indignation was equal to my own, and he will take up this matter at once with the British Embassy, who I have no doubt will cooperate with him in securing the return of these children to their homes in the city of Pittsburgh.

My sole purpose is thus publicly to bring to the attention of foreign recruiting officers within the United States the fact that the privilege we extended to them last summer to open recruiting offices to enlist their own nationals does not extend to kidnapping American children. A child 14 years of age and three of 16, members of reputable families in our city, were enlisted, and the recruiting officer, after their age and citizenship had been brought to his attention, refusing to extend any relief——

Mr. POINDEXTER. Mr. President, I should like to inquire of the Senator from Pennsylvania whether these boys voluntarily offered their services to the recruiting officer?

Mr. KNOX. Mr. President, I have had read to the Senate all the information that I presently possess, but I propose to cover that point in a moment. The law always has been until the act of August 7, 1917, was passed, that it was a criminal offense for foreign Governments to open a recruiting office in the United States even to enlist their own nationals. The policy of Governments has always been that within their borders offices for the replenishing of the army of a foreign power should not be set up; but under the circumstances of this war we decided that it was wise to give our allies an opportunity to reach their own nationals within the United States by permitting them to open recruiting offices. But we reenacted the old law in that statute even by a proviso which said that no American citizen should be enlisted for the purpose of being sent out of the country under the provisions of this law, and there is a penalty prescribed of $1,000 and not more than three years' imprisonment for this offense.

I do not know to what extent these children were participants in this matter. All I know is, the fact that they were of these tender years was presented to this foreign recruiting officer, and he declined to facilitate their return or enter into any effort to have them returned.

If the facts are as alleged in this telegram, it is my intention to bring the matter to the attention of the Attorney General and insist upon prosecution, because it is worth while to give notice that the privileges we have extended to foreign countries shall not be abused, and abused in this flagrant manner.

RAILROAD CONTROL.

The VICE PRESIDENT. The morning business is closed.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of Senate bill 3752, the unfinished business.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. THOMPSON. I submit an amendment to the pending bill, which I ask may be printed and lie on the table.

The VICE PRESIDENT. It will be so ordered.

Mr. POMERENE. Mr. President, it is my purpose to discuss briefly, if I may, the pending measure. I purpose to address myself principally, first, to the method of compensation which is provided for in the bill as it was reported by the committee; secondly, the substitute plan offered by the distinguished Senator from Iowa [Mr. CUMMINS]; and, thirdly, section 13, relating to the time during which the Government shall continue to operate these roads.

I hope the Senate will pardon me if I take just a few minutes, perhaps, to repeat some things which have been said during the last week in the discussion of this bill.

I realize, as every Senator does who has given any attention to this measure, its involved character, and the impossibility of determining to a nicety a rule of just compensation. This all grows out of the fact, largely, that we can not anticipate what the future will bring forth. We do not know what the valuation of the property of the railroads is. In fact, whatever estimates are made upon that subject by any man, no matter how much careful attention he may have given to it, are the sheerest guesswork.

It has already been developed in the discussion of this bill that, while the traffic of the railroads has been increasing, the equipment of the roads has been decreasing. In classes 1 and 2 of the railroads, which include all that had an income over and above $100,000, in 1915 there were 64,205 locomotives; in 1916 there were 62,909 locomotives; and there was substantially no increase during 1917, though we have not been able to

get the figures for that year. So from 1915 to 1916 there was a net loss in locomotives of 1,206.

During the year 1915 there were 2,346,932 freight cars; in 1916 there were 2,289,513 freight cars; a net loss in one year of 57,419 freight cars.

Mr. KELLOGG. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. I yield to the Senator.

Mr. KELLOGG. I should like to ask the Senator as to the list of locomotives. The figures which he has given I believe to be perfectly accurate; but is it not true that the decrease in the number of locomotives to some extent is due to the fact of scrapping the smaller classes of locomotives, the new locomotives being of a larger capacity, although undoubtedly there has not been as great an increase in locomotives as there should have been?

Mr. POMERENE. There may be some truth in the statement. I want to impress particularly upon the Senate—and this is my purpose in giving these figures—the fact that if we are going to be just we must deal rather liberally with the railroads than stingily at this particular time.

In 1915 the total passenger cars were 54,766; in 1916 they were 53,730, a net loss in that one year of 1,036. The increase in the traffic has been tremendous. Immediately after the war 631 railroads, with a total mileage of 262,000, coordinated the operation of their roads here in Washington for the purpose of increasing their efficiency, and the railroad authorities advise us that during the six months from April to September, 1917, the traffic per month exceeded the average per month during 1916 by 20.3 per cent, and the average per month for the year 1915 by 50 per cent; or, to put it in another way, the tonnage for the whole year 1917, based upon the experience for six months, shows a total ton-mileage of 409,405,000,000, an increase of 135,164,000,000 ton-miles over the business of 1915.

This increase from 1915 to 1917 represents a total service in excess of all the railroads of Canada, Germany, Great Britain, Russia, France, and Austria, excluding Hungary, with a mileage of 178,542, and serving a population of 323,000,000.

These railroad officials present the facts showing the increase in railroading in another way and perhaps more forcefully. In the first six months after we entered the war the railroads handled as much freight as they did during the entire year 1906. In 1906 the average freight train carried 344 tons; in the six months following the declaration of war they carried 675 tons. Or, to present their case in still another way, if the traffic for these six months in 1917 had moved in the same average trainload as in 1906, 96 per cent more freight-train service would have been required.

Senators, I realize that when we begin to discuss the subject of railroads we are touching a topic that arouses resentment and sometimes unfairness in dealing with it.

One of the best informed railway men in this country testified before the Interstate Commerce Committee that the total value of the railroad property of this country amounted to one-seventh of the total wealth of the country. My belief is that that statement is somewhat exaggerated, but suffice it to say the total par value of the railroad stocks plus the par value of the bonds amounts in the aggregate to $17,336,300,619. But whether the ratio between the railroad wealth of the country and the total wealth of the country is one-seventh or one-tenth or one-twelfth, it presents one of the most tremendous propositions that ever commanded the attention of the Sanate.

Mr. FLETCHER. Mr. President——

Mr. POMERENE. I yield to the Senator from Florida.

Mr. FLETCHER. If I may interrupt the Senator, the Senator has stated in a general way the total par value of railroad stock and the total par value of bonds. I should like to inquire if the Senator has gone into the question of the actual value of the stock and the actual value of the bonds; in other words, how much water is there in this stock and in these bonds?

Mr. POMERENE. Mr. President, the question is a very pertinent one, and I shall discuss it later on. I will pause long enough now, however, to say that there is no man in the United States who has accurate, definite, or intelligible knowledge upon that subject.

Mr. SMITH of Michigan. Mr. President, if the Senator will pardon me, the bond value which the Senator in his statement places at par is, of course, par whenever the obligor is called upon to pay the securities. No matter how much the bonds may fluctuate in the open market between the time of their issue and the time of maturity, the fact remains that at maturity they are at par and the roads issuing them can not escape their payment, or at least adjudication upon that theory.

Mr. POMERENE. That is true.

Mr. President, I have no apology to make for the shortcomings of the railroads. I realize that they have done things in the past that they ought not to have done and left undone many things they should have done; I realize that in the past they have overcharged communities; that they have evaded taxes; that those who were in authority in the roads manipulated their stocks and the roads themselves to their own benefit and to the prejudice of the public; but, in my judgment, the Congress of the United States ought not to approach this subject now as if it were going to penalize the railroads, as they are at present organized for the wrongs which they committed many, many years ago.

When we speak of the railroads we must remember that the railroads of this country are owned by the people of this country. I have taken the pains to get a few figures indicating the extent to which the people are interested in this subject. I have received these figures from the Secretary of the Interstate Commerce Commission.

The reports of steam roads of class 1, those having an annual operating revenue of more than $1,000,000, for the year ending December 31, 1916, show the following: Number of stockholders, 503,833; number of shares held, 69,865,859 estimated of a par value of $100. Senators will note that this does not include the holdings of stock in railroads of class 2 or class 3. Those figures have not been furnished.

The number of bondholders is not shown in the reports of the carriers.

Mr. STONE. Mr. President, I am trying to follow the Senator. He says that the railroads of class 1, which embrace railroads with an annual operating revenue of over a million dollars, have an ownership representing sixty-nine million——

Mr. POMERENE. Their stock is owned by 503,833 shareholders.

Mr. STONE. Shareholders to that number, with a total holding of $69,000,000?

Mr. POMERENE. No; 69,000,000 shares.

Mr. STONE. Sixty-nine million shares?

Mr. POMERENE. Yes; and on a basis of $100 per share.

Mr. STONE. Well, what character of roads are in classes 2 and 3?

Mr. POMERENE. Class 2 embraces roads that have annual net operating revenues of less than $1,000,000 and over $100,000.

Mr. STONE. Will the Senator cover them in his statement?

Mr. POMERENE. I do not have those figures; they have not been furnished me.

Mr. STONE. And class 3?

Mr. POMERENE. Class 3 includes those that have annual operating revenues under $100,000.

Mr. STONE. Well, they altogether are rather small in the aggregate, I imagine?

Mr. POMERENE. I should think so; yes.

Mr. SMITH of Michigan. If the Senator will pardon me, in the holdings the Senator, of course, includes those holdings which belong to insurance companies?

Mr. POMERENE. I assume so. I will have something to say in just a few moments on that subject.

In connection with the preceding it should be stated that while the gross amount of railway capital stock in the United States is over $9,000,000,000 the net amount not held by the railway companies was, on June 30, 1916, $6,314,570,354.

I am also furnished with the following extracts from Railway Statistics of the United States of America for the year ending December 31, 1916, prepared by Slason Thompson, of the Bureau of Railway News and Statistics:

Returns to this bureau for the year ended December, 1916, from 482 companies, operating 250,233 miles of line, report the number of stockholders at the last election prior to that date as 522,095. This is a decrease of 13,310 from the number reported six months before from a smaller mileage. It also marks the first recession in the number of stockholders in American railways since the bureau began its annual compilations.

As there are approximately 20,000 stockholders in the smaller operating companies, and two years ago the nonoperating roads reported 82,846 stockholders to the commission, it is apparent that the ownership of railways in the United States rests in the hands of approximately 620,000 stockholders.

The distribution of railway bonds is probably more general than that of railway stocks. Of course, not taking into account duplications, there must therefore be something over a million of individuals who are either owners of stock or owners of bonds.

At a meeting of the National Association of Owners of Railroad Securities held at Baltimore last May it was reported that the railroad securities owned were as follows:

By individuals outright, numbering about 1,000,000, owning over $10,000,000,000.

By life insurance companies, with 46,000,000 of policies in force, representing a total of $1,550,000,000.

By savings banks, with 10,000,000 depositors, representing $837,000,000.

I refer to these figures for this reason: We are not dealing fairly with this subject if we are going constantly to keep in mind the excesses of the railroads in the past and forget the fact that the railroads of this country are owned, directly and indirectly, by over a million people, and that these securities are in the hands of savings banks and insurance companies and in private safe-deposit boxes.

Mr. SMITH of Michigan. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. POMERENE. I do.

Mr. SMITH of Michigan. If it will not interrupt the Senator, I think his statement is a very modest statement when he states that number of owners directly and indirectly. I have seen the statement made, and apparently with considerable authenticity, that considerably over 10,000,000 people are directly and indirectly interested in railroad securities.

Mr. POMERENE. Mr. President, I may say to the Senator from Michigan that I prefer to understate rather than to overstate the facts.

Mr. SMITH of Michigan. Mr. President——

Mr. POMERENE. Let me finish just this one thought, and then I will yield. I do it for the purpose of at least attempting to impress upon the minds of Senators that when they pare to the bone, they are striking at the savings of more than a million people in this country.

Mr. SMITH of Michigan. Mr. President, I only wanted to say to the Senator that the source of my information is the source from which he has just quoted, namely, this Baltimore convention of railroad owners. I am well within bounds when I say that as the outgrowth of that convention, and the exchange of views therein made, it was shown that considerably over 10,000,000 people are directly and indirectly, as policyholders of insurance companies, and so forth, interested in this class of securities.

Mr. WEEKS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. POMERENE. I yield to the Senator.

Mr. WEEKS. I want to add to what the Senator from Michigan has said relating to that subject that I think the statement made by the Senator from Ohio is much too modest to conform to the facts. The number of savings-bank depositors in the country would indicate that probably the Senator from Michigan is quite right in the statement that there are 10,000,000 people in the United States who are directly interested in railroad securities.

Mr. POMERENE. As I have said before, I am disposed to accept the statement made by the Senator from Michigan and the Senator from Massachusetts; but in view of the returns which were made to the Interstate Commerce Commission I modified it, or stated the fact as I did.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. POMERENE. I do.

Mr. CUMMINS. I think the statement might be very much enlarged. Directly or indirectly, there are 100,000,000 people in the United States who are interested in railroad securities. But I ask the Senator from Ohio whether he understands that it is proposed by any one to reduce the compensation provided in this bill so that it will affect the interest upon bonds or the customary dividends upon stocks?

Mr. POMERENE. Mr. President, if the Senator from Iowa—whose views are, I think, somewhat extreme—will bear with me a little while I will try to make myself perfectly clear as I go along.

The railway operating income for class 1 roads for the year 1917 was $1,061,814,427. For 1916 it was $1,024,381,299. For 1915 it was $716,476,186, the average being something over $934,223,970, which represents the proposed standard contained in section 1 of the bill. Some of the railway people insisted that we should use as the standard of compensation during the period of Government control the earnings of the year 1917. Others proposed as a method of compromise the use of the average earnings for the years 1917 and 1916, eliminating the earnings of 1915. Mr. Kruttschnitt, before the Interstate Commerce Committee, made the statement that if the average earnings for the years 1916 and 1917 were used as a standard for compensation it would give to the railroads of the country $109,000,000 annually more than they would get if we used the standard based upon the average for the three years.

The interest on the bonded debt of the railroads annually amounts to about $400,000,000. The dividends paid to the stockholders in 1915 were $259,809,520; in 1916, $281,936,371; and for the fiscal year 1917 I do not have the exact figures, but they amount to over $300,000,000. If we were to pay to the railroads during the first year the same dividends that the railroads paid during the last year, and the interest account was the same, there would still remain a sum of about $200,000,000 which would go to surplus.

Mr. SMITH of South Carolina. Mr. President, if the Senator from Ohio will allow me, I have just gotten from the Interstate Commerce Commission a memorandum on the very point that he now has under discussion. It states that in connection with the table furnished the Senator from Iowa and others as to the probable $200,000,000 that would be available for surplus it must be borne in mind, among other things, that the amount of outstanding stock will be that of 1918, and that no average can be taken in that respect, and that the probabilities are that the outstanding stock would be larger than any average for the three years; and that computation was made upon the basis of the average outstanding stock for three years, which is manifestly incorrect.

Mr. POMERENE. The Interstate Commerce Committee sought to get information relative to the market value of stocks and bonds from the Interstate Commerce Commission. We were unable to get this information complete or exact. The Interstate Commerce Commission, however, gave us the following information concerning stocks of steam roads which were quoted on the New York Stock Exchange for the years indicated, as shown by the Financial Chronicle.

The par value of the stocks quoted for the year 1912 was $4,574,587,200; for 1915, $4,741,422,100; and on December 14, 1917, $4,790,851,200.

I wish Senators to note the market value of these stocks.

For 1912 the market value was $5,035,839,506; for 1915, $4,485,433,601; and on December 14, 1917, $3,786,001,000.

Now, note the percentages of the market value to par value.

In 1912 the percentage of market value to par value of these stocks was 110.08; in 1915, 94.60; and on December 14, 1917, 79.03.

The par value of the stocks quoted, according to the Interstate Commerce Commission, as above given, constitutes 79.34 per cent for 1912, 75.09 per cent for 1916, and 75.87 per cent for 1917 of the total par value of stocks for all steam roads—classes 1 and 2 and nonoperating subsidiaries—in the hands of the public. The market value of these stocks was determined by striking an average between the highest and the lowest quotations during the year, as shown by the Financial Chronicle. This average was assumed to be a mean quotation for the year, and was applied to the par to obtain the market value.

It is interesting to observe that while these stocks in 1912 were quoted at 110.08 per cent, or 10.8 per cent above par, in 1917 they were quoted at 79.03 per cent, or 20.97 per cent below par—a shrinkage from 1912 to 1917 of 31.05 per cent.

The Interstate Commerce Commission also gave us the following par and market values of stocks for 1912, 1916, and 1917:

The par values of stocks of all steam roads—classes 1 and 2 and nonoperating subsidiaries—in the hands of the public on June 30 were as follows:

Nineteen hundred and twelve, $5,766,093,888; 1916, $6,314,570,354; and 1917, though larger in sum, for the purposes of this argument they are estimated at the same amount.

The market value of these same stocks, determined by applying the percentage in the first table referred to, was as follows:

Market value, 1912, $6,347,316,152; 1916, $5,973,583,555; but in 1917 they had shrunk to $4,990,404,951.

The commission also furnished us the par value and the market value of the railroad bonds, and these valuations apply to issues of $10,000,000 or more outstanding.

The par value of the bonds quoted for 1912 was $5,466,060,876; for 1916, $5,705,932,750; and December 14, 1917, $6,127,816,350.

The market value of these bonds in 1912 was $5,089,923,953; in 1916, $5,086,381,475; and December 14, 1917, $5,156,623,981.

The percentage of the market value of these bonds to the par value in 1912 was 93.12 per cent; in 1916 89.14 per cent; and on December 14, 1917, 84.15 per cent.

The par value of bonds of all steam roads for 1912 was $9,321,506,762; for 1916, $10,021,730,075; for 1917, $10,021,730,075 (estimated).

The market values for these same years were as follows: 1912, $8,680,187,097; 1916, $8,933,370,193; and 1917, $8,433,285,862.

Now, as to the comparative value of all these stocks and bonds, the par value of all the stocks and bonds of these same classes of railroads for 1912 was $15,087,600,650; the market value, $15,027,503,249. For 1916 the par value was $16,336,300,429, the market value $14,906,953,748; and in 1917, though the par value of the stocks and bonds was $16,336,300,429 (estimated), the market value was only $13,423,690,813.

Senators should note that the par value of the stock and bonds for the year 1917 is estimated to be the same that it was in 1916. It certainly is not less in amount. So the par value of these stocks and bonds increased between 1912 and 1917 $1,248,699,779, and notwithstanding this increase in the par value of these stocks and bonds the market value of the same stocks and bonds decreased from 1912 to 1917 $1,603,812,436.

Mr. President, the other day a very distinguished lawyer and business man was in my office discussing this very subject, and he told me that a few days before he had seen the balance sheet of one of the great colleges of the country. The college authorities had bought certain railroad stocks of a high class at $1.13. At the time he saw the balance sheet these stocks had fallen to less than 60 cents. If we will remember this decline in market values as affecting the financial conditions of the business institutions of the country, the insurance companies, the savings banks and savings societies, we can understand what this tremendous shrinkage in values means.

We talk about the payment of a "just compensation" by the Government to the railroads for the use of their property, and I have yet failed to find anyone who does not believe that a "just compensation" should be paid. But we differ radically when we try to determine the rule by which this shall be done or what in fact shall be a just compensation. If I were to be guided by the argument which I have heard here on the floor of the Senate, I would come to the conclusion that we had forgotten entirely that we were dealing with the public, but thought we were dealing solely with some railroads that had robbed communities in the past. But let us see how far we can go in determining the question as to what is a just compensation, and I want briefly to discuss the law.

Mr. SMITH of Michigan. Mr. President, will it annoy the Senator if I express the hope which I had that after he had demonstrated the tremendous shrinkage in the values of railroad securities and stocks he would give his judgment as to the causes for that shrinkage?

Mr. POMERENE. Yes; I have considered that, but I had not intended to go into the causes. I was going to treat the present state as an established fact without going into those details, because this legislation deals with an established condition which we hope to improve.

Thus far in the argument we see that while the traffic of the roads has very materially increased, and promises to further increase in the future, the equipment of the roads has declined and values of railroad securities have shrunk to a point where the safety of financial institutions has been threatened.

It is the purpose of those who are opposing the bill, as evidenced by the several amendments proposed by the Senator from Iowa, to refuse to allow the railroads anything over and above the dividends that they declared during the past year. The title to all moneys earned over and above these dividends are to be passed to the Government. The Government is to have authority to invest these earnings, over and above these dividends, either in railroad property or turn them into the Treasury. And if these funds are thus invested in property connected with the roads earning them, or other properties, they are not to be capitalized, the improvements are to belong absolutely to the public, and there will be no returns to the company because of these investments. In my judgment, the Congress has no authority whatsoever to adopt such a course of action in fixing compensation to be paid. While these roads are public utilities, and as such are subject to the control of Congress under the commerce clause of the Constitution, they are, nevertheless, private property. True, they are owned by corporations, but the stock in these corporations is owned by individuals, and a certificate of stock which each stockholder has in a company represents his interest in that property just as surely as a fee-simple deed represents his interest in the property that he owns.

And now I think it will be conceded that, so far as the exercise of eminent domain is concerned, there is little or no distinction between the seizing and taking over of individually owned property and railroad owned property. The fifth amendment to the Constitution of the United States provides—

nor shall private property be taken for public use without just compensation.

The President, under the authority of Congress, has taken over the railroads, and every student of the subject must admit that the Government is not only in honor bound but legally bound to pay to the owners a "just compensation."

I shall beg the indulgence of the Senate while I refer to the opinion of the Supreme Court in Monongahela Navigation Co. versus United States, One hundred and forty-eighth United States, 312. Congress had authorized the Secretary of War to purchase at a given price the upper lock and dam and its appurtenances, belonging to the Monongahela Navigation Co., a Pennsylvania corporation. If he could not make a voluntary purchase he was authorized to begin condemnation proceedings for this property, but the act of Congress provided that in estimating the sum to be paid the franchise of said corporation, which was derived from the State of Pennsylvania, was not to be taken into consideration or estimated. The efforts of a voluntary purchase failed. Viewers were appointed, who reported the value of the lock and dam, but it did not take into account "the franchise of the company to collect tolls."

That is what some of our very good friends are forgetting now, to take into consideration the rights which the commerce act and the Interstate Commerce Commission have given to these railroads to collect toll. The navigation company having received its franchise from the State of Pennsylvania, constructed at great expense locks and dams and had a right to charge tolls for carrying traffic. The right to take property is not denied, but this right is accompanied by a corresponding duty to pay a just compensation for it. In the act referred to, Congress exercised the right to determine the measure of damages. The Supreme Court held this to be a "judicial and not a legislative question."

Says Mr. Justice Brewer:

It does not rest with the public taking of property, through Congress or the legislature, its representative, to say what compensation shall be paid, or even what shall be the rule of compensation. The Constitution has declared that just compensation shall be paid and the ascertainment of that is a judicial inquiry.

So all we can do here as a legislative body is to establish a rule for the guidance of the President beyond which he shall not go. We can not force these railroads to accept this plan.

In discussing this question further, the learned justice says:

The value of property, generally speaking, is determined by its productiveness—the profits which its use brings to the owner.

So in determining what is just compensation we must take into consideration what were the profits that these railroads earned, if any, immediately prior to their being taken over by the Government.

Again, Mr. Justice Brewer said:

The value (of the property) therefor is not determined by the mere cost of construction, but more by what the completed structure brings in the way of earnings to its owner. For each separate use of one's property by others the owner is entitled to a reasonable compensation, and the number and amount of such uses determine the productiveness of the property, and, therefore, largely its value.

The Legislature of Pennsylvania had granted the Monongahela Navigation Co. the right to use this property and fixed the terms thereof—

The prices which may be exacted under this legislative grant of authority are the tolls, and these tolls, in the nature of the case, must enter into and largely determine the matter of value.

So if we apply the logic of the case from which I am reading to the present bill, after the Interstate Commerce Commission has fixed these rates, presumably at least until they are set aside, and, presumptively, they are just and reasonable, we must take them into consideration in fixing a "just compensation" for the property taken.

On page 336 the learned justice says:

And if that property be improved under authority of a charter granted by the State, that the franchise to take tolls for the use of the improvement, in order to determine the just compensation, such franchise must be taken into account.

So we must take into account the rates which have been fixed by the Interstate Commerce Commission and the profits therefrom.

Because Congress has the power to take the property, it does not follow that it may destroy the franchise without compensation. Whatever is the true value of that which he takes from an individual owner must be paid to him before it can be said that just compensation for the property has been paid. And what is true in respect to the condemnation of property for a post office is equally true when condemnation is sought for improving a natural highway.

If we were condemning a building for the purpose of a site for a post office, would it not be proper for the jury and the court which was passing upon the question to take into consideration the rental of that property? So also when it comes

to a determination of the rent which the Government must pay for these railroads we must consider their earnings.

And now let us apply the reasoning of the case just cited to the railway legislation now under consideration. Some of these properties have been earning 5, 6, and 8 per cent, a few of them 10 per cent, on their capital stock, and a very few others very much more. They are charging rates for traffic which have been found to be fair and reasonable by the Interstate Commerce Commission and by the several State commissions. Until these rates shall have been changed by this organization or the Government the owners of the railways will continue to make these charges. They were making them at the time the President stepped in and took control under the act of Congress. And the question is, What is the value for the use of these roads? How are we to determine it? Shall it be controlled by the mere ipse dixit of a few men who may have some extreme views on the subject of railroad control or Government ownership which they have never been able to force upon the public? Shall just compensation be determined in harmony with the principles of legislation and sound railroad management and as reflected by railroad earnings, or shall they be determined by some principles, right or wrong, which have never found expression by any Government tribunal having jurisdiction thereof? We are not the sole arbiters of this so-called "insoluble question," as it was referred to the other day by the Senator from Iowa. We may as a legislative body reduce rates either by direct legislation or indirectly through the action of the Interstate Commerce Commission, but we can not appropriate profits already earned or injure or destroy franchise rights which have already vested. These profits, if earned on franchises authorizing earnings, are private property, and we must pay for them a just compensation and the courts will determine the amount thereof, if it can not be adjusted by negotiation.

And now, sirs, if a property has been earning 25 per cent for its owners, whether corporate or individual, it seems to me that the burden of proof is on those who contend for the right to reduce it to 6 per cent to show the method whereby it can be done. Neither can the Government take these surplus earnings and invest them in betterments and say to the railroads, "You shall have neither the title to these betterments nor be permitted to have the earnings thereof." While the railroads of the country have been permitted to make certain charges, if, by reason of increased business or efficient management, they may be able to earn a little more than some of their neighbors, is that a reason why we should confiscate them or appropriate them for public use?

The Senators who take that position overlook this fact. Assume, for the sake of the argument, that a railroad under current rates established by the Interstate Commerce Commission is earning a bare 6 per cent for dividends. It is reaching out trying to serve the community. By means of its efficiency, perhaps by means of the industry of its officers and employees, it increases the traffic so that the stockholders can get 7 per cent. Have they violated their duty to the public or their duty to the stockholders? Are they to be penalized because they are serving a greater number of the public than they did before? If that is to be the rule which is to control railroad management, then when railroad companies get to the point where they earn a bare 6 per cent it would be most natural for them to sit back in their easy chairs and let the road go to wreck.

Mr. President, the total stocks and bonds, as I have heretofore stated, amount to $17,336,300,619. You will pardon me for repeating it, because I want to make my point perfectly clear, if I can. Upon that great aggregation of property there is paid each year $400,000,000 of interest on bonds and $300,000,000 in dividends on stocks. The total net average earnings during the three years 1915, 1916, and 1917 was a fraction over $900,000,000, but for the sake of argument let us say that it amounted to an even $900,000,000. That leaves $200,000,000 to go to the surplus.

What should be done with this? The Senator from Iowa tells us that it is taking from the people $200,000,000 to which the roads are not entitled. There is not any man living who can tell me whether a given amount of earnings is excessive or not, unless he can first tell me what the value of the property is. The total of the stocks and bonds of the railroads is $17,000,000,000. Who knows whether it is too low or too high? No one knows; but the Senator from Iowa says that $200,000,000 is excessive. Now, let us analyze the situation and see whether he is justified in drawing that conclusion.

We have a bureau connected with the Interstate Commerce Commission that has been working for three years to value the railroads, and they tell us that it will take three years more to complete the work. Judge Prouty was before our committee. He has charge of this valuation. I was anxious to get from him a judgment, if I could get it, as to what was the probable value of these railroads. You would think, if there were any man in the whole United States who could give us a fair judgment as to what the probable value of the railroads is that Judge Prouty could do it; but he would not even venture to guess at it. I do not want to misrepresent this matter; I want to get it just exactly as it came from his lips, and so I will read his statement. He was asked by the Senator from Iowa:

> From your long experience on the Interstate Commerce Commission and your subsequent work as the head of the Bureau of Valuation will you please state to the committee whether it can place reliance upon the property investment account as shown by the reports of the railway companies?

Mr. Prouty answered—

> Now, the investment accounts of the railway companies of this country are absolutely unreliable. In some cases it is pretty near the fact and in other cases nowhere near the fact. The investment account as a rule balances with the stock and bond issues. That is not an invariable rule, but it is a pretty general rule. The railroads have adjusted their investment account so as to take care of their securities.
>
> Take, for example, the investment account of the Kansas City Southern, the cost of reproduction there was perhaps $50,000,000; their investment account was some $90,000,000, as I remember it. We may take some other railroad where the investment account would run pretty close to the cost of reproduction, and I expect you will find cases where the investment account would be less than the cost of reproduction. We have not found any cases of that sort yet.

Later in the examination I asked the following question:

> Senator POMERENE. Would you care to venture an opinion as to what was the probable actual value of these railroad properties?
>
> Mr. PROUTY. Senator, that would be the wildest sort of a guess.

He has been studying this proposition and doing nothing else for over three years, and up to date that bureau has completed the valuation of but three roads. There are between 600 and 700 systems of railroads in this country. This man, the best-informed man in the United States on that subject, when asked for an opinion, says:

> That would be the wildest sort of a guess. I would not object to giving an opinion if there was any basis for it; but there is absolutely no basis for that opinion.

And yet, while the ablest man in the United States on this subject tells us that he can not give us the value of this property, my very good friend from Iowa, for whom I have the profoundest respect so far as motives are concerned, and most often so far as his judgment is concerned, has not yet ventured to give the Senate an opinion of his own as to the value of these roads, and yet he charges that those who champion the method which is contained in the committee bill are guilty, as it were, of some high crime or misdemeanor because they say that they are willing to give to the railroads a compensation which is $200,000,000 more than the distinguished Senator from Iowa is willing to give.

If I were to say to Senators, "Guess at the value of these railroads," and one should guess $16,000,000,000, another should guess $18,000,000,000, and another should guess $19,000,000,000, and assume, for the sake of the argument, that the actual value is $16,000,000,000, the Senator who guessed $19,000,000,000 would only be $3,000,000,000 out of the way, or, in other words, three-sixteenths out of the way. That would be a pretty fair guess; but, if instead of these properties being worth $16,000,000,000, the amount of their stock and bonds, they were, in fact, worth $19,000,000,000, 6 per cent interest on the difference, namely, $3,000,000,000, would be $180,000,000, within $20,000,000 of this excessive amount which the Senator from Iowa claims we are proposing to pay for the use of this property. It is not possible for any living man to tell whether this amount is excessive or not until he first knows what the investment is.

Mr. HOLLIS. Mr. President, will the Senator from Ohio yield for a question?

Mr. POMERENE. I yield.

Mr. HOLLIS. I am very much interested in the Senator's address, and I should like his opinion, for he has studied the problem and has heard the testimony. As I understand the bill, it does not provide that the President shall agree with the railroads for the maximum amount stated in the bill, so the President might, by negotiation, if he were able to get a lower rental fixed by the railroads, fix a lower amount than the maximum. I should like the Senator's opinion as to whether the President is likely to try to get a smaller compensation fixed than the maximum which is provided in the bill.

Mr. POMERENE. Mr. President, the Senator from New Hampshire is asking a question which it is impossible for me to answer. Frankly, I do not know; but knowing the President as I do, I am confident that if he found that the standard here was too high as to any of these roads, he would not take the money of the public and turn it over to these companies or their stockholders.

The Senator's question suggests this further thought to me. Let us assume, for the sake of the argument, that here is a railroad that has been earning during the last three years an

average of 8 per cent, that another railroad has been earning 6 per cent on the average, and another railroad 10 per cent on the average, what should be the position of the directors of those roads, or of the lawyers advising the directors of them, when it comes to weighing their responsibility to the stockholders whose money and whose property is in their keeping? I recognize the fact that 6 per cent is a pretty fair return, if it is guaranteed and is continued on for an unlimited time, but it is one thing to determine the rule for guidance for his own individual conduct with respect to his own individual property, and it is another thing when in the capacity of a trustee he is acting and advising for his cestui que trust.

I am satisfied that we might go at the present time to the four corners of the earth and it would be absolutely impossible for us to get a statement now as to the actual value of the railroad property. The other day when I picked up a copy of the minority report submitted by the senior Senator from Iowa and saw his statement of the dividends which were paid by some of these railroads on their capital stock, I confess that I was somewhat shocked; but a little further careful examination into the facts of the case demonstrated conclusively that the information he had given was misleading. I want to say, lest I be misunderstood, that of course the Senator from Iowa would not purposely mislead, but he was misled by some of the statisticians.

The able Senator from Minnesota [Mr. KELLOGG] took up some of the more extreme cases and gave us some additional facts which cast additional light upon this subject. In order that the RECORD may show them in a more concise form I want to repeat: According to the statement submitted by the Senator from Iowa, the Bessemer & Lake Erie Railroad Co. earned for its stockholders 647.22 per cent on its capital stock of $500,000, but he failed to call attention to the value of the road. The property of this road, however, for the year ending June 30, 1916, had a valuation of $45,359,056; in other words, this railroad, which was represented as earning 647.22 per cent on its capital stock, only earned on the property investment a little over 10 per cent.

The Chicago & Erie Railroad, which the Senator from Iowa claims to have earned 70.45 per cent on its capital stock, in fact earned less than 1 per cent on its property investment.

The New York, Philadelphia & Norfolk Railroad Co., which he claims earned 35.74 per cent on its capital stock, in fact only earned 9 per cent on its proposed standard return on the property investment.

The Cumberland Valley Railroad, which he claims earned 24.01 per cent on its capital stock, in fact on the property investment only earned 8.4 per cent according to the proposed standard return.

The Lehigh & Hudson River Railway Co., which he says earned 27.98 per cent on its capital stock, on its property investment is only earning 8.4 per cent under the proposed standard.

The Charleston & Western Carolina Railway Co., which he claims earned 21.67 per cent on its capital stock, in fact only earns 5.8 per cent on its property investment under the proposed standard return.

The Duluth, Missabe & Northern Railway Co., according to the figures of the Senator from Iowa, earned 114.12 per cent on its capital stock, while in fact on its property investment it would earn under the proposed standard return 14.93 per cent.

The Duluth & Iron Range Railroad Co., according to his statement, earned 38.27 per cent on its capital stock, while on its property investment under the proposed standard return it would earn 8.76 per cent.

The Panhandle & Santa Fe Railroad Co., which he claims earned 64.37 per cent on its capital stock, will earn under the proposed standard 6.3 per cent.

The St. Louis, Brownsville & Mexico Railway Co., which he claims earned 52.71 per cent on its capital stock, which is reported at $500,000, while the property investment appears as more than $15,000,000, earns on the actual property investment 1.757 per cent.

The Colorado & Wyoming Railway Co., which he says earned 162.64 per cent, under the proposed standard return would only earn a little over 7 per cent.

The Senator from Iowa followed the Senator from Minnesota in an elaborate speech. He has neither denied nor qualified any of these facts as given by the Senator from Minnesota, and I shall assume, therefore, that they state the truth and can not be denied.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER (Mr. HENDERSON in the chair). Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. POMERENE. I do.

Mr. HOLLIS. The Senator is giving some very interesting statistics as to these roads. Take a concrete case. The Senator states that the capital stock of a certain railroad is $500,000, while the valuation or the capital actually invested is $15,000,000. Will the Senator indicate where that extra value comes from?

Mr. POMERENE. I can only indicate. Special examinations into property values, and so forth, were made by the Interstate Commerce Commission, at least as to some of these roads, so as to determine the fairness or unfairness of rates.

Mr. STONE. Well, Mr. President——

Mr. POMERENE. Pardon me a moment; and it turns out that one of these roads which I now have in mind, the Bessemer & Lake Erie, is substantially a privately owned road, used for the purpose of transporting ore from Lake Erie ports to the furnaces and coal and coke from the Pittsburgh district to the Lakes, and that its property was valued by the Interstate Commerce Commission at $45,359,056.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. POMERENE. I yield to the Senator from Missouri.

Mr. STONE. What constitutes capital stock is easily ascertained.

Mr. POMERENE. Surely.

Mr. STONE. What constitutes actual capital invested in the property is more difficult to ascertain. I do not care to press an inquiry as to individual cases. The Senator's data may not be sufficient to cover the particulars of all these cases; but just what does the Senator mean in the distinction he makes between authorized capital stock and actual investment in the property? Secondly, I should like the Senator to tell me—I may be the only Senator here who needs to make the inquiry, but I make it—just what he means by the standard of value upon which the Government is to make compensation?

Mr. POMERENE. By the standard return or value we mean as determined by the first section of this bill, which authorizes the President, if the bill becomes a law, to strike an average of the earnings for the fiscal years 1915, 1916, and 1917, and then to enter into an adjustment with these railroads which shall not be in excess of that average.

The Senator asks me about the property investment of these companies. Many of these companies have invested a large amount of money in their properties which is not represented by the capital stock. To illustrate, one of the busiest little roads in the country is the Bessemer & Lake Erie, with a capital stock of $500,000; but the investigation—and there was a special investigation made as to the value of that property—showed that it had an investment there of $45,000,000 and over.

Mr. STONE. In what way represented?

Mr. POMERENE. By the right of way, rolling stock, and so forth. The Senator from Missouri, perhaps, was not in the Chamber the other day when the junior Senator from Pennsylvania [Mr. KNOX] rose and stated that he had organized that company for the owners, and that they owned 8 or 9 miles of railroad. I do not pretend to be exact as to its length, but they operated over 200 miles of railroad, and they had this tremendous investment in the form of rolling stock and other equipment which was necessary to carry the iron ore from the lake ports down to the furnaces in and about Pittsburgh and coal and coke from the coal regions up to the lake for shipment to the Northwest. I have in mind in my own State an instance where a large property, amounting in value to three or four hundred thousand dollars, a manufacturing plant, was owned by a corporation with a capital stock of only $10,000. At that time, under our constitution, we had a double stock liability, and those who had their money invested were quite willing to run the hazards of the business, but they did not care to incur the double stock liability if failure should come on.

So that it does not necessarily follow that there is any relation whatsoever between capital stock and the money or property invested. It is true that some years ago, before the Interstate Commerce Commission and the State public utility commissions were organized, many of these companies were overcapitalized. Of course, that is an offense against good, sound financing, but that is a thing of the past. These railroads, however, have continued to grow in value, and while my distinguished friend, the Senator from Iowa, suggests, for instance, that the Pennsylvania Railroad Co. is now earning something over 8 per cent on its capitalization, I venture to say that he can not give an intelligent guess as to what is the actual value of its property, and therefore is not in a position to say whether the earnings of the road are excessive or not.

Mr. STONE. Mr. President, when the Senator says "the actual value," he means the actual investment in the property?

Mr. POMERENE. Perhaps we can distinguish between the two, and perhaps we can not. If, by "investment," we mean simply the actual money that has been placed in it, that may be the value, and it may not. There is the increased value of these terminals all the while. It may be that the increase in value comes out of undistributed surplus. It may be that it is a so-called unearned increment. I do not know; but we can not by any present legislation cure all the ills that railroad flesh has been heir to in the last half century without doing great injustice to present innocent stockholders or bondholders.

Mr. HOLLIS. Mr. President, will the Senator yield further?

Mr. POMERENE. I yield.

Mr. HOLLIS. The question that is evidently disturbing the Senator from Missouri, as it is disturbing me, is this: Where has the additional capital investment come from?

Now, it occurs to me that it may come from three sources. One, as suggested by the Senator from Ohio, is perhaps the unearned increment, the increased value of the right of way, terminal facilities, real estate, or anything that it may own. In the second place, it may arise from money borrowed on bonds and invested in the property, and that would be good business—to borrow money at 4 or 5 per cent and put it where it may earn 10 or 15 per cent. But the third, and probably the greatest, source of this increased capital is earnings of the past that have not been paid out in dividends, but have been reinvested in the property.

I will ask the Senator if that is not correct?

Mr. POMERENE. Mr. President, I think the Senator has substantially stated the sources of this increase; and I am not prepared to say to-day, as a fundamental principle of railroad economics, that it is either right or wrong to capitalize surplus earnings. It may be that we will get to the point where we will not want that done; but this is not the time to write in the statute books all these economic reforms, however dear they may be to the ideas of some economists. It must be borne in mind that although during the last few years the railroads have done more business than ever before, and although their earnings during the last two years are greater in dollars and cents than ever before, their equipment to-day is less; and notwithstanding these great earnings the market value of the stocks and bonds has depreciated from 20 to 30 per cent—enough to wipe out the surplus of many of the great financial institutions of the country. Permit me to say, with all due respect, that it is our duty, if we can, to stabilize the value of these securities and not pare down to the bone.

Now, let me call your attention to another matter.

The Senator from Iowa [Mr. CUMMINS] made the statement that under this proposed plan we would pay $200,000,000 more than we ought to pay. I have indicated pretty clearly that neither he nor anyone else can give us the valuation of this property, so that he can not tell whether we are paying too much for it or not; but assuming, for the sake of the argument, that the value of these properties is substantially the par value of the bonds plus the par value of the stock, that would make the valuation $17,336,300,619.

It is clear that in some instances the actual investment is less than the par value of the stocks and bonds. In others they are approximately equal. In some others the property is in excess of the stocks and bonds. Assuming that the property value of the roads is equal to the stocks and bonds, then this so-called excessive $200,000,000 which the Senator from Iowa contends the Government will pay under the plan of the committee bill would only amount annually to 1.15 per cent of the entire investment. Admit that to be so; we speak of $200,000,000 as if it were a tremendous sum, and it is; but when you distribute that $200,000,000 over the entire property investment, it only means 1.15 per cent of the total value.

But, Senators, I want to present this at another angle, if I may.

When we speak of a given sum of money we can regard it as a pretty good yardstick by which to determine values during normal times. But if, perchance, the purchasing value of the dollar has decreased, then it is not so safe a guide. Now, let me give you some facts indicating the increases in the cost of railroad supplies. These figures were presented to us in the committee. Assume the value of these different articles during the year 1897 to be $100, and make that a standard of comparison:

Bridge timbers, in 1897 valued at $100, in 1908 were valued at $157 and in 1917 at $175.

Railroad ties, in 1897 valued at $100, in 1908 were valued at $175 and in 1917 at $225.

Steel rails, valued in 1897 at $100, in 1908 were worth $149 and in 1917 $213.

Bar iron, in 1897 worth $100, in 1908 was worth $139 and in 1917 $301.

Car journal bearings, worth $100 in 1897, in 1908 were worth $124, and in 1917, $261.

Heavy freight engines, which before August, 1914, cost from $28,000 to $32,000, 18 months prior to these hearings in January of this year cost $46,000. The builders' estimated cost during the past year was $85,000. Due to the price fixing of steel, the railroads expect to get these engines at $60,000 to $65,000. In other words, they cost now substantially twice as much as they did before August, 1914.

Freight cars, that cost before August, 1914, $1,000 to $1,100, since the price of steel was fixed are quoted at $2,350.

Oil-tank cars, which before the war cost $1,200 to $1,400, now cost $3,300 to $3,600.

Mr. STONE. Mr. President, if the Senator will yield——

Mr. POMERENE. I yield.

Mr. STONE. May I ask the Senator if the railroads have been increasing their equipment to any appreciable degree on the higher-priced commodities and cars since the prices have gone up to the heights mentioned?

Mr. POMERENE. No, Mr. President. In many instances they have attempted to make the increase, and perhaps have made some increases. I can not give the Senator exact information on that subject. Suffice it to say that they have let their contracts for a large number of locomotives; but the locomotive builders were not able to furnish them even at these high prices, because under the direction of the Government they were furnishing locomotives to Great Britain, France, and Russia for war purposes.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Michigan?

Mr. POMERENE. I yield.

Mr. SMITH of Michigan. I did not hear the Senator say anything about the increased cost of fuel.

Mr. GALLINGER. Or labor.

Mr. SMITH of Michigan. Or labor. Has the Senator touched upon that question?

Mr. POMERENE. Mr. President, I have not touched upon that question, but I think we are all pretty well aware that the cost of fuel has been very much higher than it was prior to the beginning of the war, and wages in many branches of the service have been advanced.

Mr. SMITH of Michigan. I presume the facts to be that some of the railroads had laid in large quantities, in fact their normal supply, of fuel, perhaps at a slightly increased cost; but in most instances I have a very strong impression that the scarcity and the high price of fuel seriously affected the question of cost.

Mr. POMERENE. It has affected the railroads just as it has affected every other industry.

Mr. GALLINGER. Mr. President, the Senator's figures comparing the cost of railroad material between 1897 and 1917 rather startled me; certainly two or three items did. Could the Senator, without trouble, read from his notes the difference in the cost of steel rails during that period?

Mr. POMERENE. I did not give the exact figures; I was giving percentages. Assuming the price in 1897 to be $100, in 1908 the price would be $149 and in 1917, $213.

Mr. GALLINGER. I thank the Senator. I was laboring under a misapprehension. I thought he was giving the cost per ton.

Mr. POMERENE. No.

Mr. GALLINGER. But, as a matter of fact, the price has more than doubled during that period?

Mr. POMERENE. It has more than doubled.

Mr. CUMMINS. Mr. President——

Mr. GALLINGER. It occurred to me that if it was the cost in dollars some explanation ought to be given, because it startled me to think that such an increase could possibly have occurred.

Mr. POMERENE. I yield to the Senator from Iowa.

Mr. CUMMINS. The increase in the cost of material is well known, but I ask the Senator whether it is not true that the net railway operating income for the year ending June 30, 1917, was not the largest in the history of the roads?

Mr. POMERENE. There is no question about it. The Senator is correct.

Mr. CUMMINS. That being true, the future increase in the cost of these materials or supplies, whatever they may be, so long as the Government has control, will not affect the standard return at all, will it?

Mr. POMERENE. I think that is correct.

Mr. SMITH of Michigan. If the Senator will pardon me——

Mr. POMERENE. I yield.

Mr. SMITH of Michigan. Has the Senator any information going to show that the expenditure for betterments and upkeep has been as large as in the previous years?

Mr. POMERENE. I have no data on that subject at all, but it has been large.

Mr. SMITH of Michigan. Then the Senator desires the statement to stand that notwithstanding the tremendous increase in the cost of supplies and of fuel and of labor and the practically stationary rate for their income, they have made more net profits under such circumstances than in any preceding period?

Mr. POMERENE. Mr. President, if I have not already made it clear I want it understood that my comparison was based upon the fiscal years 1915, 1916, and 1917. There has been a tremendous increase in the amount of traffic on the eastern roads. Since that time there have been considerable increases in the price of wage and the price of railroad supplies. I am not able to state what that effect will be upon the net returns since June 30, 1917, but I think they will show a substantial decrease.

Mr. CUMMINS. Just a question there. No matter what those increases may have been, they do not affect the amount which the Government guarantees to the railroads?

Mr. POMERENE. After the agreement is entered into they do not.

Mr. CUMMINS. It is true, is it not, that we have proposed as a standard the average of the three years 1915, 1916, and 1917, and when that standard is applied to the earnings of those years a certain fixed amount is reached which we guarantee, and so far as all the period after July 30, 1917, is concerned the Government bears the increase in the cost of supplies and materials, no matter what it may cost——

Mr. POMERENE. I can make that perfectly clear in a word, if the Senator will allow me.

Mr. CUMMINS. I felt sure the Senator from Michigan did not fully understand the Senator from Ohio.

Mr. POMERENE. If the bill becomes a law and the President agrees to pay a given rate—$100 per year—during the period of Government control, it will have to pay that $100 per year whether the price of coal or iron or steel goes up or down. I think that states the situation. The purpose of it is to arrive at some sort of an agreement which will be fair to the railroads and put an end to this uncertainty.

I have gone into the question of prices, and so forth, more particularly with this purpose in mind, among others, that we speak of allowing the railroads an excessive sum, and when we measure it by the value of the things that the railroads have to buy it is not half as much as it seems.

Now, Mr. President, there is just another thought.

Mr. STONE. If the Senator will pardon me——

Mr. POMERENE. Certainly.

Mr. STONE. I am still in a state of confusion about one thing after listening to the Senator from Ohio and the Senator from Iowa. The basis of the Government compensation, called the standard basis or return, rests upon the average of the last three years. Is that correct?

Mr. POMERENE. That is the rule. That is the yardstick that we authorize the President to take up.

Mr. STONE. To measure the compensation by?

Mr. POMERENE. Yes; that is, he may not go above that.

Mr. STONE. As I caught the argument of the Senator from Iowa, the greater part of which I had the pleasure of listening to and a part of which I was deprived of hearing for reasons beyond my control, his argument was that the Government compensation would be based for the average year of the three years upon capital stock, while the Senator from Ohio contends that instead of that it shall be predicated upon the actual value of the property, and the Senator cited some striking examples. Now, I want to know just what the bill means in that respect.

Mr. POMERENE. I can make my position clear. As far as the Senator from Iowa is concerned, I am sorry the Senator from Iowa was not present to hear the part of the argument referring to this subject. I do not think I misstated his position, and I am not going into the argument now, except to say that the difference, in brief, between the Senator from Iowa and myself is this: He states that after paying all expenses and the interest on the bonded debt under this standard contained in section 1 of the bill we will be paying the railroads too high a return on the capital stock. My contention is that neither he nor I nor anyone else in the United States has any accurate notion as to what the value of these railroads is.

Assuming, for the sake of the argument, that the valuation is somewhat near the sum total of bonds plus stock, then the return which the Senator from Iowa says is excessive when based upon capital stock will be very much less when based upon property investment, if stock and bonds represent anything like the amount of property invested. But we must agree that many of these railroads are overcapitalized. Some of them have a capitalization which, with the bonds, represent the substantial value of the roads. There are still others that have property accounts, actual investments, in excess of both stocks and bonds. That, I think, will indicate the difference between the Senator from Iowa and myself.

Mr. President, I want to say just a few words with respect to the time the Government control shall terminate. I refer particularly to section 13 of the bill. The bill as originally presented to the committee provided that Government control should last during the period of the war and until such time thereafter as Congress might otherwise direct. The bill as reported to the Senate by the committee in that behalf provides that it shall not continue longer than 18 months after the war terminates.

I recognize the fact that there is a wide difference of opinion not only among members of the committee but among Senators and others as to what we should do after the war is over. I personally would have preferred that we end Government control within six months after the war ends. My belief is that no matter how badly the railroads may have conducted themselves in the past we are to deal with them as they now are. Congress could not take over the railroads at all except as a war measure, and, in my judgment, that means during the period of the war, and at least for a reasonable time thereafter; beyond that we should not attempt to go. The railroad companies and their stockholders and their bondholders and the entire United States are interested in this subject, and, while the railroads in many respects have not done what they ought to have done, my belief is that they have played a great part in the development of this country and the men, women, and children who have their money invested in these railroads have a right to be dealt with fairly, even at the hands of Congress.

That which depressed the value of stocks and bonds was the uncertainty of the future so far as Government control was concerned. If the roads should break down, what would the Government do? Would it do nothing and leave them to the tender mercies of war conditions, thereby crippling transportation and depressing the values of these securities? Or would the Congress do something to help them and thereby assure to them a reasonable return while the Government was controlling them and directing traffic?

I am not here to discuss the question of Government ownership or private ownership or the merits or demerits of either system. I care not from what standpoint we look at this question, whether it be from the standpoint of the advocate of Government ownership or from the standpoint of one who insists upon private ownership and control. What does honor require us to do with these railroads? They are not Congress's property; they belong to the stockholders and the bondholders. Are we doing the right thing when we take possession of these roads through the exercise of the war arm of this Government, and at the same time to say to them and those interested financially in them, "Oh, yes; we took your property as a war measure, and now that we have it we will do with it as we choose?" Ought we keep these railroads until some other Congress that believes in interminable and unlimited debate shall determine when we will let go? That is the proposition. What effect would such a course have on the value of these securities? Let me illustrate.

Suppose, for the sake of the argument, that we have a large corporation. Perhaps by reason of differences of opinions among the stockholders it has been thrown into the hands of a receiver. Or it may be for some other cause. The receiver holds the property. Stockholders and bondholders are interested in it. The officers of the corporation are also interested in it. If they have real estate rented the tenants are interested in it. All these people want to know whether the tenants shall continue to occupy the premises; and if so, for how long. They want to know whether the principal and interest on the bonds are to be paid; and if so, when? And the stockholders want to know whether they are going to get dividends or not. Perhaps those interested want to sell their bonds or their stock, and when prospective purchasers go to inquire they find the company and its property are involved in endless litigation. No one can tell when the end of that litigation is going to come and no one will buy either the bonds or the stocks or rent that property so long as there is that uncertainty about it. Does it not affect values?

Now, apply that thought to the bill here before us. Some men may be interested in Government ownership and think that this will be an opportunity by which to bring it about. Other men, because they may have some feeling of distrust with respect to private control or may want to get even with railroad companies, may want to delay legislation. Some Senators who are abso-

lutely confident of the soundness of their views concerning principles of legislation to be enacted and yet may never be able to get anybody else to agree with them will be interested in holding up this legislation and preventing its final disposition. Meanwhile the railroad organizations do not know what to do. The stockholders do not know whether it is to be Government control or private control, and the bondholders know nothing about it. Is there anyone who will take the position that, behedged by all these uncertainties, we are adding anything to the value of these stocks and bonds?

But whether it does have that effect or not, if these railroads belonged to the common criminals of this country they have the right to know what their Congress is going to do with their property.

It seems to me—and I say it with due respect to the very able men who differ from me—I have not yet heard one sound reason in favor of an unlimited control for an unlimited time of these railroads, particularly when we have taken them over as a war measure. If it is the judgment of the majority of the Senators here and of Congress that Government control should be continued or that we should have Government ownership, do not the principles of common fairness and honesty suggest that the Congress shall tell them now what they are going to do so that they may get their house in order? Those, briefly stated, are my reasons for fixing a limit for Government control now in this bill.

Mr. STONE. May I ask the Senator to give me his well-matured opinion—I use that expression because of the study he has given to this measure—as to the scope and meaning of the concluding clause of the bill?—

> But this act is expressly declared to be emergency legislation enacted to meet conditions growing out of war; and nothing herein is to be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of carriers or the method or basis of the capitalization thereof.

Now, just a word before the Senator answers. Does the Senator interpret that as a suggestion or legislative intimation of Government ownership or of Government capitalization of railroads? I have some views upon that point which I am not going to express now, but having entered as we have upon this universal program of governmental control, I have an apprehension that when we come out of it we will be faced with one of two alternatives, naniely, the taking over of the railroads into absolute Government ownership, or a capitalization of the railroads in order to protect the great interests involved, and in order that these great transportation facilities may be conducted with the greatest possible efficiency in the public interest. I anticipate that sort of an issue.

The question I ask the Senator, however, is whether this concluding paragraph is not a suggestion to the Congress and to the public that some such thing as that might be done, and at least that the doing of that thing is not antagonistic to the judgment of the honorable committee reporting the bill.

Mr. POMERENE. Mr. President, I can of course only give my own view about it, and I am not quite sure that I shall be entirely accurate in my statement of the facts. The bill as presented originally provided that Government control should continue during the war and until Congress should otherwise direct. That of itself, in the judgment of some members of the committee, had a suggestion of continued future Government control, or, it may be, of Government ownership. There were in the committee, and have been ever since I have been a member of it, many men of many minds. I understood the purpose of this language was to make it perfectly clear that by the enactment of this law the Congress would not be committing itself to any one of these policies which might have been in the minds of Senators. I think that fairly states the meaning of that language, at least as I understood it.

Mr. WATSON obtained the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Hale	King	Phelan
Borah	Harding	Kirby	Pittman
Calder	Hardwick	Knox	Poindexter
Chamberlain	Henderson	McCumber	Pomerene
Cummins	Hitchcock	McKellar	Ransdell
Curtis	Hollis	McLean	Reed
Dillingham	Johnson, Cal.	McNary	Robinson
Fernald	Johnson, S. Dak.	New	Saulsbury
Fletcher	Jones, N. Mex.	Norris	Shafroth
France	Jones, Wash.	Nugent	Sheppard
Frelinghuysen	Kellogg	Overman	Simmons
Gallinger	Kendrick	Owen	Smith, Ga.
Gore	Kenyon	Page	Smith, Mich.
Smith, S. C.	Thomas	Vardaman	Williams
Smoot	Thompson	Wadsworth	Wolcott
Sterling	Tillman	Warren	
Stone	Trammell	Watson	
Sutherland	Underwood	Weeks	

Mr. BECKHAM. I desire to announce that my colleague, the Senator from Kentucky [Mr. JAMES], is absent from the Senate on account of illness.

The PRESIDING OFFICER. Sixty-nine Senators having answered to the roll call, there is a quorum present. The Senator from Indiana will proceed.

Mr. WATSON. Mr. President, from the financial standpoint this is the most colossal proposition ever presented to any legislative body in the history of the world.

It involves $18,000,000,000 in property.

It involves securities of an almost equivalent amount, which enter into, if indeed they do not form the basis of, the financial stability and the commercial prosperity of the Nation.

It involves taking this vast property from the hands of those who made it and those who own it and committing it to the operation and control of the Government.

It involves transferring the authority to make rates from the legislative to the executive branch of the Government.

And, if the time limit set forth in the last section be stricken out, it may prove to be the first step in the Government ownership of all the transportation facilities and all the methods of communication of the entire land.

And, therefore, we are warranted in the assertion that this measure wears features more extraordinary if not, indeed, more startling than any hitherto met with in the legislative annals of the world.

THE AMERICAN PRECEDENT.

Senators, this is not the first time in our history that the exigency of war has called forth legislation of this character. In our civil conflict it became necessary, in the judgment of the President and of Congress, to take over the railroads as a matter of military necessity, and to that end Congress in 1862 enacted the following statute:

> *Be it enacted, etc.*, That the President of the United States, when in his judgment the public safety may require it, be, and he is hereby, authorized to take possession of any or all the telegraph lines in the United States, their offices and appurtenances; to take possession of any or all the railroad lines in the United States, their rolling stock, their offices, shops, buildings, and all their appendages and appurtenances; to prescribe rules and regulations for the holding, using, and maintaining of the aforesaid telegraph and railroad lines and to extend, repair, and complete the same in the manner most conducive to the safety and interest of the Government; to place under military control all the officers, agents, and employees belonging to the telegraph and railroad lines thus taken possession of by the President, so that they shall be considered as a post road and a part of the Military Establishment of the United States, subject to all the restrictions imposed by the rules and articles of war.
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> SEC. 3. *And be it further enacted*, That three commissioners shall be appointed by the President of the United States, by and with the advice and consent of the Senate, to assess and determine the damages suffered or the compensation to which any railroad or telegraph company may be entitled by reason of the railroad or telegraph lines being seized and used under the authority conferred by this act, and their award shall be submitted to Congress for their action.
>
> SEC. 4. *And be it further enacted*, That the transportation of troops, munitions of war, equipments, military property, and stores throughout the United States shall be under the immediate control and supervision of the Secretary of War and such agents as he may appoint; and all rules, regulations, articles, usages, and laws in conflict with this provision are hereby annulled.

And I especially call your attention to the latter portion of section 5 of said act, which provides:

> That the provisions of this act, so far as it relates to the operating and using said railroads and telegraphs shall not be in force any longer than is necessary for the suppression of this rebellion.

And, sir, while we are legislating in accordance with a portion of this precedent it might be equally wise for us to follow it all.

Mr. President, a glance at section 1 of this act shows that it granted wider powers than those conferred by the pending bill; for by it the President was not only authorized to take over all the railroads of the country, but also all the telegraph lines as well; and not that alone, but to place all the property thus taken under military control and to make all the operatives of both these systems Federal employees.

It will be observed that section 3 of this act authorizes the appointment of a commission to determine the question of compensation and that their decision was to be reported to Congress for their action. However, this could have been intended only as preliminary or tentative, because the right of appeal to the court could not have been denied in that case or in this instance.

But, Senators, so fearful were the eminent men who composed that Congress of the exercise of autocratic powers by the President; so jealous were they of the rights and prerogatives of the legislative branch of the Government, and so

determined were they to cling to what they regarded as the real fundamentals of our institutions that, in 1863, they passed the following resolution limiting the powers granted by the act just cited:

Resolved, etc., That an act entitled "An act to authorize the President of the United States in certain cases to take possession of railroad and telegraph lines, and for other purposes," approved January 31, 1862, shall not be so construed as to authorize the construction of any railroad, or the completion of any line of road, the greater part of which remained uncompleted at the time of the approval of said act, or to engage in any work of railroad construction. And so much of said act as authorizes the President of the United States to extend and complete any railroad is hereby repealed.

So that at all events we have a conspicuous precedent in our own history for the general principle involved in this legislation.

THE PRESIDENT'S AUTHORITY.

Mr. President, all the features of this bill are of sufficient importance to demand a most diligent study on the part of every Senator, but the three distinctively important sections are the first, which defines the standard rate; the tenth, which designates the rate-making authority; and the thirteenth, which fixes a limited time on governmental control. These excited the most prolonged debate in the committee and they will doubtless arouse the greatest interest here.

The President did not take possession of the railroads under the general war powers of the Constitution, but pursuant to an act passed by Congress on the 29th day of August, 1916. Section 1 of that act provided in part that—

The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system, or systems of transportation, or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other travel thereon, for the transfer or transportation of troops, war material, and equipment—

Then followed this generalization—

or for such other purposes connected with the emergency as may be needful or desirable.

It is idle for us to discuss whether or not he was authorized by the provisions of this act to take complete possession of all the transportation systems of the country for all purposes. In my judgment he was not so authorized. But he has otherwise construed the act; he has taken such possession, and therefore a discussion of his power to do so would at this time be wholly academic.

In his proclamation notifying the country that he had taken possession of the railroads he said:

I have exercised the powers over the transportation systems of the country which were granted me by the act of Congress of last August, because it has become imperatively necessary for me to do so.

And, as if further to show that he derived his authority from this statute, he recited in another clause of his proclamation that he took possession and assumed control through Newton D. Baker, Secretary of War, as is provided in the act just quoted, thus conclusively showing that, in his judgment, he derived his authority to act through the law of August 29, 1916.

Construing his authority as complete, he has taken possession of the railroads; he is now operating them through the Director General; he has construed the act of Congress as sufficiently broad to clothe him with this power; and therefore any further discussion of his right to do so can throw no light on or add anything of value to the pending measure.

A FEW FUNDAMENTALS.

Before beginning a detailed discussion of section 1, I desire to cite a few elementary principles, the very announcement of which will obtain for them a ready acceptance by all:

First, the railroad properties of the United States are privately owned. It is not intended by this measure to expropriate the owners. The Government does not seek to transfer the title. All this act provides is that the President shall take possession of the railroads and control and use them for all purposes. If we were seeking the title to these properties, it would be necessary for us to pay the owners their full value; but we are taking only the possession, control, and use of the transportation systems of the country, and, therefore, all that we are seeking to do by this legislation is to furnish a method of determining a just compensation for what we take.

It will not be forgotten, of course, that under the fifth amendment to the Constitution private property can not be taken for public purposes without just compensation; and this legislation is sought in order that the whole question of compensation may be amicably determined, if possible, without litigation; and yet, if such agreement can not be reached, providing the proper tribunal to finally determine it.

Senators, we are all familiar with the principle that Congress has no power to determine the measure of just compensation. That is exclusively a judicial function and must be finally settled by the courts alone.

After the President had taken over the railroads and it became necessary to compensate the owners for the property thus wrested from their hands, two courses were open to Congress: First, to commit the whole subject to the courts, by an appropriate resolution, and permit the entire question of compensation to be determined without any further legislative action. Second, to designate some outside authority—as in this case, the President—and confer upon him power to agree with the railroads as to the measure of just compensation. Congress might confer upon him unlimited power, but this bill does not go so far; it only provides a maximum beyond which he may not go. It merely sets forth terms upon which he may trade with the railroads and upon which they may agree, so that the whole question can be settled without litigation.

If the President and any railroad agree as to the terms of just compensation for taking over its property, then the question is settled as to that road. If the President and any one road can not agree, then a tribunal is established for the determination of the question, and under the provisions of the Constitution recourse may be had to the courts as a last resort in the adjudication of the issue.

SEVERAL BASES.

Mr. President, during the progress of the hearings before our committee several suggestions were made as to a proper basis for computing just compensation. One was that the market value of all the stocks and bonds of all the railways should be taken as a basis, and that a percentage of income on this value should be allowed to the railroads.

The objection to that was twofold: First, because stocks very often do not represent the real value of the property, and, secondly, because they so frequently and so violently fluctuate in price and are so often subject to manipulation and speculation that they could not form a sound basis upon which to determine the value of the use of the property they represent.

A second basis proposed was that the actual value of each railroad property be taken and that the rate of income on this value should be fixed by this act. The all-sufficient answer to that was that the war would probably be over before we could ascertain the value of each railroad property. A commission has been working on that problem for some years and it will be at least another year before their labor can possibly be concluded. Therefore this suggestion could not be adopted.

Another proposition was that we should provide for a reasonable rate of interest on the original cost of construction plus the money actually invested that was derived from the sale of securities.

I regard this as an absolutely illogical proposition, because it is impossible of achievement. Nobody knows, and nobody ever can ascertain, the original cost of construction, and that alone renders impossible the adoption of that basis.

The plan proposed in this bill appeared to us to be the most feasible and the most practical under all the circumstances. It is not ideal, but nothing ideal should be asked at this time. The railroads have been taken over, compensation must be made, legislation can not be long delayed, and therefore this plan was agreed upon as the best under all the circumstances to properly compensate the owners as well as to fully protect the Government.

JUST COMPENSATION.

Mr. President, this measure authorizes the President to offer each railroad as a just compensation for its possession, control, and use:

First. An annual payment equal to the average yearly income of that road for the three years ending June 30, 1915, June 30, 1916, and June 30, 1917.

Second. In addition thereto an agreed rate per cent on the cost of all improvements, approximately $130,000,000, made between June 30, 1917, the end of the fiscal year, and December 28, 1917, the date of taking over the roads.

Third. To guarantee the maintenance of the road at its present efficiency during the period of Government control.

Fourth. An agreed rate per cent on all betterments made during the operation of the road by the Government.

In addition to these stipulations other inducements to the roads to accept these terms are provided.

Section 6 authorizes the President to order additions or improvements to any road, as in his judgment they may be needed, to be paid for, if necessary, out of the revolving fund provided by this measure, and to be later accounted for in accordance with some plan to be hereafter agreed on.

Section 7 provides that any carrier may, in order to meet its financial obligations, issue such additional securities as will enable it to do so, and authorizes the President to buy such securities, if in his judgment it may be necessary. Thus we see that the President is authorized to make all needful ar-

rangements, through agreement with the various roads, to operate and maintain and finance all the transportation systems of the country as a nationalized unit, and thus insure the greatest possible results for the purposes of war.

And so, Senators, at the very threshold of this discussion we are confronted with this question, Are the terms authorized by this bill insufficient or more than sufficient to guarantee full compensation to the roads for their possession, control, and use during the period of the war?

It should be borne in mind throughout this discussion that Congress is not seeking to adopt an inelastic rule of just compensation, but that it is only authorizing the President to trade with the roads and is establishing a maximum limit beyond which he may not go in making the trade. Is the rule herein provided unfair? Is it unjust either to the Government or the stockholders?

The senior Senator from Iowa [Mr. CUMMINS], as well versed on this question as any man in the Republic, has argued with great force that the President will, as a matter of course, pay the railroads the amount of the standard return herein provided, and has argued that some of these returns are unjustifiable. Mr. President, all we can do is to look to the language of the bill to determine the authority of the President in this connection. It expressly provides that the President is authorized to guarantee as just compensation to any carrier making operating returns to the Interstate Commerce Commission an amount "not exceeding an annual sum" payable each year.

Whether or not the return received by any railroad is too high or too low depends upon the opinion of the man pronouncing judgment; but we have every reason to believe that, if the President shall conclude that for the past three years some of the railroads have been paying out to their stockholders unwarranted dividends, and that therefore the amount they would receive under the provisions of this bill would also be unwarranted, he could deal with that railroad in accordance with the facts and provide for a return that, in his judgment, would be justifiable. In other words, the President is not compelled by the terms of this bill to pay the maximum herein provided, but it is a matter of discretion with him as to how far he shall go, within the limits herein established, in making an agreement with each railroad. We have no right to prejudge his decision by declaring in advance that it will be otherwise than as just as can be made under the existing conditions.

Is the rule herein provided unfair? Is it unjust to either the Government or the stockholders?

It may somewhat illuminate the subject to remember that in 1914 the Government of England took over the operation of their transportation systems, and, in fixing a measure of just compensation, they guaranteed to the railroads an equivalent for the net operating income for the year 1913, with certain modifications, that having been the most prosperous one in the history of those systems in that country.

The Government there, as would the Government here under this authorization, took all the revenue above the standard return, and so satisfactorily has the plan operated that the Government will no longer publish the returns received from this source.

Under the ruling of our Interstate Commerce Commission class 1 includes all the railroads of this country whose annual operating income exceeds a million dollars. The average property investment on all the railroads of that class in the United States for the three years ending June 30, 1917, totaled $16,873,832,797. Their average net railway operating income for the three years amounted to $896,259,264, or 5.31 per cent on the property investment.

The aggregate property investment of all the railroads of all classes on the 31st day of last December amounted to approximately $18,000,000,000, and the average income of all these roads for the three years ending June 30, 1917, was substantially nine hundred and forty millions, or about 5.25 per cent. This sum is the maximum amount that may be paid to all the railroads that are to be retained in accordance with the proclamation of the President, and may largely be reduced by agreement.

For it has not yet been definitely determined what roads will and what roads will not be operated by the Government, and, under section 13 of this bill, the President has until the 1st day of July, 1918, to determine that question; but whatever they may be, this measure if enacted into law practically guarantees as a maximum the average dividend declared by such roads as are taken over as were paid for the last three years, and therefore this average return for all of the railroads of practically 5.30 per cent on the investment certainly can not be held to be extravagant; and, as herein provided, other arrangements can be made by the President and any railroad that paid no dividends in the period covered by the standard return, and a less sum may be paid to any road that has been distributing extravagant dividends.

ANOTHER STATEMENT.

The 38 railway systems of the eastern district are of tremendous importance to the country. They comprise something more than a fourth of the mileage and do a much larger proportion of the business. Here the great congestion early occurred and has ever since continued, and here the great burden of the country's transportation falls.

I shall not weary the Senate with a recital of figures, but shall content myself with a few generalizations that I believe will explain the situation quite as fully as an imposing array of statistics.

Taking the annual income of these roads for the last 15 years and comparing that income with the average rate authorized by this measure, it will be found that with most of these roads and for most of the years in that period the average return exceeded the average provided by this bill. I will give but a few instances to emphasize this statement:

The average annual return for the Delaware, Lackawanna & Western was greater for 9 of the last 15 years than the average return authorized by this law.

For the Detroit & Mackinaw it was greater for 12 years, for the Hocking Valley it was greater for 9 years, for the Lehigh Valley it was greater for 13 years, for the Maine Central it was greater for 5 years, for the New York Central it was greater for 2 years, for the Pennsylvania it was greater for 10 years, for the Pere Marquette it was greater for 4 years, for the Reading it was greater for 4 years, for the Wabash it was greater for 5 years, for the Toledo, St. Louis & Western it was greater for 10 years, for the Wheeling & Lake Erie it was greater for 7 years.

So that, so far as the average per cent authorized by this bill is concerned, certainly no one can claim that it is at all unreasonable.

ANOTHER WAY OF STATING IT.

The average per cent of net operating income on the property investment of these 38 roads for the three-year period ending June 30, 1902, was 5.37; for the three-year period ending June 30, 1905, was 5.51; for the three-year period ending June 30, 1908, was 5.70; for the three-year period ending June 30, 1911, was 5.47; for the three-year period ending June 30, 1914, was 4.68; for the three-year period ending June 30, 1917, was 5.31; and thus it will be seen that the average return for the three-year period ending June 30, 1917, the period of the standard return provided in this bill, was less than the average return for any other three-year period, save one, in the last 18 years. Viewed from this standpoint the rate herein proposed can not be fairly criticized as being extreme.

The average annual return on all the railroads of the United States was greater for 1902, 1903, 1905, 1906, 1907, 1910, 1916, and 1917 than the average for the three years under the provisions of this bill, and therefore it can not be fairly claimed that the per cent of returns authorized by this proposed legislation is unreasonable, or that it is unjust to either the railroads or the Government.

SOME COMPARISONS.

Compared with returns upon investments in other fields of industry, the one here contemplated is even meager, made so because railroads are subject to governmental regulations, while the others are not.

It is generally known that it takes $5 of railroad investment to produce $1 of earnings. Bituminous coal mining produces $2 gross revenue for every dollar of capital invested; anthracite mining, 60 cents; packing-house products, $3.39; milling, $2.48; oil refining, $1.30; cotton manufacturing, 56 cents; wool manufacturing, 98 cents; automobile manufacturing, $1.32; glass furnaces, 80 cents; rolling mills, 37 cents; canning and preserving, $1.33; the railroads, 20 cents; and thus it will be seen that, as compared with the earning capacity of capital in other investments, the provisions of this bill can not be said to provide for an exhorbitant guarantee to railroad investors.

VALUE OF USE.

It was argued with great force before the Committee on Interstate Commerce that the value of the use of what the Government took over is what the compensation should be, a proposition that, from the legal standpoint, is sustained by all the courts, and that is what the committee has attempted to approximate in its authorization to the President to trade with the roads.

But the argument was carried still further, the contention being that the value of the use of the property at the very time it was taken over is the real measure of its value, and that this sum, once ascertained, should be reflected in this bill.

I do not agree with this contention. It is quite true that it would be unfair to take the value of the use in 1915 as the meas-

ure of compensation for the roads taken over in 1917, for an expenditure of $2,000,000,000 was made on the roads between June 30, 1915, and June 30, 1917; but it is equally unfair to ask that the value of the use at the very time of the taking over should be the determining factor in fixing just compensation for the reason that unusual conditions caused an immense increase in the traffic of the country just at and before that particular time.

If one were seeking to buy the establishment of Woodward & Lothrop or Parker & Bridget he would not be content to take the value of the trade the last two weeks before Christmas in order to ascertain the financial returns of the institution, for common knowledge would teach him that there is a great volume of trade at just that particular time. He would be compelled, in order to ascertain the real value of either store, to take the receipts for a series of months, or even years, before he could arrive at a just conclusion as to the real value of the property.

The same is true of the railroads. It is manifestly not unfair to take the traffic and the profits and the financial status of these carriers for a three-year period in order to ascertain the value of the use taken by the Government, for in this adjustment of the standard return the amount of money appropriated since 1915 is thus accounted for and its revenue-producing ability is not lost sight of. This method of determining the standard return seems to me to be entirely justified on every reasonable hypothesis.

ADDITIONAL GUARANTY.

I am well aware of the fact, Mr. President, that in addition to the return per cent above set forth, the President is authorized to guarantee the upkeep of each railroad taken over and to maintain its equipment at its present standard of efficiency. To do this he is authorized to use part of the revolving fund herein established, or he may use the surplus earnings of the roads over and above the standard return, which, under the provisions of this bill, go into the Treasury.

Senators, this may seem as if we were seeking to deal with the railroads in most generous fashion, and yet, when carefully analyzed, the compensation is by no means extravagant. It must not be forgotten that the average annual rate of 5.31 per cent guaranteed the railroads by this bill is net return, with only taxes to be deducted. Assuredly if the Government takes over the roads and allows them but 5.31 per cent, the average return on investment for three years, and then requires them to maintain their own properties at their maximum efficiency out of those earnings, certainly no one will assert that that is a fair rate.

Assuredly the roads should be permitted to at least preserve their present financial status while being operated by the Government, and it is certainly most desirable that investors in railroad securities should not be placed in a worse position now than they were under private management.

Senators, I make bold to say that, even though the amount guaranteed by this bill were extravagant, yet it is far better for us to deal generously with these properties than it is to plunge the entire transportation system of the United States into litigation that will inevitably last throughout many months.

Senators, the President has taken over these properties; he has dispossessed the owners; they no longer have the right to operate their own roads; they are debarred from the privilege of reaping the reward of their own industry and frugality; they can no longer draw dividends on their own investment, save as it is guaranteed by the Government. These people who, through a series of years, have invested their savings in railroad shares, now that the use and possession of their property have been forced from them, are entitled to a fair compensation, and especially in view of the fact that the returns for many years have been rendered legal by the action of the Interstate Commerce Commission. The railroads have not made the rates; the railroads have not fixed the returns on invested capital; that has been the work of the Interstate Commerce Commission, the deputy of Congress for that purpose, and therefore the returns through all these years have been legalized by an agency of the Government.

Shall it be said, therefore, that a comparison with those rates is an unfair one? Shall it not rather be assumed that past rates are just and reasonable and that the present law should authorize at least as great a return as those heretofore permitted, yea, enforced by the Interstate Commerce Commission?

Undoubtedly there will be something of inequality in the results obtained under the operation of this bill. Undoubtedly some railroads will be paid more and some may be paid less than they are fairly entitled to receive. If we were working out an equitable scheme for all the future and had abundance of time in which to complete the task, we should undoubtedly be able to device more impartial plans and arrive at juster conclusions.

But it must constantly be borne in mind that this is a war measure, that it is hasty legislation, that it is forced upon us by extreme conditions, and that the ideal under such circumstances is impossible of accomplishment.

WHAT IS REALLY PAID.

As above stated, the net average railway operating income herein provided for class 1 roads amounts to $896,259,264. Adding the average net operating income for classes 2 and 3 the maximum guaranty which the President is authorized to make all the railroads of the United States under the provisions of this act is $935,000,000, and this is approximately $100,000,000 below their income in 1917.

The President is authorized, in addition to the above, to agree with the railroads upon a rate per cent on all investments made between June 30, 1917, the end of the fiscal year, and December 31, 1917, the time of taking over the railroads. That sum is approximately $130,000,000. If the President and the roads should agree upon a 5 per cent basis, that would amount to $6,500,000. Adding that to the $935,000,000 above set forth and the maximum sum on which the President and the railroads can agree, under the provisions of this bill, is thus seen to be $941,500,000.

But, Mr. President, it must not be forgotten that out of this sum the railroads pay their excess-profits tax, which Commissioner Anderson testified to our committee would be between $50,000,000 and $90,000,000. This bill provides that that sum should be deducted from the payment made to the railroads, because the stockholders in the railroads must pay their excess-profits tax the same as those in any other line of business.

From that sum must also be deducted the interest on the bonds, which amounted last year to approximately $450,000,000.

Mr. President, in 1912 the railroads paid approximately $339,000,000 in dividends; in 1914, $376,000,000; in 1915, $259,000,000; in 1916, $281,000,000; and in 1917, approximately $300,000,000.

It is quite true that gross incomes for 1916 and 1917 were much higher than for previous years, but because of the vastly increased expenses of operation, including cost of equipment and higher wages, the net income was but slightly greater than for previous years.

It is worthy of remark also, to which attention has been called by the Senator from Ohio [Mr. POMERENE], that the purchasing power of a dollar at this time is not over 60 per cent as great as it was in 1914, and this should be taken into account in estimating the surplus.

And, Mr. President, it will not be forgotten by those who are taking an interest in this legislation that the stockholders will receive not more than their average dividend for the last three years, and that all surplus over and above such average dividend is to be either put back in the road, returning the dividend in the form of betterments, or else turned into the Treasury to become public money.

NECESSARY TO AVOID LITIGATION.

Senators, the railroads are not compelled to accept any terms ordered by the President. They have their rights. They are protected by the Constitution and the law of the country. This property is theirs, and they can not be dispossessed without just compensation; and, therefore, it is better for us, under existing circumstances, to deal generously with these roads than to have $18,000,000,000 of securities plunged into litigation, with all that that means to the finances of the country at the present crucial time.

We know that the Secretary of the Treasury contemplates an immediate bond issue running into the billions. Will anybody contend that the Government can sell these bonds when $18,000,000,000 of securities that form the foundation of our financial stability are rendered insecure by litigation? Is it the part of wisdom to drag these vast properties into court and thus to shake the very foundations of our financial strength and our monetary stability in order to drive a hard bargain with the owners of the railroads?

For myself, I would rather pay more than they are worth than to involve them in litigation, than to suspend them in mid-air, than to unstabilize the value of these securities, than to strike fear to the hearts of all their holders, than to cast a shadow over the whole financial problem of the country at a time so perilous.

In my judgment, we can not afford to delay the immediate settlement of this problem. We should deal with a generous hand with these roads rather than have them seek the courts to adjudicate their claims.

It is the hope of the committee that the terms offered in this bill will be accepted by practically all the roads, and that the entire matter can thus be amicably disposed of in a comparatively short time and without litigation. It is either that or else drag them all into court and plunge them all into litigation, and thus tie the hands of those who are endeavoring in this extreme crisis to deal with the great financial problems that confront and complex us.

This is no time for extreme measures in the financial world. This is no time to foster doubt, to create distrust, to incite dissensions. Rather should we exert ourselves to the utmost to maintain peace here and to promote harmony in all the fields of domestic activity.

Ten billions of liberty bonds must soon be sold or we shall fail in our great task; and in order to make sure the success of this Herculean undertaking we must stabilize these railroad securities, and all others based on them, and thus sustain the confidence of all our people in the financial stability of the United States.

RATES REASONABLE.

I am not unmindful of the fact that complaint is made because some railroads have received much larger sums as earnings and have paid much heavier dividends than others, but this has resulted because of the legal necessity imposed upon the Interstate Commerce Commission to make rates uniform throughout the country.

Let us suppose that there are two roads running through the same territory, and that one of them, for various reasons, secures and handles the burden of the traffic, receives the heavier returns, and pays the larger dividends. If the rate be raised in order to stimulate the earning capacity of the other road, the returns of the first road are thereby rendered all the greater and the dividends all the larger; whereas, on the other hand, if the rate be lowered in order to prevent the more successful road from distributing such large dividends, then the weaker road is still further crippled or rendered altogether useless and the successful road is left without any competition whatever. This will always be true while rates must be kept uniform and competitive.

Senators, this is the direct result of the legislation of past years compelling competition and forbidding the pooling of either traffic or earnings.

UNEQUAL REVENUE.

It is undoubtedly true that some railroads have earned and distributed greater dividends for the last few years than others, but this is no time to remedy this evil, if evil it be. This is no time to readjust the whole rate system of the country; nor should anyone seek to take advantage of the present situation to attempt to equalize earnings and adjust financial inequities. This inequality of earning capacity, of receipts and dividends, has grown up under the direct supervision of the Interstate Commerce Commission. The whole system has been legalized, and I submit that this is no time to attempt to remedy all the evils that have been evolved out of so complex a fabric as the railroad corporations of this country.

Rather let us have the roads operated as they are, let the dividends be paid as they have been, and then at the close of the war we can by appropriate legislation cure the defects and remedy the evils that are now so apparent to us all. This is a war measure, and it is not intended to be remedial legislation.

During the progress of this discussion the dividends paid by certain roads have been recited as showing the unfairness of this legislation and the injustice done the people because of the sums that will thus be paid to these corporations.

But, sir, I submit that it can not be fairly argued that the mere volume of business transacted by each road or the aggregate dividends it pays to its investors is evidence of the unfairness of the rates on its traffic or of unjust methods in its dealings.

Fortunately, we are not left to the wide field of conjecture in the determination of this question, for the courts have decided this very point time without number and the line of authority is unbroken on this issue.

In the case of Cotting against Kansas City Stock Yards Co. (183 U. S. Courts), the Supreme Court, speaking upon this very point, quite forcefully and cogently says:

> Pursuing this thought, we add that the State's regulation of defendant's charges is not to be measured by the aggregate of his profits or determined by the volume of his business, but by the question whether any particular charge to an individual dealing with him is, considering the service rendered, an unreasonable exaction. In other words, if he has a thousand transactions a day and his charges in each are but a reasonable compensation for the benefit received by the party dealing with him, such charges do not become unreasonable because by reason of the multitude the aggregate of his profit is large. The question is not how much he makes out of his volume of business, but whether in each particular transaction the charge is an unreasonable exaction for the service rendered. He has a right to do business. He has a right to charge for each separate service that which is reasonable compensation therefor, and the legislature may not deny him such reasonable compensation and may not interfere simply because out of the multitude of his transactions the amount of his profits is large. Such was the rule of the common law even in respect to those engaged in a quasi public service independent of legislative action. In any action to recover for an excessive charge, prior to all legislative action, who ever knew of an inquiry as to the amount of the total profits of the party making the charge? Was not the inquiry always limited to the particular charge and whether that charge was an unreasonable exaction for the services rendered?

In Canada Southern Railway Co. *v.* International Bridge Co. (S. App. Cas., 723, 731) Lord Chancellor Selborne thus expressed the decision of the House of the Lords:

> It certainly appears to their lordships that the principle must be, when reasonableness comes in question, not what profit it may be reasonable for a company to make, but what it is reasonable to charge to the person who is charged. That is the only thing he is concerned with. They do not say that the case may not be imagined of the results to a company being so enormously disproportionate to the money laid out upon the undertaking as to make that of itself possibly some evidence that the charge is unreasonable with reference to the person against whom it is charged. But that is merely imaginery. Here we have a perfectly reasonable scale of charges in everything which is to be regarded as material to the person against whom the charge is made. One of their lordships asked counsel at the bar to point out which of these charges were unreasonable. It was not found possible to do so. In point of fact, every one of them seems to be, when examined with reference to the service rendered and the benefit to the person receiving that service, perfectly unexceptionable according to any standard of reasonableness which can be suggested. That being so, it seems to their lordships that it would be a very extraordinary thing indeed, unless the legislature had expressly said so, to hold that the persons using the bridge could claim a right to take the whole accounts of the company, to dissect their capital account, and to dissect their income account, to allow this item and disallow that, and, after manipulating the accounts in their own way, to ask a court to say that the persons who have projected such an undertaking as this, who have encountered all the original risks of executing it, who are still subject to the risks which from natural and other causes every such undertaking is subject to, and who may possibly, as in the case alluded to by the learned judge in the court below, have the whole thing swept away in a moment, are to be regarded as making unreasonable charges, not because it is otherwise than fair for the railway company using the bridge to pay those charges, but because the bridge company gets a dividend which is alleged to amount at the utmost to 15 per cent. Their lordships can hardly characterize that argument as anything less than preposterous.

And it is worthy of observation that this same principle runs through all the decisions of the courts on the point in question. And so the mere fact that some railroads have distributed larger dividends than other railroads is no reason why at this time we should seek to equalize those inequalities or to rearrange those inequities, and especially when these have been already legalized by the action of the Interstate Commerce Commission.

ANOTHER VIEWPOINT.

Take the Chicago, Burlington & Quincy Railroad, cited by the Senator from Iowa as having distributed 26 per cent as dividends on its earnings. What does that argue? Simply that that road, either because its builders had the foresight to construct it through a better freight and passenger producing territory than its competitors, or because the country it serves has since become a more productive one for traffic, partly due doubtless to the railroad itself, or because it handles freight and passengers more swiftly and more safely, or because of the efficiency of its advertising force, or because of the intelligent activity of its business-getting organization, or because of certain economies practiced, or because of all these reasons combined, that that road has been able to make more money than its competing line and therefore has paid larger dividends to its stockholders. But it must not be forgotten that that has all been done under governmental regulation. It has all been accomplished under the direct supervision of the rate-making authority. Is that any reason why those dividends should now be denied to those investors? Does that furnish a rational basis for arguing that these people should be refused the same rate of return on their investments under this form of governmental control that they received under the last form of governmental control?

I am not unmindful of the contention that these roads are quasi-public corporations; that their very existence depends upon a franchise granted by the public; that they, to a limited degree, exercise governmental functions, as in the right of eminent domain; and that therefore they are entitled to earn nothing but a fair per cent, say, 5 or 6 on the investment made. In fact, we are now hearing the novel doctrine announced that if the Government decides to take over the title to all the railroads and enter upon a period of Government ownership it will not be necessary to pay the stockholders the value of the property in order to expropriate them, but that all they are entitled to receive is a fair rate of interest on the original cost of construction and the capital that has since been added from the sale of securities. This means that the shareholders are entitled to no portion of the earn-

ings, and that if they have denied themselves dividends in order to put these earnings back into the property by way of betterments, nevertheless the Government is entitled to all the increased value of the property from such invested earnings and that the stockholders have no right to share with it in that increment.

I grant you, sir, that if in the future we are to operate all the railway systems of the country as one unit under governmental control, an equal return will be just and equitable, but I can not concede that as to the past, where practically the entire success of railway operation was wrought, and the whole value of the property was developed, by capable management.

Mr. President, I believe that it is a fallacious doctrine of economy that holds that all there is to any business is the capital invested and the labor employed. Rather, I believe that every successful enterprise rests upon the three elements of capital, labor, and management.

We all believe that capital is entitled to a fair return; we are all well aware of the economic truth that the wages paid labor are the surest barometer of a nation's prosperity and the best evidence of a nation's abiding welfare; but, nevertheless, management can not be left out of the calculation in accounting for the success of any enterprise.

We are all constantly pouring out our heartfelt tributes of praise to our gallant soldier boys and stand ready to support them with all the resources of this mighty land; but yet, sir, we look to the general to lay out the plan of campaign and to manage the forces we place at his disposal. We pay the general $8,000 a year and the soldier $360 not because the private is less patriotic or less essential to warfare or less deserving of our love, but because we depend so much upon management to fight battles and win victories.

Capital is always plentiful and can be had on good security at reasonable rates; labor is always abundant and can be had at fair wages; and in the vast majority of instances failure is traceable not to the lack of either of these elements, but to the absence of successful management. Is this third essential, therefore, to be denied all participation in the profits of the concern? Even with the railroad company dependent upon a public franchise, is the successful management by which it has been built up through many years not to be taken into account in ascertaining its earning capacity?

Let us suppose two roads running through the same general territory, obtaining franchises from the same authority, having substantially the same earning capacity. The managers of one pay large dividends and apply only a small portion of the revenues to the upkeep of the property, just enough to insure its profitable operation. The managers of the other, however, pursue a different course. They pay only a fair dividend and year after year expend all the undivided profits on the roadbed, sidetracks, terminals, improved cars and engines, and, in general, take a just pride in betterments.

In the one instance the earnings have been distributed to the stockholders and have been expended for personal use; in the other, a good part of them are here, in tangible form, in the improved condition of the property. Shall there, then, be no distinction between them, if the Government is to take over their roads? To so argue is to penalize thrift and good management and economy and to place a premium on carelessness and selfishness and inefficiency.

But it is answered that this leveling of the earnings of all the roads is rendered both necessary and just because they are essentially creatures of the Government and can not even exist without a franchise.

Senators, we have a measure pending in this body now that will compel practically every business in the entire country to secure a license to do business from the Secretary of the Treasury. So that, if it become a law, permission granted under its provisions will virtually constitute a franchise, a Government license to engage in the business specified. Simply because such license or franchise is granted, will anyone say that each enterprise thus licensed shall receive the same return on its capital as every other enterprise, or that each shall realize the same dividends as every railroad is to receive under this act, or that none of them shall be entitled to receive more than 6 per cent on their investment?

I know, Mr. President, that here is the place that various schools of thought in this country step in. As to the railroad property, the members of those schools announce that capital plus management are entitled to but a small percentage of the earnings so long as private ownership is endured.

When confronted with the argument that other concerns, not dependent on the Government for a franchise, are permitted to earn much larger dividends on the capital invested, they at once assert that the Government should either license or take over all properties, so that there should be an absolute level of earnings allowed by the State in all enterprises and on all investments, as the only way in which to promote a just and lasting equality among men. This is the inevitable conclusion of their doctrine; the sure result of their theory followed to its logical finality.

Mr. President, I am as much opposed to the extreme individualist as I am to the extreme collectivist, but, nevertheless, I still insist that whenever you destroy individual initiative, whenever you take away the individual incentive to self-betterment; whenever you undermine the individual desire to accumulate and to progress, you bring the whole of the people to the dead level of a blighting and mildewing mediocrity and strike a blow at the very vitals of a republican form of government.

AUTHORITY TO MAKE RATES.

Mr. President, the next important question involved in this controversy grows out of and is based upon section 10 of the pending measure. It confers upon the President of the United States power to initiate rates, subject to revision upon complaint by the Interstate Commerce Commission.

It can not be denied that rate making per se is a legislative function and does not fall within the purview of the Executive authority. I could very well wish myself that there were no exigency like that which confronts us, but the fact remains that there is and that extreme measures are always necessary in order to successfully cope with extreme conditions.

Congress has the sole right to fix rates. This power has been recognized by the courts over and over again, and there is no break in the uniformity of the decisions on this point. Personally, I should never consent to transfer this authority except upon the most exigent necessity, but I have reached the conclusion, not indeed without difficulty, that the present situation warrants this change.

This bill is a war measure. It deals with an unusual situation, and therefore confers unusual power. It bestows upon the President an authority that but very few would dream of placing in his hands in a time of peace, but it is essential that the railroads should be nationalized, that the entire transportation system of the country should be operated as a single unit, that waste should be eliminated, that congestion should be relieved, that expenses should be curtailed, that everything essential to the successful conduct of the war by this country should have just precedence, and that in order to meet the great demands now made upon us there should be a perfect coordination of the various railroad systems of the United States. This means, of necessity, that their control and operation should be placed in the hands of the executive department of Government. The Congress can not run the railroads; the judiciary can not run the railroads; and while in a time of peace the authority to make rates should remain lodged in the legislative branch of the Government, yet in order to properly and certainly finance the operations of all the railroads, under the provisions of the pending bill, it seems to me that there is no escape from the conclusion that it must be done by the executive branch of Government alone.

The President by the provisions of this act is authorized to guarantee the roads a fixed dividend, to insure the maintenance of every railway system at its present efficiency, and if necessary for the good of the service to finance improvements, betterments, and additions. He is thereby rendered directly responsible for the financial outlay, and per force should be entitled to the financial income. If he is to meet these responsibilities he is entitled to the surplus earnings or those that rise above the standard level herein described. It may be necessary, therefore, to successfully carry out this vast project, for him to raise the rates, and he should be given the power to assume the initiative in this undertaking.

COMMISSION FINAL ARBITER.

Even under these conditions the right of final decision is reserved for the Interstate Commerce Commission, and it is probable that the body of rates they have established will be very slightly disturbed, and certainly not at all, unless under pressure of an imperative necessity.

In this connection I desire to read a recommendation made by the Interstate Commerce Commission itself, as recorded on page 78 of the 1916 report. It shows that they then regarded the body of rates so perfect that they recommended that it be permanently established by legislative enactment. They say:

All rates, fares, and charges have been open to complaint for a period of more than 10 years, within which the commission had power to fix the future maximum rates. For a period of more than six years all proposed increased rates have been subject to protest and suspension before becoming effective. Obviously there should come a time when as to the past the general level of the rates and the relationship of rates should be fixed as reasonable. We are convinced that the best interests of the entire public, of the system of governmental regulation

of rates, and of the railroads will be served by the enactment of a statute which as of a specified date fixes the existing interstate rates, fares, classifications, rules, regulations, and charges as just and reasonable for the past, and which provides that after that date no change therein may be made except upon order of the commission.

And thus, Senators, unless spurred on by an imperative necessity it is not probable that the President will change the body of rates that is the result of such patient study and such deliberate thought as the present ones, based as they are upon three decades of experience and observation by trained and competent men.

And so in order to perfectly coordinate these vast systems of transportation; in order to operate them as a nationalized unit; in order to successfully cope with the financial problem presented, I can see nothing threatening to either the railroads or the Government, much less revolutionary, by the adoption of section 10 of the pending measure.

THE TIME LIMIT.

Those who insist on continuing the governmental control of the railroads herein granted for an indefinite time base their contentions on three grounds: First, that if a limit to such control be fixed Congress may not pass such legislation as will be required to return the properties to private management; second, that the Government should continue to control the railroads in the future and that the policy hereby inaugurated should be permanent; third, that this is but the first step toward Government ownership which should become the permanent policy of the country.

The all-sufficient answer to the first contention is that the 18 months herein prescribed is ample time for Congress to provide for the return of these properties to private management. What right have we to assume that the Congress that will be in existence at the close of this war will not understand their duty, or understanding it, fail to do it? We have every reason, on the contrary, to believe that Congress will meet the imperative demands of the time and enact whatever legislation and establish whatever system of control may be required for the future operation of the railroad systems of the country. To say otherwise is to assert that representative form of government is a failure and that the very democracy that is leading the world in the present fight for its fundamental principles has broken down, and that I shall not believe.

In simple truth, Senators, we can enact adequate legislation for this very purpose, and with this very end in view, before the close of this war and, in my judgment, 6 months instead of 18 would have been ample for both the Government and the railroads to prepare for a return of the possession, control, and use of these systems to their rightful owners.

GOVERNMENTAL CONTROL.

Mr. President, as to the second suggestion, I desire to say I do not believe that the railroads of this country will ever be permitted to return to the old competitive system which we have compelled them to pursue for the last 30 years. I do not believe they should be permitted to return to that system. I believe that they will be nationalized; that they will be operated as one transportation system; that they will not be compelled to compete; that they will be permitted to pool their traffic and their earnings; that useless lines will be abandoned; that all the property and all the equipment which every railroad has heretofore provided for its own operation and its own use, will be used in common by all the other railroads in the nationalized system. I believe that the Government will control and finance this unit, and that private ownership will be continued in the future as in the past. In other words, complete governmental control with private ownership of the property controlled.

I shall not at this time enter upon an extended argument of this theory, but shall take advantage of the first opportunity presented to fully express my views to the Senate on this vital question.

Suffice it in this place to say that the tremendous success achieved by the Railway War Board in the nine months of their control is a most forceful illustration of what can be done under a unified railroad system properly managed. Influenced by this example it may safely be predicted that the American people will never permit the American railroads to return to the old system of competition. I believe that it is gone forever; that the Sherman antitrust law, so far as it affects railroad combinations, will be repealed; that antipooling laws, directed at railroad operations will, in so far as they affect the transportation systems of the country, be abrogated, and a plan will be adopted which will give the Government practical control of American railroads, without the weakness and the inefficiency incident to Government ownership.

THE THOUGHT HABIT OF THE PEOPLE.

It is very strange that, when almost anything of an unusual nature occurs in the finances of this country, something that momentarily retards prosperity or interferes with the orderly procession of events, there are a vast number of people who are ready to lay the cause of it all at the doors of the railway managers of the country.

This has come to be the fixed impulse of the American people. In many of its phases that mental state is doubtless right, but in others it is unquestionably wrong, for it frequently strikes at the railroads because of the known fact that they have been guilty of so many grievous wrongs in the years gone by.

Everybody knows of the vast peculation incident to railway finance; of the manipulation of stocks by those to whose keeping they were committed by confiding investors; of secret rebates granted to favored corporations; of the tremendous evils growing out of interlocking directorates; of the sinister and underhanded methods, star-chamber processes, and dark-alley plans inaugurated and consummated by many railroad corporations in the days gone by. These crying evils naturally resulted, first, in a protest, and then in a storm of indignation, and then in restrictive legislation lasting through a series of years, resulting in the application of the Sherman antitrust law to railroad combinations; of antirebate laws; of railway-rate regulation; of widening the powers of the Interstate Commerce Commission; of the formation and increasing activity of State regulating bodies.

It finally became exceedingly popular to assault the railroads, and every legislature in the country had a body of reformers whose sole claim to fame was the number of bills introduced seeking to strike at the railroads or at railway management. There were, indeed, many giant evils to be dealt with, but those who wanted sensibly to reform them were outdistanced by the vocative demagogue, who simply desired to take advantage of the popular feeling against railroads for his own self-advancement.

Naturally under these conditions the pendulum swung too far in the opposite direction, and presently the railroads found themselves with ever-increasing wages, with ever-advancing prices, with constantly diminishing revenues, and yet with importunate demands of the public that they should increase their facilities and improve their equipment and handle both freight and passengers with swifter facility; and all this continued until the railroads became helpless in the presence of this unfriendly condition of the public mind. And in the meantime, be it said to the credit of the railway management of the country, they had so improved their property that—

Nowhere else were tracks and track structures capable of sustaining such heavy loads; nowhere else were there locomotives of such great tractive power or capable of so economically turning coal into train mines; nowhere else were there freight cars strong enough and large enough to concentrate a tonnage within so few trains or without such short lengths. Where, in short, railway trains moved loads far in excess of the capacity of railway trains of other countries, and, as the efficiency of the railway trackage is limited by the number of the trains that can be passed over it, this has produced the result that, per dollar of investment, American freight movement far exceeded that of all other lands. In consequence in part of this high state of mechanical development and of this remarkably efficient management the American railways, at the beginning of the present war, were performing all their service at far the lowest charges anywhere known and were being more largely utilized than those of any other nation.

RAILROAD FINANCES.

Under these conditions, pressed as they were between the upper millstone of increasing expenses and the nether one of decreasing revenues, the railroads came as early as 1912 to a place where they earned less than 6 per cent upon the value of property which they used and operated in the public service. When the investing public became aware of this situation they declined longer to buy railroad securities. They became fearful of the financial future of the railroads, because the investor would no longer invest in railroad securities.

It was announced by James J. Hill many years ago, and later reechoed by other railway managers, that a billion dollars a year would be needed for many years to come to meet all the requirements of railway construction and efficiency in this country. And yet in 1916 only $64,101,000 was obtained by the railroads and since January, 1915, only $91,535,000—this exclusive of refunding, and more could not be had.

It is well known to all that as far back as 1905 and 1906 first-mortgage bonds of the highest class sold at an average price of 103, and now those same bonds are selling at an average price of 84. It was recently heralded in the New York papers that the New York Central issued a hundred million debentures bearing 6 per cent interest, an unusual mark for securities of that grade. In 1916, when the stock of that railroad was above par, it offered to its old stockholders twenty-five millions of new stock at par, but its managers were unable to place this sum and the offer was withdrawn. To-day that stock sells at 75.

The simple truth is that all regulated investments have steadily declined in value and in dividend-earning capacity, while unregulated industries have flourished untouched by the hand of the

Government, and this has naturally led all capital to seek investment in unregulated securities.

To illustrate, in 1894 there were 110 railways listed on the New York Stock Exchange; in 1904 there were 102; in 1914 there were 92; in December, 1917, but 88.

In 1894, 22 of those listed were selling at par; 38 in 1904; 22 in 1914; and but 14 in 1917, while at the same time, on the other hand, unregulated industries increased perceptibly in both respects and their securities were freely taken at desirable rates. This shows the waning confidence of the investing public in railroad securities, caused by insistent regulations, amounting at times to almost strangulation, by the perpetual hammering by all commissions to satisfy the demands of the shipping public, by vastly increased cost of operation, and by knowledge of the fact that railroads were not permitted to earn dividends that would justify the investment.

And, Mr. President, this chaotic condition of railway finances all the more certainly justifies the pending legislation and all the more clearly points the way outlined in this bill.

GOVERNMENT OWNERSHIP.

But, Senators, Government control is not Government ownership, although the two are frequently confounded in the public mind; and although they are used interchangeably by many bodies in drafting resolutions, in reality they are as wide apart as the poles.

Government control means the adoption of a plan that would enable the Government to have charge of the operations and the financing of all the roads without being compelled to buy them. Government ownership would necessitate the purchase of all the property, valued at approximately eighteen and one-half billions of dollars. It would at once deprive the States of something more than a hundred and fifty millions by way of taxation. In Indiana the railroads paid, in 1917, $5,888,000 in taxes, State and local, on a valuation for taxation of $240,000,000, or approximately 11.6 per cent of the total assessed valuation on the property in the State for taxation. The elimination of this great sum would seriously cripple other forms of industries, that would be compelled to bear this increased burden of taxation under Government ownership. Proper governmental control would not involve this relinquishment.

If the Government owned the railroads they would be directly administered by the President and his Cabinet; but I am persuaded that it would be far preferable that some plan should be devised that would mean advisory control, exercised very much as England is handling its railroads to-day.

PRIVATE MANAGEMENT.

Governmental control will undoubtedly enable the railroads of the country to handle all the traffic in any time of peace and practically all of it in this time of war. It is not necessary that a policy of Government ownership should be adopted in order to secure this desired end. This is conclusively proved by the results of private management since the formation of the Railway War Board, on the 11th of April, 1917, six days after we plunged into this struggle.

Mr. BORAH. I wish to ask the Senator if I understand him to be in favor of Government control even in time of peace?

Mr. WATSON. Yes, sir.

Mr. BORAH. The same as we are now assuming it in time of war?

Mr. WATSON. No; I would not say the same; but, as I said just a moment ago, I do not care to enter at this time upon a full discussion of the plan that I have in my own mind, and even that has not been worked out to its final detail——

Mr. BORAH. I did not desire to interrupt the Senator, but the statement was rather interesting.

Mr. WATSON. I do not know whether or not the Senator honored me with his presence a few moments ago when I went over that at some length, not in detail but as a generalization.

What was the situation that confronted these five gentlemen who composed that board at the time of our declaration of war?

THE COAL SITUATION.

It will be remembered that in June, 1917, Secretary Lane called a number of gentlemen together to a conference in Washington for the purpose of consulting with Mr. Peabody, who had charge of that department of the Council of National Defense that had to do with the production and distribution of coal. They agreed on a price of $3 a ton at the mine. Immediately thereafter Secretary Baker announced that that sum was too high, and that he would not consent to pay it for Army purposes. Secretary Daniels subsequently made the same announcement with reference to the Navy. Shortly thereafter Dr. Garfield was made Fuel Administrator, and he also announced that that price was too high and advised the people of the country to wait for cheaper coal. I am not saying this for the purpose of animadverting upon the conduct of these gentlemen, but I am only arguing as to what produced the great congestion under which the country suffered during the last year. This produced two results, both of which were unsatisfactory: First, private consumers did not buy, and winter came on and found their bins empty. As the cold weather approached and they found that prices were not to be reduced, there began a wild scramble for coal which resulted in the railroads attempting to meet the transportation demands and largely aided in bringing on the worst congestion in railroad traffic ever known in this country.

Second, it resulted in many large concerns, which were not hopeful of lower prices, buying in large quantities and thus preparing for the future, so that in reality the coal problem was not so much one of transportation as of distribution.

Take, for instance, the domestic sizes of anthracite. There is really no excuse for an increase in the consumption of that product, except the ordinary growth of population; and yet it is known that very many communities received fully a third more than ever before. This meant that the railroads hauled the coal, but that certain persons bought and stored it and there was not a general distribution.

About this time a very great number of vessels engaged in coastwise trade were commandeered by the Government for trans-Atlantic uses, and a number of others, whose owners were attracted by the hope of great profits, also entered the cross-ocean service. This threw a greatly increased tonnage on the railroads for immediate transportation. Seventy-five per cent of the population of New England is located within 50 miles of tidewater and, very naturally, the heaviest movements of coal from the West Virginia field ought to be, and under ordinary conditions is, by water. Yet, notwithstanding the increased demand for coal at Boston, the railroads were compelled to carry a very greatly increased quantity, because of the diversion of vessel tonnage from this service.

It was stated before our committee that one railway in 1916 had carried a million tons more than in 1915, while the tonnage carried by water was 650,000 tons less than in the previous year.

In addition to that, the Interstate Commerce Commission required all railroads touching on the Great Lakes to dispense with the boats which they had operated to and from the ports they reached, and this greatly reduced the available tonnage for the movement of coal on the Great Lakes, and thus added to the burden of the railroads; and so the unfortunate coal situation increased tremendously the congestion that occurred in the fall of 1917 and that has continued throughout the winter months.

ANOTHER CAUSE.

From September, 1914, to August, 1915, practically 2,000,000 tons of freight were handled by the Atlantic and Pacific ports through the Panama Canal. When the war broke out the attractive rates on steamships for trans-Atlantic trade induced these carriers to drop the canal route and enter the cross-ocean business; and in this way 2,000,000 tons of freight were thrown on the already overburdened railways. To handle this amount requires every day 46,000 cars and 619 locomotives, and this further added to the congested condition of the railroads.

PRIORITY ORDERS.

One of the most potent influences in producing this congestion was the indiscriminate use of the preference envelope by shipping agents of the various departments. Under the direction of the Quartermaster General's Department the railroads printed what they were pleased to call a blue envelope, and freight on any bill of lading inclosed in one of these envelopes and marked "United States Government service" was given preference.

Mr. Kruttschnitt, president of the Union Pacific, thus portrays the results:

> Now, the Army, because of the vast tonnage it was shipping and the great number of officers charged with disposing of its freight, used those envelopes for a great deal of freight that really did not require preference movement.

In other words, it was used for everything the Government bought and a very large quantity that it had not. Say, for instance, that a manufacturer was turning out 10,000 tons of freight, 1,000 tons of which was for governmental uses. Now, not only that 1,000 tons obtained preference, but preference envelopes were also used by the manufacturer for the other 9,000 tons as well. This practice continued until on the Pennsylvania Railroad in the Pittsburgh region fully 85 per cent of the entire tonnage was shipped under Government preference.

Every article consigned to any officer of the United States, all the war material ordered by our allies on their own account, all raw material and supplies of every character for the manufac-

tured product intended for any of the entente Governments, together with all shipments of troops, of whom more than 2,000,000 were transported within a few months, were supposed to be moved, at least required to be moved, on priority orders.

Because of the anxiety of the American Government to meet the exigent demands of the occasion and our great haste to aid our allies, we rushed thousands of carloads to the seaboard cities, particularly New York, Boston, and Newport News, that could not be properly cared for There was an utterly inadequate number of ships to carry so great a tonnage across the ocean; there was no storage capacity equal to caring for such shipments, and, therefore, thousands of cars were left upon the sidetracks and were used as warehouses for storage purposes. But a short time ago one country alone had supplies stored at different seaports along the Atlantic in excess of its ability to carry over the ocean for the next seven months. It was stated before our committee that the total freight now awaiting transportation at all these ports amounted to 2,000,000 tons. It is thus apparent that all these supplies were rushed to the seaboard in advance of necessity; that thousands of cars were used as warehouses to store this tonnage until such time as it could be transported, and that thereby the transportation system of the country was most injuriously affected.

Of course, it is quite manifest that where everything is preferred nothing is preferred, and yet the endless congestion resulting from this system, together with the direct orders from the priority board, could not fail to bring about just such a bewildering condition as the one that has retarded industry and produced much suffering throughout the country during the last few months.

ANOTHER PLAN.

Mr. President, if I had been formulating this bill I would have provided for the appointment of a board of five to have charge of the railroads under Government control, hoping that the President would have been induced to appoint the five really strong and capable men who composed the railway war board that took charge of the railroads under the most unfavorable conditions conceivable and wrought the most marvelous results. Immediately after our declaration of war this board was selected by an appropriate resolution passed by the railroad presidents of the country, and, to use the language of Mr. Fairfax Harrison, chairman of the board—

Following the adoption of this resolution 631 railroads, comprising 262,000 miles of line in the United States, immediately coordinated their activities, and for eight months have been operated as a unified continental system.

I challenge the world to show equal results under anything like similar circumstances.

He further says:

Quoting the chairman of our central department: "By this act this great railway system with all its facilities was made to serve the Government in this crisis as completely as if it had owned them, and at the same time the Government was spared the expense of buying the roads and the responsibility and labor of managing them."

And in not one single instance was a request that they made refused or an order that they issued disobeyed.

And it is most significant that this organization was purely voluntary and was not required by any legislative enactment.

By increasing the tonnage pulled by every locomotive; by a system of intensive loading by means of which the amount put in each car was increased 5 per cent; by means of the increase of train miles made by each locomotive and by each car each day; by means of laying off excess passenger service; by means of transferring 100 engines from the southwestern district to the congested eastern district; by means of using the railroads as one system and routing freight regardless of pay to the railroad used; by means of diverting freight from New York and Boston to southern ports; by all these and other methods they increased the ton-miles per month per locomotive 1,094,800, or 16 per cent, and also augmented the ton-miles per freight car 14,670, or 14.2 per cent over the preceding year. In reality, this added 4,897 locomotives and 339,497 freight cars to the equipment of the carriers.

Two thousand eight hundred and forty locomotives and 141,475 freight cars, on the average, were ordered each year between 1907 and 1916. This additional equipment, therefore, was equivalent to the immediate delivery, without cost, of one year and nine months' locomotive orders and two years and four months' car orders.

Mr. President, it is worthy of comment that all this was done in the face of the fact that railroads could get no more money for additional equipment; that although they had large orders for locomotives and cars, they could get none of them made because of the demands of the Government on all steel mills; that locomotives and cars already built were commandeered by the Government and sent to Russia and France; and that they were compelled to, and were enabled to, bring about this tremendous increase in traffic solely by the management of the railways as a unified system.

FURTHER RESULTS OF PRIVATE MANAGEMENT.

For the calendar year 1915, the roads of classes 1 and 2 carried 309,965,120,264 revenue ton-miles; in 1916, 365,760,988,679; and in 1917, the vast total of 409,403,341,005. In the same time the same roads made 33,298,921,845 passenger miles in 1915, 35,186,307,900 in 1916, and over 36,000,000,000 in 1917.

To visualize it in another way and use the language of Mr. Kruttschnitt:

Now, if we estimate the ton mileage for the entire year from the ton mileage for the half year by doubling it, we would have the astounding total of 409,000,000,000, which is an increase of 135,000,000,000 over 1915. These figures really convey nothing to the mind unless we get some way to picture them. We can form this picture thus:—According to the last available statistics of the railroads of Canada, Germany, Great Britain, Russia, France, and Austria, excluding Hungary, those nations having populations of 323,000,000 souls and 178,000 miles of railroads, the entire freight traffic handled by the roads of all those countries only equals the increase of the traffic handled by United States roads in 1917 over 1915.

And that increase alone amounted to more than the entire tonnage handled by the railroads in 1906.

Mr. President, is anyone so bold as to state in the presence of these stupendous statistics that it is necessary to have Government ownership of the railroads of this country in order to handle the peace traffic of the Nation? Mr. Kruttschnitt does not think so, for he specifically stated that if the railroads could have the same kind of cooperation in peace that they have in war there would be no trouble in managing the peace traffic of the United States, even though the tonnage were largely increased.

Mr. Hall, chairman of the Interstate Commerce Commission, in his testimony before the Interstate Commerce Committee, in answer to the question, "Wherein did the railroad managers fail to bring about perfect coordination?" answered:

I have not suggested that they did fail.

He further said, and his testimony is exceedingly valuable on the point at issue:

The carriers by rail in this country have been called upon to take care of the traffic that they have been accustomed to have, plus the traffic that no longer moves in part or in whole by water, plus the demands from across the sea growing out of the war, plus the later demands incident to our great expenditures in preparation for doing our part on that side, and plus also the movement of something like 2,000,000 of men to various cantonments, plus the transportation of all material that went into the construction of those cantonments and of entire supplies for those cantonments. They have had to respond to the activity of the Shipping Board, and to do so many, many other things that any attempt to enumerate them would be vain. But it is a perfectly tremendous increase in traffic moving very largely along certain of these main-line routes that was met in part by a campaign for increased loading which has yielded very remarkable results, and for prompt loading and unloading, which has also yielded very remarkable results; and I think it is safe to say that there has been a greater degree of cooperation between shippers and carriers since we got into this war than at any time in the history of railroad operation in this country.

Who is there to say, in the presence of these facts, that it is essential for the Government to own the railroads, with all that that means to our institutions, in order to take care of the traffic of the country?

It is worthy of remark, Mr. President, that Commissioner McChord, in his testimony before the Interstate Commerce Committee, was not willing to say that the railroads had failed even under the stress of war. In that connection he simply said:

I do not concede that the carriers could not have relieved the situation.

Further on in his testimony this question was asked:

In other words, your opinion is that if they had nationalized the roads, as they might have done, they themselves under their management could have directed and managed the roads so that they could have handled the traffic?

And to this he answered:

I think so.

It is perfectly manifest that Government ownership is by no means essential to moving the peace traffic of the country, when in reality the war traffic could, in all human probability, have been successfully handled by private management under private ownership had a little more time been given in which to do it. When private management can so handle the railroads as a coordinated unit as to increase the traffic 20 per cent over what it was in 1916 and 50 per cent over what it was in 1915, is there any reason to doubt that it could successfully handle the peace traffic of the country?

Mr. President, I in nowise disparage the efforts of Mr. McAdoo when I say that he has not handled the railroads any more wisely or any more effectively than the Railway War Board. If it be said that in the six weeks of management under his control the weather has been exceedingly bad, it must be stated by way of offset that the weather was also very severe for some time before he took control, as the testimony before the committee conclusively shows.

Mr. George N. Shriver, vice president of the Baltimore & Ohio Railway Co., testifying on that point before our committee, in answer to a question as to whether or not traffic conditions were improved at the time of his testimony over what they had been before, said:

I doubt very much if they are improving, because we have had a spell of the most severe winter that we have ever experienced, so far as I know, in this whole eastern territory, particularly along the line of the Ohio River. Places where ordinarily you will get no lower temperature than, say, 20° above, for a week past and for a great deal of the period since December 1, have been showing 4°, 5°, and down to 12° below zero. For instance, at points like Cincinnati and Dayton, where they ordinarily are not prepared for severe winter weather, engines froze up in the roundhouse; and there has been a great deal of that. Now, when those engines freeze up it takes longer to get them shaped up again for service. If I may put it in this way, ordinarily we may have five days of very severe winter weather that suspends things for a few days, but these difficulties can be overcome in another week. This winter we have had 30 or 40 days of continuous severe weather, and it will take time to overcome the effects, because we can not make repairs as quickly as we could before, and the number of engines out of service is greater.

This statement was made on the 9th of January, as shown by the hearings. So it can not be said that Mr. McAdoo's management of the railroads has failed because of the weather, any more than it can be charged that the management of the Railway War Board failed because of the weather. It is perfectly obvious that when the tremendous demand for coal is lessened far less of that product will be carried, and all other products will have a larger opportunity for transportation.

Mr. McAdoo will probably accomplish results, because he is largely operating through the gentlemen who so successfully managed the railroads and because he has formulated no new policy and adopted no new scheme, but has contented himself with following out the suggestions heretofore made by them, and which they would have followed out had they been left in control. I regard this as very wise on his part, for he definitely stated before our committee that he had no great knowledge of railroad management.

I cite these facts and make this argument not because I am in favor of returning to the old system of private management, but to show that Government ownership is not necessary in order to take care of the railway traffic of the country.

My objection to returning wholly to private management is that in the time of peace the railroads might not be operated as they were under the Railway War Board; that the old competitive methods might be readopted; and that all the old systems, with all of their evils, might again be foisted upon the public. Therefore I favor such public control as will preserve the good and prevent the evil of private management and at the same time avoid the dangers and pitfalls of Government ownership.

No wonder that the Railway War Board won the unstinted praise of the President, of the Secretary of War, of the Quartermaster General, and of all others familiar with their great work. They accomplished their prodigious task amidst unparalleled difficulties, and they consummated their great work voluntarily, undriven by law and uncompelled by statute, actuated solely by motives of patriotism.

Even under these extreme conditions that management brought the railroads to that high degree of proficiency that they handled this vast amount of freight and these great numbers of passengers at less expense than they ever had been handled by any other railroad system on earth. The average gross earnings per ton-mile of freight in the United Kingdom was 2¼ cents; and, using that as the basic figure of 100 for comparative purposes, in Germany it was 1.37 cents, or 60 per cent of that of the United Kingdom; in France it was 1.03 cents, or 57 per cent of that of the United Kingdom; in Switzerland it was 2½ cents, or 111 per cent of the British rate; and in the United States it was 0.71 cents, or only 31 per cent of the British rate; and it ought not to be forgotten that all this was brought to pass by private management of privately owned railroads.

WHAT GOVERNMENT OWNERSHIP MEANS.

Senators, the Government ownership of railroads will undoubtedly be immediately followed by the Government ownership of the telegraph and telephone systems and express companies. We have already gone to great lengths in experiments with Government ownership. We have a Government-owned railroad in Alaska; we have a Government-owned nitrate plant; we have a Government-owned armor-plate plant; we are erecting two Government-owned munition plants, in my judgment, without any authority of law; we have a Government-owned merchant marine; and we are so far committed to that policy that it is time for us to pause long enough to see whither we are drifting as a Nation.

I believe that Government ownership of all methods of transportation and all means of communication, adding 4,000,000 of people to the pay roll and converting them into Federal employees, would ultimately result in the destruction of our form of Government. Undoubtedly it means a letting down in efficiency, it means a lowering of all the standards of effectual workmanship, and it means a vastly increased outlay of money for a vastly inferior service. Everyone who is familiar with the operations of the governmental departments knows that to be true.

FIRST STEPS IN SOCIALISM.

Government ownership is not in itself the adoption of socialism, but it is the first step in the socialistic program. Mr. Morris Hillquit, late candidate for mayor of New York on the Socialistic ticket and one of the foremost leaders of this cult, as one of its most voluminous writers, and who therefore speaks with authority, in his work Socialism Summed Up, page 25, thus sets forth the definite aims of the Socialist propaganda:

Stated in more concrete terms, the Socialist program requires the public or collective ownership and operation of the principal instruments and agencies for the production and distribution of wealth—the lands, the mines, railroads, steamboats, telegraph and telephone lines, mills, foundries, and modern machinery. This is the main program and the ultimate aim of the whole Socialist movement and the political creed of all Socialists of every school. It is the unfailing test of Socialist adherence and admits of no limitation, extension, or variation. Whoever accepts this program is a Socialist, whoever does not is not.

Individual Socialists may differ in their individual socialist conceptions. They may come to the Socialist ideals by various routes, they may disagree on every question of method, but they are all in accord on the main subject of the movement. The common complaint about the numerous varieties of socialism springs from a superficial knowledge of the Socialist philosophy. As a matter of fact, no political party has ever advanced as definite, consistent, and uniform doctrines as those of international socialism.

Sir, this is in direct line with the announcement of the final purpose of socialism by all the Socialists of the world from Karl Marx and Frederick Engel, who collaborated and produced what is known as the Communist Manifesto, which is the Bible of Socialism, the two stars of the socialistic firmament down to this hour.

I am opposed to indefinite extension of Government control, because it opens up the way for, if indeed it is not intended by many as the first step toward, Government ownership. Certainly it is in complete harmony with the purpose of all Socialists, national and international, the force that is asserting itself so tremendously in all nations at this time.

Public ownership means other millions working for the Government; it means the extension of civil service over this vast number of citizens; it means that the civil-service system, regardless of its merits in the past and of the high purpose of those who conceived and those who have since enforced it, is quite likely to fail because of the power it will be required to exercise; it means the inescapable temptation to use this force as a political machine, to raise the wages of all employees before election, and to use all the other means of control and methods of subordination known to the American people, and sometimes used by politicians in the stress of a campaign.

I do not believe that we, as a Nation, can stand that strain. I do not believe we should place such dangerous power in the hands of any man. I do not believe that we should confer such extreme authority over such a vast number of American citizens upon any individual. It is contrary to the very purpose of our theory of government.

If we take the first step along this socialist highway, who so wise as to prophesy what the last may be? Aye, who so bold as to deny what the next will be? Unquestionably, Mr. President, we are face to face with the settlement of this stupendous problem, and we should not commit ourselves even to the first of its doctrines without preparing to accept them all or to fight them all, for, if we inaugurate this program, in the end it will all be forced upon the country and, in my judgment, forced upon it to the destruction of our form of Government.

Mr. President, if we have in this country Government ownership of railroads, telegraphs, telephones, and express companies, immediately the demand will come to take over the mines; in fact, we are told that the administration is even now preparing to take charge of the mines and of the oil fields. This may now be, or may hereafter become, necessary as a war measure; but, sir, if the control of all these public utilities shall continue in the time of peace, as it is now proposed that the authority invested by this bill shall, there is the gravest danger that any President, backed by the power his position naturally gives him over the press and over the people, and backed by all the tremendous agencies he can use for the formation of public opinion and the vast influences he can bring to bear for the creation of public sentiment, might make himself the Chief Executive of this country so long as he chooses to do so, and that would ultimately mean the overthrow of the form of Government created by the fathers and preserved to us by the countless sacrifices of

succeeding generations. Therefore, I am opposed to the first step of that program.

Senators, there is a lion at the door. Shall we open it wide and run the risk of restraining his savage fury after he is in, or shall we not rather close the door and keep him on the outside and make sure that we shall be saved from his power?

I am decidedly in favor of the time limit imposed in this bill. There is no occasion for further extending it. The Congress in existence at the close of this war will meet the exigencies of the occasion. The American people will demand that this question be dealt with wisely and patriotically and bravely, and the American Congress will heed that demand.

I early offered an amendment providing for a six months' limitation on governmental control after the proclamation of peace. The committee has seen fit to extend the limit and, while I very much prefer the shorter period, yet I am content to see the latter imposed. I am unalterably opposed to having these vast powers conferred for a longer period than the occasion which requires their creation.

All the other authority conferred upon the President is for the period of the war. This, too, is a war measure. There is no possible justification for it on any other theory. The President's proclamation recites that this step is taken because of the compulsion of war; he sets forth specifically that he took this action under the statute of August 29, 1916, which is nothing but a war enactment and wholly for war purposes; this very bill recites that this legislation is rendered necessary as a war proposition.

Why, then, should not the powers it bestows cease at a specified time after the war? On what theory can it be definitely extended? Who is willing to contend that it is necessary, in order to win this war, to permit Mr. McAdoo or any other man to control the railroads long after the war shall have ceased? Mr. President, this limitless control smacks too much of personal politics to secure my vote.

STILL GREATER AUTHORITY.

Senators, the Overman bill now pending before this body confers upon the President unheard-of powers, many of which to my mind are entirely unjustifiable, but the most reprehensible feature of that measure, in my judgment, is the one that provides that this autocratic authority shall continue for one year after the termination of the war. Why this provision? Why seek in that measure, as in this, to perpetuate power asked to prosecute war into the days when there shall be no war? These are war powers. They are asked for war purposes. They are not constitutional, they are not in harmony with the spirit of our institutions, they are irreconcilably opposed to every theory of our Government, aye, they are un-American, on any other hypothesis. They have no place in our peace establishment and every patriot should cry out against these efforts to take advantage of the extreme necessities of war to seize unlimited authority to be used for some purpose in the days of peace.

Sir, I am willing to confer upon the President—any President—all the power necessary to win this war; I have voted for several measures the necessity of which I doubted, because he stated that the authority sought was essential to the successful prosecution of this conflict, and I shall so vote in the future when my judgment is convinced; but, sir, I am not yet convinced that in order to win this war it is necessary to confer upon the President these tremendous powers for a period of peace long after this conflict shall have ceased.

There may be slight justification for some such action in connection with the pending bill, because legislation is necessary before the roads are turned back to their owners, but no such excuse can be offered for the Overman bill. That but shows a sheer desire for war power for peace purposes, and for one I shall never vote to confer it. It is asked because of the war; it arises wholly out of the necessity of this conflict; and, if granted, it should all cease with the ending of this conflict.

Mr. KELLOGG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. WATSON. Certainly.

Mr. KELLOGG. Is it not a fact that all the terms and conditions under which the railroads are to be handled during the war are settled by the legislation before we take them, and all money advanced to the railroads can be secured by the President under the arrangement for loaning the money; and therefore, unless the American people see fit to change entirely the policy of control of the railroads after the war, in times of peace, there is no necessity for any legislation to turn back the roads to their owners?

Mr. WATSON. Mr. President, I would very largely agree with the Senator. In the main, his contention is justified by the facts. There might be some legislation required, but I do not think it is essential that we should argue that proposition at this time.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana further yield to the Senator from Minnesota?

Mr. WATSON. I do.

Mr. KELLOGG. I asked Mr. McAdoo if he could name any act of the Legislature that was necessary, and he was unable to do so; and nobody yet has named it.

Mr. ROBINSON. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. WATSON. Certainly.

Mr. ROBINSON. Of course, Mr. President, it would be impossible now to determine what legislation will be necessary then; otherwise, the Congress could enact it now. Will the Senator from Indiana yield further?

Mr. WATSON. Certainly.

Mr. ROBINSON. The Senator from Indiana, in a previous portion of his remarks, has stated that in his opinion it will be necessary for Congress to pass some very important legislation to fix the status of the railroads in the future, when the period of Federal control is terminated. He has outlined in part a plan which is very far-reaching in its importance and consequences, and he has stated that the plan is not completely formulated in his own mind.

I think it is agreed, Mr. President, by most of the members of the Committee on Interstate Commerce, that legislation of very great importance touching this subject will be necessary; and that fact is emphasized by the fact that, so far as I am informed, no Senator has advocated the immediate return of the railroads to their owners at the conclusion of the war. So far as I know, every Senator has proposed that some period should elapse following the war before that should occur. Some have said six months, others a year, others a year and a half, and some two years. So far as I know, no Senator has claimed that in all probability conditions will be such that the properties should be returned to their owners immediately following the close of the war.

I thank the Senator from Indiana for yielding to me.

Mr. WATSON. Mr. President, of course if the roads are to be turned back to be operated as they have been hitherto, no legislation will be required; but if it be thought desirable to change the system so that there shall be some sort of governmental control in order to unify and nationalize the various transportation systems of the country, then, perforce, there must be something of legislation. It depends altogether upon the viewpoint of the person expressing the opinion. I have very great respect for the judgment of my friend from Minnesota [Mr. KELLOGG]. I know full well his views on this subject. He and I do not quite agree as to the future, and therefore there is something of disagreement between us as to the policy which will be necessary at the conclusion of the war, and yet our views are not essentially different.

But I must conclude, because the hour is growing late.

AMERICAN STABILITY.

Senators, at the beginning of this conflict I did not believe that a complete upsetting of our whole peace establishment would be necessary to enable us to do our part in this momentous conflict. I believed then that, acting as a republic, and not as an autocracy, we could utilize all our forces and mobilize all our resources, and then, in solid phalanx, in unbroken array, we could move onward, right onward, to the accomplishment of our mighty task.

But, sir, events have decreed otherwise, and circumstances have compelled the abandonment of that policy. But, now that we have chosen a different course, in order to properly array ourselves for this conflict, let us resolve that it shall be made known to the world that we have enacted all the unusual legislation passed by Congress since we were dragged into this conflict wholly for the purposes of war; that we have not, by the enactment of these laws, abandoned to the slightest degree any of the fundamental principles of our Government; but that by this course we are only seeking to emphasize those principles among our own people and to give to the other nations of the earth the shining example of a democracy in action, of a republic at war for the preservation of the sacred ideals of the Union.

And to that end let us firmly resolve that, with the proclamation of peace, the President shall surrender all the vast powers willingly conferred upon him by an aroused people, because of the exigent necessities of war; that this Nation shall return to the kind of Republic founded by the revered fathers of the Union; and that we shall reestablish, upon foundations too

secure ever to be threatened, the three independent and coordinate branches of government, and thus best give to the world the example of a republic whose people can defend it in the time of war, and whose citizenship can govern it in the days of peace.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. WATSON. I do.

Mr. LODGE. The Senator described very forcefully—and his whole speech was one of great power—the congestion at New York and Boston. I think those were the two ports he named.

Mr. WATSON. Yes.

Mr. LODGE. I have been engaged, with others, in investigating the coal situation; and in that connection I should like to ask the Senator whether he thinks the congestion at those two great ports has been materially relieved by closing factories in Maine and sawmills in Louisiana? [Laughter.]

Mr. WATSON. Mr. President, I think the question answers itself.

Mr. STONE. Mr. President, I offer an amendment to the pending bill, and ask to have it printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of South Carolina. Mr. President, I have seen those who are interested, so far as speaking on the bill is concerned, and I should like now to have some definite time fixed at which we may get a vote on the bill. Before I ask for a unanimous-consent agreement, I want to read a communication sent me by Mr. McAdoo. He says:

> May I take the liberty of expressing the hope that the Senate may soon be able to take action upon the pending railroad bill?
>
> I can not overemphasize the urgent necessity for prompt action in this matter. This is the time of the year when the railroads should be placing orders for essential equipment and making preparation for those improvements in their facilities which will enable them to meet the great and urgent demands for transportation for which they now not only have insufficient motive power and equipment but in many cases inadequate facilities. It is a great task to do the required work in time to get the benefits this year. It is my earnest conviction that every day's delay in setting this work forward is imperiling the success of the war, limiting the industrial efficiency and jeopardizing the general prosperity and welfare of the country. We can not go forward with many matters of vital moment until the pending railroad bill becomes a law.

Mr. President, I now ask unanimous consent that not later than 5 o'clock on the calendar day of Thursday, February 21, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendments that may be offered, and upon the bill through its regular parliamentary stages to its final disposition, and that after the hour of 3 o'clock on the calendar day of Thursday, February 21, no Senator shall speak more than 10 minutes on any amendment or on the bill itself.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. SMITH of South Carolina. I yield.

Mr. NORRIS. Does not the Senator believe he ought to make that request to-morrow? It will be difficult, perhaps, to get the necessary quorum at this hour. We will have to have a call of the roll.

Mr. SMITH of South Carolina. I am aware of that fact; but I think we will serve a good purpose by securing the agreement this afternoon. I am sure there will be a quorum, because there are numbers of Senators here now, and I am sure they are perfectly willing to consent to the time limit I have proposed, because I have canvassed as carefully as I may the Senators present in order not to shut off anyone who desires to discuss the bill. That gives us three whole days, and all the Senators that I have seen are perfectly willing to have that time fixed.

Mr. NORRIS. Mr. President, I should like to suggest another thing to the Senator. I think he ought to provide in his request that commencing at some time—I am not particular when; I would not care if it commenced to-morrow—the speeches shall be limited to a certain time, say 10 minutes, and that that shall run on for a day or so. In that way the debate will wear itself out. We have always found a great many objectionable features when we had a time fixed for voting on everything. Unnecessary time is devoted to the consideration of some amendment, and amendments will be proposed at the last hour, and nobody will have an opportunity even to explain them.

Mr. SMITH of South Carolina. Mr. President, for that very reason I did not think it wise to put any restriction on the debate until an hour or two before we begin to vote on the bill with a view to its final passage, because amendments will be offered, the proponents of which will want to explain them at more length than 10 minutes would permit. Having had now several days of debate on the three essential features of the bill, I hope the Senator will let us have this unanimous-consent agreement; and then, if on Tuesday or Wednesday it should transpire that it would be to the best interests of expedition to limit the debate, by that time, during those two days, we certainly will know what amendments are to be offered, and we then can take further action with a view to limiting the debate. But I do not want at this time to limit the debate. The Senator himself has indicated his desire to make some remarks on the bill.

Mr. NORRIS. I am ready to make them now. I shall be glad to make them this afternoon, Mr. President. If, however, the Senator goes ahead with his request for unanimous consent, of course that means that nothing more will be done to-day, even if we finally secure the agreement.

Mr. SMITH of South Carolina. I am not so sure about that.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Iowa?

Mr. SMITH of South Carolina. I yield.

Mr. CUMMINS. I do not intend to object to voting on the bill at 5 o'clock on Thursday; but that agreement ought to be accompanied with a provision or an understanding that the bill will be kept before the Senate all the time between now and then and that votes upon amendments may be taken at any time when no one desires to discuss them further. I am entirely unwilling to go up to 5 o'clock Thursday afternoon, and then, without any debate or a word, vote upon all the amendments which may be on the table. I have observed that that is the very best course in the world to bring about utter confusion.

There are certain amendments that are to be offered to the bill. They have been printed—some of them, at least—and I should like to have an understanding with the chairman that we shall go right along this afternoon as long as he pleases and all day to-morrow, and that when an amendment is offered to the bill and debate is no longer desired upon it then we shall have a vote upon that amendment, and that we shall not wait until Thursday afternoon to have it.

Mr. SMITH of South Carolina. That is perfectly agreeable to the chairman of the committee, and I hope it will be to the Senate, because I hope that to-morrow afternoon we can begin to take up whatever amendments may be offered, consider them on their merits, and vote on them before we begin to consider any other amendment. If we could put that in the form of an agreement, I should be glad to do so; but I hardly think it could be done.

Mr. CUMMINS. I am perfectly willing to trust the chairman of the committee to carry out that policy if he understands that that is the course to be pursued and if the Senate has notice of it. They must know that there are likely to be votes upon important amendments to the bill at any time between now and 5 o'clock Thursday.

Mr. SMITH of South Carolina. Let that be understood now. Let Senators be notified that the chairman of the committee will use all of his power to put that course into operation.

Mr. ROBINSON. The right ought to be reserved to lay the bill aside temporarily, by unanimous consent, in the case of some emergent matter. I suppose the Senator from Iowa would not object to that.

Mr. CUMMINS. Oh, I do not want to tie it up so that it could not be laid aside on any account.

Mr. SMITH of South Carolina. But I should like to say, Mr. President, that it is the intention of the chairman of the committee to keep this bill constantly before the Senate until the time of its final disposition. I want to have the Senate recess from time to time, so that no other business will intervene except such matters, as those stated by the Senator from Arkansas, that may be of such necessity that we would have to temporarily lay aside this measure to dispose of them.

Now, Mr. President, I renew my request for unanimous consent, with the understanding that the amendments shall be voted on in their order as they come up, and that not later than 5 o'clock on Thursday afternoon we shall proceed to vote on the bill and the amendments to the final disposition of the bill.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. SMITH of South Carolina. I do.

Mr. TOWNSEND. I dislike very much to take the position of opposition to anything that may be asked by the chairman of the committee of which I am a member. I feel, however,

that it is a mistake for him to call up this matter this evening. The Senator from Nebraska [Mr. NORRIS] is ready to speak to-night. He wants to go on and finish. We are making headway. There are not very many more Senators who desire to speak. I can conceive of no good that can be accomplished by fixing the date at this time and I can conceive of some harm.

Now, I desire to speak on the bill. I have been trying to find an opportunity for several days; not that I care so much about the RECORD, but there are some things that I should like to speak about, and I should like to speak to the Senators. I know that I would have no one present—I may have no one anyway—if we should agree now to take this vote on Thursday. If that is done, not a single Senator who is not obliged to be here will come here to-morrow or the next day.

We are making rapid progress as we are going at present, and if the Senator will withhold that request until there seems to be some obstacle in the way of progressing rapidly I think better progress will be made. If, for instance, we are through and nobody wants to go on there will be no question about getting consent to that proposal.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, we have thoroughly tested out and demonstrated the fact that whether you fix a time limit or whether you do not fix a time limit, the Senate is not going to come in here and listen to these debates. It has not done so. It did not do so when my persuasive voice was lifted here to discuss the initial features of this bill. [Laughter.] There was hardly anybody here, and if they did not hear me they would not be apt to be persuaded——

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH of South Carolina. I do.

Mr. STONE. If the Senator from Michigan will permit me, if it is understood, in accordance with the agreement reached between the Senator from South Carolina and the Senator from Iowa, in colloquy, that any amendment may be called up at any moment to be voted upon, I ask the Senator from Michigan if he does not think that will have a tendency to keep Senators closer to their duty here on the floor of the Senate?

Mr. TOWNSEND. Mr. President, my experience with these unanimous-consent agreements has not been very satisfactory. If I thought it would expedite the consideration of this bill, I would yield; I would even yield the desire that I have to express my views on this subject; but I do not believe it would. I have seen nothing that indicates any desire or disposition to block the passage of this bill. Of course, there have been times when nobody was ready to go on, and we would adjourn or pass to something else; but if the Senator insists upon holding the bill before the Senate, I am sure we will come to a vote by Thursday afternoon. I do not believe there is any doubt about it.

Mr. SMITH of South Carolina. What is the objection to agreeing to it, then?

Mr. TOWNSEND. The objection I have stated before—that it serves notice on every Senator that he need not come. For instance, we are spending time at the present moment in discussing this matter. It is going to require a roll call, with the possibility that we may not get a quorum. Meanwhile, if this time limit had not been proposed, the Senator from Nebraska [Mr. NORRIS] would have made his speech this evening, and we would have made that much progress.

Mr. NORRIS. And you would have gotten rid of me.

Mr. TOWNSEND. And we would have gotten rid of the Senator from Nebraska. [Laughter.] Therefore I am going to ask the Senator to withhold that request at least until to-morrow.

Mr. SMITH of South Carolina. Mr. President, I want to suggest to the Senator that the agreement or understanding that seems to have been reached that any amendments that come up will be voted on when the discussion of them ceases will in all probability guarantee the presence of more Senators on the floor than just to let this debate go on without any idea when you are going to stop it. Senators have not been here, and they are not going to be here; but if it is understood that to-morrow and next day any amendments that may be offered will be disposed of, Senators will be here to see whether or not the amendments meet their approval. That is the understanding, and I shall attempt to hold the Senate in all respects to that understanding.

Now, it will take only a few minutes to call the roll, and it will take only a minute, then, to get unanimous consent; and then, if we have time this afternoon, and the Senator from Nebraska [Mr. NORRIS] desires to go on this evening, I am sure that he will have as good an audience as could be expected to-morrow morning, under the circumstances. So I hope the Senator will not object.

Mr. TOWNSEND. Very well; go ahead.

Mr. SMITH of South Carolina. Mr. President, I now renew the request for unanimous consent.

The PRESIDING OFFICER. The Senator from South Carolina has presented a request for unanimous consent. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Cummins	Kirby	Pittman	Stone
Curtis	Knox	Pomerene	Thomas
Fletcher	Lodge	Ransdell	Tillman
France	McKellar	Robinson	Townsend
Gallinger	Martin	Saulsbury	Underwood
Hale	New	Sheppard	Vardaman
Harding	Norris	Smith, Ga.	Wadsworth
Henderson	Nugent	Smith, Mich.	Watson
Jones, N. Mex.	Overman	Smith, S. C.	Wolcott
Kendrick	Page	Smoot	

The PRESIDING OFFICER. Thirty-nine Senators are present—not a quorum. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HOLLIS, Mr. JOHNSON of South Dakota, Mr. KELLOGG, Mr. OWEN, Mr. POINDEXTER, Mr. SIMMONS, Mr. STERLING, Mr. SUTHERLAND, and Mr. WILLIAMS answered to their names when called.

Mr. HOLLIS. I was requested to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is absent on official business.

Mr. SHAFROTH, Mr. FRELINGHUYSEN, and Mr. GRONNA entered the Chamber and answered to their names.

Mr. GRONNA. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family.

Mr. TOWNSEND. I announce the absence of the senior Senator from Washington [Mr. JONES]. He has been called to one of the departments on official business.

Mr. KENYON, Mr. PENROSE, Mr. MCNARY, Mr. SWANSON, Mr. SHIELDS, and Mr. BECKHAM entered the Chamber and answered to their names.

Mr. BECKHAM. I desire to announce that my colleague [Mr. JAMES] is detained on account of illness.

Mr. SUTHERLAND. I wish to announce that my colleague [Mr. GOFF] is detained by illness.

The PRESIDING OFFICER. Fifty-seven Senators are present. There is a quorum. The Secretary will read the proposed unanimous-consent agreement.

The Secretary read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 5 o'clock p. m. on the calendar day of Thursday, February 21, 1918, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill S. 3752, a bill to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 3 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than 10 minutes upon the bill or more than once or longer than 5 minutes upon any amendment offered thereto.

The PRESIDING OFFICER. Is there objection to the agreement proposed by the Senator from South Carolina?

Mr. SMITH of Georgia. Before consent is asked, I should like the Secretary to read again the latter part of the proposal.

The PRESIDING OFFICER. The Secretary will read the unanimous-consent agreement.

The Secretary again read the proposed agreement.

Mr. SMITH of Georgia. I wish to ask the Senator from South Carolina if he will not consent to a modification——

Mr. SMITH of South Carolina. Let me say——

Mr. SMITH of Georgia. One moment; let me finish my suggestion. I ask the Senator if he will not consent to a modification which will permit at least five minutes' debate upon any amendment that may be offered at any time? We have often under such an agreement had amendments offered where all discussion was cut off, so that it has been embarrassing to Senators to vote upon them. I do not intend to object. I do not intend to obstruct the passage of this very important measure.

Mr. SMITH of South Carolina. The Senator was not present when it was asked by the Senator from Iowa [Mr. CUMMINS] that beginning to-morrow and going on until we reach a vote a Senator shall call attention to an amendment offered, and it shall then be discussed and disposed of; that each amendment as it comes up shall be discussed and then disposed of on its merits, so as to meet the very difficulty the Senator from Georgia suggests.

Mr. SMITH of Georgia. But the provision of the consent agreement permits amendments to be offered as late as 5 o'clock on Thursday.

Mr. SMITH of South Carolina. They will not be of very much importance if they are withheld until that time.

Mr. SMITH of Georgia. I hope the Senator is right.

Mr. SMITH of South Carolina. I certainly am.

Mr. SMITH of Georgia. I think it is unwise to make one of these consent agreements that does not permit at least some discussion of an amendment after it is offered.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from South Carolina?

Mr. POINDEXTER. I understand the Senator from Georgia is not going to object.

Mr. SMITH of South Carolina. The Senator from Georgia is not going to object.

Mr. SMITH of Georgia. No; but I do urge the Senator from South Carolina to put in the agreement a provision to give an additional length of time—it would be very brief—and it would guarantee not to have amendments put to a vote upon which nothing could be said.

Mr. SMITH of South Carolina. How about beginning at 2 o'clock?

Mr. SMITH of Georgia. If we would begin on Thursday and limit debate all day Thursday, we would probably get through with the amendments.

Mr. SMITH of South Carolina. Would not from 2 o'clock until 5 o'clock give sufficient time? That would give three hours. I ask that the agreement be changed in that respect, unless there is objection.

The PRESIDING OFFICER. Without objection, the agreement will be so modified.

Mr. POINDEXTER. Mr. President, I desire to be heard. I am not at all objecting. I remember a few weeks ago, when we had the water-power bill before the Senate and had a unanimous-consent agreement shutting off all debate after a certain hour, a great many amendments suggested themselves to different Senators during the final consideration of the bill, but there was no opportunity presented to say one word in explanation of them. That is a very unsatisfactory condition of affairs in regard to any important bill. It is impossible for any very great delay to occur under a five-minute rule. If we limit the debate on each amendment to five minutes, we can dispose of the bill within a very reasonable time.

Mr. SMITH of South Carolina. That is what is being done. It is limited from 2 to 5 o'clock.

Mr. POINDEXTER. No; you propose to cut off all debate after 5 o'clock.

Mr. SMITH of South Carolina. It is now modified to read from 2 until 5.

Mr. POINDEXTER. Then you will have cut off any opportunity even to explain an amendment after 5 o'clock.

Mr. SMITH of South Carolina. The Senator from Iowa [Mr. CUMMINS] made the suggestion that from now on, whenever an amendment was offered, that that amendment should be considered and finally disposed of. It seems to me that that is a very good proposition. Of course, that would induce Senators to be present until the bill was disposed of. The Senator has observed that we have not had a very full house during the discussion of the bill.

Mr. POINDEXTER. Yes; I have wondered several times why the Senator did not ask for a vote on the bill during the time when we did not have any attendance for the consideration of the matter. It seemed to me the Senate was ready to vote at that time.

Mr. SMITH of South Carolina. No.

Mr. POINDEXTER. It would be much better to force the matter to a decision when the interest in it is lagging rather than to let the debate run for a number of days with the understanding that no action is going to be taken on it. It is rather an encouragement to Senators to absent themselves. We should not then fix a time and lay down an iron-bound rule and cut off every opportunity of expression in regard to a feature of the bill or any question which may suggest itself in regard to it.

Mr. SMITH of South Carolina. That we have not done in this case because we shall have Tuesday, Wednesday, and Thursday after all the debate we have had. There is ample time provided to offer amendments and speak to the amendments. Then from 2 o'clock until 5 o'clock on Thursday any other amendments that may suggest themselves to Senators can be discussed under the 10 and 5 minute rules.

Mr. POINDEXTER. What reason has the Senator for objecting to a five-minute speech upon an amendment?

Mr. SMITH of South Carolina. That is provided for in the unanimous-consent agreement.

Mr. POINDEXTER. I beg the Senator's pardon. After the hour of 5 o'clock there will be no opportunity to be heard.

Mr. SMITH of South Carolina. Then we are to vote. We have got to have some definite period at which to start to vote, and I thought three days was ample time for the discussion not only of the bill, which has been discussed at length, but also of any amendments that might suggest themselves. I know of but two or three Senators who want to speak on the bill at any length.

Mr. POINDEXTER. If the Senator will strike out the words "without further debate" and leave the limitation of five minutes, I shall not object.

Mr. SMITH of South Carolina. Then the debate would be absolutely interminable as now.

Mr. JONES of New Mexico. Mr. President, I have on a few occasions been embarrassed by the very condition suggested by the Senator from Georgia and the Senator from Washington and I had almost resolved that I would never consent to a unanimous-consent agreement for a final vote upon any measure in which I had any interest unless a Senator who offered an amendment should have at least five minutes in which to explain it. I think if this consent agreement was followed by a proviso that after 5 o'clock any Senator offering an amendment might have five minutes in which to explain its purport and that the chairman of the committee should have five minutes in which to reply it would obviate the difficulty which is in the minds of some Senators.

Mr. SMITH of South Carolina. If the Senator from New Mexico will allow me, the pending bill does not partake of the nature of most bills. The difficulty to which he refers does not arise on this bill. The principles are comparatively simple so far as this legislation is concerned. We have three days in which amendments may be offered, discussed, and disposed of. Then, on the last day, from 2 o'clock until 5 o'clock, the opportunity is given of offering amendments and speaking 10 minutes on the bill and 5 minutes upon any amendment.

Mr. JONES of New Mexico. I think the Senator will recall, however, that under a similar agreement the time was occupied upon one or two amendments and finally other amendments were offered and there was absolutely no opportunity to explain them. It seems to me that a Senator should have a right to offer an amendment at any time he wants and that he should have an opportunity to explain for at least five minutes what his amendment means.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. POINDEXTER. I object.

Mr. SMITH of South Carolina. I have modified the agreement and I think it will meet the objection raised.

The PRESIDING OFFICER. Does the Senator from Washington withdraw his objection?

Mr. POINDEXTER. I object to the proposal as it now stands. I will hear what the new proposal is.

Mr. SMITH of South Carolina. I have modified the agreement so that it will read:

through the regular parliamentary stages to its final disposition on said calendar day. No Senator shall speak more than once or longer than five minutes upon the bill or any amendment offered thereto.

Mr. POINDEXTER. Let me say——

Mr. SMITH of South Carolina. That is the calender day. We can stay until midnight and a Senator will have five minutes to speak upon every amendment.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. POINDEXTER. I should like to say to the Senator that I do not object to a speedy disposition of the bill and in regard to this particular proposal I have no objection if you limit the debate to five minutes to each Senator upon the bill and upon each amendment to the bill from to-morrow; but I do object to fixing a time for a final vote on the bill without an opportunity up to the time the final vote is taken to explain an amendment within a limitation of five minutes' time.

Mr. SMITH of South Carolina. Does not the Senator think this does that?

Mr. POINDEXTER. No; it does not. It fixes a time when all debate shall be cut off—that is, at the end of the calendar day. I object to it.

The PRESIDING OFFICER. Objection is made.

Mr. POINDEXTER. If the Senator desires to propose a unanimous-consent agreement limiting, as I said before, all debate to five minutes on the bill and on each amendment to the bill I shall have no objection.

Mr. SMITH of South Carolina. But the proposition of the Senator is not to fix any time at all. I have heard those propositions before. It is no matter of concern to me except the exigencies that those who are in charge say is upon us to expedite this matter. Those of us who have been here for some length of time know the tendency of interminable debate. It

seems to me that it is nothing but reasonable that we shall take the calendar day of Thursday and let the debate run on and let those who offer amendments discuss them without limitation until Thursday, and then from 2 o'clock in the afternoon until 12 o'clock that night anyone who offers an amendment can have an opportunity to discuss it for five minutes. That is what I was attempting to meet. I just wanted a definite time at which we would know when we would dispose of the bill. There are three whole days in which any amendment can be offered and anyone can debate it, and then from 2 o'clock until midnight on Thursday any amendment may be discussed under the five-minute rule.

Mr. POINDEXTER. It is not necessary, Mr. President, in order to dispose of the bill to stay here until midnight of Thursday or of any other day. I do not think we have arrived at the stage of the consideration of this bill when it is necessary to stay here all night to dispose of it.

Mr. SMITH of South Carolina. I think not; I merely used that by way of illustration.

Mr. POINDEXTER. I think it could be disposed of much earlier than that, for it is now before the Senate; and when there is no one here on the floor insisting on speaking, the Senator can call for a vote on the bill or on any amendment that may be pending.

Mr. SMITH of South Carolina. If the Senator will allow me——

Mr. POINDEXTER. It could be readily disposed of by limiting the debate after a certain time—the time to be fixed to suit the chairman of the committee—to five minutes upon the bill and any amendment to it.

Mr. SMITH of South Carolina. As the Senator will remember, the proposed agreement says not later than the time indicated. There are a number of Senators here who think we will dispose of the bill before then. The agreement does not say that at that particular time the bill shall be voted on and disposed of, but "not later" than that time. I am of the opinion that we will get through with it without the five-minute limitation, if the Senator will allow the request for unanimous consent to be agreed to.

Mr. POINDEXTER. I object.

The PRESIDING OFFICER. Objection is made.

EXECUTIVE SESSION.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, February 19, 1918, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 18, 1918.

CALIFORNIA DÉBRIS COMMISSION.

Col. Charles L. Potter, Corps of Engineers, to be a member of the California Débris Commission.

COAST AND GEODETIC SURVEY.

Leo C. Wilder to be junior hydrographic and geodetic engineer.

Aaron G. Katz to be aid.

CONSULAR SERVICE.

CONSULS OF CLASS 8.

John A. Embry.

Austin C. Brady.

NAVAL CUSTOMS OFFICER.

John B. Nash to be naval officer of customs in customs collections district No. 4.

RECEIVERS OF PUBLIC MONEYS.

Burre H. Lien to be receiver of public moneys at El Centro, Cal.

Joseph Allen to be receiver of public moneys at Visalia, Cal.

George Weaver to be receiver of public moneys at Durango, Colo.

John W. Cloyd to be receiver of public moneys at Sterling, Colo.

Juan N. Vigil to be receiver of public moneys at Santa Fe, N. Mex.

Ashley G. Dawley to be receiver of public moneys at Elko, Nev.

Alexander X. Campbell to be receiver of public moneys at Guthrie, Okla.

REGISTERS OF LAND OFFICES.

John E. Robbins to be register of the land office at Elko, Nev.

Robert R. Wilson to be register of the land office at Dodge City, Kans.

POSTMASTERS.

GEORGIA.

A. L. McArthur, Cordele.
Alice B. Bussey, Cuthbert.
Teressa G. Williams, Greenville.
George W. Dansby, Rockmart.
Marion Lucas, Savannah.
H. O. Crittenden, Shellman.
Annie P. Harper, Stillmore.
Vivian Humphreys, Stone Mountain.

HOUSE OF REPRESENTATIVES.

MONDAY, *February 18, 1918.*

The House met at 12 o'clock noon.

Rev. William Couden, of Washington, D. C., offered the following prayer:

Creator and Lord of sun, moon, and stars; assailed at times by the Psalmist's misgiving we cry, What are man and his transient affairs to Thee? Yet we know of Thy ever-creative imminence in the earth, for Thou art everywhere. And even the humblest of us is subject to the insistent claims of the moral law. And we have the sure testimony of thousands that Thou wilt keep him in perfect peace whose mind is stayed on Thee. Move our faith to Thee, O God, faith in Thy boundless care for us and our importance to Thee. And anchor us to right endeavor with that hope that maketh not ashamed.

In the solemn hush of night; in the broad light of day, with its manifold temptations; in all our sorrows, fears, and joys; and in our present view of a world brokenhearted, drenched in tears, crimson with blood, choked by smoke and hatred, let us glimpse often, we entreat Thee, the unfading glory of Thy majesty and know the changeless decrees of Thy throne and feel the heart-throbs of Thy tender but conquering love.

Let us not deny Thee by despair nor forsake Thee by our shame. But let us expect great things from God and attempt great things for God.

Through Him who yielded his place in heaven and emptied himself of all pride that we might be exalted; who became poor that we might be rich; who took upon Himself the likeness of sinful flesh that we might obtain the spirit; who died that we might have life everlasting. Amen.

The Journals of the proceedings of Saturday, February 16, 1918, and Sunday, February 17, 1918, were read and approved.

LEAVES OF ABSENCE.

By unanimous consent, leaves of absence were granted to—

Mr. BOOHER, indefinitely, on account of sickness in family.

Mr. BLACKMON, for four days, on account of official business for the Government.

Mr. TAGUE, for 10 days, on account of illness at home.

UNITED STATES BUREAU OF EFFICIENCY (H. DOC. NO. 901).

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying documents, was ordered printed and referred to the Committee on Appropriations:

To the Senate and House of Representatives:

As required by acts of Congress approved March 4, 1915, and February 28, 1916, I transmit herewith the report of the United States Bureau of Efficiency for the period from November 1, 1916, to October 31, 1917.

WOODROW WILSON.

THE WHITE HOUSE, *16 February, 1918.*

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent that the Committee on Public Buildings and Grounds may be permitted to sit during the sessions of the House to consider the $50,000,000 housing bill.

The SPEAKER. The gentleman from Florida, chairman of the Committee on Public Buildings and Grounds, asks unanimous consent that his committee may be permitted to sit during the sessions of the House to consider the $50,000,000 housing proposition. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, is that the bill that was taken from the Committee on Labor?

Mr. CLARK of Florida. Yes. We are engaged in hearings now.

The SPEAKER. Is there objection?

There was no objection.

RAILROAD LEGISLATION.

Mr. SIMS. Mr. Speaker, I ask unanimous consent for two minutes in order to have read a letter from the Director General of Railroads, Mr. McAdoo.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to have a letter from the Director General of Railroads McAdoo read. Is there objection?

There was no objection.

The Clerk read as follows:

WASHINGTON, *February 16, 1918.*

MY DEAR JUDGE SIMS: May I take the liberty of expressing the hope that the House may soon be able to take action upon the pending railroad bill?

I can not overemphasize the urgent necessity for prompt action in this matter. This is the time of the year when the railroads should be placing orders for essential equipment and making preparation for those improvements in their facilities which will enable them to meet the great and urgent demands for transportation for which they now not only have insufficient motive power and equipment but, in many cases, inadequate facilities. It is a great task to do the required work in time to get the benefits this year. It is my earnest conviction that every day's delay in setting this work forward is imperiling the success of the war, limiting the industrial efficiency, and jeopardizing the general prosperity and welfare of the country. We can not go forward with many matters of vital moment until the pending railroad bill becomes a law.

With warm regard, I am,

Cordially, yours, W. G. MCADOO.

Hon. T. W. SIMS,
Chairman Committee on Interstate and Foreign Commerce, House of Representatives.

URGENT DEFICIENCY APPROPRIATION BILL.

Mr. SHERLEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9807, the urgent deficiency appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the urgent deficiency appropriation bill, with Mr. GARNER in the chair.

The Clerk read as follows:

Not to exceed $50,000 of the funds derived from the sale of timber from the Red Lake Indian Forest, Minn., under authority of the act of May 18, 1916 (39 Stats., p. 137), may be expended by the Secretary of the Interior in the logging, booming, towing, and manufacturing of timber from burned-over areas at the Red Lake Agency sawmill and in the reimbursement from the said timber receipts of the amounts expended from other Indian tribal funds in the prosecution of such work.

Mr. CAMPBELL of Kansas. Mr. Chairman, I reserve a point of order on the paragraph just read.

Mr. SHERLEY. All right.

Mr. CAMPBELL of Kansas. I do so for the purpose of inquiring the necessity of including this in a deficiency appropriation bill. It is clearly legislation authorizing the Secretary of the Interior to rotate a fund, contrary to the policy of the Indian Bureau and of the Committee on Indian Affairs for years. We have never permitted the Indian Office to rotate funds of this character.

Mr. SHERLEY. It was not done to make a rotation fund. The reason for it is simply to enable them to cut some timber that has been burnt over, and that will be lost if it is not marketed within a reasonable time. The statement was made that under existing law they did not have any authority to cut this timber, and there did not seem to be any reason why the burnt timber should not be cut and marketed, therefore the committee made the authorization.

Mr. CAMPBELL of Kansas. I make the point of order.

Mr. SHERLEY. On what ground does the gentleman make the point of order?

Mr. CAMPBELL of Kansas. On the ground that it is legislation.

Mr. SHERLEY. If the Chair please, it is work that is already under way. They have been cutting some of this timber.

Mr. CAMPBELL of Kansas. Oh, no; the Indian Office has never had any authority, and the Secretary of the Interior has never had any authority to rotate funds as proposed in this bill.

Mr. SHERLEY. This does not make a rotating fund. That is not the effect of the language. There has been authority given and timber has been cut. If the Chair will indulge me a moment I will find the statute and read it.

Mr. CAMPBELL of Kansas. Oh, yes; the Secretary has been authorized to cut timber, but the money has been converted into the Treasury and appropriated in the regular way. I have no objection to permitting them to go ahead and cut this timber and put the money into the Treasury, and provide for its appropriation in the usual way, but I shall make a point of order against the legislation proposed.

Mr. SHERLEY. I do not know what the gentleman means by "the usual way." This is the usual way, and is simply extending the operations to this burnt-over area.

Mr. CAMPBELL of Kansas. No; he is permitted to use the fund arising from the sale of this timber.

Mr. SHERLEY. Of course, to cut more of it. And why should he not?

Mr. CAMPBELL of Kansas. Because we have never permitted that sort of thing to be done.

Mr. SHERLEY. Why should it not be done? Can the gentleman state any reason why, at a time when the Treasury is being burdened, we should further burden it by a direct $50,000 appropriation?

Mr. CAMPBELL of Kansas. It happens to be a very large subject, and it is an unwise policy to permit any department of the Government to do this.

Mr. SHERLEY. I would rather have the reason than the conclusion of the gentleman. What is the reason it is unwise?

Mr. CAMPBELL of Kansas. It is unwise because it permits a department of the Government to cut timber and sell it and get the money for it, and use this money as it may see fit, using it as a rotating fund, under the discretion of employees. It is a dangerous policy.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. STAFFORD. Do I understand that the gentleman's objection is only to the last three lines of the paragraph? The gentleman, I take it, has no objection to allowing $50,000 of funds derived from the sale of timber to be used for this purpose? It is only to the last three lines, I believe, that the gentleman is raising his objection. The lines that I refer to are the following:

And in the reimbursement from the said timber receipts of the amounts expended from other Indian tribal funds in the prosecution of such work.

If those lines were eliminated, would the gentleman have any objection to the remainder?

Mr. CAMPBELL of Kansas. That would leave it less objectionable.

Mr. STAFFORD. As I understand, the gentleman's objection would then be removed, because they would be limited to a fund of $50,000 derived from the sale of timber, for this purpose, instead of taking the $50,000 out of the General Treasury. This would take the $50,000 from funds that would be derived from the sale of timber on this reservation. I should think that would be satisfactory.

Mr. SHERLEY. If the Chair please, I am prepared to discuss the point of order. In the Indian appropriation bill for 1916 the Secretary is expressly authorized to obtain sawmills and cut lands, and use the interest on the funds derived from the sale of the timber, and this language occurs:

After the payment of all expenses connected with the administration of these lands—

And that includes the lands involved here—

as herein provided, the net proceeds therefrom shall be covered into the Treasury of the United States to the credit of the Red Lake Indians and draw interest at the rate of 4 per cent per annum. The interest on this fund may be used by the Secretary of the Interior in such manner as he shall consider most advantageous and beneficial to the Red Lake Indians. Expenditure from the principal shall be made only after the approval by Congress of estimates submitted by the said Secretary.

Now, an estimate has been submitted by the Secretary. It is regularly before Congress, has been regularly presented to the committee, and by the committee to the House, and it is up to the House to determine whether it wants to make the appropriation or not. The point of order clearly does not lie. I will send the statute to the Chair.

The CHAIRMAN. Will the gentleman from Kentucky answer this question——

Mr. SHERLEY. Certainly.

The CHAIRMAN. As the Chair caught the reading of the statute it provided that the interest should be used as a revolving fund.

Mr. SHERLEY. Yes.

Mr. CAMPBELL of Kansas. I beg pardon, but——

The CHAIRMAN. Just a moment.

Mr. CAMPBELL of Kansas. I aided in the preparation of that statute, and I do not think it bears the construction placed upon it by the gentleman from Kentucky.

Mr. SHERLEY. Of course the statute speaks for itself, as all statutes do.

The CHAIRMAN. If the Chair may be permitted to ask the gentleman from Kentucky a question——

Mr. SHERLEY. Certainly.

The CHAIRMAN. Is it the position of the gentleman from Kentucky that the interest authorized by this statute can be utilized by the Secretary of the Interior as he may deem proper?

Mr. SHERLEY. It is so stated in express terms.

The CHAIRMAN. Is there any evidence that the $50,000 proposed to be appropriated here is a part of the interest?

Mr. SHERLEY. No; but if the Chair will permit, the very next line says that the principal can be used upon estimates submitted by the Secretary and upon appropriation by Congress, and that is just what we are doing.

The CHAIRMAN. Was there an estimate submitted for this?

Mr. SHERLEY. There was an estimate submitted in due course.

Mr. CAMPBELL of Kansas. That does not come within the spirit of the law. The money derived from the sale of this timber is placed in the Treasury as other funds are placed in the Treasury, and appropriated in the same manner as other funds. If it were appropriated out of the funds placed in the Treasury as the result of the sale of these lands they would not need to refer to it at all.

The CHAIRMAN. The Chair would like to call the attention of the gentleman from Kansas to this language.

After the payment of all expenses connected with the administration of these lands as herein provided, the net proceeds therefrom shall be covered into the Treasury of the United States to the credit of the Red Lake Indians.

That does not have to be appropriated by Congress, and then it says:

Expenditure from the principal shall be made only after the approval by Congress of estimates submitted by the said Secretary.

This seems to come within that provision, Congress having reserved to itself the right to state how the principal shall be used.

Mr. CAMPBELL of Kansas. The intention is to place the money in the Treasury and have it appropriated in the regular way, and it is not necessary to refer to it, as in the first part of this paragraph, as money derived from the sale of this timber. It is in the Treasury to the credit of the Indians and may be appropriated on estimates from the Secretary of the Treasury.

The CHAIRMAN. The gentleman concedes that estimates have been sent in for this item?

Mr. CAMPBELL of Kansas. I assume that they have been.

Mr. SHERLEY. There is no doubt about that.

The CHAIRMAN. The point of order is overruled.

The Clerk read as follows:

For the examination and classification of lands requisite to the determination of their suitability for enlarged homesteads, stock-raising homesteads, public watering places, and stock driveways, as required by the public-land laws, $150,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I understand the appropriation of $150,000 for the examining and classification of lands requisite to the determination of their suitability for enlarged homesteads is not limited to the Territory of Alaska?

Mr. SHERLEY. No; it has no relation to Alaska at all. It relates to lands in a homestead act which we passed which requires their classification before they shall be open to homesteaders. There are several hundred thousand now waiting to go on these lands, and there has been a very insistent demand that the work should go forward.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

For temporary and auxiliary clerk hire and for substitute clerk hire for clerks and employees absent with pay at first and second class post offices and temporary and auxiliary clerk hire at summer and winter resort post offices, $1,800,000.

Mr. GILLETT. Mr. Chairman, many statements have been made in this House about the trouble with the mails going to our soldiers in France. This morning it happens that I received three letters much in the line of others which I have received. One was a little different, because it refers particularly to Christmas boxes. It said that in November the War Department issued a circular stating that any box weighing not over 20 pounds marked "Christmas box" and addressed to a soldier in France and sent so it would be received in New York on or before December 5 would be delivered free of charge on Christmas morning in France. He says that he sent two boxes—one on November 27 and one on November 29—so they had plenty of time to reach New York before December 5, and that they did reach there, and yet 10 days ago he learned from a friend who had received a letter from his son, written on Christmas day, that he had received no box from home, though he had received several parcel-post packages from other people. Neither of the boxes, which were of considerable value, arrived at all. He said that the value of the boxes was considerable, but the main cause of regret is the disappointment of the boy in France.

I have also received a letter from a lady, who says:

I am writing this letter to call your attention to the mail service to the boys in France. My brother left Massachusetts in September and writes me a letter, dated November 23, that he has received only one letter from the good old U. S. A. I have written 15 letters, and his mother has sent him still more. We sent him three packages, none of which he has received. He writes that he is very lonesome (he is only a boy) and very much worried because he does not hear from home.

In the same mail I received another letter of the same purport. It says:

My son has been in France since the first part of December, and from that time to this we have sent him a Christmas box, mailed letters, two or three a week, sent newspapers once or twice a week, magazines, knitted articles—such as helmets, scarfs, sweaters—cigarettes, candy, fountain pen, and things too numerous to mention. I received a letter from him yesterday, dated January 27, and up to that time from the last part of December he had not received any of the many things sent.

I state these things in corroboration of the many statements which have been made in the hope that the Post Office Department will increase its efforts to remedy these shameful miscarriages.

The Clerk read as follows:

The proceeds heretofore or hereafter received from the disposition of nitrate of soda under the appropriation of $10,000,000 contained in section 27 of the act approved August 10, 1917, shall be credited to the said appropriation of $10,000,000 and be available for the purposes authorized in the said action during the period of the existing war as defined by section 24 of the said act.

Mr. GREEN of Iowa. Mr. Chairman, I reserve a point of order, to ask the chairman what special reason there is for inserting this here.

Mr. SHERLEY. The reason was that it came to the attention of the committee that the Agricultural Department had obtained a certain amount of nitrates which had been disposed of; that there was a demand for very much more than that. And while the Agricultural Department was not certain whether it would be able to get additional ships or not, if it could get the ships it was desirable to have this money available for the procurement of the additional nitrates for agricultural purposes. It further appeared that an amendment to this effect was placed on the Agricultural bill in the Senate; that the matter was agreeable to the Agricultural Committee of the House, and it was put up in here rather than in the Agricultural bill to make it available earlier should the contingencies arise which might make it necessary.

Mr. GREEN of Iowa. That was the very point I was coming to. It seemed to me this was a matter that ought to come within the jurisdiction of the Committee on Agriculture.

Mr. SHERLEY. We would not have touched it except with the understanding that it was acceptable to the chairman and, as I said, to the committee, and that a similar provision was pending to the Agricultural bill in the Senate.

Mr. GREEN of Iowa. Well, it seems to me——

Mr. SHERLEY. The gentleman from South Carolina [Mr. BYRNES] was the mover in the matter and I think could give the gentleman even fuller information than I can, but that is my understanding, I will say to the gentleman.

Mr. GREEN of Iowa. Well, Mr. Chairman, I do not think this provision ought to be contained in the bill. My understanding is that the Agricultural Committee will shortly come in with another bill——

Mr. SHERLEY. I suggest the gentleman let the matter be passed for the present.

Mr. GREEN of Iowa. I would ask then unanimous consent that this matter may be passed for the present——

Mr. SHERLEY. With the point of order pending?

Mr. GREEN of Iowa. With the point of order pending.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that this item be passed temporarily with the point of order pending. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

For additional for procuring, storing, and furnishing seeds as authorized by section 3 of the act entitled "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," approved August 10, 1917, including not to exceed $5,000 for rent and personal services in the District of Columbia, $4,000,000, which may be used as a revolving fund until June 30, 1918.

Mr. NORTON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 76, line 3, after the figures "$4,000,000," insert:

"*Provided*, That the Secretary of Agriculture may sell the said seed to farmers on security approved by the Secretary and under rules and regulations prescribed by him."

Mr. SHERLEY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. NORTON. Mr. Chairman, there has been a great deal of discussion throughout the country during the past two months in regard to Congress making an appropriation for encouraging the sowing of the largest possible acreage of grain crops next spring. In the hearings before the Committee on Agriculture held a few days ago, Food Administrator Mr. Herbert C. Hoover stated that in his judgment it was advisable for the Government at this time to do everything possible to encourage the sowing of the greatest possible acreage of spring wheat next spring. He stated at the hearing that it was quite evident that there was going to be a shortage of wheat in the country this year, and as all winter wheat had already been sown the only thing that could be done now to increase the acreage of wheat would be to encourage the sowing of a greater acreage of spring wheat. There are a number of districts in the country where there was a crop failure of spring wheat last year that can be greatly helped out if the Secretary of Agriculture is given by Congress the right to sell seed wheat on time to farmers who will put it in and increase the crop of spring wheat. My amendment provides that this wheat can be sold on time, on security approved by the Secretary of Agriculture, and under rules and regulations prescribed by him.

Mr. FLOOD. Will the gentleman yield for a question?

Mr. NORTON. I will.

Mr. FLOOD. What is the suggestion of the gentleman as to where this wheat will be stored and sold?

Mr. NORTON. It should be stored in and sold from the local elevators in the communities where it is to be sown. I will say, as far as the needs of my State are concerned I believe they have been already largely taken care of. Recently the Legislative Assembly of North Dakota met in special session and amended and extended the provisions of the county seed-bonding law of the State. Under the provisions of this amended county seed-bonding law the need for seed in my State can be pretty well taken care of. There is, however, need in many parts of the country for the legislation which my amendment proposes. Its adoption would largely increase the acreage of spring wheat to be sown next spring in Montana, Wyoming, and North and South Dakota.

Mr. FLOOD. Now, is the proposition to have the Government buy this wheat and send it to each county in those States and have from here a distribution of seeds?

Mr. NORTON. The purpose of my amendment is this, to permit the Secretary of Agriculture, where seed can not be obtained in any other way by farmers who are prepared to sow the seed properly to sell seed to them on time and under rules and regulations prescribed by him to safeguard the Government. I have talked the matter over with the Secretary, and I am certain that in the administration of the provision proposed by my amendment he will be very conservative. He would, I am sure, only authorize the sale of these seeds on time when and where the carrying out of this policy would greatly encourage sowing a greater crop acreage next spring and where the sowing of this increased acreage would be likely to benefit the whole Nation through a large addition to our total food supply at the next harvest.

Mr. GOOD. Will the gentleman yield?

Mr. NORTON. I will.

Mr. GOOD. Now, in exercising that privilege he will, of course, grant credit only to the farmer who could not get credit locally?

Mr. NORTON. Certainly.

Mr. GOOD. Then he is granting credit to people who are not entitled to credit from a financial point of view, and as a result the Government would have in a short time bills against every bankrupt farmer who wanted to buy wheat?

Mr. NORTON. Oh, I do not think that is so. I will say this to the gentleman: I think the need for an increased supply of foodstuffs is so great in this country at the present time that the Government would be well justified in adopting the policy of advancing money on time to supply seed to be sown in agricultural districts of the country where, under ordinary circumstances, good crop yields will be returned much more than sufficient in value to pay all the expenses for the seed furnished and for the sowing, harvesting, and marketing of the crops.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOOD. Mr. Chairman, I rise to oppose the amendment, and I would like to have a little time.

The CHAIRMAN. The question is on the point of order. Does the gentleman desire to be heard on the point of order, or does he desire to discuss the merits of the proposition? The Chair is ready to rule.

Mr. SHERLEY. I am willing to reserve the point of order.

Mr. GOOD. Mr. Chairman, I am opposed to the amendment of the gentleman from North Dakota. I am afraid that the committee has gone further in this respect in granting an appropriation of $4,000,000 for the purchase of seed in this emergency than it ought to have gone. At any rate, it has appropriated ample. The proposition smacks a little too much of paternalism to suit me, and I represent an entirely agricultural community. I would do nothing to hamper this great industry. I have read with interest the extended hearings on this subject, and there is not a word with regard to a shortage of wheat seed; not a word with regard to the need of cotton seed; not a word with regard to the shortage of barley seed or flax seed; certainly not a word as to the need of peanuts; and the Secretary of Agriculture came before the committee and said that because of the cold season last year, especially in the Northwest and Middle West, there was a great amount of soft corn, in some localities the moisture being as high as 80 per cent, and in but a few was the moisture as low as 20 per cent. And the department has felt that the farmers in the corn belt were going to have trouble in buying suitable seed corn for the spring planting. We have here an estimate of the Secretary of Agriculture to purchase seed. His estimate is as follows:

Purchases of seed that are being made under the provisions of section 3 of Public No. 40. $2,500,000.

Crop.	Estimated quantity to be purchased.	Estimated cost, including all overhead charges.	Purchases commenced.	Purchases must conclude.	Sales commenced or will commence.	Sales to date, Jan. 31, 1918.	Sales must conclude.	Estimated receipts from sales available for reuse in purchasing of seed, spring of 1918.
THE SOUTHWEST (TEXAS)								
Corn.....bushels..	25,000	$75,000	Oct. 15, 1917	Mar. 1, 1918	Jan. 15, 1918	$5,372.63	May 1, 1918	$15,000
Cotton.....do....	162,150	290,000	Jan. 15, 1918	.....do.....	Feb. 15, 1918	(1)	.....do.....	15,000
Sorghum seed, kafir, milo etc.....pounds..	1,100,000	310,000	Jan 7, 1918	Apr. 1, 1918	Jan. 10, 1918	400.00	.....do.....	15,000
Peanuts.....bushels..	107,500	15,000	Jan. 15, 1918	.....do.....	Feb. 15, 1918	(1)	.....do.....	10,000
	.....	890,000	.....	.....	.....	.....	.....	55,000
NORTHWEST (MONTANA AND NORTH DAKOTA).								
Barley.....bushels..	194,000	333,500	Jan. 7, 1918	Apr. 1, 1918	Mar. 15, 1918	(1)	May 1, 1918	17,000
Flax.....do....	60,000	219,000	Feb. 1, 1918	.....do.....	.....do.....	(1)	.....do.....	10,500
Oats.....do....	250,500	250,500	Jan. 7, 1918	.....do.....	.....do.....	(1)	.....do.....	12,500
	.....	803,000	.....	.....	.....	.....	.....	40,000
NORTHERN PART OF CORN BELT.								
Corn.....bushels..	175,000	610,000	Feb. 1, 1918	Apr. 1, 1918	Mar. 1, 1918	(1)	May 1, 1918	30,500
SOUTHERN PART OF GREAT PLAINS.								
Sorghum: (including grain sorghum and sweet sorghums).....pounds..	2,000,000	200,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 15, 1918	(1)	May 1, 1918	10,000

[1] None.

Now, the Department of Agriculture proposes to spend the sum of $4,000,000, as follows:

Plan of expenditures under the proposed emergency item of $6,000,000 for the purchase and sale of seeds.

Crop.	Estimated quantity to be purchased.	Estimated cost, including all overhead charges.	Purchases to commence—	Purchases must conclude—	Sales commenced or will commence—	Sales to date.	Sales must conclude—	Estimated receipts from sales available for reuse in purchasing seed, spring of 1918
FOR THE SOUTHWEST, INCLUDING TEXAS AND NEW MEXICO.								
Sorghums.....pounds..	5,000,000	$500,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918	.....	May 1, 191	$25,000
Cotton.....bushels..	270,000	500,000	.....do.....	.....do.....	.....do.....	.....	.....do.....	25,000
Pe nuts.....do....	125,000	250,000	.....do.....	.....do.....	.....do.....	.....	.....do.....	12,500
Tota.....	.....	1,250,000	.....	.....	.....	.....	.....	62,500
FOR THE NORTHWEST.								
Oats.....bushels..	750,000	750,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918	.....	May 1, 1918	37,500
Barley.....do....	214,000	375,000	.....do.....	.....do.....	.....do.....	.....	.....do.....	18,750
Flax.....do....	35,700	125,000	.....do.....	.....do.....	.....do.....	.....	.....do.....	6,250
Total.....	.....	1,250,000	.....	.....	.....	.....	.....	62,500
FOR THE NORTHERN CORN BELT.								
Corn.....bushels..	50,000	1,500,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918	.....	May 15, 1918	75,000
Soy bean.....do....	120,000	600,000	.....do.....	.....do.....	.....do.....	.....	.....do.....	30,000
Navy beans.....do....	60,000	600,000	.....do.....	.....do.....	.....do.....	.....	.....do.....	30,000
Total.....	.....	2,700,000	.....	.....	.....	.....	.....	135,000
FOR THE SOUTHERN PART OF THE GREAT PLAINS.								
Sorghum.....pounds..	8,000,000	800,000	Feb. 15, 1918	Apr. 1, 1918	Mar. 1, 1918	.....	May 15, 1918	40,000
Grand total.....	.....	.....	.....	.....	.....	.....	.....	200,000

Let us look at this estimate. $750,000 with which to purchase seed oats. We never had a better oat crop than we had last year throughout the length and breadth of the United States, and every bushel is suitable for seed. And yet at a time when oats were selling around 60 cents a bushel it is proposed to buy them for a dollar a bushel and sell them to the farmer at a dollar a bushel when the farmers can buy the seed oats for much less. There is something out of joint here.

What else did he propose to do? In time of war he intended to spend $250,000 for the purchase of seed peanuts. Not a word in the hearings with regard to peanuts. Is there a scarcity of peanuts for seed? No one has said there was, so far as I can know. If there is, ought we not to have heard something about it? Why, then, should our Government loan $250,000 to permit the Secretary of Agriculture to buy peanuts?

Now, I know nothing about the cotton situation, and yet the Secretary of Agriculture proposes to purchase $200,000 worth of cotton seed. Is there a shortage? If so, to what extent does it exist? How far would $200,000 worth of cotton seed go to relieve the situation in the South if there is a demand for cotton seed because of poor seed or of shortage?

Take it in my own section. It is proposed now, in the face of a great shortage, to purchase only 50,000 bushels of seed corn. That amount of seed corn is not enough to plant the corn in two of the counties of my district. I doubt if it is enough to purchase enough for one. And at the same time they propose to buy 125,000 bushels of soy beans, and anybody who knows anything about that part of the country knows that there is not one farmer in a hundred growing soy beans. Is this an attempt to deprive the corn farmer of seed corn and force soy beans on him instead?

Now, what is the situation? There appears to be a total lack of comprehensive knowledge with regard to these seeds, the needs of the country so far as the things in which there is a shortage are concerned. There was a good reason to do something for seed corn in the corn belt, because we had the poorest crop of corn so far as quality is concerned that we ever had, and business men and farmers and bankers look with some apprehension on the coming spring so far as having a quality of seed that can be relied on is concerned. Throughout Illinois and Indiana and Iowa and Missouri and Nebraska, in those corn States, what did these men do? The farmers organized through their local agents, and with the aid of the banks and business houses and manufacturers they took a census of the corn that was suitable for seed purposes. In my own State the governor required a comprehensive survey to be made, and those reports are coming in, and all the corn of last year that is suitable for seed corn is being located and conserved, and the corn of last year that matured so that it would make good seed corn is being set aside. The business man and the farmers and the bankers are doing that work. And this fund will go to but a very limited extent to relieve that situation. What is true in Iowa I conclude to be true in the corn belt.

Mr. REAVIS. Will the gentleman yield?

Mr. GOOD. I yield to the gentleman.

Mr. REAVIS. Has not that survey disclosed that, generally speaking, the 1917 crop is unfit for seed corn in that locality?

Mr. GOOD. The survey, according to a dispatch that I saw from one county in my State, and it is a representative county, showed that there was about 2 to 5 bushels per school district of shortage, taking into consideration the corn that was raised last year that was suitable for seed. I think this estimate includes the corn of the 1916 crop that had been preserved and could be used for seed.

Mr. REAVIS. What I am trying to learn is this: Is practically all the seed corn suitable for your locality confined to the 1916 crop?

Mr. GOOD. I think a great deal of it is; but there is some good seed corn in the 1917 crop.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GOOD. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent for two minutes more. Is there objection?

There was no objection.

Mr. NORTON. I take it the gentleman knows that at the present time the Food Administration is trying, by regulations which it is putting into force, to reduce the consumption of wheat during the coming six months in this country 30 per cent, and that this policy is being resorted to on account of the great needs of this country and our allies for wheat and wheat products. I take it the gentleman knows that, as far as it now can be seen, there is going to be a large shortage in the wheat crop of this year. Would the gentleman, then, be opposed to having the Secretary of Agriculture given the right to furnish seed wheat on time to farmers in districts where they could not otherwise secure seed, if on being so supplied with seed wheat they would plant it, care for it, and harvest it and add greatly to the Nation's total wheat supply for this year?

Mr. GOOD. No; if they could not otherwise get it; but there is no community in the whole United States that is so unpatriotic that would not respond and furnish the funds to purchase seed wheat to seed every acre of available land, and the gentleman knows it; and the gentleman knows that in his own State——

Mr. NORTON. If what the gentleman asserts is true, then if the authority proposed by my amendment is given the Secretary of Agriculture he would find no occasion to use it.

Mr. GOOD. I think there might be very good reason for some activity on the part of the Department of Agriculture, but I think we are going too far, and even with this reduced appropria-

tion, I think perhaps it is more than it ought to appropriate for the purchase of seeds whether there is a shortage or not. I am for the provision, but I think that we ought not to extend Government agencies in this direction; we should limit this authority. We are purchasing cotton seed and peanut seed and oats. At the time this estimate was made oats were selling for about 60 cents a bushel. Farmers could buy them for that sum. And it is here proposed to pay $1 a bushel, and they will cost that amount plus costs of administration.

And I notice in the estimates for storage it is proposed to spend considerable for storage here in the District of Columbia. There is no need for storing a bushel of corn, or peanuts, or anything of that kind here in the District of Columbia. The need is in the localities where they raise these things, and therefore need the seed for the coming spring.

Mr. NORTON. I quite agree with the gentleman in that. Will the gentleman yield?

Mr. GOOD. I do not believe the Government ought to go into the business of extending credit to the farmers for these purposes, and I do not believe the farmers of the United States want it. Under all the circumstances not a dollar should be expended for peanuts, and not a dollar for other seeds, except where there is actual shortage in certain localities.

Mr. SLOAN. Mr. Chairman, the fact that the Government might stand to lose something in granting credit by furnishing seed for these people in the Northern States in order to increase the wheat raised is not conclusive to my mind. The Government has undertaken to encourage the farmers of the Northwest to produce food in large quantities, and the Government can not expect to go the whole way in the matter of encouragement unless it will take some risk itself.

Throughout the States of Iowa, Nebraska, Illinois, and other States people who feed cattle have responded to the appeal of the Government to place every possible pound of meat upon each brute for the purpose of having a large food production. They patriotically went into the markets last fall and bought feeders at from 10 to 12 cents a pound. Now, after they have fed them at large expense high-priced grain and hay, they are unable to get much, if anything, more than the price that they paid per pound. Everybody who ever fed a steer knows that means a large loss to every owner of every finished steer. On present market prices there is a loss of from $10 to $30 on every finished steer. In common with many of my neighbors, in obedience to the appeal of the Government for a maximum of meat production, I am finishing some at a loss; the lighter ones will probably pay out.

So if the Government of the United States is asking the farmers to increase their acreage of wheat, we know that the only opportunity now is to increase the spring-wheat area. If the Government is asking the farmers to increase their acreage, it should not be so finicky about the possibility of suffering a small loss.

I do not think the people in my State would profit much by the amendment suggested by the gentleman from North Dakota [Mr. NORTON]. That is a newer State, confined largely to spring wheat, while our State is a dual wheat State—winter and spring. From statements I heard made by men living in North Dakota, as well as by Representatives here on the floor, it appears that there are large areas up there which will go unsown unless some substantial aid is given. The mere fact that the Government is running a little risk when it is asking that a great risk shall be run by the farmer who will furnish the land and the toil is to me not conclusive. The amendment of the gentleman from North Dakota should prevail.

Mr. MOORE of Pennsylvania. Mr. Chairman, I desire to oppose the amendment.

This paragraph proposes to give $4,000,000 to the Secretary of Agriculture for the uses of a revolving fund in connection with the procuring, storing, and furnishing of seed, on the ground that it may be necessary as a war-emergency measure. This item may be all right at the present time, but it looks like an entering wedge for a larger distribution of seed concerning which a propaganda is sweeping over the Northwest and certain other sections of the country. I regret to make this comment in the absence of the gentleman from North Dakota [Mr. BAER], who seems to be the leading exponent of this new idea, and who has introduced a bill which has been widely commented upon throughout the country, particularly in the country press; but his bill appropriates $50,000,000 for the purchase and distribution of seed, for which the Government is to take the promissory notes of such selected farmers as are fortunate enough to get the seed on these terms.

I think it well to call attention to the importance of the bill introduced by the gentleman from North Dakota [Mr. BAER]. It is a bold and radical departure from the existing order. Section 4 of his bill, which has been widely commented upon in the country press, provides that the money therein appropriated shall be expended by the Secretary of Agriculture in the purchase of seed and grain in connection with the necessary expense incurred in carrying out the provisions of the act, and that the grain and seed shall be sold and distributed to the farmers and stockmen mentioned at a price not to exceed the cost to the Government, the purchaser to give a promissory note therefor, payable one year from date, to the Treasury of the United States, and bearing interest at 4 per cent per annum.

Now, this project is being widely discussed. It is proposed to reach into the Treasury of the United States in these times of war and take out $50,000,000 to buy seed to be turned over to certain stockmen, farmers, and ranchmen in certain States on the strength of promissory notes.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. There is no evidence that they are to have collateral property. Yes; I yield to the gentleman from Nebraska.

Mr. SLOAN. Is not the United States advancing now at least 30 per cent to certain manufacturing concerns to obtain supplies that they deem of importance to the winning of this war, and is there anything more important than the matter of production of food for the winning of this war?

Mr. MOORE of Pennsylvania. I have heard that the administration is sanctioning certain advances to manufacturers and munition makers and others for the purpose of producing munitions of war.

Mr. SLOAN. You have heard that?

Mr. MOORE of Pennsylvania. Yes; I have heard, I may say, almost the whole story in committee.

Mr. HELVERING. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. HELVERING. That is by virtue of the law passed by the last Congress.

Mr. MOORE of Pennsylvania. I presume it is by virtue of law, war-emergency law, otherwise the administration would not have followed this method. But the method is subject to abuses even during the war.

I have little to say about the question of lending or advancing 30 per cent to munition manufacturers, except that in that case there is property upon which the Government may fall back to recoup its losses. I presume the administration is wise enough to protect itself in regard to advances thus made for the purpose of hastening war preparations. But I question whether we have that protection in connection with this $50,000,000 seed proposition. We have there only the individual promise to pay. We have run wild in the matter of expense due to the war. We have advanced and loaned money to munition makers for the production of war material, and we have aided the farmers, but I doubt whether we have yet arrived at that stage of paternalism in the United States where we are prepared to use the tax money of the people to make advances to men who have only something in prospect to redeem their promises.

Mr. HOWARD. Mr. Chairman, it may take a great war to shake the reactionary and stand-pat proclivities of my good friend from Pennsylvania [Mr. MOORE]. He is treating this proposition very lightly. I believe the most serious condition that confronts the United States in any of its present activities in preparation for this war is the crop of 1918.

I want to tell the gentleman something about the section of the country that produces a good deal of foodstuffs as well as practically all the cotton that goes to clothe the people of this country. These big northern contractors who have been sent down there to build these great Government works—and it looks now as if nobody could build anything in that country except one of these fellows from away off, and mighty few local contractors can do anything in that country—they come down there and they utterly disregard how they gather labor. They do not care if they take every hand off of a man's farm. They do not care how much they disrupt a man's business, just so they get the labor they want. Now, what is going to happen? In the first place, since December, 1916, up to the 31st day of December, 1917, 112,000 negroes left the State of Georgia alone. They were attracted by the high prices paid for labor in the great civic centers. The draft came along—very properly—and it has taken a great many of the boys off of the farms.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. MOORE of Pennsylvania. That is the difficulty in the factories. They have taken them out of the factories in a larger percentage and have disorganized them.

Mr. HOWARD. That is true; but here is a proposition to increase the supply of food, and I assume that Napoleon was right when he said that an army travels on its stomach. I am

trying to show you that this Government has got to do radical things to encourage the production of food for this year, and you can not wait until April or May to do it. You have got to do it now, and, in my judgment, you can not give the farmers of this country any too much encouragement to produce food. Some of you gentlemen were very anxious to fix a price on cotton that would not pay for the cost of planting. I will venture the prediction now that if they use every available man and every available mule in the South to put cotton seed into the ground there will not be 9,000,000 bales of cotton produced in the South in the year 1918.

Mr. KNUTSON. Will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. KNUTSON. Does the gentleman think there is any more reason for fixing the price of wheat than there was for fixing the price of cotton?

Mr. HOWARD. Not any, if you fix a minimum. What was the use to fix a price on wheat if you did not fix the price of the manufactured product somewhere? What is the use of fixing a price on raw cotton if you turn your cotton mills loose to charge 40 or 50 cents a yard for cotton cloth? When we fix a price on cotton we are going to save the people of this country from paying exorbitant prices for the manufactured cotton, because we are going to fix a price on that, too, on a cost-plus basis. Mark that prediction.

Mr. KNUTSON. I will say to the gentleman that he had better ask the President why the consumers have not been looked after.

Mr. HOWARD. The consumers are being looked after; but the trouble about this whole war is, in some quarters—and it is pretty well distributed over the country—that there is a good deal of patriotism exhibited when there is a dollar of profit in it; and if you can fix some plan to stop the profiteers from operating right now during this war, and will present it to this Congress so that we can act on it, so as to stop it, the Washington Monument will not be as high as an ant hill by the side of the monument that the people of this country will erect to your memory. Now, you get busy and see what you can do. [Applause.]

Mr. KNUTSON. Well, I am not President.

Mr. HOWARD. Thank the Lord for that.

Mr. GILLETT. Mr. Chairman, I do not come from an agricultural district. At the same time I believe that next to the need of ships our greatest need, and the most disquieting situation to-day, is the production of food for this coming year. So I think everything we can do which is going to stimulate food production we ought to do. I heartily acquiesce in this proposition of the committee, and my only fear is, as the gentleman from Iowa indicated, that it is not large enough or rightly proportioned to accomplish the purpose intended. But as there is a revolving-fund proposition wrapped up in it, it may be that it will achieve more than I expect. From all I can learn, it seems to me that what is troubling the farmers and preventing their setting out for an enormous production of foodstuffs this year is not only the lack of seed but a fear of the lack of labor. And it seems to me that we ought also—although perhaps that is a matter exclusively within the power of the administration—to provide, just as far as we can, that a labor supply shall be given to the farmer, because he is not going to buy seed and sow seed if he does not think he can reap the crops when they mature. As I understand it, last year enormous crops lay and rotted simply for lack of labor to harvest them. I think the remedy is either by arranging the draft law so that farm laborers shall not be taken or by paroling men from our cantonments to go back to the farms, so that the farmers can have the skilled labor which they need to harvest the crops, and therefore stimulate the farmers to plant this spring.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. MOORE of Pennsylvania. Is it not true that the shortage of labor which troubles the farmer also troubles the shipbuilder?

Mr. GILLETT. Yes.

Mr. MOORE of Pennsylvania. And is it not true that the shipbuilder is just as important in this war as the producer of food?

Mr. GILLETT. I said at the beginning that it seemed to me that to-day the first instance where we are likely to fall down is on shipping, and next on food, but the trouble has been, I think, that a large part of the farm labor, even before the draft, was drawn away from the farm by the attractiveness of the wages paid by munition factories and shipyards; so that even before the draft began the farmer had a very small quota of labor compared with what he had before and compared with what he needs.

Mr. MOORE of Pennsylvania. The gentleman certainly would not take labor away from the shipyards or from the great industrial establishments and send it back to the farms again?

Mr. GILLETT. I said the only proposition that occurred to me, or the easiest one, is to send the experienced farmers from the cantonments and the National Guard camps.

Mr. NORTON. That is just exactly the point, that the men are being drawn from the farms to the shipyards where they are paid from $6 to $15 a day, and a man can not afford to stay on the farm and raise wheat at $2.20 a bushel. The farmer who raises that wheat can not afford to pay more than $2 a day for help.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. GREENE of Vermont. I think the administration already has in mind some military proposition looking toward the possibility of utilizing the Army for industrial purposes, or a part of it, when occasion may demand, and legislation to that effect is under consideration.

Mr. GILLETT. I am much obliged to the gentleman; I am not in the secrets of administrative legislation as much as is the gentleman from Vermont.

Mr. GREENE of Vermont. I would accept that as a compliment if I thought there was a compliment in it.

Mr. TILSON. Will the gentleman yield?

Mr. GILLETT. Certainly.

Mr. TILSON. The gentleman understands that it has not been the draft that has drawn the men away from the farms but the allurement of higher prices elsewhere.

Mr. GILLETT. But the draft also.

Mr. TILSON. The figures show that the percentage of men drawn away from the farms and inducted into the military service has been almost negligible. The percentage has been very small. I call the gentleman's attention to the report of the Provost Marshal General. The real point is that they have been drawn away from the farm to these other places that pay them very much better than they were ever paid on the farm. There has been little difficulty from the draft itself.

Mr. GILLETT. Of course, we recognize that the farmer can not pay larger prices and still sell his produce at a profit, and therefore he is tempted not to increase production to the point that the country needs.

Mr. TILSON. That is true.

Mr. CANNON. Mr. Chairman, I would be glad if the Chair would inform the committee what the matter is now pending before the committee.

The CHAIRMAN (Mr. SAUNDERS of Virginia). It is an amendment to which a point of order has been reserved.

Mr. CANNON. I demand the regular order.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONDELL. I gave notice when the bill was taken up that I would offer an amendment to this section, and I desire to offer an amendment as a substitute to the amendment now pending against which the point of order is reserved. Can I offer that amendment now with the point of order reserved?

The CHAIRMAN. The regular order has been called for. Does the gentleman from Illinois insist on his demand?

Mr. CANNON. Oh, no; Mr. Chairman, let the brethren talk. [Laughter.]

Mr. SHERLEY. Mr. Chairman, I insist on the point of order. Section 3 of this law provides:

> That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds suitable for the production of food or feed crops, he is authorized to purchase or contract with persons to grow such seeds, to store them, and to furnish them to farmers for cash, at cost, including the expense of packing and transportation.

I make the point of order.

The CHAIRMAN. The paragraph in the bill is in aid of section 3, the food survey law. That provides that the Secretary shall sell for cash. The amendment provides that the Secretary shall have authority to sell it for credit. That is an enlargement of the power of the Secretary; it is legislation on an appropriation bill and is out of order. The Chair sustains the point of order.

Mr. MONDELL. Mr. Chairman, I offer my amendment as a substitute for the paragraph.

Mr. LINTHICUM. Mr. Chairman, I have an amendment to the paragraph. Would not that come in ahead of the amendment of the gentleman from Wyoming?

The CHAIRMAN. An amendment to perfect the paragraph comes in ahead of the substitute.

Mr. LINTHICUM. I do not know whether it is to perfect the amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maryland.

The Clerk read as follows:

After the word "fund," line 4, page 76, add "and a like revolving fund of $4 000.000 to loan for the purchase of machinery."

Mr. SHERLEY. Mr. Chairman, I make a point of order to that.

Mr. LINTHICUM. Will the gentleman reserve his point of order?

Mr. SHERLEY. I will reserve it.

The CHAIRMAN. That involves the same point that the Chair has already ruled upon.

Mr. LINTHICUM. Mr. Chairman, it has been said that what the farmer needs is more labor, that although we may buy them the seed or sell it to them, yet if they have not the labor to do the work they can not produce the crops. It is manifest to anybody who knows anything about a farm that if we have the proper machinery we can produce larger crops with a much smaller amount of labor. There are many farmers in the country who would put in more crops, purchase seed, and raise more for the American people, but they are absolutely unable financially to purchase the machinery necessary to carry on the farm according to modern ideas. My amendment would help them in this way. You could lend the man the money to buy the seed, or purchase seed and sell it to him, and at the same time you could lend him the money or purchase machinery and sell it to him on time, so that he could produce a larger crop. If we have proper machinery on the farms we can do the labor with one-third less men than heretofore necessary on the farm. While the large majority of farmers able to purchase the machinery and do so, and raise large crops, there is a certain class who are absolutely afraid of debt, as afraid of debt as a man is of fire. These timid, though capable, farmers are the ones I wish to reach.

Mr. SMITH of Michigan. What kind of machinery would save one-third of the labor on the farm at the present time?

Mr. LINTHICUM. Small tractors, drills, etc.

Mr. SMITH of Michigan. We have already got them.

Mr. LINTHICUM. I am talking about the farmer who has not them and who has not the money to purchase them.

Mr. HOWARD. He can not buy Ford tractors now.

Mr. LINTHICUM. There are a lot of other good tractors besides Ford tractors.

Mr. KNUTSON. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. KNUTSON. Does the gentleman know of any small farmers who have felt warranted to put in tractors?

Mr. LINTHICUM. I think a small tractor could be used in a small field.

Mr. KNUTSON. You have to have at least 80 acres to make it pay.

Mr. LINTHICUM. Oh, no; I own farms myself, and you can use a tractor on a 10-acre field to advantage. I have used them.

Mr. KNUTSON. I am a farmer.

Mr. LINTHICUM. Why, a small tractor can be used to advantage on an acre of ground.

Mr. MOORE of Pennsylvania. If the gentleman were representing a bank to which a request for money to buy tractors had been made, what sort of security would the gentleman require?

Mr. LINTHICUM. I want to say that I have represented clients and that I have loaned money to farmers all of my life. I have loaned it to them on their individual promissory notes, and also with an indorsement, and I have yet to find a farmer who refused to pay his bills when he was able to do so. I find they are nearly always able to meet these demands. I do not know that we should compel land security. A farmer can often raise half or third of the money necessary for the machinery, and the balance can be loaned on chattel mortgage on the machinery.

Mr. MOORE of Pennsylvania. Would the gentleman put the Government in the position of providing a fund of $4,000,000 with which to buy machinery to give to farmers, taking as security for it their promissory notes?

Mr. LINTHICUM. I should not want to lend it to all farmers on promissory notes, but I think that there are many farmers to whom the Government can safely lend $4,000,000 in small sums with which to buy farm machinery.

Mr. MOORE of Pennsylvania. Would the gentleman do the same thing for a man who came forward and said, "I would like to build a mill, or engage in an industrial enterprise, but I have no money"?

Mr. LINTHICUM. We are doing it to-day. Did not the gentleman vote the other day to put up houses, investing the sum of $50,000,000, for workers at the mills?

Mr. MOORE of Pennsylvania. We did not vote on the bill, but I would do it because of an emergency of war, as represented by the President.

Mr. LINTHICUM. Does the gentleman not look upon food as just as much an emergency of war as munitions?

Mr. MOORE of Pennsylvania. Yes; I do; but I would like to have some assurance that the food was going to be produced. Cotton, for instance, is not food, yet cotton seed are provided for here.

Mr. LINTHICUM. I think that if you leave it to the farmers and give them proper support, you will have that assurance.

Mr. FARR. We have appropriated millions of dollars for the enlargement of plants for the building of aeroplanes. Farm tractors and other labor-saving machinery would greatly add to the production of food so greatly needed, and the Government could be very helpful in doing this.

Mr. LINTHICUM. Certainly; and we are lending in every way for manufacturing munitions and housing and for building aeroplanes, and I think $4,000,000 could be easily risked to let the farmers produce larger crops.

Mr. NORTON. Does not the gentleman base his amendment on a war emergency?

Mr. LINTHICUM. Absolutely.

Mr. KNUTSON. Would the gentleman accept an amendment so that city dwellers could get tractors with which to plow their gardens?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. SHERLEY. Mr. Chairman, I make the point of order.

The CHAIRMAN. The point of order is sustained. The gentleman from Wyoming [Mr. MONDELL] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. MONDELL offers the following substitute for the paragraph beginning on line 21, page 75:

"To enable the Secretary of Agriculture to meet the emergency caused by the need for food and seed crops by purchasing or contracting with persons who grow seeds suitable for the production of food crops and to store, transport, and furnish such seed to farmers for cash at approximately the cost of the same or on credit with approved security of financial or business organizations guaranteeing the same, $6,000,000, and this fund may be used as a revolving fund until the Secretary of Agriculture determines that no such emergency exists, and the Secretary of Agriculture is authorized to pay all such expenses, including rent, and to employ such persons and means in the District of Columbia and elsewhere and to cooperate with such State authorities or local organizations or individuals as he may deem necessary."

Mr. SHERLEY. Mr. Chairman, on that I reserve the point of order.

Mr. MONDELL. Mr. Chairman, the item for which we are providing a deficiency originally was $2,500,000, and out of a proposed appropriation of $6,000,000 the committee has granted four. This provides for the purchase of seeds and their sale at cost. It is a splendid provision of law. Much good has been accomplished under it, but there are conditions in the western country that make it impossible for people in considerable areas out there to avail themselves of this opportunity to buy for cash. The Agricultural Department very properly objects to selling to individual farmers on credit, but in our country for years past we have in almost every county voluntary organizations of bankers and business men who have guaranteed $5,000, $10,000, $15,000, $20,000, or whatever sum was believed to be necessary for seeds. They have guaranteed this amount of seed purchased by the farmers, and I think there has scarcely been a case where the sums borrowed have not been returned. My amendment increases the item in the bill to the amount of the estimate, increasing it by $2,000,000, and provides that the seeds may be sold for cash or they may be sold on credit on approved security of responsible organizations. In other words, the Secretary of Agriculture could take advantage of these organizations in the various sections of the country where conditions of drought—lack of accumulated capital—render it difficult to secure the capital with which to pay cash for these seeds. He could communicate and negotiate with those associations and distribute such quantity of seeds in the community as these associations, bankers, business men, stockmen, and farmers would obligate themselves to pay for.

Those associations would be very glad to distribute the seeds. They would see that they only got into the hands of those who would pay for them. The Government would be safeguarded, first, by the supervision of these responsible people, and then by the fact that they themselves were responsible to the Government for payment. We have a very considerable area of western country that has been subjected to exceedingly severe drought conditions. Our country is not one of accumulated capital. Local organizations are finding it more and more difficult to advance the money for seeds. We need seeds; we need increased agricultural production. We have great areas there

where potatoes can be grown in increased quantities, sugar beets, wheat, and rye. The Secretary would not take advantage of this provision in old communities where there are accumulations of capital and where the people locally should obligate themselves to aid those who are needing seeds. It could be utilized in all that territory from west Texas which has been suffering so severely, on north to Montana, where last year they had a dreadful condition of drought among the new settlers who have no accumulations of capital and who are not in position to pay cash, and the banks in those communities are not so situated that they can advance these sums. We are lending aid and assistance in every direction for the prosecution of the war. Here is a sound business proposition. I do not wonder the Secretary of Agriculture does not want to go into the business of loaning to individual farmers. My provision is one under which the Secretary would only have to deal with organizations here and there, perhaps one in a county.

Mr. SLOAN. Will the gentleman yield?

Mr. MONDELL. I do.

Mr. SLOAN. Would the gentleman be willing to accept an amendment to add to "financial or business," "business or farmers' organizations"?

Mr. MONDELL. I would be delighted to do that. I used the terms I did, knowing that my amendment would go out on the point of order, to make it very clear to the Secretary of Agriculture and others whom we need to persuade to change their minds. That we were expecting them to depend only upon very reliable people, not that farmers are not just as reliable as the folks in town, but I suggested business organizations, bankers, and business men to emphasize the business nature of these organizations. Yes, organizations of bankers, business men, and farmers, such that the Secretary shall know that they are reliable and responsible. In our country it has been in the main the large stockmen and larger farmers helping out with the bankers and business men. Mr. Chairman, this item will go out on the point of order, but I am proposing another amendment reducing the appropriation under the Holman rule, which should not go out on the point of order. That will be offered after the point of order is made and sustained to this item.

The CHAIRMAN. Does the gentleman from Kentucky insist upon his point of order?

Mr. SHERLEY. I do.

The CHAIRMAN. The point of order is sustained.

Mr. MONDELL. Mr. Chairman, I have an amendment pending, which I offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Substitute offered by Mr. MONDELL for the paragraph beginning on line 21, page 75, and ending on line 4, page 76:

"For additional for procuring, storing, and furnishing seeds as authorized by section 3 of the act entitled 'An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products,' approved August 10, 1917, including not to exceed $5,000 for rent and personal service in the district of Columbia, $3,999,000, which may be used as a revolving fund until June 30, 1918, and the seeds secured and purchased out of this appropriation may be sold to farmers for cash at their approximate cost, or on credit with approved security of responsible organizations guaranteeing the repayment of same."

Mr. SHERLEY. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. The point of order is made to the amendment.

Mr. MONDELL. Mr. Chairman, the amendment fairly comes within the Holman rule. It is in the language of the item as it is in the bill, reduces the appropriation $1, and provides that these seeds may be sold on credit with approved security to certain organizations. The gentleman from Kentucky has not pointed out in what way the language is subject to the point of order.

Mr. SHERLEY. I did not want to interrupt the gentleman's argument.

Mr. MONDELL. I desire to know what the gentleman's point of order is.

Mr. SHERLEY. Why, that it is legislation on an appropriation bill and therefore not in order.

Mr. MONDELL. Legislation, Mr. Chairman, is in order on an appropriation bill under certain conditions if it reduces expenditures—the amount carried in the bill—which this does.

Mr. SHERLEY. If the gentleman has concluded his argument, I will be glad to present the reasons why I do not think it comes within the Holman rule.

Mr. MONDELL. I would like to hear the reasons, and I am very sure the Chair would.

Mr. SHERLEY. Of course, I did not want to interrupt the gentleman, and that is the reason I permitted him to continue ad libitum.

Mr. MONDELL. I do not want to take up the time of the committee unnecessarily.

Mr. SHERLEY. Now, Mr. Chairman, the reason that the matter is subject to the point of order is because the legislative part of it does not in any sense result in a reduction of the expenditure. If the gentleman's broad contention was true all you would have to do touching any amendment to make it in order would be to reduce by 1 cent any money item in a bill, then add whatever language you pleased, and, according to the gentleman's contention, you would thereby be reducing the expenditure. But the rule was not made for that sort of a case. The rule is that for an amendment to be in order under the Holman rule it must be of such a character as to result in a reduction of salaries or expenses or the general amount carried in the bill. Not even the ingenuity of the distinguished gentleman from Wyoming, exerted in a cause that is most dear to his heart, that of the farmer, is sufficient to enable him or anybody else to show that selling on credit instead of for cash will save money to the Government of the United States, and I submit the matter is manifestly subject to the point of order.

The CHAIRMAN (Mr. SAUNDERS of Virginia). The situation developed by this amendment is as follows: The amendment first proposes to reduce the amount carried in this paragraph. That is perfectly competent under parliamentary law. In addition it is proposed for legislation to accompany the reducing portion of the amendment. But this legislation has no sort of relation to the proposed reduction. It is perfectly competent to legislate on an appropriation bill, provided the legislation proposed necessarily effects a reduction; but it is just as plainly incompetent to propose a reducing amendment to an appropriation bill a motion which can be made at any time without reference to the Holman rule and then undertake to attach to this motion legislation which does not effect the reduction and is not in any wise related to it.

Now, that is the situation presented by the amendment of the gentleman from Wyoming [Mr. MONDELL], and his amendment is plainly out of order. The point of order is sustained.

Mr. GOOD and Mr. MORGAN rose.

The CHAIRMAN. The gentleman from Iowa, a member of the committee, submits an amendment, which he will send to the desk and the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GOOD: At the end of line 4, on page 76, insert the following:

"*Provided*, That no part of said sum shall be used for the purchase of seeds of any kind except in cases where the Secretary of Agriculture shall find there is a shortage of seed of such variety."

Mr. SHERLEY. Mr. Chairman, I reserve a point of order on that.

Mr. GOOD. Mr. Chairman, I do not desire to do anything to cripple the Department of Agriculture in this regard. I do not want to do a thing that will prevent the largest possible production of agricultural products, but I want to say frankly and earnestly that I am amazed at the statement of the Department of Agriculture with regard to what they did with the $2,500,000 appropriated for this purpose and what they now proposed to do with the $6,000,000 asked for.

I have objected to river and harbor appropriations because they were trades, and I am opposed to this because it seems to be on the same kind of a basis. For instance, under the $2,500,000 appropriation we find the Secretary purchased, for Texas, corn, $75,000; cotton, $290,000; sorghum, $310,000; peanuts, $215,000—or $890,000. Then for the Northwest—Montana and North Dakota—barley, $339,500; flax, $210,000; oats, $250,000—or $800,000, the same amount that was given to Texas; and then corn for the Northwest. And, mind you, in these hearings the only thing that is pointed out by the department where there is an actual shortage is in corn; and yet all the rest of the corn-producing part of the country outside of Texas was only given $610,000. Six hundred and eighty-five thousand dollars were spent by the department for corn seed, the only seed mentioned by the department where there is an actual shortage, but $215,000 was spent for peanuts. Are we going to win this war by raising peanuts? There is not a word here that there is a shortage of peanuts or that the peanut seeds are defective; yet the Secretary of Agriculture, out of this appropriation of $6,000,000, is asking for peanuts $250,000, in addition to the $215,000 already spent for such purpose. Not a word that there is a shortage of cotton seed, and yet he wants $500,000 for cotton seed. Not a word that there is a shortage of sorghum seed, and yet he wants $500,000 for that.

Now, I know nothing about a shortage of these seeds. There may be a shortage. But I want to say that the man, I care not what his position may be, who will say that there is a shortage in the United States of oat seed, that the yield in the United States is poor, does not know what he is talking about; and

yet they propose here to spend of the $6,000,000 estimated for, $750,000 for oat seed where there is no shortage at all.

Now, what does the amendment accomplish? It does not strike down by a single penny the power of the Secretary of Agriculture to purchase seed, but it does provide he shall not use this fund except to purchase seed where there is a shortage, and he will determine where there is a shortage. That is just what we want to accomplish; and yet under the administration of that law we are not accomplishing that at all. We are giving certain sections of the country, whether there is a shortage or not, the benefit of this revolving fund and the right to purchase seed where there is a shortage, and I am opposed to it. I think the amendment ought to be adopted, for I think we ought to put a limitation on the use of this fund. I do not believe it is subject to a point of order.

Mr. SLOAN. One word. You have "variety" there where you should have "kind" or "species."

Mr. GOOD. I ask to modify the amendment by putting in the word "kind" instead of "variety."

The CHAIRMAN. Without objection, the request of the gentleman will be agreed to.

There was no objection.

Mr. SHERLEY. Mr. Chairman, notwithstanding the amendment appears in the form of a proviso and a negation, it is, in point of fact, an affirmative statement, and, being affirmative, is legislation and subject to a point of order. As I caught the reading of the amendment, it provides that no part of this money shall be expended unless the Secretary shall find that there is a shortage. Now, the law under which the provision is made provides for the expenditure whenever in the judgment of the Secretary of Agriculture there may be a special need. This requires the Secretary to spend the money if there is a shortage, and whether there is any need or not.

Mr. GOOD. Does the gentleman think there could be a need for seed if there was not a shortage?

Mr. SHERLEY. Oh, manifestly, yes. Although I am not a farmer, I can imagine that situation. There may not be a shortage of seed and yet a considerable shortage in the right kind of seed, and therefore a need to get the right kind of seed. And manifestly the question of need, ability to acquire, the seed within the time and at the place and locality, and the price, are the things which determine the Secretary's action, whereas the gentleman would want him to buy seed whenever there was a shortage of seed.

Mr. GOOD. I do not want to do anything in this regard that I think would in any way interfere with the proper administration of this law.

Mr. SHERLEY. I am sure of that.

Mr. GOOD. The gentleman knows, and I am sure will agree with me, that when we adopted this legislation and gave the Department of Agriculture a fund of $2,500,000 with which to purchase whenever in the opinion of the Secretary there was a bad need for it in any restricted area, and there was a shortage of seed of certain kinds, and in order to bring up our production to the highest possible point, the Secretary would thereby be enabled to furnish those particular areas with that kind of seed.

Mr. SHERLEY. That may be true, but the point I am making, Mr. Chairman, is that while the language is disguised in the form of a limitation, in point of fact it is not a limitation but an enlargement.

Mr. GILLETT. It seems to me, if the gentleman will yield a moment——

Mr. SHERLEY. Certainly.

Mr. GILLETT (continuing). He seems to suggest compulsion. There is no compulsion.

Mr. SHERLEY. It permits it, and the law does not. The law only permits the Secretary to do it when he shall find a need. This permits him to do it whenever there is a shortage. There may be a shortage without a need.

Mr. GILLETT. And there may be a need without a shortage.

Mr. SHERLEY. Oh, yes; but I am arguing the parliamentary law proposition.

Mr. GREEN of Iowa. Will the gentleman yield further?

Mr. GILLETT. As I understand it, the gentleman's argument is that the words "need" is smaller than the word "shortage" and embraces less.

Now, it seems to me it is clearly the other way. The law at present says that the Secretary shall do it if there is a need. The amendment offered by the gentleman from Iowa provides that it shall only be done in case of a shortage, so that it seems to me it is clearly a limitation, because it does not strike out the present existence, but provides that—

No part of this fund shall be used for the purchase of seeds except in case the Secretary of Agriculture shall find there is a shortage of seed.

Mr. SHERLEY. That is just it. It requires the doing of an affirmative act by the Secretary before the money is expended. That is not a limitation in a negative sense.

Mr. GILLETT. The Secretary now is required by an affirmative act.

Mr. SHERLEY. I know; but what you are trying to do is, in an appropriation bill, under the guise of a negation, to require an affirmative action on the part of the Secretary of Agriculture, and that is not permitted.

Mr. GILLETT. Under the guise of a limitation.

Mr. SHERLEY. You have to have an actual negation and not simply, under the guise of "*Provided*," to carry an affirmative action.

Mr. GILLETT. It will be a limitation if it reduces.

Mr. SHERLEY. The gentleman is invoking the Holman rule with a limitation. This has nothing to do with the Holman rule. The rule is that a provision to be in order on an appropriation bill, changing the language, must be a limitation upon the power conferred. For instance, you can provide that where an appropriation was made for the purchase of a certain ship, "*Provided*, That it could not be expended for a ship of greater tonnage than a certain amount." That would be a limitation. But if you said, "*Provided*, That it shall not be expended until the Secretary of the Navy shall determine that a ship is of a certain tonnage," then you are legislating. It can be made in order, but it is not in order.

Mr. GILLETT. Now the Secretary of Agriculture can do it, provided there is a need. This says he shall do it provided there is a shortage.

Mr. SHERLEY. It says he shall not do it "except when he shall find," and so forth, which is an affirmative proposition

Mr. GILLETT. It can easily be said "except when there is a shortage."

The CHAIRMAN. May the Chair ask the gentleman from Massachusetts a question?

Mr. GILLETT. Certainly.

The CHAIRMAN. Is it intended in the language proposed that the discretion of the Secretary shall be enlarged or reduced?

Mr. GILLETT. Reduced.

Mr. SHERLEY. That operates, then, in changing existing law.

Mr. GOOD. Mr. Chairman, the act of August 10, 1917, which authorizes an appropriation of this kind, provides that "Whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds suitable for the production of food or feed crops, he is authorized," and so forth, requiring of the Secretary of Agriculture the affirmative determination of the needs of the various localities with regard to seed for food and forage crops or anything of that kind.

Now, take the case in a certain community; there may be an ample supply of seed. There may be no shortage at all. Yet John Jones may need some that he does not possess. In that case the Secretary of Agriculture can go into a community and buy for John Jones 100 bushels of oats and turn them over to him, when in that very community there is no shortage at all.

The amendment which I offered simply provides that it shall not be used except where the Secretary of Agriculture shall find there is a shortage. How can the Secretary of Agriculture determine the needs of a man unless he determines whether or not there is a shortage in this or that man's oat or corn bin? If he has more corn than he can plant and otherwise use, he does not need it, does he? And so in the determination of the very things provided for by law are the things he must determine under my amendment. He must determine whether or not there is a shortage in every man's crib. If that is not true, then I do not understand the English language.

Clearly, Mr. Chairman, the amendment is a limitation on this appropriation. I do not care to take up the time of the House, because if it is thought that I am asking the Secretary of Agriculture to do something in addition to what he is authorized to do, I will offer an amendment in another way and remove, so far as I can, that objection. I do not think it subject to a point of order, and I do not now think it is subject to a point of order.

Mr. NORTON. Mr. Chairman, I desire to be heard on the point of order. I believe the point of order should be sustained. I believe the amendment is clearly subject to a point of order, because it is new legislation, for if enacted it would completely nullify the provision of section 3 of the act of August 10, 1917, which provides:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds suitable for the production of food or feed crops he is authorized to purchase or

contract with persons who grow such seeds to store them and to furnish them to farmers for cash, at cost, including the expense of packing and transportation.

If this amendment, which limits the right of the Secretary of Agriculture to purchase when there is a shortage of a particular kind of seed, were enacted, then in the case of the oat crop, if there was a larger production of oats in the country than there was the year prior, or whatever year the comparison is to be made with—and that is not clear in the amendment—then the Secretary of Agriculture would have no right to purchase any oats, although there might be a large need for seed oats in some restricted districts of the country. The object of section 3 of the act of August 10, 1917, was to permit the Secretary to purchase kinds of seed of which there may be a surplus or a shortage grown and to have these seeds supplied to restricted area where there was a failure or shortage of crops last year and where a supply of the seeds is needed.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NORTON. Certainly.

Mr. GREEN of Iowa. Just for information, I want to inquire as to the words, "which may be used as a revolving fund." Is that in the present law?

Mr. NORTON. No.

Mr. GREEN of Iowa. Then I do not see the application of the Holman rule. How can this be added without considering the Holman rule, I can not understand.

Mr. CARTER of Oklahoma. The Holman rule requires a limitation.

Mr. NORTON. I believe, Mr. Chairman, the adoption of the amendment of the gentleman from Iowa [Mr. GOOD] would clearly change this provision of the present law and that, accordingly, the amendment is subject to the point of order that it is new legislation upon an appropriation bill.

Mr. GOOD. The whole provision is subject to a point of order, and being subject to a point of order, this amendment can not be. We are amending the law here, making this a revolving fund.

Mr. SHERLEY. Where are we amending the law?

Mr. GOOD. My attention was just called to it.

Mr. SHERLEY. That may be so, but it does not make it so.

Mr. GOOD. The language is, "Which may be used as a revolving fund until June 30, 1918."

Mr. SHERLEY. The law permits it. We are not changing the law.

Mr. GOOD. Where does the law provide that? The law does not provide for that at all. Section 3 says nothing about a revolving fund. The whole provision is subject to a point of order.

Mr. SHERLEY. We have the right to appropriate for the seed, and to reappropriate up to June 30 on a deficiency bill.

Mr. GOOD. But you make it a revolving fund.

Mr. SHERLEY. We do; but that is not subject to a point of order.

Mr. GOOD. But it is legislation, is it not?

Mr. SHERLEY. No; I think not.

Mr. GOOD. What was it put in for if it does not give additional power? The gentleman well knows that when the money came back into the Treasury for the sale of 100,000 bushels of corn, it could not be paid out again——

Mr. SHERLEY. Unless we appropriated it.

Mr. GOOD. Unless we appropriated it.

Mr. SHERLEY. But the gentleman assumes that we have no right to appropriate for its use and reuse up to July 1.

Mr. GOOD. I think you are legislating when you make it a revolving fund.

Mr. SHERLEY. I do not care to delay the bill. I really do not care what is done with the point of order. I will deal with the merits of the proposition.

The CHAIRMAN. A new question is raised in this connection. Of course, it must be apparent that if the paragraph proposed to be amended is itself subject to a point of order, then no point of order will lie against the amendment.

Mr. MADDEN. The language of the present paragraph, that is the original law, to the extent that it makes this a revolving fund—does that make the paragraph of the bill itself subject to a point of order?

The CHAIRMAN. The Chair was just going to say that a new suggestion is introduced, that the paragraph itself to which the amendment is proposed is subject to a point of order.

Mr. SHERLEY. If the Chair please, the very act itself provides for a revolving fund of two and a half million dollars up to June 30, and that is all we do.

Mr. GOOD. But here we are appropriating $34,000,000 and making that available.

Mr. SHERLEY. That is the deficiency phase of it that makes it in order on this bill.

The CHAIRMAN. Where is the section to which the gentleman refers?

Mr. SHERLEY. The second paragraph of section 8 on page 2 of the act approved August 10, 1917.

The CHAIRMAN. Where is the language cited by the gentleman from Kentucky?

Mr. SHERLEY. The language is—

For procuring, storing, and furnishing seeds, as authorized by section 3 of this act, $2,500,000, and this fund may be used as a revolving fund until June 30, 1918.

If we have the right to appropriate it up to July 1 we have the right to appropriate for its reuse up to July 1. There is no limit under section 3 as to the amount that can be appropriated. The fact that we reappropriate it, but limit it always to July 1, keeps it within the rule.

Mr. GOOD. Mr. Chairman, I think the gentleman from Kentucky is right in that regard. I have examined the act, and I do not believe that anything can be claimed in regard to that matter; but I still insist that the amendment is not subject to the point of order.

Mr. Chairman, I ask unanimous consent to withdraw the amendment and to offer one which I think will be unobjectionable.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Will the gentleman send his amendment to the desk to be reported?

The Clerk read as follows:

Amendment offered by Mr. GOOD: Page 76, line 4, after the word "eighteen," insert the following: "*Provided*, That no part of said sum shall be used for the purchase of seed of any kind except where there is a shortage of seed of such kind in the respective districts."

Mr. SHERLEY. Mr. Chairman, I shall not raise a point of order, but I want to be heard on the merits of the proposition.

The committee had from the Secretary of Agriculture a very full statement touching what was proposed to be done with the moneys that he had obtained and that he hopes to obtain. Perhaps there were some matters which we did not cover that we might have covered, but I submit to this House that not even as good a farmer as the distinguished gentleman from Iowa [Mr. GOOD] is in a position to know as well as the Secretary of Agriculture what the need is. Now, there may be, and frequently will be, cases in which there is need to supply seeds where there is not a shortage, because the determination of a shortage is a determination of the entire quantity of seeds over the country at large, whereas the determination of the need is by the act itself limited to restricted areas, and it is easily conceivable, and in point of fact is true, that there are places where there is great need, and yet there is no shortage in the kind of seeds. Take corn, for instance. There is great need of a certain character of corn to be had for planting in certain areas, but there is no shortage of corn for planting. You can find enough corn to plant. You might not find the kind of corn desired. But after all, laying aside those matters, what is the use of this House undertaking to quibble about this language? In the last analysis you have got to trust the intelligence and the patriotism and the judgment of the Secretary of Agriculture and those who act under him, and it is folly to undertake to put language in here that may simply serve to hamper him, and which can not make a wise man out of him.

Mr. NORTON. Nobody questions his patriotism.

Mr. SHERLEY. It is not simply a question of patriotism, but it is a question of judgment. How are you by legislation going to give wisdom to men? If the Secretary of Agriculture has not wisdom enough to expend this money without this limitation he has not wisdom enough to spend it with the limitation, and everybody here knows that is the fact.

Now, the committee has tried to take a reasonable course between the extremes of this House, between men who wanted us to furnish seed free or to furnish it on credit, which would amount in many instances to furnishing it free, and some gentlemen who seem to object to seed being furnished because some of the seed is of a certain character and going to certain sections of the country. There is nothing in the appropriation that restricts the Secretary and compels him to buy peanuts. The plan as outlined is a tentative plan based upon information that the department has. The gentleman from Iowa [Mr. GOOD] says there is no need for oats. I submit that the Secretary of Agriculture would not have submitted the table he has, touching the need of oats for planting, unless there was an actual need, and he is in a position to know more about it than the gentleman from Iowa. I say that with all proper respect for him. Now, let this committee be sensible in the legislation

that we pass. We properly could determine questions of amount. The gentleman does not seek to limit the amount of money, but he seeks to put a limitation on the bill that will either be meaningless or will serve to handicap the Secretary in ways that can not now be foreseen, and that ought not to be adopted by the House.

Mr. GREEN of Iowa. Mr. Chairman, I am very much surprised at one argument made by my friend from Kentucky [Mr. SHERLEY], who is one of the most logical, if not the most logical, gentlemen in the House. He says that we ought to trust to the judgment of the Secretary of Agriculture to make proper expenditures in this line, to give the Secretary authority to use this money wherever he will. If we followed that line of argument everywhere, we would not make anything but lump-sum appropriations.

Mr. SHERLEY. I beg the gentleman's pardon; I never said anything of the kind. There are limitations in the law, but the limitation the gentleman is trying to put on has no basis in reason.

Mr. GREEN of Iowa. I am not inclined to agree with my friend on that point any more than I am on the other. Now, take the matter of oats. My colleague [Mr. GOOD] has shown that we have an abundance of oats in the country of the finest quality. There is no need of this appropriation unless there is actual shortage of seeds, and, as I say, there is an abundance of that seed in this country.

Mr. NORTON. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. NORTON. Take an area of 20,000 square miles in Montana and Wyoming. There was not a bushel of oats raised in that section last year. Although there is a surplus in the country, might not there be an urgent need of oats in that restricted district?

Mr. GREEN of Iowa. In one sense there might; but the farmers in my district need money. I need money myself. A Member at my side asks, "How much?" More than I get. But I know of no reason why the Treasury should supply that need.

Mr. NORTON. The trouble is that it is impossible for these people to get the seed there.

Mr. GREEN of Iowa. That ought to be taken care of in a different way. As far as that is concerned, it comes back to the same point. Here are farmers that need money; that is what they need instead of seed. The gentleman from Dakota says that that ought to be supplied out of the Treasury, and the argument of the gentleman from Kentucky comes to the same thing.

Mr. SHERLEY. If the gentleman will permit, he knows that the law provides that seeds shall be sold for cash, and the amendment provides that the seed shall not be supplied if there happens to be in the country at large enough seed for the needs of the country. One of the difficulties that exists to-day is getting the seed in time to certain localities, and the kind of seed needed, irrespective of the shortage or supply of the country at large.

Mr. GREEN of Iowa. If the gentleman will permit me, I think I know something about the oats business, because I come from a section where they raise an enormous amount of them. I am very familiar with that subject, being from an agricultural section. I know there is plenty of good seed oats, if people have the cash to buy it.

Mr. TOWNER. Will the gentleman yield?

Mr. GREEN of Iowa. Certainly.

Mr. TOWNER. Might there not be in the locality mentioned by the gentleman from North Dakota a shortage of seed in that locality, and would it not be within the discretion of the Secretary of Agriculture to supply that shortage under the terms of the amendment offered?

Mr. GREEN of Iowa. If there was a genuine shortage, it could be supplied under the terms of the amendment.

Mr. NORTON. The amendment does not provide for a shortage in any particular district; it says a shortage of that kind of seed.

Mr. TOWNER. That is true, but it would apply under the general terms of the act in a particular locality. It does not say a general shortage all over the country. If there is a shortage or need in any particular locality, it would authorize him to supply the shortage under the gentleman's amendment.

Mr. NORTON. I would not so interpret it.

Mr. GREEN of Iowa. We can not, Mr. Chairman, trust these matters to the judgment of any man, except where we are compelled by war's emergencies. Especially is this true when reason and our own judgment point out limitations which should prevail. I hope the amendment of my colleague will be adopted.

Mr. MONDELL. Mr. Chairman, returning to the gentleman from Iowa the bouquet handed by him to the gentleman from Kentucky, and which he is entitled to, for there is no more logical gentleman on the floor of the House ordinarily, I do not catch the logic of the argument he just made. Of course somewhere in the country there are seeds; otherwise we would be in a very bad way, indeed.

This appropriation was originally made on the theory that there was not a proper distribution of seed; that there were large areas in which seed had not been grown and where seed was difficult to secure, and we loaned the credit of the Federal Government to the farmers for the purpose of securing seeds where seeds could be obtained and transporting them and selling them to the farmers where they were not to be had. That is the purpose of the legislation. Whether it was wise or necessary to do that is a matter of opinion.

But we assumed that it was necessary to do it, or we would not have done that thing. Now, the gentleman from Iowa [Mr. GOOD], if I understand his amendment at all, would prevent the purchase and sale of seed if anywhere in the country there were seeds obtainable. He speaks about oats. Of course every farmer in Iowa ought every year to come to Wyoming or Montana to buy his seed in order to get good oats; not the light, fluffy stuff that grows down there, that a whiff of wind will carry beyond the barnyard out into the field. Our purpose of this legislation is to enable the Secretary of Agriculture to go into the regions where they really grow good solid oats that weigh 38 to 42 pounds to the struck bushel and take them into Iowa, where, I am told, they frequently grow oats that weigh about 20 or 25 pounds to the heaped bushel.

Mr. TOWNER. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. TOWNER. The gentleman's statement regarding conditions in Iowa can——

Mr. MONDELL. Oh, well, I will make it Indiana; I do not see anyone from Indiana present. [Laughter.]

Mr. TOWNER. The gentleman's statement is a sufficient explanation.

Mr. MONDELL. I know that the gentleman from Iowa does not want to hamper the Secretary in utilizing this fund. It may be that the Secretary has not made as wise a distribution as we think he should have made of the money, but we hope in that case that the fault will be rectified under the new appropriation.

This ought to be amended so as to allow the Secretary to sell this seed to organizations that will guarantee the repayment of the money. That is what we ought to do, but if we are not to do that we at least should not hamper the Secretary. We ought to enable him to go into the regions where there are good seeds, where they are plentiful. For instance, as I said a moment ago, go into the mountainous part of Wyoming and get his oat seed.

Mr. GOOD. Can he get oats there now?

Mr. MONDELL. In some parts of that country they are short. We want a better distribution of them, and that is what is proposed under this bill. I am sure that any limitation would hamper the Secretary and would not secure the distribution that ought to be had.

Mr. NORTON. Mr. Chairman, a parliamentary inquiry. Has the point of order been made?

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that debate upon this amendment and all amendments thereto close in five minutes.

Mr. GOOD. I should like to have five minutes.

Mr. SHERLEY. Oh, we have already had an hour upon this.

Mr. GOOD. I have not had any time on this amendment.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate upon this paragraph and all other amendments thereto close in five minutes.

Mr. MORGAN. Mr. Chairman, I have an amendment that I desire to offer.

The CHAIRMAN. Is there objection?

Mr. MORGAN. Mr. Chairman, I object.

Mr. SHERLEY. Then I move that all debate upon this paragraph and all amendments thereto close in 10 minutes.

Mr. MORGAN. I have an amendment that I desire to offer.

Mr. SHERLEY. That gives the gentleman five minutes for his amendment.

Mr. MORGAN. I would not like to be restricted in that way. Give me 10 minutes.

Mr. SHERLEY. Then, Mr. Chairman, I ask unanimous consent that all debate upon the paragraph and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate upon this paragraph and all amendments thereto close in 15 minutes. Is there objection?

There was no objection.

Mr. NORTON. Mr. Chairman, a good deal has been said about the logic of the statements of the gentlemen who have discussed this amendment. Permit me now to call the attention of the committee to the logic of the amendment. The amendment is as follows:

Provided, That no part of said sum shall be used for the purchase of seed of any kind except where there is a shortage of seed of such kind.

That is, no part of this sum can be used to purchase any seed in any place except where there is a shortage of seed. It seems to me the place to purchase seed by the Secretary of Agriculture would be a place where there is a surplus of seed rather than where there is a shortage. This amendment precludes him from purchasing any seed except in some place where he can find there is a shortage of seed of that particular kind. If that is logic in the amendment the committee can make the most of such logic by voting down the amendment. It is simply ridiculous as it now stands. What the gentleman who proposed the amendment probably wishes to accomplish is to provide that the seed shall only be allowed to be purchased by the Secretary of Agriculture when there is a shortage in certain restricted districts. The amendment as it now stands would preclude the Secretary from purchasing seed except in a place where there was a shortage of seed. As the amendment stands, of course it can not be and should not be accepted by the committee. If the amendment were to the affect that the provision should limit the Secretary to purchasing seed when there is a shortage, that should not be adopted unless it should limit the Secretary to purchasing seeds and supplying them when there is a shortage in a particular restricted district. That is exactly what the provision as it is in the bill would allow. It allows the Secretary to purchase the seed and to supply it where there is a need for it. The amendment should be defeated.

Mr. GOOD. Mr. Chairman, I shall ask to modify the amendment by adding in the words "in any restricted area," so that it will obviate all the objection made by the gentleman from Kentucky [Mr. SHERLEY]. I do not wish to do a thing that will hamper or embarrass the Department of Agriculture. I have high regard for the Secretary of Agriculture, but I want to say that no Secretary of Agriculture could go into the details of administration of a fund of this kind, and the hearings show that the Secretary in administration of the fund relied upon some of the bureau chiefs with regard to all of these matters, and some of these bureau chiefs differed from him very materially in some of the matters that came before the committee. It is estimated here to use $750,000 with which to buy seed oats, and if the Secretary investigates the matter he will find that there is no shortage of seed oats. When this estimate was made it was made upon the basis of a dollar a bushel, when the market price of oats in Chicago at that time was about 54 cents. Does anyone think that the farmers of North Dakota or Montana are foolish enough to pay a dollar a bushel, the amount required here by this bill and the amount which the Secretary paid for oats when oats were selling for between 50 and 60 cents in the open market?

I offer the following amendment, which I send to the desk and ask to have read.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of the amendment offered by Mr. GOOD, add the following: "in any restricted area," so that it will read:

"*Provided*, That no part of said sum shall be used for the purchase of seed of any kind except where there is a shortage of seed of such kind in any restricted area."

Mr. MORGAN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read:

Page 76, strike out the period after the word "eighteen" and insert a semicolon and the following:

"*Provided*, That no portion of the amount herein appropriated shall be used except when seeds purchased thereby shall be sold to farmers upon credit."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on that.

Mr. SHERLEY. I reserve the point of order.

Mr. MORGAN. Mr. Chairman, as the point of order is reserved, I shall first make a few remarks with the idea that the amendment offered is in order. I do not think there is any question but that the amendment is in order.

Mr. SHERLEY. Mr. Chairman, the gentleman realizes that his time is running.

Mr. MORGAN. I am to have 10 minutes.

Mr. SHERLEY. I thought the gentleman was undertaking to discuss the point of order.

Mr. MORGAN. I want time in which to discuss the point of order also.

Mr. SHERLEY. Then the gentleman would have 10 minutes additional. I am not willing that he should do that. I am willing to reserve the point of order for 10 minutes in order that he may discuss the merits of the proposition if he desires.

Mr. MORGAN. All right, thank you.

The CHAIRMAN (Mr. GARNER). The gentleman is recognized for 10 minutes and under the unanimous-consent agreement will occupy 10 minutes in the discussion of both the point of order and the merits of the amendment.

Mr. MORGAN. This provision in this bill appropriates $4,000,000. Under the so-called food-control act these funds must be used in selling seeds to farmers for cash. First, I wish to address a few words to the chairman in a discussion of the point of order. My amendment does not limit the amount of money expended, but does limit the purpose for which it may be used. In other words, under my amendment no portion of this $4,000,000 can be used except in selling seeds to farmers on credit. Now, the fact that my amendment may change the existing law does not make it subject to the point of order. For instance, I will read here from Hinds' Precedents, volume 4, page 630:

The question arose as to whether this is a limitation merely. If so, the amendment is in order. If not, it is out of order. It is maintained that this amendment changes existing law. In a sense every limitation changes existing law. If any specific condition is mentioned under which an appropriation is to be withheld, that is, pro tanto, a change of existing law, at least to the extent that the whole or a part of the appropriation can not be expended unless the condition is complied with.

Now, then, under my amendment not one single cent of this $4,000,000 can be used unless it is used to sell seeds to farmers on credit. The entire $4,000,000 might be saved to the Government. My amendment restricts or limits the use of money. Hence it is in order as a limitation. That has been ruled in many cases.

My amendment provides that no portion of the $4,000,000 appropriated under this paragraph shall be used except that which is used in the purchase of seeds to sell to the farmers on credit. This is clearly a limitation of the use of the money appropriated, and hence it is a limitation which is in order as an amendment to an appropriation bill. It may be said that my amendment changes existing law, and is therefore out of order. But I have quoted a decision from Hinds' Precedents, volume 4, page 639, which clearly points out the fact that every limitation changes existing law. My amendment is therefore not objectionable on the ground that it changes existing law. There are many authorities which might be cited sustaining my view of the proposition.

Assuming, therefore, that my amendment is not subject to a point of order, I wish to discuss somewhat the merits of my amendment. It is well to have in mind the history of this question. It came up when the food-survey bill was before Congress during the last session.

House bill 4188, Sixty-fifth Congress, first session, became a law August 10, 1917, and as introduced by Mr. Lever and as it passed the House, contained in section 4 of said bill the following paragraph:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds, suitable for the production of food or feed crops, he is authorized to purchase, grow, or otherwise procure such seed, to store them, and to furnish them, by sale or otherwise, to farmers on credit or other terms at cost, including the expense of packing and transportation.

The foregoing provision did not become a law. The provision was modified in the Senate as is found in the act which became a law in section 3 thereof, which is as follows:

That whenever the Secretary of Agriculture shall find that there is or may be a special need in any restricted area for seeds, suitable for the production of food or feed crops, he is authorized to purchase or contract with persons to grow such seeds, to store them, and to furnish them to farmers for cash, at cost, including the expense of packing and transportation.

For myself I was greatly disappointed that the Senate amended this bill limiting the Secretary of Agriculture in furnishing seed for farmers to sell for cash only. That, in my judgment, was a very grave mistake. I thought so then. Time has confirmed my original view.

The object of the law is expressed in its title, "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products. The food-control act, which was a companion measure to the food-survey act, was "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the

distribution of food products and fuel." No one can read the titles to these bills without being impressed with the idea that one of the chief purposes of these bills was to stimulate and encourage the production of food products. This could be accomplished chiefly by two ways, namely, by increasing the acreage planted and by enlarging the yield per acre. In sections of the country where the farmers have had good crops there would be no demand for the Secretary of Agriculture to furnish seed to the farmers, either for cash or on credit. But it would be altogether different in any section of the country where there had been a failure of crops and where the farmers would not have the seed nor the cash to pay therefor, and could not command the credit necessary to purchase a sufficient amount of seed.

When the food-control bill was before the House I sought to have it amended so as to provide an ample fund to enable the Secretary of Agriculture to furnish the farmer seeds on credit. With this in view, as shown by the CONGRESSIONAL RECORD of June 22, 1917, page 4426, temporary binding, I offered the following amendment:

That, as a further means of stimulating the production of necessaries, the President, in his discretion, is hereby authorized to loan to the farmers of the United States, through such governmental agencies as he shall direct, a sum of money not to exceed $50,000,000, upon such terms, conditions, and security, and at such rates of interest, as he shall prescribe, and which, in his judgment, shall be necessary to assure an adequate supply thereof, and the sum of $50,000,000, or so much thereof as may be necessary, is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, and to be available immediately.

That amendment was ruled out of order. Whether that ruling was correct or not, it was certainly unfortunate that some provision was not made, either in the food-survey bill or in the food-control bill, whereby the farmers of the United States in drouth-stricken regions could not have been furnished seeds on credit at a low rate of interest.

It should be borne in mind that the Secretary of Agriculture already has a fund of $2,500,000 which he may use as a revolving fund in furnishing seeds to farmers for cash. This would appear to be ample capital for use of the Secretary of Agriculture so long as he does a seed business on a cash basis. I doubt the advisability of increasing the capital for this purpose when it appears to be ample already.

Furthermore, to increase the appropriation of funds to be used by the Secretary of Agriculture in selling seeds to the farmers for cash seems to be a species of deception to the farmers of the country. The word has gone forth that the appropriation to aid the farmers in purchasing seed is to be increased from $2,500,000 to $6,500,000. This is held out as a great favor to the farmers. But I do not so regard it. A farmer who can pay the Secretary of Agriculture cash for seed can pay cash to any dealer or any owner for such seeds. The poor farmer who has neither cash nor credit can not deal with the Secretary of Agriculture. The rich farmer, who has the cash, or who has credit, can purchase his seed from the Secretary of Agriculture. We are therefore helping the farmers who need no help, and we are refusing aid to those who need it. This is a wrong principle.

Mr. SHERLEY. Will the gentleman yield?

Mr. MORGAN. I will.

Mr. SHERLEY. I understand the gentleman wants to strike out this appropriation?

Mr. MORGAN. No, sir; not if I can get it properly amended; but I do not regard it of much value to the farmers or as a means of increasing food production. I do not want to be severe, but I look upon this proposition to sell seeds to farmers for cash as a proposition wholly without merit. When we sell for cash, we are doing no more than any dealer will do.

Mr. SHERLEY. Oh, well, does not the gentleman know it is not sold for cash alone but also at cost. That is not what the profiteer would do. [Applause.]

Mr. MORGAN. Well, there might be a slight advantage there, but the advantage will go only to rich and well-to-do farmers who do not need it. More than that, the Secretary must go into the market and buy his seeds from dealers; he must pay the market price; dealers can buy them as cheap as he can. The farmers will save little through purchasing from the Secretary.

I do not want to be critical, but, in my honest judgment, this provision is worthless to the farmers of the United States. Now, I think my amendment is in order. If it is adopted it would perhaps save all of this $4,000,000, and it should be saved unless it can be used in some way that would benefit the farmers of the United States, who need the help, not the rich farmers, not the farmers who have the cash to pay, but the farmers who are poor and needy. Last season out in western Kansas, Nebraska, and Oklahoma the farmers wanted seed wheat. Their wheat had been a failure. They had no seed. They had no money. The local banks had not the means to finance them. Seeding a wheat crop is an expensive proposition. The Secretary of Agriculture could not help them. He could sell only for cash. For months our farmers were appealing for help. So to-day, in the spring-wheat States, the farmers in many localities have not the cash to buy seed wheat. We know the need of an increased production of wheat in 1918. But the National Government refuses to help these farmers to secure seed on credit. It is a mistake. It is poor policy. If the farmers of the winter-wheat States could have purchased seed wheat on credit last fall, millions of additional acres of wheat would now be growing in the fields. If the Federal Government will now furnish the farmers in the spring-wheat States seed wheat on terms or credit, the acreage in wheat will be largely increased and millions of additional bushels of wheat will be produced.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHERLEY. Mr. Chairman, I make the point of order on the amendment.

The CHAIRMAN. The point of order is sustained, and the question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. MONDELL offers the following amendment: Page 76, line 3, after the comma, strike out the figures "$4,000,000" and insert in lieu thereof "$3,999,000, and the seeds purchased hereunder may be sold for cash at cost or on credit with approved security of responsible organization guaranteeing repayment and assuming the expense of distributing the seeds amongst the farmers."

Mr. SHERLEY. Mr. Chairman, I make the point of order on that.

Mr. GOOD. Mr. Chairman, I wish to be heard on the point of order. I am opposed to the amendment; but a few minutes ago, when this act of August 10, 1917, was discussed, I find I was in error when I made the statement that the provisions of this appropriation, providing that it shall be used as a revolving fund until June 30, 1918, were in order. Now, if the gentleman from Kentucky [Mr. SHERLEY] will look at the act——

Mr. SHERLEY. Mr. Chairman, all debate except on the point of order is ended.

Mr. GOOD. I am talking about the point of order.

Mr. SHERLEY. Well, all right. I did not so understand the gentleman.

Mr. GOOD. The act of August 10, 1917, provides in section 3 that—

Whenever the Secretary of Agriculture shall find there is or may be a special need in any restricted area for seed suitable for the production of food or feed crops, he is authorized to contract with persons to grow such seeds, to store them, and to furnish them to farmers for cash, at a cost including the expense of packing and transportation.

That ends the provision so far as the permanent law is concerned. Now, the gentleman from Kentucky [Mr. SHERLEY] referred to section 8 of the same act, but section 8 was an appropriation and enlarged the provision of law found in section 3. It enlarged the provisions of section 3 and it died with that provision. Is it possible that if this Congress should pass an appropriation unauthorized, or add to an appropriation and use language by which we enlarged existing law, that in all succeeding Congresses it would be in order to offer appropriations carrying the enlarged provisions? Nowhere in the permanent law is there a provision for a revolving fund, but when the Congress considered that appropriation later on it added to the provisions of section 3. So when we put in this provision, which may be used as a revolving fund until June 30, 1918, we did enlarge upon the provisions of the act to which I have referred. The provisions, so far as they refer to that act, were only for that fund and for no other fund, for that specific appropriation, and that appropriation went further than the provisions of the law giving the Secretary of Agriculture the right to create this fund and to purchase these seeds. I suggest, therefore, to the Chair that the whole provision that we have been discussing is subject to a point of order and, being subject to a point of order and the point not having been made, the amendment offered by the gentleman from Wyoming is in order.

Mr. MONDELL. Mr. Chairman, the argument made by the gentleman from Iowa [Mr. GOOD] is sound; but, further, the amendment is not subject to a point of order, because it comes clearly under the Holman rule. I offered an amendment a short time ago which came under the Holman rule, under some rather extreme decisions that have been rendered under that rule, decisions that I have not approved, but decisions which would have warranted a favorable decision on the amendment I then offered. I did not urge them because I think there is danger of

going far afield under the Holman rule. The gentleman from Kentucky [Mr. SHERLEY] objected to that amendment, because while I did reduce the amount carried in the bill the additional language did not relate directly to the reduction and did not of itself retrench expenditure.

Now, if the chairman will listen to me, I will point out to him the difference between that amendment and this one.

This amendment comes under the Holman rule, first, because it actually reduces the amount of money in this bill; second, because it reduces expenditures under the bill by providing that when these seeds are sold on credit they are to be upon the security of organizations that guarantee the repayment and bear the expense of distributing the seeds. Clearly my amendment not only reduces the amount of money carried in the bill, but it would further retrench expenditures whenever the seeds were sold on credit. If the seeds are sold for cash, matters would stand as they now do in the bill; but if they were sold on credit there would be a retrenchment of expenditures, because the department would be relieved of the expense of distributing the seeds. The organizations I have in mind and have proposed are organizations in the county seats, let us say, of the counties, of farmers and bankers, of stockmen and business men, who guarantee repayment, and who themselves take the responsibility of seeing that the seeds are distributed.

The CHAIRMAN. Will the gentleman permit a question there?

Mr. MONDELL. Yes.

The CHAIRMAN. If no provision was made for the seeds to be sold on credit and there could be no retrenchments?

Mr. MONDELL. If no——

The CHAIRMAN. In other words, your amendment provides only for retrenchment in case they are sold on credit?

Mr. MONDELL. Yes. That part of my amendment which reduces the amount brings it under the Holman rule. The balance follows and is connected with it and in itself reduces expenditures.

As a matter of fact, the amendment as I offered it would be in order if it did not reduce the appropriation carried in the bill a dollar, because the additional provision in itself would retrench expenditures by providing that if these seeds were sold on credit they must be sold on the credit of an organization which would distribute the seeds. That would reduce expenditures by shifting the work of distribution of the seeds. It is clearly not subject to a point of order.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard?

Mr. SHERLEY. Just a word. There are two positions taken by the two distinguished gentlemen. One is that the original paragraph being subject to a point of order, and no point of order having been made against it, any amendment germane to it is in order. The answer to that is a denial of the premises, and I deny that the original proposition as contained in the bill is subject to a point of order.

Mr. MONDELL. I do not take that attitude.

Mr. SHERLEY. The language of the law on which all of this is based is found not only in paragraph 3, but in the so-called food-survey law in its entirety. In section 8 there is a provision carrying $2,500,000 as a revolving fund for the fiscal year 1918.

Now, the gentleman from Iowa temporarily forgot that this is a deficiency bill to supply additional money where moneys already supplied are not sufficient. To say that where $2,500,000 were supplied as a revolving fund for this purpose it would not be in order to increase for the same purpose as a revolving sum that amount is simply to say that no deficiency is in order on a deficiency bill.

Now, touching the argument of the distinguished gentleman from Wyoming——

Mr. GOOD. Mr. Chairman, will the gentleman yield right there?

Mr. SHERLEY. Certainly.

Mr. GOOD. Then, following that line of argument, I suppose the gentleman would say that the words of the provision here which provides for a revolving fund are surplusage, and the money can be used as a revolving fund as a deficiency under that?

Mr. SHERLEY. Whether surplusage or not, they do not change or enlarge the scope of the previous appropriation at all.

Now, touching the point made by the distinguished gentleman from Wyoming [Mr. MONDELL], the language of his amendment is this: He reduces the appropriation by $1,000 instead of $1, and then provides that "the seed purchased hereunder may be sold for cash at cost or on credit with approved security of responsible organizations guaranteeing repayment and assuming the expense of distributing the seeds among the farmers," and then he makes this assumption, that inasmuch as he provides for securing the value of the seeds that are sold on credit, he is thereby safeguarding the Treasury. That would be true if——

Mr. MONDELL. I did not understand the gentleman's statement.

Mr. SHERLEY. That would be true if we were now going to sell on credit without any safeguarding, but in point of fact we are not going to sell on credit at all. The mistake which the gentleman falls into is in assuming that the reduction of an appropriation in any amount is sufficient to enable you to put in any legislative provision you want under the Holman rule, whereas, as I stated a while ago to another occupant of the Chair on another amendment offered by the gentleman, this is the real rule and should be borne in mind, that to come within the Holman rule the language which is submitted and which is a change of existing law must of itself be such as to result in a reduction of expenditure.

Mr. MONDELL. And that is exactly what my amendment does.

Mr. SHERLEY. No. The reduction of expenditures comes by virtue of reducing the amount, but not by virtue of the legislation you tack on afterwards, and that is a distinction that is as wide as a barn door.

Mr. MONDELL. I beg the gentleman's pardon. That is exactly what it does do. There is to be no loan unless there is to be a saving to the Treasury through distribution by the organizations that guarantee the loans. Surely there is a saving there.

Mr. SHERLEY. No. The saving that comes to the Treasury, if any, comes—and, of course, in point of fact, there would not be—but assuming that——

Mr. MONDELL. The gentleman would not say that the distribution of the seeds would not cost the Government anything?

Mr. SHERLEY. Under the paragraph as originally presented $4,000,000 was appropriated. Under it as proposed by the gentleman there is to be $3,999,000 appropriated. That is the extent of the saving. All your limitation after that has nothing to do with the saving.

Mr. MONDELL. On the contrary, Mr. Chairman, if the Chair will allow me, the item would be in order, in my opinion, if there was not a reduction in the amount of the appropriation, because of itself it contemplates a retrenchment in expenditures. The law now provides for the sale of these seeds for cash. There is a change of law authorizing their sale on credit, and providing they are sold on credit with the security of organizations that not only guarantee the return of the money, but assume all of the expense of distributing the seed. In other words instead of the Secretary going to the expense of distributing $10,000 worth of seed among 500 farmers, this association assumes all that cost. There is a retrenchment, clearly a retrenchment. We have organizations in our country that do that very thing. They guarantee the repayment from the farmers, distribute the seeds among them, and collect the money.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Commercial attachés. To enable the Secretary of Commerce, in his discretion and in accordance with such regulations as he may prescribe, to make special allowances during the balance of the present fiscal year by way of additional compensation to officers and employees of the commercial attaché service, in order to adjust their official income to the ascertained cost of living at the posts to which they may be assigned, $9,000.

Mr. FLOOD. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Virginia reserves a point of order on the paragraph.

Mr. FLOOD. Mr. Chairman, I would like to ask how many commercial attachés we have?

Mr. SHERLEY. There are 11, I think.

Mr. FLOOD. What salaries do they get?

Mr. GREEN of Iowa. Does not the distinguished gentleman, the chairman of the Committee on Foreign Affairs, know?

Mr. SHERLEY. The one at Buenos Aires gets $8,000; the one at Copenhagen, $5,000; at Lima, $4,500; London, $5,000; Melbourne, $4,500; Paris, $5,000; Petrograd, $6,000; Peking, $6,000; Rio de Janeiro, $5,000; Tokio, $5,000; The Hague, $3,500.

Mr. FLOOD. I suppose this item is to supplement the salary of those 11 officers.

Mr. SHERLEY. It is to do for these men exactly what we did for the gentlemen attached to the diplomatic and consular offices of the Government abroad, after consulting with the representatives of those departments.

Mr. FLOOD. I think it is very proper, owing to the increased cost of living and the high price of exchange, to make this allowance, and I shall not make the point of order, though the item is subject to a point of order, as the gentleman from Kentucky

will admit. But I do not think that these attachés ought to be under the supervision and control of the Department of Commerce. It results in a duplication of work and in a lessening of the value that these attachés would otherwise be to the commerce of this country. At the proper time I want to make a suggestion to the House with reference to this matter and show that our entire foreign service should be under one department of the Government, and that the State Department, the branch of our Government through which the United States speaks in its relations with other governments.

Mr. ROGERS. Will the gentleman yield?

Mr. FLOOD. I will.

Mr. ROGERS. Has the gentleman any information as to how the salaries of the State Department officers with respect to post allowances compare with the salaries of these commercial attachés, as just read by the gentleman from Kentucky?

Mr. FLOOD. I do not know, because I do not know what post allowances were given to the Department of Commerce for the benefit of these attachés for the other part of this year; that is, the part of the fiscal year other than that which is to run between now and the 1st of July. Can the gentleman from Kentucky tell us if this is the first post allowance that they have had?

Mr. SHERLEY. This is the first allowance that has been made to these commercial attachés.

Mr. FLOOD. I do not think it would be as large a per cent as the Diplomatic and Consular representatives received under the post-allowance fund of the Diplomatic and Consular appropriation bill.

Mr. ROGERS. Is it not probably true that the salaries of these commercial attachés are higher than the salaries of the officers in the State Department, whom the State Department think it is necessary to aid by giving them a post allowance?

Mr. FLOOD. Oh, yes; very much higher. I do not think there are any diplomatic and consular officers who get this post allowance who have as large salaries as some of these commercial attachés.

Mr. SHERLEY. There are 10 clerks in addition to these 11 attachés.

Mr. FLOOD. They get $1,500 a year.

Mr. ROGERS. Is this $9,000 apportioned among the clerks as well as the attachés?

Mr. SHERLEY. That is as I understand it.

Mr. ROGERS. The appropriation for the force of commercial attachés is $100,000, is it not?

Mr. SHERLEY. I think that is correct.

Mr. FLOOD. It is $100,000.

Mr. ROGERS. Is a portion of that sum expended for expenses of the officers themselves?

Mr. SHERLEY. For office rent, traveling expenses, and so forth.

Mr. ROGERS. But not for living expenses in any case?

Mr. SHERLEY. No, sir.

Mr. FLOOD. These attachés should be a part of our foreign service under the jurisdiction and control of the Secretary of State. This has been so ever since they were created and is more so now than ever, and will become more so than now after the war is over and our tremendously developed commercial interests have to be fostered and protected.

Here are 11 foreign agents, and there should be more of them, who should be the commercial experts of our embassies and legations and important advisers of the Secretary of State, owing their appointments and making their reports, without any reference to the embassies and legations or the Secretary of State, but to a department of the Government which should confine its activities to our domestic commerce.

The war has changed the entire nature of the functions to be performed by the Department of State and the Department of Commerce in relation to foreign trade and brought it back to what it was intended to be by the founders of our Government.

Owing to the necessarily close relationship between the commercial and political questions involved in international trade few transactions of importance in a governmental way are concluded independently of the direct or indirect aid of the Department of State.

The entire export and import trade of the country is under the control of the War Trade Board, the chairman of which, the Hon. Vance C. McCormick, is the representative of the Secretary of State on that board.

The action of that body is creating day by day conditions that must be dealt with by the Department of State through the diplomatic corps in Washington and through our embassies, legations, and consulates abroad. The most important and necessary treatment of these questions is diplomatic and a function of the State Department, and can not be otherwise. Anyone who has any dealings with these matters must understand this.

It is generally conceded that the free play of economic forces after the war will lead to economic disturbances and in many places to economic failure. These conditions will apply to foreign countries all over the world and will call for the intervention of the Department of State and under its direction of the diplomatic and consular offices in foreign countries.

The problems of international commerce have ceased to be, and will probably not again for many years be primarily functions of a domestic department of the Government. Each and everyone will henceforth, as it is now, be interwoven with the political relations of the United States with foreign nations.

It seems important, therefore, first, that the Department of State should be enlarged to meet the requirements of the changed conditions, and to make it possible to give adequate and intelligent attention to the political interests of the United States in future international relations and to the problems of individual Americans, and to give adequate and expert attention to all commercial questions having a political bearing.

We already have an administrative organization in the department, and political divisions, charged with the duty of studying and dealing with the political relations of the United States and foreign nations, but we have not a sufficient provision for handling the commercial functions with which that department will of necessity be charged after the war ends. This provision should be made and this need supplied. We should begin by transferring these attachés to the Department of State and coordinating all of our foreign activities.

Germany, Austria, France, Italy, and Great Britain have been for months making careful preparations for trade after the war. In Great Britain several officers are studying Austria, others are studying the Balkan States and the Ottoman Empire, Italy, Russia, and other States in the most exhaustive manner.

The United States should act promptly in this matter through the State Department under its Bureau of Trade Advisors, to which end it should greatly increase and enlarge this bureau, and enable it to do this work so that America and Americans will not neglect the opportunities that will come to us after the war.

Second, the foreign agents of the United States must be placed under the control of the department of Government through which the United States speaks in its relations with other nations.

We have heretofore had a body of agents abroad representing various departments—Treasury, War, Navy, Agriculture, Commerce, and Labor. The agents of the War, Navy, and Labor Departments have been attached to, and, in most cases, have not conflicted with, the embassies, legations, and consulates. The agents of the Treasury and Agriculture have, as a rule, not been attached to diplomatic and consular offices, and the results have not, as I am informed, been very satisfactory.

The commercial attachés of the Department of Commerce, while attached to the embassies and legations, have of necessity had to deal with subjects which were interwoven with the daily work of the embassies and legations, and conflicts of jurisdiction and opinion have been unavoidable. I believe they have resulted in confusion and trouble; overlapping of functions, and duplications of work have been frequent. I learn that attachés have often been engaged upon work which might better have been done by consuls, when other work of the embassies of the highest commercial importance remained undone because of the lack of control of the attaché on the part of the ambassador. On the other hand, attachés have sent home political reports not through the State Department, and of which, I presume, the Secretary of State had no knowledge.

A divided control of activity in the foreign field ought no longer be permitted, because successful relations, political and commercial, require concentrated, systematic effort, which can be secured by having only one directing force at home. This is the course followed by Great Britain, France, Japan, Germany, and other great commercial countries.

Each embassy, legation, and consulate should be made a center of activity not only for gathering information and administering American laws but also for making the local people understand the ideals, motives, abilities, and resources of the United States.

The commercial attaché should be the commercial expert of the embassy or legation dealing with matters of important commercial policy and tendency, the adviser of the ambassador on all commercial subjects, and the aid of the Secretary of State in averting governmental activities of a commercial nature unfavorable to the United States. No commercial attaché can be made of much value except he be made the spokesman of the ambassador, and no head of an embassy will assume responsibility for members of the embassy staff who are not under his

own direction and that of the department of which he is a member.

The CHAIRMAN. The point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

Military research: To enable the Bureau of Standards to cooperate with the War and Navy Departments by providing the scientific assistance necessary in the development of instruments, devices, and materials, and the standardization and testing of supplies, including personal services and rental of quarters in the District of Columbia and elsewhere; the erection of temporary structures; books of reference and periodicals; and all other necessary items not included in the foregoing, $250,000, to continue available during the fiscal year 1919.

Mr. TOWNER. Mr. Chairman, I desire to call the attention of the House to the exceedingly valuable services that are being rendered by the Bureau of Standards. I think there is no other bureau of the Government that is now rendering any more valuable service to the Government in the war preparations than is the Bureau of Standards. It would not be possible for me now to take the time to call the attention of the House to the many ways in which the Bureau of Standards has been assisting in the war work. As an illustration, let me call attention to what they have been doing in aid of aero construction, the determination of standards and types, and the general work of preparing our air service. Their assistance has been exceedingly valuable in almost every stage of the work. In the developments and modifications that have been made of the liberty motor, and especially in the development of the materials that are to be used in the manufacture of aircraft, the Bureau of Standards has rendered invaluable service. It was supposed that mahogany was the only wood which could be used for the construction of propeller blades. By the work of the Bureau of Standards the fact has been developed that a good many of our native woods may be used, upon proper tests, so that we shall have no difficulty in finding within the confines of our own country all the necessary materials for that purpose. It was supposed that nothing except linen could be used for the covering of the wings. It has been determined by experiments made by the Bureau of Standards that cotton may be made almost, if not entirely, equal to linen for this purpose if properly prepared. So I might call attention to a great many things that the Bureau of Standards is doing.

If this appropriation is made, it will enable the Bureau of Standards to cooperate with the War and Navy Departments in their work in many regards.

Mr. Chairman, the whole subject of the bringing together of the various forces of the Government in our war work is, of course, now of pressing and vital importance. So many propositions have been placed before the people and before Congress for the reorganization of the various departments, for their consolidation, for the taking away from the President of his power as Chief Executive of the United States and as Commander in Chief of our Armies and Navies—a proposition which I think is absolutely unconstitutional—that this subject of the bringing together of the executive powers of the Nation and of all our industrial and productive forces to the prosecution of the war is, of course, primarily and immediately the great duty of Congress. That subject I desire to discuss somewhat in detail.

A WAR CABINET.

Mr. Chairman, the proposal to establish by act of Congress a superior war council or war cabinet to direct the war is so revolutionary and would effect such a radical departure from our present constitutional system as to demand most serious consideration. It is my belief, first, that the proposition in the form presented is unconstitutional; second, that it is unnecessary and unwise.

EXECUTIVE POWER OF THE PRESIDENT.

The Constitution provides, Article XI, section 1, paragraph 1:

The executive power shall be vested in a President.

The President is the sole possessor of what the Constitution describes as the executive power. Congress may confer upon heads of departments, upon Secretaries whom we denominate members of the President's Cabinet, certain administrative and executive duties, but these are recognized as being subordinate to the supreme power of the President, and are to be exercised under his direction and control.

Thus in the act of Congress establishing the War Department it is provided:

The Secretary of War shall perform such duties as shall from time to time be enjoined on or intrusted to him by the President relative to military commissions, the military forces, the warlike stores of the United States, or to other matters respecting military affairs; and he shall conduct the business of the department in such manner as the President shall direct.

In the act establishing the Department of the Navy it is provided:

The Secretary of the Navy shall execute such orders as he shall receive from the President relative to the procurement of naval stores and materials, and the construction, armament, equipment, and employment of vessels of war, as well as all other matters connected with the Naval Establishment.

It will be observed that in these grants of power to the heads of departments Congress has been careful not to impinge in the slightest degree upon the supreme executive authority of the President. The Secretary of War shall perform such duties as the President shall intrust to him, and in the manner the President shall direct. The Secretary of the Navy shall execute such orders as he shall receive from the President.

The heads of the departments are thus made the assistants, the aids of the President. They are not granted original or plenary power. To the various departments are committed the several kinds of administrative activities. But Congress has never sought to divest the President of his supreme executive authority or to confer upon any individual, or department, or "Cabinet" any part of the constitutional executive prerogatives. Congress may say, and does say, that to a certain department shall be committed the consideration of a certain class of related administrative matters, and as the aid and assistant of the President, who is the sole source of the executive authority and the final arbiter of all executive controversies, the head of such department may exercise certain subordinate executive functions. But Congress has never sought to confer supreme or original executive authority upon any individual, or department, or "Cabinet."

Congress has created from time to time, as they were needed, the executive departments of the Government. It has transferred part of the functions of one department to another. It has taken parts from several existing departments and committed such parts to a new department which it created. All this is necessary and proper. Indeed, it is the accepted and orderly procedure, which has never been contested or challenged.

But the proposition now engaging public attention is far different. It assumes that Congress has the control and management of the executive functions of the Government, which the Constitution has committed to the President, and without changing the Constitution it proposes to divest the President of a large part of his executive authority and confer it upon a new body unknown to our Constitution and hitherto unknown to our laws. It also proposes to divest the President of his control of the heads of departments and confer such control upon the new "superior war cabinet."

The Constitution does not provide for a cabinet. It refers to "executive departments," and assigns duties to the "heads of departments." It also gives the President authority to require of these "heads of departments" "opinions in writing." Thus inferentially the Constitution recognizes the exercise of subordinate executive functions by the "heads of departments." But Executive authority is not conferred upon them. It is exercised in subordination to and under the direction of the President, upon whom alone all Executive power is conferred. The Constitution also recognized the advisory duties of the heads of departments, and in this capacity that they shall constitute what we term the President's Cabinet. But that in still larger measure is dependent on the President for its existence and activity. The heads of departments may or may not be the President's advisers. The President is not obliged to consult them. If he asks for their advice and they give it, he is not compelled to follow their advice. He may consult them when he desires so to do, and only then. He is compelled to hold no Cabinet meetings, and he may consult with any one or any number, or all of his Cabinet, as he shall determine. He is not limited to the members of the Cabinet for his advisers; he may consult with anyone he chooses, and he may act on such advice as against the advice of the entire Cabinet if he shall so determine.

The supremacy of the President in the exercise of Executive authority over any power that can be conferred by Congress on heads of departments or others has been many times upheld by the courts. Thus it was held in Wilcox *v.* Jackson (13 Pet., 498), that the President speaks and acts through the heads of departments in reference to the business committed to them. To the same effect is United States *v.* Cutler (2 Curt., C. Cls., 617); Lockington *v.* Smith (Pet., C. Cls., 466). Congress may impose independent duties upon heads of departments when not repugnant and only to the extent that they are not repugnant to the supreme executive authority conferred by the Constitution on the President. (Kendall *v.* United States, 12 Pet., 524.)

Cooley, in his great work on constitutional limitations, says:

There would be this clear limitation upon the power of the legislature to prescribe rules for the executive department; that they must not be such as under pretense of regulation divest the Executive of, or

preclude his exercising any of his constitutional prerogatives or powers. Those matters which the Constitution specifically confides to him the legislature can not directly or indirectly take from his control.

It would be within the jurisdiction of Congress to withdraw powers already conferred upon the head of a department. It could confer upon any or all of them additional powers subordinate to the President. But it can not under the guise of coordinating executive powers grant to a body which it creates powers superior to the powers of the President or take from him any of the powers conferred upon him by the Constitution.

POWERS OF THE PRESIDENT AS COMMANDER IN CHIEF.

The Constitution provides, Article XI, section 2, paragraph 1:

The President shall be Commander in Chief of the Army and Navy of the United States.

The directness and simplicity of this provision of the Constitution leaves nothing to speculation or conjecture. On the President is conferred all the powers of control and direction of both the Army and Navy. Congress may declare war, but the President wages war. Congress may "raise and support armies," it may "provide and maintain a navy," but it can not command them. The power of the President as supreme commander is independent and absolute.

Mr. Chief Justice Chase well and clearly expressed the line of demarcation between the powers of the President and of Congress in military affairs in Ex parte Milligan (4 Wall., 2):

Congress has the power not only to raise and support and govern armies but to declare war. It has, therefore, the power to provide by law for carrying on war. This power necessarily extends to all legislation essential to the prosecution of war with vigor and success, except such as interferes with the command of forces and the conduct of campaigns. That power and duty belong to the President as Commander in Chief. The power to make the necessary laws is in Congress; the power to execute in the President. Both powers imply many subordinate and auxiliary powers. Each includes all authority essential to its due exercise. But neither can the President, in war more than in peace, intrude upon the proper authority of Congress nor Congress upon the proper authority of the President. Both are servants of the people, whose will is expressed in the fundamental law.

Mr. Willoughby, in his late work on the Constitution, says:

Through or under the orders of the President all military operations in times of peace as well as of war are conducted. He has within his control the disposition of troops, the direction of vessels of war, and the planning and execution of campaigns.

With Congress lies the authority to lay down the rules governing the organization and maintenance of the military forces, the determination of their number, the fixing of the manner in which they shall be armed and equipped, the establishment of forts, hospitals, arsenals, etc., and the voting of appropriations for all military purposes.

To the same effect speaks Von Holst in his work on constitutional law:

In war the entire technical direction of affairs is incumbent upon the President. Congress has only to decide whether there shall be war and what means it will grant the President with which to conduct the war; but how the war declared by Congress shall be conducted by the means granted by it is the exclusive affair of the President. Congress may criticize, may express wishes, may pass resolutions, but it can prescribe absolutely nothing to the President, even though his acts and omissions be fraught with political consequences of the most preeminent importance.

It was held in Swain v. United States (28 C. Cls., 173) that the constitutional power of the President to command the Army and Navy and that of Congress "to makes rules for the government and regulation of the land and naval forces" are distinct. Congress can not by rules and regulations impair the authority of the President as Commander in Chief.

SUPREME AUTHORITY CAN NOT BE GIVEN A WAR CABINET.

It is proposed and earnestly advocated in the press and elsewhere to establish a "superior war council," to which shall be committed the conduct of the war. It is to be above the Cabinet, and to it is to be committed much of the power of the President. There is need, it is said, of a central control in order to secure unity of action. To secure this the control now vested in the President and his Cabinet is to be transferred to the new "war cabinet," and the President is to be "relieved" of most of his powers as Commander in Chief of the Army and Navy. Legislation is proposed to create a "war cabinet" to be composed of "three distinguished citizens of demonstrated executive ability." This "war cabinet" shall have authority to "consider, devise, and formulate plans and policies, general and special, for the effectual conduct and vigorous prosecution of the war." It is also given authority "to direct and procure the execution of the same." It is also given power to "direct and control" all "executive departments, officials, and agencies of the Government" in so far as may be necessary, in its judgment, "for the effectual conduct and vigorous prosecution of the existing war." By this simple procedure the President and Cabinet are relegated to the rear and the "war cabinet" is to assume supreme command.

It would seem that the mere statement of the scheme would show how impossible it would be of enactment or of operation. The proposal is to create an executive body which shall have supreme executive authority. The Constitution provides: "The executive power shall be vested in a President." The proposal is to give authority to the newly created "war cabinet" to formulate "plans and policies" to carry on the war, and "to direct and procure the execution of the same." The Constitution provides: "The President shall be Commander in Chief of the Army and Navy." The proposal is to give the "war cabinet" power to "direct and control" all the executive departments. The Supreme Court of the United States declares that the President speaks and acts through the heads of departments. It is declared that in order to secure a "central control" and unity of action the conduct of the war should be committed to three persons rather than to one. Justice Story in his Commentaries on the Constitution says:

Of all the cases and concerns of government, the direction of war most peculiarly demands those qualities which distinguish the exercise of power by a single hand. Unity of plan, promptitude, activity, and decision are indispensable to success, and these can scarcely exist except where a single magistrate is intrusted exclusively with the power. Even the coupling of the authority of an executive council with him in the exercise of such powers enfeebles the system, divides the responsibility, and not infrequently defeats every energetic measure.

It is entirely unnecessary to quote this apt and authoritative statement in order to convince the American people of the excellence of their present constitutional system. The history of the Nation throughout 129 years of eventful and glorious experience under it is a sufficient answer to the proposal that it should now be revolutionized and overthrown. It does not need technical knowledge nor even a particular study of our fundamental law to show that the proposition both in spirit and letter is unconstitutional. The avowed purpose, the central idea of the proposal, is in contravention of the Constitution. In its provisions and by its terms it violates the Constitution. As suggested by the press and as proposed in legislation it is unconstitutional.

A "NEW WAR CABINET" UNNECESSARY.

Never before has any serious attempt been made to substitute a new cabinet to control the present Cabinet. Never before has it been proposed to take from the President the direct control of the heads of departments. If merely a change in the personnel of the present Cabinet is desired, that can be secured without creating a new body. It is proposed that the President shall appoint the new cabinet; he may change the present one. He may dismiss peremptorily any or all of his present Cabinet and appoint any whom he may select to fill their places. It is entirely unnecessary, therefore, to create a new Cabinet because of dissatisfaction with the personnel of the present Cabinet.

I have endeavored to show that Congress has no power to usurp or transfer the prerogatives of the President as Commander in Chief of the Army and Navy. Under existing conditions the President, as Commander in Chief, may be and should be in constant communication and consultation with the General Staff and the war chiefs of both the Army and Navy, as well as with the heads of those departments. He is thus placed in close touch with the technical war work—the planning of campaigns, the movements of troops and ships, the assignment of units, and all those matters which he must consider as Supreme Commander of the Nation's forces on land and sea. The relation for consultation and advice between the President and the Army and Navy is maintained by direct contact between the President and the General Staff and the heads of military departments. To attempt to create an intermediary body which shall be given power to control and direct both the operations of the Army and Navy, and the activities of the departments is clearly unconstitutional. It is also unwise and unnecessary.

NEW DEPARTMENTS.

The tremendous expansion of the activities of the Government occasioned by the war demands a corresponding enlargement of governmental machinery. Our present system provides for such enlargement without changing our form of government. Whenever the growth of the Nation and the increase of governmental activities have required we have created new departments of the Government. We started with 3, we now have 10. Departments have been added from time to time to keep pace with the development of the country. Additions are made whenever the existing machinery is inadequate to meet the increased requirements for effective administration. In this way the demands of 100,000,000 people have been as easily and satisfactorily met as were the demands of 3,000,000. In this way not only ordinary requirements but extraordinary requirements can be satisfied without violating the Constitution or abandoning our normal and safe procedure. If because of the war our governmental activities have so increased that the present departments can not satisfactorily and with the desired efficiency meet existing de-

mands, new departments should be added. These new departments need not be continued for longer than the war, if they shall be no longer required. There is no reason why, being established to meet an emergency, they should not be abolished when the emergency shall cease to exist.

A DEPARTMENT OF TRANSPORTATION.

There should be established a department of transportation, with a Secretary, who shall be a member of the President's Cabinet. Perhaps such legislation should not be enacted at this time, because of the President's action in taking over the railroads and the appointment of a director. But conditions thus created are necessarily temporary and legislation will soon be required. The immense importance of transportation by land and sea and the intimate relation it has with all governmental activities in the prosecution of the war require that the chief of this great branch of the Government service shall be the head of a department with the necessary authority and a seat in the Cabinet.

It would appear that the time has come when the department of transportation should be established, not only to meet the demands occasioned by the war but as a permanent departmental establishment of the Government. Transportation, including steam and electric railways, conveying both passengers and freight; steamboat and barge traffic in our rivers, lakes, and canals; shipping of all kinds, engaged in both the coastwise trade and in foreign commerce, requires coordination and governmental supervision and control of the highest character and with power and responsibility such as can only be obtained by placing such supervision and control in a department of the Government. If the railroads should be returned at the close of the war to their former status, their relation to the Government which will have been established during the war will be so close and the responsibilities which will have been assumed by the Government so large as to require a separate department. If Government ownership, in whole or in part, shall be instituted at the close of the war, the demand for departmental control will be imperative. In any event, it is time the United States should do as other great nations have done—make transportation one of the great administrative departments of the Government.

DEPARTMENT OF MUNITIONS.

There also should be established a department of munitions, with a secretary who shall be a member of the President's Cabinet. This department should be established at once, and should go out of existence at the close of the war. There are at least two reasons why the present departments have been found inadequate to meet expectations and secure the degree of celerity and efficiency demanded by the present crisis. One reason is that the requirements for increased service have been so tremendous that the present organization of the departments have been overwhelmed with the pressure. We have been so confident in our fancied security that no preparations for a large Military Establishment have been made. Neither have we even gone so far as to provide for an enlargement to meet a possible contingency or a great emergency. For this all parties, all Government officials, and the people themselves are responsible.

To meet the unexpected and unprepared-for emergency the administration has put forth its utmost efforts. It has a really creditable record of accomplishment when the defects of the system are considered. The blame, if blame is merited, attached because of a failure to realize the inadequacy of our present system to meet the emergency and a want of readiness to admit that deficiency and to take prompt and effectual measures to remedy the defect. It will not help matters, however, to propose and insist on unconstitutional methods of remedy. Neither shall we accomplish what we all desire—a reorganization that will secure efficiency—if we merely protest and complain. Constructive criticism is of value, but mere faultfinding will not help, but harm.

The other reason for the failure to reach expectations is that we have not realized that preparation for war is of two kinds, one military and the other pure business; and that to commit the business of preparation to military men is as unfortunate as it would be to commit military operations to business men. In peace times it was possible to leave the organization and management of our Military Establishment in the hands exclusively of the officers of the Army and Navy. Among them could be found men with sufficient business capacity to care for the limited business concerns of the departments. But when war came and with it the demand for the speedy arming and equipment of millions of men, the business part of the organizations grew to such enormous proportions as to be beyond the capacity of the officers to properly and expeditiously handle. They were not educated for business, they were educated for war. They had selected military not business careers. They had been commissioned because of military ability, not because of business capacity. Some of them have developed unexpected business facility, but there is not enough of those thus endowed. It has been found that the undertaking is too large for the equipment.

How large that undertaking is we have been slow to realize. To fully clothe and equip 2,000,000 men for modern warfare, to send them 3,000 miles across the sea, and to maintain them there till victory shall come is a task never before even contemplated by any nation in the world. To accomplish it will require the organized and mobilized productive and industrial capacity of all our 100,000,000 of people. We must bring production to an unprecedented volume in every line of agriculture, of mining, and of manufacture. We must bring all our transportation systems under a unified and nationalized control. We must tender to the Government the entire activities of the country, systematized and made effective, if we would win the war.

Great Britain faced the same problem when it was called to war. It found that its military establishment was not organized to carry on successfully the military and at the same time the business work of the war. Early it separated these great branches of war work, leaving to the military establishment the work of caring for purely military matters, and transferring to a new department the purely business portions of preparation and support. It created a new place in the cabinet and established the ministry of munitions. Under Mr. Lloyd-George, who was appointed head of the new department, the productive and industrial forces of the nation were organized for war, and almost from the day when this was done efficiency and accomplishment were secured. What has been accomplished in Great Britain under their present system has been not only satisfactory, it has excited the wonder and admiration of the world.

What Great Britain has done we should do. Her difficulty then is our difficulty now. The remedy she applied we should use. Fortunately such action would be in exact accordance with our constitutional system. We have established new departments in the past whenever needed. That time has come now. Such action will effect no disruption of our system. It need occasion no delay. It will allow our War and Navy Departments to give their entire energies to securing men and ships, to train the men and man the ships, to transport troops and arms and ammunition and supplies across the seas, to plan campaigns, and to develop the military policies and operations which shall most speedily bring us victory and a lasting peace. Most of the activities of both the Army and Navy Departments are now devoted to hunting for sources of supply, to making contracts, to arranging for transportation and deliveries, to discussing prices, and other purely business transactions. Under the new system it would only be necessary for the War and Navy Departments to make their requisitions, and the business of securing the arms and ammunition according to the plans and specifications and at the time and place specified would be given the department of munitions, a purely business organization composed of business men.

DEPARTMENT OF WAR SUPPLIES.

There should be established a department of war supplies, with a secretary, who shall be a member of the President's Cabinet. This department should be established at once, and should go out of existence at the close of the war. To this department should be committed the procurement for the Army and Navy on requisitions therefor all classes of war supplies other than those included under the term munitions, including food, feed, fuel, medical and surgical stores, uniforms, tentage, barrack utensils, autos and trucks, horses and mules, and all other supplies of that class.

Under the authority of the Council of National Defense numerous independent boards have been created, to which have been committed many of the war activities. These boards have no power to contract or to bind either the producers or the Government. They are advisory only, and their action is subject to the approval or disapproval of the department. These independent boards, composed in large part of persons serving without salary, have rendered in most instances patriotic and valuable service. They have been, however, a serious impediment to efficiency and expedition. Their service has been at times clouded with the charge of self-interest. They are manifestly a temporary expedient, and the time has come when they should be eliminated. The men who have served on them, who have demonstrated their ability and fitness, should be made the heads of bureaus in appropriate departments and be given authority commensurate with the importance of their work.

Thus within the jurisdiction of the department of transportation should be placed the Interstate Commerce Commission, the Shipping Board, the committee on shipping, the Emergency Fleet Corporation, the Board to Determine Priority in Transportation, and the coordinating committee on exportation.

To the department of munitions should be given jurisdiction now exercised by the War Industries Board, the Munitions Standards Board, the Aircraft Board, and the Advisory Committee for Aeronautics.

To the department of war supplies should be committed the Food Administration, the Fuel Administration, the War Trade Board, the committee on supplies, the committee on raw materials, and all the so-called purchasing committees of the Council of National Defense.

In this way, and in this way only, as I believe, can coordination of the war activities of the Government be obtained. To secure efficiency, expedition, and economy of expenditures there must be authority and responsibility. The prevention of duplication of work is important. The bidding against each other of the departments and bureaus should not be allowed to continue. The necessity of the immediate abandonment by the departments of red tape, circumlocution, and unnecessary routine is apparent to all. The kaleidoscopic changes that are almost daily bulletined from the War Department are none of them calculated to cure these evils. Efforts made by the department to eliminate, as far as possible, red-tape methods will undoubtedly help. But the great necessity, and the one the department seems unwilling even to consider, is that the department be relieved of the purchasing business. This for some unaccountable reason it is unwilling to relinquish. It would seem as if the officers who compose the personnel of the department would be glad to be relieved of the embarrassing duties for which they are so illy fitted and in the performance of which no credit can attach to them. It would appear that being educated for the purpose they would desire to devote their attention to purely military problems and be relieved from business routine and office drudgery. It might be expected that their desire would be for active service in the field where their qualifications fit them to serve with distinction and where now they are so much needed. When the demand for officers educated to train recruits for service and to command troops in the field is so great and the supply is so small it is difficult to justify holding West Point graduates to positions as office clerks, in the performance of purely business transactions.

With the organization of the new departments for war service the war cabinet so earnestly desired may be secured. With the President at its head, it would consist of the Secretary of War, the Secretary of the Navy, the secretary of transportation, the secretary of munitions, and the secretary of war supplies. With the absorption by the new departments of the present independent boards practically all the war activities would be represented in such a war cabinet. Meeting daily, as do the European war cabinets, all the work essential to progress could be considered and correlated. Unity of action, speed in accomplishment, and effectiveness in execution would thus be made possible. The Constitution is not violated under this method of reorganization. The President is not deprived of his power. The War and Navy Departments would be strengthened for real war work, and the heads of these departments could give to the greater problems of the war the consideration necessary and which is impossible while they are burdened with duties others can better perform. Big men, in whom the Nation would have confidence, could thus be given the great work of carrying on the war and could be placed in closer relationship for conference and advice with the President. The reorganization necessary would be very moderate. As compared with the changes in administration methods and personnel that have taken place in other countries engaged in the war, it would be inconsiderable. Entire reorganizations of the cabinets of Great Britain, Germany, France, Austria-Hungary, and Italy have occurred many times during the war. They have made without hesitation the changes found necessary to meet the increased demands of Government work occasioned by the war. We should not wait until failure to meet the extraordinary demands by existing machinery shall lead us to more drastic and dangerous measures.

I have endeavored to show that an attempt to deprive the President of his constitutional powers as the head of the executive departments of the Nation and as Commander in Chief of the Army and Navy is unconstitutional and unwise.

I have tried to point out that the creation of a war cabinet as an independent body is practically impossible, and that by the creation of the three new war departments of transportation, munitions, and war supplies, and the appointment of "three distinguished citizens of demonstrated executive ability" as the heads of these departments, together with the Secretaries of War and the Navy, would give the President a war cabinet, as a natural consequence and on a constitutional basis.

I have sought to show that this proposition is not revolutionary, will not be a mere experiment, and need cause no embarrassment to the President or to the departments affected by the proposed changes. Above all, that it will cause no delay and will assist and facilitate the great work of carrying on the war.

It is only necessary further to say that whatever the machinery provided, that whoever may be called to the Nation's service, even if the action taken be considered unwise, and even if we believe the persons in service inefficient, our duty is done when we use our best endeavor to correct what we believe to be the defect. If suggestions are not followed, if the remedies advocated are not adopted, we are not thereby relieved from doing all that we can to support the prosecution of the war with the men and the measures which are provided. It would be unfortunate if honest endeavors to correct defects were unavailing. But it would be still more unfortunate if because such advice is not taken any one should either remain indifferent or in opposition to the vigorous prosecution of the war. That object should be and remain our supreme desire and duty whatever the means provided and whoever shall remain in or be called to the service of the Government.

Mr. BORLAND. Mr. Chairman, I move to amend by striking out, in line 8, page 77, the words "personal services and."

The CHAIRMAN. The gentleman from Missouri offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BORLAND: Page 77, line 8, after the word "including" strike out the words "personal services and."

Mr. BORLAND. Mr. Chairman, this bill contains a great many provisions for increases of the clerical forces. I do not intend to offer to this appropriation bill any amendment in regard to the hours of service in the departments, because it is a deficiency bill and, of course, temporary in its character. But the fact that it does provide for so many increases in the clerical force simply accentuates the unfortunate situation in which we have gotten in employing a large number of people for a short day's work and attempting to provide office space and housing for that excessive number.

Now, in this particular paragraph these personal services are probably more imperative than any other paragraph in this bill. I simply want to call attention to the fact that the way, in my judgment, to remedy the evil of an excessive number of employees in Washington is, if a resolution comes before the House to provide for a general increase and classification of salaries for the employees, to provide in that resolution for the increase of the working hours from seven hours to the standard eight-hour day.

If that is not done it will be necessary to append the amendment to each appropriation bill as it comes through the House. In order that there may not be any sidestepping of the eight-hour proposition I intend to offer it to every appropriation bill as it goes through the House. I hope the amendment will remain in the Agricultural appropriation bill as it has gone through the House and receive the approval of the Senate.

It seems that this simple business proposition has produced a great deal of bitterness in the District of Columbia. One Herostratos undertook to acquire fame by burning down the temple of Diana at Ephesus, but he failed to acquire fame. That man was a piker. He ought to come to Washington and attempt to change the hours of Government clerks to eight hours a day, and he would acquire fame enough to last him for the rest of his life. [Laughter.] Strange to say, that simple business proposition, which receives the assent of every assemblage of American citizens outside of the District of Columbia, has produced intense bitterness in the District, and I regret that exceedingly.

Mr. MORGAN. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MORGAN. I have some protests by some organizations against the gentleman's proposition. I understood the gentleman to say that it met with universal approval.

Mr. BORLAND. Yes; there is a propaganda operating from Washington to get organizations throughout the country to send protests to Senators and Representatives. I have received some of those protests, and I have answered them in this way: I have telegraphed each one "You are jeopardizing your own just claims for consideration in Congress by interfering in a matter of the greatest discrimination and injustice in the District of Columbia." That is the only answer to be given them, and when they look into the matter they will conclude, as the organizations in my district have, not to help perpetuate the abuse of a short day in the District of Columbia.

As I say, the proposal has stirred up a great deal of bitterness in the District, and I regret it; but that does not change my opinion of the legislative power or the legislative duty of Congress to correct the abuse. It does seem to me that it is an imperative thing during the extreme shortage of labor all over the country, when we are bringing thousands of young

people here as we are in this bill, to attempt to perform Government service in the District of Columbia, and thereby increase the shortage of labor of the business men and the farmers throughout the country, making it more difficult for them to speed up, making it more difficult for them to produce supplies for the Army, making it more difficult for people to pay taxes which are exacted of them; when we are doing that we must look well to these appropriations for personal services in the District of Columbia. Mr. Chairman, I withdraw my amendment, and I ask leave to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MORGAN, by unanimous consent, was given leave to extent his remarks in the RECORD.

Mr. SMITH of Michigan. Mr. Chairman, I move to strike out the last word, and I ask to proceed for a few minutes out of order. Yesterday in my mail came a remarkable letter, which I think is worthy of mention in the Halls of Congress of the United States and also of being called to the attention of the country. I live in the city of Charlotte, Mich. It is a city of 5,800 inhabitants. Of course we are all proud of our home towns, our district, our State, and our country. I have lived there for 50 years, all of my active life, and while there has been a great change there have been no conditions like the present times from many standpoints. That city readily purchased its share of liberty bonds. It subscribed nearly double the amount of its allotment. It has subscribed liberally to the Red Cross, the Young Men's Christian Association, and all over the city are active workers in the prosecution of the war.

Recently they were asked to subscribe to the war savings and thrift stamps. They have two splendid organizations in the city—the commercial club and the community association—both composed of active, determined business man, well united. When the call went out by the Secretary of the Treasury of the United States to sell $2,000,000,000 worth of these stamps a survey was made of the town; it was divided into small districts and two persons appointed in each district to look after the sale of these stamps. And I am pleased to say here upon the floor of this House, in the Congress of the United States, the greatest in the world, that every man, woman, and child in that city purchased a war stamp or a thrift stamp. [Applause.] We are all proud of that up in our city. That was splendid; but may I particularly mention the fact that Charlotte, Mich., was the first city in the United States where every citizen—man, woman, and child—purchased a liberty stamp under this call. [Applause.] It proves not only that the patriotism of that city is 100 per cent but it also proves that the people residing in that splendid little city are alive to the work in hand; that they are doing their share to win the war; that they not only subscribe their funds but gave of their time and ability to this work. After their plans were perfected within three days every man, woman, and child had their names down on the list and opposite the name was the number and amount of the stamps purchased by that individual.

Mr. MOORE of Pennsylvania. This is a remarkable circumstance which the gentleman is relating. Where did this occur?

Mr. SMITH of Michigan. At Charlotte, Mich. That city is also remarkable in its citizenry. It has only two colored families. They are highly respected and good citizens. There is only one Chinaman. He said at first that he would not buy a stamp for 25 cents. When asked why he said, "Me pay $5." And he paid the five.

Mr. TREADWAY. May I ask if that Chinaman is naturalized?

Mr. SMITH of Michigan. No; but he is naturalized enough to put up his money, which is not done by some in other cities who are naturalized and who ought to do it. [Applause.] Then there is one Italian. The rest are splendid American citizens, working together harmoniously and industriously to do their part to win the war.

The work is going on. The determination and resolution shown in that city is illustrative of the district I represent. I say for my district, and I say for the State of Mihcigan, that not only did we meet our share of the liberty loan of $2,000,000,000, but we also oversubscribed the liberty loan of $5,000,000,000, and we will pass on to the next liberty loan, and the next, as long as the necessity of the war requires it. We are ready to do the work in hand, whatever is necessary in defending our country, our homes, and our honor. [Applause.]

The Clerk read as follows:

Gauge standardization: To provide by cooperation of the Bureau of Standards, the War Department, the Navy Department, and the Council of National Defense, for the standardization and testing of the standard gauges, screw threads, and standards required in manufacturing throughout the United States, and to calibrate and test such standard gauges, screw threads, and standards, including necessary equipment, rental in Washington, and elsewhere, erection of temporary structures, offices expenses, books of reference and periodicals, personal services in the District of Columbia, and in the field, and all other necessary items not included in the foregoing, $75,000.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. In line 22 I see the words—

and standards required in manufacturing throughout the United States.

Does that refer directly to the standards employed by the War and Navy Departments, or in general manufacturing? It seems a very broad term. I am aware that at the beginning of the war we were very short of standard gauges for all kinds of necessary war equipment, but it does not seem to me that that phraseology would directly apply to this deficiency. Therefore I would like to inquire whether it is expected that it would apply directly to War and Navy needs, and also whether it is looking toward the establishment of a sort of bureau and storehouse for these gauges for future use?

Mr. SHERLEY. No; it is looking to the standardization of the gauges used in connection with war needs. They have a master gauge that is made the basis of measurement for the others. It is not with the idea of having any great supply of jigs, gauges, and dies out there.

Mr. TREADWAY. But it is intended to have a master gauge that could be kept indefinitely.

Mr. SHERLEY. Yes.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Is there not a typographical error in line 2, page 78? Should not that word "officers" be "office"?

Mr. SHERLEY. Yes. I move to amend, in line 2, page 78, by striking out the word "officers" and inserting the word "office."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 78, line 2, strike out the word "officers" and insert in lieu thereof the word "office."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Public utility companies: To enable the Bureau of Standards to make investigations urgently needed by public utility companies in order to improve their efficiency and adjust their methods of operation to meet the changed economic conditions incident to the war, and to aid State and municipal administrative officers and the management of publicly owned utilities in adjusting standards of service when necessary to meet present conditions, including personal services in the District of Columbia and in the field, $50,000, to continue available during the fiscal year 1919.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. Is not a good deal of the work designated here to come under the Bureau of Standards being handled at the present time under investigations of the Department of Labor?

Mr. SHERLEY. Nothing of this sort at all. This is to make certain investigations touching the manufacture of gas, so as to save some by-products for the use of the Government in making explosives. Gas in many localities is now manufactured of a different quality from what was used in time of peace, and that is done in order to save a larger amount of by-products that there is a scarcity of needed in the manufacture of explosives. This is to further study and help in that work.

Mr. ROBBINS. Mr. Chairman, I move to strike out the last word in order to ask a question. In line 7, on page 78, there is a provision for testing and investigating the use of scales and mine cars used for weighing and measuring coal dug by miners. In western Pennsylvania that is done by the Bureau of Mines located in Pittsburgh, where they have a large building containing a laboratory and a number of experts who do that work. Is it proposed to remove that work from Pittsburgh, where it is near the mines and where every person can have access without travel expenses, down here to Washington to the Bureau of Standards?

Mr. SHERLEY. No; it is not proposed to do any such thing. It is to send out and test mine scales which they have found in many instances to be defective.

Mr. ROBBINS. The provision is all right, and it ought to be carried, but the thought that strikes me there is that it would be duplicating the work that the Bureau of Mines in Pittsburgh is doing for the bituminous-coal region in western Pennsylvania.

Mr. SHERLEY. No. It is proposed to test the scales where they are.

Mr. ROBBINS. That is exactly what they do from the Bureau of Mines at Pittsburgh. They send out a man wherever there is a complaint made and they test the scales.

Mr. SHERLEY. The statement was made before the committee that they have discovered a great deal of false weighing, and that the purpose of this money was to enable the bureau to cooperate with the States in establishing standard

weights by which the State governments could test the various scales used in their respective States, and it serves to decentralize and take from the Federal Government and put where it belongs on the State government the doing of this highly important work.

The Clerk read as follows:

DEPARTMENT OF LABOR.

To enable the Secretary of Labor to advance to wage earners transportation to such places as may be deemed necessary for the purpose of securing employment in connection with the prosecution of the war, $250,000, which may be used as a revolving fund until June 30, 1918: *Provided*, That advances hereunder shall be so made as to insure the return to the Treasury of sums so advanced: *Provided further*, That an accounting shall be kept of the operations under this paragraph which shall include as to each person transported the following: Name, vocation, starting point and destination, shipyard, factory, or other place for which transported, and amount of advance made.

Mr. STAFFORD. Mr. Chairman, I reserve the point of order on the paragraph just read. I wish to inquire of the chairman of the committee whether it is proposed under this authorization to advance money to laborers in general regardless of whether they are to be employed by the Government or whether it is to be limited to a class or extended to all laborers who may in any way be employed in advancing the Government's interests?

Mr. SHERLEY. It is my understanding it is not limited in the sense that they are to be employed directly by the Government, but it is expected to be used only in those cases where the employment is necessary in connection with work done for the Government in the prosecution of the war, and that it is a war measure, seeking to deal with an acute situation that now confronts the country. The gentleman will recall that the other day, in speaking in general debate, I called attention to the fact of how there had been congested in certain States three-fourths of all war contracts and in one State—the State of New York—one-fourth of them. Now, that of necessity has resulted in a tremendous need of laborers in certain localities way beyond the power of those localities to furnish, and the testimony clearly showed the needs of some governmental action being taken looking to help the men who were unemployed to go to places where employment waited them and where their labor was much needed in order to carry on activities in connection with the war.

Mr. STAFFORD. Has any plan been evolved by the Department of Labor as to the method of securing the return of the funds advanced as provided by this paragraph?

Mr. SHERLEY. The detail of it has not been worked out. The bureau dealing with this particular matter has recently been organized and enlarged, and the suggestions contained herein were the suggestions which originated with the subcommittee dealing with the bill and were put there with the idea of safeguarding as far as possible the expenditure of this money.

Mr. STAFFORD. I withdraw the pro forma amendment.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order for five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed out of order for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the House, I desire to call the attention of Members who are interested in the subject of farm labor to an anonymous letter I received from a senior student at the Alabama Polytechnic Institute a few days ago, which to my mind presents a rather practical suggestion along this line. I realize that it has no place under the provisions of the pending legislation, and probably can not under any circumstance come within the purview of congressional action, yet it is a matter that I think ought properly be called to the attention of the House. In my time I read the letter:

AUBURN, ALA., *February 2, 1918.*

Hon. WM. B. BANKHEAD,
Washington, D. C.

DEAR SIR: Complying to your letter of request, beg to say that at this critical moment and needy time for more food, warrants the best efforts of all Americans who can produce anything for the table or for feeding live stock, which means a table necessity in the end.

There are many young men who are still in the colleges and universities of the United States that have not yet been rushed to the "colors." In view of the fact that the seniors will have gotten all the fundamentals by April 1, I believe there should be a provision made allowing these institutions to graduate the senior classes April 1, provided these men will sign pledges to go home and engage in farming, or they may be employed by the Government to engage in some emergency food-producing activity. I feel that this pledge should be signed for at least 10 weeks from April 1. Owing to the great conflict that is pending between the great nations of the world, I believe the food production within the United States this season determines the destiny of this and the allied countries.

We are interested in the success of our country, first of all, to such extent as to be willing to make any sacrifice necessary to win in the great struggle that is now pending, because we believe that we are right. Yes; we are willing to help feed our soldiers who are in the trenches or elsewhere, even though we do it at a sacrifice at any cost.

I am a member of senior class, Alabama Polytechnic Institute, Auburn, Ala., finishing in four departments June 12. My home is in your district—

Here is one of the things which impressed me about this letter—

I am 36 years of age, but my heart and my interest is for this country. Yes; I can plow a mule or two mules this season if it will tide this country over a tottering bridge.

May we note any provision leading to this end?

Respectfully,

A MEMBER OF SENIOR CLASS,
ALABAMA POLYTECHNIC INSTITUTE,
Auburn, Ala.

Now, gentlemen, I do not know how it is in other States, but in the State of Alabama we not only have a very fine agricultural and mechanical college, with an attendance of some 1,000 or 1,500 students, but also in each congressional district there is a district agricultural school with a large number of students. And one of the suggestions made here, in view of the fact that the students who attend these agricultural schools in Alabama are, as a matter of fact, boys who have been reared upon farms and who have practical actual knowledge of farm labor and farm conditions, if some means could be devised, even by suggestion, to the presidents of these institutions in the different States by the Members of Congress, although it would not aggregate a very enormous number of farm laborers, yet it would amount, indeed, to several thousand of the most efficient and best young men of the country who might sign a pledge to work from April 1 for 10 weeks or longer, providing they were allowed to be graduated at their colleges, to go home and render most efficient and splendid service by filling up in some measure at least the shortage in farm labor. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that we may return to page 48, and that lines 21 to 25, page 48, lines 1 to 25, page 49, lines 1 to 8, on page 50, all inclusive, may be restored to the bill for the consideration of the committee. On Saturday the point of order was made to these provisions.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to return to pages 48, 49, and 50, to restore the language contained in lines 21 to 25, on page 48, line 1 to 25, on page 49, and lines 1 to 8, on page 50. Is there objection?

Mr. CLARK of Florida. Reserving the right to object, Mr. Chairman, I want to state that I made the point of order on Saturday against these two items because they were clearly subject to the point of order, and it was so held by the Chair, but I want to state to the committee that the Committee on Public Buildings and Grounds on Saturday considered it and to-day considered it again, and we are clearly of that opinion and the House seemed to be of that opinion. We have made the point of order, Mr. Chairman, purely and solely for the purpose of attempting to preserve the jurisdiction which the rules of the House has given us, believing that those rules ought to be maintained and preserved where jurisdiction is clearly defined, but understanding that this matter has already been gone through with by the Committee on Appropriations, and having been appealed to by those interested as to its urgency, knowing, of course, that a reference of the items now to our committee may delay the matter, although we could, of course, dispose of it in a very few days, but there would have to be another appropriation bill brought in to carry it out, and in order not to stand in the way we have decided that we will not press the objection.

I want to say this, however, Mr. Chairman, that this is not to be considered as any precedent whatever. We are not intending to concede in the slightest degree that we have not full and complete jurisdiction over the subject matter, and I want to give notice that hereafter we shall certainly insist on points of order against items of this character. I do not think, and our committee does not think, that it is any effort on the part of anybody to reach out and take jurisdiction that does not belong to them. The trouble is that these department officials get up a lot of data when they want certain legislation, and in order to run along the shortest route, as they take it, go to the Appropriations Committee, and file this data, which ought to go to some other committee. And it seems to me the whole House ought to be interested in preserving the jurisdiction of the respective committees and let these department officials and everybody else understand that they must go in the orderly way, to the proper committees in the House, in

order to get legislation which they think is advisable and proper.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. CLARK of Florida. Yes.

Mr. GREEN of Iowa. Did the gentleman's committee go into the merits of this proposition? It seems to me, from what I will have to admit is a cursory examination, that this appropriation is to be used for buildings not good enough for permanent buildings.

Mr. CLARK of Florida. I will state to the gentleman that our committee has not examined into the question at all. We have never considered it from any point except the question of jurisdiction. All the data and all the facts have been placed before the Committee on Appropriations. Those gentlemen have investigated it, and for any information about it the gentleman will have to apply to them. I know nothing about the merits of the proposition.

Mr. GREEN of Iowa. Here are $8,000,000 to be spent on temporary buildings, built of reinforced concrete, which, of course, will have to have heavy foundations and all that. They can be built for much less and answer the purpose.

Mr. CLARK of Florida. I will say to the gentleman that we have already spent over $2,000,000 on buildings of the same character and for the same purpose.

I want to make this remark in passing. Last year when these buildings on Sixth Street were contemplated the representatives of the War and Navy Departments stated to the Public Buildings Commission that they wanted 700,000 square feet of space to take care of the overflow of the two departments; that they had made a careful survey, and that space would answer their purposes. We gave them one million and some fifty-odd thousand square feet, and before that building was completed and occupied the same gentlemen are back to Congress asking for appropriations of over $8,000,000 for two and one-half million square feet additional to the million square feet in the first building. Now, as I say, that probably is needed.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. CLARK of Florida. In just a moment.

I hardly think the Appropriations Committee would have consented to have it go in the bill unless it was needed, but it shows these gentlemen who make calculations as to what space is needed have made a sad mistake in this instance, to say the least of it. They have not made the careful surveys that somebody ought to have made.

Now I yield to the gentleman from Kansas.

Mr. CAMPBELL of Kansas. Did not the gentleman's committee take up the question with any of the departments interested in order to ascertain the number of employees that are to be provided for as covered by this item?

Mr. CLARK of Florida. No, sir.

Mr. CAMPBELL of Kansas. You have not had any information?

Mr. CLARK of Florida. We have not investigated it at all, because it has not been before our committee.

Mr. CAMPBELL of Kansas. I notice there is nothing in the hearings as to the total. I presume the Committee on Appropriations was satisfied informally as to the necessity for the item. There is nothing in the hearings about it.

Mr. CLARK of Florida. I suppose the chairman of the Appropriations Committee could give the gentleman that information. We have made no investigation at all.

I just want to say in conclusion, Mr. Chairman, that this is in the nature of notice that we are going to consent and not raise any objection to this, because it has progressed as far as it has, and we do not care to obstruct; but hereafter we intend to insist strictly on our rights under the rules of the House.

The CHAIRMAN. Is there objection?

Mr. LENROOT. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Florida a question. The gentleman speaks about 1,000,000 square feet having been provided. Were those for temporary quarters?

Mr. CLARK of Florida. They were understood to be such.

Mr. LENROOT. What was the cost of that 1,000,000 square feet?

Mr. CLARK of Florida. Something over $2,000,000.

Mr. COOPER of Wisconsin. Mr. Chairman, reserving the right to object, I take it that there is no one in the House, on either side of the center aisle, that wishes to delay unnecessarily for one moment the enactment of legislation that will tend legitimately to the prosecution of this war. I know that I shall not press any point of order, although one would lie against this provision. But in view of the great amount of money that is asked for, $8,152,500 in two lump-sum appropriations—one of $5,775,000 and one of $2,377,500—one sum to be turned over to the Secretary of the Navy, to be spent under his supervision nominally, although, as a matter of fact, it will be impossible for him to give personal supervision to the expenditure; and the other sum to be turned over to the Secretary of War, to be expended under his supervision nominally, although, as a matter of fact, we all know that he is so occupied with the enormous demands of his office that he can not give these expenditures his personal supervision. And after all that by way of parenthesis, I add this: That we ought to insist before we vote this through that there be a demonstration before this Chamber of the necessity of such an enormous expenditure for temporary buildings.

Last summer, as the House will recall, there was quite a spirited debate on the proposal made in the bill which was then in charge of the gentleman from New York, now not a Member of the House, Mr. Fitzgerald, for $2,000,000 with which to put up temporary frame buildings. I thought that $2,000,000 worth of lumber put into temporary buildings would cover all the vacant space, practically, that there is in the city of Washington; but they expended it all, and now they want only the modest sum of $8,000,000 additional for temporary structures, making in the aggregate approximately $10,500,000 for temporary structures.

Now, the conditions prescribed in the lines included within the motion of the gentleman from Kentucky [Mr. SHERLEY], the distinguished chairman of the committee, are very general in their character. They mention only the area of the buildings, with very little more. They define their location with reasonable precision, but practically $8,000,000 is turned over to the discretion of two men, and neither of them can give the expenditure his undivided attention or anything approaching his undivided attention.

Now, relying upon the judgment of my friend from Kentucky, the members of the committee—and, by the way, I do not understand that the full Committee on Appropriations took this testimony. It seems so from the record, which tends to show that the testimony was taken only by a subcommittee of five; and I notice, in looking through the list of the names of the subcommittee, the name of one whom I have hardly seen here at all since January. That leaves but four, and all of these facts together make it necessary, I think, that as cautious legislators we should require full and detailed statements, which will demonstrate the necessity for an appropriation like this for temporary buildings.

Mr. ROBBINS. Mr. Chairman, will the gentleman permit a question before he takes his seat?

Mr. COOPER of Wisconsin. Certainly.

Mr. ROBBINS. I understand these temporary buildings that were authorized down on the old Pennsylvania Depot square, or depot site, were increased beyond a million feet beyond what Congress authorized. Is that true or not?

Mr. COOPER of Wisconsin. I do not know.

Mr. ROBBINS. What is the necessity of using this park and cutting down those trees when there is a wide space between here and the Union Station with no trees on it? The parks should be used in connection with the beautifying of the city of Washington.

Mr. LENROOT. Mr. Chairman, I reserve a point of order, and I think before that matter is settled the committee is entitled to know what information the members of the committee can give to the House as to the necessity of this appropriation.

Mr. SHERLEY. There is no desire on the part of anybody to take snap judgment of the House. I assumed that instead of now undertaking to debate the matter on request the debate would come up naturally in the discussion of the restored paragraphs.

Mr. LENROOT. If the point is not reserved, and the committee is not able to give the fullest information desired, it would not be the fault of the committee.

Mr. SHERLEY. The gentleman misunderstood my request. I did not request that the matter be considered in the bill in the sense of having been approved by the Committee of the Whole. I suggested that it be restored to the bill for the consideration of the Committee of the Whole. I do not want to mislead the gentleman. If my request should be acquiesced in, it would result in putting the matter into the bill for the consideration of the committee.

Mr. CAMPBELL of Kansas. Beyond the point of order?

Mr. SHERLEY. With the idea that the point of order would not be made. There is no use in doing a foolish thing. The point of order has been made. The idea was to put the provisions in for consideration. It would be in order to strike out or amend, or anything else.

Mr. LENROOT. I would like to have some information as to what the million square feet cost, and why this should cost so much more.

Mr. SHERLEY. I made a very full statement to the House in my opening statement, and I am more than willing to do it again. As a matter of convenience, I will take the floor now.

Mr. LENROOT. Very well. If the gentleman can give the information, I will withdraw my point of order.

Mr. SHERLEY. I have enough responsibilities. If I can not demonstrate to this House the merits of the proposition, it ought to go out.

Mr. LENROOT. I have no objection.

Mr. SISSON. Mr. Chairman, I feel that this statement should be made in view of the understanding I have had, representing the Committee on Appropriations, with the gentleman from Florida [Mr. CLARK], the chairman of the Committee on Public Buildings and Grounds. It might not be amiss to make a short statement as to how this matter got into the appropriation bill at all.

As was suggested by the gentleman from Wisconsin a moment ago, there was quite a little controversy over the building at Sixth Street, on a part of the Mall, which, I believe, is about completed—on the square where the old Pennsylvania depot used to be. At that time the subcommittee was requested to take this matter up on account of the very urgency of the need of space for clerks. The matter was taken up at that time by the chairman of the Committee on Appropriations with the chairman of the Committee on Public Buildings and Grounds, with the idea that if they had no objection to its being considered in our committee, that committee could have a hearing and report a bill which would then be in order on the appropriation bill, and not delay the matter. The chairman of the Committee on Public Buildings and Grounds and the chairman of the Committee on Appropriations, each representing his respective committee, agreed that it would be better to put it, as an urgent matter, in the urgent deficiency bill. Buildings of that character had been carried prior to that as urgent deficiencies.

Now this subcommittee on deficiencies has been called upon to begin the erection of some permanent buildings not authorized by law. Your subcommittee and the full committee declined to consider the matter at all, on the ground that our jurisdiction would only be limited to this item, on account of its great urgency. Technically we have no jurisdiction of the matter, even under that state of the record, but in view of the pressing need and the necessity of making provision for the thousands of clerks that are being assembled and brought to Washington with no place for them at present in which to work in the various offices, this necessity was represented to the committee, and there was no understanding at that time between the respective committees as to these items. It was my understanding—not the understanding of the chairman of the Committee on Appropriations, nor did any member of the committee understand it that way—but it was my understanding that as to these temporary buildings they might be considered as urgent deficiency items and cared for by items in the bill.

Now, in addition to all of that matter, there was a commission that had to be consulted. Your subcommittee not only consulted among themselves and with the full committee, but we consulted with the members of the Senate who had handled this matter, consulted with the Superintendent of the Capitol Building and Grounds, and consulted with the gentleman who has charge of public buildings in the War, State, and Navy Building, and had them all there. All the propositions were presented to the committee; and one or more trips were made by your subcommittee, and one trip with the representatives of the Senate, with those two respective architects representing the two departments of the Government, and after quite a good deal of delay we thrashed out all of the differences. That accounts for this item being in the bill. If it should be considered and passed by the Committee on Public Buildings and Grounds, it would then have to come to the Committee on Appropriations for the appropriation.

So this in no sense of the word can be considered as any precedent for the Appropriations Committee taking jurisdiction of public buildings.

Mr. CAMPBELL of Kansas. What I have been particularly interested in is the showing that was made to the committee as to the necessity for housing this large number of additional employees.

Mr. SISSON. I was not intending to go into that feature at this time.

Mr. CAMPBELL of Kansas. That is the important feature.

Mr. SISSON. I was simply carrying out an agreement which I had with the chairman of the Committee on Public Buildings and Grounds that this statement should be made by me, so that it might not be considered as being any precedent or any waiver of jurisdiction on the part of the Committee on Public Buildings and Grounds for this committee to consider items of this kind. Your subcommittee and your full committee realized thoroughly that we have no jurisdiction of these matters, and I have no doubt that from the chairman of the Committee on Appropriations clear on down through the entire committee we would have been delighted to wash our hands of this entire matter and let the Public Buildings and Grounds Committee handle it and fix it so that the appropriation might be made.

Mr. TREADWAY. Will the gentleman yield?

Mr. SISSON. Certainly.

Mr. TREADWAY. I understood the gentleman from Mississippi to state that he consulted with two architects, representing the War and Navy Departments.

Mr. SISSON. No; with Mr. Woods, Superintendent of the Capitol Building and Grounds, who has certain buildings and grounds under his jurisdiction, and who is, by the way, a member of this building commission, as well as Col. Ridley, of the State, War, and Navy Building, who is the superintendent of those buildings and grounds.

Mr. TREADWAY. Then I misunderstood the gentleman about the two architects?

Mr. SISSON. Those are the two men. Mr. Woods is an architect, and Col Ridley also. I did not mean any outside architects.

Mr. TREADWAY. I was endeavoring to find out a little more in detail along the line of the inquiry I made a few days ago—has the committee seen any plans and specifications, so as to know on what method the contracts were to be let?

Mr. SISSON. All our consultation was with officials of the Government.

Mr. WHEELER. I wish to know whether the department recommends reinforced concrete; and if so, why is it necessary to have that material for a temporary building?

Mr. SHERLEY. If the gentleman will permit, I think we can get at this whole matter very much more orderly when we get to the consideration of the merits of it.

But, answering now the gentleman's inquiry, the reinforced-concrete proposal came before the committee as the result of two suggestions—one made by the War Department for a concrete building down near Henry Park and one from the Navy Department, who desired a concrete building for themselves. But the determination rested finally with the committee, and was based on the fact that the difference in cost between concrete and frame was not sufficient in our judgment to make worth while the taking of the risk to life and property involved in further housing people in wooden structures.

Mr. WHEELER. Will these buildings be fireproof?

Mr. SHERLEY. Yes; the concrete will not only be fireproof, but will be as permanent as time, if you want to leave these buildings. They are spoken of as temporary, not with the idea that they will soon wear out, but simply with the idea that these are not the places that would be selected for permanent buildings in the sense that that term is used ordinarily.

Mr. WHEELER. Will the floors and sills be of concrete?

Mr. SHERLEY. All concrete.

Mr. WHEELER. No wooden framework whatever?

Mr. SHERLEY. Flooring and framework and walls and roof of concrete. I will try to give the House the details in a few moments.

Mr. SISSON. In order to conclude my statement and not detain the committee, so that we may get down to the merits of this proposition, so far as I am personally concerned I agree heartily with the statement made by the chairman of the Committee on Public Buildings and Grounds [Mr. CLARK of Florida] that the jurisdiction of these two committees should be kept absolutely separate, as the rules indicate; and it is only under the pressing necessities of the present that the rule ought ever to be violated. So far as I am personally concerned, I can only speak for myself, but as a member of the subcommittee I will say that these matters shall not be considered, if I can help it, except after consultation with the chairman of the Public Buildings and Grounds Committee or any other committee that may have proper jurisdiction over a matter that might be included in a deficiency bill.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. SISSON. Certainly.

Mr. COOPER of Wisconsin. What induced the committee to insert the provision regarding these structures being built of reinforced concrete, when the $2,000,000 buildings down here are of wood?

Mr. SISSON. It is quite a long story, but I can tell the gentleman in a word. A great many of the clerks and employees in the Navy Department will have to deal with the drawings for

the building program of the Navy, and if you did not have buildings reasonably safe from fire it would be absolutely disastrous if those plans and specifications were destroyed. The hearings were complete and the testimony was overwhelming that unless we were in a position to build them fireproof vaults, or a place where they could keep these documents and drawings, it would mean disaster if there was a fire.

Mr. COOPER of Wisconsin. Inasmuch as the Government for about 12 years has owned the land from Pennsylvania Avenue to the Mall, down near Fifteenth Street, containing now, as then, many buildings that are nothing but eyesores to that part of the city, why did you not propose to put these new structures there?

Mr. SISSON. The question of time entered into that. We would have to destroy the buildings that are there now, all of which are going to be used for office space anyway. A good many of these buildings are already being occupied. Some buildings are being constructed. As I understand, these buildings will probably be occupied by the Internal-Revenue offices.

Mr. COOPER of Wisconsin. It looks like a rather serious proposition to put $8,000,000 of buildings into a magnificent park.

Mr. SISSON. It is a most serious business and there is no question about it, but the subcommittee and the full committee in considering this matter found there was no other alternative.

Mr. COOPER of Wisconsin. Does the gentleman say that the full committee considered the bill?

Mr. SISSON. The full committee only considered the statement made by the chairman of the committee, but his statement was very full. They had all the maps before the committee, but had no witnesses there.

Mr. COOPER of Wisconsin. In other words, the full committee heard the statement of a witness who had heard the witnesses.

Mr. SISSON. The full committee heard the statement of the chairman of the committee.

Mr. COOPER of Wisconsin. And he had heard the witnesses.

Mr. SISSON. The hearing was what the full committees have at times when the subcommittee has investigated the testimony of witnesses; the subcommittee reports to the full committee, and until the full committee was satisfied they would continue the investigation.

Mr. COOPER of Wisconsin. I was only prompted to ask the question because the gentleman said that the full committee had approved of the findings of the subcommittee, and as far as that is concerned I understand from the gentleman's own statement that the full committee knew nothing about the testimony at all except as the chairman came in and gave a synopsis of it.

Mr. SISSON. I did not intend to make any other statement than that it was reported by the subcommittee and was considered by the full committee, and there was no objection to it.

Mr. WALSH. Mr. Chairman, this matter has been stricken from the bill on a point of order. I wish to reserve the right to object. I understand an agreement has been made between the committee reporting this bill and the chairman of the Committee on Public Buildings and Grounds, who made the point of order, and that there is some objection apparent, or some desire on the part of certain gentlemen to learn more about this item before the matter is reinserted in the bill. It seems to me that the statement as to the necessity, and as to the information which the committee procured on this matter, ought to be made before the item is put back into the bill. If it is, then there need not be any discussion of the item at that time, and further time in discussion will be saved. I ask that the chairman of the committee make his statement as to the necessity of this item at this time, and unless that is done I think objection should be made to putting the item back in the bill, and I am willing to make the objection.

Mr. CANNON. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. CANNON. The matter has been very fully investigated and the gentleman from Kentucky did make a full explanation in his opening speech, although I think there were not over 40 or 50 Members present. Now, if the point of order is withdrawn and the matter considered on its merits, unless the merits are so strong as to convince the committee, I am satisfied it will be rejected by the committee. But suppose under the gentleman's plan we spent three or four hours in the consideration of this and everyone favored it but one Member and he objected? We would lose all that time. It seems to me that we can trust the Committee of the Whole in the premises. Later on we would have to do it when the Committee on Public Buildings and Grounds should report. I believe that the inquiry in the committee disclosed that time is of the essence and that prompt action is required.

Mr. WALSH. Mr. Chairman, I will say in reply to the gentleman from Illinois that I think this method of mine would save time. The chairman of the committee could outline the matter briefly from facts ascertained the need for this legislation and then that being demonstrated there could be no objection to restoring the item to the bill. We would then be in a position to proceed with the discussion of the matter and close up the discussion of the entire bill within a few minutes.

Mr. CANNON. With this difference, that the majority after discussion would agree or disagree to it, and under the gentleman's plan one man after the discussion could defeat action.

Mr. WALSH. As he can now?

Mr. CANNON. Precisely. Here is a condition that has got to be met if we do our duty, and why can not gentlemen trust the committee now to consider and let the majority act.

Mr. FESS. Will the gentleman yield?

Mr. CANNON. Yes.

Mr. FESS. In case this item goes out on a point of order, can not the Rules Committee make it in order?

Mr. CANNON. In the event the majority should ratify the rule, but that would lead to further delay.

Mr. FESS. It is likely to go in anyway, is it not?

Mr. CANNON. I do not know how that may be; I can not tell. When a majority of the Rules Committee would report a rule, and a majority after discussion should adopt a rule, then it would be in order. This situation has got to be met either by a report from the Committee on Public Buildings and Grounds or upon this report made by the Committee on Appropriations. It seems to me that we now have as much leisure to determine the merits of this matter as we will have at any time.

Mr. WALSH. Mr. Chairman, reserving further the right to object, I would like to ask the gentleman from Kentucky if he prefers to repeat his statement regarding the matter now or after it has been restored to the bill.

Mr. SHERLEY. I will say frankly to the gentleman that it seems to me the orderly thing is to do as we would if the point of order had not been raised and the matter was up like any other provision in the bill. I will say frankly to the House that if we can not show the need of these buildings they ought not to be built.

Mr. WALSH. Mr. Chairman, I do not object.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The paragraph has been read and is now restored to the bill.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry. Have we passed the Department of Labor paragraph?

The CHAIRMAN. Yes; on page 81.

Mr. MOORE of Pennsylvania. I desire to discuss that paragraph a moment.

The CHAIRMAN. The gentleman is rather late. We passed page 81, and the gentleman from Kentucky asks unanimous consent to return to his item.

Mr. MOORE of Pennsylvania. That is the reason I was thrown out. I want to discuss the labor paragraph for a moment.

Mr. SHERLEY. There will be an opportunity for the gentleman to take five minutes in the discussion of it later if he desires.

Mr. MOORE of Pennsylvania. Very well.

Mr. SHERLEY. Mr. Chairman, there were two proposals in connection with the building proposal that ought to be kept distinct, one relating to concrete buildings and one relating to wooden buildings.

I shall endeavor to repeat somewhat what I undertook to say to the House in presenting the bill several days ago as to what actuated the committee. There is not a great deal of testimony in the hearings touching the matter. That was not intentional, but came about in this way. It became apparent in the early consideration of the bill, from the letters that were being sent to me as chairman of the committee, the requests that were being made by various departments, and the statements being made by the heads of departments, that there was need of a great deal of space in Washington. It was also exceedingly difficult to get from anyone a statement that matched up with anybody else's statement, because the situation was shifting from day to day. So the committee did what it thought was better than undertaking to take some representatives of the various departments, cross-examine them touching their needs unconnected with other departments, and thus come to a conclusion. It had prepared, through the courtesy of Mr. Brown, the head of the Bureau of Efficiency, a list of questions which

it sent out to every department in the Government, asking it to state the amount of space they now had other than that which was Government owned, the rent they were paying for it, the amount of space they would need prior to the 1st of July, and the amount of space they would need subsequent to the 1st of July. Those reports came in in great detail and constitute a stack of papers a foot high. They have been summarized in the statement which I read from the other day, and from which I shall again read to the committee. These reports gave much more of detailed information than we could have obtained in days of cross-examination. The summarized statement showed that there was now being occupied by various departments of the Government—that is, there was as of the 1st of January—we had to fix a date which these returns should be for, so that we could get some uniformity—3,826,511 square feet of space in this city for which the departments were paying a rental which at an annual rate would amount to $1,764,019.40.

Mr. COOPER of Wisconsin. Is that exclusive of the department buildings?

Mr. SHERLEY. That is exclusive of the Government-owned buildings altogether. The statement shows further that these various departments would need prior to the 1st of July, 1918, 2,109,761 square feet of space, and that of the space now used there was to be vacated only 174,409 square feet. So that practically there were 2,000,000 feet of space they said they needed prior to the 1st of July. Then a statement was given as to the amount of space that would be needed after the 1st of July, additional to what has been mentioned, and that totaled 2,316,270 square feet of space. So that if you take the figures at their face it would show an expected need prior to July of next year of four million four hundred thousand and odd square feet in addition to what we are renting, and we are renting now 3,800,000 square feet of space. The moment you get figures that large you do not have to go into details as to how much each department wanted to know perfectly well that all and more than what is being proposed here would be needed by the departments, and particularly you did not have to have testimony to ascertain this fact, because man after man had testified to it, and it was common knowledge that all of the available space in the District of Columbia is now being used. Men are hunting opportunity to find space that is rentable, without regard to the very high prices that have to be paid.

It was perfectly apparent also to anyone who knew the expansion that was taking place in the Government, as shown by estimates that were being made for additional clerical hire, to say nothing else, that these departments were going to expand tremendously. For instance, the War Department used to have on its regular rolls 1,600 employees. It has now upon its temporary rolls 9,000 employees, and the Ordnance alone have now 4,718 employees and estimate that there will be needed in the fiscal year 1919, 4,000 additional employees. It had submitted a formal estimate for an immediate need of about 1,300,000 square feet of space, and it claimed an additional need for next year of over 2,000,000 square feet. The result was that the committee knew, as the slightest consideration will demonstrate, that all of this space would be needed, and more too, and particularly it knew that if we were not to be held up and continue after the war to have to pay the extravagant rentals we are now paying for these 3,800,000 square feet which we are now occupying as rented space we would have to greatly enlarge the building program.

The proposition, then, came down to two questions—the character of buildings that should be put up and where they should be put up. A good deal of criticism had been leveled at Congress because of the erection of temporary buildings of wood. Particularly was there expressed a fear upon the part of the various departments of housing their valuable records in wooden buildings. So much was that so that the Ordnance people had submitted a separate estimate for a concrete building, that was pending before the committee, and the Navy Department testified that it did not desire to be housed in temporary wooden structures. The War Risk Insurance Bureau had urgently pressed upon the committee the need of a fireproof building for the preservation of its records. The committee therefore made some inquiry as to cost, and it developed in connection with the testimony of Commander Parsons, of the Navy Department, that the Navy had constructed buildings for $2.50 a square foot, made of concrete, which were entirely fireproof, and that they were just finishing a storage building over in New York that would average at that figure.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent that I be permitted to continue for 10 minutes longer.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to continue for 15 minutes.

Mr. CANNON. Make it until he concludes his remarks.

Mr. STAFFORD. Very well.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Kentucky may proceed until he concludes his presentation of the matter. Is there objection?

There was no objection.

Mr. SHERLEY. They were very urgent, and requested they be given permission to construct on the ellipse a building which would contain something over 900,000 square feet of space, and which they said would enable them to put all of their now scattered departments into one building and greatly increase the efficiency of the departments.

The State Department was urging its need for 100,000 square feet of space, and particularly the desirability of obtaining additional space in the Army and Navy Building. It developed informally that if the Navy Department obtained the building it required the State Department in large measure could be taken care of in the space the Navy would relinquish in the Army and Navy Building.

On cross-examination of Commander Parsons it developed that the type of building that he desired to build on the ellipse, and which he thought he could build for $2.50, would be a three-story, reinforced concrete building, and that the cheapness of construction would depend somewhat upon the lay of the ground, which would enable them to build a building the ground floor of which would be practically a concrete pavement resting on the ground, and would not need the supports that would be necessary in the upper stories, and thereby very greatly lessen the cost; that a three-story building could be built without any elevators, and that it could also be built within a time limit such as to afford the relief now urgently sought. The moment that came before the committee I think all of us were struck with this fact, that we were having to pay $2.25 for frame. If we could build for $3 of concrete—testimony had developed afterwards that if the ground was not ideal the price would range from $2.50, which was put as the minimum, to $3.08, which was put as the extreme outside limit—if we could build for $3 as against $2.25 for frame, that we were hardly justified in risking either the safety of the people who would work in such buildings or the papers and property which would be housed there, and that it was desirable where we could to build of concrete, if we were not so hurried for time as to make it necessary to build wooden buildings. The committee then undertook to determine where we could best build the amount of space that ought to be built.

It was then found we could put at Seventeenth and B Streets, on the ground that is immediately south of the Pan American building and running to the west, two concrete buildings three stories high that would give a floor space of 920,000 square feet in one building and 835,000 square feet in the other; that we could put in Seaton Park, which is just this side of Henry Park, where the temporary buildings which were authorized last year have been constructed, two buildings—one of 270,000 square feet and one of 300,000 square feet. Then, we could put just west of the present buildings another building that would contain 370,000 square feet. We concluded that if we made one of those buildings of concrete it in time would give to the Ordnance people, who are now occupying two-thirds of the Henry Park buildings, enough fire-proof space to take care of their most important papers and probably take care of their entire need in that regard, and by building the other two buildings of wood we could get, with the remaining one-third of the Henry Park buildings, which the Navy was willing to give up immediately and which had been reserved for them, some 900,000 square feet of space in a few months, and thereby take care of the immediate pressing needs of the Army, and that it could wait for the additional space it would need until the completion of the big concrete buildings. The Navy was willing to wait in order to get into one building of concrete. So the plan worked out in that shape. Now, the basic things that this committee ought to consider are these——

Mr. COOPER of Wisconsin. Will the gentleman yield for one question right there?

Mr. SHERLEY. Certainly.

Mr. COOPER of Wisconsin. The buildings which are to go west of Seventeenth Street are opposite the Pan American Union Building?

Mr. SHERLEY. Yes.

Mr. COOPER of Wisconsin. And they are concrete. They go south from that street that is next to the Pan American

Union building. Do they cut across that line of small trees which runs from Seventeenth up to the Lincoln Memorial?

Mr. SHERLEY. I think they do take in the first row of small young trees which have been planted there, but they do not go far enough south to interfere with the vista of the Lincoln Memorial; and that was one of the things we tried very carefully to safeguard, that the buildings should not be of such bulk as to extend too far to the south or too far west and obscure or hide the Lincoln Memorial, because, manifestly, none of us desire to do that.

Mr. COOPER of Wisconsin. It is my understanding—the gentleman will know, I suppose—that they were elms brought from England, and that these double rows or trees, one on the north side and one on the south side, which is to have a roadway between, are English elms, and I hope that these buildings will not go down and destroy those trees.

Mr. SHERLEY. I think those elms can be removed without difficulty and I hope they will be removed. Manifestly we had to move forward and we could not find any space where there were not some trees to be sacrificed.

Mr. ROBBINS. Will the gentleman yield?

Mr. SHERLEY. In a moment. May I say in passing I do not believe there is any man in this House who has a greater love for a tree than I have, or any man who regrets more the necessity of going upon the park areas than I do, but the situation was such as to force that to be done. I now yield to the gentleman.

Mr. ROBBINS. In connection with the question of taking trees last year I raised that same question, and I was assured that the trees growing in Henry Park would not be taken, but I observe some of them have been cut down. Why not occupy the space between the Capitol and the Union Station on which no trees are growing, for instance, the Southern Railway Building which is occupied by the War Department and the Union Station occupied by the War Department?

Mr. SHERLEY. There are a number of reasons. In the first place they are totally inadequate. They would not begin to give this amount of space unless you went high in the air, and the moment you get high in the air with a frame building you tremendously increase the risk to life and property from fire. The moment you go high in the air in regard to a concrete building, you tremendously increase both the cost and time of construction. Of course, you have to put elevators in and to build an entirely different type of building.

Now, I want to say this to the committee, as to how we tried to safeguard prices:

The gentleman from Wisconsin [Mr. COOPER] very properly spoke of the fact that here was some $8,000,000 that was proposed being spent under the War and Navy Departments, and without limitation. Of course, those sums have ceased to be big sums as sums go now. We are voting to be spent by these various departments sums that make these negligible, but aside from that the discretion is not very great that is put in these departments, because we vote moneys to build a certain quantity of floor space, which is predicated upon a fixed price.

Now, the price as to frame buildings is $2.25 a square foot, and as to concrete it is $3 a square foot, and they are required to erect buildings of approximately the amount of area we have indicated for the price we have named. And if the gentleman will simply take the amount named for each of these buildings and divide it by the square feet of floor space, they will find it works out approximately with the wooden buildings $2.25 and the concrete buildings $3.

Mr. MADDEN. Of course, the heating apparatus is not included.

Mr. SHERLEY. That includes heating, but not the power for creating the electric light.

This was not blind figuring. We had actual figures as to frame buildings. The buildings in Henry Park would have cost about $2 a square foot if they had been built exactly for what we appropriated, but the need of putting in a sprinkler system and some other additions made their cost run to $2.16 a square foot.

Since they were started there has been an increase in the price not only of lumber but of labor, which is making buildings that are now being erected up back of the Pan-American and Daughter of American Revolution Buildings cost $2.20 to $2.25 a square foot; and we figured on that. As to the concrete buildings, we had the statements of Commander Parsons, and a statement from Gen. Goethals, though the latter statement was simply a general one contained in a letter saying that he thought they could be built for $3 a square foot; but Parsons's statement was the result of some detail work. It was checked over by Mr. Elliott Woods, the Superintendent of the Capitol, and it was further checked over as to the heating side of it by an officer of the Treasury Department, in the Bureau of Public Buildings and Grounds. So we undertook to check one man against the other to ascertain what the cost of the concrete would be, and we knew by actual experience what the cost of the frame buildings would be.

Now, it seems to me there are three propositions for the committee to consider: First, is it desirable to build wooden buildings as against concrete, having in mind a cost of $2.25 as against $3? And I ought to say in passing that in the salvage of the concrete you would probably obtain nothing; that the cost of removing concrete would eat up the value of the fixtures, and so forth, that might be salvaged. As to frame buildings, you could probably save about 25 cents a square foot. So that the net cost of these buildings when finally removed would be in one instance $2 and in the other $3 a square foot.

Mr. MADDEN. Will the gentleman allow me to make a suggestion?

Mr. SHERLEY. I will.

Mr. MADDEN. I would like to suggest that in the construction of the floors of these concrete buildings there ought to be a wooden floor over the top of the concrete, or some other kind of covering, that will prevent the dust that arises from the disintegration of the concrete by the movement of people in the room; otherwise they will have a lot of people in there who will have their lungs full of the concrete dust, which will be a source of great danger to those who will be working in there. I speak from personal and practical experience as a builder, and I think that that ought to be taken very carefully into account, and either have these floors asphalted or covered with some kind of material that will not admit of disintegration arising in the form of dust and getting into the lungs of people who are working in these rooms.

Mr. SHERLEY. I am glad to have the suggestion of the gentleman, and in reply I have only to say this, namely, that the $3 figure, I think, is sufficient to give leeway to take care of that kind of thing as it should be taken care of, and I presume that Commander Parsons, of the Bureau of Yards and Docks, who impressed the committee as a man who knew his business, will know how to deal with these mechanical and physical conditions.

Mr. MADDEN. Except I think we ought to see that they deal with them.

Mr. SHERLEY. Now the real question is, Shall we turn it and put up buildings for $2 a square foot, and subject to the risk of fire loss, as against fireproof buildings at $3 a square foot?

Mr. BUTLER. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. BUTLER. By expending $1 more we will insure the lives of the people who have to work there and also preserve these public records?

Mr. SHERLEY. We build an absolutely fireproof building.

Mr. BUTLER. That is worth it.

Mr. SHERLEY. There is another thing that controlled the committee in that regard. When this war is over you are not going to see Washington the city we knew prior to the war. It is never going to contract back into anything like its former size. There is going to be for many years afterwards the need of a great deal of office space, and for all time there is going to be the need of a great deal more office space than in the old days prior to the war.

Now what will happen? If you have only frame buildings, immediately there will come great pressure to have them torn down right away in order that none of the 3,800,000 square feet of space that we are renting at extravagant figures shall be vacated. Every financial influence and every bit of greed that exists in the District of Columbia will be put with all its weight, under one excuse or another, to force the Government to tear down the frame buildings, because they will say, "These things are terrible fire hazards and risks," and while the Government is building the monumental buildings that are permanently to house the departments the rentals will continue to run.

Now, it seemed the part of wisdom for Congress to build buildings of sufficient stability of character and permanency not to be there always but to be there for a sufficient length of time to enable us to adjust ourselves to the situation that will arise after the war is over, and not put us at the mercy of these private owners of property. A use of these buildings for six or eight years, or even a less period, will justify in the saving in rentals the entire expenditure.

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. CAMPBELL of Kansas. In connection with the use of private buildings, will the construction provided for in this ap-

propriation obviate the necessity of taking over such buildings as the Arlington Hotel Building or the new hotel just across the street from the Treasury, which, it is reported, is to be taken over for office purposes?

Mr. SHERLEY. I will answer the gentleman by saying that the space we are here providing is not, in my judgment, sufficient to take care of all the needs of the Government now, including the Treasury needs. I do not think it will be sufficient for that. I believe we are only providing space sufficient to take care of the Army needs and the Navy needs, with perhaps a little bit of leeway for some of the departments that are intimately associated with those two.

Mr. CAMPBELL of Kansas. Has the gentleman from Kentucky information as to whether or not any of the departments of the Government contemplate taking over that new Washington Hotel?

Mr. SHERLEY. I have not heard about that at all. But there is a definite estimate submitted by the Treasury Department for $4,200,000 for the purpose of buying the Arlington Hotel site and erecting upon it a 10-story building, to be used as an annex to the Treasury Department.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. SHERLEY. Certainly.

Mr. SMITH of Michigan. Are the wooden buildings that the gentleman has described similar in character to the wooden buildings that have been built for the Food Administration and the Fuel Administration?

Mr. SHERLEY. They are, except that they are three story instead of two story.

Mr. SMITH of Michigan. Can the gentleman tell us anything as to how they were built?

Mr. SHERLEY. They were built out of moneys allotted to them by the President, or otherwise available.

Mr. SMITH of Michigan. What was the cost?

Mr. SHERLEY. I think some of them in the first instance may have cost about $2, but those now in course of erection are costing $2.25.

Mr. SMITH of Michigan. How are these concrete buildings to be erected? On the contract plan or the cost-plus plan?

Mr. SHERLEY. I assume what would happen would be this, that Commander Parsons, of the Bureau of Yards and Docks of the Navy, would let contracts for the construction of those buildings.

Mr. SMITH of Michigan. By contract?

Mr. SHERLEY. I presume by contract. He knows the price they ought to cost.

Mr. SMITH of Michigan. I am very much in favor of the contract plan.

Mr. SHERLEY. He knows the details of it, and we had the details before the committee.

I want to be perfectly frank with the committee. I am not a builder. I do not know what the cost is, except as experience here has shown us; but we took the testimony of the best men we could find, and I do not think we missed it as to what these buildings are to cost.

Mr. SMITH of Michigan. I think the gentleman's explanation is very full.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. COOPER of Wisconsin. The gentleman from Kentucky will remember that last summer we made a very considerable appropriation for the erection of an annex building for Treasury purposes beside the Belasco Theater. What has become of that?

Mr. SHERLEY. The plans of that building have been drawn up, but the contracts have not been let, and when the Superintendent of Public Buildings under the Treasury was before the committee he was asked about that, as he was subsequently asked by telephone as to whether he was prepared to submit his estimates of appropriations to carry out that authorization. We learned that the bids would not be invited for some weeks yet; that there was no need for this bill to carry funds in that regard. So that is the condition.

Mr. COOPER of Wisconsin. That is to be a permanent building?

Mr. SHERLEY. Yes; that is to be a permanent building, to be connected by an underground passageway with the Treasury.

Mr. COOPER of Wisconsin. About the Washington Hotel the gentleman says he has no knowledge?

Mr. SHERLEY. I have heard nothing of that.

Mr. COOPER of Wisconsin. Is there anything more needed in this city than additional hotel accommodations?

Mr. SHERLEY. I think not. There is a lot of this space now, 3,800,000 square feet of space, that ought to be released by the Government for two purposes: First, because of the high price it has to pay for the space; and, second, that space ought to be used for the purposes for which it was originally created—hotel space and accommodations to people who come here, and to the employees who have to live here.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. FESS. What proportion of this 3,800,000 square feet will be vacated when these buildings are constructed?

Mr. SHERLEY. I can not answer that question.

Mr. MADDEN. The gentleman did answer it some time ago; 174,409 square feet.

Mr. SHERLEY. I was going to say this, that the statement that is presented showed that they expected to release 174,409 square feet, but I believe and hope that with the consolidation of a lot of these various departments in these new buildings, a great deal of this most expensive space can be given up, and, of course, when the war shall have ended and we have gotten past the peak, which we have not yet reached, there ought to be a giving up of a great deal of this space and full use made of the buildings which we are undertaking to build now.

Mr. FESS. There is a probability of a growing demand. Is there any probability that that growth will continue?

Mr. SHERLEY. My judgment is that if the war continues for a couple of years this building program is going to be laughed at and looked upon then as being as inadequate as last year's program is laughed at and looked upon as inadequate now.

In other words, while we debate, the activities of the Government and the growth of these departments are such as to make your figures antiquated; and one of the difficulties we had was that we were never able to keep the thing straightened out. From day to day a department would tell informally that they needed so many thousand square feet, and then they would hurry down to my room and tell me afterwards that they were mistaken and ask me not to tie them to that, because they had discovered that they were going to need so much more, representing increases sometimes of 30, 40, or 50 per cent. The result was that we ceased to try to work out just the amount of space that was necessary. We brought in a proposition that we knew was conservative, that was well within what is at present needed.

Mr. FESS. Then we ought not to be surprised if we are told within a year from now that none of this space has been vacated?

Mr. SHERLEY. In my judgment, if the war continues an additional year this Congress will be confronted with the necessity of additional buildings.

Miss RANKIN. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Miss RANKIN. Did your committee consider an appropriation for temporary quarters for women employed by the Government during the war?

Mr. SHERLEY. We did not consider it as a committee. I personally have given some thought to it, as I stated the other day. It has been apparent, I think, to all of us who have followed the expansion of the Government and to those of us who have simply looked at the city as we came back and forth to and from the Capitol, that provision would have to be made, particularly for housing women employees who are coming in, to enable them to have suitable accommodations; but nothing is suggested in this bill and nothing is now proposed to be done by the Committee on Appropriations with reference to that matter.

Now, gentlemen, I do not know that I can add any more to what I have said.

Mr. COOPER of Wisconsin. I should like to ask one question.

Mr. SHERLEY. Certainly.

Mr. COOPER of Wisconsin. The proposed building down in Potomac Park, opposite the Pan American Building, will have no street car facilities very near it?

Mr. SHERLEY. I do not think that is quite the situation, if the gentleman will permit. It is proposed to extend the Pennsylvania Avenue line, which now turns and goes down on G Street, so as to make a loop; and, in fact, it is now being extended down to and on to Virginia Avenue. That will bring that car line within two or three squares, at the outside, of these buildings.

Mr. COOPER of Wisconsin. I did not know that was being done.

Mr. SHERLEY. And the other car line, at Seventeenth and H Streets, is considerably less than a mile away—less than half a mile from the nearer end of these new buildings. The buildings themselves will extend a considerable distance.

We looked at a great many sites. We went down on this ground. We considered all the places that were suggested. We do not present this as being an ideal solution. We present it as being the most practical solution that the committee were able to work out, and we ask those who would be critical of it

to present an alternative as good or better before they undertake to deny this work.

Now, I do not want to take time to read a letter that I received just two days ago from the Secretary of War, begging that he be authorized to go ahead, without waiting upon Congress, because of the present need for building space. I can only say to the committee and ask them to believe me when I say that there has not been a day for the past month when I have not had from one to three calls from different departments urging and begging that something be done about the building program, and that we permit them to go ahead with this work in order that they may not be further handicapped. Now, that is the situation. It has not been a pleasant thing to do. It has not been an easy thing to do, but we would have been derelict in our duty if we had not come to you with a proposal that we thought would help to solve the thing.

Mr. COOPER of Wisconsin. I will say to the gentleman from Kentucky, and he knows well, that the facts demonstrate how little Congress looks ahead in the matter of appropriating for the Government. It is only a few years ago, comparatively speaking, that all the property between the Botanic Garden and Fifteenth Street, clear down to the Treasury Building, could have been purchased or condemned by the Government for less than $10,000,000.

Mr. SHERLEY. I agree with the gentleman.

Mr. COOPER of Wisconsin. For $9,000,000 and a fraction, and a bill actually passed the Senate providing for it, but that bill was stopped here and never passed the House.

Mr. SHERLEY. There is a better illustration than that. If we had simply had the wisdom last year to have taken all the ground lying back of the Pan American Building, the Continental Memorial Hall of the Daughters of the American Revolution, and the Red Cross Building, running on back to the Government naval hospital, which might have been bought for approximately $1 a square foot, and had put on that ground concrete buildings, we would have had a solution of this problem for some time to come.

Instead of that, these bureaus and departments—the Fuel Administration, the National Defense Council, the War Trade Board, and all these other bureaus—have gone on getting a little piece here and there, building, building, and building, while Congress did nothing. That is the situation, for which my committee, perhaps, is as much to blame as any, because last year we undertook to deal with the matter and did not deal with it adequately.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. TOWNER. Illustrating the fact that these increases are likely to continue, as the gentleman says, it is only necessary to call attention of the committee to the fact that when the estimates were made for the department for the $2,000,000 temporary buildings it was supposed that only about 700,000 square feet would be required, and instead of that Congress erected 1,000,000 feet, and now we see how inadequate that is.

Mr. SHERLEY. I thought then that we were cutting our cloth pretty short, but the fear was with the committee then, and is with the committee now, of coming in here with a proposal that seemed too extravagant. We appreciated the fact that there would be a tendency on the part of Members of Congress to criticize what looked like an extravagant proposal, and so last year the chairman of the committee and the committee following him proposed only the building of 1,000,000 square feet.

Mr. TOWNER. And that exceeded the estimates made by about 300,000 square feet?

Mr. SHERLEY. It exceeded definite estimates, but we could then see a great deal more was coming. I shall be glad to explain further, if I can, any other details of this matter. I trust that the committee may accept the judgment of the Committee on Appropriations.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. BARNHART. Is it the attitude of the Committee on Appropriations to assume further responsibility of taking over to itself the construction of the housing questions that are now coming up for employees of the Government?

Mr. SHERLEY. I will say, speaking for myself, and I have no right to speak for anyone but myself, that if anyone desires to take over the building program in the future I wish him Godspeed, and I shall not interfere with him taking it, providing action is had.

The only reason for the committee acting at this time was not with the desire to interfere with the Public Buildings and Grounds Committee, not with the idea of adding to the power or jurisdiction of the Committee on Appropriations, but because there came inevitably and tied to the proposals for the expansion of these various departments the question of housing them. It was urged upon the committee, and urged with such force that we dare not disregard without being derelict to our duty, the request that this bill be made the medium for affording relief from a situation that was intolerable.

Mr. BARNHART. It could have gone through in the regular way in these two months and a half of the duration of Congress, in which time the matter might have been submitted to the proper committee and have been considered and reported out with an authorization in the regular way.

Mr. SHERLEY. I presume the other committee could have taken jurisdiction and could have acted, though, as I stated on Saturday, I do not think any committee could fully examine all angles of this matter without covering practically the scope that we had to cover in the deficiency bill; but, in any event, that is behind us now.

Mr. BARNHART. In any event, it would seem to be consistent with these departments when they do come to Congress that they should go to the committee that is duly authorized to take up these questions and consider them.

Mr. SHERLEY. I want to simply say in response to that that I do not control the departments, and have not invited estimates from them touching any matters and do not expect to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For continuing the investigation authorized by the deficiency appropriation act approved April 17, 1917, to be conducted by the Committee on the District of Columbia, or a subcommittee thereof, $5,000, to continue available during the Sixty-fifth Congress.

Mr. SANFORD. Mr. Chairman, I make a point of order to the paragraph just read.

Mr. SHERLEY. I submit, Mr. Chairman, that the gentleman is too late, and it is not subject to a point of order.

Mr. SANFORD. I was on my feet attempting to get recognition by the Chair.

The CHAIRMAN (Mr. WEBB). I think the gentleman from New York was in time; he was trying to get recognition.

Mr. SANFORD. I want to ask the chairman of the committee to cite the authority for this appropriation. The burden is upon him to show the law authorizing the item.

Mr. SHERLEY. In the deficiency appropriation act of April 17, 1917, there is this language:

That after the passage of this act the members of the Committee on the District of Columbia, or a subcommittee thereof appointed by the present chairman of said committee, be, and are hereby, authorized to continue the investigation directed by House resolution 229 of the Sixty-fourth Congress, and the expenses for the purpose as provided in House resolution 256, Sixty-fourth Congress, out of the contingent fund of the House, a sum not exceeding $7,500 in addition to the unexpended balance of amount heretofore authorized.

Now, Mr. Chairman, I submit that that is not simply an appropriation out of the contingent fund but is a direct authorization as a matter of law, not by a resolution of the House as has been the practice frequently in the past, but an actual declaration of law whereby the committee is authorized to continue the work and certain funds made available. They came before the committee with the statement that the funds were exhausted and asked additional appropriation under the authority in the language I have read. The committee had only the discretion of determining whether or not to vote the money.

Mr. SANFORD. Mr. Chairman, there is no question but that the Appropriation Committee in this act of 1917, so long as there was no point of order made to the item, could insert in an appropriation bill a provision assigning for this purpose a definite sum of money out of the contingent fund of the House. Of course, if a point of order had been made the item would have been stricken out. It is significant that they appropriated the money from the contingent fund, over which they had no jurisdiction. They did not provide for a permanent bureau of the Government to continue until some act of Congress was passed, but they provided for this investigation "after the passage of this act." These words do not reveal any intention to create a permanent institution. Such an institution could have been established so that in each appropriation bill an item could be carried for this work; but the words used are: "After the passage of the act." They did not say "hereafter this committee shall be permanently authorized to do so and so," or words to that effect. It can not be said that under Rule XXI this appropriation is authorized as a continuance of a public work—the only theory on which the chairman could claim that it ought to stay in the bill—it can not be said that this is a continuance of a public work or object because it has been repeatedly held by different chairman that these public works or objects that are entitled to continuance without any authority refer to tangible

things, like buildings or something of that kind. I call the Chair's attention to the provision in the rules, page 363:

By public works or objects already in progress (within the meaning of this rule) are meant only things of a tangible nature like buildings, roads, etc., and not duties of officials in executive departments or the continuance of a work indefinite as to completion and intangible in nature, like the gauging of streams.

If this provision was for the completion of some definite object, a building or a structure, it could, of course, be contended that that original authority in an appropriation bill would give authority to continue bringing in an appropriation to carry it to completion.

But this appropriation is merely, according to the appropriation bill in which it appears, an appropriation of a sum of money not exceeding $7,500 to enable this committee to continue certain investigations that were authorized back in 1916. It is worth while to note, too, that the item now in the appropriation bill before us is a change of law, because in the act of 1917 the appropriation is out of the contingent fund, and now the Appropriation Committee has changed it and provided, not for setting aside a sum out of a contingent fund but providing for an appropriation out of the General Treasury. That is a change of existing law; but I think the important consideration is the object sought by this appropriation, that it is not a continuing object; it is not an object that ought to be continued under this rule; and is not a thing especially excepted by this rule. I think there is no authority for the provision.

Mr. SHERLEY. Mr. Chairman, what the object may be is not a matter for the Chair to determine. The language expressly declares what the appropriation is for, and the language in the pending bill is exactly similar to the authorization contained in the deficiency act of last year. It was not simply in allotment of money out of the contingent fund, but was a declaration of law. Whether that was intended is not for me to say, but the effect of it was to create a law on the statute books which says that after the passage of the act this committee shall do certain things that were authorized, and then gave them the money to carry out the doing of that. When the money ran out there was presented the question of a deficiency, and that question was the question that came before the committee. I will be very glad to speak in justification of the appropriation on its merits when the Chair has decided the point of order.

The CHAIRMAN (Mr. WEBB). The Chair was under the impression first that this legislation was enacted by a former Congress, but I find now that the law was passed by the last session of the present Congress, and this being the case the appropriation seems to be entirely in order during this Congress. The language has some "earmarks" of being permanent legislation, but the Chair does not pass on that question now.

Mr. SHERLEY. I suggest also that it was done at the last session of this Congress.

The CHAIRMAN. Therefore it seems to be a continuing appropriation, at least during the life of this Congress.

Mr. CAMPBELL of Kansas. If the Chair pleases, it is not the intention of the Chair to hold it is a continuing appropriation, but is an authorization for an appropriation?

The CHAIRMAN. As long as this Congress lasts, at least, it is a continuing authorization for an appropriation. As the gentleman from Kansas suggests, it is only a continuing authorization.

Mr. CAMPBELL of Kansas. It may be an authorization for an appropriation, but it can not be construed as a continuing appropriation.

The CHAIRMAN. The Chair holds that it meant to be an authorization during the life of this Congress; possibly longer, but I shall not pass on that point. Any appropriation made under this law during this Congress would certainly be upheld during the life of this Congress, and therefore the Chair overrules the point of order.

Mr. SHERLEY. Now, Mr. Chairman, I desire briefly to make this statement in justification of the action taken by the committee. As the result of the activities of the Committee on the District of Columbia in checking the accounts between the District of Columbia and the Federal Government there has been recovered for the Federal Government sums that in the aggregate run over $2,000,000.

Prior to the Sixty-fifth Congress there was recovered in connection with the Government Hospital for the Insane $719.535; relief of poor account, 1879, $3.825; error, deduction from revenue, 1897, $8,952; interest paid on last two items, $2,810; Washington Market Co., part rental, $166.012; Washington Market Co., future rentals $202,500; interest on 3.65 bonds, $586.067; and the Government Hospital for Insane, $282,754; or a total prior to the Sixty-fifth Congress of $1,972,458. Recovered during Sixty-fifth Congress on account of court fines in United States cases the sum of $235,750, or a total of $2,208,209. There was an additional indebtedness ascertained and reported to the Committee on Appropriations in December, 1917, on account of construction and equipment of District jail, $125,000, and loan made by act of April 18, 1874, of $97,740, or a total of $222,740. Incomplete investigation indicates that there will be further recoveries of some $360,000.

Mr. MADDEN. Will the gentleman yield?

Mr. SHERLEY. Now, in the face of that showing, the committee did not feel warranted in denying this very small amount of money for the continuation of this investigation.

Mr. MADDEN. The committee concluded after its investigation that the expenditure of this $5,000 would result in yielding to the Treasury of the United States some $300,000 or $400,000.

Mr. SHERLEY. That was the conclusion on the presentation made to us by the chairman of the Committee on the District of Columbia.

Mr. MADDEN. Certainly, if that can be brought about, it is well worth the expenditure of $5,000.

Mr. SANFORD. Mr. Chairman, it is not my purpose to say anything, because I really have not an opinion as to the merits of this question. I do, however, wish to call to the attention of the committee what the action of Congress has been on this subject.

The gentleman from Kentucky [Mr. SHERLEY] says that what he has said is only to be understood as justifying the action of his committee. Of course, it must occur to everyone of us that if a committee of this House is to authorize the expenditure of public moneys out of the contingent fund that action should not come at the instance of the Appropriations Committee. At the close of the last Congress the House gave particular attention to that very subject and to the continuance of this appropriation, which has been running since 1916. Since that time this committee has spent considerable sums of money in investigating the bookkeeping between the Federal Government and the District of Columbia, and at the close of the Sixty-fourth Congress this matter was presented in detail and the House, by a very large vote, on the very last night of the session, and after considering all of the facts, voted against a continuance of this expenditure.

It is not my purpose to say that this money is not wisely spent. I can only say as a member of the Committee on Accounts that I do not know how it is spent; nor is it a matter of my concern; but I do think it is a matter for the concern of the Congress that moneys that are spent in this way by committees of Congress should be spent in a manner that can be said to be duly authorized.

Mr. SHERLEY. If the gentleman will permit——

Mr. SANFORD. It does not seem to me that these expenditures are duly authorized when they are brought in here originally as items in a deficiency bill. I do not approve of that method of doing business. In the first place, there is a vast sum of money, I do not know how much, that is appropriated annually for the support of what we call the Auditor for the State and Other Departments, a public officer, a public bureau of the Government, especially created to do this work. For a committee of Congress to come in here and say that that public bureau of the Government has authorized somebody to run through that $2,000,000 and not have an investigation of it, on its face shows a bad performance of public business. If the auditors of the State and of other departments are not doing their public duties, they should be removed from office. If they are permitting anybody to take $2,000,000 of the public funds, then this very committee, that has been operating since 1916, should make a report to this Congress, and with the facts before us we should act. I do not believe in letting anybody run away with $2,000,000 or more——

Mr. SHERLEY. If the gentleman will permit, it is not a question of what the present auditors are doing, it is a question of what has happened in the past, and this has been a checking up that has resulted in recovering a large amount of money. Now, the plain facts speak for themselves, and in view of the statements made we were warranted in presenting to the House an appropriation of $5,000, not out of the contingent fund but out of the Treasury of the United States, to carry on this work.

Mr. SANFORD. Will the gentleman let me say to him in answer to that, so far as I know, no facts appear. The gentleman has read a statement of large and appalling figures but with this committee at work since the time it was authorized, in 1916, in the last Congress, if we want to see the facts appear, those facts should appear in the report of that committee; but there is no report of that committee.

Mr. SHERLEY. I know how the facts appear, because the Committee on Appropriations have carried the provisions, as

they are carrying them now, which charge to the District of Columbia the difference and credit it to the Government of the United States.

Mr. SANFORD. I know those facts may appear to the gentleman and his committee.

Mr. SHERLEY. They are in the law. They ought to appear also to the gentleman, if he will read the law.

Mr. SANFORD. They ought not to appear to the gentleman in the sense in which the chairman of the committee speaks. Also, if this committee has accomplished this purpose and these results, those results should appear in the report of the committee. I think it is a bad policy to allow a committee of this Congress from time to time to continue the expenditure of public money for doing a public work of this kind without having its results appear in a formal report. I believe investigating committees should be appointed occasionally by this Congress, but when appointed they should report and the Congress should know what they are doing, and it should know from their own statements. The same statement the gentleman makes now was made in the Sixty-fourth Congress, and since that time I have seen no report of the committees. I do not wish to be considered as occupying the position of criticizing anything that has been done by this committee or by this subcommittee; but inasmuch as this item for a long time was carried out of the contingent fund of the House, I think when the House refused to carry it further, if it were to be taken up again, it should have been taken up by the appropriate committee, which is the Committee on Accounts.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For folding speeches and pamphlets, at a rate not exceeding $1 per thousand, $12,000.

Mr. SHERLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SHERLEY: Page 81, line 18, after the sum "$12,000" insert the following: "to continue available during the fiscal year 1919."

Mr. SHERLEY. Mr. Chairman, that relates to the item for folding speeches and pamphlets. Some of this expenditure will be after July 1. The amendment is to make it available during the next fiscal year.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of the Clerk: For two additional telephone operators from March 1 to June 30, 1918, inclusive, at the rate of $900 per annum each, $600.

Mr. SANFORD. Mr. Chairman, I make the point of order to this item.

The CHAIRMAN. The gentleman from New York makes a point of order on the item.

Mr. SHERLEY. Mr. Chairman, I think the matter is subject to a point of order, but I would like to make this statement to the gentleman as to why it is carried in the bill.

Mr. SANFORD. I will reserve the point of order.

Mr. SHERLEY. This provision has already passed the Senate, and representations were made to the committee that there was a great complaint touching the telephone service that was being secured, and that the number of calls coming in and going out of the Capitol and the office buildings had tremendously increased. The head operator of the exchange testified that it was impossible to do the work with the force which she had available, and from the experience that the Members themselves had had it became apparent that there was need of additional operators. For that reason we felt warranted in presenting it to the House, realizing that it was subject to a point of order.

Mr. SANFORD. Does not the gentleman think that this item would just as speedily be taken care of by the Committee on Accounts by providing that the operators should be taken care of out of the contingent fund of the House?

Mr. SHERLEY. No. The Committee on Accounts has no jurisdiction over the employees of the House except as they are paid from the contingent fund.

Mr. SANFORD. This is out of the contingent fund.

Mr. SHERLEY. This paragraph appropriates directly out of the Treasury. The gentleman is making the contingent fund cover too much.

Mr. SANFORD. I hope the chairman of the committee will not say that. The work which I have to do on the Committee on Accounts is not great at all. It is almost ridiculous in amount.

Mr. SHERLEY. I do not want to be disagreeable. What I mean to say is that the question of the employees of the House is not one that rests with the gentleman's committee except when they are paid from the contingent fund. I do not think that the gentleman should be sensitive about how this item is carried. It is carried here for the convenience of the membership of the House. It is probably subject to a point of order. If anybody desires to make it, all right.

Mr. SANFORD. I do not feel sensitive. On the contrary, I feel that the employment of these telephone operators belongs to the Committee on Accounts, in spite of all that is said to the contrary. I believe that they could be paid out of the contingent fund, and should be paid in that way.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

Office of the Public Printer: For five additional clerks, at the rate of $1,000 each per annum, from April 1 to June 30, 1918, inclusive, $1,250.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last word.

Mr. MOORE of Pennsylvania. It is presumed that these five additional clerks will have something to do with the CONGRESSIONAL RECORD, and that is the subject that I want to draw to the attention of the committee at the present time.

This Congress has been passing some extraordinary laws and will pass a number of others, and I have found in frequent conversation with constituents and others who come to me that the public generally is not advised as thoroughly as it ought to be about the importance of some of these laws. The other night in a small conference I drew attention to the fact that a bill was shortly to be considered which contemplated an appropriation of $500,000,000, with authority to expand an incorporation to the $4,000,000,000 limit, and that it would have control of the issue of all future bonds and stocks. Several gentlemen said they had never heard of the proposition. It was new to them. It startled them, and they wanted to know more about it. That is the trouble with the average citizen of the United States. He does not follow the proceedings of Congress as he ought to do. They do not read the CONGRESSIONAL RECORD. Of course all of them can not get on the list.

My quota of the CONGRESSIONAL RECORD, for instance, is exhausted, but I am constantly in receipt of inquiries from all over the district as to additional copies. I find on inquiry today that the CONGRESSIONAL RECORD itself, even to the limited issue of 30,000 or 35,000 copies, is not being sent out from the city of Washington.

You gentlemen who sit here and make interesting speeches and take the trouble to dig out important data—as important for the country as it is for the Congress—may be amazed to know that the information which goes into the CONGRESSIONAL RECORD has not been sent to your constituents for more than two weeks. The CONGRESSIONAL RECORD has not been going to Texas since the 1st of February. It has not been going to California since the 1st of February, and I may add, since the gentleman from New York is interested, that it has not been going to New York since the 1st of February. Even the newspaper offices are not getting it; and to that extent what is going on in Congress is not known to the people of the United States, except we rely upon the necessarily meager but competent reports of our friends in the press gallery.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Illinois.

Mr. MADDEN. But while the Public Printer is unable to send out the CONGRESSIONAL RECORD on account of a desire to save paper, the Bureau of Information and all the departments are running press bureaus at the cost of the people, and sending unlimited quantities of printed matter all over the United States.

Mr. MOORE of Pennsylvania. The gentleman is making a part of my speech and doing it better than I can. I intended to call the attention of the other side of the House to that, that hundreds of thousands of various publications issued by the Bureau of Information are going all over the United States, and——

Mr. GORDON. Mr. Chairman, will the gentleman yield there——

Mr. MOORE of Pennsylvania. And probably clogging the mails, while that one vehicle of authentic information to the people of the United States, the CONGRESSIONAL RECORD, is not going out at all.

Now I yield to my friend from Ohio.

Mr. GORDON. Has the circulation of the CONGRESSIONAL RECORD through the mails been stopped by the post-office censor?

Mr. MOORE of Pennsylvania. I have been unable to ascertain, but I do know that the post-office censor has been stopping the use of the mails to various publications, some of them socialistic, to be sure; but various publishers throughout the country have been complaining that the mails have been denied to them because what they publish is not satisfactory to the Postmaster General. Now, the question naturally arises as to whether too much information is going into the CONGRESSIONAL RECORD to suit the authorities.

Mr. GORDON. I have noticed that there has been a little socialistic trend to some of the speeches printed in the RECORD. Does the gentleman know whether that has had anything to do with the stopping of it?

Mr. MOORE of Pennsylvania. I do not know, but there is free speech in the CONGRESSIONAL RECORD, on both sides of all questions, and all sides of every question, and that ought to go to the public. Members of Congress can here, and, perhaps, here only, speak fully and freely upon public questions. This is because of the limitations and censorship that prevail in other directions.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CAMPBELL of Kansas. I ask unanimous consent that the gentleman's time be extended one minute. I want to ask him a question.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the time of the gentleman from Pennsylvania be extended one minute. Is there objection?

Mr. WALSH. Reserving the right to object, I think he ought to have a longer extension than that, because there are other gentlemen who would like to ask him questions. I ask that his time be extended five minutes.

Mr. BARNHART. Mr. Chairman, if I can get the floor I can explain this thing in two minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the time of the gentleman from Pennsylvania be extended five minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Now, I yield to the gentleman from Kansas.

Mr. CAMPBELL of Kansas. It has been stated by the gentleman from Pennsylvania that the CONGRESSIONAL RECORD is not now being circulated through the mails.

Mr. MOORE of Pennsylvania. The CONGRESSIONAL RECORD should not be suppressed. It is the one great reliable vehicle of information by which Members can express themselves to their constituents and to the country.

Mr. CAMPBELL of Kansas. But the gentleman states that it is not being circulated through the mails. I assume that that is to save space in the transportation facilities. Does the gentleman's information disclose a statement that is being circulated that literally tons of printed matter containing speeches made by a Cabinet officer are now being circulated in the trenches in France?

Mr. MOORE of Pennsylvania. I have heard that one use of our aeroplanes was to carry material over Germany and drop it there.

Mr. CAMPBELL of Kansas. This is not for the use of Germany or Germans. This is for the use of American soldiers who will be at home to vote in 1920.

Mr. MOORE of Pennsylvania. I do not know that, but have heard that millions of speeches have recently been printed and are to be circulated. Soldiers may be getting some of them in anticipation of the election.

Mr. WALSH. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. WALSH. Does not the gentleman know that the reason for the suspension of the printing of the full number of copies of the daily RECORD is because of the shortage of the kind and quality of white print paper that is used for that publication, and does he not know that recently a new supply has been secured, and that now the back numbers of the CONGRESSIONAL RECORD are being sent out?

Mr. MOORE of Pennsylvania. If that is true that will help to explain the situation, but I call the attention of the gentleman to the fact that the Government Printing Office is running full tilt printing all kinds of publications for the departments and sending out more than the average Member of Congress can comprehend.

Mr. WALSH. Just one further question. Are not these highly intelligent communities which the gentleman has mentioned—Philadelphia, Texas, and New York——

Mr. MOORE of Pennsylvania. The gentleman had better include Boston.

Mr. WALSH. And Boston and Cape Cod, these places that the gentleman mentions as having been deprived of this publication, are they not getting along pretty well without it?

Mr. MOORE of Pennsylvania. They may have gotten along very well, but I wish to say that some inquiries have come from the vicinity of Cape Cod as to why the RECORD did not appear with the daily objections of the gentleman from Massachusetts [Mr. WALSH]. [Laughter.]

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. The gentleman from Kansas asserts that tons of the speeches of a certain Cabinet officer are going over to our soldiers in France. Can the gentleman explain, when we can not get letters or packages to the soldiers in France, how this kind of literature is enabled to go there?

Mr. MOORE of Pennsylvania. I am not sure that this is a postal question. The gentleman from Iowa raises the important point that the post office is involved in this proposition. It may be or may not be. It is true that the post office does have time and facilities to deliver a great variety of speeches. If rumor be true, one of them is by a former governor of New York, which got into the RECORD a few days ago under conditions described here yesterday. It was a partisan speech by a vigorous Democrat.

Mr. BARNHART. Mr. Chairman, the explanation of this much ado about nothing consists in the fact that the paper on which the daily RECORD is printed is a 35-pound quality of paper not used for printing anything else in the Government Printing Office. It is paper that is tough but very light.

Mr. HAMILTON of Michigan. It needs to be tough. [Laughter.]

Mr. BARNHART. It has to be tough. [Laughter.] It is contracted for by the year, and by reason of the very severe storms and railway blockade the shipment of paper has been tied up on railway sidings. The Government Printing Office and the Public Printer came before the Committee on Printing with the proposition that either we should run out of paper entirely and have to suspend the publication of the RECORD altogether or stop printing that part that went out by mail from Washington, until the blockade was broken. The blockade has been broken, the delayed paper is coming in, and the RECORDS are now going out day after day. The daily RECORD is being printed in numerical order and is being sent out as rapidly as possible.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. MOORE of Pennsylvania. Is not the CONGRESSIONAL RECORD printed on the same kind of paper as are the President's addresses?

Mr. BARNHART. No; this paper for the temporary RECORD is a paper used for this purpose only.

Mr. MOORE of Pennsylvania. Do not they use the same kind of paper for the addresses of certain Cabinet officers now being widely circulated?

Mr. BARNHART. I do not know, but think not.

Mr. MOORE of Pennsylvania. Is it true that hundreds of thousands of those addresses are being circulated and that they find paper for that purpose?

Mr. BARNHART. The Bulletin is printed on a heavy quality of paper of which the Government has an abundance, but we could not use it for the RECORD on account of the great bulk resultant.

Mr. HAMILTON of Michigan. Might not the suspension of the RECORD, which the gentleman refers to, have a very beneficent effect on the committee by curtailing debate on the floor of the House and elsewhere? [Laughter.]

Mr. BARNHART. My friend from Michigan is frequently right, and I think he is in this case.

The Clerk read as follows:

For equipment, material, and supplies for distribution of public documents, $750.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. I notice that this item is for the distribution of public documents, and it seems that public documents, if printed, should be distributed. Of course, complaint is occasionally made if the CONGRESSIONAL RECORD is not sent out containing the debates and proceedings of Congress, and I think perhaps the criticism offered by the gentleman from Pennsylvania [Mr. MOORE], that the RECORD had not been sent out, was in this instance well taken, but the reason for its suspension has been given by the gentleman from Indiana [Mr. BARNHART]. It happens that during the period that the publication of the RECORD

was suspended during the last two weeks certain criticisms were directed from the floor of the House at certain governmental activities at a place called Hog Island; and it is a shame that the people of Pennsylvania were deprived of learning what had been said here about those activities and how they impressed the Members of this House. And so, in view of what has been said by the gentleman from Indiana [Mr. BARNHART], I am sure that the gentleman from Pennsylvania rejoices that his constituents and the constituents of his distinguished colleagues from that great Commonwealth are not longer to be kept in darkness as to what we in the American Congress think of the disclosures that have come from investigation of the governmental activities at that very busy and well-known point.

Mr. MOORE of Pennsylvania. Mr. Chairman, I rise to oppose the pro forma motion. It is true the Hog Island shipyard is being built near Philadelphia. It is being constructed by the Government, or by contractors acting under direction of the Shipping Board, and is destined to be the greatest shipbuilding plant of the country. It is located on the Delaware River, where all that is hoped for it may be easily realized. For whatever scandal attaches to the work thus far, Philadelphia is not responsible. Whatever Philadelphia has done in furnishing men and material is highly creditable and as patriotic as the gentleman from Massachusetts could desire. For whatever is discreditable I shall have to refer the gentleman from Massachusetts to the "big brains" from New York and Boston, who secured the contracts and who may advise him as to "the ways that are dark."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That all branches of the government of the District of Columbia shall be considered a governmental establishment for the purposes of section 7 of the deficiency appropriation act approved October 6, 1917.

Mr. FESS. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Kentucky a question, whether there has been any provision or likely to be made with reference to facilities for the Federal Board for Vocational Education?

Mr. SHERLEY. I will say to the gentleman that when we finish the reading of the bill I propose to ask unanimous consent to return to page 3 for the purpose of inserting a provision making $3,095 of their funds available for payment of rent here in the District of Columbia.

The Clerk concluded the reading of the bill.

Mr. GREEN of Iowa. Mr. Chairman, on page 75 there was a point of order pending, interposed by myself, to the first paragraph under the heading "Department of Agriculture." I desire to withdraw that point of order.

The CHAIRMAN. The gentleman from Iowa withdraws his point of order.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent to return to page 3 of the bill for the purpose of offering an amendment after line 25, as follows.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to return to page 3 of the bill for the purpose of offering an amendment. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SHERLEY: Page 3, after line 25, insert the following:

"Federal Board for Vocational Education: Not to exceed $3,395 of the appropriation contained in section 7 of the act entitled 'An act to provide for the promotion of vocational education, etc.,' approved February 23, 1917, shall be available for the rental of quarters in the District of Columbia for the said board from the date of its organization until June 30, 1918."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SHERLEY. Mr. Chairman, I move that the committee do now rise and report the bill with amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9867, the urgent deficiency bill, and had directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not the Chair will put them en grosse. [After a pause.] The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossement and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. SHERLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

HOUSING OF SHIPBUILDING EMPLOYEES.

Mr. ALEXANDER. Mr. Speaker, I present for printing under the rule a conference report on the bill (H. R. 8389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improve, or unimproved land, houses, and buildings, and for other purposes.

EXTENSION OF REMARKS.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address which I delivered to a gathering of Federal employees on Friday night last.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD by printing an address he delivered last Friday night to Government clerks. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, the gentleman has made so many speeches on the subject of the Government clerks that I would like to know in what respect this differs from the others and whether it justifies printing in the RECORD.

Mr. BORLAND. I do not believe it would enlighten the gentleman from Illinois. It might enlighten other Members.

Mr. MADDEN. Then I object.

The SPEAKER. The gentleman from Illinois objects.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. MILLER of Washington, from the 20th to the 26th of February, for the purpose of making patriotic addresses.

Mr. OLIVER of Alabama, at the request of Mr. ALMON, for three days, on account of important official business.

SOLDIERS AND SAILORS' CIVIL RIGHTS BILL.

Mr. SHERLEY. Mr. Speaker, I move that the House do now adjourn.

Mr. WEBB. Mr. Speaker, I hope that the gentleman will withhold that for a moment. I would like to send a bill to conference.

Mr. SHERLEY. I have no objection, but I was requested by the majority leader to adjourn the House without the consideration of unanimous-consent requests.

Mr. WEBB. This is not an ordinary unanimous-consent request. I want to send a bill to conference, and I know the majority leader has no objection, in view of the demand for this legislation.

The SPEAKER. What is the request?

Mr. WEBB. That the bill H. R. 6361, known as the soldiers and sailors' civil rights bill, be taken from the Speaker's table, that the Senate amendments be disagreed to, and ask for a conference.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take this bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference. Is there objection? [After a pause.] The Chair hears none. The Chair announces the following conferees.

The Clerk read as follows:

Mr. WEBB, Mr. CARLIN, and Mr. VOLSTEAD.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that the House meet at 11 o'clock to-morrow, in order to begin the consideration of the railroad bill.

Mr. MADDEN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. SHERLEY. Mr. Speaker, I renew my motion.

ADJOURNMENT.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 19, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Postmaster General

submitting a supplemental estimate of appropriation required by the Post Office Department for mail bags and equipment, Postal Service, for the fiscal year 1918 (H. Doc. No. 940); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication of the Secretary of War submitting an urgent-deficiency estimate of appropriation required by the Engineer Department for the fiscal year ending June 30, 1918 (H. Doc. No. 941); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of the Treasury, transmitting copy of communication from the Secretary of the Interior submitting a proposed clause of legislation for inclusion in the urgent-deficiency bill, authorizing certain increases in compensation of employees at St. Elizabeth Hospital for the fiscal year 1918 (H. Doc. No. 942); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of the Navy submitting supplemental estimates of appropriation required by the Naval Establishment for the fiscal year 1919 (H. Doc. No. 943); to the Committee on Naval Affairs and ordered to be printed.

5. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Black River and Renton Harbor, Wash. (H. Doc. No. 944); to the Committee on Rivers and Harbors and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting tentative draft of provision for inclusion in sundry civil appropriation bill to authorize the purchase of vehicles for use of the Public Health Service (H. Doc. No. 945); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Secretary of the Interior, transmitting lists of documents and files of papers which are not needed or useful in the transaction of the current business of the department and have no permanent value or historical interest (H. Doc. No. 946); to the Committee on Disposition of Useless Executive Papers and ordered to be printed.

8. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Port Watsonville Harbor, Cal., and Santa Cruz Harbor, Cal., including a breakwater (H. Doc. No. 947); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

9. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of Commerce submitting supplemental estimates of appropriation required by the Department of Commerce for the fiscal year 1918 (H. Doc. No. 948); to the Committee on Appropriations and ordered to be printed.

10. A letter from the Secretary of the Treasury, transmitting copy of a communication from the President submitting estimates of appropriations received from the chairman of the War Trade Board, years 1918 and 1919 (H. Doc. No. 949); to the Committee on Appropriations and ordered to be printed.

11. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of Labor submitting supplemental estimates of appropriations required by the Department of Labor for the fiscal year 1918 (H. Doc. No. 950); to the Committee on Appropriations and ordered to be printed.

12. A letter from the Secretary of the Treasury, transmitting copy of communication from the Secretary of Labor submitting supplemental estimates of appropriation required by the Department of Labor for the fiscal year 1919 (H. Doc. No. 951); to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9942) granting a pension to Deniver Moore; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4964) granting a pension to Mrs. Nannie A. Smith; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8035) granting an increase of pension to James Lynch, late a member of the United States Marine Corps; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DILL: A bill (H. R. 9955) granting certain lands to the State of Washington for park purposes; to the Committee on the Public Lands.

By Mr. MAPES: A bill (H. R. 9956) to provide for the building of houses within the District of Columbia for Government employees and others; to the Committee on the District of Columbia.

By Mr. HARRISON of Virginia: A bill (H. R. 9957) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to provide for the deferred classification of such labor; to the Committee on Military Affairs.

By Mr. DENT: A bill (H. R. 9958) to increase the efficiency of the Quartermaster Corps; to the Committee on Military Affairs.

By Mr. SHERWOOD: A bill (H. R. 9959) increasing rates of pension of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. KALANIANAOLE: A bill (H. R. 9960) to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war; to the Committee on the Territories.

By Mr. VENABLE: A bill (H. R. 9961) for the education and relief of the Choctaw Indians of Mississippi; to the Committee on Appropriations.

By Mr. ALEXANDER: A bill (H. R. 9962) to amend sections 12 and 13 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917; to the Committee on Military Affairs.

By Mr. DENTON: A bill (H. R. 9963) to divide the judicial district of Indiana into divisions, and for other purposes connected therewith; to the Committee on the Judiciary.

By Mr. OSBORNE: A bill (H. R. 9964) authorizing and empowering the President of the United States, within his discretion, to appoint, by and with the advice and consent of the Senate, any officer of the Regular Army, either on the active or retired list, who entered the volunteer service in April, 1861, and so continued until November, 1865, and attained the grade of major of Volunteers, to the grade of brigadier general on the retired list; to the Committee on Military Affairs.

By Mr. FLOOD: A bill (H. R. 9965) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to provide for the deferred classification of such labor; to the Committee on Military Affairs.

By Mr. BAER: A bill (H. R. 9966) to provide further for the national security and defense and to further assure an adequate supply of food and feed by stimulating agriculture and by providing means for the purchase of seed and feed, and for other purposes; to the Committee on Agriculture.

By Mr. CALDWELL: A bill (H. R. 9967) for the improvement of Newtown Creek, N. Y.; to the Committee on Rivers and Harbors.

By Mr. SHOUSE: A bill (H. R. 9968) to amend and reenact sections 5235 and 5236, Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. LANGLEY: A bill (H. R. 9969) increasing rates of pensions of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 9970) to provide for the appointment of an additional district judge in and for the western district of Pennsylvania; to the Committee on the Judiciary.

By Mr. LEVER: A bill (H. R. 9971) to provide further for the national security and common defense by the conservation of foodstuffs, feeds, and materials necessary for the production, manufacture, and preservation of foodstuffs and feeds; to the Committee on Agriculture.

By Mr. POU: Resolution (H. Res. 252) making in order certain items of appropriations in House bill 9867; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 9972), granting a pension to Elizabeth L. M. Miller; to the Committee on Pensions.

By Mr. CAMPBELL of Kansas: A bill (H. R. 9973) granting a pension to D. J. Sheedy; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 9974) granting an increase of pension to W. Y. Richardson; to the Committee on Invalid Pensions.

By Mr. DECKER: A bill (H. R. 9975) granting a pension to Ann F. Wise; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9976) granting an increase of pension to Salinda Ragsdale; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 9977) granting an increase of pension to Henry C. Fuson; to the Committee on Invalid Pensions.

By Mr. GEORGE W. FAIRCHILD: A bill (H. R. 9978) granting an increase of pension to Gilbert Joslin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9979) granting an increase of pension to Charles H. Peck; to the Committee on Invalid Pensions.

By Mr. GODWIN of North Carolina: A bill (H. R. 9980) granting a pension to George W. Houston; to the Committee on Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 9981) granting a pension to Emma L. Randall; to the Committee on Invalid Pensions.

By Mr. HELVERING: A bill (H. R. 9982) granting an increase of pension to Mortimer L. Woodward; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. B. 9983) granting an increase of pension to Jerry McIntosh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9984) granting an increase of pension to Oliver R. Kazee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9985) granting an increase of pension to William Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9986) granting a pension to Clark P. Hoskins; to the Committee on Pensions.

Also, a bill (H. R. 9987) granting an increase of pension to Cornelius Meek; to the Committee on Pensions.

Also, a bill (H. R. 9988) to correct the military record of Samuel Spaulding; to the Committee on Military Affairs.

Also, a bill (H. R. 9989) granting an increase of pension to Jane Hampton; to the Committee on Pensions.

Also, a bill (H. R. 9990) granting an increase of pension to William P. Darton; to the Committee on Pensions.

Also, a bill (H. R. 9991) granting an increase of pension to James Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9992) granting an increase of pension to Lemuel Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9993) granting an increase of pension to Allen Farler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9994) granting an increase of pension to Joseph Halcomb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9995) granting an increase of pension to Anderson Boyd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9996) granting an increase of pension to Valentine S. Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9997) granting an increase of pension to Washington Combs; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 9998) granting an increase of pension to Isabella Kennedy; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 9999) granting a pension to the widow of Frederick Stolcolp; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 10000) for the relief of the Overland Trust & Realty Co., of Reno, Nev.; to the Committee on the Public Lands.

By Mr. SHOUSE: A bill (H. R. 10001) granting an increase of pension to Joseph W. B. McClintock; to the Committee on Invalid Pensions.

By Mr. SNOOK: A bill (H. R. 10002) granting an increase of pension to Michael Ham; to the Committee on Invalid Pensions.

By Mr. STEVENSON: A bill (H. R. 10003) granting an increase of pension to Emma L. Green; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 10004) granting an increase of pension to Edmon Wade West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10005) granting an increase of pension to Andrew R. Wade; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10006) granting an increase of pension to Thessalonies Parrish; to the Committee to Pensions.

Also, a bill (H. R. 10007) granting an increase of pension to John W. Ramey; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 10008) granting an increase of pension to Edwin Pugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10009) granting an increase of pension to Philip Bergman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10010) granting an increase of pension to Henry Clark; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10011) granting an increase of pension to Charles Caddy, jr.; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10012) granting an increase of pension to Emma S. Phelps; to the Committee on Pensions.

By Mr. WASON: A bill (H. R. 10013) granting an increase of pension to Myron Rand; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 10014) granting an increase of pension to Isaac L. Randall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10015) granting an increase of pension to Hezekiah E. Hawver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10016) granting a pension to John J. Ludwig; to the Committee on Pensions.

Also, a bill (H. R. 10017) granting an increase of pension to William Bannon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10018) granting an increase of pension to William T. Bedford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10019) to renew and extend certain letters patent; to the Committee on the Public Lands.

By Mr. WOODYARD: A bill (H. R. 10020) granting an increase of pension to Samuel Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Memorial of the Religious Publicity Service, New York City, favoring the appointment of more chaplains in the Army; to the Committee on Military Affairs.

Also, resolution of the Federated Trades Council of Milwaukee, opposing some of the present proposed limitations aimed at labor and the rights of the laborer; to the Committee on Labor.

Also, resolutions of the Farmers' Cooperative Grain Dealers' Association, asking that the Interstate Commerce Commission be allowed to retain its power in rate hearings and regulations and opposing the guaranty by the Government of a certain dividend to the stockholders of railroads; also, a memorial of the various organizations of railroad employees, urging that no definite time be fixed for the return of the railroads to their owners; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Railway Mail Association, tenth division, Wisconsin branch, asking for increased compensation for railway mail employees; also, a memorial of the same import from the Railway Mail Association, tenth division, Illinois branch; to the Committee on the Post Office and Post Roads.

By Mr. DALE of New York: Memorial of the United Mine Workers of America, indorsing Senate bill 2854; to the Committee on Immigration and Naturalization.

Also, petition of J. L. Brownlee, Pittsburgh, Pa., favoring the Kelly bill for Federal acquisition of natural resources; also, the memorial of the various organizations of railroad employees, opposing the naming of a fixed date at which the railroads will be returned to their owners; also, a resolution of the Farmers' Cooperative Grain Dealers' Association, favoring the retention of powers of the Interstate Commerce Commission and opposing the guaranteeing to railroad stockholders a certain dividend; to the Committee on Interstate and Foreign Commerce.

Also, petition of Lewis L. Young, Brooklyn, N. Y., protesting against the Borland eight-hour amendment; to the Committee on Agriculture.

By Mr. DALE of Vermont: Resolution of the Board of Trade of Brattleboro, Vt., favoring the passage of the Madden bill to increase the compensation of postal employees; to the Committee on the Post Office and Post Roads.

By Mr. FOSS: Petition of the letter carriers of the North Halstead Postal Station, Chicago, Ill., favoring H. R. 9414, the Madden bill; to the Committee on the Post Office and Post Roads.

By Mr. FULLER of Illinois: Petition of the United Mine Workers of America for S. 2854; to the Committee on Immigration and Naturalization.

Also, memorial of the Ladies' Auxiliary of the Presbyterian Church of Cloquet, Minn., urging the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolution of the Farmers' Cooperative Grain Dealers' Association against taking from the Interstate Commerce Commission its powers in rate hearings and regula-

tion, also against assuring a certain dividend to the stockholders of the railroads; to the Committee on Interstate and Foreign Commerce.

Also, resolution of the Massachusetts Dairymen's Association protesting against any change in the present laws relating to the manufacture, or sale of, or tax on oleomargarine; to the Committee on Agriculture.

By Mr. GORDON: Resolution of the council of the city of Cleveland, Ohio, urging legislation immediately to take over the operation of the telephone and telegraph systems of the country; to the Committee on Interstate and Foreign Commerce.

Also, resolutions of the council of the city of Cleveland, Ohio, urging the recognition of Bohemia-Slovak State; to the Committee on Foreign Affairs.

By Mr. HAMILTON of Michigan: Petition of the members of the Three Rivers (Mich.) Auxiliary Conference Women's Home Missionary Society, protesting against the passage of S. 3476, to allow the construction of railroad tracks in square No. 673, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. LONERGAN: Petition of Woman's Committee, State Council of Defense of Connecticut, for the diversion of tobacco lands in the United States to the cultivation of foodstuffs; to the Committee on Agriculture.

By Mr. MOORE of Pennsylvania: Resolutions of the Philadelphia Maritime Exchange, indorsing the action of the Miami convention of the Deeper Waterways Association; to the Committee on Rivers and Harbors.

By Mr. O'SHAUNESSY: Memorial of the Bohemian National Alliance, State of Connecticut, urging the United States to assure the formation of an independent Czecho-Slovak State; to the Committee on Foreign Affairs.

Also, memorial of the Woman's Christian Temperance Union of Rhode Island, favoring the prohibition bill for the Hawaiian Islands; to the Committee on the Judiciary.

Also, memorial of Railway Mail Association, first division, Providence branch, favoring increased compensation to railway mail clerks; to the Committee on the Post Office and Post Roads.

Also, memorial of Newport Horticultural Society, favoring S. 3344, prohibiting the importation of nursery stock; to the Committee on Agriculture.

By Mr. PRATT: Petition of William Longwell, Joseph Maloney, and sundry other citizens of Bath, Avoca, and Buffalo, N. Y., favoring universal military service; to the Committee on Military Affairs.

Mr. STEELE: Memorial of the Methodist Ministers' Associations of Hazleton, Pa., and surrounding districts, protesting against Senate bill 3476, authorizing the running of railroad tracks across First Street, in the city of Washington; to the Committee on the District of Columbia.

By Mr. TILSON: Petition of Gymnastic Slovak Lokol of Bridgeport, Conn., in behalf of Bohemian independence; to the Committee on Foreign Affairs.

By Mr. VARE: Memorial of the United Mine Workers of America, approving Senate bill 2854; to the Committee on Immigration and Naturalization.

Also, memorial of Philadelphia Maritime Exchange, indorsing resolutions of Atlantic Deeper Waterways' Association; to the Committee on Rivers and Harbors.

Also, memorial of Central Labor Union of Philadelphia, denouncing attacks made against organized labor by the Postmaster General; to the Committee on the Post Office and Post Roads.

SENATE.

TUESDAY, *February 19, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we are here petitioners before Thy throne. Day by day we meet obligations and responsibilities that we dare not meet alone, and we seek Thy guidance and blessing. We come to Thee with no complaint, but we come with the joy of being yet unsatisfied, of believing that Thou hast larger things for us in our individual life and in our Nation. We pray Thee to lead us on in the ever-unfolding plan of the Divine will until we shall see Thy purpose accomplished in all the earth. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. WEBB, Mr. CARLIN, and Mr. VOLSTEAD managers at the conference on the part of the House.

The message also announced that the House had passed a bill (H. R. 9867) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, in which it requested the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes.

PETITIONS AND MEMORIALS.

Mr. MYERS. I have a short memorial from the Montana Legislature, which is now in session, to the Congress of the United States. I ask that it may be read.

The VICE PRESIDENT. Without objection, the Secretary will read.

The Secretary read as follows:

HELENA, MONT., *February 16, 1918.*

To the honorable Senate and House of Representatives in the Congress of the United States assembled:

Whereas the Fifteenth Legislative Assembly of the State of Montana, meeting in extraordinary session in response to a proclamation of the governor calling this body together for the consideration of measures necessary to a successful prosecution of the war, among which, of primary importance, is a bill providing for loans at low rates of interest to needy farmers for the enhancement of agricultural production in the State: Now, therefore, be it

Resolved, That the Fifteenth Legislative Assembly of the State of Montana hears with grave concern the reports from Washington of the intention of Congress to reduce a contemplated appropriation of $750,000 toward the completion of the Flathead Reservation irrigation project, in western Montana, to $250,000, and does hereby go on record as in favor of, and registers its wish for an appropriation of, $750,000 for said project; and it is further

Resolved, That a failure of the Congress of the United States to make such appropriation of $750,000 would be violative of the best interests of this Nation, a great discouragement to the farmers and to the farming interests of Montana, thereby resulting in decreased production in one of the most fertile sections of the State of Montana and, being prompted by a consideration for the best interests of this Nation and the State of Montana, demands favorable action by the United States Congress of an appropriation of $750,000 toward the completion of the Flathead Reservation irrigation project; and it is hereby ordered that a copy of this resolution be telegraphed to the Speaker of the House of Representatives, the President of the United States Senate, with the recommendation that it be read before both bodies and referred to the proper committees.

J. F. O'CONNOR,
Speaker of House.
W. W. MCDOWELL,
President of Senate.

Mr. PHELAN presented a memorial of the chamber of commerce of Riverside, Cal., remonstrating against any repeal of the advanced rates on second-class mail matter; which was referred to the Committee on Post Offices and Post Roads.

Mr. McLEAN presented a petition of the Connecticut State Branch of the United National Association of Post Office Clerks, of New Haven, Conn., praying for an increase in the salaries of postal employees; which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of the Swedish Independent Club, of New Britain; of the Equal Franchise Club, of Middletown; and of sundry citizens of New Haven, Hartford, and Woodmont, all in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States; which were ordered to lie on the table.

THE CONGRESSIONAL RECORD.

Mr. GALLINGER. Mr. President, I beg the indulgence of the Senate for a moment to ask a question that concerns what I think is a very important matter.

I am receiving letters from constituents in different parts of my State saying that they have not received a copy of the CONGRESSIONAL RECORD since the 1st day of February. I made inquiry and found that, in consequence of the shortage of paper—at least, that is the reason given—the sending of the CONGRESSIONAL RECORD outside of the District of Columbia has been entirely discontinued. Mr. President, to me this is a very important matter. The CONGRESSIONAL RECORD is, I think, the only uncensored publication that we have at the present time, and certainly the people ought to have the privilege of reading it.

I presume there is a shortage of paper, perhaps to such an extent that some action of this kind becomes necessary unless

a remedy is found; but, to my mind, there is a remedy in sight. I yesterday, through the mail, received the publication I hold in my hand. It is entitled "The Wholesale Prices from 1900 to 1916," printed. A great corps of high-salaried men have been traveling over the country formulating tables of wholesale price: from 1900 to nearly two years ago. The tables by the Department of Labor, one of the chief offenders in printing statistics of little account to anybody except to men engaged in collecting antiquarian literature, are absolutely worthless. Nobody reads them. If anybody does read them, they get no information, because the wholesale prices have changed enormously from 1916 to 1918. Yet we are spending, I do not know how much money—hundreds and hundreds of thousands of dollars annually—in publishing these books, which simply exploit some department or bureau of the Government, uselessly using up paper to such an extent that we find ourselves unable to secure paper enough to print the CONGRESSIONAL RECORD for the information of our constituents.

Mr President, I have before me a long list—I am not going to read it—of publications that are of very little account to the people of this country or to any interest of the Government. The title of the last one I am going to read. It is not a very large book. It is entitled "The Pirates of the Deep: A Story of the Squid and Octopus." Mr. President, in publishing that document, I do not know whether the Committee on Printing acted upon it or not, but the whole list of publications I have here are almost as unimportant as that; and we are printing all these books and documents and using up the paper at the Government Printing Office, and then we come to a point where the constituents of mine to whom I send the CONGRESSIONAL RECORD, and who are interested in it and who read it—many of them every word of it—write me that they have not received a copy since the 1st day of February.

Mr. President, I would like to have the Senator from Utah [Mr. SMOOT], who is a member of the Joint Committee on Printing, which committee, I believe, is responsible for this order, to tell the Senate if he does not think that some means ought to be devised whereby the evil I complain of may be remedied.

Mr. PENROSE. Before the Senator from Utah goes on I should like to ask the Senator from New Hampshire whether he would not be willing to except from the general tenor of his remarks a publication entitled "Through Costa Rica, the Magnificent, with a Motor Car."

Mr. GALLINGER. Yes; that is one of them. I have in my list several others equally as absurd.

Mr. LODGE. I suppose it is contributory to the war.

Mr. PENROSE. It is contributory to the war, I expect.

Mr. SMOOT. Mr. President, the Joint Committee on Printing asked for bids upon paper as usual for the coming year, and they were to be opened the latter part of January, the 25th, as I remember it. Ordinarily we have dozens of bids for the furnishing of paper such as the CONGRESSIONAL RECORD is printed upon. This year we received but one bid, and that bid was an irregular one and could not be accepted under the law. We purchase millions of pounds of that class of paper, and we find ourselves in this position: That we have men traveling over the country where there is a paper plant begging them to make paper similar to the paper that the Congressional Record is printed upon. It is absolutely impossible at present to secure paper sufficient to furnish more than 5,000 copes of the RECORD daily. We can not get it from any source that is known to any committee or to the trade itself.

Not only that, Mr. President, but we are required to pay over 100 per cent more than we have had to pay in the past for this kind of paper.

Mr. GALLINGER. If the Senator will permit me, is it not possible to stop the printing of some of these worthless books and documents and use that paper for the purpose of printing the CONGRESSIONAL RECORD?

Mr. SMOOT. I am coming to that, I will say to the Senator.

Mr. GALLINGER. I am very glad the Senator will touch on that point.

Mr. PENROSE. Will the Senator permit one interruption? For instance, an exception might be made in this war crisis of the document entitled "Narcotic Plants and Stimulants of the Ancient Americans." [Laughter.]

Mr. SMOOT. Mr. President, referring to the question as to whether we can stop the printing of a great many of the public documents that are printed to-day and that every Representative and every Senator knows ought not to be printed I will say that we are compelled to print so many of all public documents ordered. The documents that have been referred to by the Senator this morning are mostly departmental documents.

We appropriate so much money to each one of the departments of the Government for printing purposes. The Joint Committee on Printing have nothing whatever to say in relation to what shall or what shall not be printed by the departments; and of late the departments have not only spent all the money that has been appropriated for their use for printing, but we find them coming to Congress and asking that the same documents be printed as public documents. Thank fortune, so far we have withheld favorable action upon such requests, but the pressure is becoming greater and greater every year, and if the Senate and House are not on their guard we will begin to print them as public documents.

Mr. GALLINGER. They are constantly asking us to do it, are they not?

Mr. SMOOT. Every day we are asked to do it. The list that was presented by the Senator from New Hampshire I hope he will put in the RECORD. It is only just a bare percentage of what is going on in the departments. I could bring into the Senate Chamber a pile of documents that would block the aisles. They never ought to have been printed, and the practice ought to be stopped.

Mr. PENROSE. I should like to ask the Senator whether he thinks these documents are read? Are they ever read by anyone?

Mr. SMOOT. Not one in a hundred. Not only that, but I now say to the Senate of the United States, if they want to stop this wicked waste of public money, pass the printing bill that we have had before the Senate for the last eight years; but because there are heads of some of the departments of our Government opposed to it, because they think it limits their power to print everything that they desire, and they come to Congress and appeal to Senators and Representatives to vote against it and prevent its passage. So far they have had power enough to do it.

Mr. KENYON. I should like to ask the Senator if the printing bill has not been passed by the Senate?

Mr. SMOOT. I will say to the Senator we passed the bill through the Senate twice, and I think it was passed once during the latter days of a session in the House of Representatives, but at no session of Congres have we been able yet to pass it in both Houses.

Mr. KENYON. When it passes the Senate it does not pass the House, and when it passes the House it does not pass the Senate?

Mr. SMOOT. That has been the history for eight years, I will say to the Senator.

Mr. KENYON. And that bill is now in the House?

Mr. SMOOT. The bill now is in the House, and we hope that it will receive consideration by the House first, and if it is considered by the House, as far as I am concerned, if it is within my power, I am going to compel the Senate to vote upon the question as to whether it will take the bill up for consideration.

Mr. KENYON. The Senator will have plenty of help in getting the bill up.

Mr. SMOOT. I want to say, if the bill had become a law four years ago, there would have been a saving of nearly a million dollars a year, and with paper the price that it is to-day, we would save $2,500,000 per annum. That is in printing alone, and stop to think that under the present law all these worthless documents have to be sent to all the designated libraries of the country, and at the end of the year they are returned to Washington and they are piled up and sold as old paper, not a hundred thousand copies of them, but millions of copies of them.

Mr. REED. Mr. President——

Mr. SMOOT. I yield to the Senator from Missouri.

Mr. REED. I came in while the Senator was speaking, and he may have touched on the matter I want to mention. I wanted to ask the Senator what his opinion was as to the vast amount of printed material which is being sent out by the newly organized bureaus to newspapers in all parts of the country? Is it not a fact that there are publication bureaus that are maintained at the expense of thousands of dollars a month for the mere purpose of sending out a sort of newspaper propaganda?

Mr. SMOOT. The Senator says thousands of dollars a month. I want to say to the Senator that it is thousands of dollars daily. I understand there is one bureau that spends $5,000 a day.

Mr. VARDAMAN. May I ask the Senator what that bureau is?

Mr. SMOOT. Mr. Creel's bureau. I have not examined into the details of the expense of that bureau, but I have been informed by men who say they have that it is costing the Government of the United States nearly $5,000 a day. I think it ought to be investigated if that is the case.

But coming back to the RECORD, this order never would have been issued if it had not been absolutely necessary. I am in

hopes that we can find some of the paper plants in the United States that can make this class of paper and will make it for the Government in sufficient quantities so that we can at least publish the CONGRESSIONAL RECORD. But I will say to the Senate now, and particularly to the Senator from New Hampshire, that it became absolutely necessary to limit the issue to 5,000 copies daily.

Mr. President, there is only one other thing that I want to say at this time. I want to appeal to the Senate that in the future please do not ask that newspaper articles be put in the RECORD. Please keep the RECORD just as clear from all matter outside of what occurs upon the floor of the Senate as it is possible to do. I know that Senators do not realize that every printed page in the CONGRESSIONAL RECORD when paper was at its ordinary price cost the Government of the United States $30 and some odd cents, and to-day the cost is over $50. We hardly stop to think of that, but we ought, at least now that we can not get sufficient paper from any part of the United States for the purpose.

Mr. GALLINGER. Mr. President, in justice to the Senate itself I ought to say that a large proportion of the documents that I have before me have been printed by the departments and not by order of the Senate or by the House of Representatives. To my mind the extent to which paper is being used and the funds of the Government exhausted by the departments in printing documents that are of no earthly account is approaching a scandal, and the Committee on Appropriations ought this year to scan very carefully the appropriations that are made to the departments for that purpose, and see if we can not in that way make a saving sufficient at least to let us have the CONGRESSIONAL RECORD for circulation among the people of the country who want to examine it. I quite concur in the suggestion made by the Senator from Utah, as he was about closing his remarks, that we ought to save the space of the RECORD also by keeping out of it as much extraneous matter as possible.

I do not know how many pages the CONGRESSIONAL RECORD for the last session of Congress will make when it is bound, but I venture to say that it will be ten times as many as the CONGRESSIONAL RECORD had 10 years ago. We are swelling that printed volume year by year; it takes paper to print it; and as a result of these extravagances, as I look upon it, we are face to face with the fact to-day that a constituent of any Senator who wants to see the CONGRESSIONAL RECORD in order to ascertain what Congress is doing is denied that privilege on the ground that the paper is being exhausted in other directions, and that we can not get a sufficient supply with which to print the record of our daily doings as a Congress. We hear the cry that "pitiless publicity" is something the people have a right to demand, and then we close the only avenue the people have of knowing what their servants in the two Houses of Congress are doing.

Mr. FLETCHER. Mr. President, I quite agree in general with my colleagues on the Committee on Printing. I think there has been no lack of diligence on the part of the Committee on Printing in reference to their action in recommending documents to be printed. I do not know of any useless document in favor of the printing of which the committee has reported at all. In fact, we have been very careful to scan everything submitted to the committee, and to avoid printing anything that did not seem to be absolutely meritorious in every respect and to pertain to matters pending before Congress. There has been no waste in that regard.

But I agree also with the statement that the printing bill ought to have been passed by Congress. It would have meant an enormous economy, a saving of something like a million dollars a year. That matter has been before the Senate. The Senate is not to blame, perhaps, although we ought to have gotten to that bill before and ought to have passed it. I hope that will yet be done.

The matter of the RECORD, however, is quite important, and I have myself been getting inquiries from people who were on my mailing list for the RECORD, who want to know why it is not coming to them. I have had to explain to them the reason. In that connection I think it is fair to give the Senate just what has taken place. On January 30, 1918, I wrote the Public Printer as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON PRINTING,
January 30, 1918.

The PUBLIC PRINTER,
Government Printing Office.

DEAR SIR: The committee has received numerous inquiries as to when the bound edition of the CONGRESSIONAL RECORD for the first session of the Sixty-fifth Congress will be completed, together with the index, and made available for the use of Members of Congress. The early completion of this RECORD is most essential for the use of Congress, and I believe it ought not to be delayed any longer than is absolutely necessary.

Kindly advise me when the bound edition will be ready, together with the index.

Respectfully, yours,
DUNCAN U. FLETCHER,
Chairman.

On February 1 the Public Printer replied:

GOVERNMENT PRINTING OFFICE,
February 1, 1918.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In response to your inquiry of January 30, 1918, as to when the bound edition of the CONGRESSIONAL RECORD of the first session, Sixty-fifth Congress, will be completed, together with the index, and made available for the use of Members of Congress, the following is respectfully submitted:

Owing to shortage of stock (48-inch rolls 35-pound stock) by failure of delivery, due to transportation, the bound edition was stopped in order that the stock on hand could be used for the daily issue only, and for no other purpose. There is now in transit more than 200 rolls of this stock, part from the Champion Coated Paper Co., of Ohio, and part from the Bryant Paper Co., of Michigan. In relation to these deliveries every effort has been made to have same delivered. The matter was and is still being pushed to the utmost with the car service of the Interstate Commerce Commission, who are in charge of transportation.

The orders now on the road date from December 4, 1917, to the Champion Paper Co., a total tonnage of 500,000 pounds, of which less than 100,000 pounds have been delivered. Orders have been placed with the Seaman Co. for the Bryant Mill of a total tonnage of 500,000 pounds. Of the latter but 40,000 pounds, or one carload, has been received. Information has reached me that five carloads are in transit. Latest advices are that these cars are held up at Sandusky, Ohio.

On hand in the Government Printing Office at this time there are 40 rolls, about a three days' run of a medium-sized RECORD.

Under the circumstances, unless we receive some of this tonnage now under way, the publication of the daily RECORD will be jeopardized, although I am in hopes that stock in transit will be received.

As soon as sufficient stock is in this office the bound edition will be completed in about 15 days. There is now completed six and one-half volumes of the bound edition, with one and one-half volumes, including the index, to complete the edition.

May I suggest this thought for your consideration if stock is not received: The printing of but sufficient copies of the daily RECORD to meet the wants of the Washington deliveries. Other deliveries to be made up when sufficient stock is at hand.

Respectfully, yours,
CORNELIUS FORD,
Public Printer.

On February 5 I replied as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON PRINTING,
February 5, 1918.

The PUBLIC PRINTER,
Government Printing Office.

DEAR SIR: I am pleased to acknowledge receipt of your letter of February 1, 1918, in response to my inquiry concerning the delay in printing the bound edition of the CONGRESSIONAL RECORD for the first session of the Sixty-fifth Congress and advising me as to your difficulty in obtaining the paper stock for the use of the Government Printing Office.

I am sure the Joint Committee on Printing will be very glad to cooperate with you in every way possible to obtain sufficient paper for the printing of the necessary Government publications. If we can be of any assistance to you in this regard at any time do not hesitate to call upon us.

I think your suggestion in regard to printing only a sufficient number of copies of the daily RECORD for official distribution in Washington for the time being is a good one, and unless the delivery of sufficient paper to assure the printing of the RECORD is now in sight I would suggest that you take the matter up immediately with the committee as to whether to temporarily discontinue the printing of the daily RECORD for outside distribution. I believe it would also be well to temporarily discontinue the printing of all other publications that are not immediately necessary, the paper for which could be used for more essential publications. If you have any suggestions or recommendations to make in this regard I am sure the committee would be very glad to consider them.

The printing of necessary publications ought to be safeguarded in every possible way, and at the expense of such publications as may be discontinued for the time being.

Respectfully, yours,
(Signed) DUNCAN U. FLETCHER,
Chairman.

It will be noted that on February 5 we advised the Public Printer to discontinue the publication of all other matters not necessary, and, if the stock was so low as to require it, to discontinue the publication of the CONGRESSIONAL RECORD for delivery outside of Washington. On February 7 he came to see me about this matter, pointing out that with the stock on hand it looked as if every day we might not have enough even to print a sufficient number of copies of the CONGRESSIONAL RECORD for Congress. We discussed that matter, and he then wrote me as follows:

OFFICE OF THE PUBLIC PRINTER,
Washington, February 7, 1918.

MY DEAR SENATOR: Relative to my talk with you regarding curtailment of the number of copies of the daily CONGRESSIONAL RECORD and in answer to your esteemed favor of the 5th instant, wherein you suggest the matter of temporarily discontinuing the printing of the daily RECORD for outside distribution, I respectfully submit the following:

The wisdom of printing sufficient copies of the daily RECORD for Washington City deliveries has enabled the Public Printer to get out the daily RECORD for the past few days, although but 5,000 copies were printed.

There is now on hand but 28 rolls of this stock available for RECORD use, and if the RECORD on any day is exceptionally large this amount will be used up. However, a conference between the Director General of Railroads and myself yesterday will, I am in hopes, relieve the situation. There are in transit 214 rolls from the Champion Coated Paper Co., of Hamilton, Ohio, which have been en route since December 26, 1917. There are also en route 188 rolls from Kalamazoo, Mich., since January 14. At the conference yesterday all information was furnished the Director General and a promise to move this stock and get same into this office was made. It was also promised that all other stock would receive immediate consideration and orders were issued to that effect.

Under the circumstances, I am in hopes that within a few days we will be able to print the regular edition of the RECORD with sufficient stock on hand to complete the issues which have been run short.

In relation to temporarily discontinuing the printing of all other publications that are not immediately necessary, orders along that line have been issued and all employees in charge of the work have been notified.

Respectfully, yours, CORNELIUS FORD,
Public Printer.

Hon. DUNCAN U. FLETCHER,
Chairman Joint Committee on Printing,
Washington, D. C.

So that is the cause of the discontinuance of the printing of the RECORD for outside distribution; and, as Senators will see, it was plainly necessary for that step to be taken; but we are assured by the Public Printer that the paper stock is in transit, and surely it ought to be here within the next few days. The copies which should have been printed and distributed will be made good and the distribution will take place in the regular order as soon as we have the stock on hand with which to print a sufficient number of copies of the RECORD.

I put this correspondence in the RECORD in order that it may explain the whole situation.

Mr. PENROSE. Mr. President, I am very glad that the Senator from New Hampshire [Mr. GALLINGER] has called the attention of the Senate to this abuse, which is rapidly reaching the proportions of a scandal. I have objected frequently on the floor of the Senate to making the RECORD look more like a copybook from a telegraph office or a small country post office than a dignified legislative record, owing to the apparently irrepressible habit of some Senators to have inserted in the RECORD letters from obscure constituents expressing their views on different matters. I have also objected, to the point of making myself objectionable, to the practice of having frivolous and ephemeral articles published as public documents. I have taken the liberty to protest when the chairman of the Committee on Printing has had printed nearly every utterance of Mr. David Lubin and other articles of similar importance.

The situation, Mr. President, has reached a point, so far as Pennsylvania is concerned, when I am having these documents returned to me. Only yesterday I received a letter from a very prominent gentleman in Philadelphia, calling my attention to a document which had been sent to him by a Government department, and expressing his astonishment that a document of such useless character should be sent to anyone of average intelligence. Upon another occasion, a few days prior to the communication referred to, I received a protest from a manufacturer, calling my attention to the publications of the Department of Commerce, Bureau of Census, which department is sending broadcast through Pennsylvania reports of the census of manufactures, dated 1914. Surely——

Mr. GALLINGER. Has the Senator a copy of it there?

Mr. PENROSE. I have a copy here in my hand of the report relating to petroleum refining, dated 1914. Surely there can be no very great value to this cumbersome compilation of figures when conditions have changed as rapidly since 1914 as they did change for a hundred years prior to 1914.

Here is one of my most recent communications in this connection:

PHILADELPHIA, PA., *February 5, 1918.*

Hon. BOIES PENROSE,
United States Senate, Washington, D. C.

MY DEAR SENATOR PENROSE: My company has received in to-day's mail a report headed "Department of Commerce, Bureau of the Census, Sam. L. Rogers, Director, Census of Manufactures: 1914, Pennsylvania."

I can hardly conceive of a more useless expenditure of time and money than is represented by this pamphlet. Coming at this time, when economy is the watchword of the day, it is most discouraging to have placed before one such a concrete example of inefficiency.

The report, of course, goes into the waste-paper basket, as it has no place in our files.

Yours, truly, SYDNEY THAYER,
Secretary Henry Bower Chemical Manufacturing Co.

Mr. SMITH of South Carolina and Mr. THOMAS. Regular order!

The VICE PRESIDENT. If there be no further petitions or memorials, reports of committees are in order.

REPORTS OF COMMITTEES.

Mr. HITCHCOCK. For the senior Senator from Oregon [Mr. CHAMBERLAIN], who is detained from the Senate by illness, I report from the Committee on Military Affairs with amendments the bill (S. 3778) to amend an act entitled "An act providing for an Assistant Secretary of War," approved March 5, 1890, and for other purposes, and I submit a report (No. 282) thereon.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (S. 3439) for the relief of certain homestead and desert-land entrymen, reported it with amendments and submitted a report (No. 284) thereon.

He also, from the same committee, to which was referred the bill (S. 2975) for the relief of Katherine Macdonald, reported it with an amendment and submitted a report (No. 283) thereon.

THE COMMITTEE ON FINANCE.

Mr. THOMPSON, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 205, submitted by Mr. SIMMONS on the 14th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Finance or any subcommittee thereof, be, and hereby is, authorized during the Sixty-fifth Congress, to send for persons, books and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recess of the Senate.

GUARANTEED PRICE OF WHEAT.

Mr. GORE. From the Committee on Agriculture and Forestry I report the joint resolution (S. J. Res. 132) to amend section 14 of the food-control act by increasing the guaranteed minimum price of wheat for the crop of 1918 from $2 to $2.50 per bushel, with an amendment, and I submit a report (No. 285) thereon.

Mr. KENYON. Mr. President, I should like to say as to that report that I am a member of the Agricultural Committee, but the joint resolution was taken up for final action while I was not present. I do not want it to be understood that the committee is unanimous in making that report. I think some of the members of the committee have not made up their minds as to the measure. I will inquire if the chairman has presented the report as the unanimous report of the committee?

Mr. GORE. Oh, no; I made no reference to the vote by which it prevailed in the committee.

Mr. KENYON. I shall not feel bound by the report of the committee when the matter comes before the Senate.

Mr. GORE. I understand the Senator from Iowa reserves the right to oppose the measure.

Mr. POINDEXTER. Mr. President, I should like to inquire of the Senator from Oklahoma whether the joint resolution he has just reported provides for a minimum price to the farmer?

Mr. GORE. In answer I will say that it does change existing law. The existing law provides that the minimum guaranteed by statute is to be applied at the principal interior primary markets. The joint resolution just reported amends existing law by making the basic market the farmers' local market or the local elevator.

Mr. POINDEXTER. Mr. President, I do not desire to detain the Senate now on this matter, but when the joint resolution comes up I hope the Senator will bear in mind that principle—that the object to be attained in fixing a minimum price, as I understood the object when the original law was passed, was to increase the production of wheat in the country by guaranteeing a minimum price to the man that raised the wheat; but the application of the old law has failed of that purpose. Fixing certain primary markets in certain parts of the country and not fixing them in other great sections of the country gave a certain minimum price to the farmers in one place and denied it to the farmers in other places, and in those other places it cost the farmer more to produce the wheat than in the sections where he got the benefit of the law. The starting point of fixing or guaranteeing a minimum price should be—and if I understand the statement made by the Senator from Oklahoma, that is the purpose and will be the effect of the joint resolution which he has just reported—the basis and starting point of the prices which will be paid for wheat and for flour ought to be the price which is received by the farmer who produces the wheat.

Mr. NORRIS. Mr. President, before the Senator takes his seat will he permit me to suggest to him that the law fixing the price of wheat at $2 a bushel was made by its terms to apply only to the crop produced in the year 1918. That has not yet been produced, of course. This joint resolution amends that law. It has no application, and the law that we have already

passed has no application, to the price of the 1917 crop that we are now using. The existing price of wheat now was fixed not by virtue of a statute of Congress but by the Food Administration, by reason of its power to control the price on account of buying such a large amount of wheat for the allies in this country. So that the price that exists at the present time was not fixed by virtue of a definite statute, and this has no application to existing prices.

Mr. ASHURST. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Arizona will state his point of order.

Mr. ASHURST. I wish to interrupt the proceedings long enough to introduce a bill. I ask unanimous consent, out of order, to introduce a bill. [Laughter.]

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. GALLINGER. Let us have the regular order.

The VICE PRESIDENT. If there be no further reports of committees, bills and joint resolutions are in order.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. HITCHCOCK (for Mr. CHAMBERLAIN, by request):

A bill (S. 3913) to authorize the Secretary of Agriculture to accept $2,100 from the Pelican Bay Lumber Co., and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. ASHURST:

A bill (S. 3914) authorizing a right of way for the transportation of water for improvement of grazing and development of the live-stock industry upon public and national forest lands in Arizona; to the Committee on Public Lands.

By Mr. McCUMBER:

A bill (S. 3915) to reimburse Benson County, N. Dak., for money expended in the care of three insane Indians; to the Committee on Indian Affairs.

By Mr. PENROSE:

A bill (S. 3916) granting an increase of pension to Marie G. Harding;

A bill (S. 3917) granting an increase of pension to Henry O. Bender; and

A bill (S. 3918) granting an increase of pension to Daniel Kennelley (with accompanying papers); to the Committee on Pensions.

By Mr. RANSDELL:

A bill (S. 3919) for the relief of Laura E. Graves; to the Committee on Public Lands.

A bill (S. 3920) granting a pension to Louise Jonas Block (with accompanying papers); to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 3921) granting a pension to Nora B. Higgins; to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3922) for the relief of Kny-Scheerer Corporation; to the Committee on Claims.

By Mr. JONES of Washington:

A bill (S. 3923) authorizing the Indian tribes and individual Indians, or any of them, residing in the State of Washington and west of the summit of the Cascade Mountains, to sumbit to the Court of Claims certain claims growing out of treaties and otherwise; to the Committee on Indian Affairs.

GUARANTEED PRICE OF WHEAT.

Mr. SHAFROTH submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 132) to amend section 14 of the food-control act by increasing the guaranteed minimum price of wheat for the crop of 1918 from $2 to $2.50 per bushel, which was ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS—THOMAS R. POOLE.

On motion of Mr. NEW, it was

Ordered, That the papers accompanying Senate bill 6127, Sixty-fourth Congress, second session, granting a pension to Thomas R. Poole, be withdrawn from the files of the Senate, no adverse report having been made thereon.

HOUSE BILL REFERRED.

H. R. 9867. An act making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

RAILROAD CONTROL.

The VICE PRESIDENT. The morning business is closed.

Mr. SMITH of South Carolina. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 3752, the unfinished business.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. JOHNSON of California. Mr. President, I have been delighted with the announcement by the President that hereafter there will be no secret diplomacy, and his policy of addressing Congress from time to time in the open forum of the world meets with a cordial and enthusiastic response in every democracy. This new departure of our President marks an epoch in world history, and its future beneficent consequences can not at the moment be accurately measured. The policy is one of necessity which applies not only to diplomatic relations with a foreign power but with even greater force to what transpires within our own borders. I advert briefly to the subject because I deprecate the undemocratic and un-American suppression and repression which characterized the first months of our entrance into war, and which yet obtain in some circles. Last year the slightest difference of opinion, earnestly and patriotically expressed, even an embarrassing inquiry, was met with the epithets "disloyal" and "pro-German." The most just criticism was answered by denunciation and anathema. Recently the epithets "pro-German" and "disloyal" may have been exchanged for "partisan."

The idea last year seemed prevalent, and to find sanction with various individuals and in a large part of the press, that absolute silence and submission without complaint to any deficiency or injustice were the only measure of loyalty. If any individual, with highest motive, sought to lay bare a wrong, forthwith he was charged with lending aid and comfort to the enemy. I will not subscribe to the doctrine that either in peace or in war, legitimate, honest, and conscientious suggestion or criticism may not be indulged. This Government yet belongs to all its people, and they are entitled to know not only how, diplomatically, the Government deals with the nations of the earth, but to know as well the internal policies which yet control the Republic situated within the boundaries of the United States; and beyond this, they are entitled to know what intimately concerns their property and their lives.

Disloyalty and treason can not thrive in the light. Neither can incompetence, that strong ally of failure. Official suppression and concealment are as vicious as the secret diplomacy and private bargaining which President Wilson so justly condemns. The pretense that the people can not be told the truth is the artifice of incompetent men who are afraid to face the test of public scrutiny. No man, of course, is entitled unjustly to criticize nor to indulge in unbridled license of expression. The real test of criticism is whether it is just or unjust. If consciously unjust, it should subject him who utters it to the contempt of all. If just, it vindicates itself. When the time comes that Members of Congress, the supposedly popular branch of the Government, must refrain from utterances designed to render patriotic service, because those utterances are at variance with the views of either official or majority, the end has come to our democracy, and the Congress no longer performs a useful service to the people.

The various recent investigations have been of incalculable benefit. They have remedied some concrete deficiencies, but they have performed the fundamental service of finally permitting a modicum of free expression. I will not refer to the investigations of the Military Committee, of which you have heard so much, and concerning which you are well able to judge. I happen to be a member of the Commerce Committee which conscientiously has been engaged in the endeavor, by investigation, to aid in the shipping problem of the Nation. In the course of that investigation many constructive things have been accomplished, and some things have been unearthed which required the bright light of publicity to remedy them. The chairman of the committee and the leader upon the other side of this Chamber, in 24 hours, brought about with one of the large shipping yards of the country the solution of the housing question—the most important question connected with the building of ships. They did this after it had been testified before the committee, by one of the best known and most highly respected of our shipbuilders, that he had been striving for many months to accomplish the result which they accomplished in as many hours.

In one of the contracts entered into by the Government—that with the American International Co.—a state of affairs beggaring description has been developed. The evidence demonstrates a wild saturnalia of extravagance, a brilliant phantasmagoria of patriotic pretense. And the pity and the shame of it are that those who, with a cheerful and almost studied disregard for every principle of economy, are wasting the money of

taxpayers are some of the great captains of industry of the Nation.

I have read recently the utterances of some of those responsible for those conditions, and, singularly enough, they unctiously express as great patriots their sorrow that such disclosures should be made public, and, as lugubriously they shake their heads, they exclaim that publicity of the delinquencies is giving aid and comfort to the enemy.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Missouri?

Mr. JOHNSON of California. I do.

Mr. REED. If it will not interrupt the Senator, I wanted to ask him if he thought that a man by telling of a swindle on the Government was giving aid and comfort to the enemy, just how the act of the man who swindled the Government ought to be classified?

Mr. JOHNSON of California. It is just this policy which has grown up in the last few months that would preclude ever publicity concerning the man who had swindled the Government, because nothing must be said, nothing must be written, nothing must be told during this crisis that somebody may think reflects upon somebody else in official position.

Mr. REED. I think I was unfortunate in making myself understood. The point I am trying to get from the Senator is this: Assuming it to be true that to tell the fact that the Government has been swindled gives aid and comfort to the enemy, then what is the character of the act of the swindler? How does his act affect the enemy? Is it not somewhat worse to do the thing than it is to tell about it?

Mr. JOHNSON of California. The Senator's query, Mr. President, points the moral.

Inefficiency, incompetency, and worse flourish in darkness. Truth and publicity are the remedy and the corrective. Secrecy between a people and their government is the most mischievous element in national life. Lloyd-George in a recent speech told England that a nation which is not virile enough to hear the truth about itself is not a first-class power. Clemenceau said to France that he believed self-governing people fight better when they have a full knowledge of the actual situation. Ours is the only democracy which pursued the policy—I hope now almost at an end—of fearing its people and considering them so lightly that it dared not take them into its confidence.

The man who sits supine and silent with a knowledge of wrongs requiring exposure and detection, of inefficiency necessitating correction—the man who, convinced that acts or policies retard our success and endanger the lives of our loved ones, and yet advocates these policies and acts—these are the disloyal Americans, and these are the men who really aid and comfort the enemy.

I am not speaking now in behalf of any particular criticism or even for criticism itself. I merely protest against the set phrases "pro-German," "disloyal," and "partisan," which have been so indiscriminately applied to the men patriotically differing from those who assume themselves to be the sole exponents of the thought of the Nation. I have no desire to fill the rôle of critic. At best, that rôle brings dubious fame and rouses bitter resentment, and unjust criticism long continued reacts and destroys the critic.

> Some first for wits, and then for poets passed,
> Turn critics next, and prove plain fools at last.

May the day have gone by forever when an American citizen shall be precluded by fear of denunciation and the epithet of "disloyalty" from expressing his honest and his patriotic sentiments.

Recently I ran across the following jingle of Mr. Montague:

> There's a shortage of corn and a shortage of wheat,
> A shortage of fish and a shortage of meat,
> A shortage of sugar, a shortage of shoes,
> A shortage of ships and a shortage of crews,
> A shortage of coal and a shortage of coke,
> A shortage of pine and of spruce and of oak,
> And we can't help believe, from the trend of events,
> That there's, somewhere or other, a shortage of sense.
>
> There'll be shortage of cash when the taxes are due.
> Maybe shortage of work in a fortnight or two;
> There'll soon be a general shortage of light,
> And a shortage of cheer through the dark winter night.
> There'll be shortage of patience to bear all our ills,
> Yet there never will be any shortage of bills.
> But still through the darkness we'll grumblingly grope;
> For as yet there is not any shortage of hope.
>
> We'll grumblingly grope, as we mentioned before,
> And pray for the day of a shortage of war.
> We'll kick and complain and we'll murmur and moan;
> At every new shortage we'll grievously groan.
> But even though everything looks mighty blue,
> We know all the while that we'll see the thing through.
> We may be quite fussed, but you'll please to observe,
> That we've never had ever a shortage of nerve.

Rather humourously, in a small way, the writer endeavors to depict the American mental attitude of to-day. We will grumble and growl and fuss about the difficulties in our path and the obstacles we encounter. We will feel a bit of irritation now and then at restrictive measures, but underlying all, there will never be a loss of American pluck or of the American spirit which has characterized our Nation since its birth. Whatever may be our faults of expression, however the act of the moment may trouble or annoy, America, with spirit unafraid and undismayed, a Nation yet undefeated, will play the game and see it through, until American arms are triumphant and American victory won.

The so-called railroad measure under discussion involves not alone present governmental financial relations in respect to the railroads, but is of far-reaching and transcendent importance in determining what our future policy shall be.

I can not agree with the rate of compensation prescribed by the bill. I am in full accord with the views expressed by the Senator from Iowa upon the floor of the Senate and so ably set forth in his minority report. Not only do I agree with the Senator from Iowa that the compensation to be accorded the railroads of the Nation for their use during the war is unfair and unjust, and, because of the crisis, indefensible, but I would now take the inevitable next step in Government control of our railroads, and do whatever might be essential to make that Government control permanent Government ownership, or, at least, leave the way open so that immediately upon the termination of the war we might follow to its logical conclusion what already we have partly done.

The Senator from Iowa has demonstrated so completely the injustice of the terms of the present bill in fixing the rate of compensation to be paid to the railroads that perhaps it is supererogation to say more in concurrence or confirmation; but, at the risk of being prolix and repetitive, I wish to record my condemnation of the too generous treatment of the railroads of the country at the expense of our taxpayers.

Specifically, I speak now only of important phases, eliminating detail. The bill provides that the President shall make agreements with the railroad companies guaranteeing incomes to them equivalent to the average annual railway operating income for three years ending June 30, 1917. What this means in dollars and cents to the people of this country must be understood by them in order that they may know its iniquity. It means that the interest on the outstanding bonds of the railroads will be paid in accordance with the interest rates now fixed; it means, in addition, that upon the stock of the railroads of the country will be paid by the Government of the United States something in excess of 8 per cent per annum; it means that this percentage in excess of 8 per cent per annum is paid upon *all* the stock of *all* the railroads; it means that this percentage—and I am speaking only of the minimum—shall be paid by the people of the United States not only upon the legitimate issues of the stock of railroad corporations, but upon every issue of stock that has been illegitimately issued; it means that upon every watered issue that has been wrung from the people of the United States in the past, that represents not a dollar of value nor a penny of real investment, we pay in excess of 8 per cent per annum; it means that during this time of crisis and of peril, when the supreme sacrifice is demanded of those we love, and the maximum service from those who remain at home, that we pay upon watered stock, estimated at almost 50 per cent of the total stock of these corporations—stock representing nothing but the greed and the avarice of railroad magnates—this huge dividend. And that the amount of dividend may be understood I read again the table of percentage which will thus be paid to the railroads of the country, quoted last week by the Senator from Iowa, and which stands here uncontradicted and unchallenged:

	Per cent.
The Pennsylvania Railroad Co	8.92
The Pennsylvania Co	11.92
The New York Central Railroad Co	12.96
The Philadelphia & Reading Railway Co	25.70
Delaware, Lackawanna & Western Railroad Co	32.90
Michigan Central Railroad Co	18.48
Central Railroad Co. of New Jersey	20.25
Philadelphia, Baltimore & Washington Railroad Co	11.50
Hocking Valley Railway Co	11.94
Illinois Central Railroad Co	11.33
Louisville & Nashville Railway Co	16.75
Norfolk & Western Railway Co	12.51
Chesapeake & Ohio lines	9.31
Atlantic Coast Line Railroad Co	10.80
Central of Georgia Railway Co	9.39
Nashville, Chattanooga & St. Louis Railway	13.60
Mobile & Ohio Railroad Co	14.76
Cincinnati, New Orleans & Texas Pacific Railway Co	44.99
Florida East Coast Railway Co	10.06
Chicago & Northwestern Railway Co	10.18
Chicago, Burlington & Quincy Railroad Co	22.05
Minneapolis, St. Paul & Sault Ste. Marie Railway Co	12.09
Chicago, St. Paul, Minneapolis & Omaha Railway Co	9.57

	Per cent.
Atchison, Topeka & Sante Fe Railway Co	9.70
Southern Pacific Co	6.60
Chicago, Milwaukee & St. Paul Railway Co	6.15
Great Northern Railway Co	9.63
Northern Pacific Railway Co	9.87
Union Pacific Railroad Co	9.64

The justification for this procedure has been voiced most eloquently and ably by the Senator from South Carolina, the Senator from Minnesota, the Senator from Arkansas, and the Senator from Ohio. They assert, rather persuasively and plausibly, that the railroad companies earned this income in the three years preceding the time of their seizure by the Government, and that, therefore, these earnings for the three years prior furnish a just mode of determining their compensation. This would not be so in time of peace, and in time of war it is much less so. Upon what theory is the maximum of sacrifice demanded of all the rest of the Nation and the maximum of compensation accorded to our railroads? Not only this, but the years that have been taken for the determination of the remuneration of the railroads constitute two years that were the most profitable during their whole existence. It is quite true that 1915 was not so profitable, but 1916 and 1917 were the most remunerative in their history. When the Congress dealt with the excess-profits tax its basis of computation was upon three prewar years—1911, 1912, and 1913; and if any three years were to be adopted as measuring railroad earnings it would seem to be more just that three prewar years be taken, as in the case of the excess-profits tax, rather than two war years of maximum and extraordinary profit. But I insist that such a mode of determining what shall be paid to the railroads is at this time grossly unjust to the entire taxpaying public.

A fair return, of course, should and must be paid, but in time of war the highest possible profit ought not to be paid the railroads. Men go to the trenches to-day for $30 per month, men whose earning capacity in the past three years has been infinitely greater than that sum. We do not stop to inquire how much these human beings have earned in the past three years. We say to them, "Your country demands you. You must, if necessary, die, and your country considers not at all your earning capacity of the past nor your possibilities of the future." In the name of patriotism we send these young men, as is just, to fight the battles of the Republic. We give them the pittance of $30 per month. If any man upon this floor suggested that their earning capacity for the past three years should be the measure of their compensation in this time of crisis he would be laughed to scorn. When we deal, however, with the great railroad companies of the Nation we do not ask ourselves what is the minimum the Nation should pay and what sacrifice should those who own the railroad companies make in time of war, but we gravely and seriously base our computations upon the highest earning power of the companies during the very war in which we are now engaged. Moreover, these earnings for two years of the period from which we compute the amount to be paid were accumulated in part by gross neglect on the part of the railroad companies of their tracks and their equipment. I read from an epitomized newspaper report of Interstate Commerce Commissioner R. C. McChord to Director General McAdoo, published the day before yesterday:

> Thousands of crippled freight cars, accumulated through the winter because of gross neglect of railroads in making repairs, occupy miles of tracks in eastern rail centers and are largely responsible for car shortage and traffic congestion, according to a report made to-day by Charles C. McChord, Interstate Commerce Commissioner, to Director General McAdoo.
>
> These reports, based on first-hand investigations by a corps of trained inspectors, cover the six weeks' period since the Government assumed operation of the railroads and indicate that one of the most critical ills of rail transportation under private management was the sidetracking of cars needing repairs. * * *
>
> These cars could have been repaired quickly during the winter if the railroads had made proper preparations for covered repair tracks, according to railroad administration officials.

Again, the payment of this vast sum to the railroads proceeds as if the railroads were efficiently and thoroughly performing their function, but, it must be remembered, they were utterly unable to perform their tasks and that it was only after they had demonstrated conclusively their inability as public carriers to render the proper service to the public and to the Government that the Government finally seized them. We pay, therefore, not alone a grossly excessive sum, but we pay as well substantially for services unperformed and for a work which, admittedly, the railroads could not do.

The compensation prescribed by the bill is fixed presumably upon the theory that that amount would be earned by the railroads if they had continued their services and if they had never been taken by the Government. It indeed has been asserted that the income of the various companies during the period of the war would have been equally as great as that during the three years preceding June last, and that, therefore, the amount the measure allows to them is reasonable and just. But this is not so. The railroads broke down. They were unable to perform their work. They could not meet war's emergency. If the Government had not taken them, with war's limitations upon them, they could not possibly have earned during the remaining period of the war any such income as they were able to make prior to our entry into the war. The burden was too great for them. They shifted that burden to the Government. The Government now assumes all of the burden of the transportation companies and performs all their tasks—tasks which, admittedly, the transportation companies could not perform, and then the Government generously pays the corporations for the burden it thus assumes. Imagine a going concern transacting a profitable business. Suddenly an emergency arises which this concern can not meet and it breaks down and no longer performs its business or its functions. You, who alone are capable of carrying on its business, assume control. All the risks, all the burden, and all the expenditures you assume. Would you for the use of that concern which could not perform its task, which surrendered to you its function, pay as rental substantially the highest income that had been earned by this broken-down concern during its prosperity and success? Not only do we permit these railroads to capitalize our generosity—and many of them do capitalize it by issuing against land grants and our gifts bonds and stocks—but by this bill we pay interest upon our own generosity and munificence.

Nearly every Senator upon this floor has gone to his constituents and has asked them—those well-to-do and those of slender store—to invest in liberty bonds. We have pleaded in the name of patriotism and in the name of the common ties that bind us for the perpetuity of our institutions, and that our ideals may yet exist, that our people lend to the Government in its crisis their lifetime savings at 4 per cent interest. Nobly the response has been made by high and low, rich and poor, alike. Four per cent upon liberty bonds to the patriotic, to those who answer their country's call. More than double 4 per cent—three and four times that sum in reality—to railroad owners who in the Nation's crisis have been unable to perform their task.

The men who have loaned the Nation their savings in liberty bonds are quite content with the interest prescribed by the Government. You do not ask them if their money in the past three years has earned 6 or 8 or 10 per cent. And you do not inquire whether they, during the course of this war, could upon the very money they have given the Government receive returns of 6, 8, 10, or 12 per cent. We all know that in many parts of the country to-day interest rates are such that double the amount paid by liberty bonds could be obtained for the money the people have placed in these bonds. We are not interested in any such facts as these when the ordinary citizen is concerned; but, with a gentleness and a tenderness that do infinite credit to our benevolence and generosity, we deal in a different mode with our railroad corporations. The ordinary citizen is paid a flat rate of 4 per cent on his money. The corporation upon its stock, which might have earned more in the past, but admittedly could only earn less in the future, is paid, substantially, the highest possible rate it might have earned, based upon its greatest prosperity in the past, although that rate could not have been earned in the future.

The proclamation of the President taking over the railroads, and stating the sums to be paid, was promulgated on the 27th day of December, 1917. Here are the stock exchange quotations of some of the railroads affected by the order for December 26, the day before the order was made, and December 27, when it was known that the Government was to take the properties:

	Dec. 26.	Dec. 27.
Atlantic Coast	83½	92
Atchison	78	87
Baltimore & Ohio	39⅜	55
Chesapeake & Ohio	42¾	47
Great Northern	80	85
New York Central	63½	71
Northern Pacific	76	85
Pennsylvania	42½	45½
Reading	67⅜	70½
Southern Pacific	77½	84
St. Paul	36⅜	48
St. Paul (pfd.)	63½	81
Delaware & Hudson	92	100
Union Pacific	103½	112

There is the story, Senators.

The increase in these various stocks has been substantially maintained since December 27, and, undoubtedly, with the passage of this bill, there will be another upward tendency.

But our 4 per cent liberty bonds on December 26 were quoted at substantially 97, and on February 14 the second fours were quoted at 94.80. Our 4 per cent liberty bonds, held by our people, have been very gradually, but none the less certainly, declining. The railroad stocks, upon the announcement of the intention of the Government to take the railroads and pay the sums described in this bill, soared above what they had been for many, many months. We pay an exorbitant rate to the railroads, and greatly increase the value of their stocks; we pay to patriotism on liberty bonds 4 per cent, and the value of the principal we take steadily lessens.

A favorite pastime with legislators now is to find justification for any legislative act in England's example. Of course, when England's example demonstrates a firmness in dealing with vast interests and great profits quite at variance with our mode, England offers neither parallel nor precedent. When we sought to tax heavily war profits, we showed conclusively that England was taking 80 per cent of war profits. Those who desired in our taxation scheme a measure of immunity for these profits saw nothing either compelling or persuasive in England's example. In this debate I have heard stated repeatedly—and it is the fact—that England's mode of computation is similar to that suggested here, but the analogy then ceases. In actual compensation England pays upon railroad stocks between 3 and 4 per cent—a vastly different payment from that we are asked to make. I recognize the difference in the English systems and ours and how much is included within Britain's measure; but, granting all that may be said in that behalf, actually England pays upon the outstanding stock of its transportation systems between 3 and 4 per cent. I would not have had the temerity to have cited the British law unless the proponents of the bill had first adverted to it. The actual computation under the English law deprives our friends on the other side of whatever consolation obtains from having an English precedent.

It has been insisted repeatedly that the rate prescribed in the bill is merely permissive and a maximum which may by agreement be fixed. Literally this is so, but in the light of the facts the argument is wholly specious. The rate prescribed by the bill was stated by the President in his first proclamation taking over the railroads. It was stated again in his message to Congress upon the subject. It was stated in the investigation of the committee by the Director General as the scheme of settlement which would be adopted, and it was inserted in the bill pursuant to these recommendations and statements. We need, therefore, in order to determine whether this specific rate will be paid, take the President's proclamation, his message and recommendation to Congress, and the Director General's plain enunciation of his intention.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. FRANCE in the chair). Does the Senator from California yield to the Senator from Nebraska?

Mr. JOHNSON of California. I do.

Mr. NORRIS. Might I suggest, also, to the Senator from California that the proponents of the bill on the floor of the Senate have argued that such a rate of compensation was just and fair?

Mr. JOHNSON of California. Yes; but in the same breath, it will be recalled these gentlemen, while saying that that rate was just and fair, have also said to us, "Ah, but it is only a maximum, and it may never be fixed although it is just and fair."

Mr. NORRIS. Yes.

Mr. JOHNSON of California. So you may take your choice of the arguments and give to them just exactly the credence which they merit.

Mr. NORRIS. Mr. President, it seems to me that when the proponents of this bill so argue, they themselves are answering their own argument, that it is only a maximum rate, and that they know and they expect this rate to be put in active operation.

Mr. JOHNSON of California. Mr. President, the distinguished Senator who has just interrogated me seems to labor under the delusion that in dealing with great interests and railroad properties, there must be some sort of logic, but I think, Mr. President, the history of railroads for all past time will demonstrate that logic is a secondary consideration.

I would not wish to be unjust to the railroads of the Nation, and I have listened with varying emotions to the eloquent appeals that have been made in their behalf upon this floor, but, in our scrupulous care to see that justice is done to the railroads of the Nation, let us do justice to the people as well.

Strangely enough, some of the advocates of the present measure have quite earnestly disagreed with the President's policy in taking over the railroads, and have endeavored to demonstrate that the railroads have been more sinned against than sinning, and that, but for governmental interference, they would have efficiently performed their functions. It is interesting to observe that these gentlemen, while disagreeing with the President, while asserting the railroads had done their full duty, and that they could have continued, if unhindered and unhampered, to perform such service as the Government demanded, are enthusiastically in favor of the present bill. I am in hearty accord with the action taken by President Wilson. I believe his seizure of the railroads was timely and wise, and not only timely and wise but absolutely necessary for the safety of the Nation. I do not, for one moment, believe that the railroads were prevented from performing their full duty to the Government by the priority orders issued by different departments. I recognize that, owing to an utter lack of system, orders were issued by one, then another, and then another of the departments of the Government, and that these orders were difficult of enforcement and interfered in some degree with celerity of transportation. Such a system as has been developed in respect to these priority orders is intolerable. The difficulty, of course, has been due to the lack of correlation and coordination, of which so much has recently been heard upon this floor. But however annoying these orders may have been to the railroad companies, and however they may have sporadically interfered, they could not have been the real cause of the breakdown of the transportation service of the Nation. The Senator from Arkansas has ably demonstrated this fact. For many years past students of railway transportation have realized the necessity for some sort of centralization and nationalization. Instances have come to the notice of us all—instances ever recurring and ever increasing—which have proven that efficient national transportation demanded railroad nationalization. Prior to our declaration of war this had become more and more obvious. The stress of war simply furnished the actual demonstration.

After some months of useless and impotent endeavor the railroad men, as well as all others, realized that, under the system existing in our country, with the difficulties and restrictions surrounding the railroads, neither service nor efficiency could be accorded in this crisis. Now, the lesson is what? It is, first, the great trunk lines of the country must be nationalized; and, secondly, there must be one directing central power of this nationalization system. It is plain that this nationalization can not be accomplished by competitive roads. There must be, to attain the desired result, an absolute unity of purpose, and with private ownership of lines of different equipment, different power, varying efficiency, such coordination and nationalization are utterly impossible. The conclusion, therefore, is irresistible that we must ultimately do in time of peace what we have been driven to do by stress in time of war, and the logical outcome of the present situation is, of course, permanent control—Government ownership.

Immediately after war was declared a Railroads War Board, embracing within its membership the best-known railroad men in the Nation, was formed. On April 11, 1917, they adopted the following resolution:

Resolved, That the railroads of the United States, acting through their chief executive officers here and now assembled, and stirred by a high sense of their opportunity to be of the greatest service to their country in the present national crisis, do hereby pledge themselves, with the Government of the United States, with the governments of the several States, and with one another, that during the present war they will coordinate their operations in a continental railway system, merging during such period all their merely individual and competitive activities in the effort to produce a maximum of national transportation efficiency. To this end they hereby agree to create an organization which shall have general authority to formulate in detail and from time to time a policy of operation of all or any of the railways, which policy, when and as announced by such temporary organization, shall be accepted and earnestly made effective by the several managements of the individual railroad companies here represented.

In December, 1917, before the Railroad Commission of the State of California, at regular hearings, this resolution was the subject of examination and discussion. The representatives of the Southern Pacific, the Los Angeles & Salt Lake, the Santa Fe, and the Pacific Electric Railway were witnesses. It is impossible for me to detail the evidence of these railroad representatives. Suffice it to say, however, in the language of an official epitome of the proceeding:

Leaving aside the question whether transportation conditions here are normal or abnormal (and it is abundantly clear that they are far from normal), the view that the country and the transportation system of the country must be considered as a whole for the purposes of the war, and that the conditions in the East and the West must be equalized as far as possible; that there is no sound reason why in justice the East should forego not only nonessential but essential transportation needs, while the West goes on as if nothing had happened—this view, according to the transcript, finds no favor whatever in railroad circles.

It is merely in passing that I refer to these proceedings—so brief a period before the President's order of December 27.

The testimony upon the subject is illuminating and illustrates the utter impossibility of a nationalization of railroads in anything like a unified system under private competitive management.

The present bill, while allowing excessive compensation to the railroads, fixes a time limit in which the property shall be held of 18 months. It may be remarked that, with the close of the war, 18 months will remain without a definite policy on the part of the United States, while these railroads will be under the absolute control of the Director General. It seems scarcely possible that for this interval of 18 months we should with scrupulous care provide for paying the maximum amount to the railroad companies and be utterly silent as to railroad management and governmental policy.

I object to the 18 months' period as substantially establishing at this time a policy of the return of the roads and as substantially precluding the policy of Government ownership after the war. While it may be asserted that by repeal, additional enactment, and the like, we may enter upon new policies after the war, nevertheless this bill does, in effect, tie our hands, establishing not alone our present intention, but our future policy, and this is neither wise nor statesmanlike. Were I not an advocate of Government ownership, I should protest against this provision of the bill. My advocacy of the specific policy but intensifies that protest.

The views which I entertain and express to-day upon Government ownership are not the product of a day nor the result of recent events. Years and years of dealing with the problem of railroad transportation in its various phases finally convinced me that the only way in which the intertwining difficulties of the railroad situation could be solved was by the Government itself. The American people for many, many years have been dealing with the intricate and important question of railroad transportation and railroad management with rather indifferent success, and, just as great crises have ever decided the most momentous world problems, so our war, with our railroads, has finally pointed the way. The original idea entertained by those who were managers or builders of railroads was expressed by a celebrated railroad financier of the East in "The public be damned," and by quite a famous traffic manager of the West, that "We charge all the traffic will bear."

The railroad was regarded as the private property of him who invested in it, without duty or obligation to others than the owner. The public's relation was considered as wholly secondary and of principal importance in ministering to the prosperity and the emoluments of the road. Gradually it dawned upon our people that the railroad after all constituted a public highway; that it ran through city and town and country by virtue of the permission of the people themselves; that it became so intertwined with every human activity and every business and industry that it was a public necessity; and then a few began to see the light and to insist that a public highway maintained by the sufferance of the public and traversing the public domain by virtue of the public's permission was, in its essence, first a public use. The cynical viewpoint of the early founders of the great railway systems was quickly eliminated by a rapidly awakening people, and the early suggestions that the first duty of a public carrier was to the public resulted in numerous legislative enactments and in the crystallization of a public sentiment which required the railroad to be the servant rather than the master of the public. The old idea that the railroad was designed solely for the purpose of paying dividends to its owners gave way to the new—that the paramount obligation of the road was to the public, and that the owners were entitled from the operation of the railroad only to a reasonable return upon their investment.

The problem has been, first, an economic problem, a problem of economic liberty, and out of this has grown all the other perplexing questions. By a system of regulation which has grown up of late years some of these problems have been solved, but by no means all. Regulation, sometimes drastic, sometimes lax, has been undertaken by the various States. Regulation by the Interstate Commerce Commission has been undertaken on behalf of the Nation. I have heard it stated again and again upon this floor that railroad regulation has been a failure. I do not by any means concede that fact. In the jurisdiction from which I come it has been a marked success, winning alike the praise of the people and the roads themselves; but the consensus of opinion, apparently, here is that from the larger sense we have failed in our railroad regulation—failed either in recognizing the fundamental economic question from the standpoint of the public or the fundamental financial question from the standpoint of the railroad. If it be true that railroad regulation has failed in the United States, then, of course, there is but one alternative, and that is Government ownership. If it be true, as has been insisted upon this floor in the last week again and again, that regulation has been unjust to railroads and has not accomplished its real design, then these gentlemen thus asserting should welcome with me the advent of permanent Government control and ownership.

The words "Government ownership," apparently, have a singularly chilling effect. A perfect paralysis of fear is engendered by the very suggestion; and this seems so, even though the logic of events points but one way and the action of the Government in taking possession of the roads can mean but one thing.

Ever since we have had the railroad problem I have heard our learned conservative brethren tell of private initiative, individual ability, and the necessity for each in the management of railroads, and how this private ability and individual initiative alone could efficiently manage the railroads of the Nation. I have heard whispered with horror the enormity of Government management, of the calamity and the catastrophe that would befall us if the Government ever sought in any fashion to manage these great transportation systems. I have been told of the marvelous and the wondrous ability of men who drew large salaries as presidents of the various roads, of how they, with an omniscience passing human understanding, with all the dignity and the power and the ability of the greatest of potentates, successfully presided over the destinies of the railroads and, out of the million tentacles of a transportation system, wrought efficiency that staggered the imagination.

I heard the other day upon this floor in eloquent words depicted how within the grasp of the humblest was the vast power, prestige, wealth, and glory of a railroad president. I heard with bated breath and throbbing heart the evils of Government management, and how in Government management efficiency would be lost, ambition would be chilled, and the very essence of democratic social economy would be destroyed. And as I listened to the word pictures which thus entranced me I closed my eyes and wondered in what year and in what month were we hearing of private railroad management, and of its necessity for our well-being and our success and our prosperity. And then I recalled, as I recovered from the hypnotic influence of the orator, that we were in war; that the Nation faced the greatest crisis in its history; that it called upon its men and its industries for the best and the most efficient that was in them. I remembered that the Nation thought of the marvelous efficiency of private management of its railroads, and turned with pride and with confidence to its railroad managers and magnates, and left with them the great transportation problems that confronted us. And then I remembered, when wholly free from the spell of the eloquence in this Chamber, the muddling few months of last year, when private management demonstrated its inability to cope with the Nation's crisis, and the boasted efficiency of private management was found to be a mere iridescent dream.

Volumes have been written in the past of the superiority of private management. The railroad propagandist has plastered the whole Nation with demonstrations of the superiority of private efficiency. The question, though, has been decided. It is no longer academic. The pitiless logic of events has determined it. Private management and the boasted efficiency of private management could not do the job. They acknowledged defeat, and Government management succeeded. Two months ago I would have been prepared to meet, and to meet fully, every argument presented in favor of the efficiency of private management as contrasted with the efficiency of governmental management. But the question now is no longer debatable.

Mr. GALLINGER. Mr. President, will the Senator permit me to interrupt him?

Mr. JOHNSON of California. Certainly.

Mr. GALLINGER. I will ask the Senator if, in justice to the railroads, the Senator ought not to say that the railroads have been greatly handicapped by statutes that we have enacted from time to time, and which, when the roads were taken over by the Government, the Director General, with a stroke of the pen or in some other way, practically wiped off the statute books, thus giving himself a free hand to do what the railroads could not do because of our legislation?

Mr. JOHNSON of California. Mr. President, I thank the Senator for the suggestion. I will write with just as much gentleness and with just as tender a hand the obituary of private management in the United States; and I am perfectly willing to concede in this obituary that the railroad companies have had many, many difficulties—those suggested by the Senator from New Hampshire and others as well—to surmount, and that with all these difficulties they have not been able to do the

job, and the Government of the United States is doing the job to-day; and praise God, Senators, it is the United States Government that is going to do the job for all time now.

Mr. GALLINGER. But, Mr. President, the Senator will admit that the Government is doing the job because the Government has removed the obstacles to which I called the Senator's attention.

Mr. JOHNSON of California. Mr. President, I am perfectly willing to admit anything that will add to the occasion or that will in any way soften anything that may be said concerning the railroad situation, and that the Government can do things, like the removal of obstacles and the like, suggested by the Senator, which the railroads could not do. Very freely and very gladly do I concede it.

The objection most frequently voiced on both sides of the Chamber to Government ownership is that politics would play an important and injurious part in the management of the roads. When I advocate Government ownership and management under the present administration, even though I oppose this bill, my friends across the aisle, I presume, will acquit me of partisanship. Indeed, my insistence upon this policy evinces a confidence in the present administration which, I am shocked to say, I do not find readily and enthusiastically seconded by my Democratic brethren. I have little or no fear of the politics which might be done in a Government-owned road.

In the State which I have the honor to represent we have had our experience in the kind of politics done under private management and by the efficiency of private management of railroads. We have seen there only the replica of what has occurred in many States, a great transportation company, as a short cut to governmental favors, taking possession of the Government itself. We saw there for a period of nearly 40 years every political office in the gift of that railroad company. We saw legislatures and courts corrupted and a power within the State which used the State as a mere appurtenance to a railroad system. We saw the kind of politics which led men to the polls like sheep to the shambles, which made the very bread and butter of women and children depend upon the ticket a railroad employee should vote. We saw the most beautiful State in all this Union honeycombed with corruption and a people second to none on earth cowering under a political and commercial terrorism.

Mr. President, I will risk any kind of politics under Government ownership rather than the politics I have seen under private ownership.

I was astonished the other day, when listening to the debate upon this floor, to hear it stated that employment in the railroad service under the Government of the United States would destroy the initiative of men, would chill the ambition of individuals, and would prevent the real service that is designed to be given by men who enter into that particular avocation. I deny that this is so. Why, Senators, why are you here and why am I? Why do we sit here in the rigors of winter and in all the horrors of the hottest part of a Washington summer? Are we sitting here with ambition chilled because we are Government employees, or are we sitting here for the reasons that will actuate men when they enter the employment of the Government in the railroad service—sitting here because, after all, back in the mind of every American citizen is the hope that he may say, when the time comes after his limited period in this sphere: "I have done something of good; I have not lived in vain"? And these men who go into the Government service, working for the railroads of the Nation, will have the same ambition, the same desires, the same initiative, that you see evinced every day in the service of the Government.

Chill the ambition of men because they work for the State? What a singular and remarkable doctrine to be announced upon the floor of the United States Senate! Why do my friend here and my friend here leave incomes of hundreds of thousands of dollars a year, sacrifice practically everything financially, that they may come here for $7,500? They come here for the very reason that you will find the best and the bravest and the ablest in all the engineering world, the best and the ablest and the bravest there are in every walk of life, go into the Government service, to perform something not alone for the individual, but to do the higher thing—the thing, thank God, that all of us are here to do—to do something as well for our people and for our country.

Chill ambition, Mr. President? Destroy initiative? Not so; not so at all. Politics in a nationally run railroad? Why, the first manager of a nationally run railroad that dared discharge a single man for politics would be swept from official life by an overwhelming flood of public opinion that would brook no opposition. Politics in a nationally run railroad wherein the employees were directed under civil service, as of necessity these would be? Politics? Politics?

Ah, I fear that they do not distinguish between different kinds of politics, these who inveigh against the politics that may exist under public management and the awful politics that we have seen under private "efficiency" and private management.

I come from a city of more than half a million inhabitants. Side by side with the privately owned street railway is that of which we are most proud, our municipally owned railway. I was delighted to go from the capital of the State to do what little I could in the great struggle that we had for municipal ownership in that city. We then had every argument advanced against municipal ownership that has been announced in this Chamber in the last week against Government ownership of the transportation systems of the country; every single argument, running the gamut from the horror of the loss of private initiative and from the terror of politics in the management of the roads to the expense and the trouble and the difficulty and the inefficiency of public management. We won, finally, in our fight before the people. To-day, side by side with the privately owned road is the municipally owned road of the city of San Francisco. Where is the efficiency? Ah, the efficiency is conceded to be with the municipally owned road; and, as they run side by side, the municipal road is run better, is run more cleanly, is operated infinitely better in every respect, is admittedly the superior of the privately owned road, and it pays its men higher wages, it gives them less hours of labor, it makes a greater profit, than the privately owned road.

I recognize, of course, Mr. President, that the comparison is but slight between a municipally owned street railway system and the great transportation system of the Nation. Nevertheless, the analogy is there. Politics in that municipal road? Why, in the city of San Francisco, of varied politics and of experiences, indeed, the most bizarre of any city in America, during the time we maintained a municipally owned road a man has not dared to go to that road and try to inject it into the politics of the city, or try to make of its employees mere political puppets. Say this, if you can, of the privately owned road.

My State is not alone in these experiences. I gathered together to present to you to-day the story of various railroads in this Nation. I found that the material at hand was so great that within the limits of no ordinary effort could I hope to present even an outline of the facts. I would like to read you the fascinating story of Charles Francis Adams of the Erie road. I would like to put into the RECORD the original agreements which he for the first time presented to a startled Nation. I would like to tell you the story of the New Haven road, of its wild finance, of railroad wreckers and of railroad reorganizers. If time permitted I would like to dwell with you upon the Union Pacific and the Southern Pacific and the New York Central, and I would like to point the moral from the story of all these privately owned railroads—the moral that every man to-day ought fully to understand. The tale of private management is a sordid and a wretched and a wicked and a cruel tale. It is the story of greed and avarice, of plunder and wrong and corruption.

Gentlemen upon this floor have said all this is of the past. Perhaps it is, perhaps it is not. You had your experience. You know what it means. The results you understand. In the kaleidoscopic events that are now transpiring, none can foresee into the dim and uncertain future. With the experience before you, with your knowledge of what private management has meant in the past, with your clear perception of its possibilities for wrong and for evil, with the demonstration to-day of its inability to do the big job, with the doubtful success of regulation alike proclaimed by railroads and regulators, why hesitate in the inevitable course, the course which, despite you and me, will, nevertheless, be the course pursued.

I would not have you believe that all private management is of the sort which I have here condemned and to which I have here adverted. There are many railroads privately managed fairly, honorably, and justly. I am not condemning, by what I have said, individuals at all. I would protect investors in legitimate railroad securities to the uttermost limit; and nothing better demonstrates how governmental action does protect the value of railroad securities than the sudden and remarkable jump in all the railroad stocks on the 27th of December last, when the President proclaimed the seizure of the roads. I have been condemning the system, the system which has made possible the wreckage and wrongs, the corruption and infamy, and the system has been painted so often, its true story so frequently portrayed, that I have hesitated by specific instances to demonstrate what is now common knowledge of all Americans.

We have paid the price of private ownership. We have paid the price of private ownership in millions of acres of our best farm lands. We have paid the price in our forests, in our coal deposits, our lands gushing with oil. We have paid the price in building up overnight fabulous fortunes, used for the undoing

of the State. We have paid the price in handicapping our own people, in distorting our public and our private economy, in corrupting our political life, and in tainting the very fountain head of justice. We have paid the price of private ownership in this Nation, and no matter what may be the attitude of any of us to-day, despite barriers or obstacles, the Nation is marching straight to the goal of public ownership, and the people at last will come into their own.

Mr. FRELINGHUYSEN. I beg leave to submit an amendment to the pending bill. I ask that it may be printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered.

Mr. ROBINSON. I wish to offer the following amendment to the pending bill. I ask that it may lie on the table and be printed.

The PRESIDING OFFICER. It will be so ordered.

Mr. SHERMAN. Mr. President, I wish to notify the Senate that if conditions permit I shall to-morrow discuss the pending bill. I shall support the bill as reported by the committee. I am not prepared to go on this afternoon. I have been unavoidably absent from the Senate for nearly a week.

Mr. NORRIS. Mr. President, I was very much pleased when the President took over the railroads of the country. There can be no doubt but that our system of transportation had broken down, and he was entirely justified in taking possession. The pending bill is not of legislative origin. It comes to us from the President, and provides for the method of payment by the Government to the railroad companies for the use of the railroads while the Government holds possession. Every honest person must concede that the railroads are entitled to fair and just compensation for the use of their properties. To give them less would be not only unconstitutional but unjust, both in equity and in morals. To give them more than just and honest compensation is unfair and unjust to the people who must pay the taxes. Every man, woman, and child in the country has a direct interest in the question of transportation. There is nothing that we eat, wear, or use in any way but part of its cost is transportation.

It enters into the expense of our daily life. There is no way to escape it. Every person who wears clothes, eats food, or burns fuel contributes to the great transportation systems of our country. Transportation is, therefore, a tax. Disguise it as you may, cover it up as you will, the fact remains nevertheless that all freight charges are as much a tax upon all of the people as though they were levied directly by legislative authority. Its importance, therefore, can not be overestimated. To increase the taxes, either directly or through this indirect method of paying the railroads, except to such an extent as may be absolutely necessary, is not only unwise and unjust, but it is fraught with the gravest dangers and will interfere seriously with the great work that is now before us of prosecuting the war.

The present bill authorizes the President to make agreements with the railway companies by which the Government shall pay for the use of railroad properties during the period of Government possession and operation the average net operating income of such roads for the three-year period ending June 30, 1917. I regret exceedingly that the President has selected and the committee in reporting the bill has approved years that will result in paying to the railroad companies an income very much in excess of that to which they are fairly and justly entitled as public carriers.

Mr. President, there are no three consecutive years in our history outside of those selected that would bring as large a return to the railroads as the three years ending June 30 last. This plan will result in giving to the railroad companies a much larger income than is fair and just and an income much greater than they have been receiving in normal times. Years have been selected during which the railroad traffic was greater than any other years in the history of the country. The selection of these years by the President and the approval of such selection by the committee reporting the bill will result in the placing of an obligation upon an already overburdened people that can not be justified as a fair and equitable distribution of the burdens of taxation.

As illustrating how the proposed plan will actually work out in practice, let us take a few of the well-known railway systems of the country and see what the result will be as to them: In the East we will take the New York Central and the Pennsylvania Railroad. Under this proposed system the payment the Government will be required to make to the stockholders of the New York Central Railroad is an annual dividend of 12.96 per cent.

The Pennsylvania system is composed of the Pennsylvania Railroad Co. and the Pennsylvania Co.; one operates the lines east of Pittsburgh and the other the lines west of Pittsburgh. Under the pending bill the Government would be required to pay the Pennsylvania Railroad Co. a dividend of 8.93 per cent and the Pennsylvania Co. a dividend of 11.92 per cent. In the southern part of the country the Government would pay to the Illinois Central Railway Co. a dividend of 11.33 per cent; to the Louisville & Nashville Railway Co. a dividend of 16.75 per cent; to the Chesapeake & Ohio Railway Co. a dividend of 9.31 per cent; and in the mid-western section of the country the stockholders of the Union Pacific Railway Co. would receive a dividend of 9.64 per cent; of the North Western Railway Co. a dividend of 10.18 per cent; and of the Burlington Railway Co. a dividend of 22.05 per cent.

These great systems are illustrations of how the plan would work out. Other railroad companies would receive less, and many of them would receive a much larger dividend. In order to determine the exact amount that under the pending bill, under such an agreement, would be paid to practically any railroad in the United States I desire to insert at this point a table prepared by the Bureau of Statistics, Interstate Commerce Commission, naming the railway companies whose average net income to capital stock has been more than 5 per cent during the three years ending June 30, 1917, and showing what each one of them would receive under the proposed guaranty. It is a table, as I said, prepared by the Bureau of Statistics of the Interstate Commerce Commission, and it is included in the minority report submitted by the Senator from Iowa [Mr. CUMMINS]. I ask permission to insert it at this point without reading.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Road.	Capital stock actually outstanding (average for the 3 years ended June 30, 1917).	Average net income for the 3 years ended June 30, 1917.	Average per cent of net income to capital stock.
EASTERN DISTRICT.			*Per cent.*
Pennsylvania R. R. Co	$499,195,567	$44,534,939	8.93
New York Central R. R. Co	249,676,128	32,357,239	12.96
Baltimore & Ohio R. R. Co	210,899,812	12,285,229	5.83
Pennsylvania Co	80,000,000	9,537,859	11.92
Philadelphia & Reading Ry. Co	42,481,700	10,916,875	25.70
Delaware, Lackawanna & Western R. R. Co	42,320,400	13,890,560	32.90
Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co	67,511,723	4,558,593	6.75
Lehigh Valley R. R. Co	60,608,000	7,169,999	11.83
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co	57,027,200	5,048,902	8.85
Michigan Central R. R. Co	18,736,400	3,463,464	18.48
Central R. R. Co. of New Jersey	27,436,800	5,556,775	20.25
Delaware & Hudson Co	42,502,600	5,437,547	12.79
Philadelphia, Baltimore & Washington R. R. Co	25,5[illegible],000	2,941,156	11.50
Pittsburgh & Lake Erie R. R. Co	31,991,200	7,537,923	23.56
Elgin, Joliet & Eastern Ry. Co	10,000,000	945,239	9.45
Maine Central Ry. Co	18,199,317	1,605,075	8.82
Buffalo, Rochester & Pittsburgh Ry. Co	16,500,000	1,560,021	9.45
Bessemer & Lake Erie R. R. Co	500,000	3,236,080	647.22
Chicago & Erie R. R. Co	100,000	70,449	70.45
Hocking Valley Ry. Co	10,999,500	1,313,129	11.94
West Jersey & Seashore R. R. Co	10,317,983	691,139	6.70
Central New England Ry. Co	8,547,200	717,586	8.40
New York, Philadelphia & Norfolk R. R. Co	2,500,000	893,508	35.74
Rutland R. R. Co	9,150,300	575,651	6.29
Bangor & Aroostook R. R. Co	4,079,067	337,808	8.28
Cumberland Valley R. R. Co	5,333,550	1,280,684	24.01
Kanawha & Michigan Ry. Co	9,000,000	991,665	11.02
Lehigh & New England R. R. Co	6,000,000	819,722	13.66
Chicago, Terre Haute & Southeastern Ry. Co	4,300,000	234,761	5.46
Lehigh & Hudson River Ry. Co	1,340,000	374,915	27.98
Monongahela Ry. Co	3,809,333	352,809	9.26
Cincinnati Northern R. R. Co	3,000,000	268,573	8.95
Port Reading R. R. Co	2,000,000	182,547	9.13
Detroit & Toledo Shore Line R. R. Co	1,428,000	348,020	24.37
Buffalo & Susquehanna R. R. Corporation	7,000,000	496,202	7.09
Staten Island Rapid Transit Co	500,000	160,119	32.02
Detroit & Mackinac Ry. Co	2,950,000	218,976	7.42
Total eastern district	1,593,322,780	182,921,748	11.48
SOUTHERN DISTRICT.			
Illinois Central R. R. Co	109,288,114	12,383,882	11.33
Louisville & Nashville R. R. Co	72,000,000	12,058,800	16.75
Norfolk & Western Ry. Co	138,580,887	17,342,810	12.51
Chesapeake & Ohio Lines	62,788,000	5,848,431	9.31
Atlantic Coast Line R. R. Co	68,754,700	7,424,004	10.80
Central of Georgia Ry. Co	20,000,000	1,878,570	9.39
Nashville, Chattanooga & St. Louis Ry	15,994,831	2,175,426	13.60
Mobile & Ohio R. R. Co	6,016,800	888,067	14.76
Cincinnati, New Orleans & Texas Pacific Ry. Co	5,443,400	2,448,923	44.99
Florida East Coast Ry. Co	10,833,333	1,090,321	10.06
Alabama Great Southern Ry. Co	11,210,350	1,364,246	12.17
New Orleans & Northeastern R. R. Co	6,000,000	646,449	10.77
Richmond, Fredericksburg & Potomac R. R. Co	4,315,067	979,486	22.70

Road.	Capital stock actually outstanding (average for the 3 years ended June 30, 1917).	Average net income for the 3 years ended June 30, 1917.	Average per cent of net income to capital stock.
SOUTHERN DISTRICT—continued.			*Per cent.*
Georgia Southern & Florida Ry. Co	$3,768,000	$222,186	5.90
Charleston & Western Carolina Ry. Co	1,200,000	260,036	21.67
Gulf & Ship Island R. R. Co	7,000,000	373,070	5.33
Alabama & Vicksburg R. R. Co	2,100,000	360,784	17.18
Washington & Southern Ry. Co	4,000,000	348,841	8.72
Atlanta & West Point R. R. Co	2,483,800	292,922	11.89
Western Railway of Alabama	3,000,000	251,851	8.39
Total	554,745,062	68,636,910	12.37
WESTERN DISTRICT.			
Atchison, Topeka & Santa Fe Ry. Co	332,323,877	32,230,091	9.70
Southern Pacific Co	272,725,239	17,983,726	6.60
Chicago, Milwaukee & St. Paul Ry. Co	233,235,167	14,336,613	6.15
Chicago, Burlington & Quincy R. R. Co	110,839,100	24,444,045	22.05
Chicago & North Western Ry. Co	157,591,852	16,040,315	10.18
Great Northern Ry. Co	249,361,866	24,021,687	9.63
Northern Pacific Ry. Co	247,982,000	24,287,781	9.87
Union Pacific R. R. Co	321,835,100	31,018,328	9.64
Minneapolis, St. Paul & S. Ste. Marie Ry	37,810,200	4,571,790	12.09
Oregon Short Line R. R. Co	100,000,000	9,381,016	9.38
Texas & Pacific Ry. Co. (Rec.)	38,755,110	2,548,330	6.58
Chicago, St. Paul, Minneapolis & Omaha Ry. Co	29,815,000	2,854,452	9.57
Duluth, Missabe & Northern Ry. Co	4,112,500	4,693,088	114.12
El Paso Southwestern Co	25,000,000	2,190,198	8.76
Houston & Texas Central R. R. Co	10,000,000	1,088,368	10.88
Duluth & Iron Range R. R. Co	5,333,333	2,040,987	38.27
Fort Worth & Denver City Ry. Co	9,243,800	1,297,029	14.03
Panhandle & Santa Fe Ry. Co	604,500	389,097	64.37
St. Louis, Brownsville & Mexico Ry. Co	500,000	263,544	52.71
Chicago, Rock Island & Gulf Ry. Co	469,000	83,685	17.84
Bingham & Garfield Ry. Co	6,171,667	1,405,681	22.78
Louisiana Western Ry. Co	3,360,000	802,684	23.89
Nevada Northern Ry. Co	2,000,000	879,907	43.99
Vicksburg, Shreveport & Pacific Ry. Co	4,999,300	299,634	5.99
Houston East & West Texas Ry. Co	1,920,000	234,199	12.20
Cripple Creek & Colorado Springs Ry. Co	757,000	171,612	22.67
Colorado & Wyoming Ry. Co	100,000	162,636	162.64
Wichita Valley Ry. Co	1,020,000	117,936	11.56
Arizona & New Mexico Ry. Co	2,770,000	237,614	8.58
Total	2,210,635,611	220,076,073	9.93

Mr. NORRIS. It will be observed that this table includes practically every railroad in the United States. It might be well to remember also in passing that, taking the country as a whole, a little more than one-half of the stock of the railroads in the country was originally issued without any consideration and represents nothing but water. It must be remembered, also, that the income shown in this table is the net income, and represents just what would be paid to the stockholders after all the expenses including taxes, and so forth, have been paid. It does not, however, include income derived from other sources than operation. In some instances this income represents a large amount of money. Income derived from the sale of lands, income from leases, and so forth, would be in addition to the amount named in the table. The pending bill also contains a provision giving the President authority to make agreements in regard to the payment by the Government to railroads that did not make or declare dividends during the three-year period selected. He is authorized to make agreements with such roads, paying them whatever in his judgment is just.

We must remember also that the bill provides that the Government while it has possession of the roads shall keep them in repair and return them to the owners in as good a condition as they are now. There is also a provision that any road not satisfied with the allowance made by the President shall have the right to go into court in order to collect whatever it may be able to prove a just and fair allowance. I mention this provision not in criticism, but to show that those roads which did not pay dividends during the period selected will be paid a fair and just income, and therefore the aggregate paid to all the railroads of the country is liable to be in excess of the amounts that will be derived from the percentages contained in the table.

We are now engaged in the most gigantic undertaking that has ever been presented to our people. Our Government is demanding of its citizens sacrifices of all kinds and almost without limit. Every patriotic citizen is backing up the Government in carrying on this great war. All of our people are united in a determination that the war must be won at any cost. Whatever sacrifice it is necessary to make must be made and is being made willingly and without hesitation. From all over the country, from the workshop, from the farm, from the counting house, from the professional office there comes a patriotic willingness to sacrifice in every possible way in order that victory may come to our arms.

Our people are buying fewer clothes, eating less food, giving up luxuries, and many of the necessaries of life, in order to help sustain our brave boys in the trenches. No patriotic citizen is willing to permit anything to stand in the way of our success, and the success which we all demand is that militarism shall receive its death knell, that conquest and subjugation of peoples shall be a thing of the past, and we will not lay down our arms until a peace lasting and permanent shall have been attained.

This is a gigantic task and it requires the cooperation and assistance of every patriotic citizen everywhere under the flag. Our people have responded with a willingness and a determination to win the war at any cost, unsurpassed in the history of the world. We are a united people behind our Army. We must remain united. Nothing must be done by those in control of the Government that will have any tendency to create dissatisfaction or any feeling that any class of people is enabled to make money out of the sacrifices of their fellow men. No man, no set of men, no partnership, no corporation has a moral right to make an unreasonable or unconscionable profit out of any industry connected with the war, if by so doing the burdens of the great bulk of our people are increased. Our Government has asked its people to subscribe billions of dollars in bonds drawing 4 per cent interest. We are going to ask them to subscribe additional sums, to make additional sacrifices. The Government ought to be able to go before the people when it asks for such sacrifices with clean hands. It should be able to say that no act of legislation or of administration has willingly or consciously been the means of permitting profiteering at the expense of honest citizenship.

We have asked the children to donate their pennies and their childish savings to the Government in the way of buying thrift stamps. What will be the result when we make the next drive for bond subscriptions, when we go into a town along the Pennsylvania Co. lines, and ask the laborer to further economize in order that he may have money to loan to the Government at 4 per cent? Will we tell him, when we ask for his subscription, that the railroad company running by his door has been guaranteed by the same Government asking a subscription from him a net income of practically 12 per cent on all stock of that company?

Will we go out upon the fertile plains of Nebraska and meet the farmer who is returning after dark from 12 to 14 hours' labor, producing food for our Army and the armies of our allies, and ask him to subscribe for more liberty bonds, without explaining to him that the money we borrow from him at 4 per cent interest is going to be used in part to pay the Burlington Railroad that passes his farm an income of over 22 per cent? Will we explain to the children living along the Louisville & Nashville Railroad in the South that the pennies which we borrow from them in the sale of thrift stamps are to be turned over to the Louisville & Nashville Railroad Co. in order that the stockholders of that corporation may receive a net income of nearly 17 per cent?

Is our action in giving legislative approval to the President's wish going to have a tendency to satisfy the great bulk of the American people and keep them united and willing to sacrifice still more, or will it have a tendency to create dissatisfaction and even complaint among the millions of citizens who feel that sacrifice should not be confined to one class of people only, but that it should be extended to every association and corporation throughout the length and breadth of the land? To my mind, we are taking a step that is liable to be construed by honest-minded people as a legal protection to profiteering on the part of the transportation companies of the country. Such a step will not unite our people. It will not have a tendency to increase the patriotic spirit that is so necessary and essential in winning this war, and while I do not believe that such a step will prohibit our patriotic citizenship from doing their best and doing their all, yet it will leave in their minds a sense of injustice that when this awful conflict is over will bear its fruit, and may have a tendency to swing the pendulum too far the other way and demand the exaction that will bring down upon the heads of honest men and honest business destruction and devastation.

Another objectionable provision of the bill is that it gives to the President the power to make and change freight rates at his discretion. There is no reason why the law on this subject should be changed. Under existing law the Interstate Commerce Commission has power to regulate the rates, and when a carrier desires to increase a rate it must first file the proposed increase with the Interstate Commerce Commission, and the

Interstate Commerce Commission determines after a hearing, either on its own motion or on the application of shippers, whether such increase is justified and should be allowed. In the meantime the new proposed rate does not go into effect. Under the pending bill the President can change or increase a rate at any time, and the change so made goes into effect at once and remains in effect until changed by legal authority. It provides, in substance, that after the President has made a rate anyone feeling aggrieved can appeal to the Interstate Commerce Commission, and if after a hearing the Interstate Commerce Commission thinks the rate made by the President is unjust it can modify the rate or change it back to the original rate. Everyone familiar with appeals in courts and tribunals knows what this means. With the large amount of business before the Interstate Commerce Commission it would mean that, so far as this part of the bill is concerned, there would be no practical relief. The delays, the time, and the expense necessary to carry on such an appeal, particularly when the Government, represented by the President, is on the other side, is an undertaking that any citizen or group of citizens might well shrink from going into. This feature is not the only objection to this provision. Without imputing to the Interstate Commerce Commission any intention of doing anything that is not fair or just, it is asking a great deal of them, whatever the evidence may disclose, to overrule the President of the United States, the man who gave them their positions and who has power to retire them to private life if their terms expire while he remains in office. It is like commencing an action in the appellate court and having the judgment of that court reviewed by the inferior court. It is like appealing from the judgment of the judge to the judgment of his clerk, whom the judge appointed to the position.

It is unnecessary, as I have said, to confer this rate-making power upon the President. It is unwise to do it, even though he asks it. He is already overburdened with authority, and it is a recognized fact that he will not be able to give his personal attention to the details of rate making. He could not do it if he wanted to. He will not be able to do it even if he desires to. Moreover, it is not a power necessary to vest in the President in order to carry on the war or to coordinate the different functions of governmental agencies. When he acts on this authority he will necessarily have to act through other people. The place where he would naturally go for his information would be to the Interstate Commerce Commission, and if it is the intention that the President shall get his information from the Interstate Commerce Commission, then why take such a round-about course? Why not permit the Interstate Commerce Commission, the best posted tribunal on railroad rates, to have original jurisdiction and to do as they now have authority to do in the rate-making function. If the theory is that the President will get his information from the Interstate Commerce Commission, then why go through the formality of providing for an appeal from the President to the commission. The freight rate making power is an extremely important function of the Government. It practically affects the cost of living of all our people. And this is true, whether they are actually engaged in shipping freight or not. It is true of the man who never sees a railroad. It is true of the little child too young to participate in governmental affairs. It has a vital influence upon our part in the great war struggle. It may spell the difference between success and failure. It affects the comfort and the happiness of all, and enters minutely into the very existence of our people. This is a power we should not give to the President, and I regret more than I can say that he has asked us to do so.

I will not go into a further discussion of the bill, although I think there are other features that are objectionable and others that are commendable. I have only pointed out the two objection which, in my judgment, are the most important. I realize the importance of the legislation, but there is no question in it that must necessarily be decided in a day. Even if the bill were defeated, it would not interfere with the management of the railroads. The Government has possession of the roads, and if the method of compensation and the rate-making power were not passed on at once, it would not interfere with the Government's control and management. The railroads ought to be paid a fair and just compensation for their use. We could not take away this right, even though we wanted to, and so far as I am aware, no person, either in the Senate or out of it, has any desire to do anything but justice and equity to our railroads, as we want to do equity and justice to all our people. More than this they have no right to ask, and more than this we should refuse to give. It is important that we protect them in all their rights, but it is equally important that we protect the already overburdened taxpayers of our country from unjust and unfair taxation.

Mr. THOMPSON. Mr. President, in support of the amendment which I have introduced, which is similar to one offered by the Senator from South Dakota [Mr. JOHNSON], to restore the original language of section 13 of the bill, which does not fix a time limit when the railroads must be turned back to private ownership, I desire to present, and to have printed as a part of my remarks, a petition from the national legislative representatives of the railroad brotherhoods, representing about 2,000,000 employees of the railroads.

The PRESIDING OFFICER. Without objection, it is so ordered.

The petition referred to is as follows:

To the Members of the Senate and House of Representatives of the United States:

Being fully cognizant of the seriousness of the crisis confronting our country, and realizing the dangers besetting our liberties, it is the honest, earnest desire of the railroad employees to give our full, loyal, and united support to our Government, and to make certain, clear, and decisive the conclusion of our aims. Therefore we desire to make effective all the agencies of the Government, and we fully appreciate that the question of transportation is one of the important factors at this time.

While we are pledged to, and hereby reaffirm our pledge of, loyalty and whole-hearted support to our country, our Government, and our President during this war, we are aware of the seriousness of the situation that inevitably must follow immediately after the close of hostilities in the readjustment of conditions in the United States; and whereas the Government of the United States has, by proclamation of the President, assumed control of the transportation systems for the period of the war, with which we are in accord, we believe that full time should be given after the close of hostilities to enable just, fair, and impartial determination of the proper methods of adjustment of the rights and equities of the public, the owners of the transportation lines so taken, and of the employees thereof, and as representatives of nearly 2,000,000 employees of the railroads of the United States, we most earnestly and respectfully petition the Congress of the United States not to fix a time limit at which the railroads must be turned back to private ownership, leaving this question for future determination, and thereby giving ample time for the adjustment of matters growing out of the temporary control of same with equal justice to all parties at interest.

Very respectfully,

H. E. Wills, A. G. C. E. and national legislative representative Brotherhood of Locomotive Engineers; P. J. McNamara, vice president, national legislative representative, Brotherhood of Locomotive Firemen and Enginemen; W. M. Clark, vice president, national legislative representative, Order of Railway Conductors; W. N. Doak, vice president, national legislative representative, Brotherhood of Railway Trainmen; A. O. Wharton, president railway-employees department, American Federation of Labor; Martin F. Ryan, grand president Brotherhood Railway Carmen of America; J. A. Franklin, president International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America; F. J. McNulty, president International Brotherhood of Electrical Workers; James J. Hynes, president Amalgamated Sheet Metal Workers International Association; J. W. Kline, president International Brotherhood of Blacksmiths and Helpers; William H. Johnston, president International Association of Machinists.

Mr. THOMPSON. Mr. President, I wish to say that I heartily agree with the action of the President in taking over the railroads during the war, and I am consequently in favor of the pending bill to enable the President to carry out his patriotic purpose to operate them in the best interests of the Government.

I have observed for a number of years the gradual growth of sentiment in this country for Government ownership not only of railroads but of all public utilities, and, so far as I am personally concerned, it can not come too soon to suit me. This has been occasioned largely by reason of the fact that the management of the railroads has failed to recognize the rights of the people and the interests of the public in the control and operation of the roads. But whether the American people are quite yet prepared for this great change, to pay the price, and to assume the necessary obligations which would result therefrom, is a debatable question which can not be settled in emergency legislation in time of war. Now, however, that the Government has control of the railroads, I am in favor of giving Government control and operation a thorough and complete trial, not only in time of war but in time of peace. I think, therefore, that there should be no time limit as to when the railroads should be returned to their owners, but that we should meet that question when we get to it in the general readjustment of things after the war. The great task before the American people to-day is that of winning the war. It does seem to me that if Government ownership proves advantageous to the public in time of war, under the extreme difficulties of operation, it would prove of even greater benefit to the people in time of peace, when more attention could be given to the individual citizen and less attention given to the requirements of the Government.

Mr. TOWNSEND obtained the floor.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, N. Mex.	Phelan	Swanson
Bankhead	Jones, Wash.	Poindexter	Thomas
Borah	Kellogg	Pomerene	Thompson
Calder	Kendrick	Robinson	Tillman
Cummins	Kenyon	Saulsbury	Townsend
Curtis	Kirby	Shafroth	Trammell
Dillingham	Knox	Sheppard	Underwood
Fernald	Lewis	Shields	Vardaman
Fletcher	McNary	Simmons	Wadsworth
France	Nelson	Smith, Ga.	Warren
Gronna	New	Smith, Mich.	Weeks
Hale	Norris	Smith, S. C.	Wolcott
Harding	Nugent	Smoot	
Henderson	Overman	Sterling	
Johnson, Cal.	Page	Sutherland	

Mr. LEWIS. Mr. President, I rise to announce the absence of the Senator from Kentucky [Mr. JAMES] and of the Senator from Oregon [Mr. CHAMBERLAIN] because of personal illness.

Mr. GRONNA. Mr. President, I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to serious illness in his family.

Mr. McNARY. I desire to announce the absence of my colleague, the Senator from Oregon [Mr. CHAMBERLAIN], on account of illness.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the Senator from West Virginia [Mr. GOFF], on account of illness.

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. There is a quorum present. The Senator from Michigan will proceed.

Mr. TOWNSEND. Mr. President, as I stated yesterday, I have no particular desire to speak on this measure for the purposes of the RECORD. I have, however, for many years been especially interested in the so-called railroad problem, and being a member of the Interstate Commerce Committee, which has this matter directly in charge, and having some ideas on the subject, I have concluded to submit them to the Senate. I realize, however, that much of what I shall say will be of very little use unless Senators themselves shall follow me in the analysis or comparison which I shall make between the bill and the substitute which I have offered. I present this substitute not as being an expression of my views as to what the bill should be. My purpose has been not to change the pending bill in its intent but to make clear that intent. It becomes my duty in this regard to criticize, but not captiously, the measure under consideration in order to disclose its defects, to the end that they may be corrected. I believe that a careful study of the substitute will convince Senators that it makes clear the intent of the committee.

This legislation has its origin in the act of August, 1916, by which Congress authorized the President to take over the railroads of the country. That authority provided that they should be taken over by the war power through the Secretary of War. The President, however, vested the control of the roads in the Secretary of the Treasury. I do not wish to be understood as saying that the President did not have the right to vest this authority in the Secretary of the Treasury instead of in the Secretary of War, if he saw fit to do so, but the act was passed on the theory that it was a war measure and therefore had relation—and, as Congress understood it, had sole relation—to the question of war. I did not understand at the time, although I am not complaining now at the different interpretation placed upon the act, that it was intended as a general provision to take over the railroads of the country for every conceivable purpose. I though that Federal control was to be exercised in order that the railroads of the country might more efficiently handle the war material, the troops, and other things connected with the war. I doubt if anyone would have thought favorably at the time the act was passed of a proposition to make the Secretary of the Treasury Director General of the Railroads.

The Secretary of the Treasury already had a very large job, indeed he had several large jobs on his hands. It would seem that his duties as Secretary of the Treasury would be quite sufficient to occupy one man's time—even the very ablest man in the country. But he was not only the head of the Treasury Department, which will have in charge the raising of from ten to twelve billion dollars in cash between this and the 1st day of July, and which has upon its hands the greatest financial responsibilities ever known to any Secretary of the Treasury since Hamilton's time, but he was also at the head of the Federal Reserve Board, he was chairman of the War Risk Insurance Bureau, and he is about to be placed in charge of the finance corporation, to be created by Congress. This power in August last was vested by Congress in the President, and it was believed by all at that time, I think, that the officer named in the bill—the Secretary of War—would be the person who would exercise the war power. But the President saw fit to vest that function in the already overworked Secretary of the Treasury. I do not wish to criticize the ability or the character of the Secretary of the Treasury, but I simply wish to state the fact that two positions, the duties of each requiring almost a superman to perform, in this crisis have been placed upon Secretary McAdoo.

This is an administration measure. It originated not in the Congress; it was not drawn by a Member of Congress or by any committee of Congress; it was prepared in the Treasury Department, and presented to Congress as a war measure. There are three features of the bill which provoked a good deal of discussion before the committee, and practically only three. One is the provision relative to the compensation to be paid the railroads; another was the question of rate making during Federal control; and the third had relation to the duration of the period of Federal control. On these three subjects there was prolonged discussion before the committee; and upon two of them, I think I can state without betraying any confidence—because outsiders were present before the committee—the committee was deadlocked, namely, the period of Federal control and the question of rate making. So the provisions that appear in the bill relating to these two subjects were the result of a compromise, satisfactory, I think, to no one. I know the two conferees who prepared it were not satisfied with it, but it was the best they could do to harmonize the conflicting differences of opinion between the two factions of the committee which they represented.

Personally, I believe that the compensation provided in the bill is too great. I do not know, however, whether or not it is greater than a court would allow to the railroads under the conditions. I apprehend that if the railroads had resort to the courts to determine what compensation they should receive the courts would decide the matter under existing conditions. They would not, in my judgment, take into consideration the various theories which have been advanced here as to what is just compensation to a railroad company in time of peace. Evidently, in my judgment, the railroads would be entitled to receive what the courts would find they would have probably earned had not Federal control occurred. Yet, believing as I did and as I do believe that the compensation is too great, nevertheless I had in mind that this was emergency legislation and that the compensation provided would continue only during the war and that a basis of agreement between the railroads and the President must be provided, I consented to this provision of the bill.

An agreement was thought desirable in order that the matter might be expedited and the question promptly settled for the good of the country. It is evident that if the Congress proposed a compensation which the railroads believed was much less than they would receive at the hands of a court, they would not accept it, and the question, therefore, would be left unsettled. I consented, however, to the provision relative to compensation on the theory that the other provisions of the bill would be adjusted in a manner which would minimize the compensation feature. For instance, I did not wish this compensation to be paid to the railroads a day longer than the Government holds control of the roads. I recognize, of course, the force of the argument that it might require some little time to adjust matters incident to turning the roads back to their owners, and perhaps provision should be made for that; but when I supported the compensation provision I had no idea that the term of control would be left indefinite or extended to as long a period as 18 months.

I know it is argued here that some time should be allowed for Congress to enact legislation to correct existing conditions—that is, conditions that have been recognized as bad in times of peace—but I wish to say to those Senators who advance that argument that they voted for and put into this bill a provision that the railroads may be turned back any day by the President of the United States before July 1, 1917, and at any time thereafter by agreement with the railroads he may turn them back. No time is required to elapse before the President may release them to their owners. Senators who are making the argument that it would require much time have evidently forgotten that provision in the bill. I can see no reason, so far as war is concerned—and this is a war measure—why these roads could not be turned back to their owners inside of three months, or six months at the outside.

I do not care to discuss the question of Government ownership. It is not properly involved in the bill. It has no place here, but should be considered when it is presented upon its merits uninvolved in coercive emergency war legislation. I say now, as I said to the committee, when that question comes up on its merits, I shall be prepared to meet it; but I object to writing into a bill, known as a war measure, legislation which does not affect the war and which might not be enacted in time

of peace. Yet I shall attempt to show before I am through that there are several provisions in this bill that were put in because there was an opportunity to put them in, and thus to provide, through Executive order, for legislation that Congress had failed to enact in time of peace, but which its proponents feel they can engraft onto a war-emergency bill.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Washington?

Mr. TOWNSEND. I yield.

Mr. JONES of Washington. I merely want to ask the Senator whether those matters were put in the bill by the committee or whether they were put in the bill by those who originally drafted it?

Mr. TOWNSEND. They were all put in by those who originally drafted it I think the men who drew this bill knew what they wanted; but I do not think that the members of the committee understand all of the provisions of the bill, as I shall later attempt to show.

I have said I objected to putting legislation on a war emergency bill designed for a time of peace only. We have been doing that in this Congress to a great extent. I condemn such action, regardless of whether the legislation as applicable to a time of peace is, in my opinion, right or wrong. My objection is that such legislation does not fairly and squarely meet the issue. As an illustration, for instance, the bill as originally presented to the committee gave the President the right to fix all rates without regard to the action of the Interstate Commerce Commission, and the railroad owners finally came around to the point where they advocated that proposition, because it was clearly known and understood that an arrangement or understanding had been had with them to the effect that their rates and fares were to be raised by the Director General, and that the compensation to their employees would also be increased. This understanding would be popular with both the owners and their employees. The fact is the railroads have not been able up to this date to obtain from the Interstate Commerce Commission what they are going to obtain under this bill. That is an open secret; nobody will deny it. But is it in consonance with popular government to allow a dictator to do what the people's agencies had refused to do?

I submit, Mr. President, that if there is one commission or board in this country that has enjoyed the respect and the confidence of the people of the United States more than any other it is the Interstate Commerce Commission. This bill, whether intended to do so or not, practically discredits that commission, and thus the people's tribunal, the tribunal that has stood between the people and the railroads, will be put out of commission practically, so far as rate-making is concerned. That, I repeat, is an attempt to enact legislation on a war emergency bill that could not be secured in time of peace.

I submit, Mr. President, that rate making is not a war function. The railroads have been taken over; they can be operated in any manner that the President may desire and order. Of course, there is a question of raising money from the shippers to help pay the expense by an increase of rates, and one Senator has stated that it is perfectly proper that in a time of emergency the shippers of this country, who, as he says, are making vast sums of money, should pay additional compensation for hauling their freight and transporting passengers. That is the same old fallacious argument. The wealthy manufacturers, who, as it is said, are making money out of munitions, and so forth, do not pay the freight; it comes out of the consumers; it always has come out of the consumers. The railroads have always clamored for additional rates because they knew that if they obtained what they asked for they could not only meet any additional expense but reap a reward besides from the surplus. This same principle is involved in our internal-revenue tax on many commodities. Take, for instance, tobacco. The tax on tobacco is 5 cents a pound. A little plug of Piper-Heidsieck before the war cost 5 cents. There are 12 of those plugs in a pound. The tax was 5 cents a pound, but even before the law went into effect tobacco dealers charged 6 cents a plug in anticipation of the tax, thus obtaining 12 cents a pound to pay a tax that amounted to 5 cents. That tax was a money-maker for the tobacco men. They pay the Government 5 cents and then recoup 12 cents from the consumer. So it is with the unjust increase of railroad rates.

You increase the rate beyond the just and reasonable amount, and not only are all the extra charges met but a large surplus is turned into the treasury of the railroads. Now, I do not wish to be understood as saying that the railroads are not entitled to just and reasonable rates; they may be entitled to an increase in rates; but I want some tribunal of the people to determine what are just and reasonable rates.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Colorado?

Mr. TOWNSEND. I do.

Mr. THOMAS. I am in entire accord with the Senator's argument. It seems to me to be unanswerable. I want to suggest to the Senator what has probably occurred to him—in fact, he may have referred to it while I was out of the Chamber—that in the event the President takes over only a portion of the railroads we will have two standards of charge for freight, and possibly for passengers. If only a portion of the railroad systems are taken over and the others are left in private management, does not the Senator think, under those circumstances, that if the rates were raised by presidential order with regard to the systems under Federal control it would be necessary for the Interstate Commerce Commission to raise all rates so as to protect the other roads, or, failing to do so, the other roads would practically go in the hands of receivers?

Mr. TOWNSEND. The Senator is quite right, because the probabilities are that the roads which the President does not take, if he leaves out any of them, will be the poorest roads, the roads which probably could make a case standing alone which would demand a higher rate than they are already receiving; but that is one of the confusions that exist in the bill to which I propose to call attention as I proceed. I am now discussing, as a preface to an analysis of the bill which I shall undertake shortly, some of the general principles involved in this bill.

Mr. BORAH. Mr. President——

Mr. TOWNSEND. I yield to the Senator from Idaho.

Mr. BORAH. I want to ask a question which the suggestion of the Senator from Colorado suggests to my mind. How has the committee dealt with the subject of what are popularly called short lines?

Mr. TOWNSEND. The committee has practically left it open to the President. The President can take over all of the roads, or any portion of them. Immediately after he appointed the Director General, Mr. McAdoo sent out notices to all the roads stating the fact that the railroads generally had been taken over, but not stating specifically that that particular road had been taken over; and Mr. McAdoo and his spokesman, Mr. Anderson, who appeared before the committee, insisted that as circumstances developed they would determine whether or not any particular road would be taken over. The short-line men came before the committee and made a pretty strong case to the effect that even if they were not taken over, and by any means the traffic which had theretofore gone over them was diverted to some other road or destroyed they would be injured, and therefore would be entitled to compensation. Perhaps, in equity, they would; but I doubt whether they would have any legal status in a court when they asked for damages on such a ground.

Mr. BORAH. I think that is likely true as a legal proposition; but when the Government takes over a line of road it practically gets behind that road as a financial proposition. The Government is practically the backer. Now, if it leaves a short line, one of the feeders of a trunk line, without the support and prop of the Government, that short line is going to suffer financially immediately and instantly, not alone on the question of rates, and so forth, but it is left without the support which is almost necessary to have in view of the fact that the other lines have it. It could deal properly with its affairs if it were permitted to deal with them before a commission; but that is no longer possible.

Mr. TOWNSEND. If the road is not taken over, of course it could go to the commission; but a commission could not order a road that has been taken over by the Government to do anything.

Mr. BORAH. No; but what could the commission do toward sustaining and strengthening the credit and the standing of one of these short lines?

Mr. TOWNSEND. It could do nothing except to give them larger rates, if they saw fit to do that.

Mr. BORAH. It would be a chaotic state of affairs to have rates made by the President on the trunk lines and to have the short-line rate made by the commission.

Mr. TOWNSEND. I think the Senator is absolutely right; and there is another element that he has left out that complicates the situation very much. A great many of these short-line roads have made arrangements heretofore for their rolling stock, their cars, largely with the stronger roads. Under this

order every one of those cars can be taken away from the short-line roads.

Mr. CUMMINS. Mr. President, in connection with the question just propounded by the Senator from Idaho, I should like to ask the Senator from Michigan concerning this phase of the relation between the trunk lines and the short-line roads: As the law now is, the Interstate Commerce Commission has the power to fix the division of the rate. That is, if freight either originates on a short line or is destined to a short line, the Interstate Commerce Commission has the authority to determine what part of that rate the short line shall enjoy. That is true, is it not?

Mr. TOWNSEND. That is true.

Mr. CUMMINS. Under the bill that we have before us that power is entirely taken away from the Interstate Commerce Commission. That is to say, that is not part of the power which is reserved to the Interstate Commerce Commission under section 10; and in my opinion the short lines would very speedily find their way into bankruptcy.

Mr. TOWNSEND. I have no doubt that the very logic of the situation will compel the Director General to take over all of the railroads of the United States, notwithstanding it will impose a very heavy financial burden upon the Government and involve it in a loss. Of course, the Director General can increase freight and passenger rates generally and thus from producers and consumers recoup this loss.

Mr. CURTIS. Mr. President, the Director General has already notified several of the shorter lines that he did not intend to take them over.

Mr. TOWNSEND. I am much obliged to the Senator from Kansas, because I had forgotten that. It is true that many of the roads which considered themselves as having been taken over under the Director's order afterwards received notice that they had not been taken over. Now, I do not know just exactly how those roads are situated, whether they will be particularly embarrassed by this order or not. I can conceive of a road to which it would make no difference whether it was taken over or not. But the roads to which the Senator from Idaho refers are so related to the trunk lines, the main roads, that it would spell ruin to them if they were left out; and I imagine that the President will have to take that into consideration and include those roads in the order.

Mr. DILLINGHAM. Mr. President, will the Senator allow an interruption?

Mr. TOWNSEND. With pleasure.

Mr. DILLINGHAM. I have in mind a short road which is a feeder to a trunk-line road that was built under a contract with the trunk-line road, and has a traffic arrangement with it, arranged by contract, by which rolling stock is used upon the feeder. Did anything appear before the committee regarding that class of roads, and what would be the effect upon the existing contract?

Mr. TOWNSEND. Do I understand that it is a part of the system?

Mr. DILLINGHAM. No; it is built independently, but is operated under contract with the trunk line, and the trunk line furnishes to it a portion of its rolling stock.

Mr. TOWNSEND. I should believe that that was a part of the system if it is under contract for operation and is operating in connection with a trunk line.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. I do.

Mr. KELLOGG. I should like to say, on that subject, that I do not think there is anything in the bill that affects any contract between a short-line road not taken over and any other road. If the roads have any valid contracts in existence running a definite length of time, of course this bill does not affect those contracts.

Mr. TOWNSEND. I spoke a moment ago in condemnation of the disposition that has been so frequently manifested to legislate on a war measure in behalf of a condition that is not at all related to war, but simply because there was an opportunity and an emergency existing, pressure could be brought to bear, and that legislation secured. Illustrating that further than I have already done in connection with this bill, I call attention to the food-control bill. That department has been very active, and I am not condemning it. I do not speak in condemnation of what it has done, except to criticize the exercise of power that is not connected with the war.

For instance, an order was issued by that department grading potatoes. Now, it may be a good thing to grade potatoes. I presume it is. A proper grading of potatoes may be most desirable, but not as a war measure. It does not contribute to the production of food. It does not make potatoes more nutritious nor increase their consumption, but it does irritate the people. To-day that order grading potatoes has done more to disturb potato producers than almost anything that could happen. I think that order should not have been issued at this time. A great many of these things could have been left out that are not necessarily war measures. At a time when we should have unity of feeling and action in this country, when the people should be in harmony with their Government, and all interested in winning the war, we should not unwisely and unnecessarily irritate them with disturbing legislation.

Now, in reference to rate making: It is not necessary in this bill. It ought not to have been mentioned in the bill. The Interstate Commerce Commission should have been permitted to exercise its authority as heretofore. All we ought to have done in this case was to have put the President in the place of the railroad owners. He should have the same authority as a railroad owner. If he wants to increase rates, let him petition for an increase of rates the same as the railroad owners do now, and let that rate be subject to challenge before it goes into effect.

Of course, in the compromise we provided that the President might initiate rates, but he could put them into immediate effect, and afterwards the commission, upon complaint, could investigate as to their justness and reasonableness. Even this, however, is disturbing to the people.

I repeat there was no occasion for irritating the people of this country over a question that was not a war measure. Therefore I wished to leave the rate-making power where it was, giving the President absolute power in the operation of the roads, because the only question involved was a question of finance anyway, and we had provided $500,000,000 and placed it almost without check in the hands of the Executive, and he certainly could have cared for any deficiency of revenue that could not have been obtained through the Interstate Commerce Commission in the regular way.

Mr. President, these were the three things, I repeat, which demanded and received the greatest consideration on the part of the committee. We settled them with a sort of a compromise, which, I repeat, was satisfactory to no one. No one, not a member of the committee, was satisfied with the proposition, and yet the Secretary of the Treasury and his representatives insisted that we must do something, so the compromise was the result.

Mr. President, thus far what I have said is of little consequence to you. It is my opinion. I would now like to discuss the bill itself in detail for a few minutes, if I could have the attention of the Senators. Otherwise, it is of absolutely no use for me to discuss it, because I shall speak with a desire to convince Senators that the measure is imperfectly drawn and does not even convey the ideas which its advocates believe it does, and I think that if Senators understood the situation thoroughly they would adopt the substitute which I have offered. This does not attempt to change the principles of the bill. I do not incorporate in it practically anything new other than what is included in the bill itself. I have not attempted to engraft on it my ideas of what a bill on this subject should be, but my sole purpose is to make clear what we are attempting to do, and especially to have the committee understand what it did, because I am sure they have not studied the bill carefully.

Mr. SMITH of South Carolina. Mr. President——

Mr. TOWNSEND. Just let me finish this statement, and then I will yield to the Senator.

I repeat, the bill was not prepared by any Senator or any committee of the Senate. It came to us ready-made, and then we amended it and talked it over to some extent; and then the scrivener, the man outside who had made the bill, took our suggestions home with him and brought back the amendments prepared; and the bill as finally patched up was never before our committee in its present form.

We discussed only the main contested features. The connecting matter, the related matters, were not given very serious consideration by the committee. Therefore I have seen fit, not alone, to prepare a proposed substitute. I have taken expert counsel in reference to the matter. When I read the bill by myself, trying to find out exactly what we had done, I was troubled. So I invited an expert, a man who is familiar with drafting and interpreting legislation, to spend time with me to go over the bill, in order that I might know whether I was right or wrong. He made valuable suggestions. As a result of that, I had prepared the substitute, and am now going to offer my suggestions as to why the substitute ought to be adopted as a basis for amendment.

Now I gladly yield to the chairman of the committee.

Mr. SMITH of South Carolina. Mr. President, the Senator referred a moment ago to the rate-making power. He said that

it is better, according to his notion, to leave it entirely in the hands of one individual. I have not heard that matter dwelt upon by any of those who have discussed the question. The fact is that one of the main reasons why the Government took over the roads was to have the power to route freight wherever it thought it could be more expeditiously sent.

Under the law as it now stands, in reference to the Interstate Commerce Commission, the shipper has the right to route his freight. He, therefore, can calculate what his tariff or freight charges are going to be and what his goods will cost him. Now, the fundamental principle of this bill is to give to the Director General the right to route the freight by whatever route he sees fit in order to expedite the shipment and to avoid congestion. That necessarily puts into his hands the power and right to change the rate to the shipper.

The Director General having the power to disrupt all the routing that was the right of the shipper before the Government took over the roads in order to avoid and to remedy the very condition that we were confronted with—namely, congestion—that necessarily entailed a change of tariff and, perhaps, a hardship on the shipper; and we thought that we must give him the power to initiate a rate, if he saw fit, to try to meet the burden that he might impose upon a shipper; and, if it was not found fair and just, then we left the matter to the adjudication of the court that we have established, namely, the Interstate Commerce Commission.

I thought that should be said in justice to those who have not studied the subject and do not appreciate the fact that the Director General now has the power to change rates by virtue of having the power to change routes.

Mr. TOWNSEND. I am very glad the Senator has made that suggestion, although, with all due deference to him, I do not think it amounts to anything, because I do not believe that emergency will arise. The number of such cases will be infinitesimal. The rates now in existence are the same, within certain territories, over whatever road the shipment is made. You may take it off from road A and put it on to road B, and consign it to the same destination and you will pay the same rate. But even if some isolated shipper should be obliged to pay a little greater freight rate, it inself would be infinitesimal compared with the possibilities that will be imposed upon the shippers of the country under this bill, because this provision is in the measure not to cover such cases as that suggested by the Senator from South Carolina, but to allow the Director General to make rates for the railroads which they could not secure from the Interstate Commerce Commission.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, it is expressed in the terms of the bill that where the emergency demands he may change the rate; and surely, speaking for myself and I think some other members of the committee, I had in view the fact that we desired the Interstate Commerce Commission to maintain its present power as far as the circumstances would justify, and only extended it to meet the condition which necessarily will arise under the illustration that I used.

Mr. TOWNSEND. The Senator understands, does he not, that when the bill came to us the Interstate Commerce Commission had no power at all in the matter?

Mr. SMITH of South Carolina. Oh, I understand that. I am talking about the action of the committee.

Mr. TOWNSEND. And the only thing that we who sought to preserve the Interstate Commerce Commission could finally secure was a compromise. The carriers are to secure through this emergency war legislation that which they could not get through the commission. A few months will demonstrate whether or not I am speaking correctly on the subject, and what will occur to rates and to wages throughout the United States.

I think it is a serious mistake to make an attack upon the Interstate Commerce Commission after 30 years' experience in building up a system of rates which has adjusted transportation matters to a great extent between different parts of the country, and upon which business has been established. It occurs to me that we are trifling with—nay, more than that, we are inflaming the shippers and consumers of this country who must pay the freight. Your mail, like mine, is undoubtedly full of protests from men who know what the real situation is.

Mr. THOMAS. Mr. President——

Mr. TOWNSEND. I yield to the Senator from Colorado.

Mr. THOMAS. Will it interrupt the Senator if I ask him whether this subject was submitted to the Interstate Commerce Commission, or to any member of it, by the committee?

Mr. TOWNSEND. A member of the commission, Mr. Anderson, was before our committee practically all of the time, and was the chief advocate of the bill. He drew it under the direction of the Secretary of the Treasury.

Mr. THOMAS. He is one of the new members, is he not?

Mr. TOWNSEND. One of the new members; in fact, the new member. He had more to do with this bill than any other living man, and no advocate could have served his client better than Mr. Anderson served the Secretary of the Treasury. When he was convinced or requested by the committee to make some change, he took the bill back to his office and brought it to us the next day, when is was more difficult to understand than before.

Mr. President, I wish I might indulge the hope that Senators could take the bill as introduced, and the substitute as presented by me, and, as I point out the places, determine whether I am right or wrong, whether my argument is specious, or whether there is some foundation to what I may say. I wish to state that many of the changes which I advocate are not very material, but they clearly improve the bill; some of them are vital. The substitute will be more easily interpreted, more readily understood; and in some places I insist, as I shall show, that the bill does not convey at all the meaning that the committee intended it to convey.

I know that it may be a vain thing for me even to hope that this amendment will be substituted for the committee bill, although it means the same thing that we intended the committee bill to mean, and is certainly clearer. There ought not, however, to be any pride of authorship on the part of anybody, because I do not know of anybody connected with the Congress who could with much authority claim the authorship of the pending measure. It might not be satisfactory to the scrivener who did draw it to have this substitution made, but I submit that that is not quite sufficient reason for us to refuse to do the thing that we think ought to be done. I ask no credit for preparing and introducing the substitute. I had most efficient help. I want the bill we pass to express the intent of Congress.

And now, Mr. President, I will call to the attention of Senators some of what seems to me to be defects in the pending bill to the provisions of the substitute which remedy these defects.

SECTION 1.

Page 1, lines 3 and 4: Inasmuch as the bill here limits the term "Federal control," wherever used in the act, to mean possession already taken over, it is doubtful whether the provision beginning on page 10, line 25, which seeks to extend the provisions of the act to roads taken over after the passage of the act, is effective for that purpose. To remove all doubt, and to bring both provisions together where they belong, the substitute bill in section 2—page 1, line 7, to page 2 line 5—defines "Federal control" so as to cover the case of all railroads now or hereafter taken over.

Page 1, lines 5 to 7: The President is here authorized to make the agreement with the "carrier," but "carrier" is defined to mean "system of transportation"; that is, the thing taken by the United States. Obviously the agreement must be made with some legal person. The only person with whom an agreement will be binding will be the person who would have been entitled to possession, use, and control of the system of transportation during the period of Federal control, if such control had not been assumed by the United States. If no agreement is made with such person, he has a right, under the Constitution, to demand just compensation, no matter what agreements the United States may have made with anyone else. The matter becomes of the highest importance in the case of a road operated by carrier A under a lease from corporation B. If such a lease expires during the period of Federal control, it is obvious that carrier A should not be entitled to any annual sum from the United States thereafter, and yet the bill provides—page 1, lines 8 to 9—that "during the period of Federal control" carrier A shall receive the annual sum agreed upon. The substitute bill, in section 3, provides that agreements must be made with the "owner," which term by section 2 of the substitute—page 2, lines 6 to 16—is defined as the person who during any portion of the period of Federal control would be entitled to possession, use, and control of the railroad in the absence of Federal control. Section 2 of the substitute also provides in effect that no one can get any payments beyond a time when his rights would have expired if Federal control had not been taken.

Page 1, lines 7 and 8: The bill here authorizes agreements with any carrier "making operating returns to the Interstate Commerce Commission." The authority to agree should be limited to the case of railroads which during the three-year period ending June 30, 1917, made such returns, for it is only in such cases that the most important data on which to base the agreement—i. e., the average income during such three-year period—can be ascertained. This defect is remedied in the substitute bill (p. 2, lines 19–21).

Page 1, lines 9 and 10: It is here provided that the carrier agrees to "receive as just compensation" a certain annual sum. Obviously this is only one of the elements of just compensation,

others being the return on additions, and so forth, made during Federal control, the loss accruing from such additions, and so forth. The substitute bill in section 3 (p. 7, lines 7–9) provides that the agreement shall contain a clause that the agreement and its performance shall be accepted as just compensation.

Page 1, line 10, and following lines: "Not exceeding an annual sum * * * equivalent, as nearly as may be, to its average annual railway operating income * * * for the three years ended June 30, 1917." Evidently what is meant, or should be meant, is that the Interstate Commerce Commission having determined the average income, the President should have discretion to agree on an annual sum not exceeding such average income. The force of "equivalent, as nearly as may be," is not apparent, for granting that it may be difficult to determine what the average income was, still the bottom of page 2 makes the certificate of the Interstate Commerce Commission conclusive as to such amount. This confusion is straightened out in the substitute bill (p. 3, lines 1–2), by which the agreement is to be to pay "an annual sum, to be fixed in the agreement, not exceeding the average annual railway operating income."

Page 1, lines 10 and 11: "Herein called standard return." This is unfortunate phraseology, for there is nothing "standard" about it. If applied to the amount which the carrier is to receive under the agreement the term might have some application, but as used here it refers to the "annual sum * * * equivalent, as nearly as may be, to its average annual operating income." What the carrier is to receive is some sum "not exceeding" this "standard return." No good reason can be seen for using such an expression, and the substitute bill does not employ the term, as its use is likely to lead to confusion. As a matter of fact, in every place in which it is used in the reported bill its use leads to the wrong result, as will be pointed out hereafter.

Page 2, line 1: "Pro rata for any fractional year." This idea should be repeated wherever an annual sum is to be paid during Federal control, e. g., in connection with page 2, lines 8 to 13, in none of which places is this safeguard imposed by the bill. The substitute bill takes care of this situation once for all (p. 5, lines 3–5) instead of repeating it several times. The substitute also avoids the use of the term "fractional year," which, to say the least, is an unusual method of expression.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. TOWNSEND. Yes.

Mr. STONE. I wish simply to inquire of the distinguished Senator, who is a member of the Committee on Interstate Commerce, which had under consideration and reported the bill pending, if he submitted these various amendments, many of them rather striking, to that committee and discussed them before the committee, to take the judgment of the committee upon them?

Mr. TOWNSEND. I did not, and I stated why I did not before the Senator came in evidently. This bill was up for consideration. The committee spent a large portion of its time in discussing two or three points in the bill, which I dwelt upon to some extent a while ago. The bill was drawn by the Treasury Department, or under the direction of the Treasury Department. I suppose most of the committee assumed that an immaterial point, or what seemed to be immaterial at the time, was all right. We were working under pressure. The bill was reported, I am sorry to say, without the consideration that ought to have been given it after it was finally drafted and as it was finally presented to the Senate. I do not remember ever having seen the bill as it was finally drawn until I received it on my desk after it had been introduced and reported.

Mr. STONE. But I assume the Senator saw the bill while it was still pending before the committee.

Mr. TOWNSEND. The bill just as it is here, as introduced in the House, was never before the committee to be considered.

Mr. STONE. There was a bill before the committee?

Mr. TOWNSEND. There was a bill.

Mr. STONE. And the Senator is a member of the committee?

Mr. TOWNSEND. That is right.

Mr. STONE. He was present when it was being considered. The bill before the Senate is the one the committee reported.

Mr. TOWNSEND. Yes; the Senator has guessed right.

Page 2, lines 3 to 6: It is doubtful what the framers of the bill had in mind when they put in this language in the parentheses. Possibly the intention was that the agreement was to be made with a "system" such as the Pennsylvania Railroad, and from this point of view it was necessary to include all the income of constituent lines. But, as pointed out above, the agreement can only be effective if made with the "owner" of the property taken over. If, for example, the Pennsylvania Railroad controls by stock ownership line A, and line A still makes operating returns, the right to the possession, use, and control of line A is vested in that corporation and the agreement must be made with it. The effect of the language in the bill would be that the Pennsylvania Railroad would have its compensation increased by this amount, while the United States might be compelled in a suit to pay line A for its property taken. If, on the other hand, line A is consolidated with the Pennsylvania Railroad, so that the former has made no operating returns and has lost its corporate identity, it is obvious that the agreement must be with the Pennsylvania Railroad, and the latter is entitled to have counted in its income the income derived from line A. The substitute bill (p. 3, lines 12–23) meets this situation.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. I yield.

Mr. KELLOGG. Under the bill as drawn, if the President finds the Pennsylvania Railroad controlling, either through stock ownership or otherwise, a whole system of railroads, and says "I will make the agreement with you as a system," he can do it.

Mr. TOWNSEND. Suppose that line A is a part of the system and the majority of the stock is owned by the Pennsylvania, and it makes returns to the Interstate Commerce Commission?

Mr. KELLOGG. It does not make the slightest difference.

Mr. TOWNSEND. You say it does in the bill. The point I make is that while we intend that the Pennsylvania Railroad shall have the compensation for that system provided, it does not make operating returns for branch line A, but if line A does make returns, then it has a right to compensation under the bill.

Page 2, lines 5 and 6: Under this, either the first or last date, according to the ordinary rules for the computation of time, would be excluded. The substitute bill, therefore (p. 3, line 15), inserts the words "both inclusive," as it obviously is the intention that the whole period should be included.

Page 2, line 10: "To be fixed by the President." What is a fair rate would seem to be properly a subject of agreement, and it seems better to use the language of the substitute bill (p. 3, line 24), "an agreed percentage."

Mr. THOMAS. Mr. President——

Mr. TOWNSEND. I yield to the Senator.

Mr. THOMAS. I notice in line 10, on page 2, the per centum is to be fixed by the President "upon the cost of any additions or betterments, less retirements." Does the bill make any provision anywhere else as to how the retirements are to be ascertained?

Mr. TOWNSEND. Nowhere else.

Mr. THOMAS. Then, I think the Senator's criticism is absolutely conclusive upon the subject.

Mr. TOWNSEND. Page 2, lines 13 to 17: In the computation of the average income no provision is made in the bill for excluding the income from street railway lines which are by the President's proclamation expressly left outside of Federal control, although part of a system taken over. The substitute bill (p. 3, lines 8–12) remedies this apparent oversight.

Page 2, lines 17 to 24: Here again is an example of the unfortunate consequence of the use of the term "standard return." It is provided that the "standard return" shall be ascertained by the Interstate Commerce Commission. As pointed out above, "standard return" is an annual sum equivalent as nearly as may be to the average income. Lines 21 to 23 provide that the certificate of the Interstate Commerce Commission is to be conclusive as to the "average annual railway operating income," while its certificate is only to state the "standard return." Obviously the certificate should be conclusive only as to the matter it certifies, and it is equally obvious that the average income is the matter it should certify. The substitute bill (p. 4, line 21; p. 5, line 2) remedies this confusion.

Page 2, line 18: No provision is made here for the ascertainment of the amount of the "retirements" which by line 11 is to be deducted from cost of additions and betterments made during the six months ending December 31, 1917. No reason is apparent why the Interstate Commerce Commission should not ascertain this amount. The substitute bill (p. 4, line 23) so provides.

Page 2, line 20: The Interstate Commerce Commission is required by the bill to ascertain the cost of additions, and so forth, "from the reports, books, and other pertinent data of such carrier." This seems an unwise limitation, and the substitute bill (p. 4, line 24) permits the Interstate Commerce Commission to ascertain these facts in the most effective manner from any source.

Page 2, line 24, to page 3, line 5: This provision is limited in its application to railroads with which an agreement is made, for in other cases there can be no "standard return" the excess over which is to be paid into the Treasury. In no place in the bill is provision made for the case of nonagreeing roads, which is a serious omission, for unless it is definitely made clear that all revenues from operation are United States property, it will be perfectly possible for any nonagreeing railroad which is receiving a large revenue from greatly increased traffic that can not to be diverted from its lines to insist on keeping all it makes and refrain from any claim for "just compensation." It seems highly desirable in the public interest that the bill should contain a clear and definite statement that all revenues from operation of roads under Federal control are the property of the United States, with an indication of how they should be handled and disbursed. The substitute bill in section 14 (p. 16) takes care of this situation, both as to agreeing and nonagreeing roads.

The provision in the reported bill is open to serious objection even in the cases to which it applies. What is the situation with regard to the part of the revenues not paid into the Treasury? Is it or is it not Government money? Is the part that is to be paid into the Treasury Government money before it is paid in? The bill (p. 3, lines 2–4) provides that "any net railway operating income in excess of such standard return shall be paid into the Treasury." Probably the intention was that the railroad could retain out of operating revenues an amount equal to the sum which under the agreement it was to receive as just compensation, but this language is far from conveying such a meaning. In the first place, the compensation is by the bill computed with reference to the "railway operating income," in ascertaining which under the Interstate Commerce Commission accounting system "leased road rents" and "miscellaneous rents" are excluded, while such rents are reckoned in the computation of "net railway operating income." It is apparent, therefore, that there is confusion here. Again, the "standard return," as pointed out before, is not the sum received as compensation, but the "annual sum * * * equivalent as nearly as may be to the average annual railway operating income," and the President in the earlier part of this section is authorized to agree on some sum "not exceeding" this as the amount the carrier shall receive. Therefore there will be many cases in which the sum paid as just compensation will be less than the "standard return," yet the provision now under discussion authorizes the railroad to retain out of revenues an amount up to the "standard return," thus giving it more than it is entitled to, while on the other hand it does not allow the road to retain the amount payable as a return upon additions, and so forth, made during the six months ended December 31, 1917, for this amount is not by the bill a part of the "standard return." The reported bill is further confused, for in page 1, line 11, and page 2, line 9, it provides for the payment of the just compensation in "reasonable installments," while in the provision under discussion this theory is abandoned and the railroad allowed to retain it all as it comes in.

All this confusion and inconsistency is remedied in the substitute bill (sec. 14, p. 16), which provides for the payment out of operating revenues of all proper operating expenses, and for the payment of any balance into the Treasury. The sum agreed upon as just compensation will then be paid out of the revolving fund to the railroad in such installments as may be agreed upon. (Substitute bill, p. 5, lines 6–8.)

Page 3, line 6, to page 4, line 3: This paragraph contains many defects, all of which are remedied in the substitute bill in section 3, subdivisions (3) and (4) (p. 5, line 22, to p. 6, line 18) and in section 14 (p. 17, lines 4–23):

(a) Page 3, line 6: "Any Federal taxes under the act of October 3, 1917." What is meant is only the taxes under Titles I and II of that act, i. e., the war income tax and war excess-profits tax.

Take the language in line 9, on that page. The language is used, "assessed for the period of Federal control beginning January 1, 1918, or any part of such period." There is no need for such a limitation. It is obviously intended by the makers of the bill that all such war taxes should be paid by the carriers for whatever period assessed. In line 23 and following this part of it is remedied, although it would be simpler to leave out the words just quoted.

Mr. THOMAS. Of course the Senator will recall that the act of October 3, 1917, does not repeal that part of the act of 1916, but is supplementary to it.

Mr. TOWNSEND. That is right.

Mr. THOMAS. Consequently, does not the Senator think the act should be amended so as to include taxes assessed under previous as well as succeeding acts?

Mr. TOWNSEND. Yes; my contention is, if we do not specify it under the clause here we would have to pay those taxes. I have no doubt of it.

Mr. LEWIS. Mr. President——

Mr. TOWNSEND. I yield to the Senator.

Mr. LEWIS. Will the able Senator give me his legal opinion? Does the Senator think that this can in any wise change the relation the property of the railroads bears to the general tax laws of our country? Would it not still be subject to taxes as property and according to value as the property of any other citizen or any other road or any other system?

Mr. TOWNSEND. The Senator means State and local taxes?

Mr. LEWIS. Yes, sir.

Mr. TOWNSEND. I think that is true.

Mr. LEWIS. Does the Senator mean to infer that he has some doubt the way the bill is constructed whether those taxes would still be preserved intact?

Mr. TOWNSEND. I have some doubt of it, as I have attempted to point out, and will continue to show.

(b) Page 3, line 9, "assessed for the period of Federal control, beginning January 1, 1918, or any part of such period." There is no need for such a limitation, as it is obviously intended that all such war taxes should be paid by the carriers for whatever period assessed. In line 23, and following, this is remedied, but it would be simpler to leave out the words just quoted.

(c) Page 3, line 12, "or shall be charged against or deducted from the standard return." In the first place, as several times pointed out, the "standard return" is not a sum to be received by the carrier but merely an arbitrary amount used as a basis of agreeing on just compensation. In the second place, the method intended does not seem wise for it confuses the collection of internal-revenue taxes. It seems better to have such war taxes collected by the Collector of Internal Revenue for the proper district in the ordinary and usual manner, for if such taxes are to be deducted from the sum paid to the carrier it will cause confusion in the accounts of the Internal-Revenue Bureau and affect the estimates of revenue relied upon by the Finance Committee and the Ways and Means Committee.

Now, on page 3, line 12——

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Ohio?

Mr. TOWNSEND. I yield.

Mr. POMERENE. Does the Senator have in mind the amendment which is incorporated in the bill reserving to a State and the political subdivisions of a State the taxing power as it existed prior to the assumption of Government control?

Mr. TOWNSEND. I do. The Senator from Illinois [Mr. LEWIS] asked my legal opinion about what we can do and I was giving it, but to make assurance doubly sure we particularly provide in the bill that the State may tax as heretofore.

On page 3, line 12, the bill reads:

(d) Page 3, lines 13 and following: This seems a very incomplete statement. Who, for example, is to pay the Federal income tax of 2 per cent or the capital-stock tax imposed by section 407 of the act of September 8, 1916, neither of which taxes seem to come within the terms here used?

(e) Page 3, lines 14 to 15: "For the period of Federal control or any part thereof." Strictly construed, this would mean that if a tax were assessed for the year beginning March, 1917, the United States would have to pay it all, since it was assessed for "a part" of the period of Federal control. There seems need of a more careful provision for apportionment of the taxes in such cases. The substitute bill (p. 6, lines 5–12, and p. 17, lines 17–23) contains such a provision.

(f) Page 3, lines 18 to 22: Who is to pay the taxes referred to in this parenthetical clause? They are excluded from the taxes the Government is to pay, but the rest of the paragraph contains in two places an express statement as to what taxes the carrier is to pay. Probably what was intended was that the carrier should pay these taxes, but inasmuch as such expenditures are usually considered additions to capital, it was probably intended that they should be dealt with in the same manner as expenditures for additions and betterments and a fair return allowed upon them, but the bill is silent on this matter. This method is adopted in the substitute bill (p. 4, lines 10–16, and p. 14, lines 16–22).

(g) Page 3, line 22: "Shall be paid out of the revenues." If such revenues are insufficient, provision should be made for use of the revolving fund for this purpose. This is done in the substitute bill (p. 6, lines 3–5, and p. 18, lines 8–11).

(h) Page 3, line 25: "For the period prior to January 1, 1918." This is clearly wrong as to roads hereafter taken over, which should pay all taxes for the period preceding Federal control of such road.

(i) Inasmuch as the "railway operating income," which is used as a basis in agreeing on just compensation, is ascertained under the accounting system of the Interstate Commerce Commission by deducting such taxes as are chargeable to "railway tax accruals," it seems apparent that the taxes which are now to be paid out of operating revenue should be of exactly the same character except as to war taxes. This method is adopted in the substitute bill (p. 5, line 22, to p. 6, line 18, and p. 17, lines 4–23), thus simplifying this confused and ambiguous paragraph.

(j) Nowhere in the bill is there any provision as to the payment of taxes in the case of nonagreeing roads. It seems highly undesirable to leave this important matter unsettled. If the courts should hold, as seems not unlikely, that the United States in such cases must pay all taxes properly chargeable to operating expenses, the United States might find itself burdened with the payment of the railroad's war taxes. The substitute bill (p. 17, lines 4–23) provides that ordinary operating taxes shall be paid out of operating revenues or the revolving fund, but that war taxes shall be paid by the railroads.

Page 4, lines 4 to 17: Nowhere in the bill is there any provision for maintenance and depreciation in the case of a nonagreeing road. The substitute bill, in section 6 (p. 12), contains a pledge by the United States to return the roads in as good condition as when taken over or to pay the loss accruing from a failure to make good the pledge. While the court might include such an item in its award, it is probably well to insert such a provision, if only as a fulfillment of the President's promise to the country.

Mr. KING. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. TOWNSEND. I yield.

Mr. KING. Relative to the last observation made by the Senator, I desire to ask, do I understand him to say that the bill reported by the committee makes no provision for making necessary repairs in order to keep a road in operation in cases where there is no agreement?

Mr. TOWNSEND. It makes no provision for maintenance or depreciation of nonagreeing roads, although, as generally understood, I think the Government probably would have to keep the roads up; that it would probably have to pay for that, and would have to pay the taxes, though the probabilities are that the Government could not recover them against the railroads, because they would be voluntary contributions.

Mr. KING. Unless such taxes could be taken into account in the courts when the question of determining the value of the use was being considered.

Mr. TOWNSEND. Well, I do not know whether what the Government had put in could be taken into consideration at that time; but we can include in the pending bill a provision that if the roads accept the benefits which we confer upon them the agreement shall be binding or this provision shall be binding upon them.

Mr. KING. Will the Senator permit another inquiry, which is scarcely germane, perhaps?

Mr. TOWNSEND. I yield to the Senator.

Mr. KING. Will the Senator, if his substitute is not accepted, offer any portions of the substitute as amendments to the bill, in order to cover the objections which he is urging?

Mr. TOWNSEND. I shall try to do so, but if the Senator—and I think he has not been able to do so—would take the substitute and the original bill, he would see how different portions of the bill have been connected and brought together in the substitute. Some of them refer to conditions in several places of the bill and bring them together. They are all corrected and made clear and intelligible. I am here to assert that, with one or two single exceptions, there is not a provision in the substitute that would not be accepted by the entire committee if it had time to consider it, for it conveys practically the ideas which they have sought to convey in the bill. I am not trying to write my ideas into a new bill, for I would change many of these things if I were writing a bill of my own; but I am trying to make intelligible the bill which we have already before us, so that just exactly what our meaning is will be clear.

Page 4, line 9: "The property shall be returned to each carrier." As "carrier" is defined to mean a system of transportation, this clause in effect provides that the property shall be returned to itself. Furthermore, it is apparent that the property should be returned to the person who is entitled thereto at the termination of Federal control. This may or may not be the same person who had possession at the time of the taking. The substitute bill (p. 8, line 22, and p. 12, line 5) remedies this defect.

Page 4, line 14: "By each carrier." The substitute bill (p. 9, line 3) substitutes the words "in connection with such railroad or system," for the reason that the owner with whom the agreement is made may not be the same corporation which operated the road during the three-year period.

Page 4, line 20: The reference to the act of August 29, 1916, is too broad. That act includes, for example, provisions relating to the Council of National Defense, and an amendment and reenactment of the Articles of War. What is meant is that portion of such act which authorizes the President to assume control over railroads. It is so stated in the substitute bill (p. 7, lines 12–19).

Page 5, line 1 to 14: Owing to many apparent errors in these lines (referred to in the next few paragraphs) these lines have been rewritten in the substitute bill (p. 7, line 23 to p. 8, line 15) so as to carry out the intent and make the paragraph more easily understood.

Page 5, line 2: "Nondividend-paying carrier." This is ambiguous, as it may mean a carrier paying no dividends at the time of the passage of the bill, or at the time of the agreement, or during the 3-year period used as a basis of computation. Since the last alternative is what was intended, the substitute bill (p. 7, lines 24–25) so states, using the words "railroad or system of transportation" in place of "carrier."

Page 5, line 5: The clause beginning in this line and ending with the word "thereof," in line 8, is meaningless, probably owing to clerical errors or misprints. The word "where," in line 5, should be "because" and the word "when," in line 6, should be "were." In line 5 the words "betterments" and "road extensions" should be inserted in lieu of the word "improvements," as they are used in connection with "additions" in all other places in the bill. In lines 6 and 7 the words "net operating railway income" do not represent what was probably meant, viz, "average annual railway operating income," for the latter is the most important basis for computing the just compensation.

Page 5, line 8: Before the word "other" should be inserted the words "because of."

Page 5, line 9: "So exceptional as to make the basis of earnings hereinabove provided for plainly inequitable as a fair measure of just compensation." Inasmuch as the "basis of earnings" (viz, the average annual railway operating income) is not by the earlier part of the bill made "a fair measure" of just compensation, but only one of the elements thereof (others being, for example, the return on additions, and so forth, made during the six months ended December 31, 1917), the language here used seems erroneous.

Page 5, lines 11–14: If the average income is inequitable as an element of just compensation, the President should substitute in lieu of that element such an amount as he thinks fair, and not throw aside the whole agreement and make a totally different one, as is here provided.

Mr. SMITH of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. TOWNSEND. I yield.

Mr. SMITH of South Carolina. If the Senator will allow me, the attention of the committee has already been called to certain grammatical errors or, perhaps, misprints. On line 5, where the word "where" appears, being the third word, it should be stricken out and the words "because of" inserted; in line 6, where the word "when" occurs, the word "where" should be substituted; and then on line 8, where the word "other" occurs, the words "because of any" should be inserted. The whole paragraph will then be thoroughly intelligible.

Mr. TOWNSEND. I have just been saying as much.

SECTION 2.

Page 5, line 15: "No such agreement." Grammatically, this refers to an agreement under the last paragraph, with a "nondividend-paying carrier." What is meant, of course, is "no agreement under section 1." The substitute bill, in section 4, page 9, corrects this ambiguity.

Page 5, line 16: "Carrier while under Federal control." Inasmuch as the bill defines "carrier" to mean a "system of transportation," the payment here referred to can not be made. The substitute bill, in section 4, page 9, uses the phrase "owner of any railroad or system of transportation under Federal control," the term "owner" being suitably defined by section 2 of the substitute (p. 2, lines 6–16).

Page 5, line 18: "Not exceeding 90 per cent of the estimated annual amount of just compensation." In case of an owner of a road with whom the President is authorized to agree under section 1 it seems only right that he should be limited, in case of failure to agree, to the payment of 90 per cent of the annual amount which he is authorized under section 1 to agree that the owner shall receive. In cases where there is no authority to make an agreement under section 1—that is, in the case of roads which did not make operating returns during the three years ending June 30, 1917—there obviously can be no limit to the voluntary payment under this section. The substitute bill (p. 9, lines 14–18) remedies this defect in the reported bill.

Page 5, lines 21 to 23: This clause is open to two objections: (a) If the Court of Claims finds that the owner was entitled to a certain sum on a past date, and is now entitled to that sum with 5 per cent interest from that date to the date of the award, this provision would give a bonus of 1 per cent to the owner over what the court has expressly found to be fair and just. This does not seem desirable. (b) If, on the other hand, the court finds that 7 per cent was a fair rate of interest, the attempt on the part of Congress to limit it to 6 per cent would be ineffective under the familiar doctrine that the ascertainment of just compensation is a judicial function. It should be noted that the interest referred to here is not interest on the award of the court, running from that date until actually paid, which might be regulated by Congress. On the contrary, the interest here referred to is interest from the time the principal sum became due down to the date of the award and is just as essential a part of the just compensation as the principal sum. The substitute bill, therefore, leaves out this clause.

Page 5, lines 24 and 25: The only theory upon which this clause can be legally rested is that the acceptance of payments under this section is an implied acceptance of all its provisions. It seems better to state this definitely, and the substitute bill (p. 9, lines 19–25) does this. The language of the reported bill is also highly indefinite as to the time when the interest on excess payments begins to run. Since the payments here referred to are annual, the difficulties in determining this question are apparent. The substitute bill leaves the date to be fixed in the proceedings brought to determine the just compensation.

SECTION 3.

Page 6, line 1, to page 7, line 7: Throughout this section the bill uses the word "carrier." For reasons before pointed out, the substitute bill (pp. 10 and 11) uses the word "owner," which is defined by section 2 of the substitute (p. 2, lines 6–16).

Page 6, lines 7 to 12: The power here given is without means of enforcement. The substitute bill (p. 10 lines 13–24) inserts a provision giving the board the right to call upon the district court of the United States for assistance in case of contumacy. The provision inserted is substantially the same as in the Federal Trade Commission act.

Page 6, line 21: "Available for such agreement as is authorized in section 1." This is somewhat obscure, and the substitute bill (p. 11, line 9) employs the phrase "available for the making of such an agreement as," and so forth.

Page 7, lines 1 to 7: The proceedings in the Court of Claims are to be for the "final ascertainment" of just compensation. Inasmuch as some of the elements of just compensation—for example, return on additions, and so forth—can not be in all cases ascertained in advance, it would seem wise to provide that the court may make a temporary award, with power in the parties to appear later and have adjudicated their rights growing out of conditions arising thereafter. Such a provision is included in the substitute bill (p. 11, lines 21–25).

SECTION 4.

Page 7, lines 8 to 20: The effect of the language in lines 8 to 10 is that the just compensation "shall be increased" by a fair return upon additions, and so forth, even though the President has agreed under section 3, or the Court of Claims under that section, has adjudged that an amount representing such fair return shall be included in the just compensation. It clearly was not the intent of the framers of the bill to bring about this result, though it is essential that the owner should in some way get a fair return on his money expended for additions, and so forth. The substitute bill remedies this defect by dividing the subject matter of this section into two parts. It inserts in the agreement section a clause (p. 4, lines 4–20) by which the United States agrees to pay to the owner with whom an agreement is made a fair percentage upon his investments in additions, and so forth, and it inserts, in section 10 (p. 14, lines 5–22), a provision under which the President is authorized, if he deems it just, to pay a nonagreeing owner a similar amount if the agreement made on the findings of the board of referees or the award of the Court of Claims makes no provision therefor.

Page 7, lines 10 and 11: "An amount." Apparently an annual amount during the period of Federal control is meant. It is so provided in the substitute bill (p. 14 lines 8–9, and p. 2, lines 23–24, introducing p. 4, line 4).

Page 7, line 11: "Reasonable rate per centum to be fixed by the President." When is this rate to be fixed? At the time the expenditures are made, or at the time the payments are made by the United States, or at some other time? Is this rate to be fixed for all roads, or a different rate for each, and is it to vary each year? It seems that in the case of expenditures made out of borrowed money the rate should be the same as the rate at which the money is borrowed, and it is so provided in the substitute bill (p. 4, line 16, and p. 14, line 23). In other cases it would seem fair that the rate should be fixed at the time the expenditure is made, and it is so provided in the substitute bill (p. 4, line 19, and p. 14, line 25).

Page 7, lines 12 and 13: How is the "cost" here referred to to be determined? The bill makes no provision. The substitute bill (p. 4, line 22, et seq., and p. 15, lines 1–6) provides for the ascertainment of this cost, as also the amount of retirements, by the Interstate Commerce Commission.

Page 7, lines 12 to 16: The insertion in line 13 of the word "upon" makes lines 14–16 limit only "the cost of road extensions" and not "the cost of any additions and betterments," which result, of course, was not intended. The substitute bill (p. 4, lines 5–6, and p. 14, lines 10–11) cures this error.

Page 7, line 14: "to the property of such carrier by the carrier." Assuming that by "carrier" is meant the owner, it seems clear that what is meant instead of "property" is the railroad or system of transportation, for obviously no return should be made in the case of additions and betterments to nonoperating property. The substitute bill (p. 4, lines 6–7, and p. 14, lines 11–12) limits the payments to cases where additions, and so forth, have been made on or in connection with the railroad or system of transportation.

Page 7, line 15: "by the President." Apparently meant to read "by order of the President" for no reason can be seen why a return should be allowed the owner for money expended by the United States. The substitute bill (p. 4, line 8, and p. 14, line 14) corrects this error.

Page 7, line 17: "Additions, improvements, or betterments." This should conform to lines 12–13 and read "Additions, betterments, or road extensions."

Page 7, lines 18 and 19: "Earnings for investment." This apparently is a misprint for "earnings from investments," which phrase is used in the substitute bill (p. 4, line 9, and p. 14, line 15).

SECTION 5.

Page 7, line 21, to page 8, line 3: This section of the bill seems of doubtful validity. The income of the carrier or owner belongs to it, and after the payment of its debts and taxes, and after any expenditures legitimately required by any act passed by Congress or a State legislature under the police power or commerce power, it would seem to be free for the declaration of dividends at the will of the owner. So long as the owner is not operating the road the dissipation of its income in dividends can not affect the carrying on of interstate commerce nor can it prejudice the successful carrying on of the war. Even if dividends may be restricted under the interstate commerce power the section would seem unconstitutional, for it is not limited to roads engaged in interstate commerce—indeed, so long as the United States operates the roads none of them can fairly be said to be engaged in interstate commerce. Even if the section is valid it is ineffective for the penalty of $5,000, imposed by section 11, is not severe enough to compel obedience. The substitute bill remedies this defect by providing (p. 6, line 19, to p. 7, line 6) that in the case of agreeing roads the agreement shall bind the owner to accept all the terms of the act under penalty of suspension or forfeiture of further payments; and in the case of nonagreeing roads by providing (p. 9, lines 19–20) that acceptance of payments under section 4 (which corresponds to sec. 2 of the reported bill) shall constitute an acceptance of all the provisions of the act.

Mr. KING. Mr. President, if the Senator is about to leave the point he has just been discussing, I should like to ask him a question. Do I understand the Senator to say that in the bill reported by the committee there is any restriction upon the directors of any railroad corporation in regard to making such disposition of the standard return as they may see fit?

Mr. TOWNSEND. The bill provides that a company shall not declare any dividend in excess of what it had declared during the prescribed three years.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New Hampshire?

Mr. TOWNSEND. I yield.

Mr. GALLINGER. Mr. President, I recall the fact that there was a time in the history of the Senate when there was a good deal of resentment expressed here when bills were prepared at another place and sent here to be introduced. It will also be remembered that it now appears to be the fashion to have bills prepared elsewhere, and sent here for introduction. It seems to me that the Senator from Michigan is drawing an indictment against whoever framed this bill that might well cause us to pause, and to ask if we had not better write our own bills in the future.

Mr. TOWNSEND. Page 7, line 21: "No carrier." Since a system of transportation can not declare a dividend, the use of the word "carrier" is erroneous, for section 1 defines "carrier" to mean a system of transportation. The substitute bill in section 12 (p. 15, line 22) uses the word "owner," which section 2 of the substitute (p. 2, lines 6 to 16) has defined.

Page 7, line 23: "Regular rate of dividends during the three years," and so forth. Suppose in 1915, 4 per cent was paid, 5 per cent in 1916, and 6 per cent in 1917. There could not be said to be paid a "regular" rate. It is not seen why the word "average" should not be used in place of "regular." This is done in the substitute bill (sec. 12, p. 15).

Page 7, line 23: "Its." This seems erroneous, for the owner whose payment of dividends is here sought to be restricted may not have owned the system during the three-year period. This is corrected by the substitute bill (sec. 12, p. 15).

Page 7, line 25: The proviso seems needless repetition and has been omitted in section 12 of the substitute bill.

SECTION 6.

Page 8, line 4, to page 9, line 17: This section deals with so many different subjects that it was deemed best in the substitute bill to split it up into several sections (secs. 7, 8, 9, 11, and sec. 3, subdivision (2)).

Page 8, lines 5 and 6: "Out of the Public Treasury from any funds not otherwise appropriated." This differs from the long-established phrase "out of any moneys in the Treasury not otherwise appropriated," and the latter phrase is used in the substitute bill (p. 12, lines 14 and 15).

Page 8, lines 6 to 8: This may be construed by the Comptroller of the Treasury as an appropriation of the operating income, but it is better to make it certain, as is done in the substitute bill (p. 12, lines 16 and 17).

Page 8, lines 6 and 7: "And funds available from any operating income of said carriers." By "available" is probably meant the portion of the operating income paid into the Treasury under the provision found in page 3, lines 2 to 5. But that provision is limited to the case of the agreeing roads, and the language here quoted is not sufficient to constitute the operating income of the nonagreeing roads' Government moneys, however sufficient it may be to appropriate it if it were Government money. The substitute bill (p. 12, line 16) appropriates for use in the revolving fund only the excess of revenues over disbursements, for the reasons pointed out in connection with the criticism of the reported bill's provisions in page 2, line 24, to page 3, line 5.

Page 8, line 9: "Expenses of Federal control." The meaning of this is doubtful. By page 2, line 24, to page 3, line 5, the agreeing carrier is allowed to pay the operating expenses out of operating revenues. Probably what is meant here is that the revolving fund may be used to make up any deficit in operating expenses. The substitute bill (p. 18, lines 8–11) so provides.

Page 8, lines 9 and 10: "So far as necessary the amount of just compensation." The substitute bill (p. 12, lines 21–24) pledges the United States to appropriate any further sum necessary to pay the whole amount of just compensation.

Page 8, line 11. "Terminals." It is not apparent why this word is inserted in connection with "motive-power, cars," etc., all of which are personal property and at the end of Federal control can be disposed of as Congress may provide. But terminals, if on the property of the carrier, can not be so treated. In this connection it should be noted that lines 15 to 18 and following lines authorize the President to make additions, betterments, etc.; but, except as to terminals, he is given no authority to use for such purpose the revolving fund or any other Government moneys. The substitute bill therefore omits "terminals" from the list of rolling stock, etc., which Congress is to dispose of after Federal control is ended, but inserts a provision (p. 13, lines 8–11) authorizing the President to use the revolving fund for the making of any additions, etc. (which would clearly include terminals), necessary or desirable for war purposes or in the public interest. This insertion seems clearly desirable, for in case of additions of no use to the carrier the latter, if obliged to pay for them out of its own funds, could immediately come into court and recover the amount expended by virtue of the provision found in the reported bill, page 9, lines 3 to 8, thus putting the United States to the expense of a lawsuit.

Page 8, lines 15 to 18: The authority to order the carrier to make additions, and so forth, is of doubtful validity. Suppose the carrier refuses? This defect is cured by the substitute bill which provides (p. 6, line 19, to p. 7, line 6) that the agreement shall contain a clause binding the carrier to conform to all the provisions of the act or orders thereunder, under penalty of suspension or forfeiture of payments under the agreement. It also provides in the case of nonagreeing roads (p. 9, lines 19–25) that any acceptance of benefits under section 4 (corresponding section to sec. 2 of the reported bill) shall constitute an acceptance of all the provisions of the act.

Page 8, line 16. "Property of any carrier." Assuming that "carrier" means owner, it would seem that "property" is the wrong word, for the assumption of Federal control is not an assumption of rights to nonoperating property. The substitute bill (p. 13, lines 20–21) uses the phrase "railroad or system of transportation."

Page 9, lines 3 to 8: The term "carrier" is wrongly used in these lines. The loss is suffered by the owner of the system, and the agreement must be made with him. Again, the loss may consist of a permanent damage to the system, thus giving rights to the lessor, although the lease does not expire till after the end of Federal control. Provision should be made to cover the case.

In so far as the loss is due to additions, and so forth, made by the President, there is no provision made here for compensation.

The substitute bill divides this provision into two parts. It inserts a clause in the agreement section (p. 5, lines 9–21) by which the United States agrees to pay losses caused by such additions, and so forth, the amount of the loss to be ascertained by the Interstate Commerce Commission. It also inserts (sec. 11, p. 15, lines 7–20) a provision authorizing the President, if he thinks it just, to pay such losses, if the agreement made on the findings of the board of referees or the award of the Court of Claims makes no provision therefor.

SECTION 7.

Page 9, lines 18 to 24: The language here employed leaves it doubtful whether the carriers—assuming this to mean the corporations—may, without the approval of the President, issue securities for purposes other than those enumerated. It also is open to the possible construction that they may, without the approval of the President, issue securities even for the purposes named, but as to such securities the President has no power of purchase. The substitute bill in section 13 (p. 16, lines 4–8) provides that owners "may issue only such" securities as the President approves, which is the real intention of this section.

Any doubt as to the validity of this section is removed by the substitute bill, which provides, as to agreeing roads (p. 6, line 19, to p. 7, line 6), that the agreement shall contain a clause by which the owner agrees to be bound by all the terms of the act under penalty of suspension or forfeiture of payments under the agreement, and provides as to nonagreeing roads (p. 9, lines 19–25), that acceptance of any payments under section 4—which corresponds to section 2 of the reported bill—constitutes an acceptance of all the terms of the act.

Page 10, lines 1 to 4: The bill makes no provision as to how these securities are to be held, how voted, and what is to be done with the income therefrom, or with the proceeds of the sale thereof. The substitute bill (p. 16, lines 11–21) provides that securities so purchased shall be held by the Secretary of the Treasury; that he shall, under the President's direction, represent the United States in all matters connected therewith; and that the income therefrom and the proceeds of any sales shall be paid into the Treasury—not into the revolving fund, for the securities may be held by the United States long after the expiration of Federal control.

SECTION 8.

Page 10, lines 7 to 17: Appear unchanged in substitute bill as section 15 (p. 18, lines 12–22). This section, while possibly capable of construction as a declaration that all railroad employees are United States employees, is certainly not a suffi-

ciently definite provision on so important a question. The substitute bill in section 16 (p. 18) contains an express declaration that such persons are United States employees, with the limitations (1) that they shall not be exempt from excess-profits tax, (2) that they shall not be entitled to compensation for injuries under the Federal compensation act of September 7, 1916; and (3) that the President may declare any United States statute inapplicable to them, except the employers' liability act.

SECTION 9.

Page 10, lines 18 to 25: These lines seem unnecessary. Strictly construed, they add nothing to what would be true without them. If they are intended or can possibly be construed to do something else, they should be omitted or a more definite provision substituted stating clearly what additional powers it is intended to bestow. The substitute bill omits these lines.

Page 10, line 25, to page 11, line 2: This sentence is omitted in the substitute bill, which in section 2 (p. 1, line 7, to p. 2, line 5) defines "Federal control" to include the case of roads hereafter taken over.

SECTION 10.

Page 11, lines 3 to 10: The method here employed to deal with the questions (1) as to liability to suit and (2) as to what law is applicable to the roads while under Federal control seems too vague and indefinite for the determination of such important questions:

(1) It is clear that, in substance, the roads are being operated by the United States, and since all expenses are in effect being paid out of Government moneys, any suit is in essence a suit against the Government, to bring which the consent of the United States is necessary. To attempt to dodge this question by permitting suits against corporations which are not themselves operating the roads can only lead to confusion. Even though suit is brought against the corporation, it would seem that it would be a valid defense that such corporation had not performed the act alleged as the ground of liability and that the act was in reality performed by the United States, thus defeating the purpose of this section. But if a judgment were obtained there is nothing to prevent the plaintiff from satisfying his judgment out of the carrier's nonoperating property. The bill contains no provision for the payment of judgments out of United States moneys, nor does it provide for the case of accounts and claims unsettled at the beginning or end of Federal control. The substitute bill, in sections 17 and 18 (pp. 20–21), deals with all these matters in what is believed to be a much more satisfactory manner.

(2) There is serious question as to whether the various Federal and State statutes affecting railroads are now by their terms applicable to the United States in its operation of the roads. The interstate-commerce act, for example, by its terms applies only to "common carriers" engaged in interstate commerce. This description does not fit the United States. This doubt is removed by the substitute bill, which (sec. 19, p. 21) declares that all Federal laws applicable to railroads shall be read as if the United States were by their terms expressly subject thereto, but preserves to the President the right to specify any such law as inconsistent with Federal control, except the employers' liability act.

Since Congress has no right to alter State laws, or at least has no right to say that they shall apply to persons to whom they do not apply, the substitute bill (sec. 20, p. 22) uses the device of making all State laws relating to railroads a part of this act and applicable to the United States, with power in the President to declare any of them inapplicable to the United States. But since it is essential that the members of the public may rely on their rights being protected, he is not allowed to alter the law relating to contracts nor to liability for personal injuries, except in so far as such liability rests on statutes providing for the health, comfort, and safety of individuals, which statutes it may well be that military necessities may make it desirable to disregard.

Page 11, line 13 and the following: This paragraph seems defective in that it is applicable to all roads, whether or not under Federal control, and in that it is not limited to the period of Federal control. The substitute bill (sec. 21, p. 23) remedies these omissions and makes slight verbal changes to carry out more clearly the intention.

SECTION 11.

Page 12, lines 3 to 16: These lines are exceedingly verbose and are reduced materially by the substitute bill, section 25, page 26, without omissions of any material words.

Page 12, line 16: The sentence beginning in this line is omitted in the substitute bill, as it appears to be meaningless. Obviously, if each "independent transaction" is a "violation," it is a "separate offense."

Page 12, line 20: The sentence beginning on this line is omitted in the substitue bill, which, in section 16, page 18, declares railroad employees to be United States employees, making this sentence unnecessary. The clause on page 12 of the reported bill, lines 24–25, attempting to make State laws applicable, is, of course, ineffective, as the States will determine for themselves who are subject to their laws. Congress may conceivably prohibit the States from punishing a Federal officer, but it can not undertake to say that a State law shall apply to some one to whom the State court says it does not apply.

SECTION 12.

Page 13, lines 10 to 24: Appears unchanged as section 22 of the substitute bill, page 24.

SECTION 13.

Page 14, lines 1 to 17: Appears unchanged as section 23 of the substitute bill, page 25.

Page 14, lines 17 to 23: Appears unchanged as section 24 of the substitute bill, page 26.

The substitute bill in section 26, page 26, adds a provision declaring the separability of the act in case any part is declared unconstitutional. The importance of such a provision seems apparent in view of the many and complex relationships which are dealt with in the bill. The provision is copied from the act creating the United States Shipping Board.

Now, Mr. President, I have occupied more time of the Senate, and my presentation of the subject has not been interesting. I know that very well. I have not been able to hold the attention of very many Senators, and my task has been a most ungracious one. I have been compelled to act as a critic. I understand that as well as any Senator here; but I have called attention to nothing except what is found in the bill, and if Senators will take the pains to read my statement in to-morrow's RECORD and think it worth while to consider the defects which I have pointed out, I am sure they will agree with me that we ought to adopt the substitute and then let various Senators propose their amendments to it. We will then at least have the basis upon which to construct a bill which will not be the subject of doubt as to meaning and it will be clear in its expressions.

HOUSING OF SHIPYARD EMPLOYEES (S. DOC. 174)—CONFERENCE REPORT.

Mr. RANSDELL. I submit the report of the committee of conference on the bill S. 3389, known as the shipyard housing bill, and I ask unanimous consent to waive the reading of the report. I will say that it is a unanimous report on the part of the conferees of the two Houses. The other House has already agreed to the conference report.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). The Senator from Louisiana asks unanimous consent to omit the reading of the conference report.

Mr. SMOOT. I desire the conference report to be read, as I wish to know what changes have been made.

The PRESIDING OFFICER. Objection is made, and the Secretary will read the conference report.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed by the House insert the following:

"That the United States Shipping Board Emergency Fleet Corporation is hereby authorized and empowered within the limits of the amounts herein authorized—

"(a) To purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise any improved or unimproved land or any interest therein suitable for the construction thereon of houses for the use of employees and the families of employees of shipyards in which ships are being constructed for the United States.

"(b) To construct on such land for the use of such employees and their families houses and all other necessary or convenient facilities, upon such conditions and at such price as may be determined by it, and to sell, lease, or exchange such houses, land,

and facilities upon such terms and conditions as it may determine.

"(c) To purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise any houses or other buildings for the use of such employees and their families, together with the land on which the same are erected, or any interest therein, all necessary and proper fixtures and furnishings therefor, and all necessary and convenient facilities incidental thereto; to manage, repair, sell, lease, or exchange such lands, houses, buildings, fixtures, furnishings and facilities upon such terms and conditions as it may determine to carry out the purposes of this act.

"(d) To make loans to persons, firms, or corporations in such manner, upon such terms and security, and for such time not exceeding ten years, as it may determine to provide houses and facilities for the employees and the families of employees of such shipyards.

"Whenever said United States Shipping Board Emergency Fleet Corporation shall acquire by requisition or condemnation such property or any interest therein, it shall determine and make just compensation therefor, and if the amount thereof so determined is unsatisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as added to such 75 per cent will make such an amount as will be just compensation for the property or interest therein so taken, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

"That whenever the said United States Shipping Board Emergency Fleet Corporation shall requisition any property or rights, or upon the filing of a petition for condemnation hereunder, immediate possession may be taken by it of such land, houses, or other property, rights, and facilities, to the extent of the interests to be acquired therein, and the same may be immediately occupied and used, and the provisions of section 355 of the Revised Statutes, providing that no public money shall be expended upon such land until the written opinion of the Attorney General shall be had in favor of the validity of the title nor until the consent of the legislature of the State in which the land is located has been given, shall be, and the same are hereby, suspended as to all land acquired hereunder.

"The power to acquire property by purchase, lease, requisition, or condemnation, or to construct houses, or other buildings, and to make loans, or otherwise extend aid as herein granted shall cease with the termination of the present war with Germany. The date of the conclusion of the war shall be declared by proclamation of the President.

"The word 'person' used herein shall include a trustee, firm, or corporation. The word 'shipyard' shall include any factory, workshop, warehouse, engine works, buildings, or grounds used for manufacturing, assembling, construction, or other process in shipyards and dockyards and discharging terminals, and other facilities connected therewith, now or hereafter used in connection with shipbuilding.

"That for the purpose of carrying out the provisions of this act the expenditure of $50,000,000 is hereby authorized, and in executing the authority granted by this act, the said United States Shipping Board Emergency Fleet Corporation shall not expend or obligate the United States to expend more than the said sum, nor shall any contract for construction be entered into which provides that the compensation of the contractor shall be the cost of construction plus a percentage thereof for profit, unless such contract shall also fix the reasonable cost of such construction as determined by the United States Shipping Board Emergency Fleet Corporation and provide that upon any increase in cost above the reasonable cost so fixed by such board, the percentage of profit shall decrease as the cost increases in accordance with a rate to be fixed by said board and expressed in the contract. No contract shall be let without the approval of the United States Shipping Board Emergency Fleet Corporation: *Provided, however*, That nothing herein contained shall be construed to prevent said board from contracting for the payment of premiums or bonuses for the speedy completion of the work contracted for: *Provided further*, That the United States Shipping Board Emergency Fleet Corporation shall report to Congress on the first Monday in December of each year the names of all persons or corporations with whom it has made contracts and of such subcontractors as may be employed in furtherance of this act, including a statement of the purposes and amounts thereof, together with a detailed statement of all expenditures by contract or otherwise for land, buildings, material, labor, salaries, commissions, demurrage, or other charges in excess of $10,000."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

JOSEPH E. RANSDELL,
THOMAS S. MARTIN,
KNUTE NELSON,
Managers on the part of the Senate.

J. W. ALEXANDER,
RUFUS HARDY,
E. W. SAUNDERS,
WILLIAM S. GREENE,
GEORGE W. EDMONDS,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SMOOT. Mr. President, subparagraph (d) of the amendment grants authority—

to make loans to persons, firms, or corporations in such manner, upon such terms and security, and for such time, not exceeding 10 years, as it may determine to provide houses and facilities for the employees and the families of employees of such ship yards.

That question never was before the Senate, Mr. President. It was not discussed, and it seems to me a rather broad authority to give.

Mr. RANSDELL. I will say that the question was before the House and was very thoroughly discussed, and a good deal of testimony was taken in regard to it. The matter was very fully considered by the conferees, and the Senate conferees unanimously agreed with the House conferees. If there is any explanation that the Senator desires about it, I will try to make it; or, if he prefers to have it go over, of course I shall have no objection, except that we ought to act on it as soon as we can. I will state that the Shipping Board is very anxious to get permission to build these houses.

Mr. SMOOT. I want the Senator to understand that I have no object in delaying the conference report; but this is a rather sweeping provision and one that is not guarded in any way. I therefore ask the Senator to let the matter go over until to-morrow.

Mr. RANSDELL. I have no objection.

The PRESIDING OFFICER. The report will lie on the table and be printed.

MILITARY AND NAVAL ESTABLISHMENTS.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. OVERMAN. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Presiding Officer appointed Mr. OVERMAN, Mr. FLETCHER, and Mr. NELSON the conferees on the part of the Senate.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. SMITH of South Carolina. Mr. President, I now propose the unanimous-consent agreement which I send to the desk and ask to have read.

The PRESIDING OFFICER. The Secretary will state the proposed agreement.

The SECRETARY. The Senator from South Carolina proposes the following unanimous-consent agreement:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on the calendar day of Thursday, February 21, 1918, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered and upon the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, through the regular parliamentary stages to its final disposition; and after said hour, 2 o'clock p. m., Thursday, February 21, no Senator shall speak more than once or longer than five minutes upon the bill or any amendment offered thereto.

Mr. UNDERWOOD. Mr. President, I ask the Senator from South Carolina, in charge of the bill, to strike out the words "calendar day" and insert "legislative day." I think it is apparent that this bill needs amendment. I think the Senator from South Carolina, the chairman of the committee, has amendments to propose. I notice that other Senators have

offered amendments—amendments of importance. There is no bill that I know of pending in the American Congress or that has been pending here since this war began that more vitally affects the interests of the American people. I am not talking about war measures, but about business measures. This bill is certainly entitled to careful and full consideration in the Senate.

I recognize the fact that under general debate in the Senate it is very difficult to get careful and full consideration. I believe that so far as considering the bill and adopting amendments is concerned, we accomplish better results when the debate is limited and we consider amendments under the five-minute rule. Therefore, I have no objection whatever to the Senator from South Carolina proceeding along that line; but, as I understand the agreement that is proposed at the desk, it brings the Senate to the consideration of the bill under the five-minute rule at 2 o'clock on Thursday next. So far, the proposal meets with my approval; I agree with it; but I understand that when Thursday comes we take up the bill at 2 o'clock under the five-minute rule, and must finish it on that calendar day under the five-minute rule.

Mr. SMITH of South Carolina. Mr. President, I will state to the Senator that that was not so understood. I think the purpose is then to proceed under the five-minute rule without being limited to the calendar day.

Mr. UNDERWOOD. I do not so understand the agreement.

Mr. SMITH of South Carolina. I am willing to accept that amendment.

Mr. UNDERWOOD. I will say to the Senator that I should like to have him amend the unanimous-consent agreement so that there can be no doubt about that. I want to aid the Senator in expediting the consideration of the bill; but I think that we ought to proceed under the five-minute rule to consider every amendment that is offered, if it takes four or five more days to consider it under the five-minute rule. There is no reason why we should not do so. In all probability we will dispose of it in a day or so; but to drive a bill of this importance through the Senate, considering all amendments from 2 o'clock until perhaps 12 o'clock that night, when the Senate will be tired and worn out, I do not think is a just or right way to present the bill to the country.

Mr. SMITH of South Carolina. If the Senator will listen to the reading of the proposed agreement he will see that it does not restrict the final disposition of the bill to any date. The consideration of the bill under the five-minute rule begins on the calendar day.

Mr. UNDERWOOD. I may have misunderstood the agreement.

Mr. SMITH of South Carolina. Let us read it carefully:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on the calendar day of Thursday, February 21, 1918, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill.

* * * * * * *

through the regular parliamentary stages to its final disposition; and after said hour, 2 o'clock p. m., Thursday, February 21, no Senator shall speak more than once or longer than five minutes upon the bill or any amendment offered thereto.

Mr. UNDERWOOD. If the Senator will allow me to see that a moment, I shall be obliged.

Mr. ROBINSON. Mr. President——

Mr. GALLINGER. The agreement does not fix a time for a final vote.

Mr. SMITH of South Carolina. No; it fixes no time for a final vote.

Mr. UNDERWOOD. Mr. President, I may be mistaken in this, but I do not think I am [reading]:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on the calendar day of Thursday, February 21, 1918, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill—

Describing the bill—

through the regular parliamentary stages to its final disposition.

That is, leaving out the surplusage in the agreement, it provides that on Thursday, the 21st of February, 1918, the Senate will proceed to vote upon this bill to its final disposition. If the Senator will strike out the words "calendar day" and make it read "legislative day," when the time comes to adjourn that night we can take a recess and consider the bill further.

Mr. SMITH of South Carolina. I am perfectly willing to do that.

Mr. CUMMINS. Mr. President, I can not let it go that way. The agreement as proposed yesterday was that after 2 o'clock on Thursday debate should be limited to 10 minutes upon the bill and 5 minutes upon amendments; but, as everybody knows, there is no distinction between the two things, and each Senator would have an opportunity to speak for 10 minutes. I do not think the limitation of 5 minutes, under the circumstances, is quite reasonable. There have been several very good speeches made upon the bill as a whole. I have given a good deal of attention to this subject, and, while I spoke a long time, and I have no disposition to repeat that performance, I addressed myself entirely to one section of the bill. There are amendments to other sections of the bill, rather fundamental in their character, that could not be discussed in 5 minutes.

I want the Senator from South Carolina to allow the debate to go on for a reasonable time, at any rate, after 2 o'clock on Thursday under a 10-minute rule. I think that the debate from 2 o'clock on Thursday until 6 o'clock on Thursday, if it continues that long—I hope it will not—ought to be under a 10-minute rule instead of a 5-minute rule, and I am willing to take the 5-minute rule after 6 o'clock on Thursday.

Mr. SMITH of South Carolina. That will be agreeable to me, Mr. President. What I want to do is to expedite the consideration of the bill. The Senator from Iowa, I am sure, is as sincere as I am in the desire to expedite it. I will take almost any old thing to get something started, somehow, in some way. I should like to have the agreement modified to meet the request of the Senator from Iowa that from 2 o'clock until 6 o'clock on Thursday the speeches shall be limited to 10 minutes each, and thereafter to 5 minutes, until the final disposition of the bill.

The PRESIDING OFFICER. The Chair understands that the Senator from South Carolina consents to the substitution of the words "legislative day" for "calendar day."

Mr. SMITH of South Carolina. Yes.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

Mr. CUMMINS. Has it been modified in the way I suggested?

The PRESIDING OFFICER. The Secretary is endeavoring to modify the agreement to meet the suggestion of the Senator from Iowa that the 10-minute rule shall be applied at 2 o'clock p. m. on Thursday and last until 6 p. m., and thereafter the 5-minute rule shall prevail.

Mr. SMITH of South Carolina. That is correct.

Mr. GRONNA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Cummins	Kendrick	Page	Smith, Ga.
Curtis	Kenyon	Pittman	Smith, S. C.
Fletcher	King	Poindexter	Smoot
Gallinger	Lewis	Pomerene	Swanson
Gronna	Martin	Ransdell	Thomas
Harding	Myers	Robinson	Tillman
Henderson	New	Shafroth	Underwood
Hitchcock	Norris	Sheppard	Vardaman
Jones, Wash.	Nugent	Simmons	Wadsworth
Kellogg	Overman	Smith, Ariz.	Wolcott

Mr. MYERS. By reason of ill health, my colleague [Mr. WALSH] is still detained from the Senate.

Mr. LEWIS. I wish merely to announce that the Senator from Kentucky [Mr. JAMES] and the Senator from Oregon [Mr. CHAMBERLAIN] are absent because of personal illness.

The PRESIDING OFFICER. Forty Senators have answered to their names. There is not a quorum present.

Mr. LEWIS. I ask that the names of the absentees be called.

The Secretary called the names of the absent Senators, and Mr. MCKELLAR, Mr. MCNARY, Mr. STERLING, Mr. SUTHERLAND, Mr. THOMPSON, and Mr. WATSON answered to their names when called.

Mr. HALE, Mr. FRELINGHUYSEN, Mr. BECKHAM, Mr. KIRBY, Mr. PENROSE, and Mr. HOLLIS entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-two Senators have answered to their names. There is a quorum present. Does the Senator from South Carolina desire to have the unanimous-consent agreement read?

Mr. SMITH of South Carolina. No; I think not, Mr. President. It is understood.

Mr. STERLING. May we have the proposed agreement read, Mr. President?

The PRESIDING OFFICER. The Secretary will read the proposed unanimous-consent agreement.

The Secretary read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on the legislative day of Thursday, February 21, 1918, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (S. 3752) to provide for the operation of transportation systems while under Federal con-

trol, for the just compensation of their owners, and for other purposes, through the regular parliamentary stages to its final disposition; and that from and after the hour of 2 o'clock p. m. up to the hour of 6 o'clock p. m. on the calendar day of Thursday, February 21, 1918, no Senator shall speak more than once or longer than 10 minutes upon the bill or any amendment offered thereto, and that after the last-named hour on the said last-named calendar day no Senator shall speak more than once or longer than five minutes upon the bill or any amendment offered thereto.

Mr. JONES of Washington. Mr. President, if the consideration of the bill should last after that calendar day, how long may Senators speak?

Mr. SMITH of South Carolina. Five minutes.

Mr. LEWIS. May I ask the Senator from South Carolina whether he means that that order would convey the privilege of speaking after 6 o'clock?

Mr. SMITH of South Carolina. Under the five-minute rule.

Mr. LEWIS. After 6 o'clock on Thursday?

Mr. SMITH of South Carolina. Yes.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered into.

Mr. SMITH of South Carolina. Mr. President, I move that the Senate adjourn.

Mr. MYERS. Mr. President, I hope the Senator will withdraw that motion. I should like to have a short executive session. I promised to make a committee report which has been in my hands for several days.

Mr. SMITH of South Carolina. The Senator can make it as in open executive session.

Mr. MYERS. Then I will ask unanimous consent, as an executive matter, to make the report.

Mr. GALLINGER. I object.

The PRESIDING OFFICER. Objection is made.

Mr. MYERS. Then I ask the Senator to allow us to have a short executive session. I promised to make this report for the Senator from Missouri, who is particularly interested in it. It will take but a minute.

EXECUTIVE SESSION.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened, and (at 5 o'clock p. m.) the Senate adjourned until to-morrow, Wednesday, February 20, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate February 19, 1918.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. (Junior Grade) Ward W. Waddell to be a lieutenant in the Navy from the 5th day of June, 1917.

Ensign Stanley L. Wilson to be a lieutenant (junior grade) in the Navy from the 6th day of June, 1917.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of December, 1917:

William S. Popham, jr., and
Malcolm L. Worrell.

The following-named citizens to be dental surgeons in the Navy, with the rank of lieutenant (junior grade), for a probationary period of two years from the 16th day of October, 1917:

William T. Davidson, a citizen of Pennsylvania,
Harold A. Badger, a citizen of New York,
Patrick F. Kennedy, a citizen of Massachusetts,
Canute Hansen, a citizen of New York,
Herbert A. Sturtevant, a citizen of Massachusetts,
Lawrence E. McGourty, a citizen of Massachusetts.
Spey O. Claytor, a citizen of Ohio,
James McK. Campbell, a citizen of Tennessee,
James W. Ridgway, a citizen of the District of Columbia,
Hyman Mann, a citizen of Pennsylvania,
Hubert Lehman, a citizen of Connecticut,
John A. Walsh, a citizen of Connecticut,
William E. Coverley, a citizen of Illinois, and
William A. Dorney, a citizen of Massachusetts.

The following-named citizens to be dental surgeons in the Navy, with the rank of lieutenant (junior grade), for a probationary period of two years, from the 1st day of November, 1917:

David L. Cohen, a citizen of California, and
Elwood B. Faxon, a citizen of Oregon.

The following-named citizens to be dental surgeons in the Navy, with the rank of lieutenant (junior grade), for a probationary period of two years, from the 9th day of February, 1918:

Howard R. McCleery, a citizen of Oklahoma,
Armin T. Fellows, a citizen of Pennsylvania,
George A. Collins, a citizen of New Jersey,
Frank A. Zastrow, a citizen of New York, and
James F. McGrath, a citizen of Massachusetts.

Gunner Ola F. Heslar to be an ensign in the Navy, for temporary service, from the 10th day of October, 1917.

The following-named officers to be ensigns in the Navy, for temporary service, from the 15th day of February, 1918:

Arthur F. Armstrong,
Oliver A. Bowers,
Otis E. Bennett,
John J. Gaskin,
Chester N. White,
Thomas H. Murphy,
Leo E. Schlimme,
Bernard S. Rodey, jr.,
Thomas P. Kane,
Alfred J. Byrholdt,
Oliver H. Briggs.
Frederick G. Trummer,
Francis A. Knauss,
Carl J. Hallberg,
Albert T. Lang,
Christian Christensen,
Henry L. Bixbee,
Alexander C. Cornell,
William G. Gillis,
Fred G. Peterman,
Frank E. Norlin,
Leslie R. Heselton,
Lawrence J. Murphy,
George R. Woods, and
Robert J. Vierthaler.

The following-named enlisted men to be ensigns in the Navy, for temporary service, from the 15th day of February, 1918:

George H. Frederick,
Carl Hupp,
John L. Blomquist,
Edwin P. Lacey,
Charles A. Goebel,
John McKean,
Heinrich C. A. Degiau,
John O. Strickland,
Raymond J. Comstock,
Virgil F. Wright,
George F. Evanson,
Walter Mower.
Clarence C. McDow,
Ralph M. Gerth,
William S. Burns.
Charles A. Strumsky,
Joseph F. Caveney,
William H. Tracy,
John D. Morris,
Charles R. Kehler,
Elliott Kauth,
James E. Finn,
Arthur O. Kolstad,
Stonewall B. Stadtler, and
Homer F. McGee.

The following-named officers of the United States Naval Reserve Force to be ensigns in the Navy, for temporary service, from the 15th day of February, 1918:

Sydney W. Ford,
John Harrison, jr.,
Washington E. Bogardus,
William T. Brown, and
Philip McK. Zenner.

Paymaster Ray Spear to be a pay inspector in the Navy, with the rank of commander, for temporary service, from the 10th day of January, 1918.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 19, 1918.

TARIFF COMMISSION.

Thomas W. Page to be a member of the United States Tariff Commission.

CONSULAR SERVICE.

CONSULS OF CLASS 8.

Ralph H. Bader.
Thomas H. Bevan.
William W. Brunswick.

Algar E. Carleton.
Felix Cole.
Harris N. Cookingham.
Paul H. Cram.
Raymond S. Curtice.
J. Preston Doughten.
Stillman W. Eells.
Robert W. Harnden.
Samuel W. Houaker.
Paul R. Josselyn.
Robert L. Keiser.
Irving N. Linnell.
Leland B. Morris.
Charles Roy Nasmith.
Harold B. Quarton.
Raymond P. Tenney.
Hugh H. Watson.
George W. Young.

GENERAL LAND OFFICE.

Louis H. Mooser to be surveyor general of California.

Gratton D. Little to be receiver of public moneys at Eureka, Cal.

Christopher C. Davidson to be register of the land office at Springfield, Mo.

APPOINTMENTS IN THE NAVY.

William C. Braisted to be Surgeon General and Chief of the Bureau of Medicine and Surgery.

George Barnett to be major general commandant of the Marine Corps.

POSTMASTERS.

ALABAMA.

Leon M. Stevenson, Roanoke.

CALIFORNIA.

Jennie F. Curry, Camp Curry.
Janet D. Watson, Tahoe.
Susan M. Sigler, Universal City.

COLORADO.

William M. Kintner, Swink.

KANSAS.

Henry Mattison, Mount Hope.

KENTUCKY.

Orson D. Proctor, Adairville.
William B. Crabb, Eminence.
E. W. McClure, Leitchfield.
H. Otto Razor, Salt Lick.
P. A. McIntire, Uniontown.

MISSOURI.

Robert S. Harriman, Pilot Grove.

NEW JERSEY.

Francis J. Imlay, Allenhurst.
Clark P. Kemp, Little Silver.
J. Edward Harned, Woodbridge.

NORTH DAKOTA.

Swain G. Northfield, Edinburg.

OHIO.

William H. Wisman, New Paris.

TENNESSEE.

Cleveland M. Reames, Somerville.

VIRGIN ISLANDS.

W. S. Lee, Charlotte Amalie.

WYOMING.

Minnie C. Corum, Encampment.

HOUSE OF REPRESENTATIVES.

TUESDAY, *February 19, 1918.*

The House met at 12 o'clock noon.

Rev. William Couden, of Washington, D. C., offered the following prayer:

Calm as the night, deep as the sea, constant as the sun is Thy love to us, O Father in Heaven. Thy blessings are innumerable and Thou hast saved us from dangers known and from many a peril unrecognized. Save us from habitual complaint, lament, regret. Hold us close to Thee in love, thanksgiving, and trust. And while the storm and the surges of life beat about us, keep us safe upon the Rock of Ages, and defend and bless our dear, dear country. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS.

Mr. MILLER of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a patriotic speech made by my colleague, Mr. TIMBERLAKE of Colorado, delivered at Yuma, Colo., on January 2, and published in the Yuma Pioneer of that date.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD by printing a patriotic speech made by the gentleman from Colorado [Mr. TIMBERLAKE] at Yuma, Colo., on a certain date. Is there objection?

There was no objection.

Mr. FLOOD. Mr. Speaker, I want to ask unanimous consent to extend my remarks in the RECORD by printing a resolution adopted by the Board of Supervisors of Buckingham County, Va., in reference to the fertilizer situation.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD by printing a set of resolutions adopted by the Agricultural Society of Buckingham County. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a letter I have received relative to pension legislation.

The SPEAKER. The gentleman from Ohio [Mr. KEARNS] asks unanimous consent to extend his remarks in the RECORD by printing a letter on the subject of pensions. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of pension legislation, in which remarks I might publish a letter I have received.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks on the subject of pension legislation. Is there objection?

Mr. WALSH. I object.

HOUSING OF SHIPBUILDING EMPLOYEES.

Mr. ALEXANDER. Mr. Speaker, I desire to call up the conference report on the bill (H. R. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved lands, houses, and buildings, and for other purposes.

Mr. SIMS. Mr. Speaker, I suppose that under the unanimous-consent agreement we will take up the railroad bill after the conference report is agreed to?

The SPEAKER. Of course.

The Clerk will report the conference report by title.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the statement.

CONFERENCE REPORT (NO. 319).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) "to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed by the House insert the following:

"That the United States Shipping Board Emergency Fleet Corporation is hereby authorized and empowered within the limits of the amounts herein authorized—

"(*a*) To purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise any improved or unimproved land or any interest therein suitable for the construction thereon of houses for the use of employees and the families of employees of shipyards in which ships are being constructed for the United States.

"(*b*) To construct on such land for the use of such employees and their families houses and all other necessary or convenient facilities, upon such conditions and at such price as may be determined by it, and to sell, lease, or exchange such houses, land,

and facilities upon such terms and conditions as it may determine.

"(c) To purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise any houses or other buildings for the use of such employees and their families, together with the land on which the same are erected, or any interest therein, all necessary and proper fixtures and furnishings therefor, and all necessary and convenient facilities incidental thereto; to manage, repair, sell, lease, or exchange such lands, houses, buildings, fixtures, furnishings, and facilities upon such terms and conditions as it may determine to carry out the purposes of this act.

"(d) To make loans to persons, firms, or corporations in such manner upon such terms and security, and for such time not exceeding 10 years, as it may determine to provide houses and facilities for the employees and the families of employees of such shipyards.

"Whenever said United States Shipping Board Emergency Fleet Corporation shall acquire by requisition or condemnation such property or any interest therein, it shall determine and make just compensation therefor, and if the amount thereof so determined is unsatisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined, and shall be entitled to sue the United States to recover such further sum as added to such 75 per cent will make such an amount as will be just compensation for the property or interest therein so taken, in the manner provided by section 24, paragraph 20, and section 145 of the Judicial Code.

"That whenever the said United States Shipping Board Emergency Fleet Corporation shall requisition any property or rights, or upon the filing of a petition for condemnation hereunder, immediate possession may be taken by it of such land, houses, or other property, rights, and facilities, to the extent of the interests to be acquired therein, and the same may be immediately occupied and used, and the provisions of section 355 of the Revised Statutes, providing that no public money shall be expended upon such land until the written opinion of the Attorney General shall be had in favor of the validity of the title nor until the consent of the legislature of the State in which the land is located has been given, shall be, and the same are hereby, suspended as to all land acquired hereunder.

"The power to acquire property by purchase, lease, requisition, or condemnation, or to construct houses, or other buildings, and to make loans, or otherwise extend aid as herein granted shall cease with the termination of the present war with Germany. The date of the conclusion of the war shall be declared by proclamation of the President.

"The word 'person' used herein shall include a trustee, firm, or corporation. The word 'shipyard' shall include any factory, workshop, warehouse, engine works, buildings, or grounds used for manufacturing, assembling, construction, or other process in shipyards and dockyards and discharging terminals, and other facilities connected therewith, now or hereafter used in connection with shipbuilding.

"That for the purpose of carrying out the provisions of this act the expenditure of $50,000,000 is hereby authorized, and in executing the authority granted by this act, the said United States Shipping Board Emergency Fleet Corporation shall not expend or obligate the United States to expend more than the said sum, nor shall any contract for construction be entered into which provides that the compensation of the contractor shall be the cost of construction plus a percentage thereof for profit, unless such contract shall also fix the reasonable cost of such construction as determined by the United States Shipping Board Emergency Fleet Corporation and provide that upon any increase in cost above the reasonable cost so fixed by such board, the percentage of profit shall decrease as the cost increases in accordance with a rate to be fixed by said board and expressed in the contract. No contract shall be let without the approval of the United States Shipping Board Emergency Fleet Corporation: *Provided, however*, That nothing herein contained shall be construed to prevent said board from contracting for the payment of premiums or bonuses for the speedy completion of the work contracted for: *Provided further*, That the United States Shipping Board Emergency Fleet Corporation shall report to Congress on the first Monday in December of each year the names of all persons or corporations with whom it has made contracts and of such subcontractors as may be employed in furtherance of this act, including a statement of the purposes and amounts thereof, together with a detailed statement of all expenditures by contract or otherwise for land, buildings, material, labor, salaries, commissions, demurrage, or other charges in excess of $10,000."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

J. W. ALEXANDER,
RUFUS HARDY,
E. W. SAUNDERS,
WILLIAM S. GREENE,
GEORGE W. EDMONDS,
Managers on the part of the House.

JOS. E. RANSDELL,
THOMAS S. MARTIN,
KNUTE NELSON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill S. 3389, "An act to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes," submit the following written statement in explanation of the effect of the action agreed upon by the conferees and submitted by the accompanying report:

The House amendment to the bill S. 3389 is agreed to with an amendment, which gives the text of the bill as agreed to by the conferees.

The bill as agreed to authorizes and empowers the United States Shipping Board Emergency Fleet Corporation not only to requisition property for the purposes of the act, but to requisition the temporary use of the property for the purposes of the act; also to provide houses for the use of employees and the families of employees; also, in addition to proper fixtures and furnishings for houses and other buildings for the use of employees and their families, to provide all necessary and convenient facilities incidental thereto.

Paragraph (*d*) is rewritten, and the Emergency Fleet Corporation is given power to make loans to persons, firms, or corporations in such manner, upon such terms and security, and for such time not exceeding 10 years as it may determine to provide houses and facilities for the employees and the families of employees of such shipyards. Subdivision (*d*) as it passed the House gave the Emergency Fleet Corporation power to make loans only upon adequate security to persons, firms, or corporations, etc. The conferees are of the opinion that to demand adequate security for all loans made might seriously embarrass the Emergency Fleet Corporation in providing the necessary housing facilities. It is too much to hope there will be no loss to the Government in carrying out this project, and to demand adequate security for every loan made would make it difficult for the Emergency Fleet Corporation to enlist the active cooperation of persons, firms, or corporations in carrying out the purposes of the act. The most we can hope for is that the Emergency Fleet Corporation in making loans will exercise sound discretion and demand the very best security that can be obtained, and the effect of the amendment agreed to in conference is to vest the Emergency Fleet Corporation with large discretion in making loans.

No other material amendment is made to the House amendment in the way of substitute to the Senate bill.

The last paragraph of the House amendment to the Senate bill as agreed to by the conferees is amended to provide that no contract shall be sublet without the approval of the Emergency Fleet Corporation; also, to provide that the report made to Congress shall be made on the 1st day of December of each year instead of on the 1st day of July and January of each year.

The effect of these amendments is apparent and needs no explanation.

J. W. ALEXANDER,
RUFUS HARDY,
E. W. SAUNDERS,
WILLIAM S. GREENE,
GEORGE W. EDMONDS,
Managers on the part of the House.

Mr. ALEXANDER. Mr. Speaker, the bill as agreed to in conference was to all intents and purposes the same as the bill as it passed the House, and I move the previous question.

Mr. LENROOT. Mr. Speaker, will the gentleman yield for just a question?

Mr. ALEXANDER. I yield.

Mr. LENROOT. With reference to subdivision (d), covering the matter of loans, I merely ask, for the guidance of the Shipping Board, as to what the intent of the Congress was. I take it that it was the intention of the conferees, by modifying the language that was adopted by the House, to require security

in each instance, but leaving a very wide discretion with the board?

Mr. ALEXANDER. Yes.

Mr. LENROOT. But in no event should security be dispensed with?

Mr. ALEXANDER. That was clearly the intent, and the only reason we modified the language was because, as framed in the bill, it was too restrictive, but at the time the gentleman from Wisconsin [Mr. LENROOT] offered the amendment it appealed to me very strongly, but upon more mature consideration the conferees were afraid it would be too restrictive.

Mr. LENROOT. All I wanted to say was, that this ought not to be construed as permitting the board to waive security?

Mr. ALEXANDER. On the other hand, we wish them to procure the best security they can.

Mr. STAFFORD. Will the gentleman yield further?

Mr. ALEXANDER. I yield.

Mr. STAFFORD. I notice the committee has extended the authority of the loans that may be made by the Shipping Board, to provide for loans for houses as carried in the House bill, and also for facilities. Has that any peculiar significance as to authorizing loans for the building of railroads?

Mr. ALEXANDER. Oh, no; nothing at all. We might be able to take over a house, and there might be some furniture or fixtures that would be worth while to take over.

Mr. STAFFORD. The idea is that the facilities referred merely to the housing proposition?

Mr. ALEXANDER. Yes; the facilities in connection with the housing, absolutely.

Mr. Speaker, I move the previous question.

Mr. WALSH. Mr. Speaker, will the gentleman yield for a short question before he does that?

Mr. ALEXANDER. I will.

Mr. WALSH. I want to ask if the amendment which was adopted just before the bill was reported to the House remains?

Mr. ALEXANDER. The Green amendment?

Mr. WALSH. Yes; the Green amendment.

Mr. ALEXANDER. It remains in the bill just as it was written in the House. It is not modified at all, except that we provide that no subcontract may be let without the express consent of the Shipping Board. I move the previous question, Mr. Speaker.

The SPEAKER. The question is on agreeing to that motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. ALEXANDER, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

CLERK TO COMMITTEE ON ALCOHOLIC LIQUOR TRAFFIC.

Mr. PARK. Mr. Speaker, I submit a privileged resolution, which I ask to have read at the Clerk's desk.

Mr. SIMS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SIMS. The unanimous-consent agreement was that nothing was to interfere with the consideration of the railroad bill except conference reports and Calendar Wednesday business.

The SPEAKER. The Chair understands that, but little things that have to do with the running of the House and that will not take but a minute were not included. If this does, the gentleman from Georgia will withdraw it.

Mr. PARK. I yield two minutes to the gentleman from Illinois [Mr. SABATH].

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 221.

Resolved, That the Committee on Alcoholic Liquor Traffic be allowed a clerk at the rate of $6 per diem during the second session of the Sixty-fifth Congress, to be paid out of the contingent fund of the House.

Mr. SABATH. Mr. Speaker, this is the only committee of the House with legislative jurisdiction which has not been allowed a clerk, and that notwithstanding the fact that there are a great many things to be attended to on that committee growing out of the recent prohibition legislation. There are a great many letters and memorials and inquiries coming into that committee from day to day.

Mr. STAFFORD. I do not think that should be precipitated at this time. The committee has never had a clerk.

Mr. SABATH. It has always had a clerk.

Mr. STAFFORD. At $6 per day?

Mr. SABATH. Yes; it has always had a clerk since the committee has been organized; it has one now, and has had one ever since.

Mr. MOORE of Pennsylvania. The gentleman does not want a contest over this matter this morning, does he?

Mr. SABATH. No; I do not want a contest. If there is any question about it, I am willing that the gentleman from Georgia [Mr. PARK] should withdraw it. But if there is a committee that needs a clerk at this time it is that committee, because on an average of 40 or 50 letters and resolutions come in every day. They have to be answered and taken up and attended to.

The SPEAKER. The gentleman from Georgia [Mr. PARK] temporarily withdraws this resolution.

ORDER OF BUSINESS.

Mr. MOON. Mr. Speaker, I want to ask unanimous consent that at the conclusion of the railroad bill, which we are about to take up, the bill (H. R. 9414) granting increased compensation to certain officials, employees, and laborers in the Post Office Department and Postal Service, and for other purposes may be taken up and put upon its passage.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that at the conclusion of the consideration of the present bill—that is, this railroad bill—House bill 9414 be made a special order, barring, of course, Calendar Wednesday and the first and third Mondays and conference reports and privileged matters generally. Is there objection?

Mr. SHERLEY. I object.

The SPEAKER. The gentleman from Kentucky objects.

Mr. LANGLEY. Mr. Speaker——

Mr. MOON. Does the gentleman from Kentucky object?

Mr. LANGLEY. No; I am in favor of the gentleman's bill. I did not object.

The SPEAKER. The gentleman from Kentucky [Mr. SHERLEY] objected.

Mr. MOON. The gentleman says he did not object.

The SPEAKER. I know; the gentleman from Kentucky [Mr. SHERLEY] objected.

Mr. LANGLEY. I object to the action of my colleague being attributed to me. I am in favor of the gentleman's bill, particularly if it is the bill which gives relief to the fourth-class postmasters, the rural carriers, and the star-route carriers.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes; and, pending that motion, I want to ask the gentleman from Wisconsin [Mr. ESCH]—I want to make a unanimous consent request that the gentleman from Wisconsin shall control one-half of the time for general debate on that side and that I control it on this side. That is only for the control of debate.

Mr. MADDEN. Let us find out what the debate is going to be. I reserve the right to object for the time being, to ascertain how long the time for general debate is going to be.

Mr. SIMS. I was discussing that matter with the gentleman from Wisconsin this morning, and he thought that it would be better for us to begin the debate without an agreement, and we could probably reach an agreement later on, but to proceed without an agreement except that I shall control one-half and the gentleman from Wisconsin one-half of the time.

Mr. COX. Is the debate to be confined to the bill?

Mr. SIMS. I want to make that as a separate request. This should not be coupled with any other request.

Mr. MADDEN. It seems to me that we ought to reach an agreement as to the amount of debate.

Mr. GARNER. Mr. Speaker, I want to suggest to the gentleman from Tennessee that he couple with his request for an equal division of the time the request that the time be controlled by himself and the gentleman from Wisconsin [Mr. ESCH], and that the debate be confined to the bill.

Mr. SIMS. I will make that request if this one is granted.

Mr. GARNER. But suppose this should be granted and the other one not?

Mr. SIMS. I want both to be granted.

Mr. COOPER of Wisconsin. I do not want to obstruct the consideration of this matter, but I shall not consent, if ever, except in the most extraordinary circumstances, to the limiting of general debate to any subject. That is the only chance that the Members of the House of Representatives have to express their opinions on current matters.

The SPEAKER. Nobody has made that request.

Mr. COOPER of Wisconsin. I know; but the gentleman from Texas [Mr. GARNER] was just suggesting that it be made and I thought I had better show the unwisdom of making such a request.

The SPEAKER. The gentleman from Tennessee [Mr. SIMS] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the railroad bill (H. R. 9685); and pending that he asks that he control one-half the time for general debate and the gentleman from Wisconsin [Mr. ESCH] the other half. Is there objection to this request?

There was no objection.

Mr. SIMS. Now, Mr. Speaker, I will make the further request that general debate be limited to the subject matter of the bill.

The SPEAKER. The gentleman asks that the general debate be limited to the subject matter of the bill. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object, I wish to say this only——

Mr. LANGLEY. Mr. Speaker, in order to save time, I object.

The SPEAKER. The gentleman from Kentucky [Mr. LANGLEY] objects.

Mr. SIMS. Now my motion is in order.

The SPEAKER. The question is on the motion to go into the Committee of the Whole House on the state of the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, with Mr. RAINEY in the chair.

Mr. SIMS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be waived.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the first reading of the bill be waived. Is there objection?

There was no objection.

Mr. SIMS. Mr. Chairman, this is one of the most important bills that has ever been before the House of Representatives for its consideration and enactment since I have been a Member of the House, which is now within a few days of 21 years. It is so important that I feel that all debate upon this bill should be confined to the provisions of the bill. I do not mean that upon a point of order a mere question of judgment is to be challenged as to whether what a gentleman may be saying applies to a provision in the bill or not, but it will require all the time that we ought to use in general debate to discuss the bill and proposed amendments. And when it is so absolutely necessary that it shall be enacted into law as soon as possible, consistent with due and proper consideration, I hope that no gentleman will ask to make a speech or will want time yielded him to make a speech on a subject in no way related to this legislation. We have a number of appropriation bills to be considered yet by the House, and it has always been the custom that on appropriation bills liberal time is given for general debate, to the end that gentlemen of the House may discuss any subject in order under the rules when the House is in Committee of the Whole House on the state of the Union. I would have no objection to debate on other subjects if it were not for the fact of the great urgency of this emergency legislation.

The House Committee on Interstate and Foreign Commerce remained in continuous session for five weeks, or about that time, not confining their sessions simply to the forenoons, but often continued in session until the time for adjournment of the House; and I feel that the members of this committee who have studied this subject so faithfully, who have attended the hearings so continuously, should have a reasonable opportunity to explain to the House, or to Members of the House who have not given the matter that amount of study and thought and attention that members of the committee have, the provisions of this bill, and that they should not be crowded out simply to grant accommodation requests to discuss subjects that do not relate to the bill.

I shall now ask that I be not interrupted for a few minutes. I want to read a synopsis in the way of an explanation of the bill, which is practically the majority report. But many Members, perhaps, have not read the report, or some of them at least have not read it, and I always find that it is better to have a synopsis of a speech in the first part of it if you want it to be read, because so many people will read just a few pages of a speech and not read all of it. That is my reason for pursuing this course. Therefore, while it is not my custom to read speeches or to prepare them in writing, I wish to read this synopsis, and just as soon as I have finished it, I shall then do what we sometimes call turning loose on the whole subject, but with as much brevity as possible in explaining the bill at length.

This measure is war emergency legislation, intended to meet the essential needs growing out of Federal control of our great carrier systems. It is not to be regarded as a bill for Government ownership or control of railroads or against Government ownership or control of railroads. The bill makes neither for nor against any particular kind of railroad regulation. It undertakes to provide for war needs only.

The bill is comparatively short and easily understood. It consequently requires but brief explanation.

The act of August 29, 1916, authorized the President in time of war to assume the possession, control, and use of transportation systems. It provided no method for determining the just compensation of the owners of properties thus applied to public use. The right to just compensation is a constitutional right; the determination of the amount of just compensation is a judicial and not a legislative question.

But Congress may and should provide speedy and easily available judicial machinery for determining this just compensation. It is also desirable that the owners of the properties should, instead of being required to resort to the courts for their rights, be made such offers for just compensation as will result in an agreement between them and the United States determinative of all rights. These, together with certain obviously needed supplementary powers as to financing during Federal control, are the main purposes of this bill.

Section 1 is a fundamentally important section, for it fixes the outside limits of the proposed agreements. Its sole function is to provide a basis of such just and proper agreements as may eliminate litigation. This section authorizes the President to make contracts with the operating carriers under which they shall receive in lieu of their constitutional rights the average of their railway operating income for the three years ended June 30, 1917.

Ordinary taxes, Federal and State, are to be paid as hitherto out of operating income. But war taxes are payable out of the standard return. The owners of railroad securities, like the owners of other securities, are thus left to carry their share of the war-tax burden.

The agreements authorized in section 1 are also to contain adequate and careful provisions as to depreciation and maintenance, and for all such adjustments of accounts between the Government and the carrier companies as may be necessary to effectuate the Government's obligation of paying a just compensation not exceeding the three-year average earnings, besides keeping up the properties, leaving the Government, however, if it turns the property back improved or increased at Government expense to be reimbursed therefor.

This standard provision will doubtless be found applicable to most railroad companies. Seventy-five great operating systems do more than 90 per cent of the business, but there are some new, undeveloped, reorganizing companies for which some special provision ought to be made. The bill accordingly authorizes the President to make such agreements as he may deem just with companies whose just compensation he finds will plainly not be measured by the three-year earnings basis.

Naturally there has been much discussion as to the justice of the proposed basis of settlement. Our committee has dealt with this as a practical question. It consequently regards much of the evidence adduced before the committee concerning "surplus" as irrelevant. This is not the time to undertake to settle public policy as to so-called "surplus earnings." The facts are that these companies having during this three-year period had certain earnings; that they are entitled as a constitutional right to have their just compensation adjudicated by the courts; that it is probably—almost certain—that any court would take their average earnings for some reasonable period as persuasive evidence of such just compensation.

Viewing their constitutional right in connection with the great public needs of stabilizing the security market—of restoring and not impairing confidence—our committee was of the opinion that the average earnings of three years is a fair basis for a settlement of the rights of most of these owners against their Government, and ought to be approved. Nineteen hundred and fifteen was one of the worst years in recent railroad history; the other two years were prosperous. The average of the three years is therefore a fair test of earning power. Moreover, the investment in the properties of railroads now taken over has been increasing at a rate above $100,000,000 a year. The properties the Government now has the use of are larger by about a third of a billion dollars than the properties that made the earnings of 1915, taken as one of the three years in order to reach the standard return.

Mr. KEARNS. Will the gentleman yield?

Mr. SIMS. I asked that I might be permitted to finish this brief statement.

Mr. KEARNS. The gentleman says about one-third of a billion, while the report says about one billion.

The CHAIRMAN. The gentleman has requested that he be not interrupted.

Mr. SIMS. I am going to discuss that later on, and in my remarks will give the reason why I say about one-third of a billion, or in excess of $100,000,000 a year.

Mr. KEARNS. Is the statement in the report correct?

Mr. SIMS. I do not want to stop to discuss it now, but I will come to that when I get through with this synopsis.

It is not pretended that the three-year basis is an accurate mathematical test of just compensation, but our committee believed it to be a basis essentially just, and one that will be plainly understood, easily workable, and generally approved both by the public and by the security holders.

Section 3 provides "due process of law" for nonagreeing carriers and also authorizes an agreement between the President and any company after report by the referees to be appointed by the Interstate Commerce Commission. It was the belief of our committee that few, if any, cases will ever reach the Court of Claims. This section requires no further explanation.

Section 4 provides for increasing compensation as the properties used increase during the period of Federal control.

Section 5 limits dividend disbursements to regular dividends except as the President may otherwise permit. Nondividend payers may, however, pay dividends as permitted. Manifestly any excess revenues accruing from standard return ought not to be made the basis of speculation or manipulation. Steady, regular income is what is desirable during the period of the war.

Section 6 provides for a revolving fund, to be made up of an appropriation of $500,000,000 from the Treasury and any excess revenue derived from the operation of the companies. This revolving fund may be used by the President to provide equipment, additions, and road extensions, and to make advances to the companies so far as necessary for these purposes. This section contemplates direct ownership by the United States of new railroad equipment and perhaps of terminals. It does not contemplate ownership of such road extensions, tracks, and so forth, as may be necessary in connection with Army camps, shipyards, and so forth. In the opinion of our committee the title to such additions and extensions should be in the various companies and not in the United States. But as some such extensions will be made for war purposes and cost more than their value during peace times, the right of the company to have a just portion of this compulsory investment paid by the Government is protected. This section also provides for the construction and utilization of transportation facilities on our waterways. The burden on our rail carriers may be much lightened if we make proper use of these great natural highways.

Section 7 provides for Government financing of maturing obligations and other necessary capital requirements of the companies during Federal control. Securities purchased may, if the President finds it desirable, be sold at not less than cost.

Sections 8 and 10 need no explanation.

Section 9 guards the rights of certain railroads which may not be taken over, not to have their traffic and routing arrangements unnecessarily injured.

Section 11 embodies the theory of the President's proclamation that there shall be no unnecessary disturbance of established methods of procedure by and against the carrier companies. While it is undoubtedly true that during the period of Federal control the revenues of the railroads are Government money, section 11—certainly when read in connection with section 8, which authorizes the President to execute his powers through such agencies as he may determine—permits the utilization of the various carrier companies, as a species of Government agencies, so that for all practical purposes passengers, shippers, and employees will proceed as hitherto in the exercise and enforcement of all their accustomed rights.

But when Federal control for war purposes requires changed methods the President must have power to make such changes. The rate fabric of the country is now based upon the competitive theory. In many instances rail rates have been made for the purposes of meeting, if not destroying, water competition. Section 6, as already pointed out, contemplates that the Federal Government shall from its own resources create new facilities upon the waterways. Manifestly during Federal control rail rates ought not to be made for the purpose of destroying or "meeting water competition." The Nation should not compete with itself It should furnish transportation service, both rail and water, at just and reasonable rates. On the other hand, it is manifestly impracticable and undesirable for the President or any agencies he may create to readjust our present rate fabric. Comparatively little of it ought to be readjusted, and such necessary adjustment should come tentatively and only to meet obvious needs. Our committee was of the opinion that section 11 meets the situation in the least objectionable and in the most practicable way. It provides that, except as the President may from time to time otherwise order, rates shall continue to be and to be determined as hitherto.

This leaves the Interstate Commerce Commission and the State commissions to proceed, precisely as hitherto, in the determination of all rate questions unless and until the President, in the exercise of the war power, shall order otherwise.

Mr. MADDEN. Will it interrupt the gentleman to answer a question there? I do not want to interrupt him unless he desires to be interrupted.

Mr. SIMS. I did want to finish this synopsis and then yield for interruptions.

Mr. MADDEN. There is just one place that I think might be a very appropriate place to ask my question, that is all.

Mr. SIMS. They are really all of them appropriate.

Mr. MADDEN. This one particularly.

Mr. SIMS. I will ask the gentleman to make a note of it in his mind.

Mr. MADDEN. I should like to have it right where the statement of the gentleman is made.

Mr. SIMS. But when the public interest so requires the President may initiate rates, filing them with the Interstate Commerce Commission, to take effect upon such notice as he shall direct. Such rates are to be "fair, reasonable, and just." But to guard against even remote possibilities of error the section provides that upon complaint the Interstate Commerce Commission shall make investigation, grant full hearings "concerning the fairness, justice, and reasonableness" of rates so ordered by the President, and "make report of its findings and recommendations" to the President for such action as he shall deem required in the public interest.

It has been suggested that after such hearing the Interstate Commerce Commission should be given power to make orders, thus in effect overriding the President's war power to make rates on transportation systems in his possession and control because of war conditions. It would, in the opinion of our committee, be most unwise to authorize the Interstate Commerce Commission to overrule the President in the exercise of his war powers—indeed, of any other powers. It should not be overlooked that the President is responsible for the financial results of operating these great carrier systems with gross revenues approximating $4,000,000,000. It will not be contended that during Federal control the carrier systems should not be substantially self-supporting. The general taxpayer ought not to be left to make up a large deficit accruing from carrier operations. Wages and prices of materials are exceedingly high and may rise still higher. The volume of traffic, great during the past two years, may fall off. Weather conditions have for two months been unprecedently bad, making operation extraordinarily expensive. The President, responsible for the general financial result, from factors so numerous, so uncertain, and so varying, must be given power commensurate with his responsibility.

Moreover, if the Interstate Commerce Commission were given final power to make rates, what would be its standard of "reasonableness and justice"? Plainly the old, competitive standard, unless the present statute is repealed or greatly modified. To authorize the Interstate Commerce Commission to overrule the President and to make such orders as to rates as are now permitted under the interstate-commerce act would be granting an authority to make rates, based on the competitive theory, applicable to a coordinated, unified, noncompetitive war control. In other words, the Interstate Commerce Commission could not, until so empowered by Congress, make orders logically applicable to the "justice and reasonableness of rates" made for a unified, coordinated system during war time.

We are satisfied that the method proposed of leaving rates and rate making undisturbed, except as the President otherwise orders; authorizing the President to initiate rates; providing for a review on full hearing by the Interstate Commerce Commission; and the findings and recommendations of the Inter-State Commerce Commission to be reported to the President, so that he may, if necessary, revise his own prior determination, is the best solution of this difficult problem. In practice, this method will give to shippers and consignees all the protection they now have under the established practices of the Interstate Commerce Commission, while enabling the President to make such necessary changes as unified war control demands. It also gives the Interstate Commerce Commission an opportunity to review and to discuss fully the "justice, reasonable-

ness, and fairness" of any rate in the light of the war conditions, without now putting upon Congress the impossible burden of providing new, noncompetitive rate-making legislation.

Section 12 provides for penalties to be enforced by the usual processes in the courts, and calls for no comment or explanation.

Section 13 provides for continuing the life and status quo of cases pending. It was inserted at the request of the Department of Justice.

Section 14 deals with the duration of Federal control. It authorizes the President at any time prior to July 1, 1918, to relinquish control of all or any part of any system of transportation which he thinks not necessary or desirable for national or war purposes, and at any time thereafter to make such relinquishment on agreement with the owners, thus in either case ending all further claim for compensation. But this power will in use be of little importance. The main question is when and how to end general Federal control.

While these transportation systems were taken over under the war power, it is easily manifest that they ought not to be turned back to their owners immediately upon the return of peace. They might have been taken, and they may be kept, under the commerce clause of the Constitution. Section 6 contemplates the investment of a large amount of Government money in rolling stock and, perhaps, in terminals, "to be disposed of as Congress may hereafter by law provide." Section 7 contemplates financing the carriers' maturities; these in the years 1918 and 1919 will amount to approximately $400,000,000.

Unified control will involve substantial changes in the traffic departments of the various carriers, new routing of much traffic, and many other changes from the methods obtaining under the competitive system. It would be just neither to the public nor to the owners of the properties to return the properties to private control without legislation adequately providing fair and reasonable terms for the liquidation of the Government's holdings of railroad securities, for the sale or other use of the Government's rolling stock, and for other changes incidental to the war control. It may be that the country will never be willing to have the carriers go back to the old system of uncoordinated, competitive operation. For many years many forms of new and enlarged regulation have been pending before Congress. That some program of constructive, far-reaching policy ought to be worked out before the railroad companies are returned to private control seems too clear for argument.

The majority of our committee, while accepting these views, are of the opinion that a definite period of two years should be set as the time limit within which such legislation should be matured and enacted. Obviously, the period may hereafter be extended if such extension be found necessary in the public interest. The majority were of the opinion that the insertion of a definite time limit for Federal control puts the burden of presenting proper measures of constructive legislation where it belongs—upon the owners of the properties—and that it is inconsistent with the public interest to allow a war control, admittedly assumed for emergency purposes only, to extend indefinitely in time of peace. A minority of our committee hold a different view. They believe that the public interest is much better safeguarded if the Federal control herein and heretofore provided for shall be continued until Congress shall after the war otherwise provide.

Now, the gentleman on my left, Mr. KEARNS, rose to ask me a question a while ago, but kindly refrained.

Mr. KEARNS. It says here in the report that the investment in the property of the railroads so turned over has been increasing at the rate of about $375,000,000 per year.

Mr. SIMS. That is the statement in the report.

Mr. KEARNS. The gentleman in his statement says about one-third of that amount.

Mr. SIMS. I will say not less. Now I will tell the gentleman why in my remarks I did not follow that part of the report. Since then I have made inquiries as best I could, but from the information I received, which was not altogether satisfactory, I was afraid that the estimate put in the report was too large. I felt from information that I received that it certainly did amount to one hundred millions or more, and in three years it would amount to one-third of a billion dollars or more.

Mr. MADDEN. Will the gentleman yield?

Mr. SIMS. I will.

Mr. MADDEN. In the course of the gentleman's very able address in connection with this legislation, I think I understood him to say that he was in favor of permitting the President of the United States to originate rates and on complaint to have hearings before the Interstate Commerce Commission, that they might ascertain the facts and submit them as prima facie evidence to the President of the United States, and he would still retain the power to fix the rates.

Mr. SIMS. What I said and what is in the bill, as I understand it, is that rate making will go on just as it did before the railroads were taken over both by the Interstate Commerce Commission and State commissions.

Mr. MADDEN. The bill does not provide that, does it?

Mr. SIMS. Yes; the bill reads on page 12, line 12:

> Until and except so far as the President shall from time to time otherwise order, the rates, fares, charges, classification, regulations, and practices of carriers under Federal control shall during the period of Federal control continue to be and to be determined as hitherto. But when—

Mr. MADDEN. Yes; but that language could not by any stretch of imagination be construed to mean that the rates be originated as they are to-day and passed upon by the commission as they are to-day.

Mr. SIMS. I said the power given the President to originate rates is exceptional and not the rule, and that the rate-making power will remain just where it is now, both by the State and the Federal commissions, until the President should otherwise order.

Mr. MADDEN. Why should the President of the United States be given the authority to make a rate without respect to what the Interstate Commerce Commission may say about it?

Mr. SIMS. I will be glad to answer the gentleman. This is a very important matter, and the gentleman may take his seat, because it may take me some time to answer satisfactorily. Now, that question can be answered in part by asking another, Why should the railroads be turned over to the President at all?

Mr. MADDEN. I will answer that question.

Mr. SIMS. I did not ask it for the purpose of being answered, but let the gentleman answer it.

Mr. MADDEN. The reason why they are turned over to him at all is that Congress in its wisdom thought some time last summer that it might be wise during the period of the war, as a war measure, to give the President the right to operate the railroads; but answering further, if the Congress had exercised its wisdom in another direction it might have authorized the discontinuance of the operation of the Sherman law and given the railroad companies through their experienced managers the same power to coordinate the railroads into one system that they give the President, and they would have reached better results.

Mr. SIMS. In the first place, the gentleman is mistaken when he says last summer. In 1916, August 29, the Congress, in an amendment to the military appropriation bill, made provision for the President to take over the railroad systems. That was before we were in any war at all. That was when the only cloud on our horizon was the gentleman in Mexico——

A MEMBER. Our war with Mexico.

Mr. SIMS. We had no war with Mexico; we were there to assist the authorities in Mexico to apprehend and capture the Mexican bandit, Villa, that had crossed into American territory and committed murder within the jurisdiction of the United States.

Mr. MADDEN. It was not a very successful expedition.

Mr. SIMS. This is not the time for levity, and I do not mean to inject anything of the kind into the debate. I want to call to the attention of the gentleman that in making that provision it contemplated only the use of such a system of railroads as might in our opinion be necessary to put under Federal control so far as the conflict with Mexico or the Mexicans, or in the aid of Mexico, was then necessary. Of course, it was not necessary in a small undertaking, in a small disturbance, to turn over all the railway systems and to make all the provisions that may be necessary when we are in actual war with the greatest military power in the world.

Mr. MADDEN. I want to say to the gentleman that I am in close accord with the closest unification of these railroads as one system for the purpose of aiding the war activities in the best and the most expeditious way, but that does not imply that I am in favor of the President of the United States making commercial railroad rates.

Mr. SIMS. I hope I will be able to bring the gentleman around to that view of it.

Mr. MADDEN. I do not think the gentleman will.

Mr. SIMS. Do not let us have any prejudged immovable barriers as to what is best for the country. What is the Interstate Commerce Commission? It is a body created by Congress for the purpose of enforcing regulation of railroads. In what capacity were the railroads to be regulated? The railroads were private corporations, private enterprises, doing a public business and had been guilty, or so alleged, of granting rebates and discriminations between the shippers and com-

munities, and of being guilty of unfair practices, and a thousand and one things not necessary to enumerate. The commission was created for the purpose of regulating privately owned competitive railroad companies, to prevent these companies from abusing their powers, and to make them act according to the rule of right and justice and not to destroy any community by giving another a favored rate, not to build up and make millionaires out of some shippers by giving them rebates and other advantages of transportation.

Mr. MADDEN. Let me ask the gentleman——

Mr. SIMS. Will the gentleman from Illinois let me finish? He asked me a question that demands a long explanation, and I can not say what I want to say in another man's language, but I must say it in my own way. Legislation was had with reference to the operation of competing railway systems serving the public as to reasonableness of rates, the fairness and justice of these rates. We know that from the time that the Interstate Commerce Commission was created as a rule the railway companies fought every effort that was made by the commission to execute its powers in the public interest, and fought all laws that were enacted by the Congress for their proper regulation, and many of them were held by the courts to not be what Congress clearly intended they should be, until finally Mr. Roosevelt was elected President of the United States by the largest popular majority, as I now remember, of any candidate theretofore elected, and was elected upon a platform that did not require him to advocate any enlargement of the powers of the Interstate Commerce Commission.

It was a day when we had universal corporate prosperity, and almost all other sorts, measured by money. The railroads were happy, and all other corporations were happy, and the Republican Party, having been returned to power with the greatest popular majority it ever had and one of the largest in the House of Representatives, was happy. Your unruly President, however, would not be happy, but demanded justice to the shipping public. It was absolutely impossible for the managers of corporate properties to understand it, or to conceive why on earth he was not "practical" in that as well as in some other matters. He advocated in a message to Congress, without any pledge in his platform, without any election pledge of his own, that the Congress enact legislation strengthening the powers of the Interstate Commerce Commission so as to make it worth its salt, and you know and I know—the gentleman from Illinois [Mr. MADDEN] was here—what a tremendous fight the corporate owners and the owners of corporate securities made against any effective legislation along that line. The gentleman knows that if it had not been for the prestige of the man who had just been elected President of the United States and for his bulldog determination to have the legislation he advocated that bill would not have passed the Congress that did pass in 1906 increasing the powers of the Interstate Commerce Commission. And whatever you may say about the ex-President of the United States and all of the useful things that he has done and some things that he has done that are not so useful, I want to say that that one act of his in bringing the party that had been absolutely dominated, as far as that election was concerned, by corporate interests to the enactment of that legislation is something that ought to, and will, make him live in history through the ages—showing that we can trust a man to do a great deal, to accomplish a great result, when he has justice and right on his side, regardless of the opposition of the millionaires and all of the politicians who had fattened on corporate contributions to the contrary notwithstanding. [Applause.]

Mr. GORDON. Has the gentleman finished answering the question of the gentleman from Illinois?

Mr. SIMS. No; I have not. Now, I want to call the attention of the gentleman from Illinois to another thing. That law had hardly been placed on the statute books and had been interpreted before a proposition was brought in here to create a special court to have exclusive jurisdiction of all suits brought to test the validity of the orders of the Interstate Commerce Commission, and some very, very good men, both in Congress and out, believed in it.

The cry was that these suits were so many and so vast and so important that they could not be heard and determined in a reasonable time without a special court to do nothing else. The Congress, as I believe, over the opinions of a majority of the House, permitted that to go into the legislation of that day, and we commenced then immediately to have that court abolished. Before it was abolished it had decided a number of cases that had been brought to enjoin the orders of the Interstate Commerce Commission, and on those cases being passed on by the Supreme Court of the United States on appeal, about 80 per cent were reversed. Then Congress, in its wisdom, abolished it. The court never should have been established in the first place. It was a way to get around, to circumvent, and destroy the effective powers of the Interstate Commerce Commission—having a special court that was open to nobody except those who were attacking the orders of the commission.

You see how difficult it has been to secure legislation making this commission worth its salt in time of peace, but it is all based on the theory that you have got private greed to contend with, that you have competitive conditions to contend with, and there is not a syllable of law that now exists that provides that the Interstate Commerce Commission shall initiate one single rate. The commission can not initiate rates. It is absolutely without power to do so. All it can do is to suspend the rates when filed by a carrier or by carriers, either upon its own motion or upon complaint, and then after having full hearing determine a maximum rate, not over and above which would be reasonable. Therefore, its function is not initiative, but is in the nature of veto. We are now in war. We are parties to this war. It may become absolutely necessary at any time to transport bodies of troops and munitions without any compensation to the carrying railroad. It may be absolutely necessary, though we hope few such cases will ever arise, in which a rate, to be worth anything, must be initiated immediately. This bill with great caution provides that the President may initiate a rate when he in the public interest deems that it is necessary.

Mr. BURNETT. Mr. Chairman, will the gentleman yield?

Mr. SIMS. In a moment. Then upon complaint it is referred to the commission which investigates and reports to the President as to the justice, reasonableness, and fairness of the rate, and then he may still maintain that rate, but you know, and I know, there never has been a President of the United States under such circumstances, especially if the rate affected commercial products in ordinary commercial transit of the country, who would not do exactly what the Interstate Commerce Commission advises in such a case.

Mr. GORDON. Then, what is the use of conferring the power if he will not exercise it?

Mr. SIMS. The gentleman has asked a question. I did not say that he would not exercise it. I said upon reference to the commission and the commission found there was any injustice in it, any discrimination, anything unreasonable, and it affected the ordinary business of the country, there is not a President the country has ever had who would not make the rate in accordance with the recommendation of the commission.

Mr. MADDEN. Will the gentleman yield for one more question?

Mr. SIMS. I promised sometime back to yield to the gentleman from Ohio [Mr. GORDON].

Mr. GORDON. The function of making rates is a legislative function?

Mr. SIMS. Quasi.

Mr. GORDON. Quasi? No; it is a legislative function. Is that true or not?

Mr. SIMS. Go ahead and ask the question.

Mr. GORDON. That is the question I want the gentleman to answer. Is it a legislative function or not?

Mr. SIMS. I said quasi, in the nature of a legislative function.

Mr. GORDON. That is the gentleman's judgment about it?

Mr. SIMS. Yes.

Mr. GORDON. What is there about the country being in war that makes the President of the United States competent to exercise a legislative function. The gentleman has just said we are in war, and that the President would not exercise this power, anyway; that if the Interstate Commerce Commission found the President was wrong—the President has not very much to do, of course, in time of war except to fix rates—now, the gentleman says if the Interstate Commerce Commission after investigation—and it can not fix rates until it does investigate—finds that the actions of the President were erroneous that the President will reverse himself. Now, if that is so, why not leave the power where the law puts it now?

Mr. SIMS. Now, I will answer the gentleman when he gets through——

Mr. GORDON. Answer that.

Mr. SIMS. All right. Now, the gentleman says, leave it where it is.

Mr. GORDON. Yes; where the law puts it.

Mr. SIMS. Does the gentleman know where it is?

Mr. GORDON. Yes.

Mr. SIMS. Where is it?

Mr. GORDON. Under the Interstate Commerce Commission, which is where this body put it.

Mr. SIMS. No, sir.

Mr. GORDON. Where is it, then?

Mr. SIMS. The railroads initiate their own rates.

Mr. GORDON. It does not fix them, though.

Mr. SIMS. A railroad initiates the rates, and after a certain date they go into effect unless suspended by the Interstate Commerce Commission. Now, there is a whole lot of difference in recommending it, where it is up to the railroads to initiate rates and to depend upon the Interstate Commerce Commission to vacate them or set them aside or reduce them in time of war, and letting the President initiate a rate which goes into effect immediately as a war necessity.

Mr. GORDON. Well, but the gentleman does not allow the President to initiate. I will favor giving the President power to initiate rates, but I would not want to give him power to fix them absolutely. The gentleman converts the Interstate Commerce Commission into a debating society.

Mr. MADDEN. Will the gentleman yield for one more question?

Mr. SIMS. Just make it as short as the gentleman can.

Mr. MADDEN. It will be short. Under the present law the railroad companies have the power to initiate a rate, but they can not file a rate unless the Interstate Commerce Commission decides that they have a right to file it, and after they do file it the Interstate Commerce Commission can suspend it and then finally pass upon it.

Mr. BURNETT. Will the gentleman yield?

Mr. SIMS. In just a moment; I can not answer now.

Mr. BURNETT. And I would suggest to the gentleman that he be brief, too, in answering.

Mr. SIMS. I will try to, but the gentleman knows what a long-range question the gentleman has asked.

Mr. OLNEY. Will the gentleman yield?

Mr. SIMS. I am trying to answer the gentleman from Illinois. I would state briefly I have been interrupted so that I have forgotten exactly what the question was. Will the gentleman state it briefly?

Mr. MADDEN. The question I put was rather in the form of a statement; that under the present law that the railroad companies have the power to initiate the rates, but they have no power to file a rate unless the Interstate Commerce Commission permitted them to do it. Then after they do file the rate the Interstate Commerce Commission still has the power to suspend the rate for a given period.

Mr. SIMS. That is true.

Mr. MADDEN. And when the rate is finally made the Interstate Commerce Commission makes it.

Mr. SIMS. Yes; that is true, and as I said a while ago the power of the Interstate Commerce Commission is to act on rates made by privately owned, privately operated competitive companies in time of peace to prevent injustices between the several shippers and communities, but in no sense to exercise a power——

Mr. MADDEN. The gentleman is not going to give that power in this bill?

Mr. SIMS. When this war commenced we did require by an amendment to the bill increasing the commission that before a railroad could file a rate that it should be approved. Why did we do it? The commission was up to its ears in very important business. The commission was up to their eyes in very important business, and under the rules and the law when the railroad filed its rate, it would go into effect in 30 days and become a rate subject, of course, afterwards to suspension by the commission on complaint, and in order that the commission might have absolute control we amended the law, and have limited the time so as to cover the war period; so, in order to file a rate and have it go into effect, we require it to be approved by the commission before filing.

Mr. BURNETT. As I understand from your bill, you give this power to the President? That is, he may exercise it in regard to rates on railroads that are entirely inside of the border of a State, where the freight is entirely intrastate freight. Would not that absolutely, by this kind of legislation, destroy the power of the State railway commissions to fix intrastate rates on intrastate railroads, and so forth?

Mr. SIMS. My understanding is that it absolutely would not.

Mr. BURNETT. That is the way I understood the gentleman.

Mr. SIMS. The railroads are taken over as a war measure. We have hardly any intrastate railroads that are not connected with lines outside of the State.

Mr. OLNEY. Many of us who voted for the Adamson bill hoped that legislation would follow so as to meet this eight-hour bill with wage increase—that is, a bill to increase the freight rates and passenger rates of the railroads—but that legislation did not follow, for which most of us were sorry. Under this bill the Government proposes to give the railroads an increase of freight and passenger rates, does it not, which it refused to do under private conditions?

Mr. SIMS. The bill does not propose anything. It only gives the President power as an exceptional matter and in the public interest to initiate rates. The rates that he so determines are to be in the public interest.

Mr. OLNEY. Let me give an illustrative case. The Norfolk & Western Railroad in shipping wheat to Baltimore in 1910 maintained about the same freight rate as it does at the present time, and the carriers of wheat in Virginia last year, receiving $2.40 and $3 a bushel for their wheat, paid about the same rate as they did in 1910. Now, it would be possible under Federal control, which was refused under private ownership, to increase the freight rates?

Mr. GORDON. And tax the farmer on the wheat because he was getting a higher price for it?

Mr. OLNEY. Yes.

Mr. GORDON. Yes. And that is the reason I am opposed to it.

Mr. SIMS. Let me answer the question. We legislate with reference to probabilities and probable necessities, and not with reference to possibilities and possible necessities. I do not see any necessary relation between the increase of war prices on wheat or corn or pork and the freight charge for their carriage. The only way that I can see where it burdens the carrier more than it did before is that, if the carrier is made responsible for the loss of wheat, pork, or corn, it would have to pay more in the nature of insurance. But the law says a reasonable rate, and a reasonable rate is one that gives a fair return upon the money actually invested and used in performing the service.

Mr. OLNEY. In your investigation you found, probably that some of the small railroads at least were on the verge of bankruptcy and welcomed Federal control but probably not Federal ownership?

Mr. GORDON. The New Haven, for instance.

Mr. OLNEY. But when the railroads are put on their feet by the Government, for instance, after the war is over they will go back to their original ownership and not necessarily welcome Government ownership.

Mr. LENROOT. Mr. Chairman——

Mr. SIMS. I yield to the gentleman from Wisconsin.

Mr. LENROOT The gentleman has referred several times, and it is also found in his report, to the powers of the President to make rates as war powers of the President. I would like to know upon what theory the gentleman contends that the power to make rates is a war power of the President?

Mr. SIMS. I do not mean rates in general.

Mr. LENROOT. Any rates.

Mr. SIMS. I think he has got the power to order a railroad company to carry soldiers and sailors anywhere without any compensation.

Mr. LENROOT. I am asking on what the gentleman's theory is based that the making of rates is a war power at all.

Mr. SIMS. I do not care whether it is a war power or not, just so he has the power to do that which may be absolutely necessary in the successful prosecution of the war.

Mr. LENROOT. Now, will the gentleman yield?

Mr. SIMS. Yes.

Mr. LENROOT. Can the gentleman think of any possible situation, whether we have one rate or another, where it would have the slightest influence on the President carrying on the prosecution of the war, when the Government, under the gentleman's bill, must pay the bill, either by revenues or some other way?

Mr. SIMS. Well, that is an argument.

Mr. GORDON. It was a pretty hard one, too.

Mr. RUSSELL. I want to ask a question or two about another branch of this bill.

Mr. SIMS. Mr. Chairman, how much time have I left?

The CHAIRMAN. The gentleman has five minutes remaining of the first hour.

Mr. RUSSELL. As I understand this bill and the proposition embraced in it, the Government takes charge of only a part of the railroads of the country. It does not include in the order of control a lot of short lines in the United States, does it?

Mr. SIMS. It includes all of them.

Mr. RUSSELL. It includes all the railroads?

Mr. SIMS. I will explain that to you. It is in the bill. The bill as now reported, which was, of course, amended from what it originally was, provides in cases where it would be plainly inequitable to apply a standard return that the President may make a settlement with roads taken over without any reference to standard returns. Section 9 provides that where a short line or any road is not taken over there shall not be such a

change and rerouting of freight as will injure it, but if they find it necessary to reroute freight, then the President is authorized to require the road to which it was rerouted to make up that loss by routing an equal amount of freight to this line that was not taken over.

Mr. RUSSELL. Section 9, as the gentleman states, assumes that some roads have not been taken over, as it speaks about the remedy in case of those that are not so taken.

As I understand the provisions of this bill, some roads have not yet been taken over, but may be hereafter.

Mr. SIMS. That is possible

Mr. RUSSELL. Does not the gentleman believe that if the policy of the Government and of the President under this bill is to take over certain roads to the exclusion of other smaller roads, that fact of itself will depreciate the value of the stocks and bonds of the short lines not taken over and will tend to drive them into the hands of receivers?

Mr. SIMS. Not under the bill that is now prepared and reported.

Mr. RUSSELL. Does the gentleman think this bill will sufficiently safeguard the rights and interests of those roads that are not taken over?

Mr. SIMS. Section 9 was drawn in consultation with those very gentlemen.

Mr. RUSSELL. Were the representatives of the short lines of the country satisfied with this provision?

Mr. SIMS. They drew the provision in this form.

Mr. WALSH. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMS. If my time permits I will.

Mr. WALSH. Did the gentleman intend, in answering a question of my colleague [Mr. OLNEY], that because the farmers received more for their wheat in the last year or so, therefore the freight rates on wheat should be increased?

Mr. SIMS. No; I did not say they should be increased.

Mr. WALSH. I could not understand what was taking place.

Mr. SIMS. There was no relationship in that at all with the increase per se. It is provided that the roads shall receive reasonable compensation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SIMS. Mr. Chairman, although my time has expired, I did not complete all I wished to say, but I could not answer questions and at the same time explain the bill as fully as I would like. But I felt I could not decline to answer questions under the circumstances.

Mr. GREEN of Iowa. Would the gentleman like to have his time extended?

Mr. SIMS. No; I thank the gentleman. The gentleman from Wisconsin [Mr. ESCH] will follow me.

Mr. MOORE of Pennsylvania. I move, Mr. Chairman, that the gentleman's time be extended.

Mr. SIMS. I thank the gentleman, but the gentleman from Wisconsin and myself are trying to arrange the distribution of the time equitably.

Mr. MOORE of Pennsylvania. The gentleman is chairman of the committee, and very many Members would like to interrogate him concerning certain paragraphs in the bill.

Mr. SIMS. The only trouble is that all the time I take over the hour will be taken out of somebody else's time who would want to use it.

Mr. MOORE of Pennsylvania. But the gentleman is chairman of the committee.

Mr. ESCH. Mr. Chairman, I yield one hour to the gentleman from New Jersey [Mr. PARKER].

The CHAIRMAN. The gentleman from New Jersey is recognized for one hour.

Mr. PARKER of New Jersey. Mr. Chairman and gentlemen of the committee, while I have prepared a considerable amount of notes upon this general subject, yet it seems to me that perhaps I can make it plainer by saying less.

PROVIDE FOR ADJUSTMENT OF COMPENSATION.

The matter before the House is this: There is no doubt about the necessity and power of the President to control the carriers of this country. There is no doubt that if we pass no law the carriers would be paid reasonable compensation through the courts. There is no doubt, however, that unless we provide some agreement as to such compensation, as we do by this bill, the courts would be swamped, the delay in paying that compensation would upset and destroy every railroad security throughout the country, and with it our financial markets and our Government credit in selling upon those financial markets, and that this bill allowing an agreement as to compensation is a necessity.

We might go further. I think we would have the right to fix the compensation in war times, at least provisionally. We have not done it by this bill. We leave it to agreement or the courts. The majority and the minority have agreed about the principle of that agreement for compensation, that the railroads and carriers shall not be paid for extra profits that would be made by war business, but shall be paid on a standardized statement of what they actually made before the war began. In this we follow the example of England.

REPAIR AND NEW EQUIPMENT.

We have likewise agreed that the Federal Government should keep the property in as good repair as it received it. That is just. We have likewise provided, inasmuch as our railroads have in a measure fallen down and are out of equipment and somewhat out of repair owing to causes that we need not go into, that the Government may buy new equipment and furnish that repair.

The committee has made a material amendment. The bill as presented by the Government provided that all new cars and rolling stock shall belong to the Government, so that at the end of the war they would have on hand any amount of rolling stock that they would not know what to do with. We have provided that they may do that, or that they may assign the equipment to the various companies and arrange that their securities be issued and the interest taken care of, so that that matter may be adjusted as the war goes on, which we think is much better. In this respect the House bill differs from the Senate bill, and the House ought to insist on the House provision.

BETTERMENT ACCOUNTS.

We also tried to give general powers to adjust the difficult question as to renewals and betterment account. If before the war any railroad did not make proper renewals and repairs, or charged what were really repairs and renewals, and not improvements, to capital account, they thereby increased on paper their return of net operating income, and the Government would seem to be paying them too much. What is more, in taking over a railroad of that sort which had run down, the Government would have to do extraordinary repairs at its own cost to put the road in order. There is a provision by which that can be somewhat adjusted. I myself think that little adjustment will be necessary, because, instead of taking the income of the last year before the war, which was large and which, I think, the companies were fairly entitled to, we have taken the average of three years before the war, including one year which was very small, and the difference between the average income and the income of 1917 will take care, I think, of all extraordinary questions of repair.

I think also it must be taken into consideration that we do not pay for the enormous war business which the Government will do upon these roads, and that we could fairly cut the Gordian knot by assuming those repairs on Government account.

TIME LIMIT WHEN WAR ENDS.

One question was strongly debated. This is a war power, and control should, in principle, end with the war. The committee have agreed that a reasonable time after the war shall be limited in which the railroads shall be given back. The minority think that the 2 years which they have allowed, and even the 18 months allowed by the Senate, is too long; that 1 year is enough.

RATE CONTROL OF INTERSTATE COMMERCE COMMISSION.

There was one other question of difference in the committee: The majority have agreed that rates during the war shall be finally in control of the President of the United States. The minority are of opinion that such control, which is a legislative matter, can not be given to the Executive, but must remain in the hands of the Interstate Commerce Commission, as heretofore, and we think that all the more because the power to raise rates would give to an Executive the power of taxation, which can not belong to any Executive.

PRESIDENT MAY SURRENDER.

There is another matter in which I perhaps am giving only my own opinion and not that of the minority: The President, when he took control, said he reserved the power to surrender control at any time. The bill takes that power from him and only allows him to surrender control before July next, except by agreement with the carriers, which he might not be able to make, and he is bound therefore to hold those roads until the expiration of the time limit when the necessity may have passed.

The Senate, while providing that single roads can only be surrendered by consent under certain conditions, has added the provision that all roads may be surrendered by the President at any time if he thinks the necessity for holding them has passed. I think that is right and should be inserted in our bill.

STATE TAXATION SHOULD BE STANDARDIZED.

There is one other matter which I consider of more importance than is thought by other people. That is the subject of State taxation. We allow to the companies as revenue the net operating income which they received before the war, and they do not get any more because of increased Government operation during the war. I think the same principle ought to apply to taxes by States, counties, and municipalities, and that they should not tax Government war operations. Twenty States put a tax upon gross receipts, which would include the receipts of such operations. Therefore at the proper time I shall propose an amendment by which the Government of the United States, in control of the roads, shall pay to every State, county, municipality, or taxing board, whatever it may be, the same amounts of money each year that the property now or hereafter acquired was assessed for in 1917.

This, Mr. Chairman, is merely a statement of the issues of the bill thus far, which I hope to be able to enlarge upon. For fear I would not get through so complicated a matter I thought it best to make the statement as clearly as I could at the beginning.

How many minutes have I used?

The CHAIRMAN. Fifteen minutes.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. PARKER of New Jersey. I would rather go on with my description.

Mr. TOWNER. If the gentleman would prefer not to be interrupted——

CARRIERS ARE CONTROLLED—THE SYSTEM, NOT MERELY PROPERTY.

Mr. PARKER of New Jersey. I prefer for the present not to be interrupted. When I reach the topic that the gentleman wishes to speak about I shall be glad to be interrupted. I have said that the power to take these roads is beyond question. We acknowledged rather than gave that power by the act of 1916, which provided that in time of war the President might utilize all systems of transportation. It is a universal war power. If a general wants to move his forces within the war zone he takes from any farmer his wagons, teams, and teamsters, and carries with those horses and wagons and teamsters whatever he desires to transport, and pays the farmer for their use. That is what we are doing now. In time of war the sea has always been subject to military control, and every nation at war has tried to get the full control of the sea. Now, land transportation has grown, by the system of railroads, into a system of incorporated carriers that have 1,700,000 employees, and capital estimated at over $17,000,000,000. In the last year they made $1,000,000,000 of profit and collected $3,500,000,000 of revenue during the year, three times what the United States does in peace times. We control these carriers. I point out this, however: We did not take rails and buildings and cars. We took the systems, something that will go, the organization. We do not make 1,700,000 men Federal employees, subject to political appointment or civil service or Government insurance or compensation. We do nothing of the sort. We utilize these systems in the service of the Government. We are controlling, and the systems taken over are called in this bill very properly the "carriers." I mention that because so many people think we have taken all these men as our civil servants, and that we have taken the railroad property to become property of the United States.

TAKE AND PAY FOR WAR USE ONLY.

We might have to do that. We do not do it now. We utilize the systems. As I have said, control was necessary, that the war power must be exercised in this way; but when I have said that, I say likewise that the taking is an emergency war taking and nothing else. Constitutionally the President could only take, under the interstate-commerce power, interstate roads. He took all, even those running from a town down to a shipyard in a State. He may take every trolley road. He has taken everything that will do the work of the war, and he does that also because we could not afford to take under the commerce power. That would be a permanent taking, and we would have to pay the whole value of the roads, and we can not raise at least $17,000,000,000 in addition to our war debt in order to pay every stockholder and bondholder of these roads what they are worth. It is therefore an emergency taking, and only the taking of the use—the use during the war. Let us not forget that. It was proposed by the original bill, and there may be an effort made to put it back, that we should take until Congress otherwise orders. That means that under the present law we would hold them forever, and under such a taking we would have to pay for them. Under the war power we take all roads, not forever, but the use of them for the period of the war and for a reasonable time thereafter. The House, I know, will stand by that. If the United States took them until Congress otherwise provides you might as well call it Government ownership. What is more, it would be dangerous to take with the idea that a law giving the railroads back could be passed promptly. It is hard to pass a law through Congress, with the vote of its two bodies, and with the assent of the President. Delays are possible by single men. In one body of this Congress one man can stop almost any legislation. If we took the carriers in that way, subject to return only by act of Congress, that act would be likely to be delayed by one of the two parties. If the Government found it pleasant to run all the roads and to take care of 1,700,000 employees, the Government might block the act. If the carriers found it pleasant to get dividends without doing any work, the carriers might block the act.

TIME LIMIT INSURES RETURN.

The only way to be sure to have the roads returned within a reasonable time after the war and to have the necessary legislation is to fix a time. I think that the time should be short. If we fixed it at six months, there would probably be a year or two occupied in the details of arranging the treaty of peace, and, added to that and during even six months if necessity arose, it would be quite possible to extend the time by act of Congress; while, on the other hand, if the matter has to be provided for then, it will be provided for, and it never will be so provided if the time is left in uncertainty and not limited.

AND AVOIDS FINANCIAL UNCERTAINTY.

It is objected that at the end of the war a time limit would cause trouble about finance and uncertainty in the stock markets. There would be still greater danger of uncertainty in the stock markets if the uncertainty remained as to whether the roads would ever be given back and uncertainty as to the terms on which they should be given back. The quicker the better. [Applause.]

POWER OF SURRENDER.

The President should have the power of surrender. If this war ended promptly, but there was much delay in settling the terms of peace, the President would want to hand back the roads. He should have the power to hand them all back.

He reserved that power in his proclamation, "and, by subsequent order and proclamation, control and operation in whole or in part may also be relinquished to the owners thereof of any part of the railroad systems and rail and water systems, possession and control of which are hereby assumed." It is reserved in the Senate bill containing the further proviso "that the President may relinquish all carriers under Federal control at any time that he shall deem such action needful or desirable." (S. 3752, p. 14, lines 13 to 15.) He should have this power for the protection of the Government, which should not be forced to keep the carriers when the war necessity is past, and for the protection of the carriers who are entitled to return of their property when the war needs are over. By the Senate bill the President may not surrender single roads after July 1 next except by agreement, but he may decide when the need of war control is over and surrender all roads.

To limit his power to give up the Federal control of all carriers is not only improper but it is unconstitutional if it limits the war power of the President.

VALUE OF USE AT TIME OF TAKING.

Most of these questions would come up without any new legislation. Federal control would be for the war and for a reasonable time thereafter, and the United States must pay the value of the use, but it is a good deal of a question on what principle that value should be agreed on or settled. The use taken is temporary. The principle in all takings of a temporary use is to pay the value of the use at the time of the taking. This can be obtained from the previous experience, the net operating revenues of the carrier. The bill provides that the carriers shall each be paid the average annual railway operating income for a period of three fiscal years ending June, 1917. This includes on the one hand nearly three months after war was declared—from April 6 up to June 30—but these three months may be disregarded, as little war business was done by the Government during the three months, because the United States was not ready to begin.

AVERAGE OF 3 YEARS IS FAIR.

These three fiscal years, however, ending June 30, 1915, 1916, and 1917, were three years of war in Europe. The first year, 1915, was a year of depression, because all of our financial markets were upset and we had not begun exporting business to Europe. The carriers made almost no money. In 1916 the exports of war munitions and materials began and continued, and it was a prosperous year; 1917 was almost more so. We recognize that the carriers have the right to the business which they did because of war needs elsewhere. We do not

think they have a right to profit from the extra business that they do for United States war needs here. But during the war elsewhere they have a right to the average business that they would do by reason of the war elsewhere. If the central powers could blockade Europe, it might reduce our railroad business to a minimum, but as they did not our growing exports increased the carriers' business, and so it may be fair on the whole to take the average of the three years.

England had no such trouble. She took a peace year before the war.

Mr. BORLAND. Will the gentleman yield?

Mr. PARKER of New Jersey. I will yield on that point.

Mr. BORLAND. The gentleman is a distinguished lawyer; he has been chairman of the Judiciary Committee of this House, and I want to ask him his judgment as to what the railroads would recover for the use of their property in case we made no provision by law?

Mr. PARKER of New Jersey. I do not know; I think that the rule as to the taking is to ascertain the value by the conditions at the time of the taking. I think, for instance, if I took a lease out of your hands by legal force, you would be entitled to a continuance of your profits during that time, but not the profits that I might make by putting in another business. I think the railroads are entitled to a continuance of their profits before the war, but not entitled to the benefit of new business done by the United States during the war.

Mr. BORLAND. One question more. Is it not the recognized rule of law that before the person can recover for profits he must show that the profits spring out of the existing contract, which he is bound to prove? He can not recover for speculative profits.

Mr. PARKER of New Jersey. We have tried to make an agreement based on the standard income of the railroads before the war.

AND WILL BE ACCEPTED.

Mr. BORLAND. Let me ask the gentleman one more question. You have fixed in the bill a compensation for the period of three years. Then you go on in another case and say that the President may make other arrangements with smaller roads. Now, that means that the big roads can take the money if there is a profit, and if there is not a profit why can not they go into the court and insist on the legal rate?

Mr. PARKER of New Jersey. They certainly can; but the reason they do not want to do so is because they do not want to knock the prices of their stocks and bonds by leaving the matter uncertain when they know that they can settle it right away.

Mr. BORLAND. Yes; but suppose the money we offer them under this bill turns out to be less than they think the value of their property is?

Mr. PARKER of New Jersey. They can go into court if they want to, but they take the risk of not being able to pay their dividends during the period of litigation, and on the whole we think an agreement is going to be made.

Mr. BORLAND. It is only a moral question?

Mr. PARKER of New Jersey. It is only a moral question. We think an agreement is going to be made.

Mr. TOWNER. Mr. Chairman, will the gentleman yield on that point?

Mr. PARKER of New Jersey. I would like to go on on that point for a moment. In addition to the principle about taking a short use in a lease, that the United States represents the whole people, who have the right to the free use of the carriers for necessary war business, paying only the damages that the system suffers by interference with its ordinary business. I believe that to be good law. I yield to the gentleman from Iowa.

PAR OF STOCKS NO MEASURE OF VALUE.

Mr. TOWNER. The amount that will be received under the terms of the bill by some of the railroads, as the gentleman well knows, will be very large.

Mr. PARKER of New Jersey. Can not the gentleman reserve that until it is reached?

Mr. TOWNER. That is directly with regard to this proposition.

Mr. PARKER of New Jersey. Ask your question, then.

Mr. TOWNER. I will if the gentleman will give me the time.

Mr. PARKER of New Jersey. I will, with great pleasure, but the trouble is to get the time.

Mr. TOWNER. I do not desire to interrupt the gentleman.

Mr. PARKER of New Jersey. Go ahead; I am glad to have the gentleman ask the question.

Mr. TOWNER. The Lackawanna Road will receive 32.91 per cent; the Cincinnati & Texas Railroad will receive 44 per cent; the Burlington Road will receive 22 per cent; the Chicago & Erie Railroad will receive 70 per cent; the Duluth & Mesaba Road will receive 114 per cent; the Colorado & Wyoming——

Mr. PARKER of New Jersey. Oh, you need not have your whole list. What is the question?

Mr. TOWNER. Just wait until I ask the question.

Mr. PARKER of New Jersey. I really can not wait for a whole list of railroads. I will answer the question before you put it; and that is, that the market value of those roads is not par. Those dividends are reckoned on par. They have long had standardized dividends, which have standardized the value of the stocks in the market, which are represented by the investment in the roadbed and the road property, and which we can not disturb now in time of war. Ten per cent paid on the United Railroads of New Jersey, under a lease, is paid really on a stock-market price in time of peace of 230, and it is less than 5 per cent.

Mr. TOWNER. I think perhaps I knew that as well as the gentleman, but this is the proposition. I was trying to show that a great many of these railroads were receiving very large and excessive profits, perhaps, and there are a great many railroads that will not receive anything. Does the gentleman think that the Government will be compelled to pay them upon anything like such a rate as these roads are receiving or what will be the profit?

Mr. PARKER of New Jersey. I will answer that question, and I will ask not to have another question right here. I will answer that question by saying that those are not the profits on the value of the roads but the profits on the par value of the stock, and in the case of the Lackawanna I think it goes to about 300. It is away up above par. I have no doubt that it is so with all these other roads. As to the roads that are making no profit by reason of the fact that they are in receivership or not completed, power is given to make special contracts, which will take care of them. All those details will come up when we get to the reading of the bill. It is the best that we can do to take things as they are. If you take things as they ought to be, you would never get through the courts.

Mr. TOWNER. The gentleman thinks that we are criticizing. We are not criticizing; we are just trying to receive information from the gentleman. The members of the committee are supposed at least to know something about these things. It is not for the purpose of criticizing that these inquiries are made. The gentleman seems to be very much irritated.

Mr. PARKER of New Jersey. I am not irritated at all; I am only trying to save my time. I have a great deal of information to give to the House that I really do know about, and I do not know about this.

POSSIBLE MODES OF VALUATION.

There are several methods by which the value of the use taken could be ascertained. The first is to throw the whole question of what is reasonable compensation into the courts; a second is to pay a fair interest on the cost; a third is to pay for business actually done; a fourth is to pay, as in this bill, a standardized rental based on prior incomes; and a fifth is, as is done in England in respect to controlled trades, to add to this standardized rental some part of the profits which are obtained from war business so as to make the owners of every business alive in its management so as to achieve efficiency and the making of profit. It is interesting to consider the precedents under these various plans.

1. CONDEMNATION PROCEEDINGS.

The first course is to throw the whole compensation into a commission or into the courts. In the Civil War the United States did actually under the act of January, 1862, take possession of roads where the public safety required it, which included only roads and telegraphs running into the Confederate States, and as to those roads and telegraphs it provided that the damage and reasonable compensation should be ascertained by a commission. I have not followed out how that was done. Roads and telegraphs taken were already ruined by their being cut off by the war zone or boundary, so that they would not receive a very large damage anyway by being taken by the Government. It was easily arranged, and there were only about 2,000 miles of them in all, so that it is not a precedent; but it can be said that if we were to throw all of the railroads of this country into a commission or court to determine the question we would swamp the commission or the courts and we would never get through.

2. INTEREST AS A VALUATION.

Now, the second one has been proposed by gentlemen who make the same objection made by the gentleman from Iowa

[Mr. TOWNER]. Will the gentleman give me his attention for a moment. The second proposition was to pay some rate—not more than 4 or 5 or a reasonable per cent—on the value of the carriers' property. The trouble with that plan is that no one could ever find out what the real cost or value of the roads was. The stocks and bonds in some cases were far below the amount invested in the roads, and in some cases they were far above the cost. The Interstate Commerce Commission has worked five years trying to get a valuation of the railroads and have not made a single valuation, although they have figures on two or three roads on which valuations can be made. Who will say what rate of interest ought to be paid in different parts of this country where interest varies? Who will say on what value it shall be paid? It would be a greater trouble, worse than to ascertain reasonable compensation, and it can not be adopted.

3. PAY FOR BUSINESS DONE—EXPERIENCE IN THE CIVIL WAR.

Now, the third plan is to pay for the business actually done. The United States did that during the Civil War. The Government did not take over the great mass of railroads in the United States, and it is interesting to find what business actually was done and what change the war made in that business, because like changes are probable now, other things being equal. The United States paid the ordinary freight and created a railroad profit which largely increased the public expense and the public debt. We do not think it necessary now to do that. The railroad statistics at that time were not kept carefully, as they are now, and it is pretty hard to get statistics from 1861 to 1865. Railroad earnings began to be published in 1862. Railroad stock prices go back to 1854. I can find some statistics even during that time, however, in the Aldrich report of 1893. I have prepared a table which I shall ask leave to print in the RECORD, and I now ask to extend my remarks in the RECORD by printing tables of railroad statistics during the period mentioned, so far as I find them.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

[Mr. PARKER of New Jersey submitted the following tables, marked A to H, preceded by an abstract of the percentages of the figures of 1861, 1862, 1863, 1864, 1865 to those of 1860.]

	Abstract of tables. in per cent	1860	1861	1862	1863	1864	1865
A	Thousands of tons carried	100	107	136	152	169	161
B	Millions of tons carried a mile	100	122	159	177	185	174
C	Average freight per ton per mile, in cents	100	98	100.4	101	116	137
D	Gross freight earnings	100	114	163	206	250	274
E	Prices of railroad stock	100	78	114	173	237	188
F	Average price of gold	100	100	113	145	203	157
G	Relative wages	100	110.8	102.9	110.5	125.6	143.1
H	Cost of iron rails	100	88	85	160	262	205

A.—*Aggregate thousands of tons carried between all points (1860–1865).*

[S. Rept. No. 1394, 2d sess., 52d Cong., pt. 1, p. 621, etc.]

	1860	1861	1862	1863	1864	1865
Boston & Albany R. R	859	853	970	1,078	1,175	1,121
Fitchburg R. R	395	326	345	419	467	486
New York Central	1,366	1,537	1,905	2,107	2,159	1,767
New York, Lake Erie & W	1,140	1,253	1,633	1,815	2,171	2,234
Pennsylvania	1,347	1,482	2,059	2,265	2,585	2,556
Pittsburgh, Fort Wayne & Chicago	465	526	643	806	859	833
Total	5,572	5,977	7,555	8,490	9,416	8,997
Per cent	100	107	136	152	169	161

B.—*Millions of tons carried a mile by railroad (1860–1865).*

[S. Rept. 1394, 2d sess., 52d Cong., pt. 1, p. 618.]

	1860	1861	1862	1863	1864	1865
Fitchburg R. R	9	8	9	13	14	14
New York Central R. R	239	280	358	387	387	319
New York, Lake Erie & Western	214	251	351	404	422	389
Pennsylvania	214	280	376	394	421	420
Pittsburgh, Ft. Wayne & Chicago	78	111	126	167	175	194
Boston & Albany R. R	56	61	67	69	76	70
Total	810	991	1,287	1,434	1,495	1,406
Per cent	100	122	159	177	185	174

C.—*Average freight per ton per mile in cents, 1860–1865).*

[From S. Rept. No. 1394, 2d sess., 52d Cong., pt. 1, p. 615.]

	1860	1861	1862	1863	1864	1865
New York Central R. R	2.05	1.96	2.22	2.38	2.70	3.26
Lake Shore & Michigan Southern	2.16	2.09	2.10	2.30	2.83	2.90
Michigan Central	2.18	1.96	1.91	1.99	2.26	3.05
Cleveland, Cincinnati, Chicago & St. Louis	2.12	1.86	1.98	2.13	2.64	2.65
New York, Lake Erie & Western	1.81	1.77	1.89	2.09	2.34	2.76
Pennsylvania	1.96	1.93	2.04	2.19	2.50	2.72
Pittsburgh, Fort Wayne & Chicago	1.67	1.71	1.90	2.01	2.38	2.44
Illinois Central	2.04	1.91	1.96	1.95	2.51	3.10
Fitchburg	4.10	3.94	3.75	3.26	3.51	4.09
New Haven R. R	4.04	4.54	4.50	4.09	4.21	4.76
Total	24.13	23.67	24.25	24.39	27.88	31.74
Average	2.41	2.37	2.43	2.44	2.79	3.18
Per cent	100	98	100.4	101	116	137

D.—*Gross freight earnings, exclusive from elevators, etc. (1860–1865).*

[S. Rept. 1394, 2d sess., 52d Cong., pt. 1, p. 626, etc.]

	1860	1861	1862	1863	1864	1865
Philadelphia & Reading	$2,927,778	$2,517,344	$3,402,836	$5,570,343	$8,157,551	$9,792,569
New York Central	4,943,638	5,557,019	7,972,304	9,449,554	10,685,672	11,000,053
New York, Lake Erie & Western	3,884,343	4,351,464	6,642,915	8,432,234	9,855,088	10,723,234
Pennsylvania Railroad	4,191,784	5,398,026	7,668,420	8,602,262	10,361,999	11,193,565
Pittsburgh, Fort Wayne & Chicago	1,309,714	1,905,707	2,401,630	3,341,034	4,148,504	4,739,068
Total	17,257,257	19,729,560	28,088,105	35,395,427	43,208,814	47,451,524
Per cent increase	100	114	163	206	250	274

E.—*Range of railroad stocks, 1860–1866, month of June.*

	1860	1861	1862	1863	1864	1865	1866
Delaware & Hudson Canal Co	96½	79	92	140	233	135	145¼
Pacific Mail Steamship Co	89	59	115	172	235½	280	210
New York Central R. R	81¾	71½	88¼	115¾	130½	88½	97
Philadelphia & Reading	42	30½	50	89	138¾	88	107
Michigan Central	46½	39¾	62¼	106	142½	103	102½
Chicago, Burlington & Quincy	68¾	53	75	113	125½	104	116
Total	424¼	332½	482½	735¾	1,006¾	798½	778
Per cent	100	78	114	173	237	188	183

F.—*Average annual price of gold (1860–1866).*

1860	1861	1862	1863	1864	1865	1866
100	100	113	145	203	157	141

G.—*Relative wages in all occupations, 1860–1866.*

[S. Rept. No. 1394, 2d sess., 52d Cong., pt. 1, p. 13.]

1860	1861	1862	1863	1864	1865	1866
100.0	100.8	102.9	110.5	125.6	143.1	152.4

Generally, railroad wages, except for conductors, did not make large increases during these years. Engineers and firemen increased by 25 to 35 per cent and conductors 50 per cent. (S. Rept. No. 1394, 52d Cong., 2d sess., pt. 1, p. 160.)

H.—*Prices (per ton) and per cent of iron rails (standard), 1860–1866.*

[S. Rept. No. 1394, 2d sess., 52d Cong., pt. 2, p. 180.]

1860	1861	1862	1863	1864	1865	1866
$48.00	$42.38	$41.75	$76.88	$126.00	$98.63	$86.75
100	88	87	160	262	205	181

Mr. PARKER of New Jersey. I will simply give the results of these tables. The first table is of the thousands of tons carried on five or six roads. It is not very useful because it does not show how long the haul was. Table B is valuable. It gives the millions of tons carried 1 mile, and it is instructive to find that, taking the five or six railroads of which we have statistics, their increase of traffic is so similar on each road that I take it all the roads in the United States did about the same thing. Taking 1860 as 100 to get the per cent, 1861 was 109, 9

per cent more; 1862, 158, or 58 per cent more; 1863, 89 per cent more; 1864, 97 per cent more; while 1865 went back to 85 per cent more; that is to say, that during the war the railroad business about doubled. It will, perhaps, more than double in this war, because there are longer hauls and more munitions to carry. It is more a question of supplying food for Europe and food for our armies than it ever was then. There is likely to be a much greater increase during this war. Table C shows that the average freight per ton per mile, in cents, hardly changed until 1864. It was about a cent—0.98—in 1861, 1.008 in 1862, 1.01 in 1863, but in 1864 it was 1.28, and in 1865 it was 1.31. Table D shows the gross freight earnings, which, taking 1860 as 100, were: 1861, 114; 1862, 163; 1863, 206; 1864, 238; and in 1865, 274, so that the freight earnings increased to nearly three times what they were in the beginning of the war. It appears, however, that their expenses did not vary as they do now. All this comes from Aldrich's wonderful report, in four volumes, in 1893—Wages and Prices During Past Years. Table G shows that the index figure of wages ran only from 100 up to 110 in 1863; it became 125, or a quarter more, in 1864, and 143 in 1865. This rise in wages is nothing comparable to what has taken place already in this country, because at that time immigration was open from Europe, where there was no war, and all the poor people of Europe were coming here to do our work. We had no want of labor.

It is not so now. The cost of materials, iron rails, for instance, did go up. It went down from $48 in 1860 to $42.38 per ton in 1861 and down to $41.75 in 1862, but it was $76 in 1863 and $126 in 1864. Those were the conditions. I can not find any table of railroad gross expenses or net earnings. But one thing represents net earnings, and that is the price of railroad stocks, and those prices rose in spite of the rise in the interest rate. In England the railroads are doing more business than they ever did before, but only receiving a standard return; and as Government interest has risen from 3 to 8 per cent, the result is that the people do not care to keep railroad stocks and sell them to buy Government bonds, and the value of stocks has fallen. In America, in spite of the rise of interest during the Civil War, stock that could have been bought for $100 in 1860 or for $78 in the panic of 1861 or for $88 in 1862 would have cost $173 in 1863, $237 in 1864, and $188 in 1865.

The abstract that I have practically read to you is made up of detailed statements, which I file, of such roads as the Boston & Albany, the Fitchburg Railroad, the New York Central, the New York, Lake Erie & Western, the Pennsylvania, and so forth, so far as I could find any statistics of railroads to be used.

Our prosperity in business is likely to be greater now than it was then. The war needs are greater. England and Scotland have enlisted one-ninth of their population, and we may have to do the same. We may have 10,000,000 men on the other side of the water.

More business must be done, especially on the railroads. The amount of freight carried in 1917 will be probably doubled and possibly trebled by the operations of this war. The United States can not be expected to pay the carriers for war freight for all the business done and thus give them two or more billions a year as their profits on war business. They are not entitled to make money out of the United States on war business. It is for that reason that the bill has taken another mode of determining their compensation, and that is the ascertained standard income of the carriers as shown by their standard returns before the war. This is the best that can be done. It is not perfect.

Mr. PLATT. Will the gentleman yield?

Mr. PARKER of New Jersey. I will.

Mr. PLATT. Is the Government paying freight on its war business all the time?

Mr. PARKER of New Jersey. No; it is not now. It will be paying freight to the railroads and getting back all the surplus. It makes no difference.

Mr. PLATT. If the Government is not paying freight on the war business——

Mr. PARKER of New Jersey. I think the Government is paying freight, but most of this war business is not exactly Government business. It is on materials shipped by munition works to the Government, and the works and factories pay the freight, not the Government of the United States, but the Government receives all the net profits from the railroad treasury, and if these agreements are made it will get the benefit of the war freight.

4. STANDARDIZED RENTAL BASED ON PRIOR INCOME.

A fourth plan is to pay a standardized rental based upon prior income. We are following the example of England in taking the net operating income of a period before the war. England had the advantage that the prior year was one when the world was at peace. The United States has to take years when Europe was at war. In 1915 that war stopped our business; in 1916–17 our carriers got the benefit of the war business of other nations. The three years are probably a fair average of the business as affected by the European war.

5. SHARE WAR PROFITS AS IN ENGLISH MUNITION WORKS.

A fifth course is to divide the extra war profits, as is done in controlled factories. It is a curious matter of history. England and France not only have had to take the railroads, but have had to control labor through the whole country. They could not take one-ninth of their population, more than one-half of their males, into the war without leaving a dearth of labor, while those who have gone to the war make a destruction which has to be supplied. As a result it was found necessary for the Government to control the business of war munitions, and in Pfyfe's wonderful book on the subject he says that all practices which interfere with production and are not founded upon law are abolished. The laws protecting women and children in hours of labor are not abolished. But the rules of the labor unions, which prohibit their being employed on piecework, or prohibit one man from working at the trade of another, or prohibit men from being drawn from one allied trade into another, and prohibit the employment of unskilled labor or women or apprentices, these rules are all suspended, so that no workman can make any objection. Freedom of contract is abolished. The workmen, including clerks, may hire themselves if they have received a leaving certificate from their last employer and may get work elsewhere only if they have such a certificate. Soldier workmen are assigned to controlled establishments. Women workers and half skilled or unskilled workers may come in and receive intensive training, whether they be union or nonunion, by what is called dilution of labor, under control of dilution commissioners, who encourage agreements between employers and workmen and supervise conferences. Commissions determine whether leaving certificates are rightly or wrongly granted. Strikes and lockouts are crimes. The importance of these acts is that controlled establishments extend to every work necessary to successful prosecution of the war.

Munitions of war include not only arms and ammunition, but ships, vehicles, and the metals, machines and tools to make them, constructional steel, fire brick, window and optical glass, factories, machinery, and even workmen's houses. In the controlled factory excess profits are divided.

The Government takes over the factory. It finds out what the standard profit in that factory was before the war. When that is agreed upon the owner is allowed one-fifth more during the war. All profits above that up to a certain percentage or a certain amount are divided generally in certain proportions which are agreed to, although there are some statutes on the subject, and all excess profits above a fixed amount go to the State. For instance, if a factory was declaring a 10 per cent dividend before the war, one-fifth more or 12 per cent would go to the owners of the factory. It might be agreed that excess profits up to 30 per cent more which would be divided, 15 per cent to the Government and 15 per cent to the owner of the factory, everything above the 42 per cent would go to the Government.

It is a curious arrangement, but practical, like most things that John Bull does, because it gives to the person in charge of the factory some interest in his business. We shall preserve the carriers' interest in the railroads only by the fact that they know that they are going to get their property back in a reasonable time, so that the men who work those railroads and who have made them the admiration of the world by carrying freight at rates and in quantities such as no other country has ever done, these men are going to stay with the carriers and run them for the Government, if any tact be shown, so that we will show better results in war than any other country in the world.

These munition acts as to factories are likewise interesting. We too may be forced to have the dilution of labor, as it is called abroad—bringing in the unskilled and training them, whether they be men, women, or children. We too may have to have women as the ticket sellers and ticket collectors and gate tenders.

We may have to get labor as they do there, where women are running the lathes in iron works and running the punches and planing machines and making great shells, and doing it with the skill of men, being aided, whenever possible, by chains and cables operated by steam power which take up the heavy material and put it where wanted. It is a triumph of mind over matter that weak woman can do such work in a way that does not try their strength. If we send our millions to war, we may have to do the same thing.

The gentleman from Ohio [Mr. FESS] asked me if I advised this policy. I advise being ready for it, because we may have to do it. Labor is scarce now. Unless we make labor plentiful, we can not win this war, because it is work that will win the war, and nothing else, work in the arts of peace as well as in the arts of war.

REPAIRS AND BETTERMENT ACCOUNTS.

The bill legalizes agreements based upon the standardized returns. There are some complications, as already indicated in my opening, attaching to these standardized returns. The carriers report their gross receipts and their current operating expenses and give what is called a "net operating income," but if they have seen fit not to keep their road or equipment in repair that operating income will be enlarged by the cost of omitted repairs which should have gone against it. If, as carriers often do, they have charged maintenance to the capital account—as I believe all renewals of stations and bridges and permanent works are charged to capital account, without any allowance for the value of those torn down—the diversion of these charges to capital must be very large and must be taken into account. In the case of the Pennsylvania Station in New York and the Grand Central Station in New York or the Union Station here those outlays must be very large.

Many things done by the carriers, such as raising tracks, do not add to their income but often, on the other hand, cut them off from freight yards and sidings which must be built elsewhere. All carriers' accounts are in more or less of a muddle. A scientific man, a writer on technical and scientific subjects, Mr. Amory, came before us and said that our railroads were bankrupt, because they did not charge to income things that belonged to income, and were therefore in debt to the banks. Another railroad expert, Mr. Krutschnitt, admitted that it was a bad business to charge these renewals to capital instead of income, and that if they kept it up they would get into trouble eventually. Our bill has made provision that the Government can adjust those accounts.

It is fortunate that these accounts are probably not so large as the diminution of the standard return which has been made by reason of averaging three years, one of which was a very bad year. More than $100,000,000 a year, I believe, was taken off the standard returns of the railroads by reason of taking three years instead of the last year, 1917. That $100,000,000 a year will take care of a great deal of repairs and omitted maintenance.

It is also to be considered that if the United States does twice as much or three times as much business on those roads than was done before, it pays nothing beyond actual cost of that extra business and can afford, therefore, to take some risk on the repairs that it is to make and the standard return it is to give. On the whole, it may turn out to be better in most cases not to try to be too careful of smaller matters. We hope to be able to make a good bargain, because nobody wants to throw this great matter into the courts. If the railroads will agree to take the average return of the last three years, they will take perhaps less than they were entitled to take, but that will make up for some of the various other questions that they perhaps ought to have taken care of, but did not.

NEW EQUIPMENT.

Now, I believe that disposes of all things except how to account for the new rolling stock and improvements that shall be done by the Government. It is provided that the Government shall pay operating expenses, including such expenses as will keep the property in the same repair as it is now. If the United States pay more, that is a subject of account, to be charged against the carriers. If the Government erects new buildings and terminals, and so forth, there is a provision by which their cost can be charged against the railroads and taken care of by the issuance of stocks and bonds, on which the Government, of course, will pay the interest during the control. But these new improvements will finally belong to the railroads.

Mr. MADDEN. Mr. Chairman, will the gentleman yield there for a question?

Mr. PARKER of New Jersey. I will be through in a minute, and then I will yield.

If, on the other hand, the Government buys equipment, rolling stock, and locomotives, the original bill provided that the Government should own them all, and there would be a vast amount of equipment at the end of the war to be disposed of as Congress might direct. The committee has very wisely amended this bill so that while that might be done, the Government has the option to buy this equipment on the accounts of the railroad and make it the property of the railroad, paying for it by the issue of railroad securities, so that an adjustment would be going on from time to time until the property could be handed back.

Mr. MADDEN. Now, will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. MADDEN. The stocks and bonds issued for the improvements described by the gentleman would be held by the Government on the collateral until the final settlement and the railroads were turned back?

Mr. PARKER of New Jersey. Yes; unless they were sold in order to get the money to return such property. If a road issues $100,000,000 of stocks and bonds, the people will take them in the market, and the Government will be reimbursed for the money it spends.

Mr. MADDEN. I take it that at the end of the war the Government would not be able to finance the improvements any better than the railroads.

Mr. PARKER of New Jersey. As the Government would pay the interest on those bonds out of operating returns, the people would be more secure as to their interest.

CAUSE OF RAILROAD EMBARRASSMENTS.

I may add that one of the reasons why the railroads have fallen down in late years, as I am informed, is because they have been financing lately just as they did some years ago, when their financiers would not issue long-term bonds at high rates of interest and borrowed at cheaper interest upon short-term notes. Since money has been in demand the banks have refused to renew those notes, and there is scarcely a railroad that is not embarrassed somewhat in that respect.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BENJAMIN L. FAIRCHILD. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey may have 10 minutes more.

Mr. PARKER of New Jersey. One minute more will be enough.

Mr. ESCH. I yield to the gentleman one minute.

STATE TAXATION.

Mr. PARKER of New Jersey. There is no other topic left except that of taxes. Some people say we can not control taxes, because the State can lay taxes. I say that the States can not lay taxes on Government business, and my judgment is that the States ought not to be allowed to put on extra taxes when the Government is operating the roads. I think we ought to pay just the same taxes that we paid before the war, and none other.

Mr. Chairman, that is all I have to say. I will insert the tables to which I referred in my remarks:

Mr. BENJAMIN L. FAIRCHILD. Mr. Chairman, will the gentleman from Wisconsin yield to the gentleman for a minute so that I may ask him a question?

Mr. ESCH. Yes; I yield an additional minute to the gentleman.

Mr. BENJAMIN L. FAIRCHILD. The gentleman from New Jersey referred to the indebtedness that would be created in favor of the Government against the railroads by the purchase of locomotives and other rolling stock and the terminals. Does the gentleman from New Jersey think that the railroads should be turned back to the railroad companies until that indebtedness has been paid to the Government by the railroads?

Mr. PARKER of New Jersey. That proposition was not only that there should be such an indebtedness, but that it should be wiped out by the disposition in the markets of the stocks and bonds of the railroads, which can be done.

Mr. BENJAMIN L. FAIRCHILD. Of course, the stocks and bonds might be sold by the railroads or might not.

Mr. PARKER of New Jersey. If they are not sold, then they would owe the Government, and the railroads would not go back until that was arranged for. The bill says so.

Mr. SIMS. I yield 40 minutes to the gentleman from Nebraska [Mr. STEPHENS], a member of the committee.

Mr. STEPHENS of Nebraska. Mr. Chairman, the bill, H. R. 9685, now before the House, providing for suitable legislation for Federal control of the railroads of the country, contains, generally speaking, only three points that are in controversy.

The first is contained in section 1, which fixes the compensation that the carriers are to receive during the period the roads are under the control of the Federal Government.

The second is contained in section 11, which places the power to initiate a rate, when the war emergency makes it necessary, in the President.

The third is involved in section 14, which contains the provision for the return of the railroads within two years after the conclusion of the war. I shall address myself to the question of the limitation placed in section 14. I am in full accord with all of the provisions of this bill excepting section 14, and at the proper time I shall offer an amendment striking out the limitation placed in the bill, leaving it for a future Congress to

fix the date for the return of the roads to their corporate owners after suitable legislation has been enacted.

It is argued by the representatives of the administration and Commissioner Anderson, of the Interstate Commerce Commission, that great danger is involved in fixing the date for the return of these roads to their corporate owners, for the reason that the greatest confusion will likely prevail at the conclusion of the war, and that the people in all probability will not be in a mood to consider necessary legislation that must be enacted before these roads are turned back to their alleged owners. It will possibly be a year following the conclusion of peace before the soldiers are all returned home and discharged. During this period it is not probable that it will be possible to even consider the turning back of these roads. The people will be distracted by the difficulties confronting the country in readjusting business to peace conditions. There will be an immense demand for capital, and the difficulty of the railroads in financing themselves will no doubt be a very great one.

In fact, it is so self-evident that troubles of the first magnitude will prevail at that time in the domestic field that it seems hardly necessary to recount them. I quote here, in part, a statement made by Secretary McAdoo, Director General of the Railroads, on this subject before the House and Senate Committees on Interstate Commerce:

STATEMENT OF SECRETARY M'ADOO.

From the public standpoint it is necessary that Government possession and control of railroads shall be employed to remove for the time being competitive practices and wasteful duplication of effort to the end that every energy shall be mobilized upon the production of the greatest amount of transportation with the least expenditure of labor, material, and money. The result of this process of unification will be that when the war ends the railroads will be, to a large extent, disabled for the immediate resumption of their old competitive status. It will be clearly contrary to the public interests that the railroads thus hampered in their ability to compete shall be returned to private management before the adoption of proper methods of public control to take the place of the competition which will have been substantially extinguished.

The adoption of a proper measure of public control to deal with this new condition will require careful study and discussion. The period immediately succeeding the war will present numerous problems of the gravest sort, some of them very grave economic problems which will demand immediate consideration by the Congress.

In such circumstances it is not only probable but almost certain that Congress will not find the time immediately after the close of the war to adopt a comprehensive plan for controlling the railroads in the new environment in which they will find themselves and at the same time to deal with all the other complicated economic problems which will undoubtedly confront it.

If this bill requires the railroads to be turned back to their owners within say a year, as I have heard suggested, or other comparatively short period after the return of peace, the result will be that the railroads, with competition largely extinguished, will go back into private control without legislation to protect the public, or legislation designed to protect the public will have to be enacted hastily in the midst of other problems which will be demanding the entire time and attention of Congress. Neither result can be made in the public interest.

At the same time it should be borne in mind that shippers and the public generally will be accustomed to new methods of doing business with the railroads. They will find that the old methods under which they have been routing freight and have been doing business will be substantially and perhaps permanently altered, and the confusion which would arise from the attempt to suddenly restore the old competitive status, the status that existed prior to December 28, 1917, would be aggravated very greatly and perhaps would offer quite insuperable difficulties if legislation was not enacted in the light of conditions as they exist at that time, such as would facilitate that process of restoration and conserve the interests of the shippers and the public generally. I think myself that ample time will be required to deal with the new railroad status with which the country will be confronted after the return of peace.

I have used this three-year period arbitrarily and merely for purposes of illustration, and I have proceeded upon the theory that possibly $500,000,000 per annum might have to be expended upon betterment, improvements, equipment, and extensions—necessary extensions for the purpose of the war. Of course, if the control lasted only one year or two years the amount of the Government investment in roads would be correspondingly less.

It is impossible to deal with that matter adequately under existing laws and impossible now to forecast how the matter ought to be dealt with. It will be a subject for thorough study and careful and just legislation to be adopted after the war.

To put a time limit upon Government possession may make it impracticable and certainly will make it exceedingly difficult to deal with this important subject in an adequate manner before possession is automatically restored to private management. To fix an arbitrary limit, it seems to me, is to put the public at a great disadvantage in dealing with this important phase of the problem—that is, the adjustment of the debt which the railroad companies will owe to the Government for the advance which must be made to them during the period of Government control. Such improvements in the hands of the Government without possession of the railroads will be of little value. The Government would therefore be in a difficult situation to protect the public interest with respect to those advances, because the minute the railroads are returned automatically to the control of the railroad companies, with no settlement effected of that large indebtedness, the Government would not be in position to protect adequately its rights nor to protect the public interest.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. STEPHENS of Nebraska. I will.

Mr. MADDEN. Does the gentleman contend that the Congress of the United States under the conditions that he has just described through Mr. McAdoo will be any less mindful of the interests of the people than they are to-day?

Mr. STEPHENS of Nebraska. Oh, certainly not.

Mr. MADDEN. Or that Congress will be less patriotic?

Mr. STEPHENS of Nebraska. No; certainly not; but there might be difficulties in the way of getting action in Congress. Mr. McAdoo continues:

It seems to me, therefore, that there is every disadvantage to the public interest in risking a limitation upon the time of Government control of the railroads and no possible advantage to the people in fixing that time limit now.

As long as the Government is in control of the properties and the important problems can be discussed dispassionately, and not under the pressure of a stop watch or time limit, it will be possible, I think, to liquidate the Government's interest upon a more equitable basis not only to the public but to the railroad owners themselves.

For my part I do not see why we should now undertake to determine an arbitrary limit, which might put the public as well as the private interests in jeopardy, but every consideration, it seems to me, justifies, as well as demands, that the question be left in such situation that it can be dealt with intelligently by the Congress in the light of conditions as they then exist.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS of Nebraska. I yield to the gentleman from Missouri.

Mr. BORLAND. Would not that be the case, anyway, that Congress, even though it now fixed the time for the return of the railroads, would have the right to repeal that law?

Mr. STEPHENS of Nebraska. Oh, certainly; that is undoubtedly true; but conditions might arise where Congress could not act, and I am now going to read to you a statement of Commissioner Anderson, of the Interstate Commerce Commission, pointing out the possible difficulties that may arise at that future date.

Mr. BORLAND. I was going to ask the gentleman whether it would not have the effect of stabilizing and strengthening the value of railroad securities, and thus ease the money market, if it were definitely established in this bill that the railroads would eventually be returned to the stock and bond holders?

Mr. STEPHENS of Nebraska. I do not think so. I think that absolutely the opposite is true. The very moment the Government took over these railroads the stocks and bonds of the roads rose in value on the market, showing conclusively that the people have greater confidence in the control by the Government over the roads than they have in the control of those who were in charge of the railroads prior to the Government taking them over.

COMMISSIONER ANDERSON'S STATEMENT.

I wish now to quote from the testimony of Commissioner Anderson, of the Interstate Commerce Commission, as to the possibility of failing to secure legislation before the day fixed for the return of roads, and the disaster that would surely follow:

We will assume the treaty of peace is concluded the middle of July, one week after you have adjourned, or something of that kind, or a month. But the reasons why we did not undertake to set the time limit were mainly two. In the first place, no Congress binds any succeeding Congress, and it is clear that the Congress must take the responsibility of dealing with the status; in the second place, it was thought that if there should happen to be a Congress divided in opinion, and an actual time limit put in, you would create a speculative situation with relation to a lot of railroad securities, and particularly with relation to the fate of some of the weaker companies, that would be in its actual results no less than wicked, as applied to some of the less fortunate holders of railroad securities.

If the existing status continues until Congress otherwise determines, then every person, every corporation whose interests are possibly to be affected adversely and unfairly by any proposed measure of resumption of private control, they must have their day before this committee or some committee that deals with that, and the matter is fully heard, if you have a stop order, and the Congress perhaps more or less affected by partisan considerations—nobody knows—perhaps a division between Congress and the President, a chaos is to take place on a day named, unless Congress acts and extends the time.

It might be an evenly divided Congress, either on partisan lines or on policy lines or discord between Congress and the President. It puts a premium on discord for speculative interests that would like to see the railroad-security market thrown into speculative chaos; that is what it does. Let me illustrate that: Suppose that you had a provision that it should last a year after the war, after the treaty of peace? Suppose the treaty of peace were signed on July 1 next, and then you have got another year. You come back here next December and you begin on this thing, and Congress is closely divided on party lines and on questions of economic policy; and you begin, and you go through December, January—you do not generally do much until January. You have really got six months in which to find and determine the policy on which these carriers shall be taken out of the Federal control and put back into the hands of their groups of security holders; and if you do not agree there is chaos on July 1, 1919, is there not? The agreement is the condition precedent to order. That is your situation. Now, order prevails under Federal control until Congress substitutes some other order.

A CHOICE BETWEEN FEDERAL CONTROL AND GOVERNMENT OWNERSHIP.

Those who favor a time limit for the return of the roads offer three reasons:

First. That a date should be set as indicating that the Government did not intend to keep control indefinitely and thereby cause confusion and uncertainty in the minds of the investors.

Second. Admitting that new legislation will be necessary, they insist two years will be sufficient time for Congress to act.

Third. They desire the time limit because it will be an indication that this Congress is opposed to Government ownership.

The truth of the matter is, the third reason is the main one in the minds of most of the objectors. The first two reasons are no reasons at all and not a fact supports them, while, on the contrary, all the evidence presented to our committee proved the contrary true. The investors are calm and happy now that the Federal Government is protecting their property from the speculators, and the evidence pointing to possible delay in procuring legislation is complete and uncontroverted.

The third reason offered in favor of a time limit, the fear of Government ownership, is born of a superficial view of the subject, which confuses Federal control with Government ownership. Federal control is not Government ownership at all. On the contrary, it is the very method that can save us from Government ownership. Private control and ownership has already proven a failure. Some way must be found to cure the defects of the system, or Government ownership inevitably follows. If, after a trial of Federal control, the roads break down utterly under existing conditions, then the Government, to save its own life, must own its own means of life—the railroads—as well as control them. Now, the Government as a war necessity has taken control and has coordinated all the roads under one head and for one purpose, namely, service. It is a concentration of control that was so dearly sought by the great railroad magnates of the past, but the people would not trust such power in private hands. The thing sought for by these railroad magnates for 50 years past was gained by a stroke of the pen by the President for the people. If the policy of consolidating the roads under a central head was economically correct when it was proposed to place the control in the hands of a coterie of Wall Street speculators, why will it not still be a wise and economic policy when the control is placed in the impartial hands of a Federal director, where the rights of the people and of the roads will both be jealously guarded?

If the gentlemen who are haunted by the ghost of Government ownership prevent an honest demonstration of Federal control, to see whether or not the troubles of private ownership can be cured and the railroads made to do the work of the country, then they will have to face a country-wide demand for not only Federal control but Federal ownership as well, with nearly 2,000,000 employees added to the civil-service rolls of the country, with all the possible dangers of such a gigantic civil roll influencing legislation.

Mr. FESS. Will the gentleman yield for a question?

Mr. STEPHENS of Nebraska. I do.

Mr. FESS. I would like to have the gentleman's opinion, without embarrassing him. Believing myself that this step will almost certainly lead to Government ownership, I would like to ask him whether the fixing of the time limit will prevent it?

Mr. STEPHENS of Nebraska. My idea is that the moment you fix the time limit you make it absolutely necessary for the Congress of the United States to act before that time limit expires, and if the people are not then ready to act, if the Congress is not ready to act, if we are all undecided as to what the policy should be, then these roads automatically go back; and if they go back under such a chaotic condition as will exist at that time you can rest assured that private ownership will be spurned by the people and Congress will be compelled to take over these railroads as Government property and operate them. Now, if no time limit is fixed, then everything will go on; and we will demonstrate beyond a question of doubt whether or not Federal control is a success. If it is not a success, none of us want it. If it is a success, we all want it. That is my view of it.

Mr. FESS. If the gentleman will permit, I have always feared Government ownership and am very much opposed to it.

Mr. STEPHENS of Nebraska. I agree with the gentleman.

Mr. FESS. But I think I can see it definitely coming. That is my opinion under the conditions that are in operation.

Mr. STEPHENS of Nebraska. There is certainly danger of it. Referring again to this large civil pay roll, my fear would be that such a force in a position to profit through the pay-roll route by legislation which they could tremendously influence, the very life of the Government might be endangered. I can readily see that we might cease to be a Government by the people and for the people, and become instead a Government by the employees for the employees. Yet if compelled to choose between being exploited by a gang of railroad speculators and being more or less pulled about by a vast body of Government employees, I would choose the latter.

The gentlemen who insist upon writing a limitation of Federal control in section 14 of this bill merely hasten the day for Government ownership in the fullest sense of the word with all the possible evils thereof, because, whether they know it or not, private control has broken down and the country knows it. A few years more of such control and no one will be left, except widows and orphans and the helpless generally, who can be induced to invest in railroad stocks and bonds. Something must be done now before the roads ever leave the control of the Federal Government to safeguard the investments in railroad stocks and bonds and stabilize values so the public will have unquestioned confidence in them. If this is not done, extensions and betterments are impossible. An adequate service can never be secured with the Wall Street wrecking crew in charge of so many of the roads.

By amending section 14 by striking out the two-year limit Federal control will be continued until such time as protective legislation can be enacted. Personally I am convinced beyond a doubt that the solution of our whole trouble and escape from Government ownership and the evils that might follow lies in Federal control along the lines we have now adopted as a war measure only. If it proves a success, no one would want to go back to the private control; and if it is a failure, we will have eliminated Federal control from further consideration. That question then will have been as completely eliminated as is private control in the minds of the people at this moment.

Therefore if the present method of Federal control under the Director General proves a failure, we would be face to face with Government ownership. To insert in this bill a day for the return of the roads to their corporate owners, to the old system of private control that has failed in the past, is to issue a clarion call to the country to stop the outrage before it can be perpetrated, and the country will undoubtedly stop it by forcing us into Government ownership. Is it not, then, absurd to write a limit in this bill making it impossible to give Federal control a thorough test before we are compelled to prematurely turn them back into the field of speculation and ruin or take them over as Government property and own as well as operate them?

GHOST OF GOVERNMENT OWNERSHIP KILLED SHIP BILL.

The fear of Government ownership talked the shipping bill to death in March, 1915, or the threat of it brought the same result. As a result our shipbuilding program was set back two whole years. The eminent legislators who permitted themselves to be frightened by the ghost of Government ownership I charge with the responsibility of having failed to provide the country with ships that are to-day so sadly needed to carry our troops and supplies to Europe. If our shipping program had been begun two years sooner, as that bill provided, we would now be able to place one and one-half million soldiers in Europe and feed them with ease. The ghost of Government ownership stalking timid legislators did the work. These same gentlemen, too, are now loudest in their criticism of the War Department because it is unable to equip and place an army in Europe without an adequate amount of shipping. There was also a substantial backer to the Government ownership ghost that stayed in the background. It dangled the ghost out where everybody could see. The backer of the ghost was the Shipping Trust. They had a gold mine operating ships at a freight rate 1,000 per cent above the rates of peace times. They could see absolutely no sense in the Government building ships to compete with them, so they shouted Government ownership, and their reactionary friends responded everywhere and the Government ship bill was killed and not a move made for two years after the bill was introduced in September, 1914, to save the country from extortionate freight rates. These gentlemen may escape the responsibility of their exceedingly great mistake, but they nevertheless have it on their souls just the same. The country is without necessary ships now, and they should not escape the blame. This House did its full duty in backing up the administration's program for shipping tonnage and every other measure necessary to win this war.

The fear of Government ownership put a limitation of one year in the war-risk insurance law, which makes it necessary for us to renew this measure every year. If something should happen, if Congress should not be in session or a deadlock of some kind should occur, making it impossible to renew this measure, then the ships of commerce would not be able to leave our harbors for want of insurance. Yet we had to put it in to satisfy these gentlemen who were constantly shivering around for fear Government ownership will be fixed upon the country. They can not conceive of the people having sense enough after they have tried a thing to conclude whether or not it has been a

success or a failure. If it proves to be a success, of course they will want to continue it; if it is a failure, certainly they will want to discontinue it. Therefore there can be no object whatever in hampering legislation with provisions of this sort, lest it will in a measure contribute for or against Government ownership.

FEDERAL CONTROL SHOULD EXTEND OVER PERIOD OF PEACE.

There is another phase of the subject also that should be considered, and that is the very great desirability of having Federal control extend over a period of peace, so that a demonstration can be had of its feasibility as a permanent policy. If Federal control is concluded immediately after the war, there will be no opportunity to test the value of this method of handling the railroad situation. The truth is, some 5 or 10 years should be allowed for this period of demonstration for the purpose of satisfying the country beyond a question of doubt that Federal control is or is not practicable. The country is certain that the management of the railroads under private control has been a failure, and they are seeking and demanding some satisfactory solution of this problem.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I yield to the gentleman.

Mr. MOORE of Pennsylvania. I take it from the gentleman's remarks that he is in favor of Government ownership of railroads and would have established it years ago.

Mr. STEPHENS of Nebraska. The gentleman has no right to make any such assumption, because I have stated three or four times in the course of my remarks that I am opposed to Government ownership, excepting as a very last resort.

Mr. MOORE of Pennsylvania. Then I did misunderstand the gentleman.

Mr. STEPHENS of Nebraska. Yes.

Mr. MOORE of Pennsylvania. But since the gentleman refers to what might have been done, I might ask him whether he agrees with that other distinguished Nebraskan who was in favor of Government ownership of the railroads years ago, but who did not get very far with his program?

Mr. STEPHENS of Nebraska. Do you want to know whether I am in favor of him?

Mr. MOORE of Pennsylvania. Whether you stand with him; yes?

Mr. STEPHENS of Nebraska. I certainly would not stand with him if he is for Government ownership and I am against it, but I do not think the gentleman from Nebraska, whom you refer to, favors Government ownership. He never did favor Government ownership. He has always stood on the subject about as I have just outlined it.

Mr. MOORE of Pennsylvania. I do not want the gentleman to misunderstand me, but I have a distinct recollection that the Nebraska Commoner initiated a policy of Government ownership of railroads.

Mr. STEPHENS of Nebraska. That is a mistake. I heard Mr. Bryan make his so-called Government-ownership speech in Madison Square Garden, and it was not a Government-ownership speech at all, but he made the statement in effect that I have just made.

Mr. MOORE of Pennsylvania. But does not the gentleman think the other distinguished Nebraskan would really be vindicated by the passage of this bill?

Mr. STEPHENS of Nebraska. Which other distinguished Nebraskan?

Mr. MOORE of Pennsylvania. William Jennings Bryan, the great Commoner.

Mr. STEPHENS of Nebraska. William Jennings Bryan, the great Commoner, is in substantial accord with this proposition, I think.

Mr. MOORE of Pennsylvania. Did not Mr. Bryan in 1908, in Madison Square Garden, announce a platform substantially as set forth in this bill?

Mr. STEPHENS of Nebraska. I think the gentleman is correct. I think the substance of my remarks are in accord with his statements on that occasion.

Mr. MOORE of Pennsylvania. I wanted to see if we were not vindicating Mr. Bryan by the passage of this bill.

Mr. STEPHENS of Nebraska. Oh, he has been vindicated a thousand times. [Laughter.]

If a day is fixed for the return of these roads to their owners, on that day the roads must go back no matter what the conditions are that may exist at that time. While, on the other hand, if the day is not set, there will be an opportunity for consideration of the question from every angle in the light of the experience gained by Federal control of these roads in time of peace.

During the last 10 years scores of railroads have been wrecked through mismanagement and speculation. The operation of these particular roads has been solely in the interest of those who wished to make money out of them, and with only an incidental regard to the rendition of service to the people. The result has been the ruin of hundreds of thousands of stockholders, the wrecking of many railroads, and a general weakening of the confidence of the people in the system of private control. The people have tried regulation, both National and State, with very unsatisfactory results. We started out to stop the collection of excessive rates, but made no provision at the other end for stopping the leaks. It would appear that we felt secure in the idea that if we could prevent the railroads from taking unjust toll from the shipper we had solved our problem. We discovered, however, that the prevention of the roads from collecting excessive rates had no connection or relation whatever to their ability to speculate in the properties themselves and manipulate them in such a manner as to throw them into bankruptcy and through this operation eliminate the shareholders and greatly destroy the general usefulness of the roads and their ability to secure new capital for their development and extension.

THE WRECKING OF THE ROCK ISLAND.

As a result of this practice we have witnessed the wrecking of the Chicago, Rock Island & Pacific Railroad, the New Haven, the Boston & Maine, the Frisco, and many others during the last 10 or 15 years. In fact, at the present moment there are some thirty or forty thousand miles of railroads in the United States in the hands of receivers. Some of these roads we know have been thrown into the hands of a receiver when they were in a perfectly solvent condition by the manipulation of these plunderbunders who specialize in the wrecking of railroads. The Rock Island is probably the most glaring example of this particular industry. The story of the wrecking of the Rock Island Railroad is equal to that of any "Diamond Dick" novel that has ever been printed, and the men who were responsible for the mismanagement and bankruptcy of this property should have been put in the penitentiary long ago. The truth is that as highwaymen they make the performances of Jesse James look trivial and inconsequential. This gang of Wall Street plunderbunders did nothing that required courage. They merely hired a few lawyers to organize two holding companies at an expense to the property of about $300,000 for organization purposes and proceeded to manipulate this great and profitable railroad system in such a manner as to force it into bankruptcy and ruin.

Mr. DILLON. Will the gentleman yield?

Mr. STEPHENS of Nebraska. Yes.

Mr. DILLON. Does the gentleman know any of these high financiers who have been put in jail where they belong?

Mr. STEPHENS of Nebraska. I do not remember right now whether any of them have been put in jail or not, but you have my opinion in regard to it.

When they took hold of this road in 1901 its stock was selling in the markets of the world at above $200 a share. It had something like $10,000,000 of surplus and was paying a good dividend to its stockholders. It had a net income of over $5,000,000 a year. In 1914, the year in which the Interstate Commerce Commission made a report upon its condition, its stock had shrunk to about $20 a share, representing a loss to the men who had put their money into the building up of this great property of tens of millions of dollars.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SIMS. I yield the gentleman 20 minutes more.

Mr. STEPHENS of Nebraska. The men belonging to this particular Wall Street wrecking crew were J. H. Moore, W. H. Moore, D. G. Reid, W. B. Leeds, and others of less importance. After more than a decade of misrule and theft the road was finally forced into the hands of a receiver. Even after that the deception continued. The court was urged by the Peabody Protective Committee to default in payment of interest on certain securities and in the refusal of the court to comply, the court left the inference that the only motive the Peabody committee had was to get an excuse to foreclose on the securities of a perfectly solvent property and take them at much less than their value.

Mr. LONDON. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I will.

Mr. LONDON. What year did all these things occur?

Mr. STEPHENS of Nebraska. This reign of culpability began in 1901 and ended in 1914 or 1915.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. STEPHENS of Nebraska. Yes.

Mr. COOPER of Ohio. What railroad is the gentleman talking about, the Rock Island?

Mr. STEPHENS of Nebraska. Yes; the Rock Island and its holding companies. Sometimes the report refers to the Iowa

company and sometimes to the New Jersey company, but they are merely holding companies for the Rock Island.

Mr. COOPER of Ohio. The gentleman would not put all of the railroads of the country on the same basis?

Mr. STEPHENS of Nebraska. Oh, no; I am differentiating between the honest men and the crooks in the railroad world.

Later on the road did default in interest payment on certain bonds of the road that were secured by over $71,000,000 of the stock, the stock that sold for $200 a share the year the wreckers got possession of the road. This block of $71,000,000 face value was sold under order of the court for a little over $7,000,000. The outrage was complete. This Mr. Peabody is president of the Mutual Life Insurance Co. The same Mr. Peabody was in at the killing also when the New Haven went under. Here is what a witness before the Interstate Commerce Committee of the House, a Mr. Amster, who is a director in the Rock Island Co., and who has suffered from the rape of the Rock Island, has to say about Mr. Peabody and his banker friends:

The New Haven stock was considered a gilt-edge investment and sold at over $200 per share. It is now selling under $30. The company's books show that 26,000 defenseless men, women, and insurance companies own the stock of the company, and that very little, if any, is held in the name of the banker directors who managed the property during its prosperous period. One insurance company, the Mutual Life, whose president, Charles A. Peabody, is a warm friend of the great banking firm that handled the New Haven finances, owns 35,000 shares, at an average cost of $155 per share, but this poor investment, and doubtless other railroad investments of this insurance company, belong to the policyholders and not to the president or trustees of the company

Thus we see how the wrecking of railroads affects thousands of innocent people who are helpless to prevent it aside from those who have purchased railroad stocks directly as an investment.

But to come back to the Rock Island, let us see how they robbed the road through salary accounts, gifts, and contributions to campaign funds. Notice this salary list and a few other grafts as reported by the Interstate Commerce Commission during the reign of the plunderbunders:

SALARIES AND CONTRIBUTIONS TO OFFICERS AND DIRECTORS.

The salaries paid to some of the principal officers at various points were as follows:

H. U. Mudge, president, $60,000.

L. F. Loree, chairman executive committee (one-half to be paid by the Frisco), $75,000.

R. A. Jackson, vice president and general solicitor, $50,000.

R. R. Cable, member board of directors, $32,000.

W. B. Leeds, president, $32,000.

B. L. Winchel, president, $40,000.

B. F. Yoakum, chairman executive committee, $30,000.

Daniel C. Reid, chairman board of directors, $32,000.

C. H. Warren, first vice president, $35,000.

W. G. Purdy, upon his retirement from the presidency, was given two years' salary at $22,500 per annum.

SOME OF THE CONTRIBUTIONS.

Following are specific instances shown of record of contributions referred to:

J. E. Gorman, first vice president in charge of freight and passenger traffic, was secretly paid $18,750, making his total compensation $43,750, whereas the pay roll showed $25,000.

C. A. Morse, chief engineer, received a salary of $15,000 per year and a secret bonus of $3,000 on the first of each year.

Upon the retirement of R. A. Jackson as general solicitor he was given $100,000 in cash.

As an inducement to L. F. Loree, chairman of the executive committee, to relinquish, after 10 months' service, a joint contract with the railway company and the Frisco, under which he was to receive a salary of $75,000 per annum for a period of five years, and in addition was to be paid a bonus of $500,000 at the expiration of the contract, he was given bonds of the railway company of a par value of $450,000. This was borne equally by the two companies, and the proportion of the railroad company was charged to profit and loss. The total amount borne by the railway company in this transaction exceeded $250,000.

C. H. Warren, vice president, was given by the railway company $150,000 in par value of the common and $105,000 in par value of the preferred stock of the New Jersey company and $50,000 in cash. There was no board of authorization for the latter expenditure, the item being represented in the records of the railway company merely by a voucher signed by D. G. Reid.

R. R. Cable, a member of the executive committee, received from the railway company $30,000 in bonds of the Iowa Co., then worth $24,500, for his services in the acquisition of the Burlington, Cedar Rapids & Northern Railway Co., and he was paid by the latter company $85,000 in the same transaction. Mr. Cable also received another contribution which will be referred to later.

Robert Mather, vice president, was given $25,000 in cash.

George T. Boggs, director and secretary of the directors of the railway company, was given $15,000 in cash when he retired from the secretaryship of the railway company.

As hereinbefore indicated, when the capital stock of the railway company was increased to $75,000,000, shares of the par value of $880,500 were placed in the name of the president, to be thereafter distributed in accordance with the following resolution of the executive committee passed at a meeting held in New York July 1, 1902:

Resolved, That such portion as the president may determine of the shares of the increased capital stock of the company not required for the purpose of the foregoing resolutions shall be disposed of at par by the president for the benefit of such officers of the company as the president shall elect and determine.

This stock was later exchanged for securities of the Iowa and New Jersey companies in the same manner as was stock of the stockholders of the railway company.

Following this exchange R. R. Cable received securities of a market value of $368,300, for which he paid $200,000.

H. A. Parker, first vice-president, received securities then worth $27,000, for which he paid but $15,000.

Robert Mather received securities of a market value of $145,912 above his payments therefor.

The contributions to officials of the railway company in excess of their salaries aggregated about a million dollars.

Mr. RUSSELL. Were not a lot of fellows indicted for that?

Mr. STEPHENS of Nebraska. I do not know.

Mr. LOBECK. Did the Government assist this road by giving it land?

Mr. STEPHENS of Nebraska. Yes.

Mr. LOBECK. Is it the gentleman's belief that if we had Federal control any such things as this would happen?

Mr. STEPHENS of Nebraska. Absolutely no; no such things could happen.

IRREGULAR VOUCHER PAYMENTS.

The books of the railway company reveal payments aggregating $44,066.05 to the Denver Post. The vouchers attached read, "For advertising in editorial news columns." Other entries show that three of these vouchers, aggregating $20,000, cover a refund that this newspaper received at the rate of 35 cents per hundred on its freight carried over the lines of the railway company from points in Wisconsin.

Another voucher is for $50,000 to S. M. Felton, for the railway's proportion of amount "paid by E. H. Harriman and his associates for money expended by them to secure the discontinuance of a line of road being constructed in 1900 between Peoria, Ill., and Clinton, Iowa, as per agreement between R. R. Cable, chairman of the board, and E. H. Harriman."

Now, after having merely slanted at the mismanagement of the Rock Island in the hands of bank speculators on a big scale, and knowing that there are scores of other roads almost if not quite as badly managed, can anyone say the public interest will suffer if no date is set for the return of these roads to their alleged owners? For my part I am satisfied beyond a doubt that they never should be turned back to private control under any conditions that I can now foresee are possible to exist. The truth is the people have lost confidence in the management of the railroads by Wall Street bankers who have secured control of them. They have witnessed the operation of receiverships, the elimination of small stockholders, the reissuance of new stocks and bonds under reorganization, again bankruptcy and elimination of stockholders, until the investors of the country who are not engaged in this business of manipulating railroads have refused largely to buy railroad stocks and bonds. The only practical outlet that bankers now have for the sale of their railroad stocks and bonds is to foist them off on trust companies, insurance companies, and widows and orphans who must follow the recommendations of their bankers. The net result is that instead of having railroads constructed where railroads are needed, tracks doubled, equipment multiplied, we have only the barest necessities supplied in the great majority of cases, so that when a stress is put upon the transportation facilities of the country, such as was brought about by this war, the railroads have been utterly unable to do the work placed upon them. It seems to me that the proof is complete.

COMPLAIN OF LOW RATES.

These railroad manipulators complain that their trouble is all caused by the refusal of the people to let them collect larger rates, when, as a matter of fact, the railroads have suffered not so much from low rates as they have from mismanagement and the destruction of the confidence of the people in those in control of the roads. To give them higher rates in some cases like the Pennsylvania, for example, merely means greater profits and surplus, which is in turn capitalized and a new cry goes up for higher rates to make more surplus to be capitalized, leaving

the road as hungry as ever. The people get weary of paying excess rates for the purpose of furnishing stock dividends to stockholders as in such cases. In other cases a prosperous road with a reputation for dependable earnings becomes a ready prey for the "wrecking crew." Its newly watered stock would be as easily sold, as was the case with the Rock Island & New Haven. If the investors had not witnessed the operations of these plunderbunders in wrecking roads and eliminating stockholders, there would be much less trouble to get investments in railroad stocks, but so long as so many roads are in the control of men who make a business of speculating in them, just so long will there be a distrust in that sort of an investment. The marvel is that anyone who knows anything at all would put a dollar in railroad stocks, generally speaking.

Now, if private control of railroads has proven a failure—as no one can dispute, if you measure it by the test of the roads being able to do the work the country requires of them—then why is it that some of us are so insistent upon fixing a date when these roads are to be turned back to their alleged corporate owners? Why hurry back with such haste to men who have been unable to accomplish the task that has been given them? I do not charge in a wholesale way that all railroads have been mismanaged. That is not so. Many railroads have been very effectually managed. Perhaps the majority of them have been satisfactorily managed in normal times, but the large minority that have been mismanaged are almost as essential to the success of the whole as is the majority. For example, the thirty or forty thousand miles of railroad that are now in the hands of receivers cover a vast territory that is dependent wholly upon them, and are so vital to the welfare of the Nation as a whole that their failure can be considered of the utmost importance in the consideration of this subject.

TWO CLASSES OPPOSE FEDERAL CONTROL.

If we can demonstrate by the present system of Federal control that we can eliminate all of the troubles from which we have heretofore suffered through the issuance of watered stock and speculation in the properties, we will have turned the country away from Government ownership, because there is no one who would not prefer private ownership if private ownership were successful and the interests of the people, as well as the roads, were protected. The reason that there is a clamor for Government ownership is not because there are any considerable number of people in this country who really favor Government ownership as a matter of principle, but rather they think of it as a necessity. But if we can demonstrate under Federal control that the difficulties we are now suffering from can be removed, and that these roads can be operated in private hands under Federal control successfully, then the possibility of Government ownership will have passed from us forever. But it is the fear of Government ownership that lies at the root of the insistence of many Members of Congress upon the limitation being placed in this section.

The other class, which is a very minor one, consists exclusively of a coterie of Wall Street bankers who are engaged in railroad speculation and the operators and executives of the roads that excessively profit through their operation. This class, of course, want the roads turned back to them as quickly as possible—to-morrow if it could be accomplished. This class, in my judgment, will attempt to make the Federal control of railroads a failure. They will attempt to demonstrate to the country that the Federal Government can not control these railroads successfully, in order that we may hasten to turn them back to them, so that they can again start on their round of manipulation, speculation, and wrecking of railroads, and piling up as a result countless millions of profit.

WHY FEAR FEDERAL CONTROL?

I have pointed out the two classes that are interested in having a day set for the return of these railroads to their corporate owners. Is this insistence possibly due to fear that their properties are to be neglected during Government control? Not at all. We provide in this bill that they shall be liberally maintained. Not only that, but that extensions shall be made where necessary, terminals shall be constructed, rolling stock shall be added—in fact, betterments of every kind and character are to be made where necessary. So it can not be for these reasons that they insist upon a limitation being fixed.

Are they afraid that their properties will be bankrupted during Government operation? Not at all, because the Federal Government agrees to finance them at the lowest possible rate of interest—even to buy their bonds when necessary. There can be no risk whatever run by the owners of these properties in leaving them in the control of the Government until Congress shall otherwise direct.

Is it because they fear that they will not be able to pay dividends to the stockholders? No; because the Government guarantees a standard return equal to their average earnings for the past three years, two of which were the best in the history of the roads.

Is it because stockholders are worried about the results of Federal control and are urging the executives of the roads to demand that a day be set for their return? Certainly not. The stockholders are not in the least doubt about the success of the Federal control. In fact, when the President's proclamation directing the Secretary of War to take over the roads was issued railroad stocks immediately went up, showing that the stockholders had greater confidence in the Government than they had in the railroad managers. The stockholders of the railroads know the history of private control as well as anyone, because they have suffered from it very greatly. Hundreds of thousands of them have had their savings of a lifetime swept away by the mismanagement, speculation, and bankruptcy of railroads by these highbinders of Wall Street. It is difficult indeed to conceive of any reason why a stockholder of the railroads would prefer private control to Government control.

Is the public clamoring for a day to be set for the return of these roads to their corporate owners? No, the public certainly has no objection to Federal control, but, on the other hand, welcomes it, because it has removed all the barriers to an economic operation of the roads. Cooperation of the roads has been brought about. Freight is being moved through the shortest routes and over the least congested lines; useless competition has been eliminated; scores of ports little used are to be opened; and gradually it is hoped the congestion of the roads is being cleared away. The public can not fail to be greatly benefited by this application of economic principles.

By the process of elimination I have apparently left only the two classes first named—those who fear Government ownership and those who profit in the manipulation and speculation in railroad properties.

BANKS CONTROL WITH 1 PER CENT OWNERSHIP OF STOCK.

To me it is inconceivable that any considerable number of people should be misled in the discussion of this subject, the facts are so clear and conclusive. Here we have $18,000,000,000 worth of railroad property that was, previous to Government control, in the control of a coterie of Wall Street bankers. This bank control exists through the ownership of possibly 1 per cent of the stock of these roads. Think of it; $18,000,000,000 worth of property controlled by a coterie of Wall Street speculators and bankers and operated largely for their own interest and profit through and by the actual ownership of only 1 per cent of the property.

We have gentlemen who advocate the fixing of a day for the return of these roads, referring with a good deal of feeling to the moral side of the question. They call our attention to the fact that as a war measure we are ruthlessly taking away from the lawful owners these railroad properties, and we should therefore hasten, the moment the war is over, to return them again to their lawful owners. This sentiment is entirely wasted on me, and it should be a complete waste on anyone who has a knowledge of the facts. Millions of stockholders, scattered all over the world, own these railroad companies. A few manipulators manage to get themselves elected members of boards of directors of the various roads—especially the profitable ones. They become possessed of the transfer books, which contain the list of stockholders. They secure proxies of these stockholders and vote them at their annual meetings. The stockholders are scattered everywhere. They know absolutely nothing about the control and management of their properties. They have no means of finding out anything about them. The only thing they can do is to send their proxies to the officers who are in control, and these officers consist of those who have managed, by hook or crook, to secure the control of the properties by a very small ownership of stock.

In view of this well-known condition, it is certainly not a convincing argument to urge that from any moral standpoint we are bound to set a day for the return of these roads to these alleged corporate owners, without regard whatever to legislation that will be sadly needed to protect the real stockholders before the transfer is made.

OPPOSED TO GOVERNMENT OWNERSHIP EXCEPT AS LAST RESORT.

Personally I am very much opposed to Government ownership if there is any other way in which the best results can be obtained. My own view is that the present system is approaching the method that will ultimately be found to be a success in the control and operation of the roads. At any rate, there should be no haste whatever in turning these roads back until the widest possible discussion has been had upon the result of it. And it must be sufficiently extended after the war has been

concluded, in order to know whether or not it can be successfully carried on in time of peace.

THREE METHODS.

There are three possible methods open to us for handling the railroads. The first method has been in operation for a great many years, namely, private ownership and control under State and Federal regulation. Many men thought our problems were solved when we adopted Federal and State regulation of railroads. It is apparent now, however, that the mere regulation of rates and competition only removes a few of our troubles. It in no way removed the great evil of watered stocks and the manipulations of speculators. It left the roads without coordination and with competition that does not contribute to an economic operation of the lines.

The second method of handling the roads is the one now put in operation as a war necessity, namely, Federal control, with private ownership. The results are yet to be demonstrated.

The third method of operation that is advocated by some people as a solution of our difficulties is Government ownership.

The first method of private control with the Government regulation has been in operation sufficiently long to prove beyond a question of doubt that it never can be successfully used. Under this system we have witnessed the wrecking of scores of railroads since the Interstate Commerce Commission was established. We have witnessed the flotation of stocks over and above the actual values of the roads to the amount of billions of dollars. Most of this stock in the last 50 years has been wiped out of existence by foreclosures through bankruptcy, and, of course, became a complete loss to investors. Competition has been idiotic and uneconomic. The people for a long time believed that railroads must compete. I can recall in the good old days for the speculators, when a railroad ticket could be bought from Omaha to San Francisco for $5, when rebates were common, when legislatures were corrupted. All of these things have been in a measure cured by regulation, but they have left still the canker that destroys the roads and utterly destroys our ability to get new roads, in that it has left the speculator with the ability to destroy the original property, but without any inducement for constructing new properties. In the old days without regulation it was an easy matter for the speculator to construct new lines, water the stock, collect rates that he saw fit, and make enough money out of the construction of the road to make it a great inducement for men with means to build new roads and develop new sections of country. Federal regulation has now made it impossible for this sort of railroad builder to operate and make any money out of it, with the result that no new lines to speak of are now being built under regulation. There is no prospect of any new railroad development under Federal and State regulation. Men who have money are not going out into the field to construct new railroads unless they have an opportunity to make a speculative profit out of the deal. That opportunity no longer exists under regulation. The only opportunity that is left the speculator now is to manipulate the roads in such a manner as to force them into bankruptcy, close out the stockholders, and take the roads at their own price.

Under the second method, the one now in vogue, Federal control seems to me to be the solution of all these difficulties. For example, under Federal control a Federal railroad board can be organized with power to control all of the railroads of the country, pool their profits, pool their service, issue the stocks and bonds of the Federal railroad company in exchange for the stocks and bonds of the existing roads, and thus secure for the people a complete coordinated system where there would be no advantage whatever to one road securing more traffic than another, with the result of congesting the traffic and piling up the profits on one road to the disadvantage of another, because they would all share alike in the profits of the roads in general, or, rather, share in proportion to the value of their stocks.

Under this system we would not find the traffic congested on a few great arteries of trade and centered in a few great terminals, like New York, Philadelphia, Baltimore, Chicago, St. Louis, and San Francisco, but every port in the country would be developed, steamship lines established at those ports to take care of the traffic, and the traffic would flow over the shortest and most economic routes. There would be no more trouble about the issuance of stocks and bonds. These would all rest in the hands of the Federal Government through the Federal board. All of the speculation in these securities would be gone, and they would have values as fixed as Government bonds.

This would certainly be to the interest of the public, because the stabilization of the values of these securities would induce the public to invest in them to the largest possible extent; whereas, now, under private control, as I stated before, practically only the widows and orphans and insurance companies invest in these stocks, because they were advised to do so by their bankers. In fact, the insurance company's funds have been used by these railroad manipulators very largely to finance their operations.

The third method, that of Government ownership and operation, has not been tested in practice in this country, and, of course, one man's opinion is as good as another, as to the results possible under that system. However, the question is not now an issue, but is certain to become one the very moment the question of returning these roads to private control under former conditions is brought before Congress.

RAILROADS HAVE TWO BOSSES.

Another reason for the failure of the roads to do the work of the country lies in the fact that they have two bosses who to a large degree have interests directly opposed to each other. On the one hand, we have the operators of the roads representing the stockholders trying to get as high a rate for service as it is possible to get. Whereas, on the other hand, are the representatives of the people, through their Federal and State railroad commissions, trying to keep the rates as low as possible. There is a constant struggle going on between these two forces all the time with varying results.

It seems to me that the principle involved in this method of regulation was doomed to failure in advance. Private business partnerships are notoriously hard to sustain when the interests of both partners are identical, but to think of a business partnership succeeding where one of the partners is interested in having the business make a good profit while the other is not interested in the concern making any profit, is absurd. That being true of a private business partnership, it is equally true of the partnership control and operation of the roads by joint action of the Government and the owners.

For the Government to attempt to regulate the income of roads by fixing rates and at the same time pay no heed to the expenses of the roads as made by the operators is quite absurd, yet that is the way we have been doing it. Certainly the power to fix the income must also be the power to fix the outgo, yet for a quarter of a century we have apparently ignored this basic principle at the root of business success. This power to fix the outgo must also be the power to regulate the bills payable; that is, the issuance of stocks and bonds. Yet under private control with Government regulation all sorts of crooked stock and bond issues have been floated. In fact, there has been no regulation of any real value in the use of this very important power. Irresponsible directorates are largely to blame for the misuse of their powers.

METHODS OF CHOOSING DIRECTORS.

Another evil of the system of private control and Federal regulation is the evil arising out of the powers of incorporation. For example, members of boards of directors are elected by stockholders without any knowledge of their competency or fitness in any way. Some of the best-paying roads are owned very largely by women and children, charity institutions, trust companies, and so forth. The owners of these and all roads, in fact, have absolutely no voice in their management and do not even know the board of directors they elect, if they vote at all. The great mass of stockholders vote by proxy as requested by the boards of directors in office. They do not know one another, nor the directors they vote for, save in rare instances. Sometimes a good board is elected, but through no virtue of the knowledge of the stockholders of the road. The facts are there is no more merit in this system of choosing directors than there would be in having a crazy man pick a board by chance from a crowd of people passing him on the street. The board picked by a crazy man under such a method might possibly have an advantage over the present system, because the men picked would be innocent of ulterior motives at least, and to begin with free from purely speculative desires. When one considers the value of these great properties and the far-reaching influence their use has upon civilization, one can but marvel at the careless methods employed in their management. The wonder is they have been as well managed as they have. In fact, considering the opportunities for fraud and mismanagement, one might reasonably take the fact that the roads are in no worse condition than they are as really a tribute to the high character and integrity of the majority of the men behind them. The fact that fraud and mismanagement has destroyed public confidence to a large degree is no fault of these men back of the successfully managed roads. They certainly can not profit by these mismanaged properties about them, with all the bad odor that goes with it. If they do not now, while the shackles of presidents are broken, make a strike for liberty from the evil influences and operations of speculators, they will find the old shackles reriveted after the war is over.

The roads should be set free from the raids of the wreckers and their earnings made secure for payment of honest investors so that values may be stabilized in order that extensions and betterments may be made. There has been absolutely no way suggested that will bring about these conditions safeguarding all interests, excepting through Federal control by means of a Federal railroad corporation with full and complete power to control and operate the roads as a unit.

The Federal control over national banks through the Federal Reserve Board has proven a great boon to the country. No one would think of abandoning that system now. There is no reason why the same successful principle can not be applied to the roads. The banks are privately owned. No one calls that system of control Government ownership. The method of Federal control of roads provided for in this bill can be slightly modified and made into a perfectly workable system for the roads along the lines of the Federal reserve act. The results would be far-reaching indeed. It would result in control of stock and bond issues, unification of service, elimination of useless competition, development of ports and distribution of traffic, standardization of construction, a fair freight rate, and a fair return on investment in properties, and the prevention of speculation.

With such a purpose in view I have done my best to convince my colleagues that the placing of a two-year limit in section 14 for the return of these roads to their owners is an effort to turn the hands of the clock of progress backward, and I sincerely hope that the limitation will be stricken out. [Applause.]

Mr. ESCH. Mr. Chairman, I yield 40 minutes to the gentleman from South Dakota [Mr. DILLON], a member of the committee.

Mr. DILLON. Mr. Chairman, this bill is a war measure. The Government has an absolute right under existing law to take over the control and possession of the railroads as a war necessity. During the period of Federal control the Government must pay a just and fair compensation for the use of the property.

The main features of the bill under consideration are:

First. Within certain bounds and limitations the President is empowered to make a voluntary agreement with the carrier with respect to the value of the use of the property during the period of Federal control.

Second. A board of referees or arbitrators is created to report in each case the just compensation that should be allowed the carrier for the use of its property, and upon the report of such board the President may enter into an agreement with the carrier for just compensation, not in excess of the finding of the board.

Third. If these two methods of reaching a contract fails, then the Court of Claims, on the motion of either party, shall ascertain the amount of just compensation for the use of the property during such Federal control.

Fourth. Provisions are made for betterments and extensions, and a revolving fund is created, out of which expenditures may be made for such betterments and extensions during the period of control.

Fifth. The President may, when in his judgment it is necessary in the public interest, initiate rates, fares, charges, classifications, and regulations or practices by filing the same with the Interstate Commerce Commission in the method and manner as he shall direct. The Interstate Commerce Commission shall then investigate and report thereon to the President for such action as he may deem required in the public interest.

Sixth. The Federal control shall continue for and during the period of the war and a reasonable time thereafter, which shall not exceed two years after the ratification of the treaty of peace.

On December 26, 1917, the President issued his proclamation to the effect that at noon on December 28, 1917, the Government would take possession and assume control of the systems of transportation in order that they might be utilized for the transfer and transportation of troops, war supplies, and equipment to the exclusion, as far as might be necessary, of all other traffic thereon.

This proclamation was made under a provision of the act approved August 29, 1916, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," viz:

> The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion as far as may be necessary of all other traffic thereon, for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

Under this provision it will, in my judgment, be conceded that the President had the right to take over the possession and control of the railroads. It would seem, however, that the President, through his Director General of Railroads, is assuming powers not heretofore granted. The President's proclamation provides:

> Until and except so far as said director shall from time to time otherwise by general or special orders determine, such systems shall remain subject to all existing statutes and orders of the Interstate Commerce Commission, and to all statutes and orders of regulating commissions of the various States in which said systems or any part thereof may be situated. But any orders, general or special, hereafter made by said director, shall have paramount authority and be obeyed as such.

Here is found a clear assumption of power over existing law. He directs that the orders of the Director General of Railroads shall have paramount authority and be obeyed as such. This means that all existing Federal statutes, all orders of the Interstate Commerce Commission, and all statutes of the various States and orders of railroad boards of various States of the Union are subject to nullification and displacement by the paramount authority of the Director General whenever he may so order. One of the objects of this bill is to perpetuate these powers.

If this power exists, the Director General may nullify every Federal and State statute affecting railroad rates and operation and every order of the Interstate Commerce Commission and of all of the State railroad boards. If this power be exercised, the Director General will supersede all of the functions of the Interstate Commerce Commission and State railway commissions relative to the operation of the railroads and the fixing of just and reasonable rates and charges.

Under this power the carrier might be released from making full report of accidents to the Interstate Commerce Commission. The boiler-inspection law, the safety-appliance act, the hours-of-service act, and the eight-hour day law could all be held for naught because the order of the Director General of Railroads is by the proclamation made supreme and paramount over all laws and orders.

It seems to me it must be conceded that the control and possession is for war purposes, for the transportation of troops, war material, and equipment, and that the railroads are to be utilized for that purpose "to the exclusion as far as may be necessary of all other traffic thereon."

Under the law and proclamation the commerce is divided into two classes: First, the transportation of troops, war material, and equipment; second, "all other traffic thereon." Under the first classification the military supremacy is supreme, and because of this supremacy the second classification becomes a mere incident in the railroad operation.

It is the duty of the military authorities to assist the civil authorities in arresting offenders and violators of law upon process issued by the civil or criminal courts. The civil authorities and the military authorities should assist each other in administration of the law. The power to provide for the general welfare is not limited in time of war, and one authority is not hostile to the other.

The military sovereignty is supreme in the line of its operation, but it does not overturn the Federal and State laws nor does it annul the powers of the courts to fix reasonable and just freight rates. Railroad rate making is not a military function but is a civil function administered by the courts for the general welfare of those interested in the commerce of the country.

We should ungrudgingly give all the power necessary to the Director General of Railroads for a successful operation of the roads in the prosecution of the war.

The fixing of rates, fares, charges, classifications, regulations, and practices of carriers is not a war power. There is no necessity for the military sovereignty to take over these functions. If all the power over operation of the railroads is secure it certainly would not be necessary to destroy the State and Federal machinery for rate making.

It is insisted that the demurrage regulations should be administered by the Director General. When analyzed, however, such necessity is not apparent. Why should the commerce of the country be disorganized and confused? If it becomes necessary to secure speedy unloading of the cars the war power could be brought into play. The war power could force the consignee to unload; in case he failed to do so, the military power could unload the cars and send them on their journey.

Neither is the routing of all commercial freight an absolute necessity. The movement of troops, war material, and equipment is a military necessity, and unlimited power should be granted to the military authorities so that these instrumentalities could be speedily used in the work in which we are now engaged.

Let the Interstate Commerce Commission and the State railroad boards attend to the rates, regulations, and practices and

give the Director General all power necessary to operate the roads, disturbing the commerce of the country as little as possible. The rates now fixed by law should remain substantially as they are because our guaranty as to compensation rests upon this standard. The Interstate Commerce Commission should not be abolished nor should its functions be impaired. The Director General can be given the power necessary to run the roads without encroaching on the functions of the Interstate Commerce Commission, because the commission has nothing to do with operation. The Interstate Commerce Commission stands between the shipper and carrier with respect to rates, but that does not interfere with granting the Director General the full and complete power of operation.

If Congress permits the military power to fix the rates, it would allow the military power the right to tax the shipper by increasing the rates above the rates now fixed by law. Every increase above a reasonable rate is a tax. Who ought to levy this tax, the Congress or the Director General of Railroads? The taxing power has always remained in Congress, and Congress should reserve to itself at all times the taxing function.

There are 30,000 miles of short-line roads not to be taken over, and the rate-making power as to these short lines will rest in the Interstate Commerce Commission, while, on the other hand, the fixing of the rates on the big lines will be vested in the Director General. As shown in the evidence, the large companies, or the best conducted companies, are making from 7 to 30 per cent, some of them more than that, upon the capital invested, which is clearly beyond a reasonable rate for the capital invested. The value of the use of the property at the time of the taking must form the basis of compensation unless there is some limitation in this bill whereby we can place a legislative bar or limit upon it. If you pass this bill as it is drawn and leave out that limitation, then these companies will go into court and recover every penny of their earning capacity if it be even 75 per cent.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. RAMSEYER. The gentleman has made the statement that some of these companies were getting unreasonable compensation under this bill, some as high as 30 per cent. Does the gentleman think that is just compensation?

Mr. DILLON. I think it is clearly beyond just compensation for a company that is engaged in the public service, and I believe the Congress ought to place a limitation upon it so as to prevent the carrier from receiving such a compensation.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. SNYDER. I would like to ask the gentleman how he would fix it so that a company that had made 30 per cent would be on an equality with a company that was operating, perhaps, a competitive line and making no money. Where would you draw the line between the two?

Mr. DILLON. I would draw the line by saying that all net income above 7 or 8 per cent that might be derived during war time should go into the revolving fund to be used to protect the Government in its guaranty.

COMPENSATION OF THE CARRIERS.

What is the measure of compensation that should be allowed the carriers for the use of property taken from them as a war measure? The taking of this use is the taking of property under the Constitution. The carrier is entitled to just compensation for the use of its property.

I know of no better rule to guide the fixing of this compensation than that of the demonstrated value of the use. The profits that the carrier has been making probably would constitute the best basis to estimate the value of the use to the owner. These carriers have been making earnings under rates fixed by the Government and these rates are presumed to be reasonable.

If under these rates the company has been able to earn in the past 25 per cent on its capital invested, and the Government deprives the company of the use of its property, it ought to pay as just compensation the value of the use; but we must not forget that the carrier is engaged in a public service. There is great force in the argument that the carrier ought to have substantially the same return after the Government deprives it of the use of its property as it was making under its own operation.

Under the provisions of this bill I do not see how the compensation can be reduced below the previous earnings, because the carrier can go into court and prove that it was entitled to a just compensation for the use of its property. The compensation provision is predicated upon depriving the carrier of so much money for the use of its property. Our claim for reduction of net income must rest upon fixed rates. We must place a limit upon the net income, otherwise the carrier will be entitled to compensation based upon existing law.

The duty of the carrier is to perform a public service at a reasonable rate. If the road accumulates an immense surplus or pays excessive dividends, such surplus or excessive dividends would constitute a convincing argument that the rates have been too high.

The carrier must have a fair return on the fair value of its property. This must be conceded. Congress has donated land grants to many roads. Counties, towns, and cities have issued bonds to finance railroad construction. People have given rights of way, terminals, and vast sums if money to secure these public highways. I do not see how Congress can now make any set-off or any claim against the carrier by reason of these donations and gifts.

It matters not how the carriers obtained these properties so long as they are used in the public service. The money may be stolen. It may have been secured by robbery, by levying tribute on the shipper, by unreasonable charges, by discrimination, by wrong or oppression. Still when these funds are put into the public service they belong to the carrier.

Because of these contributions the Government could not now refuse to pay the fair value of the use of the property. The title as between the Government and the carrier can not be questioned, nor can the Government set up a trusteeship over the funds heretofore obtained and undertake to make a redistribution of these funds.

For more than 10 years, the Interstate Commerce Commission has been deciding what rates are reasonable and what rates are unreasonable. During all the period of regulation the carrier could have gone into court and proved, if such were the facts, that it was not receiving a fair return upon the capital invested. Because they have not done so we must assume that their earnings have brought reasonable returns on the capital invested.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. SNYDER. Can the gentleman point out a particular road that is making 25 per cent or above that?

Mr. DILLON. Oh, yes; some of them are making more than that. The Burlington is making 22 per cent. I read from Senator CUMMINS's minority report. The Duluth, Missabe & Northern Railroad is making 114 per cent; the Panhandle & Santa Fe Road is making 64 per cent; the St. Louis, Brownsville & Mexico Railroad is making 52 per cent; the Colorado & Wyoming Railroad, 162 per cent; the New York, Philadelphia & Norfolk, 35 per cent; the Cumberland Valley Railroad, 24 per cent; the Bessemer & Lake Erie Railroad Co., 647 per cent.

Mr. SNYDER. Is there any way the Interstate Commerce Commission can make a rate which would be different for one road from that of another carrying the same commodity?

Mr. DILLON. I think not. I think the rate must be general, and that is where the trouble comes. The weaker roads, it is said, must make the profits upon the capital invested, and it is upon that theory that the excessive rates are made; it is upon that theory that the big roads have been able to plunder the public.

Mr. SNYDER. Is it contemplated under this bill that the President, having the right to make rates, shall make a rate that will make the road that has been operated unprofitably hereafter operate profitably and make money upon the basis of those that have been handled efficiently?

Mr. DILLON. I do not think the Director would do that, but I do think that every one of these railroad companies, when they get into court, will recover upon the demonstrated value of their property, and when they do that they are recovering against the Government excess profits that they ought not to recover, and these excesses should be handled now by the Congress by setting a limit on those that are making excessive profits and turning the excess profits into the revolving fund in order to protect the Government.

Mr. SNYDER. Does not the gentleman think that under the present form of excess-profits tax the Government will lay its hand on this additional amount that he thinks they ought not to make?

Mr. DILLON. The taxing law must be general as to everybody in the same class, but that gives the Government but little protection. Here is a road that is making 50 per cent profit. I say this congressional body ought to say to that road, "You are working for the public and in the public service, and we will not tolerate such a percentage, therefore we will turn the excess into a revolving fund during the time of war to protect the National Government."

Mr. SIMS. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. SIMS. Has the gentleman read the speech of Senator KELLOGG, of Minnesota, which appears in the RECORD of the 15th, delivered on the 13th, in which he explains fully that these

very large returns of those roads to which the gentleman refers, in which he says that the percentage of the value of the property is very small compared to anything like what is reported?

Mr. DILLON. I have not read Senator KELLOGG's speech.

Mr. SIMS. The gentleman will find an explanation of it in that speech.

Mr. DILLON. But it was shown in the hearing and is undisputed that these roads are making these immense sums, and we should not allow them to do it in the time of war.

Mr. RAMSEYER. Under the provisions of this bill now pending before this committee, will these roads that the gentleman has just enumerated continue to make the same returns hereafter that they have heretofore?

Mr. DILLON. Yes; and not only that, but those great railroads do not want to put a limit on for a return of the property. The attorney who represented the railroads came before the committee and was going to argue the limitation question, but when he finally came back he petered out and never touched the question.

Mr. SNYDER. I would like to ask the gentleman for information one more question, and I do not want to interfere with his argument, but are these profits that he has mentioned of from 25 to 50 per cent based on the capitalization of the railroads or the actual value of the property?

Mr. DILLON. Well, it is based upon their net earnings on their stock.

Mr. STEVENSON. Will the gentleman yield?

Mr. DILLON. I will.

Mr. STEVENSON. As I understand from tables I have received, the gentleman takes the Bessemer & Lake Erie, and under the plan proposed we will be paying it 27.63 per cent on its capital stock. Now, as I understand the gentleman, he proposes to put a limitation and say they shall receive a standard return not exceeding 7 or 8 per cent on the capital stock?

Mr. DILLON. Yes.

Mr. STEVENSON. In other words, giving 7 per cent and the Government taking 20.

Mr. DILLON. Yes; or dividing the excess between them.

Mr. STEVENSON. And making it 15 per cent.

Mr. DILLON. The Government taking half and giving them half.

Mr. DECKER. Will the gentleman yield?

Mr. DILLON. I will.

Mr. DECKER. Does the gentleman favor leaving the power to fix the rates in the hands of the Interstate Commerce Commission?

Mr. DILLON. Most certainly it ought to be done.

Mr. DECKER. Does the gentleman do that on the theory they are a wise and efficient body?

Mr. DILLON. Yes; they have been the only rate-making body.

Mr. DECKER. Now, let me ask another question in connection with that. Is it not a fact that all these rates and these profits which the gentleman claims are excessive have been made under the sanction of this same body the gentleman wants to continue in power?

Mr. DILLON. Yes. But it is done under the theory that the little roads are not able to earn enough to receive just compensation on the capital invested. It is upon that ground that I claim the Congress should write into this bill a limitation as to these excess profits.

Mr. SIMS. If the gentleman will permit, I will read the facts about the Bessemer; they are very short.

Mr. DILLON. I am afraid it will not allow me sufficient time to finish my argument. I will allow the gentleman to read it in his own time.

Mr. SIMS. The gentleman is the one who has made the charge.

Mr. DILLON. My time is limited and I do not think I will have enough time for that.

Mr. SIMS. Forty-five million capital stock——

Mr. DILLON. Let me proceed because I have something else to say.

Mr. KINKAID. Will the gentleman yield?

Mr. DILLON. I will.

Mr. KINKAID. Has the gentleman prepared any amendment to offer on the line of his suggestions?

Mr. DILLON. No; but there will be one offered; if not, I will offer it.

By the rate-making power the Government has in a measure acquiesced in the rate-making power of the Interstate Commerce Commission and it may well be claimed that such rates have provided a fair return on the capital invested. Yet what right has the carrier to invest the surplus in extensions and then charge the public a reasonable return on these extensions? If the carrier is making 25 per cent on the money invested it proves that the rates are unreasonably high. If the carrier puts the surplus in extensions and then charges the public with reasonable returns on the funds so invested it proves again that the carrier is getting more than a fair return on the capital invested. Remember that the carrier as between the public and the Government is entitled to only a fair return on the capital invested.

I believe that 70 per cent of the railroad mileage of the country is earning more than a reasonable return on the money invested and that 30 per cent is earning less than a reasonable return on the money so invested.

If the provisions contained in this bill are carried out the 70 per cent of the mileage will be earning from 7 to 30 per cent on the capital invested, and unless some provision is placed in the bill to prevent so great an earning power by these great corporations engaged in a public service they will all get the demonstrated amount of their earning capacity. The other 30 per cent that has been earning but small income will receive a fair return on the capital invested, which will be much greater than they are now making.

Every one of the companies that are not making good rates will be given good rates when the compensation is fixed.

In view of the guarantee the Government is about to make, the financial aid that is about to be given, the sustaining of the credit of the railroads, the relieving them from all hazards and perils of war, from all uncertainties of business conditions, it is only just that at least a part of the excessive income of some of the roads should be converted into the Public Treasury, because they ought not receive more than a fair return on the capital invested.

When the income of the carrier reaches beyond a fair return the excess should be used in the interest of the public for a reduction of freight and passenger rates. By converting a part of this into the Treasury it enables the Government to reduce taxes.

The barrier against a reduction of rates has always been that the poorer roads must be allowed the higher rates in order to make a reasonable income. The same rates must apply to all roads, and therefore those more fortunately situated—the big roads—have been able to earn more than a reasonable and fair income.

In providing for compensation in this bill we have no right to go into the past and take the earnings heretofore distributed, but that rule has no application when we are legislating for the future. As to the future, Congress has, it seems to me, the absolute right to fix a limit above which the earnings should not go, and that the excess should be converted into the revolving fund to protect the Government in its general guarantee.

TIME FOR RETURN OF PROPERTY.

Under the terms of the bill the Federal control shall continue for a reasonable time after the war, not to exceed two years after the ratification of the treaty of peace. It will probably require two years to secure the ratification of the peace treaty.

Mr. DENISON. Will the gentleman yield?

Mr. DILLON. Yes.

Mr. DENISON. What limit does the gentleman think the Government ought to fix?

Mr. DILLON. I should think 7, 8, or 9 per cent, and then let the Government take half of the excess and give the carrier the other half. With that the carrier ought to be satisfied.

Mr. DENISON. Does the gentleman know any road that is making that amount now?

Mr. DILLON. Oh, yes; I read a list of them. The gentleman was probably not here at the time, and I did not read half of them. I now pass to the question of the return of the property.

It will take two years to get a ratification of the peace treaty. Then if you add two more years that gives four years, and we are playing a fast and loose game with the people of this country. If so, the holding of the property might extend over a period of four years. This period of time ought to be materially reduced. It is altogether too long. In my judgment, six months after the ratification of the treaty of peace would be long enough.

The justification for the seizure of the property rests on military necessity. When military necessity ceases the right of possession ceases. When the war closes conditions will change and the right to operate on the payment of the value of the use no longer exists. A new right springs into existence—the right of ownership.

If this right is not brought into existence, then the property ought to be promptly returned, because the tenancy is necessarily ended. The consideration in the first instance is the

value of the use. When the military necessity ceases a totally different compensation must be paid—the value of the property so taken. When the property itself is taken it becomes a second taking and the compensation must be a fair compensation for the value of the property.

When the war ends and the military necessity ceases, it becomes the duty of the Government to condemn the property and take it over or give it back. After a reasonable time has expired after the close of the war the holding of the property by the Government might be without the consent of the carrier and would be without justification and unlawful.

Such holding would be unfair to the stockholder. It would not do to say that we got possession of the use under the emergency of war, and we will take three or four years to determine whether or not we will return the property itself.

The gentleman from Nebraska [Mr. STEPHENS] would hold somebody else's property and experiment upon it and run an experimental station and school in order to determine whether the people would want Government ownership. [Applause.]

Neither would it be right to say that we will hold on to the property and try out Government ownership, run a Government school with the property for three or four years to determine whether we like it or not, whether it will prove a good bargain or a bad one.

If the Government wishes to engage in this enterprise it ought to say so. If a sheriff levies upon property by virtue of a writ of execution, which is afterwards set aside, the law requires him to return the property before he can again levy on it. If his execution is paid he must immediately return the property. If he fails he becomes a trespasser, holding without right.

The Government should not blow hot and cold at the same time. It should promptly do its duty by returning the property or commencing condemnation proceedings for taking over the property and paying the value of the same. I am not opposing Government ownership, but I do oppose a fast-and-loose policy on behalf of a great Government. If we want Government ownership, let us say so. If we do not intend to take over the property, it is our duty to speak and say what is our policy. To remain silent with concealed purposes is not right and should not be tolerated.

Let us fix a definite time by a definite statement. By so doing we will discourage speculation. The public will know our purpose, and the business world will not be disturbed by uncertainty. Upon uncertainty the gamblers' games are played. Give the people certainty, and not uncertainty. [Applause.]

Mr. SNYDER. Will the gentleman yield?

Mr. DILLON. I do.

Mr. SNYDER. A few moments ago I asked the gentleman whether or not these rates of per cent that he stated some roads were making were based on the capital or upon the value of the property, and I think the gentleman stated they were based upon earnings. I do not think the gentleman intended to say that——

Mr. DILLON. With certain deductions.

Mr. SNYDER. That they were based upon the earnings. It must have been either based upon the capital or upon the value of the property. I do not see how it could be based upon the earnings.

Mr. DILLON. It is based upon the earnings after certain deductions are made, so as to get net earnings. It would, of course, be upon the stock or book value. Another reason why these properties should be turned back at the earliest possible moment is to protect this Government in time of peace. In my judgment every railroad company in this country would be glad if this Government might continue this fast and loose policy for say three or four or five years, because it gives the railroad companies $200,000,000 more than they ought to have. They are not anxious for a limit; they do not want a limit. They want to continue in Government operation, so that they may make still greater sums of money. So in order to protect the Government and in order to protect the people, let us turn back these roads at the very earliest possible date whenever the emergency of war ceases. By doing so we will be protecting the Treasury, and it will give us ample time to determine the future policy of the Government.

By all means, both moral and legal, and for the protection of the Government, these roads ought to go back whenever the emergency ceases, because then the necessity ceases. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. DILLON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. COADY].

Mr. COADY. Mr. Chairman and gentlemen of the committee, on the 28th of last December the President of the United States, in pursuance of the power previously conferred upon him by the Congress, took possession and control of the railroad systems of the country, including the water transportation companies which are owned or controlled by them.

It was the most revolutionary economic action in the history of this country; but that such action was necessary is not open to dispute. The officials of the roads themselves approved the act taken by the President, knowing that it was rendered imperative by the breakdown of their roads and their inability to give the service that was expected of them or to meet the unusual demands made upon them by conditions growing out of the war.

I do not intend at this time to discuss the reasons for such failure, although I want to say that in my judgment it was due to a condition produced by what I might term a maximum of regulation and a minimum of increase in rates. We have not been fair to the railroads.

The New York Times, in an editorial published November 8, 1917, said that in all the annals of our national waste and extravagance there is nothing to compare with our mistreatment of our railways, now recoiling upon ourselves. Now that the operation of these transportation systems is under Federal control, we should see that their owners are justly compensated for the use thereof, and I believe the bill now before this body gives them justice.

I intend, in the time allotted to me, to comment only on two features of the bill—section 14, making provision for the return of the railroads to their owners after the war, and that portion of section 11 that safeguards the existing laws or powers of the States in relation to taxation. These provisions were not in the original bill, but were added by the committee, one by a vote of 15 to 6 and the other by a unanimous vote.

I not only believe that the railroads should be returned to their owners after the war, but I believe a definite date should be fixed when the Government operation of them shall cease. This bill fixes the time to be two years after the final ratification of the treaty of peace, which will mean at least three years after the cessation of hostilities. Surely this will give the Government ample time to meet the new problems that will arise and to so adjust things that the return of those vast properties to their owners can be made without producing the chaos and speculation that some people fear may ensue.

One of those who appeared before our committee and approved a time limit feared that there might be a deadlock in some future Congress over some measure affecting the roads, and said, "How many times has there been a deadlock between the House and the Senate, or the Congress and the President, in the past 25 years?" My answer to that is that such instances were very few and were infinitesimally small compared with the number of measures that were passed and approved.

Are we to be governed by the exception or the rule?

This same gentleman, however, later on in his testimony, was a little more trustful of Congress, for he said that there is a belief on the part of investors that Congress can be trusted to deal with this problem fairly.

Mr. Speaker, Congress can be trusted to deal fairly and justly in this matter, and it will do so.

If, after the termination of the war and the expiration of the time limit fixed in this bill, conditions will be such as to render necessary the extension of the time of Government control, is there anyone here who doubts that such action will be promptly taken and the needed laws passed? To think otherwise would be a reflection on the patriotism of Congress.

Mr. DILLON. Will the gentleman yield there?

Mr. COADY. I will yield.

Mr. DILLON. Suppose when such an extension bill had been passed that the Executive vetoed it?

Mr. COADY. Then the responsibility will be the Executive's and not that of Congress, and I have too much faith in the patriotism of some future President of the United States and the present Executive to believe he would veto a proposition of that kind.

Mr. DILLON. Then, it would take two-thirds to get away from your proposition in that event.

Mr. COADY. There need be no fear that Congress will hesitate to take prompt action when the necessity for it arises. The history of this Congress and a record of its achievements are proof of this assertion.

The position of those who are charged with the responsibility of administering this law, and who do not favor a time limit, seems to me to be this: They are unwilling to trust this Congress or a future one, yet they ask us to trust them. We do trust them and we want them to trust us.

When Mr. Anderson, a member of the Interstate Commerce Commission, appeared before our committee he was questioned as to the effect the passage of this act would have on the power of the States and their political subdivisions to tax railroad property. He answered, it was a very pertinent inquiry, and that he was not prepared at that time to say that it would or would not deprive the States of such power, or limit it, or otherwise affect it.

Subsequently, he asserted that he was sure the taking over and control of the roads by the Government would not impair their rights, and submitted a number of authorities in support of his assertion.

There is a doubt in my mind about this, and all the other members of the Committee on Interstate and Foreign Commerce, I believe, entertain similar doubts.

This being the case, we thought we should have affirmative propositions to this effect in the bill.

Mr. MADDEN. Will the gentleman yield for a short question?

Mr. COADY. Yes, sir; I will.

Mr. MADDEN. Take, for example, the State of Illinois. That State in its early history granted a charter to the Illinois Central Railroad Co. One of the conditions of the grant was that it would be given certain public lands owned by the State. Another condition was that it should pay 7 per cent on its gross receipts into the treasury of the State during its existence. If there was any question about the right of the State to collect this tax, then certainly there ought to be affirmative action in this bill protecting the right of the State to the revenues it derives from this source.

Mr. COADY. I have thought that from the outset.

The only objection I have heard made against it is that it will be an invitation to the States and municipalities to impose additional and unfair taxation upon the railroads. This is a reflection on the taxing power of the States and municipalities, to which I am unwilling to subscribe, and which I resent as a reflection upon the integrity of such powers.

Mr. MASON. Is there any objection on the part of the committee to this affirmative action proposition?

Mr. COADY. I will say to the gentleman from Illinois, and I think I will be borne out by the members of the committee, that the vote was unanimous in favor of some affirmative proposition in the bill.

Mr. LINTHICUM. The Baltimore & Ohio Railroad is free from taxation. Does this or does it not bring it under taxation?

Mr. COADY. That is a matter of contract, and of course we could not impair the obligation of a contract.

Mr. LINTHICUM. According to some one speaking here the other day, we could.

Mr. COADY. I will say to my colleague that I had that in mind when I first suggested it to the committee, or rather asked Mr. Anderson questions along that line. I was apprehensive some bad results might flow to the State of Maryland and other States in the matter of taxation.

Mr. MASON. Will the gentleman yield?

Mr. COADY. I will yield to the gentleman from Illinois.

Mr. MASON. In the case cited by my colleague from Illinois, Mr. MADDEN, there was a contract consideration whereby this corporation received a large amount of public land to be relieved from other taxation and to pay all of their taxes in the shape of a percentage on its gross earnings into the State treasury. Now, that is largely the source of revenue of the State of Illinois, and the Supreme Court of the United States has decided that Congress has power to impair the obligation of a contract.

Mr. COADY. There might be some danger of losing that without an affirmative proposition in this bill protecting the powers of the States to tax railroad property.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr Chairman; I yield 30 minutes to the gentleman from Ohio [Mr. SNOOK], a member of the committee.

Mr. SNOOK. Mr. Chairman and gentlemen of the committee, in the short time allotted me I want to discuss only two or three of the propositions contained in this bill, and at the outset of what I have to say I want to express the idea that I have never yet studied any question that has given me so much trouble as this legislation.

When you stop to consider that the value of the property we are legislating about approaches the vast sum of $18,000,000,000; that it involves a railroad mileage of more than 260,000 miles, more than all the railroads of Europe combined; when you stop to think that more than 600,000 people are interested in the stocks and bonds of these railroads, besides a vast number of savings banks and insurance companies, you will see that your committee was laboring under very great difficulty in trying to bring before this House a measure that would be just to the people and at the same time be just to the persons who were interested in this great amount of property.

Now, I wish to be fair in my consideration of this proposition. It seems to me that sometimes men who approach a question in which a corporation is involved come to it with a prejudiced notion or a prejudged idea to start with, either on the side of the corporation or on the side of the people who, they say, have been robbed by the corporation.

I was very much interested in the discussion of this subject by my colleague from Nebraska [Mr. STEPHENS]. Now, of course, it is well understood by everybody that there have been very many, many abuses in the conduct of the railroad systems of this country in the past, and anybody who has studied this question at all is of the opinion that there should be some way in which such episodes as the reorganization and exploitation of the Rock Island and of the New Haven Railroads could be avoided in the future. But I want my colleague and gentlemen of the committee to remember that it is not only the railroads that are exploited, but all through our business life we find men investing their money in corporations and taking advantage of the investments of their friends and exploiting these corporations to the disadvantage of the people of the country. And I want to say that I have not reached the position where I am willing to say that there are not men in America, the greatest country in the world, that are not big enough and broad enough and honest enough to look after the investments in the railroads of this country, large as they may be, and to administer them honestly and efficiently and safely. [Applause.]

Mr. GORDON. Mr. Chairman, will my colleague yield?

The CHAIRMAN. Does the gentleman from Ohio yield to his colleague?

Mr. SNOOK. Yes.

Mr. GORDON. I call the gentleman's attention to the important difference, however, that where men exploit and rob private corporations belonging to individuals they are sent to the penitentiary. Why do you not bring in legislation that will do the same with the railroad managers?

Mr. SNOOK. Well, that should be done, but I have not time to discuss that question with my friend from Ohio. I want to discuss the proposition now pending before the House. I want to say a few words on that and not on the subject the gentleman refers to.

The gentleman from Nebraska [Mr. STEPHENS] made a very lengthy and luminous argument to this House and tried to distinguish and did distinguish between Government ownership and the control which will be exercised under this measure, and left the impression, I think, upon this House—at least, he did leave the impression upon my mind—the impression that it would be right, that it would be just, that it would be fair for the American Congress and the executive officers of this country to take over this vast property under governmental control under the guise that it was a war necessity—because it has taken it over under an act providing it could be done only as a war necessity—and then to keep that property under governmental control for 8 or 10 or 12 years after the war had passed to experiment with the property that these men owned, in order to find out whether or not this measure would be the best that could be put into effect in times of peace. I am not able to have my mind go to the extent of believing that that is the thing that this Congress ought to do, and I call the gentleman's attention to this fact, which it seems to me he overlooked, that while this is a bill for governmental control, it is a bill which guarantees to the stockholders of the railroads of this country a return which is the equivalent of the average which they have earned for the last three years.

I do not believe that I could bring my mind to sanction a law that in times of peace would take over the railroads of this country, this vast property, and guarantee them a return such as is guaranteed under this bill. I willingly do it now. I am glad to join with the Executive in carrying out this proposition as a war measure, because I have seen in this Congress on both sides of the House men standing side by side with no other purpose in their hearts than to carry out this war to a successful issue and make every sacrifice that may be necessary. I do not believe that a majority of this House or a majority of the other body would be willing in times of peace to take over these great properties and guarantee to the people who own them this return in time of peace.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Alabama?

Mr. SNOOK. Yes.

Mr. BANKHEAD. In that connection I would like to ask the gentleman from Ohio if there was any evidence before the committee of the aggregate income accruing from all the railroads of the United States throughout this three-year period?

Mr. SNOOK. Oh, yes. It aggregates a little over 5 per cent on the stocks as returned. Yes; we had a large amount of evidence on that subject.

Mr. MADDEN. Mr. Chairman, will the gentleman yield further?

Mr. SNOOK. I will be glad to.

Mr. MADDEN. Does that cover all the railroads—those that are not to be taken over as well as those that are to be?

Mr. SNOOK. That was the average of all the railroads making returns through the Interstate Commerce Commission.

Mr. BANKHEAD. Was that on the basis of the capital stock?

Mr. SNOOK. Yes; that was on the basis of the capital stock.

Mr. MADDEN. So that the short-line railroads—so many hundreds of them—will not be taken over, but the average earnings of the roads that are to be taken under the control of the United States during the period of the war would be guaranteed a much greater return on their capital than 5 per cent?

Mr. SNOOK. It will be somewhat increased, but not as largely as the gentleman thinks.

Speaking on that subject, since my attention is called to it, I think I am myself as largely interested in that short-line question as any man in Congress. I have three of these short lines in my district. I would like the Members to have a clear idea on that subject. Take, for instance, one of the railroads that is in my district. It is 130 miles long. It was built some 12 or 15 years ago. It goes through a very rich agricultural district, but starting at a town of not very large size, and having its terminus at Fort Wayne, Ind., with its short length it was never able to earn a dividend or a return upon the stock, and it is now in the hands of a receiver.

It is typical of 500 or 600 of the short-line railroads of the country. I have arranged that it present its case to the Director General so that it may be determined whether or not its service would be such during the war that it should be taken over. The question that presents itself to this Congress is, Does the Congress wish to take over all of these short-line railroads? Do you wish to put that burden upon the Government and guarantee them a return that will make a profit to their stockholders? Can the Government afford to do that, if the Director General and the people who are looking after the conduct of this war say they are not a necessity in carrying on the war? That is the question that presents itself to the Congress; although we have gone just as far as it is possible to go, and after this bill was first drawn and placed in the hands of the committee an amendment was adopted and placed in the bill, which I do not have before me; which provides, in substance, that all of the routings that the short-line railroads which are not taken over can secure shall be observed by the Director General, and if it shall be necessary for the Director General in carrying out the purposes of the war, or in transporting war facilities, to take any of the freight away from these short lines that has been routed over them, it shall be his duty, in so far as possible, to compensate these roads by diverting freight from other roads over these short lines.

Mr. MADDEN. Will the gentleman yield for one further question?

Mr. SNOOK. Just a minute, and then I will. The railroad managers and the people who own the railroads said to us before the committee—and it was one of the things that was brought out in the evidence—that one of the valuable assets of a railroad is the right to solicit business. That had never occurred to me before; but a railroad is a business just like any other concern, and I think it was the president of the Southern Pacific, Mr. Kruttschnitt, who said that one of the most valuable assets that the railroads possessed was the privilege of soliciting business. So, you see, while these railroads are not taken over, we leave them the right to enjoy all the privileges they had before this governmental control came into existence, and also give them the privilege of still soliciting the business which belonged to other roads; and of course when the large railroads are taken over, in a very large measure, these people who are employed as solicitors will be dispensed with. That is one of the economies they expect to work out with the governmental control of railroads.

Mr. MADDEN. Is there anything in the bill pending, reported by the Interstate Commerce Committee, which compels the Director General of Railroads to make joint rates with these short lines? If there is not, I beg to say that it may discriminate to a very great extent and to the detriment of many communities through which the short lines run.

Mr. SNOOK. I think it may be fairly inferred from the amendment which the committee adopted, to which I have already referred, which makes it the duty of the Director General whenever he takes away from any of these railroads the privilege that they had, of freight being routed over them, to reroute the freight over them that would naturally go over the other lines. I would say that that would imply that he had the right to fix joint rates. And I will say further to my friend from Illinois, of course it is impossible to cover all of the details in any one of these bills; but if the gentleman could go into this matter as we have he would find out that it is the intention of the Director General—which I think is a good one in carrying out this law—to disturb the present arrangement as little as possible. That is to say, the present owners of the railroads, with their present management, are to be left in control, and only where it is an imperative necessity to carry on the business to better advantage or to do something that may tend to help us in the control of the war will this management be interfered with.

Mr. DEWALT. In order that the gentleman may be entirely accurate the wording of the amendment of which he speaks is this:

That nothing in this act shall be construed to affect the routing instructions over and the traffic arrangements of such railroads.

Mr. SNOOK. Traffic arrangements?

Mr. DEWALT. Traffic arrangements.

Mr. SNOOK. I thank my colleague for calling my attention to it.

Mr. MADDEN. Would it be obligatory upon the Director General under that language to prorate the rates between the short lines and the trunk lines?

Mr. SNOOK. Well, yes; I think so.

Mr. FIELDS. Is there any provision in the bill to protect the short-line roads against discrimination in the supply of rolling stock? For instance, if there is a car shortage will the Government contribute all its supplies to the roads that it is operating, or will it give the short-line road its proportionate share that it would be entitled to under ordinary business conditions?

Mr. SNOOK. There is nothing in the bill along that line. That is a matter of detail that I imagine will be carried out very much as the present management of furnishing cars is being carried out by the car-service board at this time. They are trying to obviate all these difficulties to which I have called attention.

Mr. FIELDS. That is one of the most important features for the short-line roads, that they may be permitted to get rolling stock.

Mr. SNOOK. I imagine that would be a matter of detail to be taken care of by the Director General in the management of the railroads. We know now that the car-service board are trying to take care of that detail and was before the railroads were taken over. Take the railroad to which I have just referred: I had that question up with the car-service board about furnishing railroad cars, and I found to my amazement that this little railroad only owned 10 freight cars, although several million dollars are invested in it. The car-service board had made an order on the Baltimore & Ohio Railroad to furnish 100 freight cars to this little railroad, which serves the agricultural people to carry their stuff to market.

Mr. SNYDER. Will the gentleman yield?

Mr. SNOOK. I will.

Mr. SNYDER. A few minutes ago the gentleman stated that the short-line railroads would be permitted to continue soliciting. Does he mean that it is the intention of the Director to discontinue the solicitors of freight on the large lines?

Mr. SNOOK. I can not answer the gentleman on that point. That was discussed in the hearings before the committee, and I thought, from what I heard from different sources, that while that might not be entirely done away with, they intended to work some economies along that line.

Mr. SNYDER. I wish to say that, in my judgment, it might be well enough to do away with some of them, but it would be a very serious situation to do away with all of them, because they not only solicit but help the shipper to route his stuff. Some might say that he would route it over his own line; but even if he did the solicitor helps get the product to its destination, and that is what we need to-day in railroading more than anything else.

Mr. SNOOK. That was one of the matters brought up before the committee. I think it was Mr. Kruttschnitt, of the Union Pacific, who showed that was a valuable asset—that the service rendered by the solicitor was not only to secure the business but to give instructions to shippers in regard to routing the freight.

Mr. SNYDER. It is a very important part of the service.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. SNOOK. Yes.

Mr. COOPER of Ohio. I would like to ask if the Director General is soon to order all the short lines to stop solicitation?

Mr. SNOOK. I am not able to answer that question.

Mr. COOPER of Ohio. I think that was brought up before our committee, and I wanted to know if he had withdrawn it.

Mr. SNOOK. We could not object if the railroads are not taken over or if they are to be surrendered by the President; it would still give power to them to solicit.

Mr. STEVENSON. Will the gentleman yield?

Mr. SNOOK. Yes.

Mr. STEVENSON. In relation to the provision—

That nothing in this act shall be construed to affect the routing instructions over and the traffic arrangements of such railroads—

does the committee construe the term "traffic arrangement" to cover a division of the income from freight transportation?

Mr. SNOOK. I think that would fairly be the construction.

Mr. STEVENSON. That is not the usual and ordinary sort of a contract.

Mr. SNOOK. That provision was drawn by some of the people friendly to the short-line railroads. When it comes to the technical meaning I am not able to inform the gentleman.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. SNOOK. Yes.

Mr. SHALLENBERGER. The question of the retention of the railroads after the termination of the war is a very important one. The roads were taken over under the act of August 29, 1916, by the President as a war measure, and we gave the power to the President as a war measure. As the bill was reported, it provides that Federal control shall continue during the continuance of the war or until Congress shall thereafter order otherwise. Was it the opinion of the committee, from information gathered, that by a simple decree of that sort the railroads could be continued indefinitely in the hands of the Government after being taken as a war measure?

Mr. SNOOK. I do not quite catch the gentleman's question.

Mr. SHALLENBERGER. I know the bill has been modified, but as an original draft it provided that the ownership or management or Federal control should continue for and during the period of the war and until Congress shall thereafter order otherwise. Was it the opinion of the committee that they might remain indefinitely in the control of the Government unless otherwise ordered?

Mr. SNOOK. I think so; that was the argument.

Mr. SHALLENBERGER. Having once taken them as a war measure, it was the opinion of the committee that they could be held indefinitely?

Mr. SNOOK. The gentleman is referring to the constitutional question?

Mr. SHALLENBERGER. Yes.

Mr. SNOOK. That was fully argued before the committee, up one side and down the other. The committee, as has many other committees in the House, has many constitutional lawyers, and I notice that when any of these questions come up we have a superfluity of constitutional representatives.

Mr. MASON. Mr. Chairman, may I make a statement to the gentleman along the line that he is talking about?

Mr. SNOOK. Yes.

Mr. MASON. Upon the question of the solicitation of business——

Mr. SNOOK. I will ask the gentleman to defer that for a moment as I want first to answer this other question.

Mr. MASON. I beg the gentleman's pardon; I thought he had finished.

Mr. SNOOK. It was contended before the committee that inasmuch as these railroads had been taken over as a war measure under the act to which the gentleman from Nebraska [Mr. SHALLENBERGER] has referred, that they were taken over and held under the war power conferred by the Constitution. On the other hand we had gentlemen who appeared before the committee who advanced the argument that under the commerce clause of the Constitution the Government would have full power to take these railroads over in time of peace, and if they were held after the conclusion of the war, although they had been taken over under the notion that it was a war measure, still the Supreme Court would be inclined to say that inasmuch as the Government had the power to do so, the possession of the roads could be continued in the Government as long as Congress might wish.

Mr. MADDEN. Inasmuch as the President made the declaration in accordance with the law under which he took them over, would he not be bound by that?

Mr. SNOOK. I understand; but I am giving both sides of the argument. I want to give expression to this thought: That the very argument that has arisen upon this question is one of the strongest reasons, to my mind, why there should be a time limit fixed in the bill within which the railroads should be returned to their owners. It occurs to me that if there are two schools of thought upon this subject and there is no time limit fixed in the bill within which the railroads shall be returned to their owners after the war should end, and the owners of these railroads should be dissatisfied with the Government management and control, or with the amount of compensation they have been receiving, or anything of that kind, they would immediately go into the courts and begin litigation to secure the return of their property, and to my mind I must confess, although I am a lawyer and have never followed any other business, there could be no disaster that could befall the people of this country that would be so great as to plunge this great industry, the stockholders and the employees, into a litigation with the Government upon any question involved in the taking over of the property. I believe it would disturb labor conditions, and, more than that, I feel convinced that it would disturb the stock market and the value of the bonds and stocks of these railroads, and if the country were plunged into a litigation on this subject or upon any other vital subject connected with this bill it would bring on a panic, because the amount of property involved is so great. I believe it could not be otherwise.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. SNOOK. Yes.

Mr. MADDEN. The gentleman is talking about the effect on labor. I would like to ask for information upon the subject of how labor is to be affected with respect to the employers' liability laws of the various States and of the Nation now, whether they are to come under the Federal compensation act?

Mr. SNOOK. They come under the Federal liability act. When this bill was first drawn it contained a provision placing all of the railroad employees under a Federal compensation act. It provided for Federal compensation, but that was discussed fully in the committee, and there were very grave questions as to the constitutionality of that law. No one seemed to want it. The railroads are dissatisfied with it and the people who are employed by the railroads are dissatisfied with it; and the committee, having thought the question over, believed it would be the best thing to leave the employees in the situation in which they now find themselves.

Those who oppose the provisions of section 1, relating to the fixing of the standard return and defining and limiting its amount, assume that if this section as it now stand becomes law every agreement entered into between the President and carriers will allow compensation to the carrier at the highest rate permissible under the act.

It is said that the President suggested such rate in his proclamation assuming control of the systems of transportation, and therefore it may be definitely predicted that this standard will be applied in every case. Whenever one advances such a claims he loses sight of the fact that while the original bill as introduced by the gentleman from Tennessee on January 14, 1918, seems to have been drafted with this avowed purpose, as the language in this respect is as follows:

At an annual rate as nearly as may be to its average net railway operating income for the three years ending June 30, 1917.

Yet the bill has been amended in this respect by the committee so as to read as follows:

It shall receive as just compensation not exceeding an annual sum equivalent as nearly as may be to the average annual operating income for the three years ended June 30, 1917.

It may have been the intention of those who originally considered the matter to limit the power of the President in making an agreement in all cases to the single standard of the average operating income for the three years named. But it will be observed that the bill as amended enlarges the power of the President and authorizes him to make an agreement for compensation at any rate that he may deem proper, so long as it does not exceed this average.

I submit therefore that we are not warranted in assuming that those in control will ignore the right which this amendment confers and in all cases fix the compensation at the maximum rate named in the bill.

Moreover, we must remember that we are not now settling a policy that is to be permanently followed.

The Government has taken over the use of the railroad systems for the term of the war. Under the Constitution the owners have a right to compensation for the use of their property.

If the owners are unable to agree with the Government upon the amount of the rental they shall receive, then they have a right to go into the courts to have that amount fixed. If, therefore, the Government is not in a position to offer them a sum that nearly approaches the amount they have been earning under private management, it stands to reason that they will refuse to make an agreement and choose rather to exercise the right they have to submit their claims to a court for determination.

This presents a practical question. Shall we leave the bill as it is now drawn and under the provisions of which it is reasonably certain that the Government will reach an agreement with nearly all of the railroads, or shall we take the risk of inserting new and novel provisions which the owners of the railroads are not likely to agree to?

To my mind there is nothing that is likely to be so harmful in the end to the Government, the public, and the owners of the railroads as to frame the terms of this bill so as to preclude or render doubtful the settlement of these claims for rental through an agreement between the Government and the owners of the railroads.

All of the amendments to section 1 that I have yet heard proposed take away from the owners of the railroads a very substantial part of that which they have been receiving for many years. It seems to me that if any of such proposals are incorporated in the bill it will cause a large majority of the railroads to refuse to agree upon a fair rental and lead them to go into the courts for a settlement of their claims.

It is proposed to leave the management of the railroads so far as possible in the hands of the owners to be exercised by the men now in control. Certainly this will be so as to all the details touching maintenance and operation. Everyone who appeared before the committee conceded that this was the only wise course to pursue.

What then will be the effect upon the efficiency of the operation of the roads if those who have the details in charge and who are to be held responsible for success or failure are at the same time engaged in conducting a contest at law against the Government to determine a fact as vital as that of settling what rental they shall receive for the use of their property?

The extent of the success of the proposed plan of operation of the railroads depends in my opinion largely upon whether or not we so frame this bill under consideration as to enable the Government to reach a voluntary agreement with the owners of the roads for compensation along some such plan as that proposed in section 1 of the act.

No doubt there were many reasons which led to the proposal of this plan for fixing the amount of the compensation. But no doubt the paramount one was that we were taking over the roads for the purpose of assisting in the conduct of the war and that it is necessary at this time to submerge every other purpose to that of winning the war.

Therefore it is no time to stop to engage in a dispute over matters of public policy on which the people are divided. Neither is it the time to settle the question as to whether or not the people would be best served by Government ownership of the railroads. It is our patriotic duty to avoid disputes that will involve this great industry and all the people that are interested in it as stockholders, security holders, and employees in doubt and confusion.

It is our duty, in my judgment, through this governmental control to unify and coordinate the different systems of railroads and inaugurate such changes in the management and control as will assist in winning the war and best serve the people of the country during the war period, leaving as large a share of control in the hands of the owners as is consistent with these purposes.

All the proposed schemes that look to a radical change in the management or propose entirely new and different rates of compensation, figured on a basis entirely different from that which has prevailed under private management, it seems to me lose sight of the fact that we are engaged in a war that requires and demands the exercise of all the energy we can bring to bear and admits of as little dissension and dispute as is possible.

No one will be so bold as to claim that the proposed basis is entirely accurate and furnishes an exact test of the amount the carriers would earn during the war period or that it is an exact test under all the circumstances of what is just. But I do maintain that it is based on experience; that it is plainly understood and can be easily applied; that it is not likely to bring out a dispute between the owners and the Government, and has the added virtue of meeting the approval of a large majority of the owners of railroad securities and the public. This plan of providing compensation by agreement is wisely supplemented by paragraph 3 of section 1, which provides for taking care of depreciation and maintenance and for the adjustment at the conclusion of governmental control of all claims that may be held, either by the Government or the carriers, for money that has been expended by either on account of maintenance and depreciation.

There has also been much discussion and criticism of the terms of section 11. It is contended by many that the President should not have authority to initiate and fix rates, but that this power should be left to the Interstate Commerce Commission.

The act of August 29, 1916, under which the railroads were taken over, is as follows:

The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion as far as may be necessary of all other traffic thereon, for the transfer or transportation of troops, war materials and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

The language of this act, conferring on the President the power to take possession and assume control of the carriers for such purposes connected with the emergency as he may deem needful or desirable, to my mind clearly implies that if, in his judgment, it is needful or desirable to effect this purpose intended to be carried out by the act he is empowered to initiate or fix rates or to do such other things to effect such control as he may deem necessary.

If this is not so, the authority granted is futile. Those who oppose giving him this power assume that the functions heretofore exercised by the Interstate Commerce Commission are to be entirely taken away and that those who are to exercise this control and management on behalf of the Government will undertake to change established rates and practices, without regard to what has heretofore been done and in disregard of the opinion of members of the Interstate Commerce Commission. That this conclusion is not correct and that any such action is far from the thought of the present Director General is shown by his testimony before the committee, for in discussing this subject there he gives expression to the following thought:

Mr. DECKER. Mr McAdoo, there was one question that I wanted to ask with relation to the question of fixing rates. I would like to have your views as to the necessity and the wisdom of the Director General of Railroads having the right to fix the rates. I mean transportation rates.

Mr. MCADOO. I think that so long as the railroads are, by authority of Congress, in the possession of the President and are being operated by the President as Commander in Chief of the Army and Navy of the United States for the war purpose, he is bound to have a paramount control of the properties, so that he may exercise that power in any way that the public interest or any emergency that may arise may require.

Now, as to the rate-making power, I think the President undoubtedly has the power to control rates during the time of Federal possession, under the present law. I think, on the other hand, that that power ought not to be exercised—and I am sure it will not be exercised—except in such cases as may be necessary in the public interest. I think it would be very unwise for the Federal Government to undertake through the Director General of Railroads—who merely represents the President in this control—to pass upon all the rates in the country, either de novo or as questions may arise concerning them. I think that the agency of the Interstate Commerce Commission ought to be employed, and that it ought to hear these questions from time to time as the public interest requires, and that the views of the Interstate Commerce Commission or their judgment as to what ought to be done in the circumstances ought to prevail, and I think would undoubtedly be permitted to prevail, except in so far as it might be wise for the President to modify or to change them. In other words, I feel that the commission ought to act in an advisory capacity while the President is in control of the railroads, and that its advice and suggestions about rates will be of great value.

Now, that applies to interstate rates. As to intrastate rates, I think that the State commissions ought to continue to consider such questions as they rise. Innumerable questions affecting local conditions are coming up from time to time, and they ought to hear them and pass upon them; and so long as their views and judgment do not run counter to the common interest, they will be regarded and accepted just as heretofore.

I had a conference with, I think, about 20 of the representatives of the State commissions recently, and I told them that I thought that they ought to go forward just as usual—and, in fact, the President's proclamation so provides—and hear cases and exercise their powers as they have heretofore done, always, of course, with the understanding that the President has the power to override any decision they may make when he thinks it necessary to do so in the public interest.

The State commissions have jurisdiction over many other questions besides intrastate rates. They have the right to pass upon local questions like the construction of a switch to an industrial plant, sidetracks, and things of that kind.

Mr. MONTAGUE. And crossings?

Mr. MCADOO. Yes. I think all those powers ought to be exercised by them as heretofore, subject to the Federal control.

Mr. ESCH. How about the power granting to many commissions the right to issue certificates of convenience and necessity with reference to stock and bond issues?

Mr. MCADOO. I think they ought to be permitted to continue that. Of course, I should feel that it was necessary to be consulted about it. During this war, and especially because the Government is very vitally concerned in the expenditure of new capital in the country, we must have as much control of such questions as we possibly can in order to carry forward the Government's own financial operations.

Returning to the rate-making power, so far as State commissions are concerned, as to intrastate rates, suppose that the President had no control over rates during this period of Federal control, and that the Congress of the United States had authorized a guarantee to the carriers. It would be within the powers of the State commissions to alter

rates to such an extent as to enforce deficits upon the Federal Treasury. I do not mean to insinuate that they would abuse that power, or that they would use it for the purpose of creating such deficits, but it would leave in their hands the power to do it, which, if exercised, would in effect be taking money out of the Federal Treasury without any appropriation having been made by Congress. I think that Congress can not place that sort of power in the hands of any State authority or anybody else. There again, however, I think there will be no difficulty about harmonious relations with the various State commissions. They have given me every evidence of a desire to cooperate, and I am quite sure that they will.

This idea expressed by the Director General is carried out in the language of the bill, for in section 11 we find this provision:

Until and except so far as the President shall from time to time otherwise order, the rates, fares, charges, classification, regulations, and practices of carriers under Federal control shall, during the period of Federal control, continue to be and to be determined as hitherto.

It is therefore plain that there is to be no change in the present method of fixing rates, except in exceptional cases and then only when an emergency arises making such course necessary.

Heretofore all rates have been fixed under law on the competitive theory. During the period of the war, while the railroads are under Federal control, it will be necessary, no doubt, in many cases to ignore this basis of arriving at the proper rate, and that line of railroad is to be used by the persons exercising governmental control that can be most effectually utilized.

In making use of this changed method it occurs to me if we are to derive the benefit that was sought by assuming control of the carriers, it will be necessary at times to change without delay some rate, charge, classification, or practice that heretofore prevailed.

I understand that in giving this authority to the President we are granting great power, but these are no ordinary times and it is no ordinary purpose that we are trying to carry out. I believe that it is well understood that we took over the control and management of the railroads for the very reason that there was no one who had the authority to speak for all the roads. Therefore, if we are to make a success of that control, if we are to accomplish what we set out to do, there must be no division of authority, no opportunity for dispute and delay. Necessarily there must be some one head which has the authority to speak the last word on every detail that is involved in this matter.

During the last year we have heard much of the weakness that comes from division of authority; we have heard much of it in connection with the conduct of the war; if we listen to the counsel of those who oppose this provision of the bill, in my judgment we will make the same mistake that has been made so often and defeat the very purpose we set out to accomplish.

When the bill was first introduced it carried no provision fixing a definite time after the conclusion of the war in which the railroads were to be returned to their owners. There are many who still think that no such time should be fixed in the law. I listened carefully to all the arguments before the committee on this subject, and I have come to the conclusion that there should be a limit fixed in the law within which this property is to be turned back to its owner.

By taking this course we make it plain to everyone that this is intended as a war measure.

It is contended that inasmuch as the carriers have been placed under governmental control that this fact should necessarily be taken advantage of to settle all questions agitated by the public concerning the ownership and control of the railroad systems of the country. That the theory upon which they have been operated and controlled should be changed; some assume that the only remedy is Government ownership, and that now is the time to put it into effect; others contend that this will not do, but that we must reverse the policy that we have been following and institute government control, with all opportunity for competition between systems eliminated.

A majority of the Committee on Interstate and Foreign Commerce believe that this is a war measure and that it should be so confined in its scope of operation. They are of the opinion that it is not the proper time for a dispute and that all disagreements, as far as possible, should be eliminated.

They believe that we should all get together and make the present management a success and thereby aid in carrying on the war to a successful issue, and leave these disputed questions to be settled after the war has been won. It is argued by some that under the Constitution we can not hold the roads, under the authority of the act under which they were taken over, for an indefinite period after the close of the war.

I shall not undertake to discuss this question or to hazard an opinion as to its soundness. However, I believe that it will be conceded by everyone that the question at least is open to dispute. If this is correct and no definite time is fixed in the bill for the return of the railroads, does it not follow that as soon as the war is ended all of the owners who are not satisfied with conditions will bring suit to recover possession of their property?

If this should happen, conditions would become unsettled and the value of railroad stocks and securities would be depressed to such an extent as might lead to a panic. The principal argument advanced before the committee for not fixing a time limit in the bill was that the fixing of such a time would disturb the security market and work a great hardship on the people who owned railroad stocks.

I am free to say that I have never been able to appreciate the force of this argument. To undertake the management with a fixed program that all can understand to my mind means stability, while to begin the management with an uncertain and indefinite program and to continue control without letting those interested know what the limit will be means confusion and difficulty. If the roads are to be returned to their owners, I believe that Congress should fix a definite time in which that should be done. To do this now at the very beginning of control will eliminate uncertainty and have tendency to stabilize securities.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SNOOK. Mr. Chairman, I will ask the gentleman to yield me five minutes more?

Mr. SIMS. I yield five minutes more to the gentleman.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. SNOOK. Yes.

Mr. STEVENSON. I want to ask if on page 12 of the bill that is not provided for, where the bill provides that they shall be subject to all laws and liabilities, whether arising under State or Federal laws?

Mr. SNOOK. I was just coming to that question; and that is a thing that the committee should understand. There was very grave doubt in the minds of some members of the committee whether or not the bill as originally drawn protected the rights of the employees in the event they should receive an injury and bring suit against the company. So an amendment was offered to the original draft of the bill, and I do not have in mind the exact wording, but it was drawn by one of the best lawyers on the committee, and it now carefully and thoroughly protects the employees of the railroads in all the rights they had before the railroads were taken over.

Mr. MASON. May I be permitted to make a suggestion to my colleague in regard to the question of the solicitation of business? Every day I have had complaints coming to my desk from at least one city in the State of Illinois where there are competing lines from shippers that since the Government has taken over the roads that they are unable to get the assistance they formerly had in the matter of routing their freight; in other words, they lack the spirit of accommodation they had before. That is one fact I wanted to lay before the gentleman as a member of the committee.

Mr. SNOOK. I am glad to have the gentleman bring that question out, and this should be brought to the attention of the Director General and the people who have the management of the railroads. I believe it is the wish—I know I have talked with him a little upon the subject—I believe it is the wish of the Director General and the persons having control of these railroads to give efficient service.

Now, I want to say this in conclusion: I got far away from what I started out to say, but I want to conclude as I began, and that is along the line that I have not lost faith yet in the railroads of America. It has been said a great many times in this debate that the railroads have broken down and that is the reason for this governmental control. There are two reasons to my mind for this governmental control, and it is not a fact that the railroads of this country have broken down. I believe they are the best railroads and the best managed railroads in the world. I have traveled a little in our country and upon the railroads in Europe, and I want to say to you it seemed to me like getting back home when I came to America and got on one of our good, old railroad trains in this country, just like getting back home. This thought I want to leave with the committee; I do not know what other men may think, but I want to see the largest field left to the American people for human endeavor that can be left. I do not believe the railroads have broken down. I believe that the reason for taking over these railroads was the cause that has been brought to the attention of Congress very many times, the congestion of freight at the eastern terminals on account of trying to run all the freight of this country over certain routes, and the fact that the Government was necessarily employing all the capital of this country in making loans for the conduct of the war so that the railroad

companies could not have an opportunity to float their securities. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SNOOK. Mr. Chairman, I ask permission to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman asks unanimous consent to revise and extend his remarks. Is there objection. [After a pause.] The Chair hears none.

Mr. ESCH. Mr. Chairman, I yield one hour to the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Chairman and gentlemen, I do not like the proposition of the Government taking over the railroads at this time; I think it is a mistake. I want to see this bill amended in some respects, but I will vote for the bill, because I am like the man in the hollow log that had a bear by the tail, that it was not wise to let go at that time. [Laughter.] We have taken over the railroads. We are in the midst of a great war. Consequently we must support the Government in everything it wants that is necessary to carry on this war successfully. I am unalterably opposed to Government ownership of railroads, and the gist of my remarks will be upon that subject.

THE WORLD'S EXPERIENCE IN GOVERNMENT OWNERSHIP OF RAILROADS.

In an article prepared by Richard Hoadley Tingley, in the Santa Fe Magazine, he states:

Of the 76 political organizations that go to make up the independent nations and colonial dependencies of the world, 44 already have declared themselves, as a matter of practical politics, as being in favor of complete or partial nationalization of their railways by taking over and operating some considerable portion of the mileage within their borders. In the balance, 32, all the railroads are still privately owned. Conspicuous in this latter class are the democratic Governments of Great Britain and the United States.

I believe I am correct in stating that among the people of the United States who favor Government ownership of the country's railroads, the socialistic element is strong and predominates.

Martin A. Knapp, chairman of the Interstate Commerce Commission, stated, in 1902:

For the Government of the United States to acquire the 200,000 miles already constructed, undertake to conduct their vast operations by direct agency, and to extend the service with needful rapidity is a project of such colossal import as to incline us to place it quite outside the range of probability.

Some 10 years later, when the railroad mileage had been largely increased in the United States, Franklin K. Lane, also then a member of the Interstate Commerce Commission, said:

No one who has had experience in governmental affairs will be bold enough to say that the Government of the United States could now operate the 250,000 miles of railways with as much satisfaction to the people as the railroads themselves are now being administered.

These were men of experience in railroad matters, and statements made by them should command the attention and respect of thinking men.

I wish to review, briefly, the history of the government-ownership idea by giving comparisons and statistics in the management of the government-owned railroads in the various countries of the world where the same has been and is being tried.

It is probably not very well known by the general public that this country has had quite an extended experience in building, owning, and operating railroads.

During the early days of railroading in the United States the "sovereign State" was considered the only medium strong enough or sufficiently well qualified to cope with such large affairs. Many of the States entered the railroad field and many of them experienced quite heavy losses and great burden by taxation for the maintenance of the roads. However, out of the many hundreds of miles built and operated in the past by the various States not a single mile is now so operated—with the exception of 32 miles in Texas, used as an adjunct to its penitentiary system. This of itself would not, as it appears to me, be a very conclusive argument in favor of Government ownership of railroads.

Many in public as well as in private life have fixed opinions as to the wisdom of Government ownership of railroads; many write upon the subject of Government ownership of railroads.

My attention has been called to an article written by former Gov. Stubbs, of Kansas, published in the Saturday Evening Post of June 6, 1914.

I want to point out certain inaccuracies of the governor's statements in that article.

The Governor attempted to justify Government ownership of railroads. He made comparisons and quoted figures in support of his arguments, many of which were greatly overdrawn and inaccurate. Among other things, the Governor made the following statement:

No railroad system once taken over by the Government has ever been permanently returned to private ownership.

I wish to show how incorrect the governor was in such a statement. In the past many of the States of this country have operated railroads that are now being operated by private corporations, and statistics and history show that in no instance has State operation been successful. I quote from the Railway Library and Statistics, and the latest complete railway statistics are for the year 1916:

The North Carolina Railroad Company was incorporated in that State in 1849, and during the next few years built some 223 miles of line from Goldsboro to Charlotte. The State owned a large majority of the stock, built the road and operated it until 1871, when it was leased to the Richmond & Danville Railroad (now part of the Southern Railway). The State now derives a good yearly income from the stock which it still owns in this road. North Carolina also built and was at one time sole owner of the Western North Carolina Railroad, 185 miles, from Salisbury to the Tennessee line. This road was State owned and operated from 1875 to 1880, when it was sold to a private company and afterward passed into the hands of the Southern Railway, the State having now no interest in the ownership. North Carolina built a third road, from Goldsboro to the coast, 95 miles. This was called The Atlantic & North Carolina Railroad. The State owned (and still owns) two-thirds of the stock of this company and had absolute control of its operation from the time of its completion, about 1856, until 1904, when a 95-year lease was entered into with a private company. This lease shortly afterward became the property of the Norfolk & Southern Railroad, and since has been operated as a part of that system, the State deriving a handsome income from its stock holdings under the lease.

North Carolina presents, perhaps, the most striking example of State ownership and operation that this country affords, both in length of lines operated and length of time as well. At one time the State had more than 500 miles of operation on its hands, and for nearly half a century it operated the 95 miles from Goldsboro to the Atlantic. Since 1904 it has had no interest in these operations other than to draw its interest and dividends. That the experience of this State so far as operation is concerned was unsuccessful nobody attempts to deny. On the other hand, as a result of the retention of ownership while the lines are being operated by experienced private corporations as business enterprises, the State is receiving substantial benefit. The experience of the State of North Carolina in railroad ownership is anything but a satisfaction to that State.

And, further, the experience of the State of Missouri in railroad ownership and operation is rather a sore spot. Missourians do not like to have the subject mentioned. According to C. M. Keys, of the Wall Street Journal, this State had a hand in owning, financing, and operating several of its lines—the Hannibal & St. Joseph, the St. Louis, Iron Mountain, the Cairo & Fulton, and the Pacific Railroad. The resulting net loss was nearly $25,000,000. High finance in this border State was well understood in those early days. Mark Twain was well advised when he wrote The Gilded Age, and Gov. Stubbs, living so near Missouri, should have known about it. All these properties are now prosperous. They form integral parts of big western systems. Missouri made no mistake in selecting the lines it would own and operate, but Missouri did demonstrate, at least to its own satisfaction, that it was unprofitable for a state to become a railroad promoter.

Massachusetts tried railroading. To pierce the Berkshire Mountains with a tunnel was thought to be too expensive a task for private capital. The building of the Hoosac Tunnel, therefore, was undertaken by the State, and it was operated unsuccessfully several years. The property finally passed into the hands of the Boston & Maine Railroad.

Mr. W. F. Allen, secretary of the American Railway Association, is responsible for the statement that the Western & Atlantic Railroad, 137 miles in length, was constructed and operated by the State of Georgia and gradually became "a prolific source of loss and injury to the community that had supplied the funds for its construction." It has been operated under lease since 1870 and is now a part of the Nashville, Chattanooga & St. Louis Railroad, though still owned by the State.

Further, Mr. Allen said, regarding the State ownership in Pennsylvania:

Eighty miles of railway, extending from Philadelphia to Columbia, were built by the State of Pennsylvania and operated unremuneratively by its government several years to the disgust of the people of the State. The road finally was sold to the Pennsylvania Railroad in 1857, and forms part of its original main line.

Seven million five hundred thousand dollars was paid by the Pennsylvania Railroad Co. for this line, which is said to have been at least twice what it was worth, but not more than a quarter of what it had cost the State. W. B. Wilson, historian of the Pennsylvania Railway, says, in referring to this line:

The individual transporter who did not dance when the politician in charge of traffic piped was placed at a great disadvantage. It became a potent factor for corruption and reached such an extent that the transporters who would do certain things for the politicians at elections would have their tolls rebated to an extent that nearly always reached a refund of the entire amount paid. The State debt grew till bankruptcy stared the people in the face.

It is said that this railroad experience cost the State of Pennsylvania upward of $20,000,000.

Other instances of municipal bodies having taken up, built, and operated railroads might be cited, as in Cincinnati, where the city built and now owns—but has ceased to operate—the Cincinnati Southern Railroad, 338 miles in length; also, as in Texas, where a little railway, 32 miles long, was built and is to this day being operated by the State. This last example is the only case in our entire land where the State at present operates a railroad.

It seems to me, in the instances just cited, there is but little to recommend Government ownership.

The Panama Railroad, 47 miles long, now owned and operated by the Federal Government, is another instance of Government ownership. Some ten years ago the United States acquired this railroad and the steamship company as well, this being necessary to facilitate the construction of the canal. On the average, statistics show, it costs the railroads of this country about $7,700 per mile operating expenses per year. At Panama, leaving the steamship company out of the calculation, it costs rather more than $50,000 per mile. A freight rate of almost seven times the United States average is charged and collected by this road. This is Government ownership, though.

CANADA.

And quite in line with my argument that the Government can not operate railroads in this or any other country in the world so successfully or economically as they can be operated by private ownership, I want to call attention to the railroads of Canada as an example. Of the 29,233 miles of railroad in Canada in 1913 a fraction over 6 per cent was owned and operated by the Government—1,768 miles—the larger portion of this being the Intercolonial Railway, which occupies some of the best territory in Canada. While the Canadian Pacific, the Grand Trunk, and the Canadian Northern, all privately owned and operated roads, have been giving good accounts of themselves, this property, owned and operated by the Government, seldom pays its bare operating costs, the deficit being met by a general tax. W. R. Givens, in Moody's Magazine, says that the trouble is "because it lives, moves, and has its being as a political institution."

A telegram from the American Consul at Ottawa, February 9, states as follows:

Miles of railway operated by Dominion, 4,015; taken over from Canadian Northern, not yet Government operated, 9,371; total, 13,386 miles.

Late information is to the effect that the total railway mileage in Canada at the close of 1917 was about 48,000, showing a great increase in mileage constructed in the last four years.

It has been said by advocates of government ownership in this country that such mismanagement would not happen in our country.

There is every evidence, as I shall attempt to show, that Government owned and operated railroads in this country would be the most dangerous political machine ever invented in any country in the world.

Canada, whose people and their customs and habits and conditions are quite similar to those of the people of the United States, has had experience in government ownership of railroads. While the cost of railroad construction in the United States is considerably less than the cost of construction of private-owned roads in Canada, which is shown to be $65,182 per mile, the cost of construction of Government-owned railroads in Canada is given as $99,000 per mile. A little later on I will give a complete history of the financial operations of both private and Government-owned railroads in Canada, but wish, in passing, to say for every $100 of receipts by the Government-owned railroads of Canada they paid out $102.13, while the private-owned railroads for every $100 in receipts paid out $73.94, and it must be remembered this included taxes and interest paid by the private-owned roads which run into the millions of dollars—$3,049,387, being $97 tax per mile of road owned. The Government-owned railroads for the year 1915 sustained a loss of $11,000,000, as is shown by the Bureau of Railway News and Statistics of Chicago, April 12, 1916, Bulletin No. 99, at the same time paying no taxes or interest upon the indebtedness of the roads.

Canada's annual pay roll to employees is below the pay roll of the employees of the United States.

Before the people of the United States, through their representatives in Congress, demand Government ownership of the railroads they should give most careful thought to the success or failure of government-owned roads in other countries where the system has been tried.

Mr. Givens says on the subject of Government ownership: "Each political party when out of office charges that its poor results are due to the use of the railroads for the political purposes of the party in office." This seems to be true. At any rate, the deplorable results of Government operation of the Intercolonial are too well known to require further comment. This road being of considerable length—about 1,400 miles—and operating under physical conditions so closely analogous to those existing in the United States, would seem to furnish all the object lesson necessary under the circumstances.

FRANCE.

Of all the countries of the world having government ownership of railroads, France shows the most striking example of failure. Statistics show that of something over 30,000 miles of railway in France in 1914 only a little over 5,500 miles were Government owned and operated, most of this mileage being the Western Railway of France, which serves the important western and northern Provinces and seaports and connects them with Paris. This line was taken over from the private company in 1908 and shows an increase in gross receipts, but the operating expenses and accumulated deficit from operation have also increased at an alarming pace. These statistics relate to a time prior to the outbreak of the war. Net earnings seem to be on the toboggan slide, as will be seen from the following table:

Table as shown by French statistics, in millions of francs.

	Gross earnings.	Net earnings.	Deficit.
1908	219.6	71.6	27.1
1909	219.3	70.0	38.7
1910	229.6	67.2	58.4
1911	236.1	50.2	71.3
1912	244.3	21.9	84.4
1913	251.8	26.1	89.9

During this period, while the deficit from operation was piling up, a most deplorable condition existed in the physical operation of the property; fewer and slower passenger trains, irregular service, lack of fidelity to schedule, scarcity of freight cars, impaired roadbed, and other like ailments have affected the property; in other words, the property has become run down at the heel. In commenting on the situation, Paul Leroy Beaulieu, an eminent French economist, said in 1912:

Everyone knows the deplorable result of the management of the company of the West by the State. At the end of three years Government ownership appears to be a public calamity and a financial disaster.

A greater number of accidents occurred because of the run-down condition of the line than was the case on well-equipped railroads.

The total deficit from the operation of Government-owned railroads in France, from 1908 to 1913, was upward of $70,000,000. Yet it must be remembered this is Government ownership of railroads.

The population of France for each mile of railroad line in 1913 was 1,241, or more than three times that of the United States.

In France, in 1912, there were 25,319 miles of railroad. The average yearly wage per employee was $212.77, or 68 cents per day, or $4.08 per week of six days. The freight rate charge averaged 1.37 cents per ton-mile.

It will be remembered that the Government owns a large percentage of the railroads in France, and their financial history is such as would be most discouraging to any nation contemplating Government ownership of railroads.

The operating ratio in France between private-owned and Government-owned railroads is as follows: Private-owned railroads averaged 53.3 per cent, and increased to a maximum of 58.4 per cent in 1912 and 1913; while on Government-owned railroads the increase was from 56.4 per cent to 89.4 per cent.

On the Government-owned roads in France there were so many accidents the staff and the public became so frightened that the express trains on the main lines, already the slowest in France, were decelerated to a timing that had been abandoned as inadequate years before. The service in general was poor. While compensation for accidents under private management amounted to a loss of from four to five hundred thousand dollars per year, under Government ownership in 1913 it amounted to more than $2,000,000.

The Minister of Public Works of France publicly criticized the State administration as a "frightful fraud," and the Senate passed unanimously a resolution beginning as follows: "The deplorable situation of the State system, the insecurity and irregularity of its workings," and so forth. It is most probable that the French Senate and Minister of Public Works knew what they were talking about.

Paul Leroy Beaulieu gives the reason for the deplorable situation as follows:

In the first place, it is the abuse of formalism and red tape, with all the delays which follow, and which are directly in conflict with commercial needs; in the second place, it is lack of stability, the directors and all of the chiefs of the service change at the will of the ministers, whilst in private companies the higher personnel is maintained a long time fulfilling the same functions; next, it is the political influence which enters into the choice and advancement of the personnel; it is, lastly, lack of discipline, which also results from political influence at work.

He further states:

As for formalism and red tape, on the eve of the handing over of the railroads to the State, there were 1,525 employees in the central office. Within three years thereafter the number had increased to 2,587. The single service of the accounting general was increased by 70 persons directly after the purchase by the State, and this was due largely to political pressure and partly to excessive red tape. For example, in the Caen division in the preparation of the pay sheets, which under private ownership took 9 persons 3 days, or a total of 27 days' work, under the State administration took 12 persons six days, or a total of 72 days' work. Proportionate increases in the number of employees were made all along the line, too numerous here for me to mention. Salaried officers, 33 in number under private ownership, 99 persons under Government ownership. Increased wages to employees, increased number of employees, and increased freight and passenger charges were the results of Government ownership of railroads, which is true all over the world on Government-owned roads.

But this is Government ownership of railroads.

Under private ownership the question of fast trains is one to which careful consideration has been given all over the world. Great Britain in 1888 had greatly increased the speed of her express trains, and America promptly followed with the Empire State Express and the Atlantic City flyers. The French companies took up the challenge and put on trains from Paris to Calais and to the Belgian and Spanish frontiers and held their own with anything operating in England or America.

I have just shown that under State ownership France reduced the speed of her passenger trains because of the run-down condition of the Government-owned roads, there being no money in France to keep in good condition the roads and equipment. The only way to obtain money for the same would be by direct taxation on the people or increased freight and passenger rates. But this is Government ownership of railroads.

I wish to give here a comparison of the wages and freight rates and operating costs of railroads in several of the principal countries of the world, beginning with the United Kingdom. The latest reliable statistics in Europe obtainable are for the year 1913, and in fact in some instances prior to that time.

UNITED KINGDOM.

In 1913 the number of miles of railroad in the United Kingdom was 23,691. The average yearly pay per employee was $364.17, and figured on the basis of 313 working days per year it will be seen that the wages averaged $1.16 per day, or $6.96 per week of six days. The freight charge in the United Kingdom was 2.23 cents per ton-mile.

GERMANY.

In Germany for the year 1913 the number of miles of railroad was 39,513, of which 36,538 were State owned. The average yearly pay was $409 per employee, or $1.30 per day, or $7.80 per week of six days. The freight charge was 1.37 cents per ton-mile.

The population of Germany in 1913 was 66,716,000. The area of Germany is 208,780 square miles. The population per square mile was 320 people, while that of the United States is but 30 people. The population of Germany was 1,698 for each mile of railroad, while that of the United States is but 381.

It will be borne in mind that the freight rates of Germany are double those of the United States, with a daily wage scale but one-half that of the United States, and with a population in Germany per mile of line nearly four times that of the United States it can readily be seen that if the population of the United States per mile of railroad line was equal to that of Germany the freight hauled by our railroads would be equivalent to four times that of the tonnage hauled at present. Therefore the percentage of cost per ton-mile would undoubtedly be less than at present.

RUSSIA.

Russia in 1910 had 41,612 miles of railroad. Her annual pay roll for employees was $211, or 67 cents per day, or $4.02 per week of six days. Her freight rate charge was 0.94 cent per ton-mile.

Russia's population per mile of railroad line in 1913 was 3,380, yet her freight charge per ton-mile was far in excess of ours.

SWITZERLAND.

Switzerland in 1915 had 3,224 miles of railroad. Her annual wage per man was $387, or $1.23 per day or $7.38 per week of six days. Her freight rate charge was 2.64 cents per ton-mile, and in spite of this enormous freight rate charge her Government owned and operated railroads had a deficit of $2,500,000.

JAPAN.

Japan in 1915, with 5,585 miles, largely narrow-gauge roads, Government owned but capitalized at $25,000 per mile more than the capitalization of the railroads of the United States—$88,104 per mile, as against a little less than $63,000 per mile in this country—has an annual wage scale of $115.16 per year, or 37 cents per day or $2.22 per week of six days. Her freight rate is 0.85 cent per ton-mile, or 20 per cent above that of the United States. She has a terminal charge of 11 cents additional.

Under private ownership all over the world there is jealousy and strife for more and better equipment. Governments are slow to adopt modern methods and equipment. One of the best proofs of this assertion is shown by the wonderful modern equipments of the Great Northern, Northern Pacific, and the St. Paul & Puget Sound Railways, spanning the prairies and tunneling the Rocky and Cascade Mountains, the last-named road in the last two years having equipped 445 miles of their main lines through Montana and Idaho with electricity, the most modern improvements, finest roadbeds, and most powerful electrical engines to be found in the world.

I have traveled over these roads many times within the last few years and twice during the year 1917.

The power with which the monster engines are operated is taken from the flow of water heretofore gone to waste in these great mountain States—a great saving of fuel to the world, so badly needed at this time and so strongly recommended by the Administration for conservation. Competition is the life of trade.

The improvement and extent of government-owned railroads throughout the world is moved by political influence largely, and does not always accommodate the greatest number of the people. Branch lines are usually built by political influence.

At this point I wish to say railroad construction in many parts of the country by government ownership, as stated before, has proven to be unwise, and I call attention to the Government-owned-railroad construction of Australia.

It has been stated by eminent authority that railroads in Australia undoubtedly have been built to backward districts where private ownership never would have touched. Some 46 miles of branch lines were built in Australia, and a report of the Victorian State Railways of 1907 states that they were constructed at a cost of $1,833,000, and that they were closed to traffic at various dates between 1898 and 1904, and later abandoned altogether, because gross receipts failed to cover operating expenses. This is government ownership though.

There is a vast difference between the management of railroads by the power of state where a monarchial form of government prevails and that of a country having a republican form of government. In a monarchy the heads of government remain in office quite indefinitely and direct the management of the state-owned railroads, while in a republic the chiefs may change as often as the head of the government—and that does not change often enough to suit some of us. [Laughter.]

For instance, the King of Prussia is really the head of the railroads, as he is head of the army and navy, and this power does not change during the life of the King. In such cases political influence may not be so great as in a country with a republican form of government.

Lack of discipline in the management of great corporations such as our railroads is more likely to be found where political influence controls than where private ownership prevails.

THE UNITED STATES.

The railroads of the United States comprise 250,233 miles of main lines for the year 1916—there were 387,000 miles of railroad in the United States, which includes double, treble, and quadruple tracks, as well as switches. On the 250,233 miles of main lines there were employed more than one and three-quarter millions of men. The annual pay roll for the year 1916—that of 1917 being not yet available—to employees averaged $887.37 per year, or $2.83 per day, or $16.98 per week of six days. The freight-rate charge was 0.714 of a cent per ton-mile. In other words, the wage scale is the highest of that paid to railroad employees of any country in the world and the freight rate the lowest.

At the same time it must not be forgotten that, in addition to the cost of operating expenses, our railroads paid heavy taxes; which is not true of Government-owned roads. The Government-owned railroads of all the countries of the world are exempt from taxes, while the taxes paid by the railroads of the United States, as shown by a report of the Bureau of Railway Economics, published in the city of Washington, D. C., Miscellaneous Series No. 25, page 17, paid in the year 1914, per mile operated, $572, or a total of $143,133,276, on 250,233 miles of line.

It must be borne in mind that in the statistical abstracts of the various countries of the world in which are shown the operating expenses of the Government-owned roads, this item of taxes in this country does not enter into the operating costs; therefore the Government-owned roads have that advantage in their reports of operating costs over the reports of privately owned roads. The comparisons are unfair and unjust to private ownership unless this item be taken into consideration.

Again, let me say that in Germany, where 95 per cent of all the railroads are government owned and operated, the wage scale is but one-half that of the United States and the freight rate double that paid by shippers of the United States.

The idea of Government ownership catches many of our people; has become a fad. But before being put into operation the most serious thought should be given to the question.

I make this speech upon Government ownership for the reason that the bill now before the Congress, and especially the one presented by the Administration, was sugar-coated from top to bottom with Government ownership.

It can be shown in every instance, by comparisons with other countries, that Government-owned and operated railroads have failed to show good results, and invariably the people have been called upon, by taxation, to meet deficits in the operation of the roads, while, on the other hand, freight rates have been greatly increased over the rates prevailing under private ownership.

Should the railroad property of the United States be taken over by the Government, it must be remembered that about one-eighth of all the taxable property of the country will be stricken from the tax roll, and the people owning the remainder of the taxable property will pay increased taxes to meet the ordinary running expenses of the municipal, county, State and National affairs, and will pay some $20,000,000,000 for railroads as well. At a time when this Government has gone, and is still going, into debt to an extent undreamed of heretofore, some serious thought should be given to this important move, namely, Government ownership of railroads.

The idea of Government ownership of railroads is socialistic in the extreme; and for 2,000 years the socialistic ideas throughout the world have very largely failed.

BELGIUM.

The Railway Library and Statistics of 1914, page 210, states:

In Belgium, with its 2,684 miles of State-owned and its 2,000 miles of privately owned lines, the operating ratio of the former was 65 per cent, while that of the latter was 45 per cent. Allowing for interest on the investment, the deficit of the State-owned lines, it is estimated by E. A. Pratt, would amount to $14,000,000 yearly.

On page 449 of the Railway Library these statistics are referred to as being for the last year reported, 1912, and gives the cost of construction per mile of the Government-owned railroads in Belgium as $192,000. It gives the freight rate per ton-mile as 1.13 cents. Railway employees received in wages $250.20 per year, or $4.81 per week. The ratio of expenses to earnings was 69.63 per cent, while in Holland the ratio of expenses, compared with earnings, was 85.33 per cent, both of which are excessively high.

In a recent writing by Col. Ed. F. Browne, entitled "Socialism or Empire a Danger," is found the following language, in chapter 1, page 7:

THE OBJECTS DESIRED BY THE FOUNDERS OF THE UNION.

Separation from England, the result of unequal and unjust taxation, business restriction and regulation, and undue investigation of the private business affairs of citizens.

Instructions of the delegates sent to the Continental Congress all indicate business unrest.

War declared July 6, 1775, over these business conditions.

The business freedom demanded by the Colonies not granted in a monarchy or empire.

Refusal of Parliament to consider requests ended in political freedom being declared July 4, 1776, one year after the war commenced.

An effort made to establish a government giving private incentive freedom from Government control.

Such, Mr. Browne states, was the intention of our forefathers who fought and suffered so much privation for the freedom of our country. If this be true, those who would have Government ownership are certainly drifting far afield from the intention of our forefathers.

That the ownership or operation of railroads by the Government would be bad because of the political influence I believe is borne out by the facts as they can be presented.

It will be remembered that in general elections the plurality given to a candidate for President for many years past has reached from about 7,000 to 500,000 votes, and when it is considered that Government ownership of railroads, telephones, telegraphs, and water and other transportation lines will bring political pressure to bear on practically the entire number of men on the Government pay roll it is time to stop and think.

Last year the employees, civil service, telephone, telegraph, railway (both steam and electric), water transportation, and express companies, numbered about 3,500,000. Of this number about 500,000 were under civil service, 225,000 were employed by the telephone and telegraph companies, 200,000 by the water-transportation companies, and 1,950,000 by the railroad companies.

It will be seen that the majority of these people were employed by the great corporations of the country that will come under Government control if the people decide upon Government ownership or Government control and operation of the railroads.

Does any man doubt, if these employees were under the control of the Government, that great pressure would be brought to bear upon the Government officials for increased wages and fewer hours for a day's work, and that weak politicians in times of campaign excitement (as was the case in the recent past) would yield to pressure and thus cement together the people making such demands, in the support of a political party, and then make the general public pay the bill, either by direct taxation or increased rates upon the railroads?

No such political power should be granted to any political party or any set of individuals in a political party.

This is a question of the greatest importance to the people of this country and one worthy of most careful thought.

The condition of the railroads of this country right now is critical. The Interstate Commerce Commission has fixed the maximum rate of freight the railroads may collect. A political party in Congress has fixed the minimum-wage scale for a certain class of railway employees, which has greatly increased the operating costs of the railroads. The Interstate Commerce Commission has declined (and stands like a stone wall) to grant the requests of the railroads for increased freight rates sufficient to meet the increased outlay of the companies. And the result is that more miles of railway are in the hands of receivers than ever before, and others are on the brink of bankruptcy. They have no money with which to add necessary improvements of rolling stock or terminals, and the result is, as is now well known, that the railroads at the present time are unable to handle the business offered. To me it appears that the Interstate Commerce Commission and the Congress of the United States for the past ten years have not dealt fairly with capital invested in the railroads of our country, and some relief must be given or railroad securities will go to the "dum dum bowwows."

At the close of the calendar year 1917, as shown by the Railway Age of January 4, 1918, there were in the hands of receivers 17,773 miles of main-line railroads, a fraction over 7 per cent of the total mileage of the United States, which is an exceptionally high percentage of the total, financially embarrassed. To this must be added the Denver & Rio Grande Railroad, which road went into receiver's hands January 26—2,580 miles, or a total of 20,353 miles. The estimated value of these roads is shown by the Railway Library to be about $60,000 per mile, or more than a total of $1,221,000,000.

This is conclusive evidence that at this time the laws of the country are not aiding the railroads but are detrimental to their success.

In fact in this very bill is contemplated an appropriation by the Government of the United States of $500,000,000, undoubtedly to be followed by greatly increased appropriations, for the purpose of adding to the railroads needed rolling stock, terminals, and all kinds of equipment and improvements to properly handle the business of the country. And at the same time there is pending before this House another bill authorizing the appropriation of $500,000,000 and the creation of a corporation, the purpose of which and the use of which money by that corporation is chiefly to loan money to the railroads of the country that are unable to borrow money from the banks and trust companies, because of the fact that railroad securities are not desirable in the money markets.

In railroad legislation in the past 10 years the pendulum has swung too far against the railroads, and must swing back or bankruptcy must follow and the general public pay the bill.

Control of business by Government is socialistic agitation or executive ambition. Careless legislation has already given greater executive control than has been intended.

The greatest danger to a Republic is hasty, hysterical action on the part of the people, and especially on the part of Congress. Franklin said:

Should we give executive power to the President that we would fear in others' hands?

Control of our great industries makes our executive department altogether too dominant a power, and threatens the very foundation of our good Government. This Government-control hysteria has gone so far to the extreme that there is a bill now pending before the House of Representatives for the taking over of the street railways of this city. Who would dream of such extravagant notions!

While it is claimed that the railroads of Germany come nearer being a success in the hands of the Government than do the railroads of any other country in the world Government controlled and operated, it must be conceded that in the cost of operation on these roads no taxes are paid to local, State, or General Government. The Government of Germany operates her railroads in a different manner, in some rspects, to that of any other Government of the world. For instance, the German railroads are used as a tariff wall. A cheaper freight rate is given on goods manufactured for export, shipped from an interior town in Germany to a seaport, than is given on the same goods between the two points of shipments which are to be consumed in Germany, thus encouraging exports in both manufactured and agricultural products. While, on the other hand, practically a double freight rate is charged from a seaport town in Germany to a point interior on imported goods as against domestic goods shipped between the same two points. This, together with Germany's tariff laws, operates as a very high protective tariff.

AUSTRIA.

Austria in 1913 had 14,185 miles of railroad. Her annual wage scale was $322, or $1.03 per day, or $6.18 per week of six days. Her annual deficit on Government-owned roads was about $25,000,000.

In a historical sketch of Government ownership of railroads in foreign countries, by W. M. Ackworth, published at Washington, D. C., in May, 1917, on page 17, this statement will be found:

They are all alike in the fact that political, and especially military, reasons compelled the State to make railways which private enterprise was not prepared to undertake. They are alike, too, in the fact that the tendency has swayed back and forth as between State and private ownership. Austria at one time sold to private companies a number of railways that had been built by the State. Nowadays, having bought most of them back again, it owns 80 per cent of the total. One incident of the transfer deserves to be related. The Kaiser Ferdinand Nordbahn was an old and very rich company. Its dividends for the previous five years had averaged over 12 per cent. It was taken over in 1906. In 1910 the president of the Austrian Chamber of Deputies described the result as follows: "We have always been in favor of the State taking over the railways, but if we had been able to foresee the results of the management I assure you we would have hesitated a little longer. We are still in favor of the principle, but it does seem to us that our Government has performed a remarkable feat when it has succeeded in creating a deficit on the Northern Railway. The Government have enlisted an army of new employees; they have gone much too far in the matter of reduction of hours of labor; instead of commercial management they have appointed lawyers to posts that require business men or experts; they have established an entirely unpracticable bureaucracy. At the present moment we are face to face with a deficit of $25,000,000. There would be no deficit at all if the return from our railways were that which it ought to be. I regret that absolute imbecility has characterized the taking over of our service."

This statement was made by high authority in Austria and ought to have some weight in the argument against Government ownership of railroads. But this is Government ownership.

STATE OWNERSHIP FAILED IN SOUTH AMERICA.

After a record of deficits, politics, inefficiency, bad service, and bad management, most of the lines in Brazil, Chile, Peru, and Argentina have been leased to private companies. All the larger Republics of South America at some time have tried Government ownership of railways. Most of them have abandoned the policy as an absolute failure.

The private-owned roads of South America for every $100 of gross receipts have spent from $31 to as high as $68, while the Government-owned roads for every $100 of gross receipts have spent from $121 to $164. This contrast between the cost of operation of private-owned and Government-owned roads in these southern Republics is exceedingly striking, and should be taken as an evidence of the inability of a government, because of the political influence, to successfully operate railroads.

Nearly every country in the world within the last decade has materially increased the freight rates on its railroads, and especially on government-owned roads, while the Government of the United States, through the control of the Interstate Commerce Commission over rate fixing in this country, has permitted the railroads to make little or no advance in their freight and passenger rates, though the cost of operating expenses, chiefly due to increased wages to their employees, has greatly increased. The result is that the railroads of the United States, because of adverse railroad legislation by our Federal Government, are run down and do not have sufficient equipment, freight cars, and locomotives to handle the business of the country.

I could give in detail the cost of operation and the total receipts of practically every country in the world, and it would show greater cost in operation on government-owned roads than on private-owned roads. This might add to the information already given, but the time granted me for this speech will not permit. I wish, however, to say that I have been unable to find, after long and diligent search, a single instance of railroad, government owned, controlled, and operated, that equaled, in efficiency and economy and the service rendered, that of private-owned railroads.

The Civil War was one of the most terrible of all wars in the history of the world.

When it occurred there were 36,000 miles of railroad in this country. Our Government, during its four years' duration, took control of 2,100 miles, about 6 per cent of the total mileage.

We declared war on Germany in April, 1917, and no railroad in the United States as yet has declined to comply with any or all requests or orders of the Government. Yet in less than nine months' time our Government has taken over all the railroads.

Several questions are involved:

First. What is its significance?

Second. What will be the effect financially?

Third. What will be the effect on efficiency of transportation?

Fourth. What will it cost the taxpayers?

Fifth. What will it cost the people to let go?

That the railroads have not been overly prosperous for the past three years is shown by their net receipts during that time, which were as follows.

Net earnings on investments:

	Per cent.
1915	4.09
1916	5.80
1917	5.72
Average	5.20

Not a high rate of income on invested capital. Not sufficiently high to attract money.

Where is all this money coming from that is being called for by the Government for all these enterprises? There was $50,000,000 asked for the other day for building houses in shipyards; another, of $100,000,000, asked for some other purpose. When thinking this over, there occurred to me one of the finest illustrations in the world as to where this money is coming from. It reminds me of an old darkey that was sick and about to die, who sent for his minister to write his will. He said to the minister, "Put down $250 for my beloved daughter." And the minister wrote it down. "Now, put down $350 for the church." The minister said to the family, "Ain't it wonderful how this man retains his consciousness to de last?" He then turned to the minister and said, "Now, put down $1,000 for my good wife. I came mighty near forgetting dat woman." The minister said, "Look here, Brudder Jones, where is all this money coming from?" "Dat is none of your business where it's coming from. Put down what I tells you and den let 'em find it." [Laughter.]

The Government is going to find its money somewhere, and the people will pay the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I would thank the gentleman if he would yield me 10 minutes more. I do not like to keep you so late, but I have a little more to say that is important, and I will conclude in half that time if I can.

Mr. ESCH. I yield to the gentleman 10 minutes.

Mr. FORDNEY. I thank the gentleman, and I will try to conclude in less time than 10 minutes.

And in closing I want to say, gentlemen, that our Secretary of the Treasury, a gentleman for whom I have the highest esteem, has now had imposed upon him not only the duties of the Secretary of the Treasury, but he is chairman of the Federal Reserve Board. It seems to me that there is sufficient responsibility there to employ one man's entire time. Again, he is made Director General of the railroads of the country; and, again, he is to be made chairman of this great corporation which is to loan not only to the railroads but to all the industries of this country money that under existing law the Federal reserve banks now can not loan, not having authority of law. I presume I will vote for all those bills, but I fear the responsibility placed upon the Secretary of the Treasury by being at the head of those four great institutions to handle the governmental affairs of this country will result in one of two things—either an overworked Secretary of the Treasury or omission of duty.

And I will say, gentlemen, there must be some end to all this expenditure of money by this great Government. And we should hesitate when we are revolving in our minds the question of taking over the railroads of this country to be Government owned and Government operated. No such responsibility has ever been placed upon any people on the face of the earth; and in every instance—and I defy successful contradiction—where State or Government owned or controlled railroads have been tried it has proven a failure and will prove a failure here, if tried, by the Government of the United States.

I thank you, gentlemen. [Applause.]

Mr. SIMS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and Mr. JOHNSON of Kentucky having assumed the chair as Speaker pro tempore, Mr. RAINEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for just compensation of their owners, and for other purposes, and had come to no resolution thereon.

RELIEF OF MAIL CONTRACTOR.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill S. 3689.

The SPEAKER pro tempore The gentleman from Missouri asks unanimous consent for the present consideration of the bill S. 3689. Is there objection?

Mr. SIMS. Mr. Speaker, I move that the House do now adjourn.

Mr. RAINEY. Will the gentleman withhold that?

Mr. SIMS. Yes.

LEAVE TO ADDRESS THE HOUSE.

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that on Monday next, immediately after the reading of the Journal and disposition of matters on the Speaker's table, I be permitted to address the House for 30 minutes on the subject of the fuel-conservation order.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that on next Monday, immediately after the reading of the Journal and disposition of business on the Speaker's table, he be permitted to address the House for 30 minutes. Is there objection?

Mr. ESCH. This may not be concluded by Saturday night.

Mr. RAINEY. In that event, at the conclusion of the bill.

Mr. ESCH. I have no objection to that.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

CHOCTAW INDIANS OF MISSISSIPPI.

Mr. VENABLE. Mr. Speaker, I ask unanimous consent that the bill H. R. 9961, which was referred through an error to the Committee on Appropriations be rereferred to the Committee on Indian Affairs.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent that the bill H. R. 9961 be rereferred to the Committee on Indian Affairs. The clerk at the Speaker's table says that reference was made by mistake. Is there objection?

There was no objection.

Mr. SIMS. Mr. Speaker, I feel that I will have to move to adjourn.

RELIEF OF MAIL CONTRACTOR.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 3689.

Mr. SLAYDEN. How much time is it going to take?

Mr. BORLAND. It ought not to take any time at all.

Mr. SLAYDEN. What is it?

Mr. BORLAND. It is a Senate bill, by which the Postmaster General wants to adjust a mail contract. It has passed the Senate and has been before the House commitee and was favoraby reported back, and the chairman of the committee, the gentleman from Tennessee [Mr. MOON] has tried to get it up several times.

Mr. FORDNEY. I trust the gentleman will not offer that, as I will be obliged to object.

Mr. BORLAND. Very well. I will withdraw it.

ADJOURNMENT.

Mr. SIMS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 20, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting a report showing the number of documents received and distributed by the Treasury Department during the calendar year ended December 31, 1917 (H. Doc. No. 952), was taken from the Speaker's table, referred to the Committee on Expenditures in the Treasury Department, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. DENT, from the Committee on Military Affairs, to which was referred the bill (H. R. 9898) to establish in the Coast Artillery Corps of the Regular Army an Army mine-planter service, reported the same without amendment, accompanied by a report (No. 322), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ANTHONY, from the Committee on Military Affairs, to which was referred the bill (H. R. 9902) to amend section 8 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, reported the same without amendment, accompanied by a report (No. 323), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. QUIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 9903) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes, reported the same without amendment, accompanied by a report (No. 324), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. CALDWELL, from the Committee on Military Affairs, to which was referred the bill (H R. 1873) for the relief of Thomas Campbell, reported the same with amendment, accompanied by a report (No. 320), which said bill and report were referred to the Private Calendar.

Mr. SHERWOOD, from the Committee on Invalid Pensions, to which was referred the bill (H. R. 10027) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported the same without amendment, accompanied by a report (No. 321), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9953) granting a pension to John C. Thompson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8019) granting a pension to Christ Clausen; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H. R. 10021) granting the consent of Congress to the county commissioners of Trumbull County, Ohio, to construct, operate, and maintain a bridge and approaches thereto across the Mahoning River in the State of Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. CLARK of Florida: A bill (H. R. 10022) authorizing the Secretary of the Treasury to purchase the site and building now under construction thereon, known as the Arlington Hotel property; to the Committee on Public Buildings and Grounds.

By Mr. DAVIDSON: A bill (H. R. 10023) providing for the sale and disposal of public lands within the area heretofore surveyed as Tenderfoot Lake, State of Wisconsin; to the Committee on the Public Lands.

By Mr. DENTON: A bill (H. R. 10024) to authorize the coinage of 2-cent pieces, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. VOLSTEAD: A bill (H. R. 10025) to declare certain alien children naturalized citizens of the United States; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10026) to amend section 858 of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. SHERWOOD: A bill (H. R. 10027) granting pensions and increase of pensions to certain soldiers and sailors of the

Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee of the Whole House.

By Mr. CHARLES B. SMITH: A bill (H. R. 10028) providing for the registration of designs; to the Committee on Patents.

By Mr. MILLER of Washington: A bill (H. R. 10029) authorizing the Indian tribes and individual Indians, or any of them, residing in the State of Washington and west of the summit of the Cascade Mountains, to submit to the Court of Claims certain claims growing out of treaties and otherwise; to the Committee on Indian Affairs.

By Mr. SLAYDEN: Joint resolution (H. J. Res. 248) authorizing the readmission to the United States of certain aliens who have been conscripted or have volunteered for service with the military forces of the United States or allied forces; to the Committee on Immigration and Naturalization.

By Mr. SHALLENBERGER: Joint resolution (H. J. Res. 249) for the appointment of three members of the Board of Managers of the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. HICKS: Resolution (H. Res. 253) for the procurement of a service flag to designate the Members of the House enlisted in the armed forces of the United States; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 10030) granting an increase of pension to Samuel J. Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10031) granting an increase of pension to E. L. Gilley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10032) granting an increase of pension to Ephraim Whitson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10033) granting a pension to Sophena S. Bohley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10034) granting a pension to Miner Howard; to the Committee on Pensions.

Also, a bill (H. R. 10035) granting a pension to Allen Wright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10036) for the relief of the heirs, assigns, and legal representatives of William Watson; to the Committee on Claims.

By Mr. COPLEY: A bill (H. R. 10037) granting an increase of pension to Anthony O'Grady; to the Committee on Invalid Pensions.

By Mr. DECKER: A bill (H. R. 10038) granting an increase of pension to Augustus McClaflin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10039) granting an increase of pension to James M. Wilson, 2d; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 10040) granting an increase of pension to David W. Berry; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 10041) granting a pension to Alice Hamilton; to the Committee on Invalid Pensions.

By Mr. HAMILTON of New York: A bill (H. R. 10042) granting an increase of pension to James Stapleton; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 10043) granting a pension to John Gibbons; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 10044) for the relief of Alice Linn Edwards; to the Committee on Claims.

By Mr. KRAUS: A bill (H. R. 10045) granting a pension to Jonas Bolen, alias James Bolen; to the Committee on Pensions.

By Mr. McCLINTIC: A bill (H. R. 10046) granting an increase of pension to William Tomlinson; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 10047) granting an increase of pension to William Tomlinson; to the Committee on Invalid Pensions.

By Mr. NOLAN: A bill (H. R. 10048) granting a pension to John Haight; to the Committee on Invalid Pensions.

By Mr. REED: A bill (H. R. 10049) granting a pension to Earl W. Newlon; to the Committee on Pensions.

Also, a bill (H. R. 10050) granting a pension to Arzanna Nesbitt; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 10051) granting a pension to Harry L. Frizzell; to the Committee on Pensions.

Also, a bill (H. R. 10052) granting a pension to William O. Peck; to the Committee on Pensions.

By Mr. SNYDER: A bill (H. R. 10053) granting an increase of pension to William J. McCabe; to the Committee on Pensions.

By Mr. STEPHENS of Nebraska: A bill (H. R. 10054) granting an increase of pension to George W. Strayer; to the Committee on Pensions.

By Mr. STRONG: A bill (H. R. 10055) granting an increase of pension to Thomas J. Morris; to the Committee on Invalid Pensions.

By Mr. TEMPLE: A bill (H. R. 10056) granting an increase of pension to Henry F. Sager; to the Committee on Invalid Pensions.

By Mr. TEMPLETON: A bill (H. R. 10057) granting an increase of pension to Stephen H. Leonard; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 10058) granting an increase of pension to Nelson J. Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10059) granting a pension to Missouri Ruth Justice; to the Committee on Invalid Pensions.

By Mr. VOIGT: A bill (H. R. 10060) granting an increase of pension to Albert Wentink; to the Committee on Invalid Pensions.

By Mr. VOLSTEAD: A bill (H. R. 10061) granting an increase of pension to Bennett M. Tracy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10062) granting a pension to John F. Mossberg; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the United Mine Workers of America, indorsing Senate bill 2854; to the Committee on Immigration and Naturalization.

Also (by request), memorial of the various organizations of railroad employees, asking Congress not to fix a certain time when the railroads of the country shall be turned back to their owners; to the Committee on Interstate and Foreign Commerce.

Also (by request), resolution of the Farmers' Cooperative Grain Dealers' Association of Iowa, asking that the Interstate Commerce Commission be allowed to retain its powers in rate hearings and regulations, and asking that definite dividends be not assured the stockholders of the railroads; to the Committee on Interstate and Foreign Commerce.

Also (by request), memorial of the West Side Protestant Churches, Waterloo, Iowa, favoring an amendment to the Constitution prohibiting polygamy and polygamous cohabitation; to the Committee on the Judiciary.

Also (by request), petition of Mr. and Mrs. L. D. Fulkerson and 26 other citizens of Defiance, Mo., urging the repeal of the zone system for second-class postage; to the Committee on Ways and Means.

By Mr. BLAND: Evidence in the case of Mrs. Mary A. Bechtel, guardian of Sohpena S. Bohley, child of William Bohley; to the Committee on Invalid Pensions.

Also, evidence in the case of Allen Wright; to the Committee on Invalid Pensions.

Also, evidence in the case of E. L. Gilley; to the Committee on Invalid Pensions.

Also, evidence in the case of Ephraim Whitson; to the Committee on Invalid Pensions.

Also, evidence in the case of Samuel J. Vaughn; to the Committee on Invalid Pensions.

Also, evidence in the case of Miner Howard; to the Committee on Pensions.

By Mr. FULLER of Illinois: Petitions of the Thursday Club of Bowie, Tex.; the Fortnightly Club of Sharon, Mass.; the Community Association of Crawfordsville, Ind.; the Woman's Missionary Society of the United Presbyterian Church of Fort Morgan, Colo.; the Century Club of Wichita Falls, Tex.; the Romeo Monday Club, of Romeo, Mich.; the Minneapolis Branch, Woman's Foreign Missionary Society of the Methodist Episcopal Church; the Sorosis Club of St. Peter, Minn.; the Business Men's League of Hot Springs, Ark.; the Current Events Club (federated), of Madison, Ind.; the Corning Clionian Circle, of Corning, N. Y., the Woman's Club of Racine, Wis.; the Woman's Club of Beaver Dam, Wis.; the Penelopean Club, Cadillac, Mich.; and the Lakeside Club, of Manistee, Mich., protesting against the postal increase on periodicals, as contained in the war-revenue act, and demanding the repeal of such increased rates; to the Committee on Ways and Means.

By Mr. HILLIARD: Memorial of the Pueblo Trades and Labor Assembly, indorsing House bill 1654, granting an increase of pay to post-office clerks and letter carriers: to the Committee on the Post Office and Post Roads.

By Mr. JAMES: Resolutions of the Croatians and Slovenians of the copper country, Michigan, at a mass meeting held at Calumet, Mich., urging a Slovenian republic; to the Committee on Foreign Affairs.

By Mr. MILLER of Minnesota: Resolution of a meeting held at International Falls, Minn., expressing their adherence to the letter and spirit of the fuel order and suggesting that enemy aliens be required to cut wood on days when industries are idle; to the Committee on Agriculture.

Also, memorial of the Bohemian National Alliance, urging the formation of a Czecho-Slovak state; to the Committee on Foreign Affairs.

By Mr. MOORE of Pennsylvania: Resolution of the city commission of St. Augustine, Fla., urging Government improvement of the Florida Coast Line Canal; to the Committee on Rivers and Harbors.

By Mr. TEMPLE: Papers to accompany House bill 9891; to the Committee on Invalid Pensions.

By Mr. YOUNG of North Dakota: Petition of David A. Fairweather and 37 other rural mail carriers, of North Dakota, asking for increase in compensation; to the Committee on the Post Office and Post Roads.

SENATE.

WEDNESDAY, *February 20, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we lift our hearts to Thee for Divine inspiration. Fit us for the duties of this day. We would wait before Thee as those who look for the larger life and know that in the unfolding of Thy plans there is a Divine purpose in all the movements of this mighty Nation. Fit us for the issues and for the final result and for the glory of the purpose that Thou hast in us. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

ESTIMATES OF APPROPRIATION.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Acting Secretary of War submitting a supplemental estimate of appropriation of $2,500,000 required by the Quartermaster Corps for mileage to officers and contract surgeons, etc. (S. Doc. No. 176), which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a supplemental estimate of appropriation in the amount of $400 for an additional clerk of class 1 (S. Doc. No. 175), which was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. JONES of Washington. Mr. President, I have a resolution adopted by the City Council of Tacoma, Wash., relating to water-power matters. I shall not have the resolution read and printed in the RECORD, but it asks that in any water-power legislation that Congress may pass authority shall be given to the several States and legal subdivisions thereof to condemn the rights of any licensees, and also calls attention to the fact that under our law municipalities are permitted to and do regulate the rights of public-service corporations, and asks that they be not interfered with.

I also find that the City Council of Seattle have passed a similar resolution.

I move that the resolution be referred to the Committee on Commerce.

The motion was agreed to.

Mr. JONES of Washington presented a memorial of the Woman's Home Missionary Society of the Methodist Episcopal Church of Seattle, Wash., remonstrating against the enactment of legislation providing for the running of railroad tracks directly opposite the Lucy Webb Hayes National Training School and the Sibley Memorial Hospital in the city of Washington, D. C., which was referred to the Committee on the District of Columbia.

Mr. GRONNA presented a memorial of the North Dakota State Dairymen's Association, remonstrating against the enactment of legislation favoring oleomargarine and discriminating against butter and other dairy products, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of the Art Club of Minot, N. Dak., praying for the repeal of the advanced second-class postage rates, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the North Dakota Implement Dealers' Association, of Hope, N. Dak., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

Mr. ROBINSON presented a petition of sundry citizens of Yellville, Ark., praying for the repeal of the existing rates of postage on second-class mail matter, which was referred to the Committee on Post Offices and Post Roads.

Mr. GALLINGER presented a memorial of the Central Labor Union of Portsmouth, N. H., remonstrating against the adoption of the so-called Borland minimum eight-hour provision, which was ordered to lie on the table.

He also presented a petition of the Medical Society of Dover, N. H., praying that advanced rank be given officers in the Medical Corps of the Army, which was referred to the Committee on Military Affairs.

Mr. PHELAN presented a petition of Ebell Society, of Santa Ana Valley, Cal., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

WOMAN SUFFRAGE.

Mr. SHAFROTH. Mr. President, I desire to have the Secretary read at the desk a telegram from the governor of the State of Colorado.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

DENVER, COLO., *February 16, 1918.*

Hon. JOHN F. SHAFROTH,
Senate, Washington, D. C.:

Woman suffrage has been very beneficial to the State of Colorado and its citizenship. I think it a just and wise movement to extend the right of suffrage to the women of the Nation.

JULIUS C. GUNTER,
Governor of Colorado.

Mr. SHAFROTH. Mr. President, I want to say in confirmation of the declarations contained in that telegram that I have examined as to the views of every governor of the State of Colorado and find that every one of them has given testimony to the beneficial effect of woman suffrage in that State.

I wish to call attention to a few sentences that were uttered by one of the governors who with prophetic vision 48 years ago voiced what would be the result of this movement. I read from the Rocky Mountain Herald of January 19, 1870. It says:

Gov. Edward Moody McCook, of the "fighting McCooks," as they were known in the Civil War, recommended woman suffrage in his message to the Territorial legislature of Colorado, delivered before the joint session of the council (Territorial senate) and house January 4, 1870, in which he said:

"Before dismissing the subject of franchise I desire to call your attention to one question connected with it, which you may deem of sufficient importance to demand some consideration at your hands before the close of the session. Our higher civilization has recognized woman's equality with man in all other respects save one, suffrage. It has been said that no great reform was ever made without passing through three stages—ridicule, argument, and adoption. It rests with you to say whether Colorado will accept this reform in its first stage, as our sister Territory of Wyoming has done, or in the last; whether she shall be a leader in the movement or a follower, for the logic of a progressive civilization leads to the inevitable result of universal suffrage."

Mr. President, it seems to me that in the Nation at large these first two stages have taken place—first, of ridicule, and, second, of argument; the third, of adoption, is about to be consummated. Since England, Wales, Scotland, and Ireland have now equal suffrage of women, it appears to me that we can do nothing better for civilization and good government than to adopt it by an overwhelming majority in the Senate.

DISTRICT JUDGE FOR NORTH CAROLINA.

Mr. OVERMAN, from the Committee on the Judiciary, to which was referred the bill (S. 3217) providing for the appointment of an additional district judge for the western judicial district of the State of North Carolina reported it without amendment.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLIS:

A bill (S. 3924) granting an increase of pension to Freeman A. Forbes (with accompanying papers); to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 3925) granting a pension to Elizabeth A. Ashmead; to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 3926) granting an increase of pension to Georgé J. Trask (with accompanying papers); to the Committee on Pensions.

By Mr. STONE:

A bill (S. 3927) granting an increase of pension to Henry Wiese; to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 3928) to amend the act approved December 23, 1913, known as the Federal reserve act, as amended by the acts of August 4, 1914, August 15, 1914, March 3, 1915, September 7, 1916, and June 21, 1917; to the Committee on Banking and Currency.

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL.

Mr. GORE submitted an amendment providing that hereafter the Secretary of the Treasury may detail medical officers of the Public Health Service to the Department of Agriculture for cooperative assistance in the administration of the food and drugs act, and so forth, intended to be proposed by him to the Agricultural appropriation bill, which was ordered to lie on the table and be printed.

RAILROAD CONTROL.

The VICE PRESIDENT. The morning business is closed.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of the unfinished business, Senate bill 3752.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. STERLING. I send to the desk a proposed amendment to the pending bill and ask that it be printed and lie on the table.

The VICE PRESIDENT. It will be so ordered.

Mr. UNDERWOOD obtained the floor.

Mr. RANSDELL. I ask the Senator from South Carolina if he will not permit this bill to be set aside that we may act on the conference report upon Senate bill 3389.

Mr. SMITH of South Carolina. The Senator from Alabama has the floor.

The VICE PRESIDENT. Does the Senator from Alabama yield?

Mr. RANSDELL. I ask the Senator from Alabama to yield. This is a very important conference report.

Mr. UNDERWOOD. How long will it take?

Mr. RANSDELL. It ought to take but a very few minutes. I submitted the conference report yesterday, and it went over until to-day in order that it might be printed in the RECORD.

Mr. THOMAS. Mr. President, there is no question about the importance of the bill which the Senator from Louisiana has in charge. We should enact it as soon as possible, but I confess that I am not satisfied with one of the provisions of the conference agreement. I refer to advances of money to contractors and others who may become engaged in the erection of the structures contemplated by the bill. That part of the conference report empowers the Shipping Board to advance money upon such terms and security as it may deem proper to those who are to be engaged in this work for a term not exceeding 10 years.

I think that is a most dangerous provision and one which should be eliminated from bills under consideration and from conference reports as well, unless rigidly safeguarded. Advances which have been made under similar provisions of other laws, and particularly by the Shipping Board, as disclosed in the recent hearings of the Commerce Committee not yet completed, and advances made by the War Department to men who, having obtained contracts, secure these advances to build plants, having none when the contract was granted, have led and will lead to an unwise, extravagant—I fear scandalous—expenditure of public money. The Senator from Pennsylvania [Mr. PENROSE] mentioned an instance yesterday in committee, occurring in his State, where some one having obtained a contract for manufacturing war materials received an advance of millions, as he had no plant whatever, and it will take, of course, a very considerable time to erect the structure where the materials are to be constructed and furnished. Such conditions occurring with the best of intentions are frought with danger.

In view of these experiences, we ought to rigidly safeguard the interests of the Government with reference to these advances, and that does not seem to have been done heretofore. In fact the Government may be likened to a huge vessel freighted with a rich cargo surrounded by pirates seeking collusion at times with the crew which mans it for the purpose of loot. Contracts demanding large advances should not be let at all when avoidable, and advances should be secured as amply as they would be in private transactions.

Of course, I make no reflection—I hope I do not—upon the conference committee, who have done their work earnestly and actuated by the best considerations; but before I vote for this conference report I want this matter explained more fully than can be done under present circumstances. Therefore if the report comes up at present I shall be obliged to resist it.

Mr. RANSDELL. I would be very glad to explain the matter and would like to get the report before the Senate.

The VICE PRESIDENT. The Senator from Alabama has the floor.

Mr. UNDERWOOD. Mr. President, I would be glad to yield to my friend from Louisiana for this purpose under other circumstances, but I am not disposed to do so at this time, for this reason: One of the most important bills that confronts the Congress is now pending. A time limit has been set on general debate, and general debate extends only until 2 o'clock to-morrow. Not only myself but other Senators desire to discuss the question that is now before the Senate. If there was no limit on debate on the railroad bill I would be glad to yield, but the Senate having fixed a limit on debate, I do not think it fair to those who desire to have a full discussion on the pending bill that other controverted legislation should be interjected at this time. Therefore I can not yield the floor.

The VICE PRESIDENT. The Senator from Alabama will proceed.

Mr. UNDERWOOD. Mr. President, we have declared to the world that we fight our armies on the battle fields of France to make the world safe for democracy. That is a great shibboleth for our soldiers to carry to the fighting line. It is in accord with the historic and fundamental principles of our Government. This, the first great Republic of the world, was established to make democracy safe. It lives to make democracy safe. It must fight to make democracy safe, and no one will raise a contention on that score.

But, Mr. President, we may fight to make the world safe for democracy on the fields of Europe, and whilst we are doing so should we neglect democracy in the States of America? Should we fail to see that the great principles of our Government are not carried out that make the principles of democracy safe for our own people?

Since the begininng of this war the Congress can congratulate itself upon the fact that it has upheld the hands of the Executive of this Government loyally and sincerely in every effort that he has made to carry on the war. We can congratulate ourselves that there has been no partisan spirit shown in the Halls of Congress; that the Republican Party, as well as the Democratic Party, has responded to the call of the Nation and has upheld the flag in the hands of the President of the United States. I do not think that there has ever been a time in the history of nations when a great people have been more united in their support of a cause than our people have been in the last nine months.

Mr. President, there has been some criticism of the executive branch of the Government in carrying out the war powers which have been delegated to it by the Congress.

Of necessity some mistakes have been made. You can not carry on a great business enterprise without making mistakes; you can not carry on a great Government without making mistakes. Every fair-minded man must recognize that when this Government was injected into the greatest war of the ages, without preparation and without preparedness, of necessity serious mistakes must be made in the mobilization of our armies and in the initial preparation for war; but, in my judgment, those mistakes have been of minor moment when you consider the mobilization of the greatest army that America has ever raised, when you consider that we have taken the great industries of this country out of the usual channels of trade and converted them into a war machine and made them effective. I think it is idle to criticise the mistakes which have been made, except for the purpose of pointing the way to a better method of accomplishing the result. I do not criticise the man who points out a mistake. If it is a real mistake and an honest criticism such action is for the benefit of the Government and for the good of the country.

But, Mr. President, with all that Congress has to its credit in the loyal way it has upheld the hands of the President and supported the cause of war, I think the time has come when we should pause and consider whether we, holding the great legislative functions of this Government, have not ourselves made

some mistakes—not mistakes of the heart, but mistakes due to the generosity and the patriotism of Congress in its endeavor to respond at once to the needs of the Nation.

"Make the world safe for democracy." Shall we abandon the safety of democracy for our own people? What makes democracy safe for the people of the United States? What makes democracy safe for any government in the world? The fathers who established this Republic solved the problem for us more than a century ago. They realized that a democracy which legislated in the forum, a democracy which responded to the sentiment of the hour, was not a democracy which was safe for the government of a people. On the other hand, we know that democracy can not be safe in the hands of an autocratic government; that a democracy can not be safe when the power of government is placed in the hands of men, and not regulated by just laws. The fathers who led the Revolution against the autocratic Government of Great Britain realized on the one hand that the government of a dictator, the will of one man, could not be a safe government for the people. On the other hand, the French Revolution was an example that a democracy that drew its breath and its power from the mob in the street could not protect the liberty of the people.

The Congress can not nullify the plain provisions of the Constitution, but through neglect in safeguarding them in our legislation we can in a large measure make them inoperative. The Constitution contemplates that all officers of importance shall be appointed by the President and confirmed by the Senate, as a guard against incompetent and unworthy men exercising the power of government. When the Congress in its legislation allows men to be appointed to office by subordinate officials to exercise great power over the people of the country one of the safeguards of the Constitution has been in part abandoned. The Congress can confide great governmental powers to the Executive, without defining their scope or limiting their operation, leaving the subordinates of the Chief Magistrate to adopt rules and regulations for the government of the people that have the force and effect of law and are often oppressive and dangerous in their character. When the Congress has done its full duty to the people, it should fully define the scope of the law and the terms of its enforcement in the statute as it is enacted, so all men may read as they run and the greatest citizen in the land may not trench on the rights of the humblest and all men shall stand equal before the law.

More than a hundred years have rolled by since the French Revolution, and to-day in Europe we have the same example again set us. We see the power of an autocracy—the last great autocracy that this world shall know—the power of the German Emperor, driving the world into the horrors and terrors of a world war for greed of power, for aggrandizement of territory under the despotism of a single nation. Yet, on the other hand, we have seen the fall of a great autocracy in Russia; we have seen those people attempting to establish a government for the people; we have seen it fall into the hands of an uncontrolled mob; we have seen the power of that government exercised without law, without checks, and without balances; we have seen a legislative assembly chosen by the people dispersed at the point of the bayonet because that government had swung from the power of the autocrat to the despotism of the mob.

Our own Government possesses to-day the checks and balances in the Constitution of the United States that protect us from the despotism of the autocrat and the ruthless spirit of the mob, provided the Congress of the United States will uphold and maintain the sovereign powers created by the people of the United States and enshrined in the Constitution of our country; but when the Congress of the United States reaches a point where it is prepared to abandon constitutional limitations, surrender a government of law and establish a government of men, then there is danger ahead for the people of the United States.

After the adoption of the Constitution the wise men of that day felt that there were further checks and balances that should be written into that instrument for the protection of the people of the United States, and they adopted the first 10 amendments to the Constitution for that purpose. Article VI of the Constitution provides:

> This Constitution, and the laws of the United States that shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land—

A distinct declaration in favor of a government of law and not a government of men. Our people even in time of war are entitled to a government of law, and not a government of men.

I am not critical of what has been done in the past. If I were I would be critical of myself, because I have responded, as my colleagues on this floor have responded, to the request of the President and to the call of the Nation to give the Executive of this Government the power to conduct the war; but the war has been on for nine months. Speed was required in the beginning. The Congress did not then have the opportunity, with our fleets on the sea and the lives of our citizens in danger, carefully and deliberately to write the laws which should govern the country and regulate the procedure under the great powers given to the Executive. But that speed is no longer needed. Unlimited supply of money has already been given; a million and a half men have been enlisted in our Army; our Navy is effective and efficient; we can not possibly get to France within the next few months the soldiers that we have in the cantonments in America to-day. Speed in legislation is no longer required. The time has come when we have the opportunity to consider, and we should consider wisely, to deliberate, and we should deliberate well, before we put on the American people ill-considered legislation, legislation that is not drafted so that it will protect their fundamental rights even in time of war.

Mr. President, I intend to vote for this bill, unless it is amended by the Senate in some of its fundamental provisions that would prevent my doing so, and I am not apprehensive that the Senate before its final vote will agree to any such amendment. I feel that in the enactment of this legislation we should not content ourselves with merely giving general powers to the Executive and then allow the Executive to make the rules and regulations that will govern the people of the United States. If that had been the purpose of the people when they organized the Government, they would not have provided for a legislative assembly. We know that in order to have a strong Government we must delegate the executive power to a single head; that for the execution of the law one hand is more forceful and more effective than a dozen hands; but we know that the experience of ages has taught us that if we are to make laws under which our people must live, laws that shall be the foundation for the real government of our country, we must have reflected in a legislative assembly the wisdom of the people as voiced by their selected representatives. Safe government for democracy can not be accomplished in any other way. Abandon a government of law, and you come to the autocracy of Germany on the one hand or the mob of Russia on the other.

We may adopt the pending bill, with its lack of limitations and its crudeness of draft, as a war measure; but when we step one foot beyond the period of this war, when we have carried the whole transportation system of the United States out of its usual channels, out of the checks and balances of established government, and turned it over to a one-man power, and it projects itself beyond the period of this war, we are establishing the machinery of oppression; we are building up an organization for the destruction of business; we are endangering the fundamental rights of the American people; and I therefore say that unless the bill is limited to the period of the war and a reasonable time thereafter, it can not receive my support.

I know that behind the bill stalks the shadow of two contending forces—on the one hand, men who honestly believe that the great transportation problems of this country can never be properly solved in the interest of the people unless you have direct Government ownership; and, on the other hand, men who honestly believe that there is great danger in Government ownership, and believe that the problems of transportation can be better solved by Government control and private ownership. I say to the contending factions on both sides of that question that this is not the hour or the time for those problems to be solved; that this is not the forum where we can deliberately and efficiently dispose of those questions for the benefit of the people of the United States.

Every Senator here knows how difficult it is to legislate under existing conditions. Every patriot—and I do not question the patriotism of a man who occupies a seat in this Chamber—every patriot, in times like these, desires his record to stand without a blemish before his country. He is naturally and justifiably desirous of avoiding criticism that may reflect on his loyal support of the Government, he desires to be loyal to the flag, and to do his full duty to the soldier boys who fight to-day on the fields of France. In the hours of excitement, the hours of national danger, it is but natural that men's motives may be reflected on by those who differ with them, that men's attitudes may be misunderstood when they occupy a position which combats the executive head or the views of the majority that happens to report legislation to this body. It is difficult for men to rise above those conditions, to have that freedom of thought, that freedom of action, which they can and will have when this war has been successfully fought out for the cause of democracy. Therefore I say this is no hour for our Government to involve itself in fundamental legislation; it is not the hour when we should

jockey for position; it is not the hour when we should use pending legislation for the purpose of establishing a position that we may wish to occupy when the war is over.

Therefore, when I say that I feel that there should be a limitation on the legislation defined in the bill, it is not because I side with those who favor Government ownership of railroads, or because I have become a partisan of those who favor Government control of railroads; but it is merely because I believe that the crudeness of the legislation, its lack of checks and balances to protect the people of the United States, should carry with its adoption a guaranty that the legislation shall be returned to the Congress of the United States without limitation and without checks and without embarrassments as soon as it is practicable to do so after this war is over.

The bill provides a limitation of 18 months, and I am willing to accept the bill under those circumstances. I am frank to say that in the committee I favored a shorter time; but the committee reached an agreement, a compromise on the question, and agreed to report a bill limiting the operation of this law to 18 months after the close of the war. I accepted the compromise, and am prepared to stand by it.

Mr. President, I do not think we can thoroughly and understandingly discuss the pending legislation unless we consider the surrounding facts and circumstances that brought the bill before the Congress of the United States.

In August, 1916, a foreign military force had crossed the border of the United States and invaded one of our cities, and had murdered some of our citizens. The Government of the United States was mobilizing an Army on the Mexican border. It was necessary for the protection of our people. At the same time the great railroad organizations of this country were contending with the owners of the railroads for increased wages. It appeared that a dangerous, universal railroad strike might occur in the United States at any time.

A railroad strike at that time would have prevented the mobilization of our troops on the border, because without transportation we could not have moved the National Guard from the several States to the Rio Grande. At that time a bill was pending before the Interstate Commerce Committee providing for the Government's taking charge of the railroads should that contingency arise; but the committee had not reported the bill. It was still under consideration when an amendment was offered to a supply bill, an appropriation bill of some kind, to take care of the situation; and that amendment was adopted and enacted into law. It read in this way:

> The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same to t' exclusion, as far as may be necessary, of all other traffic for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful and desirable.

That piece of legislation shows conclusively the unwisdom of the Congress legislating about grave matters without due consideration. No man in either Chamber of the Congress at the time the legislation was passed thought for one moment that it was giving power to the Government of the United States to take over the entire railroad systems of this country. It was passed for a purpose, and a single purpose, and that purpose was to enable the Government to mobilize its troops on the Mexican border.

Conditions changed. Instead of a war with Mexico, within one year we found ourselves involved in the greatest war of history. Instead of requiring railroad transportation for the movement of troops, we found that the railroad systems of this country had broken down in the movement of war material to the ports on our eastern seaboard. It became necessary to take some action in reference to the situation; and under the Mexican border mobilization act, with the consent of the railroads, the President of the United States, by proclamation, took over the great railroad systems of the country. I say "with the consent of the railroads" because I sat in the Committee on Interstate Commerce for two weeks, heard the representatives of the railroads testify in reference to the bill, and up to this good hour I have not heard one of them raise a point of objection to the railroads being taken over by the Government of the United States.

More than that, I think it is clear that if the railroads of the United States had resisted the power of the Government, the courts would have maintained their existing status until the Congress legislated. Now, I am not contending that it was not necessary to take action. I agree that some action in this matter must have been taken. I am not criticising the President for authorizing the taking over of the railroads by the Government, but I think in passing the legislation we might as well look the question squarely in the face and recognize that the railroads of this country were taken over by their consent and with their acquiescence. It is apparent that they could not have been taken over if they had not agreed to it. The fifth amendment to the Constitution of the United States provides, in part, as follows:

> Nor shall private property be taken for public use, without just compensation.

The President of the United States did not propose to take over the roads without just compensation. In his proclamation he stated that they should have just compensation. He stated the terms on which he believed just compensation should be given, so that there was no intention on the part of the Executive to violate the Constitution. But the law itself was short. The law had not provided for just compensation. In the statute of August 29, 1916, no provision whatever is made for the payment of just compensation upon the taking over of the railroads.

I will not occupy the time of the Senate in citing law cases, but the courts of the land have held from the beginning that a statute which takes private property, but does not within the terms of that statute provide just compensation for property taken, is in violation of the fifth amendment to the Constitution of the United States and must fall.

During the course of the testimony before the committee which had the bill in charge I asked one of the leading lawyers who represented the railroads before the committee as to whether he considered the provisions of the act of August 29, 1916, as constitutional, and he said he did not. I think it is demonstrated beyond cavil that if there had been a resistance on the part of the railroads in taking them under Government control they could not have been taken over until there was legislation by the Congress of the United States. I say this not for the purpose of this debate but——

Mr. POINDEXTER. Mr. President——

Mr. UNDERWOOD. I yield.

Mr. POINDEXTER. Would not the constitutional requirement have been satisfied, notwithstanding the silence of the statute on the subject, by the right of the railroad companies to go into the courts and recover just compensation? The courts were open to them and the decision of what is just compensation is at any rate a judicial question.

Mr. UNDERWOOD. Well, I recognize what the Senator says——

Mr. POINDEXTER. I should like to add this further remark in this connection, to which I think the Senator will agree, as no doubt he is familiar with the decisions of the Supreme Court of the United States. It is not a violation of the Constitution to take property without compensation. All that is necessary is that there shall be a reasonable means of obtaining compensation, in other words, due process of law.

Mr. UNDERWOOD. Surely. The Senator has stated the case exactly—that there shall be a reasonable means of obtaining just compensation.

Now, I had that matter in mind when the bill was before the committee. There is a general law on the statute books of this country which authorizes a citizen of the country, under certain circumstances when his property is taken, to go into the courts and sue for just compensation. But I called that statute itself to the attention of the distinguished lawyer who was representing the railroad companies before the committee, and asked him whether that statute would validate the act of August 29, 1916, and he said he did not think it would, that it did not provide the means of just compensation under these circumstances; that the taking over of the railroads temporarily, not permanently, the establishment of a partial system of compensation could not be taken care of by the general statute. More than that, the railroad obligations had to be met, the payment of the men, the payment for their supplies. If a railroad company was forced simply to quit its business, leave its debts unpaid, and go to the Court of Claims to file a suit to recover judgment some year or two years or a decade thereafter, such a statute could not and would not in reasonableness meet this situation, and no court would hold that it would.

Therefore, I agreed with the distinguished lawyer who represented the railroads in his statement that the laws of the land were not such that under the act of August 29, 1916, there was any provision for just compensation to pay for the property taken over by the President.

That being the case, the Congress is confronted with this condition. We have taken possession of the great transportation lines of America. It is not a question as to whether we are going to take them or what we are going to do; they are already in the possession of the Government. On the other hand, we are confronted by the fact that there is no law on the statute books to pay the owners of this property their just compensation for

the taking. So legislation by Congress must inevitably follow the meeting of these conditions. We can not avoid it.

But there is another fundamental question involved here, and that is how far our powers extend. The courts have repeatedly held, in decision after decision which I will not take up the time of the Senate to read, for I am sure no Senator here will controvert the fact, that the legislative body has no power to fix in its enactment what is just compensation for property taken. It is a matter of judicial ascertainment and not of legislative enactment. Therefore, we meet that limitation along our path in the enactment of this legislation, that we have not the power to prescribe what shall be the terms of payment for the taking over of these railroad properties. There was no man on the committee who raised a contention about that. I do not think there is any man in the Government or any man in the railroad organizations who controverts that suggestion.

Your committee in considering this legislation found itself confronted with the fact, on the one hand, that we had possession of the railroads; on the other that we must provide for just compensation for the taking of the railroads, but did not have the power to fix what that just compensation should be. So your committee has reported a bill here recognizing the taking over of the railroads as a lawful act by the President of the United States, and also providing that, if an agreement can not be reached otherwise, any of the owners of this property may go to the Court of Claims and sue in that court for the value of the property. So the bill meets the requirements of the Constitution in that particular.

But it must be apparent to all that if we had stopped there we would not have accomplished the full requirements that are needed for this legislation. It must be apparent to every man that if we had relegated the owners of the railroads to the Court of Claims and brought about endless litigation we would not have relieved the country in this situation; that the salaries of the men must be paid, and there must be provisions for paying them. The railroads must run, and they must continue to be going concerns. Their liabilities must be met and must be met promptly. Therefore, following a suggestion made by the President of the United States, between the two horns of the dilemma—the taking of the railroads, on one hand, and their right to go to the court for just compensation on the other—the committee in reporting this bill to Congress has attempted to write into it a vehicle by which an arrangement can be made between the Government and the owners of this property that will settle the case out of court.

Mr. President, if this were permanent legislation, if this settlement were to fix on the people of the United States a permanent charge for all time to come based on the value of this property, reached in a settlement of this kind, I would not support the bill. I think when the time comes, if it ever comes, for the permanent taking over of the railroads by the Government or for the permanent control of the railroads in the hands of private owners by the Government, in either case one problem must be solved before you can move a step toward the final disposition of the question, and that is to determine what is the value of these great railroad systems.

Mr. KING. Mr. President——

The VICE PRESIDENT. Will the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I will.

Mr. KING. Does not the Senator think that there is one problem more important than that which must be determined first, namely, the constitutional power of the Federal Government to take over a railroad system or a multitude of railroad systems and embark upon the business of running railroads in the country as a private proprietor would do?

Mr. UNDERWOOD. The Senator is probably correct. At least it is a grave problem that needs careful and full consideration when the time comes. But I was not discussing the question from that standpoint. I am not discussing the question from the standpoint of permanent legislation, except to say that if this is intended to be permanent legislation I am not willing to leave the question to a committee appointed by the President of the United States to determine what is the value of these railroads. I think if it is going to be a permanent ascertainment of their value, and under that ascertainment create a fixed charge for all time to come on the traffic of this country, then the people of the United States are entitled to have the ascertainment of that question determined in the courts of the land. There is no other place where it can properly be determined. We have a Government of law. We are a law-abiding people. We accept as the final arbiter of justice and right in this country but one great power—the courts of the land. We have divorced the courts of the land from political contentions. We have divorced the courts of the land from private greed. We have set the courts of the land here to ascertain the law and the justice for the people of the United States, and so grave and great a question as this can not be finally and properly determined in any other forum than that forum, which gives the contending parties on either side the right of appeal to the Supreme Court of the United States.

But as a temporary measure for the period of the war and for a short time thereafter I, as a representative of the people of Alabama and you, as representatives of the people of other States, in my judgment, can afford to commit this question to the President of the United States for its temporary ascertainment; and I believe for a temporary ascertainment it is better to commit the question to the President and his agents rather than to drive the railroads into the courts at this time for its final ascertainment.

There can not be any very serious injury that will happen to the people of the United States even if the railroads are given too great a compensation at this time for a year or two. It may be one of the burdens of the war that we must carry, one of those burdens that the people of the United States have indicated many times in the last few months they are willing to carry cheerfully, loyally, and patriotically; but it would be a very different question if by our enactment we proposed to tie this burden finally around the necks of the people of the United States for an indefinite time to come.

Complaint has been made here that the bill proposes to give the railroads too great a compensation as a rental value for the railroads. I think we should look at the question fairly and justly. In an emergency I might properly give you a very much higher rental for your automobile than under ordinary conditions I would be justified in paying you, and in an emergency and a disruption of your own business you might be justified in asking me a much higher rental for your automobile than under ordinary circumstances you would be justified in asking.

This taking, as the bill stands, is not a permanent taking. The compromise that we authorize the President to make is a temporary compromise. It is to pay the railroads not only for the use of the railroads to-day but the taking of the railroads out of the hands of their present owners and diverting their freight, diverting their business, from the usual channels of trade is a question that should be considered when we recognize that some day in the near future, if the bill stands as it is written, these railroads will go back into the hands of their owners with possibly their entire business system torn up by the roots.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. Yes.

Mr. KING. If the Senator will pardon me for a brief suggestion, I think his argument, perhaps, would be invulnerable if the amount paid was slightly excessive and it extended to all roads; but, as I understand this bill, from the tables which have been submitted by those who have discussed it in support of and against it, a number of the roads will receive very large returns, whereas others, notwithstanding the destruction of their business, to which the Senator has referred, by reason of the Government taking them over, will receive small returns because their returns in the past have been small. The plan of this bill does not propose to equalize the amounts which shall be paid to the various railroad companies; some will have very large earnings—too large, in my opinion; larger than are warranted—while others may have returns too small. That fact will provoke unrest, criticism, and resentment among the railroads, and certainly will provoke criticism and resentment upon the part of those who are compelled to pay to those railroads to whom payments will be paid by the Government returns not warranted and greatly in excess of a fair earning upon the capitalization of the roads.

Mr. UNDERWOOD. Mr. President, if the bill justified the premise the Senator from Utah [Mr. KING] has laid down, I think his argument would be correct; but, so far as I understand the bill, it does not justify the contention that the Senator makes. As I stated in the beginning, this bill provides for the taking over of the railroads on the one hand and their right to enter the Court of Claims and to sue for just compensation on the other; but in between those two points an effort has been made to allow the President to compromise and reach an agreement with the railroads as to what is fair and just compensation for a rental value for their temporary use and taking over.

Of course I have listened to the arguments which have been made here by able Senators. I gather from the arguments which have been made that they do not view this bill from the standpoint that I do or they do not consider the limitations of the bill the same as I do or they would not make those arguments; but when you come down to the question of the President mak-

ing this agreement with the railroads—I will not weary the Senate by going into all the details—there are two distinct provisions: One relates to railroads that have been solvent and have been paying dividends, to what are called in this bill the "dividend-paying railroads"; the other relates to the railroads which in the last three years have paid no dividends and are more or less weak or insolvent or have been in bankruptcy.

As to the last provision, those Senators who have rested their argument on the contention that has just been stated by the Senator from Utah, have made no objection, so far as I have heard, to the provisions of the bill in reference to nondividend-paying railroads; they have not contended that the President is going to pay too much or too little or to discriminate against one railroad in favor of another; and yet that section in reference to the nondividend-paying railroads reads in this way:

If the President shall find that the condition of any nondividend-paying carrier was during all or a substantial portion of the period of three years ended June 30, 1917, because of nonoperation, receivership, or where recent expenditures for additions or improvements or equipment when not fully reflected in the net operating railway income of the said three years or a substantial portion thereof, or other undeveloped or abnormal conditions, so exceptional as to make the basis of earnings, hereinabove provided for, plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

As to that class of railroads there is no limitation at all. The bill gives the President the absolute unlimited right to make an agreement with these railroads to pay them any amount. He could, under the terms of this provision—of course he will not do so, and no one expects him to do so—agree to pay these nondividend-paying railroads all of the interest on their bonds and 10 per cent on their capital stock, notwithstanding they had not made a dollar in the last three years. The Senators who object to the first clause of this bill have no objection to the last clause, although it gives the President the unlimited right to make any agreement he desires to make.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I yield.

Mr. KING. I do not want by my silence to seem to acquiesce in the statement just made by the Senator from Alabama. I do not want to be included in the category of those Senators who would approve of the course which has just been suggested by the Senator and which possibly might be taken by the President of the United States.

Mr. UNDERWOOD. Neither I nor the Senator from Utah for a moment would think that the President of the United States would take such a course. I merely say that it is possible for him to do so.

Mr. KING. Personally I do not think that the Government of the United States when it takes over property in an emergency of this character that is nonproductive, that could not under any circumstances pay dividends, should be called upon to pay a dividend upon such property or pay for its use.

Mr. UNDERWOOD. Certainly it should not; and the President of the United States undoubtedly would not pay them a dividend, but he could do so; there is not any question but that he could do so if he so desired. This provision is put in here by the very men who are objecting to the first clause of the bill.

To what are they objecting in the first clause of the bill? They are objecting to a limitation that has been put into the bill against the President going above a certain amount in the payment of solvent railroads; that is their objection. They do not object to the President having unlimited power if it is a bankrupt road, but they do object to the fixing of a basis which the President shall not exceed in his making a contract with the dividend-paying railroads. Now, listen to this. The first clause of the bill provides:

That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier making operating returns to the Interstate Commerce Commission that during the period of such Federal control it shall receive as just compensation not exceeding an annual sum (herein called standard return), payable in reasonable installments—

"Not exceeding an annual sum." Then it provides what that annual sum shall be. The bill does not say that the President shall pay them that amount; there is no provision in the bill that will force the President to pay them that amount, but it is a limitation on the power of the President to go above that amount in making a settlement as to these dividend-paying roads. I do not think for a moment that the President is going to pay all that the railroads demand and all that they expect; but when you write in the law a limitation on the President's action you have got to make that law broad enough so that he can deal with each individual railroad system that comes before him for settlement.

I might illustrate the situation to the Senator from Utah in this way: There [indicating] is a door coming from the cloakroom. If the Senator undertook a contract to move the furniture out of that cloakroom into this Hall he would have to have that door large enough to bring out the larger pieces of furniture in the room, or he could not get them out; on the other hand, the door would be vastly too large to bring out all the chairs in the room, and it would not be necessary to have an opening as large as that to bring out the smaller pieces of furniture. It is the same in this case. The pyramiding of this limitation is not for the purpose of giving the more successful roads higher pay, but the pyramiding of the limitation is for the purpose of letting the weaker roads get in and make a compromise. If we did not fix a limitation on the President broad enough for him to make a compromise with the roads which, although dividend payers, have not been very successful, which have not made a large amount of dividends, which have not been able to keep up their betterments and repairs, then they would fall out, and he would drive them into the Court of Claims to settle the controversy. Therefore the breadth of this limitation is not to fix a standard to let the big road in, but the breadth of the limitation is to fix a standard by which the President will be able to deal with the weak roads. If the Senator objects to this provision on that account, the only possible basis on which he can object to it is that possibly the President, through his agents, will not act wisely in the matter. If he acts wisely, no man can object; if he acts unwisely, then a legitimate objection would rest.

It is not necessary in this bill, in order to make it constitutional, to give this authority to the President; it is a mere matter of wisdom. Is it wise to trust the President to make this temporary settlement—and I would not be willing to provide for it if it were to be permanent—with these railroads for the period of this war to avoid litigation, to keep them going concerns, and to take care of the present situation, or is it unwise to give him that power? If we are going to give him the power, we must not put such limitations on that power as will let him make compromises with certain big, strong roads and will prevent him making compromises with the weaker, smaller roads, and drive them into the Court of Claims to get their just compensation. That is all there is involved in this clause. If we are not willing to trust the wisdom of the President in the matter of a temporary agreement, then that clause ought to come out of the bill, and it could come out without endangering the constitutionality of the bill. For my part, I believe, as a temporary measure, it is wise to allow that discretion to rest with the President, believing, as I do, if the bill passes in this form, that this whole question must come back to the Congress in a very short time for our final disposition.

Mr. KING. Mr. President, will the Senator yield to me further?

The PRESIDING OFFICER (Mr. KENYON in the chair). Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I yield.

Mr. KING. The point to which I directed the Senator's attention awhile ago could easily be covered by an amendment to the bill reading somewhat like this: "That the President of the United States is authorized to make settlements with all railroads that shall be taken over under the provisions of this bill, paying to them an amount as a standard amount which is the average of their earnings for the three years ending June 30, 1917: *Provided*, That no road shall receive in excess of 5 per cent or 6 per cent upon the capitalization of the road." That would obviate the criticism I suggested a moment ago.

Mr. UNDERWOOD. I know that it is contended by very distinguished Senators that a railroad corporation because it is a public-utility corporation does not stand in the same attitude, so far as its property is concerned, as other property owners of the United States; but, knowing the distinguished career of the Senator from Utah on the bench in his own State, I am surprised to hear him adopt that argument. The Senator knows as well as I know that the Congress has no power to fix what "just compensation" is; that we can not prescribe a rule of what just compensation is, and then make the aggrieved party take it. This bill does not attempt to do that. But if the amendment the Senator suggests were put in, it would either make the bill unconstitutional or it would mean nothing on its face, because it is apparent that if it attempted to fix 5 per cent as just compensation it would not stand the test of the courts, and, on the other hand, if it is provided that a settlement should not be made for more than that amount, it is folly to

say, if a railroad corporation were making more and knew that it could establish a greater claim in the Court of Claims, that it would accept it from the President.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Utah?

Mr. UNDERWOOD. Certainly.

Mr. KING. In the suggestion which I made I did not intend to imply the idea that the railroad companies would be compelled to take the amount that I named. I merely intended to convey the idea that the President could be authorized to settle with the railroads that were taken over with certain limitations, but that, if they declined to accept the tendered settlement within those limitations, they would have their recourse to the courts, as by the bill provided.

Mr. UNDERWOOD. I am sure the Senator meant that, and I recognized that when he made his statement, although his first statement did not cover the ground which he has covered in these last statements. The Senator, however, can readily recognize where that leads to. You either want the President to compromise these cases or you do not. If you want him to compromise with one railroad, you want him to compromise with all. If you want to avoid litigation in the Court of Claims with one set of railroads, you want to avoid litigation in the Court of Claims with them all.

It is impossible for the Congress to understand all of the conditions and facts that surround each one of these railroads. It is impossible for us to ascertain what would be just compensation at this time. There are a thousand circumstances and a thousand conditions that surround the case.

Why, I can illustrate in this way: If you had a ship that the Government was going to take over, and was going to take it permanently, and take your capital, based on the value of the property, one of the material questions involved would be the cost of the ship. But if the Government was only going to take it over for the period of this war and no longer, and return it to you after the period of the war, and possibly you had paid for it or a part of it during the high prices of the war, and during the war the rental value of that ship was very high, very much higher than would be commensurate in times of peace, do you think for one moment that, if it were the temporary rental value the court would not take into consideration its present rental value in fixing the value of the temporary taking, whereas if it were the permanent taking for all time to come, the payment for the value of the property, the present rental value might be infinitesimal in the consideration of the court in fixing value.

There are but one or two ways in which we can fix limitations in this bill that will work out justice all along the line. There are just two things that you must do. Of course, in the last analysis, the court is the proper place to have this question decided; but for a temporary taking, and for questions of expediency, we think it wise to have it temporarily settled by the President.

If that is the case, there is but one thing that you can do in the matter, and that is to leave the question of the value for the temporary taking to the discretion of the President; for if you do not, you are going to exclude from the consideration of a compromise a large number of the railroads of this country, and drive them into the courts.

Mr. President, it has been stated a number of times in debate and in the papers that the cause for taking over the railroad systems by the Government was congested traffic conditions in the United States, which made their taking over necessary. If that were all involved, if that had been the only question that it was necessary for the Government to consider, I do not believe it would have been necessary to take over the railroads to clear up the congested condition of traffic that existed last December and to large extent exists to-day. In the first place, the congested traffic conditions only related to a portion of the roads in this country and a part of the territory of the country. It is true that where the congestion was worst was right at the neck of the bottle where the stream had to flow out. I am not prepared to say that the congested condition was due to mismanagement on the part of the railroads. I am not prepared to say that the war board selected by the President, representing the railroads, which operated them for eight months, could not have relieved the situation as far as congestion was concerned if they had received other necessary legislation to take care of the situation.

Take the country west of the Mississippi River: There was practically no congestion there, and the traffic was greatly increased. Was that due to war conditions? Yes; and due to other conditions. One condition was that the increased price for shipping and freight rates across the Atlantic had attracted all the ships from the Pacific coast and those in the intercoastal trade to the Atlantic Ocean for business. There was practically no water transportation left a year ago through the Panama Canal between the western coast of the country and the Atlantic seaboard. What was the result? A very large amount of business which has been going by water heretofore, either through the canal or around the Horn, was driven across the continent on the railroads.

Those western railroads took care of that situation. In the main, the southern railroads took care of the situation; but the difficulty that confronted the country was not altogether the fault of the railroads nor the fault of the Government. To a large extent it was the fault of the shipper and trade conditions which existed before the war. Most of the ships doing business with Europe insisted on coming to the ports of New York and Boston to get their cargoes. European freights had to go to the port where the ships went. They could not go to any other port. It would have been folly to send freight destined to Europe to the port of New Orleans or Mobile when the ship to carry it was not in Mobile or New Orleans but was in the port of New York. More than that, the foreign governments which are now our allies had been purchasing large supplies of material in this country for nearly three years before we became involved in the war, and for some reason they insisted that the port of shipment in the main should be the port of New York and had their shipments of iron and steel and other war munitions sent to that port, so that before last summer was over the congested condition around the port of New York was apparent. It did not take a prophet to tell what was coming. All a man had to do was to ride up the Pennsylvania Railroad and look at the terminals around Jersey City and New York and know what was going to happen, with thousands and thousands of freight cars standing on the sidetracks because there was no ship in which to unload their cargo.

This was not the fault of the railroads. It was not the fault of the Government, because up to that time the executive branch of the Government had not taken the authority to handle that situation. As a matter of fact, to some extent it was the fault of the laws of the land, because the law in times of peace, to protect the rights of the shipper, has provided that the shipper might designate the line of shipment for his freight; and even the transportation company did not have the right to divert that freight. Now, it is true that with Executive sanction the Railroad War Board did in the last month or six weeks of its operation really violate the law by directing those shipments along channels that were not directed by the shipper himself.

But, in my judgment, that was not the real cause or necessity for the taking over of the railroads. By proper legislation the question of congestion could have been relieved, and will be relieved. The real cause for the taking over of the railroads, in my judgment, was a question of finance.

The Commercial and Financial Chronicle list of October, 1917, shows the following maturities of railroad obligations:

1918 (this year)	$182,606,582
1919	188,213,052
1920	186,526,253
1921	440,905,528

Making a total of $998,251,415 of railroad securities that will mature in four years.

Mr. KELLOGG. Mr. President, I should like to ask the Senator from Alabama if that includes short-term notes and all obligations?

Mr. UNDERWOOD. I think it does. However, I will not attempt to answer that, because I am not sure about it.

Mr. KELLOGG. It may be that it does.

Mr. UNDERWOOD. I gave my authority, and at least that much is falling due. It may be more.

Mr. KELLOGG. I think possibly it does, because most of the notes are short-term notes. The only reason why I asked the question is that somebody before the committee estimated the obligations falling due in 1918 at $225,000,000; but that estimate may have been wide of the mark.

Mr. UNDERWOOD. There was a larger estimate before the committee. I have taken the more conservative one, and this has not been questioned by anyone. So that the railroads of the country and the country itself were facing the condition last December of at least $182,000,000 worth of railroad securities maturing this year and a billion dollars' worth of railroad securities maturing within the next four years.

Under normal circumstances there would have been no difficulty in the country in absorbing most of those securities, and the renewals would have been made. It is true that the railroads of the country, by reason of many circumstances, have found it more and more difficult each year to renew their obligations at low rates of interest and were, from year to year, compelled to pay higher and higher rates of interest on their maturing obli-

gations. Nevertheless, I am satisfied that if the war had not taken place, when these obligations matured they could have been renewed at some fair and reasonable rate of interest.

But with the conditions that now confront the country, the necessity on the part of the Government to issue bonds to carry on this war, the fact that we have already issued a large number of bonds; that we have raised the Government rate of interest to 4 per cent; and that it is expected that we will be compelled to issue at least $10,000,000,000 worth of bonds between now and the first day of next July, it is readily seen that it was a matter of impossibility for the railroads to renew these obligations. They would have been compelled to default on the principal, because they did not have the money with which to pay the principal, and they could not sell a 4 or 5 per cent railroad bond in competition with a 4 per cent Government bond.

Therefore one of two conditions of necessity must happen. Either the Government of the United States had to take over the railroads and finance these securities during the period of the war or the Congress of the United States had to declare a moratorium and provide that no suit should be brought on any of these bonds to foreclose them during the period of the war, and a reasonable time thereafter, if they wanted to continue the operations of the great railroad systems of this country and not throw them into the hands of receivers.

Now, you might make an argument on either side of that case, as to which was the wiser thing to do. You might make an argument on either side of this entire problem of taking over the railroads, as to which was the better course to follow; but something had to be done. I do not think there is a sane business man in the United States who does not recognize the fact that in December last it was necessary to do something. The President of the United States, in his wisdom as the Chief Executive of the Nation, decided on the course to follow. A captious critic may criticise him for the course he pursued. But that is a mere matter of contention. If he takes the other horn of the dilemma and pursues the other course the captious critic might have said what he ought to have done was to take over the railroads. So I do not think it is a question for us either to criticise or to contend about. The Chief of the Nation found himself confronted by a situation that required action. He took the action that he thought was wisest and best for the Nation, and I believe it is the part of Congress to recognize it in good faith and vitalize and take care of it for the emergency of the war. If we do so, and limit it as a war emergency, I do not think anyone can expect or will receive criticism from the American people.

Mr. President, I have spoken much longer than I expected. There is but one other question which I think is very vital to the bill that I wish to touch upon before taking my seat. I do not care about the details. They are important and should be well considered, but it is not the details of the proposition I am contending for—it is the proposition itself; and that is the question as to the making of rates for freight and passenger traffic during the term of the war or the life of the act. When the proponents of this measure brought the bill before Congress and the committee they proposed that the President—which, of course, meant his agent—should have the unlimited right to make and remake the freight rates of the United States. I believe that is a most unwise provision and would be a most unfortunate provision if it were enacted into law.

In the first place, under the terms of the bill the President has taken over the railroads primarily for governmental purposes, to move the troops, to move the munitions, to move war supplies, and secondarily to look after the great business interests of this country which must be protected and taken care of if we do not involve the country in a panic.

Now, so far as the governmental function is concerned the question of making rates is of no importance whatever. It is not a practical question at all, because it is unimportant as to what the rate is when the Government has rented all the railroads and is paying a rental value for them and is going to pay the rental value whether the railroads make the money or not, and all the profit that the railroads make above that rental value is going into the pockets of the Government. So far as Government freight is concerned, whatever the freight may be, you are paying it out of one pocket and putting it into the other. So the question of freight rates and passenger rates is merely a question that involves the private business of the United States.

I am not here to contend that the rates are too high or too low. Possibly there are some rates that are too high and possibly there are some that are too low. We all concede that under our present system of partial regulation of the railroads the transportation system of the country has broken down in the main, and that after the war is over and after these conditions have passed there must be a reorganization of the whole system of Government control, and that it shall be put on a basis that is more responsive to the needs of the business of the shipping public and more inviting to the capital of the country to secure the money for an extension of present railroad systems, but to-day there is no war power involved in this question of making rates. There are no war necessities involved in the question of making rates. It is solely and simply a question as to whether we are going to allow an agent of the executive branch of the Government to interfere with the existing system of rates established by law.

Some people say if we are going to take over the railroads it will cost us more money for the Government to run them than for the railroads to run them. That may be true and it may not be true; but, assuming that it is true, they then say that if it is going to cost more money to run the roads the traffic of the country ought to pay it and the people of the country ought not to be compelled to pay it out of the Treasury of the United States. That is a legitimate argument and one that I am not prepared to dissent from, but if that situation is properly presented to the constituted authorities which are now established by law that argument is just as good before the Interstate Commerce Commission as it is before the Senate of the United States. If it becomes necessary for a general increase of rates in this country, I do not think there is a Senator here who would contend for a moment that the members of the Interstate Commerce Commission are not men of patriotism and business judgment who would respond to the needs of the country and if necessary to properly conduct the business of the railroads under the Government would increase the traffic rates of the country sufficiently to meet the transporation requirements under Government control.

But the thing that alarms me is this: The whole business fabric of the Nation is built upon the transportation system of America. The freight rates in this country are the basis on which every business condition in the United States to-day rests. Interfere with that existing condition of business based on traffic rates and you might just as wisely interfere with the blood flowing through the human system and expect the heart to continue to functionate as to expect the great business interests and the small business interests of the country to go ahead and prosper, if you are going to allow somebody unwisely and inconsiderately to interfere with the rates on which the transportation of that business is based throughout the United States.

Now, I do not for a moment think that any agent of the President would intentionally or deliberately change rates in this country which would disturb business conditions and bring about a panic or bring about serious losses. No; such a thing is unthinkable. But we do not know who is going to be appointed by the President to determine the rate question. We do not know, in the many responsibilities and cares that rest on the President, whether he will be able to select men of wisdom and understanding or whether he will select men of sentiment and impulse. But we do know that we have a system erected in this country to-day which is established by law, maintained by law, and which the very business life of the Nation is accustomed to and is conducting its business under, and why disturb it? Why take any chances about it?

The bill does give absolute power to the President to conduct these railroads, if he thinks proper, so far as their control and management is concerned. The only limitation that is put in the bill is the question of freight. That only concerns the private shipper, and even there concessions have been made. To-day the railroad may initiate a rate. The rate can not go into effect under protest until the Interstate Commerce Commission passes on it and agrees to it.

Under the terms of this bill the President is placed in the shoes of the railroad company. He is allowed, as they are allowed under the law to-day, to initiate rates. The Interstate Commerce Commission under the terms of the bill have a right to review the rates made by the President and set them aside if they do not think they are reasonable and just. The difference is, though, that the President can under the bill initiate a rate and that rate will stand until the Interstate Commerce Commission sets it aside. Under existing law the railroads can initiate a rate, but it can not go into effect until the Interstate Commerce Commission have given their permission.

Now, we have gone much further in granting the power to the President to initiate rates than really is necessary, but there is no reason on earth for taking away the right of the Interstate Commerce Commission to review a rate made by the President's agent. It is the only course for us to pursue to protect the rights of the ordinary shipper in this country. Take this right and this protection away, take away from the

bill the protecting right of the Interstate Commerce Commission to take care of the individual shipper, and some unwise, ill-considered order may wipe out the business of a whole community between daylight and dark.

Mr. LEWIS. Mr. President, may I ask the Senator from Alabama, who is a very industrious member of this committee—being a member myself I know what he has contributed to it—does the Senator understand that the bill does not give to the railroads an appeal to the Interstate Commerce Commission; does not give them a tribunal of complaint, if they have one?

Mr. UNDERWOOD. The railroads really are not involved in the question. It does not concern the railroads, after we have taken them over, as to what the rate is, as far as they are concerned, because we are proposing here to give them a fixed rental. If the earning of the railroad is less than the rental, the Government will have to pay it out of the Treasury. If it is more than the rental, it will go into the Treasury. So the railroad itself is not concerned in any way about this proposition of the Interstate Commerce Commission fixing the rate; I mean directly concerned. It may be concerned in the future.

Mr. LEWIS. Then I have possibly misunderstood the Senator. I thought the Senator's argument was addressed to the fact that he thought injustice would arise by a right granted by the President that might be an injustice to the property of railroads.

Mr. UNDERWOOD. Oh, no; the Senator did not understand me or did not hear me.

Mr. LEWIS. Then I misunderstood the Senator.

Mr. UNDERWOOD. I said injustice could be done to the people of America; that in times of great events and great powers and great armies and great navies and great railroads we are very apt to drift along and forget that the people of America exist. But they do; they are here; and what I am contending for is that they have some rights left in this Nation and some rights that should be protected and guarded, notwithstanding the necessities and exigencies of war legislation.

Mr. LEWIS. Might I ask the Senator this further question? As I now gather, I misunderstood the Senator; that is clear. The Senator means, if I now understand him correctly, that those who pay the rates, the people, either directly or indirectly, could, in his opinion, be harassed and possibly burdened by what he would esteem an excessive rate, for instance. Then I ask the Senator, assuming such a condition did transpire, does he not realize that under the bill there is opportunity for any complainant to be heard before the rate would go into effect, if he desired to suspend it on the ground that it was oppressive and would likely work injury to his locality? Does not the bill provide an opportunity for hearings?

Mr. UNDERWOOD. Certainly; that is what I am contending for. The Senator, unfortunately, did not hear the first part of my argument.

Mr. LEWIS. Possibly; but I listened. I may say to the Senator I receive so many forms of protest and contradictory viewpoints from my constituents on this phase that I paused to hear him on this, because it is one on which my own locality is very much confused.

Mr. UNDERWOOD. There is a provision now in the bill that allows an appeal from the order of the Executive to the Interstate Commerce Commission, and as long as the bill stands that way it is satisfactory to me; but as some gentlemen had contended that those provisions should be removed from the bill, I was addressing my argument to the contention that the bill should be allowed to remain at least as it is written, and that the public have a right to protection in that regard.

I am not contending that the public are going to be so badly hurt by reason of the raising of the rates and the great burden of cost put on them. That is not what my chief fear is; but I know, and the Senator knows, that a slight change in the railroad rates will eliminate the market from one community and give a market to another community. It was stated before the Interstate Commerce Committee in its consideration of this bill that the change of half a cent a bushel in the freight rates of the country would divert the wheat of the West from the markets of St. Paul and Minneapolis and send it to St. Louis. That probably will not happen. There is a community built up with great elevators and great business enterprises based on wheat following the present channels of trade. If an unwise order were made increasing freight rates on wheat to the extent of half a cent a bushel along certain lines of western railroads and the channel of that trade was diverted from St. Paul and Minneapolis to St. Louis, would it not destroy business communities, and destroy them possibly without an opportunity to be heard or an opportunity of present consideration, and it might drive thousands of men into bankruptcy before the error was found out and the condition readjusted?

So I contend, Mr. President, that there are two vital things in this legislation, if we are going to enact it, two provisions in the bill, which must remain within the terms of the bill, if we are going to protect the interests of the people of the United States and protect them properly. One is that there must be a reasonable limitation on the life of the bill after the war is over, that it must be distinctively and fairly made a war measure, so that the Congress of the United States, the representatives of the people of the United States, may have a fair and unbiased opportunity in the future to face this question without limitation, entanglement, or embarrassment; and the other thing for which I contend is that the bill should not be passed unless within the folds of the bill remains the provision to allow the Interstate Commerce Commission to continue to functionate and review any rate that is put upon the people of this country from any source.

Mr. BANKHEAD. Mr. President, before my colleague concludes I should like to ask his opinion about the provision of the bill which declares that it shall cease and be inoperative one and a half years after the conclusion of the war. I believe that is the language.

Mr. UNDERWOOD. Yes.

Mr. BANKHEAD. What I should like to know is the opinion of the committee, which have been so carefully considering this question, on that point? What must happen before the war does close? In other words, I apprehend that, first, there must be a cessation of hostilities, of actual fighting, and then perhaps long-drawn-out negotiations with regard to the terms of peace, and, finally, we will reach a conclusion that the war has finally ended. Are we reasonable to expect that the operation of the bill shall cease when hostilities cease, or will it come when a final conclusion for peace has been reached and a proclamation to that effect has been made?

Mr. UNDERWOOD. Under the terms of the bill as it is now written it is provided that it shall cease to exist, that the railroads must be turned back to their owners, 18 months after the final treaty of peace is signed by the President. So, as my colleague suggests, it may run very much more than 18 months after the ceasing of hostilities. But I am free to say on this subject I do not think I disclose any committee secret in making the plain statement of the issue in reference to this matter, because it has been published in the newspapers already. The committee was very seriously divided on this question. Some of the members of the committee wanted an indefinite period; that is, they wanted a provision in the bill which merely provided that the terms of the bill should continue until Congress legislated, which left it entirely indefinite. There were other members of the committee, like myself, who wanted the railroads turned back to the owners as soon after the termination of the war as it was possible to do so. We carefully polled the committee. We not only took a vote, but we carefully polled the sentiment of every member of the committee, and there was one majority in the committee in favor of a definite termination of the control. There was only one majority. We were having great difficulty in perfecting the legislation for that reason. Finally, as a matter of compromise, we agreed that the act should terminate at the end of 18 months. Fourteen of the 19 members of the committee agreed to that as a matter of compromise. I am free to say, as far as my own views were concerned, I thought 90 days was time enough, but I accepted the compromise and propose to stand by it as a matter of compromise on the floor of the Senate when it comes to a vote.

Mr. BANKHEAD. Then, I understand my colleague to say that the provision of the bill is that one and a half years after the signing of the final treaty of peace this act shall cease.

Mr. UNDERWOOD. That is it.

Mr. BANKHEAD. That is the point I wanted made clear. It may be three years after actual hostilities cease.

Mr. UNDERWOOD. I think the Senator is entirely correct about that. It certainly will be longer than 18 months after the last gun is fired.

Mr. BANKHEAD. That is the point I wanted to have made clear.

Mr. SHERMAN obtained the floor.

Mr. WATSON. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER (Mr. KENYON in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Kellogg	Myers
Bankhead	Gronna	Kendrick	New
Calder	Hale	Kenyon	Norris
Cummins	Henderson	King	Nugent
Curtis	Hitchcock	Kirby	Overman
Dillingham	Hollis	Knox	Page
Fletcher	Johnson, Cal.	Lewis	Pittman
France	Johnson, S. Dak.	McCumber	Reed
Gallinger	Jones, Wash.	McKellar	Saulsbury

Sheppard	Smoot	Trammell	Watson
Sherman	Sterling	Underwood	Wolcott
Shields	Sutherland	Vardaman	
Smith, Ga.	Swanson	Wadsworth	
Smith, S. C.	Tillman	Warren	

Mr. GRONNA. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family. I wish this announcement to stand for the day.

Mr. NEW. I have been requested to announce the absence of the senior Senator from Oregon [Mr. CHAMBERLAIN] and also the junior Senator from Oregon [Mr. MCNARY] because of the serious illness of the senior Senator from Oregon.

Mr. HOLLIS. I was requested to announce that the senior Senator from Colorado [Mr. THOMAS] is absent from the Chamber on official business.

Mr. MYERS. On account of the state of his health, my colleague [Mr. WALSH] is still detained from attendance upon the sessions of the Senate.

Mr. LEWIS. I announce the absence of the senior Senator from Kentucky [Mr. JAMES] and that of the Senator from Oregon [Mr. CHAMBERLAIN] because of personal illness.

I also desire to announce that the Senator from Kansas [Mr. THOMPSON] is detained from the Senate on important public business.

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present. The Senator from Illinois will proceed.

Mr. SHERMAN. Mr. President, it is admitted that there is an emergency requiring some legislation of this kind. The act has already been performed taking over the carriers. This bill when passed will be supplemental to that of some time ago, giving additional powers to the Executive, not only in the management of the property but in the preservation of the securities that represent the property and maintaining the earning power of the property itself.

I do not care to discuss the question whether or not the President wisely exercised the power of taking over the property. It is done; it has been commented on here in a way that satisfies me that I can not add anything to what has already been said on that subject.

On the 31st day of January, 1862, an act passed Congress authorizing the President to take over by military occupation the railways of the country. In pursuance of that act the President did take a considerable mileage, not in all parts of the United States, but in such parts as were necessary to use the carriers for the transportation of troops and military supplies. That occupation continued until the 8th day of August, 1865. The President at that time by an Executive order restored the property so taken to the respective owners.

While the act of January 31, 1862, was in course of its passage, a debate in the Senate occurred, in which the following language was used by Senator John P. Hale, of New Hampshire. I refer to this because it expresses more concisely my frame of mind on debating further the wisdom or folly of taking these roads in the circumstances attending that taking. At that time the law of January 31, 1862, was pending in the bill to which the Senator refers. Senator Hale used the following language:

> I am opposed to both the amendments, and I rise here merely to say that it appears to me gentlemen do not exactly appreciate the condition of the country if, when a measure of this sort is introduced, it is undertaken to be subjected to all the criticism which might justly be brought to bear on an act that was calculated to be permanent in its character and to form a rule of conduct for all time to come. We are in a great and trying emergency, and this is a war measure for the immediate necessities of the country.

This was said on the 28th day of January, 1862, shortly preceding the passage of the bill in the Senate. It accurately describes the condition of the country at this time. The country has expanded; there is much more territory, many more States, many more people, many more miles of railway, but it has not changed the essential, underlying principle. As the emergency then was, so is it now.

In the other House, after the bill reached that branch of Congress, I note that Mr. Vallandigham was very solicitous as to the waste of time, and said:

> Why waste time, then, on tax bills? And yet a bill of this character, unheard of before in the legislation of the country, is to be brought up here by unanimous consent on a misunderstanding, and is to be put upon its passage without debate!

After alleging the unconstitutionality of the measure and the extreme character of the interference with private property, he continued:

> I will not call for a count upon the other side, but content myself with protesting against this bill.

This description of conditions in 1862 applying at the present time, it seems to me that I am justified in supporting the measures contained in this bill, whether I am entirely in accord with all of them or not. With some of them, I say quite candidly, I am not. I do not like vesting a portion of the rate-making power in the Executive, thereby impairing or invading by that much the power of the Interstate Commerce Commission. That commission's power has been builded by legislation supplemental to that of 1887 until there has finally been developed a settled schedule of rates; until there is an established series of decisions; until now the procedure before that body is of a character that can be understood and more readily applied. Uncertainty has given place to certainty in the application of the principles of rate making. So I have myself come to the conclusion that it is unwise to disturb this power.

But, regardless of what my views may be, this is a temporary measure. It is not calculated to take the place of the Interstate Commerce Commission upon the conclusion of a treaty of peace. Then normal conditions will resume and we can again discuss measures of this kind, and such additional legislation can be had as will conform to the changed condition of the country upon the resumption of those normal conditions.

The lapse of time after the treaty of peace shall have been concluded of 18 months before the property shall be restored to its owners is another measure that I do not entirely bring myself to support; but, regardless of these and other sections of the bill, that if I were writing the bill for my private satisfaction I should write otherwise, even if these sections are all of them retained in the bill, I shall, notwithstanding that, support it. I do so upon the ground that in this emergency we must, to a very large degree, sink our private differences of opinion to the end that the common purpose may be served, not a month from now or a year from now, but as expeditiously as legislation of this character can be pressed to a passage in this body and in the other House. It is by the promptness of action that we obtain the fullest measure of the value of it.

This will not be a permanent bill. It may in due time be amended. It will end by its own terms in 18 months after the war if not sooner. That is not an arbitrary 18 months to remain under all conditions, but there is an Executive discretion created that will enable the President, if he sees proper, before that time to turn back some or all of the roads to the private owners. I assume that he will use that power discreetly; that it will not be abused; that whatever proper use of that is made will be open to consideration, not only of the needs of the public but a fair consideration also of the private interests involved. So, upon the whole, this bill, I believe, is one that will turn out as much in the way of transportation of troops and supplies and relieving present conditions as is possible by any legislation that can be devised by Congress.

As speedily as possible, Mr. President, I wish to consider the relation that the railroad securities bear to other interests of the country, both public and private. A very large proportion of these securities is in the hands of innocent investors. I know often that an innocent investor is sometimes a sort of a convenient blind to transfer securities and invoke the principle in order to shield the first holder or the author of the securities from the consequences of his improper act. That, however, is not a material element in considering this bill. So far as the public holders are involved, these securities long ago in good faith passed from the original issuing authority and have been purchased, not by those who were responsible for their issue in the first instance, but are legitimate investments into the hands of many individuals and business associations in this country.

I believe I have accurate figures as to railway securities compiled as of June 30, 1915. The holders at that time in the United States, Mr. President, were 626,122. I have no accurate figures since that time, but if I were to take the railway shareholdings of to-day—I am speaking now entirely of shares of stock, and not of other forms of securities—the shareholders probably would approximate nearer 800,000 than the figure I have just given.

Since August, 1914, there has been a steady flow of railway and industrial securities from all parts of Europe to the American market. When the war began it was necessary then, or soon afterwards, to raise large sums by borrowing. Foreign Governments in many instances procured railway stocks and placed them up as collateral for loans that were made in this country, and many individual owners sought in the American market to sell their securities. A vast liquidation immediately set in, so that to-day a larger proportion of the railway securities of the United States is held here than at any other time in the history of the country.

There were, on the 30th day of June, 1915, 842 operating roads, owned by 539,118 shareholders. There were 443 non-operating roads, owned by 87,004 shareholders. These embraced

the leased lines which had parted with the managerial power in the property, and have no further rights except the reservation of rent and the reversionary interest at the expiration of the respective terms. The total number of stockholders of classes 1 and 2 and their nonoperating subsidiary companies, taking the classification according to the Interstate Commerce Commission's accounting system, was 608,318, and the total amount of outstanding stock of these roads was $8,524,452,975. The average stockholder had, according to these figures, $14,013 worth of stock. Deducting the 688 railways by or for whom stock of other railways was held and the $2,519,956,813 of shares so held, there remains a total of $6,004,496,162 of capital stock in the hands of 607,630 shareholders. Those shareholders have rights even in war times. Those shareholders are considered in this bill, and properly so.

The underlying principle in the bill, so far as it relates to the protection of private right, is that the property rights of the companies and the shareholders shall be preserved. In addition to that many of the shareholders have pledged their shares for loans. Savings banks, referred to by the Senator from Minnesota [Mr. KELLOGG], have invested in railway securities. The life insurance companies of the country own railway securities in large totals. I speak now of both stocks and bonds.

I have in mind one life insurance company which I have taken as an instance of the many life insurance companies whose reports I have examined—the New York Life Insurance Co., of the city of New York. In their report of December 31, 1917, that company showed ledger assets at that time of $875,091,343. This is not an aggregation of money and property that is a public menace, large as it is. The greatest individual business enterprises in the United States and in the world in the form of corporate entities are the large life insurance companies. In this country alone more than 33,000,000 policyholders are found and more than 46,000,000 policies are written. Take the New York Life Insurance Co. as an instance, and every other large company writing insurance all over the Western Hemisphere and around the world have the same conditions attending them as to their investments. On the 30th of June, 1917, out of $6,000,000,000 of life insurance assets in the United States more than 25 per cent was invested in railway securities, representing 33,000,000 policyholders and more than 46,000,000 life policies written.

It is well understood that in connection with the insurance companies to which I refer wise laws provide for legal reserves which seek investment. For every thousand dollars of insurance written there must be a reserve, which is the guaranty that stands back of the policy.

The company to which I specifically refer is not a public peril. It, like others, is a highly beneficial institution; it is a mutual company, and in reporting its capital stock under oath, its capital stock is represented by a zero mark; there is no private ownership in the sense that sometimes we refer to such large aggregations as being a public menace. Of the more than $875,000,000 of ledger assets admitted by the insurance superintendent of the State of New York more than 25 per cent on the average named would be invested—nearly $220,000,000 of this single company—in the stocks and bonds of the railways of the United States. These investments are a part of the legal reserve that guarantees, upon the maturity of the policy or the death of the holder, its payment. It is as much a resource to be conserved by wise laws as the funds or investments that come under the national banking act and the Federal reserve system. Every depositor in a national bank has as his security the subscribers to the stock of the bank, its loans and other investments wisely made, which stand equitably pledged as security to the depositors, in the first instance, to guarantee them against loss.

These legal reserves, provided out of the premiums paid by the policyholders, must be invested in some such way as to produce an income. The actuaries compute this security upon some stated per cent—3½ per cent or 4 per cent—of the net income from the investment. So, when these investments are made in railway bonds, they stand as a security, as much so as a mortgage on a farm or a business block in Chicago or in New York. The President, therefore, and his advisers in considering legislation of this character properly kept in mind the safety of these securities in such a way that the legal reserves guaranteeing the payment of the policies might not be impaired.

Furthermore liberty bonds have been sold and another issue will soon be forthcoming. The railway securities of this country are inextricably interwoven with business enterprise. Say nothing of the transportation question at all—that is the primary purpose of the bill, it is true, but leave that out for the present—if the vast issues of railway stocks and bonds, aggregating on the 30th of last June, it is estimated, more than $18,000,000,000, are impaired to any appreciable degree, the credit of the country by the reflex action of the impairment will necessarily itself be impaired. It will diminish the abilty to sell the next issue of bonds; it will interfere with the subscriptions that will be made to raise further funds for the successful prosecution of the war.

It is not merely then a question, Mr. President, of the railways and of their managers, of those who own individually the largest holdings of stock, but it is a question affecting the whole fabric of credit of the country. Credit is a delicate thing; it is easily destroyed, and it is difficult of restoration. The impairment of this vast quantity of securities by a small per cent, not a mere quotation in the market of the shares of those who buy and sell, but an impairment of the securities by unwise legislation, pending or threatened, becomes at once an impairment of the credit resources of the entire country. So this bill proceeds to reassure the general public and the holders of shares that there shall be no liquidation.

Mr. GALLINGER. Mr. President, will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. SHERMAN. Yes, sir.

Mr. GALLINGER. I have been interested in the Senator's statement as to the fact that the life insurance companies hold large blocks of railroad securities. The Senator will also remember that the New England States and the State of New York have $6,000,000,000 of the savings of the people in savings banks, and they also, to some extent at least, take these same securities; and the savings banks at the present time are very much disturbed lest the issue of a new loan at a higher rate than 4 per cent may do them very great damage. They ought to be remembered in connection with this bill.

Mr. SHERMAN. Yes, sir; undoubtedly. I have referred in the briefest possible way to the investments of the savings banks, but in my investigation I have not had the figures given by the Senator from New Hampshire; and I am very glad to have them added to those I have already given, because they are just as material as the preservation of the reserve back of a life-insurance policy. These savings represent the artisan, the farmer, the small tradesman, everybody, and a comparatively small amount to each, but in the aggregate very large.

Mr. GALLINGER. Mr. President, I will suggest to the Senator that in the New England States and in the State of New York the $6,000,000,000 that are held in the savings banks represent less than $500 for each depositor.

Mr. SHERMAN. Yes, sir. That follows out the usual result in the savings accounts, because they are people of small means. Railway bonds being a part of the investment, the owner of these small savings, the individual who has been prudent and thrifty and laid aside something, undoubtedly is entitled to some consideration in such legislation as this; and the President and his advisers in framing the bill have endeavored to protect them against any depreciation on the market or any ultimate loss when the matter shall have been definitely settled.

In connection with these figures, I wish to refer very briefly to the markets of bonds. I have taken the market on the 26th day of December, 1917, and the 27th of December, 1917, and the high and low markets in 1916 and 1917. Now, while I have never been a habitué of the stock market, at different times some of my friends and clients have. They take the chances on it; but I have investigated the stock market, as well as the grain market, enough to know that there are more things that enter into the fluctuation of the market than any other of the complex products of civilization. I know of nothing that can be affected by such a multitude of conditions. A frost in South Africa, the bankruptcy or receivership proceedings of a railroad, any one of a dozen things that may be reported in the morning papers, may affect the quotations.

There are here 25 railroads, with their average earnings on common stock for the three fiscal years ending June 30, 1917, and the two years preceding.

For instance, on the 26th of December, 1917, on the fluctuations of the market, Santa Fe stock was 78. The 27th of December, 1917, the day of the President's proclamation taking possession of the roads, it rose to 84⅝. Baltimore & Ohio went from 40 on the 26th of December to 51⅝, and so on through. Those roads are not speculative roads. They are not roads that are manipulated on the stock market. The Chicago, Milwaukee & St. Paul is another railroad of that kind; the Chicago & Northwestern, the Illinois Central. Let me take that, because it is included in the sweeping indictment, all these roads together in one universal condemnation, in part of the public press and in some criticisms made of them.

The Chicago & Northwestern never has been a speculative road. It was built out of Chicago into the West and North-

western country, beginning many years ago. The Chicago, Burlington & Quincy is not a speculative road. It began in the same way many years ago. The original act was passed in 1849. Several roads were independent—the old Chicago & Galena Union, one reaching from Chicago to Aurora, from Aurora to Galesburg, from Galesburg to Quincy, each of them separate companies. They passed through the processes of evolution, uniting, until finally many years ago the Chicago, Burlington & Quincy Railroad was formed. It developed as the West settled. It passed the boundaries of the Mississippi River. It extended into Missouri and Iowa; and when I speak of Missouri I remember that the State of Missouri in its history has been literally gridironed with Government roads. The whole State of Missouri has had an experience with Government roads that has satisfied everybody who has read it—satisfied everybody except the enthusiastic zealots who never will be satisfied nor convinced with any experience this side of the grave.

Of all the roads in Missouri built during the craze for internal improvements through which many States passed in the Mississippi Valley every one was a failure. They were run by political pressure. They were built in the shape of a horseshoe, just like the road in North Carolina that is known yet in history as the Horseshoe Road because of its shape. It was a political road. It was a Government-owned road, and it had to pass through the homes of the governor, the secretary of state, and the auditor of public accounts, as I remember the State officer; and in doing so it described a crescent that rivaled that of the Pennsylvania at Altoona. That was a horseshoe curve years before the tourist looked out of a window on the Pennsylvania road to see that marvel of railway engineering. Of all the roads in Missouri that finally became a part of the property of the Chicago, Burlington & Quincy but one has a successful record. It is the old Hannibal & St. Joe. It paid out. It had some assets to turn over to the purchasers. The others were wrecks. The history of the North Carolina roads shows the same thing. The history of the roads in Illinois shows the same thing. The original railway of Illinois was built by the State, and it passed through the same melancholy experiences that others did.

Mr. President, I have read the history of the Government roads run by these three States. Within the last 30 days I have refreshed my memory. I have pursued the investigation in many other States, with many other undertakings in our own country, where they have undertaken to run them through as State or Government operated roads.

But to come back to these roads. I do not want to digress too much.

In the case of the Chicago, Burlington & Quincy, operating at the present time with proprietary or leased lines about 9,300 miles of road, the shares of stock have disappeared. No stock quotation has contained them for some years. They are all impounded and put up as collateral security underwriting the joint fours of the Chicago, Burlington & Quincy. They are guaranteed by the Northern Pacific and the Great Northern. Ninety-eight per cent of all the shares of stock of the Chicago, Burlington & Quincy road, of one hundred and ten million and some thousands of dollars, are deposited with a trustee as collateral security for the bonds issued jointly by the two roads in purchase of the control of the Burlington road. That was not a speculation. That was a far-seeing development of the greatest single railway system in the world. Mr. Hill had the prophetic insight to see what the acquisition of the Burlington road meant as an eastern—or, to him, a Middle West—connection. Therefore the stock was obtained. The transaction has not been successfully attacked up to this time. The public would receive no benefits if the stock were to resume its quotation on the market and the transaction to be entirely set aside. The traffic arrangements between the Burlington and the two Hill roads reaching the Pacific coast are for the general benefit of the public. Resolving them into three separate and competing lines would do nothing that would help win the war or benefit the private shipper or the traveler. It is enough for us to know that beyond any question there exists in Congress the power to regulate, and we have regulated and are constantly regulating at every session of Congress either the roads or something that affects them, directly or indirectly.

I refer to these shares of stock again. That is what I wish to adhere to as closely as I can on this branch of the subject, and I do not want to take much time here.

The stock of the Illinois Central stood at 86½ upon the 26th of December, 1917, and rose to 91 on the 27th of December. Those speculative values are attacked. It is said they ought not to be allowed. How will you help it? How will you control the market, except to beat it down by unfriendly legislation, and encourage it and raise the quotations by friendly legislation? I see no way to prevent it, nor is it at all desirable to try to prevent it.

"Oh," it is said, "the Government can prevent it if we assume the entire ownership and operation." Well, let us see about that. We have out a large issue of Liberty bonds. Mr. President, what do they sell for? I looked at the quotations this morning. The 4 per cents, with only partial tax exemption, are quoted at low as 96.10. The 3½ per cents, with total tax exemption for all purposes, are quoted at 98.40. That is $984 for a $1,000 bond. Can the Government protect its own credit? Its own securities are selling below par on the market with the guaranty of the Government behind them. If it can not protect its own bonds from market fluctuations, how will it prevent Government railway shares from doing so? If I have a thousand-dollar bond, I can go out and sell it in Washington at 50 cents on the dollar, and the Government can not keep me from it. If the Government can not sustain its own credit at par on war bonds, it can not sustain the railroad bond credit after it has taken the railways and are administering their affairs? It can do no more in the one instance than in the other. After it has become responsible for $18,000,000,000 worth of railroad property, more or less, with the additional bond issue required to finance this war to a successful conclusion, the Government will have reached the limit of safe credit. Governments are no different from any other borrowers. When they become debtors in large sums, their securities are inevitably often thrown upon the market for liquidation. As the securities go upon the market in large quantities, they are bound to depreciate from par.

Let me give you another illustration of what I mean.

Mr. WADSWORTH. Mr. President——

Mr. SHERMAN. I yield to the Senator from New York.

Mr. WADSWORTH. Has the Senator forgotten the proposal, which probably will be adopted in one form or another, for the Government to issue four billion more of notes based upon industrial promises to pay, and its effort to maintain the value of those notes?

Mr. SHERMAN. That is certainly very material. Those, in a very short time to come, may be on the market, and the public will be asked to take them. We must sustain, when taken, that credit. If such industrial credits are issued the Government can not keep them from fluctuating on the market. If this bill did not preserve the value of railway securities by adequate legislation, how could we expect to have $4,000,000,000 of future industrial securities subscribed within the next 30 or 60 days? The Senator from New York very properly makes the inquiry. The President and his advisers no doubt very prudently had in their minds the future borrowing necessities of the country when they gave to the bill some of these sections that we are now considering.

I see no crime to be imputed to men on the market who buy and sell under Executive orders, favorable or unfavorable, as the case may be; nor do I see any objection to voting for such a bill in the expectation that the day it passes Congress the stock market will advance, and that every quotable security on 'change affected by this bill will advance possibly as much as or more than the figures I have read. I expect that; nor will that cause me an instant to falter in the support of this and similar measures to protect the credit of the country.

In order to make more impressive the inferences that I am endeavoring to establish from such facts as have been stated, I have to state some additional facts.

The individuals owning outright railway shares in round figures are 1,000,000, and they own more than $10,000,000,000 of railway securities. These are the individual holdings. These figures have been compiled from trustworthy sources.

There are held by trust companies, State and national banks, $865,000,000 of railway securities. There are held in the aggregate by saving banks, with 10,000,000 depositors in the United States, including those to which the Senator from New Hampshire alluded, in New England, $847,000,000 in railway securities, representing the institutions that invest their savings, great or small. There are held by life insurance companies, with 46,000,000 policies in force, held by 33,000,000 people in the United States, representing a total ownership of this alone of over one-fourth of the total resources, $1,550,000,000. There is held by fire and marine insurance companies, casualty and surety companies, a total railway security investment of $649,000,000. Benevolent associations, colleges, schools, charitable institutions, eleemosynary enterprises of various kinds, have invested their endowments, their gifts, both by the living and by the dead, in $350,000,000 of railway securities.

I care not that some people may have large holdings of shares of stock. I regret that some of them may sometimes use their stock improperly. I regret that combinations of large stock-

holders are sometimes made for the purpose of wresting control of a road for speculative purposes from conservative owners. That is a matter to reach by legislation—not to destroy the innocent and the guilty alike, but to reach the guilty and exempt the innocent from any such legislation of a general character. What I especially think is defective in reasoning processes is to measure all the railroads of the country by a few that have abused the laws of business and have taken advantage of omissions in legislation.

I remember the Chicago & Alton road—and it is often made a horrible example. It was built by the stockholders, without a mortgage, from Chicago to St. Louis. That was the original line, built in the days when Timothy B. Blackstone was the man who promoted it and was the moving spirit with his associates in its construction, equipment, and operation for many years. The Alton paid steadily, in the days of its old-time managers, 7 per cent. Its stock was quoted as high and was worth as much for investment purposes as the shares of any national bank in my country. It was quoted at 175.

The change came. Mr. Blackstone died, some of the shareholders sold out, and along came a new management. The same thing happened with it, in substance, that happened with the Chicago, Rock Island & Pacific. A very great increase in shares occurred upon the advent of the new management. It was not a question of how much the property was worth, but how much of the stock or securities could be issued and absorbed by the investing public.

Keep in mind, Mr. President, the fact that when all of the stock gambling was over, the property investment of the Chicago & Alton and of the Rock Island & Pacific was just the same as it was before it started, unless we except some possible depreciation on lines that were not kept in repair. The property investment is the source of earnings, not capital stock, not bonded indebtedness. The source of earnings is always and must remain the property. How much it earns depends upon many things, but, providing the road reaches from its initial point to the terminal point favorably and traverses a productive area, the two salient features of every successful railway are its property investment and its managerial ability. The earnings of the Alton and the Rock Island on the property investment remained the same or advanced or receded according to the prosperity, or the reverse of it, of the several years. The Alton, however, put out a great number of securities under the new management. Their stock fell to a low figure consequent upon that dilution. The same thing, in substance, happened with the Rock Island.

It is argued here that these incomes or earnings of certain conservative roads are unduly large. As I remember—just quoting now from my recollection—in 1916 the Chicago, Burlington & Quincy showed an earning on its capital stock of nearly 27 per cent. It is selected as one of the shocking examples on the floor of the Senate Chamber. The Burlington road has been a conservatively managed road from its inception. It has never watered its stock. On the contrary, its stock is boiled down; it is concentrated rather than diluted. It has not followed the policy of issuing new shares as the country has grown up commensurate with its advanced lines that were pushed out into the frontier. As values have increased they left the capitalization at the same figure as many years ago. The Burlington has, in round figures, $110,000,000 capital, with $179,000,000 of bonded indebtedness. That $179,000,000 is actually in the hands of the investing public. They have a total property valuation—to say nothing, now, of the capital stock—of more than $530,000,000 in the single road under one management.

With $530,000,000 of a property investment, the earnings of the road are necessarily nearly 27 per cent of the capital stock of $110,000,000. If the Burlington road had followed the processes of the speculative roads, or if the Northern Pacific and the Great Northern had followed the processes of other speculative enterprises, they would have increased their capital stock many fold. Instead of their stock being quoted on the market at par or more than par in normal times it would have fallen like the Alton and the Rock Island, to one-half, to 35 or 40 cents. They did not do so. The very fact that the former-named roads were conservatively managed makes the earnings on their capital appear unduly large. If they had watered their stock, if instead of $110,000,000 the Burlington had had $500,000,000 of stock, then their earnings for the year 1916 would be nearer 5½ per cent than 27 per cent. They have not done so, nor do I think, Mr. President, that ought to be used as an argument here that the conservative railways shall suffer for the comparatively small number of roads that have done otherwise.

I now speak of the Illinois Central. The Illinois Central is a land-grant road. It is like the Pacific roads—the Union, the Central, and the Southern. Each alternate township for the whole length of Illinois was given to the Illinois Central Railroad to build by an act of Congress. At the time the land was given there was little population in that State. When the Union Pacific road was built the great West from Council Bluffs to the foothills of the Rockies and beyond was a wilderness.

Some Senators forget—older ones do not—the conditions at that time. I was impressed with what the Senator from Minnesota [Mr. KELLOGG] said of the 53 years since he went to that State. He saw as much or more of this development than I have seen. I have seen prosperous communities of several thousand persons assemble in opera houses or halls and bid to railway men for a line of railway to come through. They were tired of hauling their merchandise in and their produce out by wagon road and animal power.

It is true that there have been abuses in land grants. At the time the lands were given, in most instances, however, the Government thought it was driving a good bargain, and it was. That country was a wilderness when James J. Hill went into Minnesota, and with a prophetic vision, which made him one of the greatest railway men in the world, saw in the long years to come what the settlement of the vast Northwest would be. He staked his fortune upon it and the efforts of all his years. He was a railroad builder, not a stock speculator. All those conservative roads that have kept their property valuation well within or below their capital stock were managed and instituted by men of the Hill type. They were the great railroad builders of the continent. They had confidence in their country; they had sound business judgment. They assembled about them the technical ability to construct, equip, and operate railways.

Why should they, Mr. President, be stigmatized here in such terms as I have heard? Peace to their ashes! They were of a mighty race of men. They belong, Mr. President, to a generation the like of which does not live here to-day. They were conservative; they knew their business. None of those men in their lifetime were ever justly accused of being public enemies. The world was better for their having lived. The Illinois Central likewise was a land-grant road. It was built from Chicago to Cairo originally and later on, by extension and normal growth, it reached New Orleans. It has numbered among its executive heads some of the most distinguished railway men of the country. Commissioner McChord, of the Interstate Commerce Commission, in his last report gives the Illinois Central a clean bill of health. He says it was operating its road under normal conditions and meeting fully the demands upon it as a common carrier. Within the last five and one-half or six years the Illinois Central has spent more than $80,000,000 in track facilities and equipment. It now has under contract or is coming in on contracts at stated intervals as they can be completed more than $15,000,000 worth of cars and equipment of that kind.

When it is said that the railroads failed, that they broke down under the test of war conditions, the reply is that in many instances they did not fail, as in the one I have given. In others of the West and Northwest and of the far West the roads did not break down. Their cars were taken away from them; their engines were withdrawn from the roads; their equipment was taken; it was collected largely in the eastern district. There was a vast concentration of cars, engines, and equipment of that kind all along the Atlantic coast.

In an investigation of a certain committee on shipbuilding conditions it was shown that more than 1,300 loaded cars were on the sidings at one time at one shipyard in the United States along the Atlantic coast. At the same time more than 3,000 loaded cars were on the tracks on their destination for this same shipyard, arriving daily, so that any unloading of the 1,300 that were congested at that point made but little impression on the constantly arriving cars for the same point. The railways going out of Chicago, St. Paul, St. Louis, and Kansas City did not break down. Their equipment was taken away from them under the stress of war conditions, and they were rendered incapable of using their own equipment and rolling stock for the operation of their road. Even under normal conditions a railroad man knows that these must be constantly watched.

The West and the Northwest send more crude merchandise into the market than the East—breadstuffs, meats, agricultural products, lumber, coal, minerals, ore in its cruder form, unmanufactured, in billets or pigs. In that form it requires more car space. Therefore the cruder merchandise coming from the West, headed for the East and for manufacturing points centering in and around Chicago and east of there, necessarily draws from the West a large part of the freight power of the roads.

When it comes east it takes a given time for the empties to return to the West. Under war conditions, with no attention paid to demurrage, with the long delays of railways on sidings

and at division points, when the loaded cars came to the eastern district, especially to Atlantic coast points, they stayed for an indefinite time.

Still, all this is charged up to the roads as their failure. I have not a share of railroad stock nor a railway bond or security of any kind in the world. My constituents have insurance policies, deposits in savings banks, money loaned on various forms of railway securities as collateral in State and national banks. It is part of the general business of the country. For the railways I say but little. It is unnecessary. I can talk of them merely as the agency by which the securities must finally be maintained at their proper value or depressed. Whether they do so depends upon the treatment they receive in this and similar legislation.

I do not wish to take much time, Mr. President, about the conditions of a legal character that surrounded the railways. I can not pass, however, without alluding to it. I remember when the Interstate Commerce Commission act was passed in 1887 and the struggles that occurred in the various amendments made to it, especially the Hepburn Act of later days—1906, as I remember now—and all the legislation that has been thrown around railways, both State and national. I sum it up by saying that the railways have been operating in a strait-jacket for many years. It began years ago. I remember the granger agitation that began in Illinois and Iowa, first in State constitutions and later in the Munn cases, in the Bowman cases, all those that first established the right of the State or the National Government to regulate railways, took them out of the catalogue of strictly private enterprises, impressed them with a public interest, and made them subject to governmental regulation. Kansas passed through a similar era. That was a distinct forward step. It was a remedial process. It was needed. Some railroads had abused their power. I never apologize for them and for such conduct.

Then the Interstate Commerce Commission was created in 1887 with various amendments that I will not enumerate. The antitrust law came in 1890. Following several years after the passage of the antitrust law there was the Western Passenger Association decision. That was a combination of roads in certain western territory for the purpose of maintaining rates. It was the famous so-called "gentleman's agreement." It was held to be within the antitrust law, although there was considerable surprise in legal circles among many lawyers to learn that the antitrust law could be extended and applied to railroads. But nevertheless the court so held, and accordingly the railroads have been under the operation of that act since not only in our own country but they have been prevented from giving preferential rates in the development of foreign trade. I remember a railroad going out of Chicago whose managers were fined heavily for a preferential rate on tin-plate shipments into Canada. The preferential rate was made for the purpose of assisting in the export trade, without which it could not have been developed. Our manufacturers wanted to get some of the Canadian business, and in order to do it they asked the preferential rate to meet Canadian conditions, and it was decided that it was contrary to law and fines were imposed of $10,000 as the result.

Rate making has been a constant debate. The roads have been before the Interstate Commerce Commission until very recently year after year, time after time, every time rate making is agitated. In all this the railways finally have settled down to a certain schedule fixed by the Interstate Commerce Commission. No material changes have been made save an increase in one territory for some time, but in all this increase in prices of everything, labor and material of every kind, there has been no commensurate increase of rates to enable the carriers on their earning power of the property invested to advance to keep pace with the increase of operating cost and maintenance and depreciation.

To my mind it is not a matter of surprise at all that the roads made a bad showing. It is true these figures are quoted here, the 27 per cent, for instance, earned on the capital stock, but if the 27 per cent be figured upon the property valuation it is not an undue return for a business that contains as many hazards as operating a railroad, and especially when it concerns such vast sums of money as are invested.

The congestion in the eastern district came as a natural result of piling up merchandise as indicated. Any failure of the railways was more a failure of the Government to recognize conditions and grant the relief before taking them over than it was a failure on the part of the roads. It is true that the roads could not meet the demands made on them, and especially last winter, that has been a very inclement one, blocking ways, making it impossible to obtain coal and fuel supplies generally, difficult sometimes even to transport tank cars with fuel oil. All those things have happened, it is true; but has the Government done any better? If improvement come it will be the result of the release from obsolete laws and the strait-jacket of overregulation.

We passed the food law here. I did not vote for it, and I am glad of it. I would not vote for it if it was up again. I have no apologies to make for my conduct in that particular, except to repeat it the first chance I have. But the Government is given plenary power under this measure. We have a Food Administrator and a Fuel Administrator. They have had power at any time since last April to commandeer the roads—the carrier system, coal roads, and ordinary roads, all together.

A few days ago the heatless Mondays were revoked, and we are now living on Monday just as we do on other days. Here is what Black Diamond says. It is the coal paper of the country, published at Chicago. It is not owned by coal operators, either, Mr. President. Black Diamond is a periodical devoted to the coal business, and it represents a coal miner as much as it does a coal operator:

Three million four hundred and fifty-six thousand tons of coal were saved in the United States during the eight "fuelless days" under the recent order of Fuel Administrator Garfield, but at a cost to industry of $289.35 for every ton saved.

This is an old illustration of saving at the spigot and losing at the bunghole. The highest-priced coal in the world was produced under the fuel order that was revoked a few days ago. Two hundred and eighty-nine dollars and thirty-five cents a ton of a loss is something that even a wealthy country like this can not stand all the time. We may stand a little of it, but we have now had a plenty.

The total loss during this period in wages and manufactured products was placed at more than $1,000,000,000.

Figures of the industrial agent of the Baltimore & Ohio Railway give the value of the fuel saved under the order in 18 of the larger cities of the country at $137,377,589. The loss in wages and manufactured products in these cities was put at $4,344,070,000.

Here is a town of 70,000 in the center of the coal belt—Springfield, Ill. Here is a telegram from the fuel administrator that certainly deserves preservation in the CONGRESSIONAL RECORD:

SPRINGFIELD, ILL., *January 23, 1918.*

Senator L. Y. SHERMAN,
Washington, D. C.:

Our record for five days' obedience to fuel order shows saving of 40 tons of coal per day. Loss in wages alone per day over $11,000—

That is expensive coal, even where we wagon it up and put it in our coal bins at home. I have not gotten coal out of a car for 12 years. The motor truck or wagon goes out to the mine and brings it to my house and dumps it into my basement. Thus the carrier system does not bother us any. But they stop them all. The factories there are served by motor cars. There is not a railway car in some of our factories that operate three shifts of hands that ever take a coal car to fill their coal yards or stock up in summer time. They were guilty of hoarding, every one of them, because along last summer, when the coal business was slack, they stocked up enough coal to run them until next April. They were shut up; they had to stop, just like the rest of them—

Utilities company electrical distributing station supplying power to most of our factories shows a saving of only 12 tons of coal per day on account of generating live steam in place of consuming exhaust for use in heating system. Six coal mines within city limits prohibited from supplying fuel, and car supply not sufficient for the output. We are actually prohibited from serving our city, State, and Nation under the order. We plead for exemption for Springfield and Sangamon County that we may perform a greater service.

Our citizens obeying Fuel Administrator's regulations; are convinced they are not applicable here—

Nobody thought they were at any place—

and work great hardship. Coal saving negligible. Regulations retard production.

CENTRAL ILLINOIS COAL BUREAU,
O. G. SCOTT, *Secretary.*

If the Government does that on coal, what will it do if in time of peace you leave it in possession of the railroads? If the railroads broke down this last winter in their carrier service, what did the Government do when it undertook to distribute coal?

The Senator from Indiana [Mr. WATSON] referred the other day, I thought very properly, to the price at the mines that was fixed by Secretary Lane and his associates. Immediately following the publication of that price the Secretary of War, the Secretary of the Navy, and afterwards the Fuel Administrator denounced the price as excessive. The Fuel Administrator intimated to consumers of coal to wait; do not fill up during the fall before cold weather sets in, because it would be much cheaper; he thought the price of coal ought to be down to about $2 or $2.65 a ton. So everybody quit, nobody filled in. They were waiting for the cheap coal.

The Government has broken down as much as the railroads have broken down. It was a great undertaking on the part of

both. Some degree of liberality can be exercised in judging of each of them, both the Government and the roads.

I do not care to discuss the standard return, because members of the committee who have followed that through the hearings before the committee have done so to my entire satisfaction at least. The chairman of the committee has given in the CONGRESSIONAL RECORD a very compact and lucid statement of the reasons underlying this bill and the recommendations of the committee in its report. In the main I subscribe to those reasons as well as those of other members of the committee who have presented their views, because of their superior means of information. The standard return is satisfactory to me. I am willing to vote for it and take the chances. It has been changed, but not materially so in the bill as recently introduced and the bill as it came out of the committee. It has followed in each instance the method of accounting adopted by the Interstate Commerce Commission. So these methods, I think, will preserve the value of the property unimpaired, as far as we could do so under a war condition. The provisions of the bill and the observance of the standard return provided will preserve the securities so that no great hearings will occur and no losses in these money investments will happen.

It is with some regret that I turn aside from the admitted purposes of the bill to discuss section 13. I wish for my part that the 18 months were a shorter period. But I am content to take it as it is. The 18 months may be shortened, if proper conditions present themselves, by the President using his discretion. If section 13 as written in the original bill is restored to the bill, I shall vote against the bill with as much enthusiasm as I did against the food bill. Section 13 as originally written contemplates an affirmative act of Congress before the roads will be restored to their owners. It thereby throws, dependent somewhat on the length of the war, the whole railway system of the country and all these investments of which I have spoken into the maelstrom of a political campaign. I am not willing to do that. I wish some time fixed, even if it be 18 months, when automatically the property will be returned to its owners.

I am told, and I have heard it many times before it was mentioned in this Chamber, that the Government ought to keep them. I am very much of the opinion of the junior Senator from Michigan [Mr. TOWNSEND], who in a very capable address in constructive criticism of this bill pointed out some things that undoubtedly ought to be very well considered here when we come to an amendment, that the discussion of public ownership and operation of railways was not properly involved in this bill. He is entirely within bounds in saying so. Still it is very difficult to discuss this bill by those who favor Government ownership and operation without covering that ground. Accordingly something has been said already, and possibly some more will be said before the final roll call is had on the bill.

It is said that this is a progressive measure; that by section 13, or by taking it and keeping the railways in perpetuity, it is in keeping with the progressive trend of the times.

Mr. President, the most unprogressive, reactionary, backward step in government is the reaching the Government hand out and taking what is essentially private industry. I can not think of anything that is equally unprogressive in all the range of human undertaking. It is said it is new, and we are bidden to look at the countries that are trying Government ownership and how progressive they are. Where are they? Switzerland, Belgium, Australasia, Germany, Austria, Italy, and France. Actually in Switzerland there is the poorest service, with the highest price paid for it, of any other country in the world. In Switzerland and France, where it is supposed the example of public ownership and operation is the likeliest in the world, there is the lowest morale of public service in Europe.

I will say nothing of Germany, except that the service there is not on a par—it is a densely populated country, and it is difficult to make comparisons—it is not on a par with privately operated steam railroads of other parts of Europe or of the world. Germany is given as an example of the fitness of Government ownership to answer the purposes desired.

Germany is a monarchy; Germany is governed by the Kaiser and his advisers. In Bismarck's time he began to develop the policy of taking over the railroads as military agencies, seeing ahead more than 40 years from the time he began it to the mobilization of the German Army in 1914.

In every country that is monarchical the Government roads are more successful than they are under a republican form of government. I do not know of a country in Europe where the railway operatives, down to the last report made before the war in 1914, have as little freedom of action as in Germany. Freedom of speech is unknown; unions are prohibited; they work under ironclad military rule, and, by an edict of the Kaiser, may be conscripted into the service, even if they are not already so regarded, and may be subjected to military discipline in the operation of the roads. That is in time of peace; not in time of war. In ordinary times of peace all of the railway employees of that country may be subjected to military discipline.

It is a pleasing thing to go halfway around the world for our examples. Take New Zealand and Australia, which are the most often cited of all such countries. For practical purposes it would be better if the railways of New Zealand were in some other planet, because they would be more inaccessible. The farther away you can get from the world in the examples the better. The truth is in all Australasia the population is decreasing, the industrial enterprises are lagging, the public enterprises conducted by the State are steadily working out their destined end and show a diminished effectiveness and impairment of service.

Remember, the test is not a few years; all new brooms sweep clean. The test is the same test put upon other human institutions, upon the same things that, devised by human experience, have stood the test, not of five years but of centuries.

When that test has been applied halfway around the world to the Government owned and operated utilities, like steam railways, they are beginning to work out their natural result; the best authorities writing of New Zealand in 1914 say that the tendency in New Zealand for all the public enterprises of that kind is to revert to private ownership; that the governmental owned and operated utilities have been tried long enough to find out that there are some defects in the system that are so vital in character as to condemn them.

Let us consider our own country. It is said to be progressive here in the United States to advocate the Government ownership and operation of railroads as a permanent policy; that because, under the stress of war, we take the roads we must keep them; and a war policy, it is argued, is a good peace policy. I have not forgotten things that have happened in the last 25 years all over this country. There is a bolsheviki of false economy. There has been a multitude of economic dervishes going to and fro over the earth burning with all the fanatical fervor and zeal of orientals. The torchlight fakir is abroad in the land every night; the soap-box agitator is on the boulevards. The stalwart-lunged apostle of a general divide of all human possessions cleaves the air with his resonant bray. It is progressive. Why, it is even becoming fashionable. I talked with a suffragette the other day who told me that she was in favor of the Government ownership and operation of railways. "Well," I said, "do not talk to me about it. I am a suffragette myself now, but if you women folk get to running the railroads I shall not be responsible for my behavior hereafter."

I have seen that motley crew come and go. They began with "Sockless" Simpson, with the whiskered Peffer, with "Greenback" Weaver, with A. J. Streator, and those of lesser fame. All of them shrieked and gesticulated in their time; they had their entrances and their exits; their fads, their nostrums, their universal panaceas for everything that afflicted the body politic and for every disease to which human flesh is heir; a variegated swarm of discontent, a miscellaneous horde, against everybody who had a dollar or a clean shirt to his name.

They had their day. In the far West and in the Mississippi Valley we had the Granger agitation. I remember it when it came in my boyhood days; I heard it all; it is a part of my juvenile experience. We wrote a new State constitution; we had a railroad and warehouse act. The railroads unwisely said that they were purely private enterprises and could not be regulated; but we framed a State constitution, just as they did in Iowa, Kansas, and in some other Western States. We fixed charges for railroads and for warehouses. The litigation went through the courts, and the case of Munn against the State, which was decided by the Supreme Court, and the Bowman case from Iowa, settled the question that railways and warehouses are impressed with a public interest and are subject to Government regulation. Those things all happened in their time. Those were valid reforms; those were elemental in their character; but like all other reforms somebody got the bit in his teeth and ran away with them. It is one of the dangers of hooking up with a radical that you must either travel his gait or be trampled on. So with these railroad and warehouse regulations provided in State constitutions and by acts of the legislatures in Illinois, Iowa, and other Western States, soon the radical and the vociferous brotherhood who always are found bawling and braying in the wake of reform to make it ridiculous, unless guarded by sanity and moderation, came and took possession of the entire proceedings. They proposed to do a great many things. They said "regulation is a failure; legislatures are corrupt; the warehouses not only refuse to obey the law but they join with the railways, and by discrimination and by influencing public offi-

cials, practice injustice on the producer and on the shipper as well as on the consumer." So they said let us have Government ownership; and all the way from the foothills of the Rocky Mountains, coming on through "bleeding Kansas," through Missouri, Iowa, Illinois, Indiana, and sweeping over the continent until it reached and broke on the Allegheny Mountains, there was the Populist with his impossibilities, with his disregard of the amenities of toilet, and with his ingrowing prejudice against hair dressers and tailors. His principal assets were whiskers and elocution.

Along with him were a multitude of people in the granges. I was a farmer in those days, and I abounded in farmers' meetings, being a boy 12 or 14 years old; but I heard them through. When they finished up, Mr. President, with their harangues, they always had Government ownership for everything worth owning. In a little while the pinch came. Every one of those whiskered reformers, torchlight fakers, howling dervishes, and fanatics from the four corners of all the continent became a greenbacker. They proposed to pay the Government debt—the Civil War debt—by issuing fresh promises to pay upon maturity, and the new promises in turn were to be redeemable in nothing and paid nowhere this side of eternity. That was the sum total of this gentry's fiscal system, the goal of their monetary reform. It found followers; it created a furore. Men were called statesmen who subscribed to their doctrines, and those who did not were almost tarred and feathered by excited gentlemen who mistook their vagaries for financial wisdom in rural districts. The farmer fell for the procedure for a time. He followed it awhile until he found out where it led him. He observed many of the lusty reformers were conscientious objectors to hard work and exercised their vocal cords rather than their muscles. Then the farmer in my section of the country became a conservative, and he is a conservative yet. You can go out and talk Government ownership of railways to him until you are black in the face, and everyone who lived through 1870 and 1874—the Greenback days, the days of repudiation, before the resumption of specie payments, the time when all these things were to happen that were to give him something for nothing—he will tell you that he has heard that before and that he has graduated on that kind of economic science.

Matters went along and all know what we have now—the two ends have connected. The only difference there is under the shining sun between the Socialist and the unlimited Government-ownership apostle in New York or on the plains of the far West is the hair dresser and the tailor. The Socialist in the city, with his reactionary program harking back to the days of Aristotle, is exactly like the old Populist in Illinois and Kansas. Everybody knows what ails them both. He wants something for nothing. He mistakes a disease for a principle and his yearnings for a right to another's earnings; he is a lineal descendant of the same old sire; the same economic blood flows in his veins; and the same political inspiration and fervid ejaculations are found in him that was found in his ancestors of the early seventies. There is no difference between the Socialist of to-day and the Populist in Illinois and Kansas in 1872 and 1874, except that one shaves, cuts his hair, and wears tailor-made clothes, while the other had a rooted aversion to any of the acts named.

Now, we have arrived in this year of our Lord 1918 to the same kind of a proposal. The Populist said then "Everybody is corrupt; every legislator is a horse thief; everybody who has a million dollars stole it from somebody else or he would not have it; he could not have made it honestly." Any accumulation of property was to be frowned on; no one could make anything without taking it away from somebody else. If nobody was rich, nobody would be poor; thrift was to be punished as a crime. Reduce every one to the dead level of mediocrity. Help the human race by pulling down to your level anyone who is above you. Do not try to exert yourself and advance to his ability. Real progress is keeping the industrious from receiving the fruits of his toil so the incapable and slothful may hang on to the coat tails of energy and hard work. We have reached now the same thing. Government ownership of railroads! We are to have it for the same reason—that the railway managers are dishonest, incapable, corrupt government, and know nothing of decent citizenship.

I listened to the eloquent description of my genial friend from California of the one-time deplorable conditions in that State, from which it has recently emerged, I understand. As long as California has such Senators redemption was inevitable. There is no necessity to indulge in such experiments to save California. There is no occasion here for taking a headlong plunge into the gulf of Government ownership just to keep California safe. The Senator, I know, can clean it up again if it should unhappily relapse, and certainly somewhere among our friends it was very effectively cleaned up at the last election.

He said that at one time the State was in the grip of the railroads. Let that be granted. So was Iowa in the grip of the railroads at one time; so was Illinois; and I have heard stories about Ohio.

There are 48 railroad offices in Chicago. As late as 1914, Mr. President, when I had the misfortune to be a candidate, I knew of but three friendly offices out of the 48 in Chicago. So I do not owe the railroads politically a thing in the world more than anybody else; but because of conditions in my State, I do not wish to inflict upon the whole country such an experiment. I myself will remedy any undesirable conditions according to my lights and to the best of my ability, and I know the Senator has done so in California, and is able to do so either now or hereafter.

I know that the railways at one time did meddle in politics; I know that manufacturers meddled in politics at one time; I know that banks meddled in politics to some degree at one time. There were many cures proposed. I heard the initiative and referendum proposed at a conference of Western governors held one night in Chicago. They advocated the initiative and referendum for everything; and Gov. West, of Oregon, who was present, told how it worked in Oregon, where they had initiative and referendum for everything, from deciding cases that the Supreme Court did not know anything about, and in the final decision of which they made a mistake, down to amendments to the fish laws affecting the Columbia River. Every evil was to be cured in that way. Well, they tried that out, but it is a forgotten issue long ago.

At the meeting to which I refer I struck the one discordant note; I was the skeleton at that family feast; I protested against the indiscriminate use of the initiative and referendum, and I rendered myself very unpopular. On that same night the Chicago, Milwaukee & St. Paul Railroad opened its Puget Sound extension and ran through for the first time a train connecting with the Pacific Ocean. The next morning the criticism represented by the initiative and referendum league meeting attended by all of those Western governors got two pages in the Chicago newspapers, while the opening of a great continental extension, that ran from the shores of Lake Michigan to tidewater at Seattle, Wash., got 2 inches of notice. That is the way the newspapers sometimes estimate news. There was an undesirable condition, and that was the remedy proposed for its cure; but it is long since forgotten.

Now, we propose to change the remedy and have Government ownership and operation in all States where the railroads have had too much influence. I am not afraid politically of any railroad in the United States. If a railroad fights me or you, you can take the opposition to it and go out and get more votes against it any day in the week. Every intelligent railroad man knows that. That is why some years ago in my section of the country the railroads went out of politics; they learned too much to stay in; their advisers in handling the great properties concerned told them that they had better run railroads and let all the people who had votes run politics and not undertake to impose their individual will upon party voters or party organizations.

We are told that there was corruption in San Francisco. Well, that is not its normal state. It is said there is corruption in Chicago. I presume also that is not its normal state. I have been quite well acquainted with Chicago for more than 25 years, and I do not know of a city council they have had in the whole of that time—and I have seen Chicago grow from a city of 300,000 to a city of 2,800,000 people—that has not been berated by some of the Chicago press as totally unfit, as bordering on bedlam, or as fit for the penitentiary all or a part of the time. They have not had many honest aldermen there in 25 years according to some newspapers.

When the editors talked to me around the clubs about the villiany of some of the aldermen and the politicians of Chicago, I have always said, "Why do you not go out and beat them?" They replied, "Well, we can not." I asked, "Why?" They answered, "Well, we can not get votes enough." "Well, then," I said, "you had better migrate to some country where there is a monarchy. If you can not control votes enough we must shut up and stand it." They say that Mike Kenna is elected alderman and that Bathhouse Coughlin, one of his colleagues, also comes in. Well, they have tried to beat them and have run any number of respectable candidates, according to their version, but they do not get past the quarter post in the race. They can not convince their constituents somehow. The aldermen in the first ward distribute too many turkeys at Thanksgiving. They started in a long way ahead of the election, and

with their lodging houses, free-bed houses, free-lunch counters, saloons, and all the other appurtenances that go with metropolitan civilized life, they are able to reach the voter. Then in that section of the country they naturally take up a "high brow" and run him for office. Well, the higher the brows are the lower their temperature, so that they do not get up much heat in a campaign. They do not attract the impulsive voters, and then the editor becomes glum; he goes back into his sanctum sanctorum and indites a fearful screed about corruption in great cities. Well, there is nothing the matter, except that the editor does not know politics in free democratic government. He ought to settle in a ward and get acquainted with his constituents.

Of course, there is sometimes corruption in Chicago. We have had some aldermen that were not quite up to the mark. Some in San Francisco, I understand, have been a little off-color occasionally. Along in the time of Eugene Schmitz and others, who were somewhat distinguished, following out the course of their civic activities as practical politicians they once gave city politics a bad name. Therefore let us have Government ownership and operation of railroads.

Government operation inside of State lines has produced some practical results; but if the Government can not run the railroads, if it takes them permanently, any better than Government has run the State and municipal affairs it has undertaken, then I am right in my opposition, for it has universally failed to produce as good results as private control. Governments can exercise police powers and war powers and affairs essentially public. It can not run what is essentially private business.

It has been intimated that the only way to clean up conditions was to put section 13 back in the bill. I am aware that this seems somewhat aside from the purpose of this bill, which is a war measure and calculated only to provide for Government operation of the carriers during this emergency, but it has passed beyond that and reached a point of discussing the propriety of taking over the roads as a permanent policy, and of course that brings up the whole question. I can not hope to discuss it here as I should like with the amount of freedom that I can in a campaign when that issue is presented, but I have looked up such matters as are near home in my own section of the country. I have read such matters as have come to me as to all of such experiments that have been made among civilized peoples. I have come to the conclusion that it is a dangerous experiment and that it can not succeed.

There are 1,800,000 railroad men in the United States. On the 30th day of June, 1916, there were 517,805 Government employees. At the present time, in all human probability, there are 700,000 Government employees. As a rule, about 60 per cent of them are under competitive civil-service appointment. With 1,800,000 railroad men and with 700,000 Federal employees, there would be, as soon as the railroads are made permanent as Government enterprises, two and a half million voters. Two and a half million voters in the country are about one-sixth of the total vote cast in the United States at the last presidential election. If one-sixth of the total votes cast are in Government enterprises, then the Government is no longer a popular government. According to my observation and experience, there can not be Government ownership and operation of many public utilities. When the employees reach two and a half million there can not be republican government and public ownership and operation existing in the same territory and governing the same people. It is an impossibility. One of two things must happen. Either the Government must control the employee or the employee will control the Government. The last will happen or the employees must be denied the power of organization and political activity.

Organized labor controls this Congress, House and Senate. I think I know what I am talking about. I am no novice on that part of governmental affairs. Two and one-half million Government employees, every one of them in a compact organization! Even the vast powers of the Postmaster General are utterly unable at this time to cope with the postal employees. I sympathize with them in their claims for better wages. I shall support reasonable increases. I do not sympathize with them when they undertake to dictate to a department or to Congress what shall be done. With two and a half millions of employees in this country, I know what will happen. The junior Senator from Ohio [Mr. HARDING] used a phrase here once that described it: That you take the Government out of the hands of the people and put the people in the hands of the Government. There is not a candidate for office, there is not a potential candidate for President in either party, who to-day is willing to stand up and tell the truth about it and take the consequences.

The leaders of the unions, the American Federation of Labor, are loyal and zealous and patriotic in their efforts to obtain service from all the members of that organization. They have failed in many vital times and places to do so. I join with my friend Gompers in his efforts to obtain loyal service from the members of the American Federation of Labor in shipyards, in every industrial plant, and in the railways of the country; yet Mr. Gompers is like Orpheus in mythology. He invoked around him, by the power of his music the savage elements. After he had assembled all of them he became unable to play his instrument, and they fell upon each other and him and Orpheus perished. Mr. Gompers has invoked the spirits, and if he can not play sufficiently, or the conditions do not suit them, destruction threatens. Everybody knows that to-day the one great weakness in connection with winning the war is the inability to get a day's work out of a dangerously large number of the men in the industrial plants and in the shipyards of the country.

The President faces that great problem. Every departmental head knows it. Strike after strike has occurred. Boiler makers, riveters in the shipyards, ship carpenters, workers in industrial plants of every kind, have laid down their tools and walked out for one reason or another. On Lincoln's birthday 5,000 men in a body, not far from this Capitol, walked out because they would not be paid double wages for working on a holiday—a striking method of celebrating the birth of the emancipator! Two days ago other men walked out, and a week before that many thousands walked out, on the open-shop question. They quit their work because they would not work with a nonunion man. The inference is that nobody but a union man has a right to live and remain on the earth.

I have earned my bread by the sweat of my face many a time, like many of you Senators here in your earlier lives. I have worked with my hands, and I can do so again; but if I were in shop or field I would stand up to the last breath I had in my body for the right to live and earn an honest living in this world without joining, unless I wished, anything under the sun to do so. I have a right to live without joining the Presbyterian Church or becoming a Roman Catholic, a Mason, an Odd Fellow, a member of the Mine Workers' Union, or a member of the American Federation of Labor. I have a right to live and remain on earth in any honest occupation without asking any union official whether I can work or not. I will fight for the right of a labor union to exist. I will fight just as sincerely for the right to live and work outside of a labor union. One right can not survive without the other. In time of war their patriotism has overcome their desire to advance the cause of the union. I commend that spirit. Let it influence them all. I join with all of them cordially. I will go with them to the uttermost limits; but when peace is restored the same troubles will return. They can not be avoided by Government ownership and operation of railways. They will be multiplied and aggravated. If the railways are taken over permanently and the conclusion of peace has restored us to normal conditions, then these same problems will be more difficult to solve. We will have the same question again of the 2,500,000 Government employees in a compact union. If now, Mr. President, Congress can be driven into the enactment of the Adamson law, if it can be driven, contrary to the individual judgment of Members, into the support of many unwise measures, what will it be when the Government employees, two and a half million of them, come in serried ranks and a compact body and deliver, through their chosen spokesmen, orders to Congress for legislation?

I know what will happen. One of two things must happen: Either the employees will govern this country or the Government must rule the employees. In both England, New Zealand, Australia, and little Switzerland there are authorities who have had the greatest of practical experience on this subject, who have come to the conclusion that every Government employee in a utility of the kind we are considering must be by law compelled to abstain from political activity. He can vote, but that is the end of his political privileges. He can not become a member of an organization. He can not engage in party activities. He must confine himself solely to voting on election day, and the rest of the time he is a mere employee. That prohibition of activity necessarily prohibits the formation of unions. There is no escape from the conclusion.

I have seen better conditions prevail in California. I have seen them improve in my own State. It is not necessary to make this headlong plunge into the gulf of experiment in order to remove the evils that have existed. I believe in regulation.

I believe the regulated processes of government, acting on these institutions, can remove the evils complained of.

I am as certain as I am of any worldly thing that the highest form of human society is attained through the regulated individualism of the American people.

I never knew a government to discover anything. It appropriates what another in private life discovers. Even in time of war the universal experience is that in every democratic government the red tape must be shot off to get rid of it. Outside of a monarchy, there is no escape from the petrified conditions that prevail in peace times in every governmental undertaking. It is utterly without precedent to think that the Government ever invented anything. The processes of taxation exhaust the ingenuity of all governmental agents. By the time they frame revenue bills, put a tax collector in the field, and pass the appropriation bills statesmen are exhausted, people and the press weary, and governmental processes have arrived at their legitimate end. That is the universal experience of every government on earth, outside of a monarchy. A monarchy grants titles, creates orders of nobility, rewards the discoverer or the inventor or the successful contractor, those who build tunnels and bridges, who make themselves distinguished in some line of human effort. It can stimulate and connect its processes with the best in private enterprise. It can prepare for war secretly.

A republican government can only hope to protect its people. It can not undertake the promotion or interference with the private pursuits a monarchy can. It is a radical difference in the two forms of government. Republic government is unfavorable to the assumption and operation of essentially private occupations. Free government is not devised to support people. It is devised to protect people while they are supporting themselves. It is designed to give the largest measure of individual freedom to man in private life. Some people here seem to have an idea that the object of government is to support everybody, and on that idea there is based this notion of taking over the railroads as a permanent effort and administering them by the Government.

I have taken more time than I ought, and I have only very faintly enforced my views. I wish I could have more time, which I am sure will come in a future campaign, and if I am alive and in health I intend to carry these measures out as I see them to their logical conclusion. I intend to hit the main question.

I want to say to those on the majority side of this Chamber that the great issue is not one of those that have heretofore divided the Democratic and Republican Parties. In the immediate years—not in the next generation, but in your generation and mine—our problem will be to defend civil liberty and the right of individuals under a free form of government to remain and be secure in our possession of private right. It will be to protect it against the agitator, against the socialistic state, against him who intends to absorb every private pursuit by the Government, to destroy the ownership of private property in every form whatsoever, to take it from those who have it and vest it in the hands of a government to be selected by an aggressive minority. An organized minority will always defeat an unorganized majority, and they know it.

There are two forces working. The current will begin to draw your craft, as it will ours. Those who are at the head of large public utilities have been legislated on and hectored and annoyed until I know the sentiment of some of them. They are ready to surrender their property. They are ready to let the Government take it. They know that, unless by armed force, it can not be taken away from them unless there is just compensation, and they are willing to let go. The head of one of the largest public utilities in the world is of that frame of mind. He is tired of the incessant fight to protect the vast interests of which he is the executive head. Joined with him are others of a like mind, and all of them are to-day unconsciously traveling toward the goal of the Socialist. We ourselves, when at the threshold of such a bill as this we are faced with one of the principal proposals of the socialistic state, owe it to ourselves to join with all who believe as we do and defend that institutional liberty and the right of private property and of a government of regulated individualism until there will be no opportunity to indulge in such propaganda and principles as are laid down in section 13 as a permanent measure.

I know what it is. It is proposed to carry that into the campaign, to make it impossible for the owners to have their property until it has passed through a crusade of the kind that will be instituted by the gentlemen whom I described a while ago. I know what that kind of a campaign means, the prejudices that can be appealed to, and the impression that can be made upon a great body of the voters of this country. It is a task that exceeds the 12 labors of Hercules to go before the multitude, the great jury, on a question of this kind and defend the right of private property, of regulated individualism, and of the institutional liberty that we have inherited from our fathers.

Mr. POINDEXTER. Mr. President, it would be entirely possible to admit the soundness and accuracy of most of the statements that have been made by the Senator from Illinois [Mr. SHERMAN] without affecting one's position whether for or against the pending bill.

The fact of the case is, after hearing the entire remarks of the Senator from Illinois I am somewhat in doubt whether he is for or against it. The most definite thing that I have heard in that respect, I think, was an announcement that I saw of a notice which the Senator from Illinois gave on yesterday that he was going to speak to-day in favor of the bill; so I assume from that that the remarks which he has made are in support of this measure—though it provides for Government control; and his speech was an eloquent and somewhat vehement denunciation of the effects of Government control. The Senator said that it would put upon the Government pay roll some 1,800,000 railroad employees. I think he rather overestimated the number. My impression is that it is some 1,600,000 instead of 1,800,000, but that is largely immaterial. He also said from his inner consciousness—and he emphasized the fact that he was speaking of his own knowledge—that the labor unions of this country control this Congress. I would not have known that if I had not heard the statement from the Senator just now made. Stating, as he does, that he speaks from personal knowledge, I must accept it as true, at least, as to some.

After describing the terrible calamity that would result to the country from this great increase of Government employees he surprises us by stating he is for the bill, which will bring them all under Government control. Though stating he is opposed to Government control because of the power so many employees would exert upon the Government, he proceeds to claim that under private operation of the roads the labor unions control Congress, and he says that the railroad employees, under the old private competitive operation, control, and ownership, forced the Adamson law through Congress. I assume that the condition can not possibly be worse under Government control.

The accounts which the Senator has given of the construction of railroads from Chicago out into the wilderness, paying for them without mortgages, and the subsequent looting and ruin of them, as in the case of the Chicago & Alton, are all most interesting; but it is difficult to see in these circumstances an argument against Government control. I am at a loss as to what application the Senator intends to make of them. I assume that he is going to support this bill, notwithstanding his denunciation of the dire effect of Government control, though the bill provides for Government control, not only during the war but for 18 months after the war is over.

I am not here to argue for Government ownership, though I would not shrink from it if it should prove necessary. I have not the same horror of Government ownership of the public highways as the Senator has, though I think there are other measures, intermediate measures, which should first be tried before we resort to that last extreme. But if I were here to argue for it, I would not be deterred by the experiences that the Senator recites of State roads in Missouri and North Carolina any more than I would be induced to denounce the national banks and the national-bank act because at one time in our history we had the wild-cat currency of State banks.

Mr. SHERMAN. Mr. President, will the Senator permit an interruption?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Illinois?

Mr. POINDEXTER. I will yield for a question. My remarks will be quite brief.

Mr. SHERMAN. I do not know whether the Senator was here or not; but I announced on taking the floor, or very shortly after I began to comment on the bill, that I should support it unless section 13 as originally written was restored; that I should support the committee bill, although not approving of all its features.

Mr. POINDEXTER. That was my understanding of the Senator's attitude, and I am still somewhat surprised to know that he is going to do that, in view of his denunciation even of the limited restrictions that have heretofore been placed upon the roads. He says they have been placed in a "strait-jacket," and intimates that they should have been unmolested, along with Hinky Dink, Bathhouse John, and the "normal state of corruption" which he says exists in Chicago. The Senator seems to think that the railroads have been hampered and the country has been injured, even, by any governmental interference. But I think there are very few Senators, Mr. President, who do not favor an even larger measure of Government control. There are

probably very few Senators who, if called upon to vote for a permanent railroad policy for this country, would vote to go back to a system of unrestricted private control and operation. There are very few, I think, who would not vote for a more effective governmental regulation of these great public agencies.

There ought to be borne in mind at every point in the consideration of this measure, in the charge that it smacks of socialism, that these properties are not private properties. The Government control which is provided for in this bill is Government control of an agency and function of the Government itself, of public highways of the Nation, and the talk of the seizure of private property, of those things into which no question of public agency enters, has but little application to dealings with the public carriers of the country.

But, Mr. President, I wish to refer very briefly to the bill itself. The procedure of the Committee on Interstate Commerce in dealing with the bill, which was Senate bill 3385, to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, has been somewhat out of the ordinary. One or two very vital amendments or changes in the bill were made by the committee, but instead of reporting them as amendments the committee has embodied them in a new bill—Senate bill 3752. In fact, as the deliberations of the committee proceeded, its chairman has introduced several new bills to embody the result of the committee deliberations, so that in order to reach parliamentary consideration of the changes in the original bill, which have been proposed by the majority of the committee, instead of the burden being upon the committee to propose and carry its amendments, the burden is upon the advocates of the original bill as introduced, who desire no change in certain vital respects to present amendments. I do not think that the bill as worked out by the legal advisers of the Director General, including Hon. George W. Anderson, of the Interstate Commerce Commission, has been improved in any way by the substitute bill offered by the committee. The bill as introduced made no express change in the rate-making authority of the Interstate Commerce Commission. It is true that it was claimed by the Director General that under his general powers he had supervisory control of rates, as provided in the bill, yet that was a matter for legal construction, and it was the avowed purpose of the Director General not to interfere, in general, with the rate-making duties and authority either of the interstate or State commissions.

The bill as originally introduced did not provide for the return of the railroads to private control, but retained the Government control until further action of Congress, thereby giving to the advocates of readjustment of our transportation system, with reference to unification and Government control, the advantage of the present status, and putting the burden of the enactment of additional legislation upon those who favor a return to the private competitive system. The committee substitute bill reverses both of these principles. It overturns absolutely the initial rate-making powers of the State and Interstate Commerce Commissions, and imposes the vast burden of that complicated and technical work upon the President, giving to the Interstate Commerce Commission the strange rôle of appellate power over the action of the President. Nothing whatever remains of the rate-making powers of the various State commissions, the entire rate-making field being covered, under the committee substitute bill, by the initial rate-making powers of the President and appellate or supervisory rate-making powers of the Interstate Commerce Commission.

The committee substitute bill provides that "rates shall be fair, reasonable, and just," but does not require of the President, as was required of private operators by section 3 of the interstate commerce act, that no "undue or unreasonable preference or advantage to any particular person, company, firm, corporation, or locality, or any description of traffic," shall be given. Under the previously existing powers of the Interstate Commerce Commission it was its duty to enforce this provision; but as the bill is now framed the obligation of this statute is entirely removed from all rate-making authority, whether private owners, the President, the Interstate Commerce Commission, or the State commissions. The matter is left entirely in the discretion of the President, subject only to the vague and effusive generalization that "rates shall be fair, reasonable, and just." The committee substitute bill provides as follows:

> The President may initiate rates by filing the same with the Interstate Commerce Commission. * * * but the Interstate Commerce Commission shall, upon complaint, enter upon a hearing concerning the justness and reasonableness of so much of any order of the President as establishes or changes any rate.

This destroys the very foundations of the rate-making authority and the legal restrictions upon rates that have been carefully worked out through a quarter of a century of travail.

The matter is left entirely in the discretion of the President. Of course it may be said the President will not abuse that discretion. It is hoped that he will not. But the Senate is supposed to be considering the law, or proposed law, and not individual discretion, whether it is that of the President or some one else. Those who are familiar with the issues which have been fought out between the public, the shippers, and railroad corporation owners and operators during the past generation know of the labyrinth of technicalities, complications, regulations, terms, trade areas, and direct and indirect effect upon communities, firms, and individuals of rates, and the machinery of government which has been built up under the Interstate Commerce Commission for dealing with this labyrinthian subject will readily understand the absolute impossibility of the President, starting where the Interstate Commerce Commission started 30 years ago, with his other unparalleled duties and authorities, being able to cope with the constantly recurring rate-making problems. It may be said that he will have the benefit of the advice of the Interstate Commerce Commission, but, unfortunately, the bill deprives him of that benefit because it expressly gives the commission appellate and supervisory power over the decisions of the President as to rates. Of course it is obvious that they can exercise no real supervisory power over the President, if assisting him, and at the same time serving him as agents, in the exercise of his rate-making authority.

The Interstate Commerce Commission consists of nine members. The term of one expires each year and in 1921 and 1922 the terms of two members of the commission expire. All of these vacancies are to be filled by the President. All except two of the members of the commission were appointed by the present occupant of the White House. Giving to the membership of this tribunal—which in the main throughout the greater part, at least, of the time since its establishment has rendered most valuable service—credit for the highest character and the greatest firmness, it is expecting too much of them, or any other set of men similarly placed, to ask that they shall override, however clear the case might be, the orders of their official creator in the fixing of rates. The committee substitute bill, in putting the initial rate-making authority in the hands of the President, thereby taking it out of the jurisdiction of the Interstate Commerce Commission, and then providing for a review and supervision of his acts by men who are his official creatures in the sense that their official status is created by him, and expecting any real independence of judgment from such an appellate tribunal, is contrary to the experience of government and the science of legislation. It throws into confusion and uncertainty the entire rate-making machinery of the Government, which has been so painfully constructed.

It would have been far better if the bill had contained a simple, express provision reserving in the interstate and State commissions their existing rate-making authority, with the proviso that where necessary only, in the exercise of the duties imposed upon him by this act, the President might change rates so fixed. The mere spectacle itself, detached from its application, of the President of the United States being subject, in any of his actions, to the orders of subordinate executive or administrative officials appointed by him, is undignified and humiliating. Furthermore, in its application in this particular case, it is wholly unscientific and will be utterly ineffective.

This bill provides for the temporary use by the Government of railroads and the return to private control and operation 18 months after the "proclamation of peace terminating the war in which the United States is now engaged." The mere temporary taking over of roads and the temporary use of them by the Government, the measure of compensation for the two or three years of such use, or even the temporary method of rate control—questions which largely absorbed the debate upon this bill—are comparatively unimportant. A few years or months until the date fixed by this bill for the reestablishment of the old railroad policy will soon run by, and the country will easily have survived even the mistakes of legislation or of administration for that brief period. The one question of transcendent importance in the railroad problem is, What is to be the permanent disposition of the railroads—of their control, their rates, their service? Will we permanently persist in maintaining a system of private ownership, private control, private exploitation, in many instances, of the public highways of the Nation, through which the lifeblood of the people flows? Are we to continue the competition of rival private companies in the operation of these public arteries, with private gain and advantage as the first and primary consideration, and at a constant loss to the public of a part of the capacity of the roads? Or are the public roads to be operated as public roads, with the public interest as the primary consideration and private profit a secondary or incidental consideration? Shall the roads be coordinated and operated as one system, so as to secure the full and best use of

each, both in handling the business of the communities where they are located and serving the Nation as a whole, as a part of one national system? Shall the enormous amount of cross hauling of commodities, the economic waste of unnecessary transportation, be curtailed and freight be routed to its ultimate destination by the shortest route? None of these matters are disposed of by this bill. Confessedly, by its express provision, its operation is temporary, to terminate on a certain day and hour in the near future, with no provision whatever made for the solution of these great, practical, public problems and policies.

In the broadest terms, opinion upon the proper policy of the Government toward the railroads may be divided into two classes: First, those who believe in private ownership and control and a continued rivalry and competition of private lines as they existed before the roads were taken over by the President; second, those who believe in complete Government control, with either private or Government ownership.

It is consistent for those who believe in continued private control to support the bill introduced in its present form.

By that I may say, in order not to put myself in the same attitude of indefiniteness I charged the Senator from Illinois [Mr. SHERMAN] with being in, I am in favor of the bill that was first introduced, and am opposed to the changes which were made in it by the committee, and when I speak of the bill in its present form I am referring to the last one of the series of four separate bills, each with a separate individual number, which has marked the various evolutions of this piece of legislation, each one worse, I think, than the other.

It is consistent for those who believe in continued private control to support the bill introduced in its present form since by its terms it restores private control 18 months after the "proclamation of peace" and puts the burden of additional legislation upon the advocates of Government control. But those who believe in Government control and in the unification of the railroads of the Nation into one system, to be operated under strict Government supervision, with either private or public ownership, should support the original bill, as it was framed and introduced by the Director General and his legal advisers—in preference to the new committee substitute or committee amendment—whatever term may be given it. As it was first framed, the effect of the bill was that the roads should not be restored to private control without further legislation to that effect. I have talked with most of the members of the committee, with railroad men, with shippers and consumers, and for 20 years have been actively interested in practical and theoretical questions of railroad policy, and have been in contact with all shades of opinion upon that subject. I do not hesitate to say that the overwhelming consensus of judgment in this country is that our transportation system should not be returned to its former status. How many Senators are there here who will say that they are in favor of private, competitive operation and control as it existed heretofore?

I have an idea there are a few, but there are not many, I venture to say. The distinguished Senator from Indiana [Mr. WATSON], in his learned discussion upon this subject, stated his position in these words:

> Mr. President, as to the second suggestion, I desire to say I do not believe that the railroads of this country will ever be permitted to return to the old competitive system which we have compelled them to pursue for the last 30 years. I do not believe they should be permitted to return to that system. I believe that they will be nationalized; that they will be operated as one transportation system; that they will not be compelled to compete; that they will be permitted to pool their traffic and their earnings; that useless lines will be abandoned; that all the property and all the equipment which every railroad has heretofore provided for its own operation and its own use will be used in common by all the other railroads in the nationalized system. I believe that the Government will control and finance this unit, and that private ownership will be continued in the future as in the past. In other words, complete Government control, with private ownership of the property controlled.

Furthermore, those who are in favor of pooling, whether under private control or under Government unification and control, will all agree that it is a question of colossal importance; and yet, like the Senator from Indiana, notwithstanding his positive and earnest declaration that he does not believe that the roads will ever be permitted to return to private control and the old competitive system, though recognizing the vital character of this question, propose, by this bill in its present form to do that very thing, namely, to restore the old system on a certain date. The able Senator from Indiana says:

> Why, then, should not the powers it—

Referring to the pending bill—

> bestows cease at such specified time after the war? On what theory can it be definitely extended?

I presume that was a typographical error and means "indefinitely extended."

> Who is willing to contend that it is necessary in order to win this war to permit Mr. McAdoo, or any other man, to control the railroads long after the war?

And yet, in the same address, the learned Senator has stated that it is his belief that the Government will control and finance this unit—the unified and nationalized railroad system of the Nation—not only long after the war shall have ceased but permanently.

If Senators entertain these convictions, why should they vote for the committee changes in this bill, which provide for a return to a system which they believe to be wrong, trusting to some future Congress, perhaps, with possibly some future President, to undo, in the interest of the policy which they advocate, what by this committee bill they do?

Mr. WATSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Indiana?

Mr. POINDEXTER. I yield to the Senator.

Mr. WATSON. If the Senator will permit me, I do not think he can find the inconsistency in my remarks that he might lead one to believe that he has found, or at least thinks he has found.

My contention is that this is a temporary measure, for war purposes only, and that at the conclusion of the holding or operation by the Government—that is to say, at the conclusion of the 18 months after the expiration of the war—these roads shall be turned back to private ownership, but that in the meantime we shall legislate in accordance with the other plan that I have suggested, or something along that line. I do not believe that the Government should continue to operate the railroads as they are now being operated; nor do I believe, on the other hand, that the railroads should be turned back to the old competitive system under private management; but I do believe that the railroads should be turned back to private ownership—that is to say, that private ownership should be continued, because the system of private ownership now obtains. I do believe, however, that between this and the time we turn the roads back we shall by appropriate legislation agree upon some system of governmental control that will obviate the necessity of Government ownership and yet will nationalize and unify the railroad systems of the country. So I do not see, with the permission of my friend, the inconsistency that he attributes to me in my remarks.

Mr. POINDEXTER. Well, Mr. President, I think I understand the Senator's position, and he advocated it very ably and very logically; but the fact still remains, and it is verified by the statement which the Senator has just made, that, in his opinion, private control should cease and that it should be supplanted by Government control before the roads are turned back to the private owners; but, notwithstanding that, he is supporting a measure providing just the contrary to that, to turn them back on a certain date, with no provision such as he advocates.

Now, he again says he thinks it ought to be done before that date, fixed in the bill for the termination of Government control, comes; but he is depending upon some future contingency, upon some future Congress, upon a future President perhaps, with all of the obvious and familiar difficulties of legislation, to accomplish a thing which he declines to do, though I suppose he regards as of the utmost importance.

Mr. WATSON. Now, Mr. President, if it will not interrupt the Senator——

Mr. POINDEXTER. Not at all.

Mr. WATSON. Let me ask the Senator, would he now, in connection with this measure, which of necessity is temporary in its character, enter upon legislation to determine the whole future policy of this country with reference to the management, control, and operation of the railroads?

Mr. POINDEXTER. No; I would not; but I would not vote to return the railroads to the old private-owned competitive system until legislation had been enacted to remedy the existing evils, which, the Senator from Indiana admits, exist.

Mr. WATSON. Then the only difference between the Senator from Washington and myself is that he is apprehensive that the Congress that will be in existence at the close of the war, and for 18 months thereafter, may not perform its duty, whereas I have no such apprehension. In the speech which I made on the floor with reference to the question, I distinctly announced that the Congress then in existence would do its duty and would measure up to the requirements of the hour. That seems to be the difference between us.

Mr. POINDEXTER. I hope that it will, Mr. President, do its duty. I have very little idea of what kind of a Congress we shall have at that time. I am familiar with the opportunity to blockade legislation even in good Congresses, and I prefer to act in the present, to preserve a status which is advantageous toward the accomplishment of the object which the Senator desires, rather than to surrender that advantage and console our-

selves by a eulogy of a Congress that is not yet in being, and about which we know nothing whatever.

Mr. President, the final court, of course, before which this question is to be tried is public opinion; and before you restore the control of the railroads to private interests why not give the shippers, producers, and consumers of the land, for whom and by whom alone this public service is maintained, an opportunity at least to be heard at an election. If the public desires a return to private control, the owners of the railroads will unite with them to bring it about and there will be no legislative difficulty in the enactment of the law; but if, as is almost sure to be the case, the American people, like the Senator from Indiana [Mr. WATSON] and a majority of the members of the Interstate Commerce Committee of the Senate, do not desire to return to the private rival lines, to the rate discriminations, to the power of life and death over industry in private systems, operated primarily for gain, then why prejudge the great question by the preference of this committee substitute bill over the bill that was originally introduced?

I will interrupt what I had intended to say here to answer a little more fully the question which the Senator from Indiana asked me a little while ago as to whether I would dispose of these questions now. On the contrary, in the midst of war the resources of Congress—the legislative resources—and all of the mental resources of the Members of Congress ought to be concentrated upon the conduct of the war; the resources of the country ought to be concentrated upon it; and there should be as little disturbance of existing systems, where such disturbance is not necessary or conducive to the successful conduct of the war, as possible. But for that very reason, because this is not an opportune time to dispose of these questions, and yet because they are questions that must be considered and ought to be disposed of, the present status, which gives an opportunity to consider them with advantage, ought to be preserved; and there could not be provisions put into this bill too rigid to prevent, whether 18 months after the war or at any other time, the return to a policy which Congress believes is wrong—at least, I assume that a majority believe it is wrong, and which the Senator from Indiana and myself agree should never be restored. I agree very largely with the Senator's substantive views about the matter. It seems to be largely a question of how to arrive at the object.

I am in entire accord with what the Senator from Illinois [Mr. SHERMAN] said about the preservation of the foundation of credit in the country. I shall have later on a few remarks to make in connection with that subject, though I do not agree with his eulogy of monarchial forms of government. I prefer a republic. The Senator's statement that every bureau of the Government must necessarily be in a "petrified" condition in every form of government except in a monarchy is a praise of monarchy from an unexpected quarter.

Mr. SHERMAN. Is Germany petrified?

Mr. POINDEXTER. I think it is the most bureaucratic Government in the world.

Mr. SHERMAN. Mr. President, then the sooner we get petrified in the same way the sooner we shall lick Germany.

Mr. POINDEXTER. Mr. President, I have not the same admiration for German kultur and the German Government that the Senator from Illinois seems to have. I have not the same admiration even for the boasted military ability of the German Government that the Senator seems to have, and that alleged German efficiency which seems to be such a fetich in certain circles. The subject of German superiority over the rest of the world is a little aside from this bill, but not any more aside from it than most of the things which the Senator from Illinois talked about in his speech. But even from a military standpoint Germany has failed. After preparing for this war with the most minute particularity, even down to the point of sewing two sets of suspender buttons on a soldier's pants, with secret plans, and the surprise of peaceful nations by violation of treaties, though outnumbering the French 8 to 5, Germany was defeated at the Marne, pinned to her trenches, and beaten in her object of occupying Paris in three months.

Even the boasted military prowess of the Germans is largely mythical.

But to return to the pending question—whether railroad control shall be retained until a permanent policy is adopted is largely a question of advantage of procedure. It is as though one should have enough confidence in his opinions and in the importance of accomplishing the great object in which he believes, to hold for those opinions and for the public interest of the country the advantage of the present status, rather than by surrendering it, put the burden upon the public of recovering it again.

Why should we, before we have acted upon these vital questions or even considered them, entrench the railroad corporations in the law and put the burden upon the people of changing that law against the obstructions of the entrenched interests? Of course, it is almost obnoxious nowadays to use the word "interests," but I use it in the most literal sense—the investment of private parties in these public utilities—and in no invidious sense at all.

The affirmative in legislation is always more difficult to maintain than the negative, just as the offensive is in warfare. If the German oppressors of Belgium and would-be conquerors of the world would get out of their holes in the ground, they would very soon be driven back behind the Rhine, where they belong; but they are pursuing a defensive warfare, and their opponents have the burden of the offensive. If we give the railroads, by the thirteenth section of the bill as amended by the committee, the first-line trench of the Senate, and the second-line trench of the House, and the third-line trench of the presidential veto, and the fourth-line trench of the courts, they may be depended upon to do enough camouflaging of issues, of gassing and bombing of opponents, of frightfulness and ruthlessness of business and political warfare, and of protracted discussion in the courts to make a long war and defer for many years the reestablishment of governmental control.

Neither is it likely that the great tribunal of the people, to which all of our actions here must be submitted, will decree in favor of a consolidation of the railroads of the country under private control, however much it might add to their efficiency. Such a monster of power in private hands could defy the Government, and its inevitable abuses would tempt revolution, which is already lifting its bloody hand in the world. Such a private power would set itself up above the courts and the people. Joined and meticulated together by the law, it would prove a very Frankenstein of irresponsible power and defy its creator.

The Senator from Illinois, if he will pardon me for referring to his speech again, has pointed out that even in the divided state of railroad power, it was able to force legislation through Congress. If we unite that power under private ownership, without the restraints of governmental control, the conditions which the Senator has described will be very much aggravated.

If it is agreed that private competition in transportation is wasteful and inefficient, and private monopoly is dangerous and oppressive, why is it proposed, in the little space of 18 months after the close of the war, to return to either one or the other? I say one or the other because, although supposed to be forbidden by the Sherman Antitrust Act, and so decreed by the Supreme Court of the United States, there was, until the roads were taken over by the Government, a steady tendency toward consolidation of private control. I might call attention here to the fact that I have seen appear before committees of the Senate a very courteous and able gentleman to speak for his client, which was a committee representing 97 per cent of all the railroads in the United States, and that concert of action was notwithstanding the Sherman antitrust law.

It may be admitted that this is an inopportune time for making these permanent readjustments, but the opportunity to make them, in so far as this law is concerned, should be preserved to the public, and the burden should be put upon the private interests involved to promote additional legislation if Government control is to be permanently divested. We should not surrender it by this act, and put the burden upon the public to secure additional legislation in order to recover it.

If I were opposed to Government control, Mr. President, I would promote in every way that I could the fixing of a definite time when it should end; but if I were in favor of it I should oppose legislation now or at any other time to bring it to an end.

The science of government teaches that laws should be so framed, as far as possible, as to make it to the interest of the governed to support the policies of the Government. This matter should be so arranged that the powerful private interests concerned would have the burden of positive and affirmative action in order to restore the old condition of almost unrestricted private control. It is always easier to delay, block, and defeat a bill than to enact one. If the bill passes in its present form the time will come when the passions of the people will be stirred by one of the most stupendous political conflicts in their history, with private interests entrenched in the statute and the public interest at the disadvantage of overcoming every obstruction and delay to which our form of government, with its intricate system of checks and balances, gives so many opportunities, with its bicameral legislature, its executive and judicial vetoes, its pigeonholes, its filibusters, its struggles in committees of the Senate, of the House, and of conference, with a legislative executioner at every door to demand the password.

If now, confessedly without consideration of the intricate questions involved, we provide that at a certain date the railroads shall be restored to the prewar private control, then we establish the private railroad interests in every one of these strategic points. The public interest should be established in them. The private interests would then be compelled to unite with the Government in securing the enactment of a law fixing a permanent basis of transportation.

The legitimate interests of every investor under the law should be protected, and liberality rather than parsimony should govern their compensation. The Government and the people can afford to be liberal, they can always afford to be liberal, but they can especially afford to be liberal in this matter, because the costs of the transaction are small compared to the immense and permanent benefits to be derived from the correct settlement of the question.

To illustrate just by one instance, Boise, Idaho, in the midst of the sheep country, is 700 miles nearer to the wool market in Boston than Portland, Oreg.; yet under the old private operation of roads the freight rate on wool from the wool country, Boise, to the wool market in Boston was $1.98 per hundred, while the rate from Portland, 700 miles farther away, was $1. The rate on wool from Boise to Portland was 77 cents, so that it costs $1.77 to ship wool from Boise to Portland, and back from Portland, through Boise, and on to Boston; while it costs $1.98 to ship direct from Boise to Boston, 1,400 miles less of transportation. The amount that would be saved to the people of vast regions in the United States by the removal of unjust and inequitable discriminations of this kind would far more than compensate the Nation in increased production and prosperity and in release from unjust burdens of rate taxation for any cost which, whether temporarily or permanently, the Government would be put to in taking over the control of the roads.

I was once a member of a subcommittee investigating certain charges that the development of coal mines tributary to the Southern Railway system was suppressed by those who controlled its finances in the interest of northern roads in which they were concerned. The testimony indicated that rich coal fields within easy reach of southern ports by way of the Southern Road were prevented from being developed by discriminatory rates. The removal of motives and opportunities for such manipulation of development by the private control of transportation—which really is a public function and agency of the Government itself—which would be accomplished, will be another compensation, with the long list of others, which far more than overbalance even the most liberal measure of satisfaction of any private claims in these highways.

The Erie Canal is a natural regulator and reducer of freight rates on all transportation between the Atlantic coast and the great West, from the North Carolina line to the Canadian border.

I have that statement, which fastened itself in my mind, from one of the most important representatives of the railroads in the country, and it undoubtedly is a basic truth. Under the system reestablished by this committee bill, the power of the vast investments in railroad transportation has attacked and destroyed hundreds of water transportation systems, which, if preserved, would have had effects similar to that of the Erie Canal. Under public control all motives for opposition to supplementary water transportation will be removed and, on the other hand, by the union of these two arms of traffic the efficiency of both will be increased and the prosperity of the Nation multiplied.

To some the financing of either Government control or Government ownership of railroads appears to be an insuperable obstacle. The Government ownership is not a necessary accompaniment of Government control, and to some it is undesirable; but, with or without Government ownership, the Government financing of Government control could be effected without difficulty or embarrassment, and the savings alone which would result from the economies incident to the consolidation of various conflicting systems, by a system of amortization and gradual reduction of financial obligations, even though the burden of Government ownership were assumed, would go far toward extinguishing the debt in 50 years.

Neither has consideration been given by this bill or in the framing of it to methods, means, and organization of Government control. These details offer no insuperable obstacle. The appointment of assistant directors for various consolidated transportation systems, composed of what heretofore have been rival and competing lines, with jurisdiction coordinate with certain sections of the system, acting under the authority of the Director General—subject to the control of Congress, and with the assistance of the established commissions—could very readily be perfected into a satisfactory organization. These questions, however, are open for discussion and adjustment. It is not pretended in this bill even to consider them, and the opportunity for their consideration will be very much compromised by the preference of the committee bill.

Now, who is in favor of the old system, other than the private owners of the railroads? A few pseudoconservatives. By pseudoconservatives I mean those who by their natural constitutions are opposed to change of any existing institution. It is a false conservatism, because it is an impossible attitude. For many it would be a very comfortable position if it could be maintained. But it is futile to resist change. Evolution is a law of human society as truly as of the rest of nature, and obstruction of its course leads either to decay or violence. The law of the survival of the fittest, in the struggles of men and nations, applies to policies of transportation as it does to every other essential activity of organized society.

In our complicated modern state the lives of the people, in a direct and literal sense, depend upon railway transportation. Its mismanagement or perversion for selfish private interests is instantaneously reflected in the economic life of the people.

It is going far to say that a factor so vital to the welfare and existence of the Nation shall by this bill, at a fixed time, be restored to private control, without even an attempt at settlement of the mighty issues involved.

Mr. STERLING. I send to the desk a proposed amendment to the pending bill, which I ask may be printed and lie on the table.

The VICE PRESIDENT. It will be so ordered.

Mr. SMITH of South Carolina. Mr. President, I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The VICE PRESIDENT. The motion is out of order.

Mr. LEWIS. Mr. President, let me suggest to the Senator——

Mr. SMITH of South Carolina. I move that the Senate take a recess, then.

The VICE PRESIDENT. No; that motion is out of order. There is a unanimous-consent agreement that on the legislative day of Thursday, February 21, 1918, the Senate will proceed to consider this bill in a certain way. There can be no legislative day of February 21 if a recess is taken.

Mr. LEWIS. Mr. President, that is all I rose for—to remind the Senator that that is the situation.

Mr. SMITH of South Carolina. I move, then, that the Senate adjourn until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Thursday, February 21, 1918, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *February 20, 1918.*

The House met at 12 o'clock noon.

Rev. William Couden, of Washington, D. C., offered the following prayer:

Rule Thou, Almighty King, over the spirit and affairs of our land. Add Thy favor to all our undertakings, both civil and military. Govern with the conquering power of Thy will the aims and work of the President and his advisers, the Congress of the United States, and all our Army and Navy authorities. May God reign that the country may live.

Be with the officers, Members, and servants of this House individually. Teach them to live as though each day were to be their last before the night cometh when no man can work, and yet as though each day were the beginning of an endless chain of causation, with every linked effect in which each must reckon.

And when at last they reach the vale of Jordan, through the merits of the atoning Savior, land them as ransomed souls safe on Canaan's sid

And the grace of our Lord Jesus Christ and the love of God and the fellowship of the Holy Ghost be with us all evermore. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war, had agreed to the conference asked for by the House, and had appointed Mr. OVERMAN, Mr. FLETCHER, and Mr. NELSON as the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. FRANCE and Mr. HOLLIS members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Interior Department.

CALL OF THE HOUSE.

Mr. WALSH rose.

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. I rise to make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts [Mr. WALSH] makes the point of order that there is no quorum present.

Mr. MASON. Mr. Speaker, pending that, may I ask unanimous consent to extend my remarks?

The SPEAKER. You can not turn a wheel until you get a quorum. Evidently there is no quorum present. The Doorkeeper will close the doors.

Mr. FOSTER. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Illinois moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anthony	Fairchild, G. W.	Kehoe	Riordan
Blackmon	Flood	LaGuardia	Rodenberg
Booher	Flynn	Lesher	Rowland
Britten	Focht	McCormick	Sanders, La.
Brumbaugh	Fuller, Mass.	McCulloch	Scott, Iowa
Candler, Miss.	Garland	McKenzie	Scully
Capstick	Gould	McLaughlin, Pa.	Sims
Carlin	Gray, Ala.	Magee	Slemp
Chandler, N. Y.	Greene, Vt.	Maher	Sterling, Pa.
Coady	Gregg	Miller, Minn.	Sullivan
Connelly, Kans.	Hamill	Miller, Wash.	Sumners
Cooper, Ohio	Harrison, Miss.	Montague	Templeton
Costello	Haskell	Mott	Vare
Curry, Cal.	Heintz	Nicholls, S. C.	Walker
Dallinger	Hensley	Nolan	Ward
Davidson	Holland	Oliver, Ala.	Wilson, Ill.
Dooling	Hollingsworth	Parker, N. Y.	Wilson, La.
Doremus	Hood	Porter	Winslow
Drukker	Howard	Pratt	Zihlman
Dyer	Husted	Price	
Eagle	Johnson, S. Dak.	Ragsdale	
Emerson	Jones, Tex.	Rayburn	

The SPEAKER. On this call 342 Members have answered to their names, a quorum.

Mr. DOWELL. Mr. Speaker——

Mr. KITCHIN. Mr. Speaker, I move to suspend further proceedings under the call.

Mr. DOWELL. Mr. Speaker, I desire to make a motion.

The SPEAKER. You can not make a motion until you get rid of this.

Mr. DOWELL. All right.

The SPEAKER. The question is on the motion of the gentleman from North Carolina to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. For what purpose does the gentleman from Iowa rise?

Mr. DOWELL. I desire to make a motion. I move that we dispense with Calendar Wednesday to-day.

The SPEAKER. The gentleman from Iowa moves that we dispense with the business usually transacted on Calendar Wednesday to-day.

Mr. DOWELL. Mr. Speaker, in view of the fact that we have under consideration the railroad bill, which is not only important to both branches of Congress, but to the entire country, it would seem to me we ought to proceed as rapidly as possible to the consideration of that bill, and it is for this reason that I make the motion. I believe it should be concurred in by all Members of the House.

The SPEAKER. The gentleman has five minutes.

Mr. DOWELL. I reserve the balance of my time.

The SPEAKER. The gentleman from Iowa reserves four minutes.

Mr. KITCHIN. Mr. Speaker, I trust that the motion will not prevail. The chairman of the Committee on Interstate and Foreign Commerce has made no such request. It was understood by him and by the members of the committee that no such motion would be made. It is well known that that motion is not made to take up the railroad bill, but in order to defeat the Buchanan statue measure, which was before the House last Wednesday. This bill, as I understand, if it is to become available at all, must be passed by March 1.

Mr. SLAYDEN. By July.

Mr. KITCHIN. I believe that the gentlemen who have charge of the Buchanan statue bill ought to have their day in court. Their day will be lost if it is dispensed with to-day, and they will get no more days until they get around the calendar again, and that will not be done again at this session.

Mr. WALSH. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. WALSH. Is it not a fact that the Director General of Railroads has sent a letter to Members of both branches, urging the passage of the railway legislation without any delay whatever?

Mr. KITCHIN. Yes; and this is not delaying it. Of course, that meant under the rules of the House and the general course of procedure here, and they knew that you could not bring in a rule to dispense with Calendar Wednesday for the purpose of considering the railroad bill. Calendar Wednesday must be dispensed with either by a two-thirds vote or by unanimous consent.

Mr. DOWELL. In reply to the gentleman from North Carolina I desire to say that there are many Members of the House who desire to discuss the railroad bill. Under the rules they are not able to secure the time they desire in which to discuss this measure. If Calendar Wednesday is dispensed with every opportunity can be given for those who desire to present their views upon this question and to give it careful consideration, and it does seem to me that it is not proper to dispense with the consideration of the railroad bill in order to take up other matters at this time. I know the gentleman from North Carolina [Mr. KITCHIN] has frequently come to the House with the request that Calendar Wednesday be dispensed with in order that important legislation might be considered. He has always received not only a majority, but usually unanimous consent that Calendar Wednesday be dispensed with for that purpose. I know of no more important legislation than that which is now pending before the House, and it should have immediate consideration. Mr. Speaker, I ask for the yeas and nays on the motion.

Mr. SLAYDEN. Mr. Speaker, I believe I am entitled to the three minutes remaining of the five.

The SPEAKER. Yes.

Mr. SLAYDEN. I want to say in reply to the gentleman from Iowa [Mr. DOWELL] that if he had been less eager to filibuster and try to defeat this bill than he is to advance the consideration of the railroad bill we would have been through with it in half the time he has consumed. Last Wednesday, as almost every Member of this House knows, we discussed this bill and advanced it to the stage where, after having concluded general debate, we might have had a vote on it; but some gentlemen suggested to me that it would be at least courteous and considerate of their feelings if a vote were not pressed, because some of them had an engagement to go to the White House. I believed then, and I believe the House knows, that we had votes enough on the floor at that time to have passed the bill, but out of consideration for the 15 gentlemen we did not press it.

One of the very eminent Members on that side of the House who voted against the consideration of this bill assured me that so far as he knew there would be no more filibustering against it. I know he would not have deceived me, and so he must have been mistaken or his followers are out of hand.

Now, Mr. Speaker, I am perfectly willing to have a vote on the measure at once, and the vote that the gentleman is demanding on his motion to postpone could be used to either pass or defeat the bill.

I submit, Mr. Speaker, for printing in the RECORD, a table that is a brief history of monuments heretofore erected in Washington by permission of the Congress. Nineteen of them were paid for out of the Public Treasury. Fifteen were provided by the joint contribution of citizens, or associations of citizens, and from the public moneys, while nine were provided for by citizens only.

Of the 15 that were paid for by joint public and private contributions some are memorials to very distinguished characters. Among them are Garfield, Andrew Jackson, Abraham Lincoln, John Witherspoon, Gen. W. T. Sherman, George Washington, and Frederick the Great. The last was given by the Emperor of Germany, and the pedestal paid for by appropriation out of the Treasury of the United States.

Among the nine memorials paid for wholly by private citizens we find represented the names of the following great men: Lincoln, Albert Pike, Kosciusko, Benjamin Franklin, and Dr. Samuel Gross.

Statues in the public grounds, District of Columbia.

Statue.	Description.	Location.	Date unveiled.	Remarks.
Du Pont, Admiral	Standing	Dupont Circle; Massachusetts and Connecticut Avenues, Nineteenth and P Streets NW.	Dec. 20, 1884	Cost of statue and pedestal, $20,500. Appropriated by Congress as follows: Act of Mar. 3, 1881, $10,500; act of Feb. 25, 1882, $10,000.
Daguerre, L. J. M.	do	Smithsonian Grounds	Set in position in April, 1897.[1]	Presented to the Government by the Photographic Association of America; unveiled in National Museum Aug. 15, 1890.
Farragut, Admiral	do	Farragut Square; Seventeenth and K Streets NW.	Apr. 25, 1881	Cost of statue, $20,000. Appropriated by Congress, act of Apr. 16, 1872.
Greene, Gen. Nathanael	Equestrian	Stanton Park; Massachusetts and Maryland Avenues, Fifth and C Streets NE.	Turned over to the Government informally in 1877.	Appropriated by Congress: For statue act June 24, 1874, $40,000; for pedestal, act Mar. 3, 1875, $10,000.
Garfield, President	Standing	First Street and Maryland Avenue N. W.	May 12, 1887	Appropriated by Congress; $7,500 for statue, act of Mar. 11, 1882; $30,000 for pedestal, act of July 7, 1884; subscribed by the Society of the Army of the Cumberland for statue, $25,039.
Gross, Dr. Samuel D	do	Smithsonian Grounds	May 5, 1897	Presented by physicians and surgeons of the United States; act of Congress, Mar. 2, 1895, authorized its erection in public grounds and appropriated $1,500 for a pedestal.
Henry, Prof. Joseph	do	do	Apr. 19, 1882	Cost of statue and pedestal, $15,000; appropriated by Congress June 1, 1880.
Hancock, Gen. Winfield Scott.	Equestrian	Hancock Place; Seventh Street and Pennsylvania Avenue N. W.	May 12, 1896	For statue and pedestal, act of Mar. 3, 1891, $10,000.
Hahnemann, Dr. Samuel	Sitting	East of Scott Circle, Massachusetts and Rhode Island Avenues and N Street NW., between Fifteenth and Sixteenth Streets.	June 21, 1900	Erected by the American Institute of Homeopathy. Act of Congress, Jan. 31, 1901, authorized its erection in public grounds and appropriated $4,000 for a foundation.
Jackson, Gen. Andrew	Equestrian	Center of Lafayette Park	Jan. 8, 1853	Cost of statue, $32,000: act of Congress, Mar. 3, 1853, appropriated $20,000 of the amount, and $12,000 was paid by the Jackson Democratic Association of Washington, D. C. Cost of pedestal, $8,000. Appropriated by Congress, acts of Aug. 31, 1852, and Mar. 3, 1853.
Logan, Gen. John A	do	Iowa Circle, Vermont and Rhode Island Avenues, and Thirteenth and P Streets NW.	Apr. 9, 1901	Cost of statue and pedestal, $65,000; $50,000 appropriated by Congress, acts of Mar. 2 and 3, 1889; $15,000 paid by Society of the Army of the Tennessee.
Lafayette, Gen., and compatriots.	Standing	Southeast corner of Lafayette Park	Completed in April, 1891. No ceremonies.	Cost of statue and pedestal, $50,000; appropriated by Congress, act of Mar. 3, 1885.
Lincoln, President	Standing column	In front of United States courthouse, Judiciary Square.	About 1869	Erected by popular subscription by citizens of the District of Columbia.
Do	Sitting	Lincoln Park, East Capitol and Eleventh and Thirteenth Streets.	Apr. 14, 1876	Erected by the emancipated citizens of the United States, who subscribed $18,000 for the statue. Its erection in public grounds authorized by act of Congress June 23, 1874, which also appropriated $3,000 for a pedestal for the statue.
McPherson, Maj. Gen. James B.	Equestrian	McPherson Square, Vermont Avenue, Fifteenth and K Streets NW.	Oct. 18, 1876	Cost of statue, $23,500, paid by Society of the Army of the Tennessee. Cost of pedestal, $25,000, appropriated by Congress, act of Mar. 3, 1875.
Pike, Gen. Albert	Standing	Indiana Avenue, Third and D Streets NW.	Oct. 23, 1901	Erected by the Masonic Fraternity of the United States. Act of Congress, Apr. 9, 1898, authorized its erection in public grounds, and states its cost shall not be less than $10,000.
Rochambeau	do	Southwest corner Lafayette Park	May 24, 1902	Cost of statue and pedestal, $22,500; appropriated by Congress, act of Mar. 3, 1901, $7,500; act of Feb. 14, 1902, $15,000.
Rawlins, Gen. John A	do	South of Pennsylvania Avenue, between Eighth and Ninth Streets NW.[2]	Completed in November, 1874. (No formal ceremonies.)	Act of Congress June 10, 1872, appropriated $10,000 for statue and act of June 22, 1874, appropriated $3,000 for pedestal, which last act authorized its erection in Rawlins Square.
Scott, Gen. Winfield	Equestrian	Scott Circle, Massachusetts and Rhode Island Avenues, Sixteenth and N Streets NW.	Turned over to the Government informally in 1874.	Appropriated by Congress for a statue, Mar. 2, 1867, $20,000; July 15, 1870, $15,000; for pedestal, July 10, 1872, $12,000.
Thomas, Maj. Gen. George H.	do	Thomas Circle, Massachusetts and Vermont Avenues, Fourteenth and M Streets NW.	Nov. 19, 1879	Cost of statue, $35,000, paid by the Society of the Army of the Cumberland. Cost of pedestal, $25,000. Appropriation by Congress, act of July 31, 1876.
Washington, Gen	do	Washington Circle, Pennsylvania Avenue, Twenty-third and K Streets NW.		Cost of statue and pedestal, $50,000; appropriated by Congress, act of Mar. 3, 1853.
Barry, Commodore John	A granite pedestal surmounted by a pedestrian figure in bronze of Commodore Barry.	Fourteenth Street side of Franklin Park between I and K Streets NW.	May 16, 1914	Act of June 8, 1906, provided the sum of $50,000 for the construction and erection of this statue.
Columbus, Christopher	Memorial fountain with standing figure of Columbus on prow of ship.	Union Station Plaza	June 8, 1912	Act of Mar. 4, 1907, appropriated $100,000 for this memorial.
Stephenson, Franklin B., Grand Army Memorial.	Granite shaft with 2 bronze figures, soldier and sailor, and bronze medallion of Stephenson.	United States Reservation 36a, Louisiana Avenue, Seventh and C Streets NW.	July 3, 1908	Public resolution of Mar. 4, 1907, appropriated $10,000 for the preparation of a site and the erection of a pedestal for this memorial which was presented by the Grand Army of the Republic.
Grant, Gen. Ulysses S	A long terrace of marble with the equestrian statue of Gen. Grant in the center. On one end of this terrace there will be an artillery group: on the other a cavalry group. Surrounding the equestrian statue are 4 bronze lions.	Located in the east end of Botanic Garden Grounds at First Street west, between Pennsylvania and Maryland Avenues.	(Not completed. In contemplation.)	Authorized by act of Congress June 28, 1902, which limits the cost to $240,000. The act of Feb. 23, 1901, provided $10,000 for procuring designs for the memorial. All the architectural work, the bronze artillery group, and the 4 bronze lions are in position. There remains to complete this memorial the bronze cavalry group, the bronze equestrian statue of Gen. Grant, and the 2 bas-reliefs for the central pedestal.
Jones, John Paul	Standing	Potomac Park, at foot of Seventeenth Street Driveway.	Apr. 17, 1912	Act of June 8, 1906, appropriated $50,000 for the statue and pedestal.
Kosciuszko, Gen. Thaddeus	do	On the northeast corner of Lafayette Square.	May 11, 1910	Presented by the Polish-American organizations and people in United States. Its acceptance and erection in Lafayette Park authorized by joint resolution of Apr. 18, 1904.
Longfellow, Henry Wadsworth.	Sitting	U. S. Reservation 150, Connecticut Avenue, Eighteenth and M Streets NW.	May 15, 1909	Joint resolution of June 8, 1906, appropriated $4,000 for preparation of a site and erection of the pedestal for this statue which was provided by the Longfellow National Memorial Association.

[1] The statue of Daguerre was removed from the National Museum and set up in the Smithsonian Grounds under permission granted by the officer in charge of Public Buildings and Grounds, Apr. 12, 1897.

[2] The statue of Gen. Rawlins was originally located in Rawlins Square on New York Avenue, between Eighteenth and Nineteenth Streets. By act of Congress, May 17, 1886, $500 was appropriated for its removal to the present location.

Statues in the public grounds, District of Columbia—Continued.

Statue.	Description.	Location.	Date unveiled.	Remarks.
Lincoln, Abraham (memorial to).	.....	West Potomac Park.....	(Not completed.)	Authorized by act of Congress approved February 9, 1911, amount appropriated for securing designs, $50,000. Amount appropriated for construction, $2,594,000.
McClellan, Gen. Geo. B.....	Equestrian.....	U. S. Reservation 150a, Connecticut Avenue, Eighteenth and N Streets NW.	May 7, 1907	Authorized by act of Mar. 3, 1901, $50,000.
Pulaski, Gen. Count	.....do.....	U. S. Reservation 33, Pennsylvania Avenue, Thirteenth and E Streets NW.	May 11, 1910	Act of February 27, 1903, $50,000 for statue and pedestal.
Peace or "Naval" Monument.	Standing.....	Pennsylvania Avenue and First Street NW.	Unknown....	Sundry civil act approved July 31, 1876, appropriated the sum of $20,000 for completing the statue of "Peace" and provided for the selection of a site on the public grounds in the city of Washington for the erection of the statue. It is understood that part of the cost of this statue was defrayed by private subscription.
Steuben, Baron von.....	.....do.....	On the northwest corner of Lafayette Square.	Dec. 7, 1910	Act of Feb. 27, 1903, $50,000 for statue and pedestal.
Sheridan, Gen. Philip H.....	Equestrian.....	Sheridan Circle, Massachusetts Avenue and Twenty-third Street, between P and Q Streets NW.	Nov. 25, 1908	Act of Mar. 2, 1899, $40,000; act of Mar. 3 1891, $10,000 for statue and pedestal.
Sherman, Gen. Wm. T.....	.....do.....	Sherman Plaza, south of United States Treasury Building.	Oct. 15, 1903	Appropriated by act of July 3, 1892, $50,000; appropriated by act of Mar. 2, 1895, $30,000; subscribed by the Army of the Tennessee for statue, $11,000. Additional amounts, aggregating $40,055.05, have since been appropriated for subfoundation, Mosaic work, granite curb, improvements of grounds, etc.
Witherspoon, John.....	Standing.....	United States Reservation 150a, Connecticut Avenue, Eighteenth and N Streets NW.	May 20, 1909	Public Resolution of May 20, 1908, appropriated $4,000 for the preparation of a site and the erection of the pedestal for this statue, which was provided by the Witherspoon Memorial Association.
Webster, Daniel.....	.....do.....	West of Scott Circle; Massachusetts and Rhode Island Avenues and N Street NW., between Sixteenth and Seventeenth Streets.	Jan. 18, 1900	Presented by Mr. Stilson Hutchins to United States. Act of Congress, July 1, 1898, authorized its erection in public grounds and appropriated $4,000 for a pedestal for same.
Bartholdi.....	Fountain.....	Botanic Garden.....	About 1877...	The fountain was first at the Philadelphia Exposition, and was sold to the Government by the sculptor. Cost to the Government not known.
Frederick II, of Germany, surnamed "The Great."	Standing.....	Army War College.....	Nov. 19, 1904	The statue was a gift of the German Kaiser to the United States, in appreciation of courtesies extended Prince Henry of Prussia during the latter's visit to this country in 1902. The pedestal was furnished by the United States. Act of Apr. 28, 1904.
Franklin, Benjamin.....	.....do.....	Old Times Square, Pennsylvania Avenue and Tenth Street.	Erected Jan. 17, 1889, without dedication.	Given to the city by Stilson Hutchins, a citizen of Washington, D. C.
McMillan memorial.....	Fountain.....	McMillan Park.....	.....	Presented to the United States by citizens of Michigan. Cost of fountain, $25,000; appropriated, $15,000. Act June 25, 1910.
Millet-Butt memorial.....	.....do.....	South of White House Grounds at northwest junction of the road around those grounds with the road around the ellipse.	.....	Erected by friends of Francis Davis Millet and Archibald Wallingham Butt, at a cost of $5,000. The sculptor and architect donated their services. Act Aug. 24, 1912.
Rush, Benjamin.....	Standing.....	Naval Hospital Grounds.....	.....	
Shepherd, Alexander R.....	.....do.....	In front of Municipal Building.....	May 3, 1909	Cost $10,192.67; defrayed by public subscription in the city of Washington, D. C.
Washington Monument.....	Pyramidal shaft.....	The Mall.....	.....	Cost $1,300,000. Construction started by Washington National Monument Society and taken up in 1876 and concluded by United States Government.

Mr. Speaker, I have a little time remaining, and I yield to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in regard to the alien conscription bill reported by the committee.

The SPEAKER. The gentleman from Illinois [Mr. MASON] asks unanimous consent to extend his remarks in the RECORD on the alien-slacker bill. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, has not the gentleman already obtained permission for that?

Mr. MASON. I thought I had, but I am not sure, and I wish to be sure, and it does not take any time to give this consent now.

The SPEAKER. Is there objection?

Mr. SHOUSE. Mr. Speaker, I object.

The SPEAKER. The gentleman from Kansas objects. The question is on the motion of the gentleman from Iowa [Mr. DOWELL] to dispense with Calendar Wednesday.

Mr. DOWELL. On which I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Those in favor of dispensing with Calendar Wednesday will, when their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 118, nays 228, answered "present" 2, not voting 80, as follows:

YEAS—118.

Anderson	Cooper, W. Va.	Dempsey	Elston
Ayres	Cooper, Wis.	Denison	Fairchild, B. L.
Bland	Cramton	Doolittle	Fairfield
Bowers	Currie, Mich.	Dowell	Fordney
Browne	Dale, Vt.	Dunn	Foss
Burroughs	Davidson	Elliott	Francis
Campbell, Kans.	Davis	Ellsworth	Frear
Freeman	Kelly, Pa.	Mott	Stafford
French	Kennedy, Iowa	Nelson	Sterling, Ill.
Fuller, Ill.	King	Nichols, Mich.	Stiness
Gillett	Knutson	Paige	Sweet
Good	Kraus	Parker, N. Y.	Switzer
Goodall	La Follette	Platt	Temple
Graham, Ill.	Lehlbach	Purnell	Tilson
Green, Iowa	Lenroot	Ramsey	Timberlake
Greene, Mass.	Little	Randall	Tinkham
Hadley	Lobeck	Rankin	Towner
Hamilton, N. Y.	Longworth	Reavis	Vestal
Hamlin	Lufkin	Reed	Volgt
Hawley	Lundeen	Roberts	Volstead
Helvering	McArthur	Rogers	Waldow
Hersey	McKenzie	Sanders, Ind.	Walsh
Hicks	McLaughlin, Mich.	Sanders, N. Y.	Wason
Hull, Iowa	Madden	Sanford	Wheeler
Ireland	Mapes	Scott, Mich.	White, Me.
James	Meeker	Sinnott	Williams
Johnson, Wash.	Merritt	Sloan	Wood, Ind.
Juul	Mondell	Smith, Idaho	Woods, Iowa
Kahn	Moores, Ind.	Snell	
Kearns	Morgan	Snyder	

NAYS—228.

Alexander	Browning	Chandler, Okla.	Denton
Almon	Brumbaugh	Clark, Fla.	Dewalt
Ashbrook	Buchanan	Clark, Pa.	Dickinson
Aswell	Burnett	Claypool	Dill
Austin	Butler	Collier	Dillon
Bacharach	Byrnes, S. C.	Connally, Tex.	Dixon
Baer	Byrns, Tenn.	Connelly, Kans.	Dominick
Bankhead	Caldwell	Cooper, Ohio	Doremus
Barkley	Campbell, Pa.	Copley	Doughton
Barnhart	Cannon	Cox	Drane
Beakes	Cantrill	Crago	Dupré
Bell	Caraway	Crisp	Eagan
Beshlin	Carew	Crosser	Edmonds
Black	Carlin	Dale, N. Y.	Esch
Blanton	Carter, Mass.	Darrow	Estopinal
Brand	Carter, Okla.	Decker	Evans
Brodbeck	Cary	Dent	Farr

Fess	Kiess, Pa.	Overstreet	Smith, C. B.
Fields	Kincheloe	Padgett	Smith, T. F.
Fisher	Kinkaid	Park	Snook
Foster	Kitchin	Parker, N. J.	Steagall
Gallagher	Kreider	Peters	Steele
Gallivan	Langley	Phelan	Steenerson
Gandy	Larsen	Polk	Stephens, Miss.
Gard	Lazaro	Pou	Stephens, Nebr.
Garner	Lea, Cal.	Powers	Sterling, Pa.
Garrett, Tenn.	Lee, Ga.	Price	Stevenson
Garrett, Tex.	Lesher	Quin	Strong
Glass	Lever	Rainey	Swift
Glynn	Linthicum	Raker	Tague
Goodwin, Ark.	Littlepage	Ramseyer	Talbott
Gordon	London	Rayburn	Taylor, Ark.
Griest	Lonergan	Robbins	Taylor, Colo.
Hamill	Lunn	Robinson	Thomas
Hamilton, Mich.	McAndrews	Romjue	Thompson
Hardy	McClintic	Rose	Tillman
Harrison, Va.	McFadden	Rouse	Van Dyke
Hastings	McKeown	Rowe	Venable
Haugen	McKinley	Rubey	Vinson
Hayden	McLemore	Rucker	Walton
Hayes	Mansfield	Russell	Watkins
Heaton	Mason	Sabath	Watson, Pa.
Heflin	Mays	Saunders, Va.	Watson, Va.
Helm	Montague	Schall	Weaver
Hilliard	Moon	Scott, Pa.	Webb
Houston	Moore, Pa.	Sears	Welling
Huddleston	Morin	Sells	Welty
Hull, Tenn.	Mudd	Shackleford	Whaley
Humphreys	Neely	Shallenberger	White, Ohio
Hutchinson	Nolan	Sherley	Wilson, Tex.
Igoe	Norton	Sherwood	Wingo
Jacoway	Oldfield	Shouse	Wise
Johnson, Ky.	Oliver, N. Y.	Siegel	Woodyard
Jones, Va.	Olney	Sisson	Wright
Keating	Osborne	Slayden	Young, N. Dak.
Kennedy, R. I.	O'Shaunessy	Small	Young, Tex.
Key, Ohio	Overmyer	Smith, Mich.	Zihlman

ANSWERED "PRESENT"—2.

Gray, N. J. Treadway

NOT VOTING—80.

Anthony	Fairchild, G. W.	Howard	Pratt
Blackmon	Ferris	Husted	Ragsdale
Booher	Flood	Johnson, S. Dak.	Riordan
Borland	Flynn	Jones, Tex.	Rodenberg
Britten	Focht	Kehoe	Rowland
Candler, Miss.	Fuller, Mass.	Kelley, Mich.	Sanders, La.
Capstick	Garland	Kettner	Scott, Iowa
Chandler, N. Y.	Godwin, N. C.	LaGuardia	Scully
Church	Gould	McCormick	Sims
Classon	Graham, Pa.	McCulloch	Slemp
Coady	Gray, Ala.	McLaughlin, Pa.	Stedman
Costello	Greene, Vt.	Magee	Sullivan
Curry, Cal.	Gregg	Maher	Sumners
Dallinger	Harrison, Miss.	Mann	Templeton
Dies	Haskell	Martin	Vare
Dooling	Heintz	Miller, Minn.	Walker
Drukker	Hensley	Miller, Wash.	Ward
Dyer	Holland	Nicholls, S. C.	Wilson, Ill.
Eagle	Hollingsworth	Oliver, Ala.	Wilson, La.
Emerson	Hood	Porter	Winslow

So, two-thirds not having voted in favor thereof, the motion to dispense with the business of Calendar Wednesday was rejected.

The following pairs were announced:

Until further notice:

Mr. FLYNN with Mr. BRITTEN.

Mr. SCULLY with Mr. ANTHONY.

Mr. FERRIS with Mr. FULLER of Massachusetts.

Mr. STEDMAN with Mr. GREENE of Vermont.

Mr. OLIVER with Mr. GEORGE W. FAIRCHILD.

Mr. BLACKMON with Mr. HOLLINGSWORTH.

Mr. BOOHER with Mr. TREADWAY.

Mr. DIES with Mr. CHANDLER of New York.

Mr. DOOLING with Mr. DYER.

Mr. EAGLE with Mr. EMERSON.

Mr. BORLAND with Mr. FOCHT.

Mr. COADY with Mr. GARLAND.

Mr. FLOOD with Mr. GOULD.

Mr. GODWIN of North Carolina with Mr. GRAHAM of Pennsylvania.

Mr. GREGG with Mr. HUSTED.

Mr. HARRISON of Mississippi with Mr. KELLEY of Michigan.

Mr. HENSLEY with Mr. COSTELLO.

Mr. HOLLAND with Mr. DALLINGER.

Mr. HOOD with Mr. MCCULLOCH.

Mr. HOWARD with Mr. MCLAUGHLIN of Pennsylvania.

Mr. JONES of Texas with Mr. MILLER of Minnesota.

Mr. KEHOE with Mr. PRATT.

Mr. KETTNER with Mr. RODENBERG.

Mr. MAHER with Mr. ROWLAND.

Mr. MARTIN with Mr. SLEMP.

Mr. NICHOLLS of South Carolina with Mr. TEMPLETON.

Mr. RAGSDALE with Mr. MCCORMICK.

Mr. RIORDAN with Mr. WILSON of Illinois.

Mr. SANDERS of Louisiana with Mr. WINSLOW.

Mr. SIMS with Mr. MILLER of Washington.

Mr. SULLIVAN with Mr. PORTER.

Mr. SUMNERS with Mr. HASKELL.

Mr. WALKER with Mr. DRUKKER.

Mr. WILSON of Louisiana with Mr. WARD.

Mr. MAGEE (for dispensing with Calendar Wednesday) with Mr. CANDLER of Mississippi (against).

Mr. TREADWAY (for dispensing with Calendar Wednesday) with Mr. BOOHER (against).

Mr. TREADWAY. Mr. Speaker, I would like to inquire if the gentleman from Missouri, Mr. BOOHER, has voted.

The SPEAKER. He has not.

Mr. TREADWAY. I voted "no." I am paired with the gentleman from Missouri, and would like to withdraw that vote and answer "present."

The Clerk called the name of Mr. TREADWAY, and he answered "Present," as above recorded.

The result of the vote was then announced as above recorded.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. MCLAUGHLIN of Pennsylvania, for the balance of the week, on account of illness; and

To Mr. STEDMAN, for one week, on account of death in the family.

STATUE OF JAMES BUCHANAN.

Mr. WALSH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. I rise to raise the question of consideration.

Mr. SLAYDEN. Mr. Speaker, I suggest that that motion is dilatory.

The SPEAKER. No; a Member has the right to raise the question of consideration.

Mr. SLAYDEN. It is palpably dilatory.

The SPEAKER. Perhaps the gentleman is correct. This is Calendar Wednesday, and the unfinished business of the House is House joint resolution 70, "Authorizing the erection on the public grounds in the city of Washington, D. C., of a statue of James Buchanan, a former President of the United States," and the gentleman from Massachusetts raises the question of consideration.

The question was taken; and on a division (demanded by Mr. Walsh) there were 136 ayes and 52 noes.

Mr. STAFFORD. Mr. Speaker, I make the point of order that no quorum voted on this question.

The SPEAKER. The Chair overrules the point of order because the roll call just demonstrated that a quorum is present.

Mr. STAFFORD. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Wisconsin demands the yeas and nays.

The question was taken, and 32 Members rose in favor thereof.

Mr. STAFFORD. Mr. Speaker, I ask for the other side.

The other side was taken, and 142 Members rose.

The SPEAKER. The ayes are 38 and the noes 142—not a sufficient number; and the House automatically resolves itself into Committee of the Whole House on the state of the Union. The gentleman from Kentucky [Mr. SHERLEY] will take the chair temporarily until the gentleman from Kentucky [Mr. JOHNSON] appears.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SHERLEY in the chair.

The CHAIRMAN. The Clerk will report the resolution by title.

The Clerk reported the title of the resolution.

The CHAIRMAN. General debate having been concluded, the Clerk will read the resolution for amendment.

The Clerk read as follows:

Resolved, etc., That the Chief of Engineers, United States Army, be, and he is hereby, authorized and directed to grant permission to the trustees designated in the will of Mrs. Harriet Lane Johnston for the erection of a memorial to James Buchanan, a former President of the United States, on public grounds of the United States in the city of Washington, D. C., in the southern portion of Meridian Hill Park, between Fifteenth, Sixteenth, W, and Euclid Streets NW.: *Provided*, That the design and location of said memorial and the plan for the treatment of the grounds connected with its site shall be approved by the Commission of Fine Arts, and that the United States shall be put to no expense in or by the erection of said memorial.

Mr. SLAYDEN. Mr. Chairman, the gentleman from Iowa [Mr. DOWELL] was so exceedingly anxious that no time be consumed in the consideration of this resolution, and being supported in his anxiety to get through to-day's work so that we might go to the consideration of the railroad bill, I desire to say that, if it is agreeable here, I am willing to take a vote now upon this measure. [Applause and cries of "Vote!"]

Mr. GILLETT. Mr. Chairman, will the gentleman yield?

Mr. SLAYDEN. Yes.

Mr. GILLETT. Would that facilitate the taking up of the railroad bill at all?

Mr. SLAYDEN. Oh, yes; I fancy it would, just as much as it would have facilitated it an hour ago when the gentleman began to filibuster.

Mr. GILLETT. Oh, no. If we had dispensed with business in order on Calendar Wednesday, then we could have taken that up.

Mr. SLAYDEN. Mr. Chairman, this is the first time I have ever known so experienced and clever a man as the gentleman from Massachusetts to discuss a dead and gone issue. Calendar Wednesday has not been dispensed with.

Mr. GILLETT. To finish this bill would simply be to bring up another bill that is in order on Calendar Wednesday?

Mr. SLAYDEN. Yes.

Mr. GILLETT. We could not take up the railroad bill.

Mr. SLAYDEN. Mr. Chairman, I move that the committee do now rise and report the resolution to the House with a favorable recommendation.

Mr. STAFFORD. Mr. Chairman, I have a preferential motion that I desire to offer.

Mr. SLAYDEN. Because the gentleman from Wisconsin [Mr. STAFFORD] is in the way, and we all know what a help he is to hasty legislation. [Laughter.]

The CHAIRMAN. The Chair understands that the gentleman from Wisconsin desires to offer a preferential motion.

Mr. STAFFORD. I desire recognition to offer an amendment.

The CHAIRMAN. The gentleman from Texas moves that the committee do now rise and report the resolution with a favorable recommendation.

Mr. STAFFORD. Mr. Chairman, I have a preferential motion that I desire to offer. I rise to a question of order.

Mr. SLAYDEN. I move the previous question on my motion.

The CHAIRMAN. The gentleman can not move the previous question in the Committee of the Whole.

Mr. STAFFORD. Mr. Chairman, I demand recognition to offer an amendment to the resolution.

The CHAIRMAN. The gentleman will submit his amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

Mr. BUTLER. Mr. Chairman, what has become of the motion of the gentleman from Texas [Mr. SLAYDEN]?

The CHAIRMAN. The gentleman from Wisconsin claims to have a preferential motion, and the Chair is trying to determine whether it is preferential.

Mr. BUTLER. I merely wanted to suggest to the Chair that the motion to rise is a preferential motion.

The CHAIRMAN. The Chair can not tell until he knows what the gentleman from Wisconsin is offering. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Page 1, line 7, after the words "United States," strike out all of the remainder of the paragraph down to the proviso and insert "on one of the public reservations generally known as small-park areas, and which is entirely surrounded by streets in the city of Washington, D. C., to be selected by the officer in charge of public buildings and grounds and the Commission of Fine Arts."

The CHAIRMAN. The Chair is prepared to rule, but will hear the gentleman from Wisconsin, if he desires to be heard, as to his motion being a preferential motion.

Mr. STAFFORD. Mr. Chairman, I have not at my finger's end the authorities, but I am quite certain that there are any number of precedents which hold that a motion that the committee do now rise and report a bill is not in order as long as any Member is claiming recognition to offer an amendment to perfect the bill that is being considered in Committee of the Whole. That has been the invariable rule for years in Committee of the Whole. I have never known it to be invaded at any time. Whenever a bill is being considered for amendment in Committee of the Whole a motion to rise and report the bill is not in order when Members are claiming recognition to offer an amendment. This is not a mere pro forma amendment, but is an amendment to the resolution that is in order, and accordingly I ask recognition for that purpose.

Mr. SAUNDERS of Virginia. Mr. Chairman, will the gentleman from Wisconsin yield?

Mr. STAFFORD. Yes.

Mr. SAUNDERS of Virginia. If that contention is well taken, how would you ever get out of Committee of the Whole, as long as there was some one who wanted to offer a motion to amend?

Mr. STAFFORD. Whenever a legitimate motion is made to amend the bill the person offering it is entitled to recognition. The rules of the House are predicated upon the idea that when a bill is referred to Committee of the Whole any germane amendment may be offered to the bill, and opportunity must be given to Members to offer that amendment. This amendment is germane, and I ask recognition on that ground.

Mr. SAUNDERS of Virginia. Every amendment that is in order from the parliamentary point of view is a legitimate amendment, so as long as you offered an amendment to a bill that was in order you could never get out of Committee of the Whole.

Mr. BUTLER. Mr. Chairman, I certainly understood that the Chair had already recognized the gentleman from Texas——

Mr. LITTLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Kansas can not take the gentleman from Pennsylvania off his feet to make a parliamentary inquiry. The gentleman from Pennsylvania is in order.

Mr. LITTLE. I did not notice that the gentleman from Pennsylvania was on his feet. [Laughter.]

Mr. BUTLER. I guess I am not very large, but I am willing to wait until the gentleman from Kansas gets through. I understood that the Chair had recognized the gentleman from Texas to move that the committee should rise before the gentleman from Wisconsin had recognition to amend the resolution. If that is so, all the other amounts to nothing.

The CHAIRMAN. Does the gentleman from Kansas desire to submit a parliamentary inquiry?

Mr. LITTLE. My inquiry was whether this bill has been read or not.

The CHAIRMAN. It has been read.

Mr. LITTLE. It has been read in the Committee of the Whole House on the state of the Union?

The CHAIRMAN. Yes. The Chair is ready to rule. There is one fundamental rule that underlies nearly all parliamentary law, and that is that the committee should have the right to dispose of matters most expeditiously. The committee is denied no right by giving preference to the motion of the gentleman from Texas, because if the committee desires to amend the bill rather than report it in its present form, it can do that by denying the motion of the gentleman from Texas. The Chair holds that the motion of the gentleman from Texas is in order, and puts the question.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. STAFFORD. Mr. Chairman, I demand tellers.

Tellers were ordered.

The committee again divided; and the tellers [Mr. SLAYDEN and Mr. STAFFORD] reported that there were—ayes 132, noes 43.

So the motion to rise was agreed to.

Mr. GRIEST. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRIEST. Is it in order to ask for permission to extend remarks at this time?

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks upon this resolution. Is there objection? [After a pause.] The Chair hears none.

Mr. ROBBINS. Mr. Chairman, as debate has been shut off I ask permission to extend my remarks on this same resolution.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LITTLE. Mr. Chairman, I ask permission to extend my remarks upon this resolution.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. SLAYDEN. Mr. Chairman, I ask that privilege for the gentleman from Ohio [Mr. SHERWOOD], who is not present and who desires to extend his remarks.

Mr. WALSH. I object to that, Mr. Chairman.

Mr. GORDON. Mr. Chairman, I ask leave to extend my remarks on this resolution.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. SHERWOOD. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request? [After a pause.] The Chair hears none.

Mr. WALSH. I thought the gentleman from Texas asked for general permission to extend remarks.

Mr. SLAYDEN. No; I asked for the gentleman from Ohio [Mr. SHERWOOD].

The committee rose; and the Speaker having resumed the chair, the Chairman [Mr. SHERLEY] reported that the committee having had under consideration House joint resolution 70,

had directed him to report the same to the House with the recommendation that it do pass.

Mr. SLAYDEN. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading.

The question was taken, and the Speaker announced that the ayes had it.

Mr. WALSH. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 143, noes 44.

Mr. MADDEN. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirteen Members are present, not a quorum.

Mr. CALDWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CALDWELL. There are six vacancies in the House, do they count——

The SPEAKER. But there are only 213 Members here, and you could not count a quorum if you counted the whole crowd that is missing or out. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The question was taken, and there were—yeas 217, nays, 119, answered "present" 4, not voting 88, as follows:

YEAS—217.

Alexander	Drane	Lee, Ga.	Saunders, Va.
Almon	Dupré	Lesher	Schall
Ashbrook	Eagan	Lever	Scott, Pa.
Aswell	Edmonds	Linthicum	Sears
Bacharach	Evans	Littlepage	Sells
Bankhead	Fess	London	Shackleford
Barkley	Fisher	Lonergan	Shallenberger
Barnhart	Flood	Lunn	Sherley
Bell	Foster	McAndrews	Sherwood
Beshlin	Francis	McClintic	Shouse
Black	Fuller, Ill.	McFadden	Siegel
Blanton	Gallagher	McKeown	Sims
Borland	Gallivan	McKinley	Sisson
Brand	Gard	McLemore	Slayden
Brodbeck	Garner	Mansfield	Small
Browning	Garrett, Tenn.	Martin	Smith, C. B.
Brumbaugh	Garrett, Tex.	Mason	Smith, T. F.
Buchanan	Glass	Mays	Snook
Burnett	Goodwin, Ark.	Montague	Steagall
Butler	Gordon	Moon	Steele
Byrnes, S. C.	Griest	Moore, Pa.	Stephens, Miss.
Byrns, Tenn.	Hamill	Morin	Stephens, Nebr.
Caldwell	Hamlin	Mudd	Sterling, Ill.
Campbell, Pa.	Hardy	Neely	Sterling, Pa.
Cannon	Harrison, Miss.	Nelson	Strong
Cantrill	Harrison, Va.	Nolan	Swift
Caraway	Hastings	Norton	Tague
Carew	Hayden	Oldfield	Talbott
Carlin	Hayes	Oliver, N. Y.	Taylor, Ark.
Carter, Okla.	Heaton	Olney	Taylor, Colo.
Church	Heflin	Osborne	Thomas
Clark, Fla.	Helm	O'Shaunessy	Thompson
Clark, Pa.	Helvering	Overmyer	Tillman
Claypool	Hensley	Overstreet	Van Dyke
Collier	Hicks	Padgett	Venable
Connally, Tex.	Hilliard	Park	Vinson
Connelly, Kans.	Houston	Parker, N. J.	Walton
Copley	Huddleston	Peters	Watkins
Cox	Hull, Tenn.	Polk	Watson, Va.
Crago	Humphreys	Pou	Weaver
Crisp	Hutchinson	Price	Webb
Crosser	Igoe	Quin	Welling
Dale, N. Y.	Jacoway	Raker	Welty
Darrow	Johnson, Ky.	Randall	Whaley
Davis	Jones, Va.	Rayburn	White, Ohio
Decker	Keating	Robbins	Wilson, La.
Dent	Kennedy, R. I.	Robinson	Wilson, Tex.
Denton	Key, Ohio	Romjue	Wingo
Dewalt	Kiess, Pa.	Rose	Wise
Dickinson	Kincheloe	Rouse	Wright
Dill	Kitchin	Rowe	Young, Tex.
Dixon	Kreider	Rubey	Zihlman
Dominick	Larsen	Rucker	
Doolittle	Lazaro	Russell	
Doughton	Lea, Cal.	Sabath	

NAYS—119.

Anderson	Denison	Green, Iowa	Lufkin
Anthony	Dillon	Hadley	Lundeen
Austin	Dowell	Hamilton, Mich.	McArthur
Baer	Elliott	Haugen	McKenzie
Bland	Ellsworth	Hawley	McLaughlin, Mich.
Bowers	Elston	Hersey	Madden
Browne	Esch	Ireland	Mapes
Burroughs	Fairchild, B. L.	James	Meeker
Campbell, Kans.	Fairfield	Juul	Merritt
Carter, Mass.	Farr	Kearns	Moores, Ind.
Cary	Focht	Kennedy, Iowa	Morgan
Chandler, Okla.	Fordney	King	Nichols, Mich.
Classon	Foss	Kinkaid	Paige
Cooper, Ohio	Frear	Knutson	Parker, N. Y.
Cooper, W. Va.	Freeman	Kraus	Platt
Cooper, Wis.	French	La Follette	Powers
Cramton	Gillett	Lehlbach	Pratt
Currie, Mich.	Glynn	Lenroot	Purnell
Dale, Vt.	Good	Little	Ramsey
Davidson	Gould	Lobeck	Ramseyer
Dempsey	Graham, Ill.	Longworth	Rankin
Reavis	Smith, Idaho	Tilson	Wheeler
Reed	Smith, Mich.	Timberlake	White, Me.
Rogers	Snell	Towner	Williams
Sanders, Ind.	Snyder	Vestal	Wilson, Ill.
Sanders, N. Y.	Stafford	Voigt	Wood, Ind.
Sanford	Steenerson	Volstead	Woods, Iowa
Scott, Mich.	Stiness	Waldow	Woodyard
Sinnott	Sweet	Walsh	Young, N. Dak.
Sloan	Temple	Wason	

ANSWERED "PRESENT"—4.

Graham, Pa.	Gray, N. J.	Langley	Treadway

NOT VOTING—88.

Ayres	Ferris	Johnson, Wash.	Ragsdale
Beakes	Fields	Jones, Tex.	Rainey
Blackmon	Flynn	Kahn	Riordan
Booher	Fuller, Mass.	Kehoe	Roberts
Britten	Gandy	Kelley, Mich.	Rodenberg
Candler, Miss.	Garland	Kelly, Pa.	Rowland
Capstick	Godwin, N. C.	Kettner	Sanders, La.
Chandler, N. Y.	Goodall	LaGuardia	Scott, Iowa
Coady	Gray, Ala.	McCormick	Scully
Costello	Greene, Mass.	McCulloch	Slemp
Curry, Cal.	Greene, Vt.	McLaughlin, Pa.	Stedman
Dallinger	Gregg	Magee	Stevenson
Dies	Hamilton, N. Y.	Maher	Sullivan
Dooling	Haskell	Mann	Sumners
Doremus	Heintz	Miller, Minn.	Switzer
Drukker	Holland	Miller, Wash.	Templeton
Dunn	Hollingsworth	Mondell	Tinkham
Dyer	Hood	Mott	Vare
Eagle	Howard	Nicholls, S. C.	Walker
Emerson	Hull, Iowa	Oliver, Ala.	Ward
Estopinal	Husted	Phelan	Watson, Pa.
Fairchild, G. W.	Johnson, S. Dak.	Porter	Winslow

So the joint resolution was ordered to be engrossed and read a third time.

The Clerk announced the following additional pairs:

On this vote:

Mr. ESTOPINAL (for) with Mr. EMERSON (against).

Mr. BOOHER (for) with Mr. TREADWAY (against).

Mr. STEVENSON (for) with Mr. GREENE of Vermont (against).

Mr. HOLLAND (for) with Mr. FULLER of Massachusetts (against).

Mr. CANDLER of Mississippi (for) with Mr. MAGEE (against).

Mr. WATSON of Pennsylvania (for) with Mr. JOHNSON of Washington (against).

Until further notice:

Mr. SCULLY with Mr. LANGLEY.

Mr. AYERS with Mr. KELLEY of Michigan.

Mr. FERRIS with Mr. SLEMP.

Mr. KEHOE with Mr. COSTELLO.

Mr. RIORDAN with Mr. DALLINGER.

Mr. DOREMUS with Mr. DUNN.

Mr. FIELDS with Mr. GOODALL.

Mr. GANDY with Mr. GREENE of Massachusetts.

Mr. KELLY of Pennsylvania with Mr. HAMILTON of New York.

Mr. PHELAN with Mr. WARD.

Mr. RAINEY with Mr. KAHN.

Mr. EAGLE with Mr. SCOTT of Iowa.

Mr. TREADWAY. Mr. Speaker, I voted "nay." I desire to withdraw the vote and answer "present," as I am paired with the gentleman from Missouri [Mr. BOOHER].

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors. The Clerk will read the resolution the third time.

Mr. MADDEN. Mr. Speaker, I demand the reading of the engrossed resolution.

The SPEAKER. The engrossed resolution is not here.

Mr. SHERLEY. Mr. Speaker, I ask unanimous consent to address the House for three minutes touching the ruling made by me in the chair a few minutes ago.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to address the House for three minutes on a ruling which he made. Is there objection?

Mr. WINGO. Reserving the right to object, Mr. Speaker, I would like to inquire what effect the granting of this unanimous consent would have upon the status of the bill?

The SPEAKER. It has none whatever. There is no engrossed copy of the bill here, and you can not vote on it unless there is.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McLAUGHLIN of Michigan. I wish to make a motion to recommit.

The SPEAKER. The gentleman can not make a motion to recommit until we have a third reading of the bill.

Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

Mr. SHERLEY. Mr. Speaker and gentlemen of the House, I feel that I should make a statement to the House in view of the ruling I made as Chairman of the Committee of the Whole. The

gentleman from Texas [Mr. SLAYDEN] made a motion upon the reading of the joint resolution, which was a resolution of one paragraph, that the committee rise and report the bill with a favorable recommendation. The gentleman from Wisconsin [Mr. STAFFORD] offered what he claimed was a preferential motion, namely, a motion to amend. The Chair asked the gentleman from Wisconsin for authority, and he stated that he was sure of his position, but at the moment was unable to cite the Chair to an authority. The parliamentary clerk at the desk confirmed an impression that the Chair had that a motion to rise and report the bill favorably, under the circumstances stated, was a motion in order as against a subsequent motion to amend, and the Chair so held.

Immediately after coming out of the chair I took occasion to examine the precedents, and I find that there are any number of precedents holding directly to the contrary. The Chair was wrong in his ruling. There is a decision by no less a Speaker than Speaker Carlisle, and a number of decisions by Chairmen of Committees of the Whole, holding that a motion to amend is a preferential motion. There is no rule now that directly bears upon it, although there was an old rule; but it is held that inasmuch as the committee is created for the purpose of considering a bill for amendment that the opportunity to offer such amendment should be given. What misled me in making my ruling was the belief that a committee ought to have the right to dispose of a matter in the most expeditious way, and that, if it did not desire to amend, it could show that by voting a motion to rise and report favorably. If it did want to amend, it could simply vote down such a motion. I stated as Chairman of the committee the reason for such ruling. The amendment of the gentleman from Wisconsin [Mr. STAFFORD] had been read, so that the Committee of the Whole was thoroughly advised as to the issue, and did, in point of fact, by its vote express an opinion. But I felt, in view of the ruling that has been made, that I owed it to the House to make a statement as to my error.

Mr. STAFFORD. The gentleman can see the unworkable position the House would be put into if the ruling made by the gentleman should be adhered to. In the case of bills in the Committee of the Whole House on the state of the Union having more than one paragraph or section, it would be the privilege of Members to offer an amendment to every section except the last, and then the committee having the bill in charge would be privileged to move to rise and report the bill and not give opportunity to the House to offer an amendment to the last section.

Mr. SHERLEY. I do not quite agree with the gentleman's reasoning, but the precedents are all against me, and I wanted to tell the House so. [Applause.]

Mr. LITTLE. Will the gentleman yield?

Mr. SHERLEY. Certainly.

Mr. LITTLE. Did the gentleman in his researches discover any method by which such error could be corrected?

Mr. SHERLEY. There are always remedies by which errors can be corrected if the House desires to do so.

Mr. LITTLE. Will the gentleman tell me how we can remedy this proposition?

Mr. SHERLEY. The House, if it desired to do so, could by unanimous consent vacate an order or it could do so on a motion to reconsider. It is only fair to state, as I have already said, that the ruling did not, in my judgment, prejudice anyone, because the amendment of the gentleman from Wisconsin was read to the committee, and the Chair expressly stated that if they wanted to consider that amendment they could simply vote down the other motion. So the committee expressed its view just as clearly as if the Chair had ruled right.

Mr. LITTLE. The gentleman suggests unanimous consent as the only remedy. I ask unanimous consent to return to the place in the bill which we had before the ruling was made.

Mr. McARTHUR. Mr. Speaker, I object.

The SPEAKER. Objection is made.

Mr. WALSH. Mr. Speaker, the regular order.

The SPEAKER. The regular order is that the Clerk will report the next bill from the Committee on the Library.

Mr. SAUNDERS of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SAUNDERS of Virginia. In respect to this bill for which demand was made for an engrossed copy, when will we vote on that?

The SPEAKER. We will vote on it to-morrow morning.

Mr. SAUNDERS of Virginia. The first thing to-morrow morning, after the other business is disposed of?

The SPEAKER. Yes.

Mr. WALSH. Mr. Speaker, I desire to propound a parliamentary inquiry in connection with the reply of the Speaker to the inquiry propounded by the gentleman from Virginia [Mr. SAUNDERS]. Do I understand the Speaker to hold that if the House should adjourn to-day before the engrossed copy of the resolution is received by the Clerk the vote would come on the resolution to-morrow morning as a matter of course, and that a motion to recommit, or any other motion which would be in order, would be deferred until that time?

The SPEAKER. You can not make a motion to recommit until after the third reading, and you can not have the third reading unless you can get the engrossed copy of the resolution. Two Speakers of the House, at least—Speaker CANNON and myself—have decided heretofore that when the previous question is ordered on a bill on Calendar Wednesday the vote shall be taken Thursday morning. I think Speaker CANNON never decided it but once, and everybody took it for granted that he was right, and I have decided it two or three times for some reason or other.

Mr. WALSH. But, Mr. Speaker, the previous question now has only been ordered on the third reading.

The SPEAKER. The previous question has been ordered on the resolution and everything else.

Mr. SAUNDERS of Virginia. And the resolution is now up to the point of passage.

Mr. HARDY. Mr. Speaker, I wish to ask unanimous consent to extend my remarks on this resolution.

The SPEAKER. The Chair wants to make one remark that ought to be made. If they get that engrossed copy of the resolution in here this evening and everybody wants to vote on it, it can be voted on to-day. If they do not get it in here to-day, it will be voted on to-morrow.

Mr. SLAYDEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SLAYDEN. If the engrossed copy of the resolution should be brought in here at any time before adjournment, I can ask that it be voted on then?

The SPEAKER. That is exactly what the Chair stated. When the engrossed copy is ready, the Chair will recognize the gentleman from Michigan [Mr. McLAUGHLIN] to make the motion to recommit.

Mr. LENROOT. Mr. Speaker, I take it for granted that the Chair, in announcing what the decision would be, meant it will still be subject to a point of order and that the point of order can be argued to the Chair when the time arrives?

The SPEAKER. Yes; of course. I am always willing to hear argument.

The gentleman from Texas [Mr. HARDY] asks unanimous consent to extend his remarks in the RECORD—about what?

Mr. HARDY. This resolution.

The SPEAKER. Is there objection?

There was no objection.

Mr. SLAYDEN. Mr. Speaker, I submit a request for unanimous consent to extend my remarks on this resolution by printing a table which I have had compiled in response to questions asked by the gentleman from Massachusetts [Mr. WALSH] the other day. It is a table which I think will be interesting.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks on this resolution that we just had up. Is there objection?

There was no objection.

Mr. WATSON of Virginia. Mr. Speaker, I ask permission to extend my remarks in the RECORD on this resolution.

Mr. STEELE. Mr. Speaker, I make the same request.

Mr. DEWALT. And I make the same request, Mr. Speaker.

The SPEAKER. One gentleman from Virginia [Mr. WATSON] and two gentlemen from Pennsylvania [Mr. STEELE and Mr. DEWALT] ask unanimous consent to extend their remarks in the RECORD on this resolution. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. MASON. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD on the alien-slacker bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks on the alien-slacker bill. Is there objection?

Mr. SHOUSE. I object.

The SPEAKER. The gentleman from Kansas objects.

CALENDAR WEDNESDAY.

The SPEAKER. Has the gentleman from Texas [Mr. SLAYDEN] any business from his committee?

Mr. SLAYDEN. There are two other bills on the calendar, but I am told by the Clerk that they have not been there long enough to be called up.

The SPEAKER. The Clerk will call the list of committees.

The Clerk proceeded with the call of committees.

LONGEVITY PAY, ARMY AND NAVY OFFICERS.

Mr. WEBB (when the Committee on the Judiciary was called). Mr. Speaker, as chairman of the Committee on the Judiciary, I desire to call up the bill H. R. 1691, known as the bill to confer jurisdiction on the Court of Claims to hear and try certain longevity claims.

The SPEAKER. The Clerk will report it by title.

The Clerk read as follows:

A bill (H. R. 1691) to confer jurisdiction on the Court of Claims.

The SPEAKER. The House automatically resolves itself into Committee of the Whole House on the state of the Union, with the gentleman from Kentucky [Mr. JOHNSON] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 1691) to confer jurisdiction on the Court of Claims, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 1691, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the Court of Claims shall have power to enter judgment upon the findings of fact heretofore made in claims of officers of the United States Army for longevity pay under the decisions of the Supreme Court of the United States *v.* Morton, volume 112, United States Reports, page 1; and United States *v.* Watson, volume 130, United States Reports, page 80; and of the Court of Claims in Stewart *v.* United States, volume 34, Court of Claims Reports, page 553.

And that the accounting officers of the Treasury in the settlement of claims for longevity pay and allowances on account of services of officers in the Regular Army arising under section 15 of an act approved July 5, 1838, entitled "An act to increase the present Military Establishment of the United States, and for other purposes," and subsequent acts affecting longevity pay and allowances, shall credit as service in the Army of the United States, within the meaning of said acts, all services rendered as a cadet at the United States Military Academy and as an enlisted man or commissioned officer in the Regular and Volunteer Armies, in all cases in which heretofore this credit was disallowed by any such accounting officer of the Treasury, and no decision of a comptroller heretofore made against a claimant under said section 15 shall preclude a settlement under the terms of this act where the claim has not been paid.

Mr. WEBB. Mr. Chairman, the purpose of this bill is to give the Court of Claims jurisdiction over claims of certain officers for longevity pay, which claims were denied by the Comptroller of the Treasury in the years between 1890 and 1908. All longevity claims for pay prior to that time have been paid. All longevity claims for pay after 1908 have been paid. The Supreme Court has ruled that they ought to be paid; that the attendance of those officers at the Military and Naval Academies was part of their service and, as part of their service, they are entitled to be paid for same. Under the rulings of the comptroller for the period between 1890 and 1908 those claims have been denied entirely, and the purpose of this bill is to allow officers whose claims were denied during 1890 to 1908 to file their claims and receive their pay under the law as construed by the Supreme Court of the United States.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. WEBB. I yield 15 minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I ask the attention of the members of the committee to this bill for two reasons—first, because of its own importance, and, second, for a reason that is perhaps personal in large degree to myself.

One of the first bills that it was my privilege to speak for and advocate in this House was a bill offered in the Congress in 1914, which appealed to my sentiment and spirit of patriotism when I discovered it in our Judiciary Committee unacted upon. It was a bill to repeal section 3480 of the Revised Statutes. By virtue of that section, passed immediately at the close of the Civil War, the soldiers of the Confederacy who had been soldiers or commissioned officers of the United States prior to the Civil War were expressly debarred from presenting their longevity claims and having the same paid. At that time, as you may recall, there was extant in our country a spirit of harmony and a desire for a greater unity. Grand Army posts in the North were surrendering flags to Confederate posts in the South, and likewise in the South recognitions of courtesy were extended to posts in the North. The reunion on the battle field of Gettysburg had taken place, where old veterans who had stood in battle array against one another met and greeted and rejoiced in a restored union. The dedication of the Arlington monument had just taken place. I made an appeal to this House for the passage of that bill, which repealed the law that debarred relatives of Lee, Jackson, and other great men who had figured in the Confederate Army from getting the pay that was due under the laws of the United States prior to the beginning of that war. I am happy to say that on that occasion—some of you may recall it—the repeal of that section of the Revised Statutes was unanimously approved by this House.

But I discovered that in the administration of the law with reference to longevity claims there was a period, as the chairman of our committee has explained, from 1890 to 1908, in which the claims of those men who had served in the Union Army had either been presented and rejected, or certainly none of them had been passed, creating a situation of inequality and injustice that, in my opinion, ought to be remedied. This difficulty arose out of a difference of opinion of certain auditors. The Supreme Court of the United States having decided that this claim for extra compensation covered the period of service in the academy, one of the comptrollers made up his mind that he would disregard the decision of the Supreme Court, and he refused for a long period to permit any of these claims to be presented and paid. Another comptroller came in, and he said that the opinion of the Supreme Court was binding upon him, and that he would recognize these claims, but, mark you, with this distinction, that all the claims that had been presented either to the Court of Claims or to the previous comptroller would not be considered by him, because, as he said, they were res judicata, they had been determined, they were settled, and thus this injustice was wrought to the men who had been alert to prove their claims but had been met by the stubborn opposition of the comptroller who was then in power.

Since then I have, with the greatest possible earnestness, attempted to have passed through our committee and by this House a bill to remedy this egregious wrong and give to those Union soldiers what we agreed by the repeal of that statute to give to the men who had gone into the Confederate service; in other words, to relieve these Union soldiers from the bar which had been unrighteously put up against them, and have their claims paid just the same as the claims of Grant and of Lee and the others, whose claims have been presented and honored and settled, amounting on the Union side to about $1,000,000 and on the Confederate side, I think, to about $150,000. There are still outstanding and unpaid claims which are righteously due to these generals and soldiers and officers of about $500,000, and there is nothing that this Nation can do that will be such an act of justice as to order and direct that these men or their descendants shall now have equity and proper treatment, even at this late day.

Mr. WALSH. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. WALSH. Does the gentleman contend that this will cost the Government only approximately a half million dollars?

Mr. GRAHAM of Pennsylvania. I do. That is the report.

Mr. WALSH. And that this is to be paid only to those officers and soldiers who are living?

Mr. GRAHAM of Pennsylvania. Oh, no; it goes to their heirs, the same as the others did. In the other case I received letters from Mrs. "Stonewall" Jackson and a number of the other women of the South whose claims were honored and paid. They were the relatives of the deceased soldiers. So in this case the relatives of the deceased soldiers who have thus been barred out will be honored and recognized, and I earnestly ask this committee to pass upon and approve this bill.

Mr. McKENZIE. If the gentleman has any further time, I would like to ask him to explain a little bit more in detail just where the hardship comes in from which these people suffer. I do not just get it.

Mr. GRAHAM of Pennsylvania. In the report of the committee which I made on the bill that was up in the last Congress, and which through the crush of business failed to pass at that time, I appended a list of all the Union officers who were paid and a list of all the officers who were in the Confederate service who have been paid. Now, those men have been paid. These others are equally entitled to be paid, but owing to certain circumstances their claims were debarred. Now let me give you briefly a résumé of the circumstances.

First, by a decision of the Supreme Court of the United States officers in the United States Army were allowed credit, in computing their longevity pay, for services as cadets at the Military Academy. That is the basis of all these claims.

Owing to the fact that the Court of Claims had jurisdiction only of cases where the right of action had arisen within six years from the time of bringing the suit, that court was closed so far as having jurisdiction to render relief. That avenue was not open to these people who wanted to collect their longevity pay under the decision of the Supreme Court of the United States, because of the statute of limitations; but the jurisdiction of the accounting officers in the Treasury was not barred by the statute of limitations. Everyone had a right to present his claim there. Now, the men who were vigilant, who did not sleep upon their rights, presented their claims to the accounting officer in the Treasury; but that gentleman, a man from my own State, I am sorry to say, ruled that he would not follow the decision of the Supreme Court, and for a long time he refused to

recognize any of those claims. Another comptroller comes in and says, "I am bound by the decision of the United States Supreme Court, and I will recognize these claims," and the claims were presented to him, passed, and paid, all except those which had been presented to the prior comptroller, who said they were barred because they were res judicata. For that reason they were barred out. The new comptroller would not review the decision of his predecessor.

Now, if all of the others had a right to be paid, and if all the others were paid, then surely the obstinacy of this controlling officer ought not to keep these people whom he barred out from getting their pay.

Mr. McKENZIE. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I will.

Mr. McKENZIE. If the gentleman will pardon me, as I understand it, the longevity pay is fixed by law in the Army, and the fact that a man did not make application does not seem to me would affect his rights at all.

Mr. GRAHAM of Pennsylvania. It does not.

Mr. McKENZIE. Did this comptroller, in rendering this decision, overstep the law of the land, or did he construe the law on the statute books which you are now trying to repeal?

Mr. GRAHAM of Pennsylvania. I am not trying to repeal anything.

Mr. McKENZIE. Well, to extend the law.

Mr. GRAHAM of Pennsylvania. No; I am providing for the payment of claims unjustly barred out.

Mr. MADDEN. The gentleman is trying to remedy a case where the vigilance of the claimant counted against him.

Mr. GRAHAM of Pennsylvania. Yes; instead of in his favor. There was a dispute, a debatable ground, as to whether the period that a man served in the Military Academy was to be counted as service to the United States in computing longevity pay. We all recognize that the highest tribunal to settle that question is the Supreme Court of the United States. In the case of Morton against the United States the Court of Claims held that the term "actual time of service in the Army" as used in the act of 1881 covered time spent as a cadet at the Military Academy.

This was appealed to the Supreme Court, which affirmed this decision on October 27, 1884 (United States v. Morton, 112 U. S., 1). The Supreme Court said:

"From this review of the statutes it can not be doubted that before the passage of the act of July 28, 1866, as well as afterwards, the Corps of Cadets of the Military Academy was a part of the Army of the United States, and a person serving as a cadet was serving in the Army, and that the time during which the plaintiff in the present case was serving as a cadet was actual time of service by him in the Army."

When that decision was rendered, then came the effort to collect the longevity pay, but they were met by Comptroller Gilkeson, who said, "I will not audit any of these claims," and that stood under him and his successors from 1890 to 1908. That was the attitude.

Now, the new comptroller comes in and he permits all the claims presented to him to be passed and paid, except those which were presented to Mr. Gilkeson and his successors between 1890 and 1908, and which he said he would not hear or consider, because they had been adjudicated against these people. The iniquity and unrighteousness of that decision must be apparent to any one of us.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WEBB. I yield to the gentleman from Pennsylvania five minutes more.

Mr. NORTON. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. NORTON. The legislation in this bill will affect chiefly those who have served in the United States Military Academy. There are a few cases outside.

Mr. GRAHAM of Pennsylvania. I know of none outside those passing through the Military Academy.

Mr. NORTON. It does not affect the case of Union soldiers, because they have been provided for.

Mr. GRAHAM of Pennsylvania. It affects Union soldiers and no others. They were the only ones that could offer a claim under Mr. Gilkeson. The statute of 1866, which forbade the comptroller to consider any Confederate claim, was a bar to their claims being considered, but in 1914, as I recall, the House of Representatives passed a bill, in which the Senate concurred, repealing that section of the Revised Statutes which stood in the way of a Confederate officer being paid. They have been paid, and the only ones left out are the victims of that unfortunate decision of the comptroller in this period between 1890 and 1908.

Mr. FIELDS. In other words, if the claims filed with Mr. Gilkeson had been deferred until the administration of his successor, they would have been paid?

Mr. GRAHAM of Pennsylvania. Exactly.

Mr. FIELDS. And there would have been no necessity for any legislation.

Mr. GRAHAM of Pennsylvania. That is true.

Mr. FIELDS. Similar claims filed under his successor were recognized and paid.

Mr. GRAHAM of Pennsylvania. Yes; Comptroller Butler afterwards allowed the claims brought before him, passed upon them, and paid them, and among those that were paid were those of Grant, Rosecrans, and Kilpatrick.

Mr. BORLAND. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. BORLAND. The function of the Court of Claims is to make a finding of facts and report to Congress. It has no function in this class of cases to enter judgment, but the purpose of this bill is to enable the Court of Claims to enter judgment. Heretofore the Court of Claims has reported on findings of fact, and we have had an opportunity to act on the report adversely.

Mr. GRAHAM of Pennsylvania. Do I understand the gentleman to say that there has been any adverse action on these claims, except by the comptroller?

Mr. BORLAND. The gentleman's report shows that this is the twenty-first time that this has been before Congress.

Mr. GRAHAM of Pennsylvania. But not one instance when it was adversely reported on.

Mr. BORLAND. It has been stricken out of the general claims bill three times since I have been a Member of Congress.

Mr. GRAHAM of Pennsylvania. I can not say about that, but when there has been a specific consideration of it it has never been reported against. I can not understand the mental operation or the attitude of anyone who would hesitate to vote for the payment of the claims of these Union soldiers—claims to which they are entitled.

Mr. BORLAND. It is not a question of the Union soldier, it applies to the graduate of West Point, and he may be a Union soldier or may not. It does not apply to Union soldiers, a great many of whom are volunteers.

Mr. GRAHAM of Pennsylvania. I want to correct the gentleman's misapprehension of the fact. The men who graduated from the Military Academy at West Point are the people who are affected by the decision of the Supreme Court. Some of them drifted into the Confederacy. Then came the bar of the statute forbidding them to be paid, because of their relations to the Confederacy. I came in here with a bill, and brought it to the attention of the House, using every energy in my power to lift that bar in the interest of that union between the North and the South that my friend, sitting in front of me, ex-Speaker CANNON so beautifully referred to the other day. This House unanimously agreed to remove that bar, and now I find that through the action of the comptroller a certain number of men have not been paid who are entitled to be paid, and I am bending every energy that I have to correct an act of injustice and to make equal the claims between men, whether they went into the Confederacy or into the Union Army. [Applause.]

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. DENISON. Will the gentleman inform the House of the reason why this comptroller took that position, whether it was purely arbitrary on his part or did he have any precedent?

Mr. GRAHAM of Pennsylvania. He had no precedent. It was a purely arbitrary action.

Mr. ROBBINS. How many comptrollers followed the ruling of Comptroller Gilkeson? He was not the comptroller during all of that time, was he?

Mr. GRAHAM of Pennsylvania. I can not answer that question. I can simply say that down until the time that Comptroller Butler came into office that was the ruling.

Mr. ROBBINS. Mr. Mitchell seems to have been the first one.

Mr. GRAHAM of Pennsylvania. No; the first was Mr. Gilkeson.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. KEATING. Mr. Chairman, I ask that the gentleman be given three minutes more.

Mr. WEBB. Mr. Chairman, I yield three minutes more to the gentleman.

Mr. ROBBINS. What proportion of soldiers North and South that graduated at West Point will be recompensed under this bill?

Mr. GRAHAM of Pennsylvania. Under this bill no one except those who were in the Union Army. The other bill covers those who had gone into the Confederacy, and they have all presented their claims and have been paid. This covers the unfortunate men whose claims were presented when this ruling of the comptroller was in force, and they were barred out by it, and when the next comptroller came in and recognized these claims he said that he would not go behind this date; that those others

he considered adjudicated and therefore barred out. He would not take them up.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. KEATING. The gentleman has constantly referred to the Union officers who are affected. Do I understand that only Federal officers in the United States Army who served in the Civil War on the Federal side are affected by this legislation?

Mr. GRAHAM of Pennsylvania. They are the only ones that are now affected. Those who served in the Confederate Army have been relieved by the other legislation.

Mr. KEATING. Do I understand the gentleman to say that no man who did not serve in the Union Army during the Civil War will benefit from this legislation?

Mr. GRAHAM of Pennsylvania. That is my understanding of the facts of this case.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. MOORE of Pennsylvania. Some of these officers could not have been in the Union Army, since their graduation dates back to 1811 and 1812. I was wondering what bearing that would have upon the gentleman's statement.

Mr. GRAHAM of Pennsylvania. There are no claims that date back that far that I know of.

Mr. MOORE of Pennsylvania. The third claim on page 6—that of John J. Abert—is of a man who graduated from the Military Academy in 1811. I find quite a number throughout the list. They could not have served in the Union Army.

Mr. GRAHAM of Pennsylvania. Why not?

Mr. MOORE of Pennsylvania. Because they were probably dead.

Mr. GRAHAM of Pennsylvania. From 1842 to 1861?

Mr. MOORE of Pennsylvania. Here is a man who graduated in 1811. He certainly could not have fought in the Union Army?

Mr. GRAHAM of Pennsylvania. He may have been in the Army at that time or on the retired list. However, he was entitled to his longevity pay, and he got it. The list you are reading from is the list of paid claims.

Mr. MOORE of Pennsylvania. The gentleman was drawing a distinction as between the Union and the Confederate Armies, and I think properly so; but it was pertinent to ask how that would apply to an officer of the United States graduated from West Point in 1811 or 1812.

Mr. GRAHAM of Pennsylvania. I refer to that solely by way of explaining my own personal interest in this bill, and that, having been instrumental in removing the bar against those who went into the Confederate Army, I felt it was my duty to take an active part in trying to prevent a wrong which prevents other graduates entitled to longevity pay from being paid.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. FIELDS. I think the gentleman in his answer to the gentleman from Colorado [Mr. KEATING] probably gave a wrong impression to some, who feel that this legislation is for the benefit of Union soldiers only. As I understand it, the legislation does not confine itself to Union soldiers alone; but the only ones who happen to be in this unfortunate condition at this time were Union soldiers.

Mr. GRAHAM of Pennsylvania. That is right.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield again?

Mr. GRAHAM of Pennsylvania. Yes, if I have any further time.

Mr. McKENZIE. The gentleman has gone into this thing very carefully. Is he prepared to say now, in his judgment as a lawyer, that the comptroller who ruled against these claims, ruled against the law, and the men who ruled in favor of them sustained the law?

Mr. GRAHAM of Pennsylvania. Undoubtedly; because the Supreme Court's decision was in favor of these claims.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. WEBB. Does the gentleman desire any more time?

Mr. GRAHAM of Pennsylvania. I would like to clear up any doubt that exists in the mind of anyone.

Mr. WEBB. I yield five minutes more to the gentleman.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. CANNON. I have just glanced at the bill, and find the following language on page 2:

And that the accounting officers of the Treasury in the settlement of claims for longevity pay and allowances on account of services of officers in the Regular Army arising under section 15 of an act approved July 5, 1838, entitled "An act to increase the present Military Establishment of the United States, and for other purposes," and subsequent acts affecting longevity pay and allowances, shall credit as service in the Army of the United States, within the meaning of said acts, all services rendered as a cadet at the United States Military Academy and as an enlisted man or commissioned officer in the Regular and Volunteer Armies, in all cases in which heretofore this credit was disallowed by any such accounting officer of the Treasury, and no decision of a comptroller heretofore made against a claimant under said section 15 shall preclude a settlement under the terms of this act where the claim has not been paid.

Now, the question in my mind is, the gentleman says it applies to officers. It seems to apply to enlisted men.

Mr. GRAHAM of Pennsylvania. Yes.

Mr. CANNON. And certainly goes back to 1838, and God knows how many of these claims on the half and half or quarter to the claimant if successful and three-quarters to the attorney are to be opened up for agents by the accounting officers of the Treasury. It seems to me, being somewhat familiar from ancient recollections with the activity of the Washington claim agent, that it is possibly a bill for the relief of the claim agent.

Mr. GRAHAM of Pennsylvania. Well, if the gentleman says that——

Mr. CANNON. I say possibly.

Mr. GRAHAM of Pennsylvania (continuing). The gentleman ought to have some knowledge upon the subject, because I have introduced this bill myself into this House, and I challenge him to make any such insinuation as that with relation to myself. I would not stand it from anyone.

Mr. CANNON. Oh, the gentleman ought not to get out of temper——

Mr. GRAHAM of Pennsylvania. My reason for introducing that bill was what I have told the Members of this House, that I have been instrumental, whether wisely or unwisely, in removing the bar against these men who had been in the academy who went into the service under the Confederate flag, and I felt it was simply rounding out an act of justice now to take up the cudgels of those who were the victims of an error and blunder in the administration of the Treasury Department of the United States.

Mr. CANNON. Will the gentleman allow me? Certainly, I had no intention of putting the gentleman out of temper nor do I impugn in any way his motives in any way, shape, or form. When he speaks of enlisted men and refers to the act of 1838, from my ignorance, without any reflection upon the gentleman, from my recollection of the activities of the claim agents in Washington, I merely asked for information, whether it is not probable or possible that they will get the most of whatever comes out of the Treasury, and how much is to come I do not know, and the gentleman does not seem to know.

Mr. GRAHAM of Pennsylvania. The gentleman seems to be groping in the dark.

Mr. CANNON. Very likely; but I would like to walk in the light.

Mr. GRAHAM of Pennsylvania. The gentleman has more acquaintance with the claim agents than I have and therefore speaks out of the fullness of that experience, but I wish to say this: When he speaks of the enlisted man he must remember that the effect of this decision, while longevity applies to enlisted men, would not affect enlisted men unless they were graduates of West Point. There is nothing in that, and the committee has reported what they have ascertained to be the possible total aggregate of payments here. And in view of the fact that we have paid one set of these graduates of the academy upward of a million dollars and another set upward of $150,000, you have no right, morally or legally, to stop now and say you will not pay these men who are the victims of an improper decision.

Mr. WALSH. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. I yield to the gentleman from Massachusetts.

Mr. WALSH. I would like the gentleman to tell me how long a man who graduated from the Military Academy in 1880 served during the Civil War?

Mr. GRAHAM of Pennsylvania. I do not know.

Mr. WALSH. Well, the gentleman made the statement that this was to cover the services of men who served during the Civil War.

Mr. GRAHAM of Pennsylvania. Perhaps I may not have been clear enough in my expression to give clear color to what I had in mind. My thought is simply this, and the bill says so, that those who graduated from the academy are entitled to this longevity pay. Now, as a matter of sentiment, I referred to the fact that there were some of those who went into the Confederacy and therefore could not be paid on account of a certain section of the Revised Statutes. That has been repealed. Now, every graduate from the academy being entitled to longevity pay,

why should these unfortunates have the door shut in their faces——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. I ask unanimous consent that the gentleman's time may be extended two minutes in order that I may ask him a question.

Mr. WEBB. I yield the gentleman one minute additional.

Mr. BORLAND. I recall the gentleman stated, in regard to the question of the gentleman from Colorado, that the only persons affected by this were men who had served in the Civil War on the Union side and were graduates from the academy. I think possibly the gentleman may not have understood the question——

Mr. GRAHAM of Pennsylvania. Maybe so.

Mr. BORLAND (continuing). Because I notice in his own report he gives the list of men who graduated from the academy in 1867, 1871, and 1877, and other dates subsequent to the Civil War, and it is perfectly apparent it is confined to graduates of the academy, some of whom may possibly have served in the Civil War.

Mr. GRAHAM of Pennsylvania. That is right.

Mr. BENJAMIN L. FAIRCHILD. In the interest of perfecting the gentleman's bill, I would like to direct his attention to line 6, page 1, of the bill, where the expression is used "Supreme Court of the United States." Should it not be "Supreme Court in the United States against Morton" and not "Supreme Court of the United States against Morton"?

Mr. GRAHAM of Pennsylvania. I have no objection at all to that being corrected.

Mr. BENJAMIN L. FAIRCHILD. I thought the gentleman would like to have it correct.

Mr. WEBB. I yield five minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Chairman, a parliamentary inquiry before I begin.

The CHAIRMAN. The gentleman will state it.

Mr. BORLAND. As I understand it, no one has been recognized for an hour in opposition to this bill.

The CHAIRMAN. No.

Mr. BORLAND. Well, may I not now ask for recognition in opposition to the bill in my own right?

Mr. WALSH. Is not a member of the committee entitled to that?

The CHAIRMAN. Is the gentleman a member of the committee?

Mr. WALSH. I am.

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. BORLAND. In that case I will only ask for five minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. WALSH] if he is opposed to the bill.

Mr. WALSH. Yes. I yield 10 minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. I am much obliged, just the same.

Gentlemen, this bill ought not to pass, and I regret very much that the distinguished gentleman from Pennsylvania [Mr. GRAHAM] urges it with such vim. By the report it appears that this is the twenty-first attempt that has been made to get these longevity claims paid. I remember that they were before our Committee on Claims in this House repeatedly and without success. They were put on a claims bill in the Senate at one time, which occasioned the defeat of a large number of very meritorious claims because these claims were injected into that claims bill. And this House has universally been opposed to the payment of these claims.

Now, let us get down to exactly what this question is. This is not confined to the Civil War, and, goodness knows, it has nothing whatever to do with the enlisted man, although the act of 1838, which was referred to, of course does apply in some of its provisions to the enlisted man.

Mr. GREEN of Iowa. Will the gentleman yield right there?

Mr. BORLAND. Yes.

Mr. GREEN of Iowa. Some gentlemen, I think, including the gentleman now speaking, spoke of a list of those who were to be paid under this bill. I have been unable to find it.

Mr. BORLAND. It is in the back part of it. There is no list of those that are to be paid. It is a list of those who have been paid. No enlisted man has got a look-in on this bill. No Union officer has got a look-in on this bill who was a volunteer officer, and the great percentage of Union officers were, of course, volunteer officers. This is confined to a very narrow class, a few of whom may survive as officers. The number of surviving Union officers is very, very small at this time. But the men who will be benefited by this bill are men who have had a public education in the Military Academy of the United States, whether they ever served a day in the war or not. They are the men to be benefited, and they are the narrow, prescribed, limited class that is to be benefited.

Now, what is it they ask? They ask that their longevity pay, which is supposed to be based on their service as officers of the United States, shall be dated back to cover the four years they were in the academy at Government expense.

Mr. GRAHAM of Pennsylvania. Will the gentleman permit a question?

Mr. BORLAND. Yes, sir.

Mr. GRAHAM of Pennsylvania. Are you not mistaken when you say they ask to have their period of service dated back for four years to cover the academy, in view of the fact that the Supreme Court of the United States has decided it must be dated back, because when in the academy they were in the service of their country?

Mr. BORLAND. If they were not asking it, the bill would not be here, I take it. So evidently they are asking it. Somebody may have decided they are entitled to it under a technical construction of the law, but they are asking for it, and it is useless to deny that.

Mr. MADDEN. Will the gentleman yield?

Mr. BORLAND. I will.

Mr. MADDEN. Does the gentleman think, in view of the fact that the claims of those who had left the service of their country, after being educated at West Point, and gone into the Confederacy have been adjudicated that those who stayed by the flag ought not to have their claims adjudicated?

Mr. BORLAND. I do not think that clearly explains the situation. My recollection is that the only bar Congress removed was the proof of loyalty, leaving the question of time of presentation the same in both cases. The fact about the matter is that this ruling seems to have extended over a period of 18 years, and I can not reconcile my idea but that the mistake was the ruling of a single Comptroller of the Treasury. There could not be anything in that.

Mr. RUSSELL. Will the gentleman yield?

Mr. BORLAND. I will.

Mr. RUSSELL. Do I understand you to say that if this bill is passed it will apply to those who have graduated at the Military Academy after four years?

Mr. BORLAND. Yes.

Mr. RUSSELL. And that they will get their pay, although they may not have served in the Army afterwards?

Mr. BORLAND. The whole milk in the coconut is to give longevity pay to those who happened to be educated at public expense in the Military Academy and making their service begin when they entered the academy as cadets.

Mr. PLATT. The gentleman did not say that they could possibly get their pay if they went into the Military Academy and did not go into the Army.

Mr. BORLAND. I said that they may have never gone into war. The gentleman from Missouri [Mr. RUSSELL] asked me a question, which I have distinctly answered, and that is whether the longevity pay was intended to cover their service in the academy. The gentleman's question was clear.

Mr. FIELDS. Under all the decisions that have been rendered since the administration of Comptroller Gilkeson the West Point service has been computed, has it not? Is it not computed now?

Mr. BORLAND. I do not know whether it is or not. But it ought not to be.

Mr. FIELDS. If it has, without going into the question of whether it is right or not, if the officer whose longevity is computed to-day is getting credit for that, would it not be fair and just for those men who filed their claims within this period to have that discrimination in justice corrected? They were discriminated against as compared to the men who receive their longevity pay to-day.

Mr. BORLAND. I will say to the gentleman that it is the question that has been before the Committee on Claims of this House repeatedly, as to whether you ought to reach back to those men, and the Committee on Claims of the House were found against it, and our House agreed to that ruling. Now, some men are entitled to longevity pay. It is not necessary to go back into the distant past and allow these claims to be taken up and presented.

Mr. SAUNDERS of Virginia. May I ask a question? I want to get at the facts. Would the people to whom this bill relates, the beneficiaries under this bill, be entitled to the longevity pay but for the decisions of the comptroller?

Mr. BORLAND. I understand so.

Mr. SAUNDERS of Virginia. Do the decisions of the Supreme Court and the decisions of those comptrollers agree?

Mr. BORLAND. I do not know. I have not examined the decisions of the Supreme Court.

Mr. SAUNDERS of Virginia. That is a pretty vital point. If, under misapprehension of the law, comptrollers have rendered decisions that were erroneous in point of law and have been ascertained to be such by virtue of the decisions of the Supreme Court referred to by the gentleman from Pennsylvania [Mr. GRAHAM], ought we to allow that erroneous decision of the comptrollers to stand in the way of giving to people that to which they are entitled under the law of the land?

Mr. BORLAND. I am quite sure that if these people have any claim in law or equity against the United States they would not be here asking for the enactment of this bill. I think that is perfectly apparent. I do not know under what analogy they ask for it, or under what decision they refer to, but I am confident that if they had any remedy in law or equity they would pursue it.

Mr. SAUNDERS of Virginia. The reason why I asked that question is this, that the only reason why these people are asking for this legislation is that they are handicapped by an erroneous ruling of some antecedent comptroller which the present comptroller will not set aside.

Mr. BORLAND. I heard the gentleman from Pennsylvania [Mr. GRAHAM] make that statement, but I do not know the facts.

Mr. SAUNDERS of Virginia. It seems to me that is a vital question, whether that is so or not.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. DENISON. Does the gentleman happen to know how many of these claims are now in the hands of the original claimants?

Mr. BORLAND. I have not the ghost of an idea as to how many of these claims are in the hands of the original claimants. There is no way of ascertaining even the gross amount of the claims.

Mr. DENISON. Is there any law now in force that governs the collection of these claims as to whether or not they can be assigned to other persons?

Mr. BORLAND. There is a law, of course, on the subject. The gentleman knows that the Court of Claims makes the findings of fact, which it submits to the Congress, but it has no power of rendering a judgment. It makes merely a finding of fact, as it ascertains the same to be in its judgment, and Congress has the complete power to approve that finding of fact if it sees fit. That course was pursued in this case and the finding of fact was made, and the Congress has refused to confirm that finding of fact by making the appropriation, and now it is proposed to give the Court of Claims the power to enter judgment against the United States, notwithstanding the fact that the claims have been pending in Congress for 10 years past.

These men have had a military education at the expense of the United States, costing $20,000 in round numbers to each man, and they were paid to take it. The United States confers an education free, at a cost of $20,000, to every man who is educated there. It seems to me it is a strange thing in time of war to come in here and ask that half a million dollars or a million dollars be paid to men who have already had that advantage.

The question to-day is, Why is West Point? When we need officers we have to go out and get volunteer officers. That is what happened to us in every war we have had. When we got this National Army we trained 43,000 officers in training camps in three months.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. I would like to have five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BORLAND. I say we have trained 43,000 officers in training camps in three months. We took the bright young men from your district and from mine and sent them out there, and in three months' time they came out able to command this great army of democracy. And yet these men setting up these claims had four years of training, and some of them have never fired a gun in defense of the United States.

We are depending to-day upon 43,000 young Americans, who have had but three months' training in a training camp, to command our armies when we are facing the most desperate fight that our Government ever faced; and here is a lot of men who had four years' training at Government expense, and were paid to take it, asking for longevity pay. I venture the assertion that most of them never rendered any service to the Government.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. PLATT. Those 43,000 officers that the gentleman refers to were trained chiefly by West Point graduates, were they not?

Mr. BORLAND. No; I do not say that they were chiefly trained by West Point graduates. I want to call the attention of my friend from New York to this fact, that before this war broke out the great majority of the officers of the line in the United States Army were not West Point graduates. I will call on the members of the Committee on Military Affairs for verification of that statement, that the majority of the officers of the line in the United States Army have never been through West Point. I have never been able to understand why a great military academy such as we have, maintained at enormous expense, could never furnish more than a minor percentage of American officers in time of peace, and not furnish even a nucleus in time of war. These men in the training camps were trained by men a majority of whom had never seen West Point, and most of whom had served in the National Guard of the various States.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes; I yield to the gentleman from Michigan.

Mr. MAPES. Does this bill cover all graduates from the academy from the time the academy was organized?

Mr. BORLAND. Apparently.

Mr. MAPES. Who happened to have their longevity claims filed?

Mr. BORLAND. Yes.

Mr. MAPES. And who filed their claims from 1890 to 1908?

Mr. BORLAND. Yes; that is apparently the case.

Mr. MAPES. Will the gentleman yield for a further question?

Mr. BORLAND. Yes.

Mr. MAPES. How does it happen that such a large proportion of the graduates of the academy filed their claims during this time?

Mr. BORLAND. I have no way of answering that, except as the gentleman from Illinois says. There are always attorneys here interested in practicing before the Court of Claims, and occasionally they ransack the country and get a set of claims and bunch them up and get them before the Court of Claims. I have seen that done frequently, but I have no personal knowledge in this case.

Mr. IGOE. Mr. Chairman, will my colleague yield?

Mr. BORLAND. Yes.

Mr. IGOE. Is it not true that the reason why they were filed at that time was that shortly before that the Supreme Court had sustained the validity of the claims? Is not that the reason why they were filed at that time?

Mr. BORLAND. I imagine that some attorneys had circularized the country as soon as the decision of the Supreme Court was made.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. LONGWORTH. I know nothing about this bill except what I have heard in the debate, and I do not know how I shall vote on it; but it seems to me the gentleman has directed his argument against the policy of paying this longevity to the officers during the time they were in West Point. I understand the Supreme Court has so construed the law, and that other men have been paid under the same circumstances before this decision of the comptroller, and other men have been paid since that decision. Now, is it fair that you should segregate a certain class and say that merely on account of a decision of the comptroller, which is apparently against the Supreme Court, they should not be paid while the others are paid?

Mr. BORLAND. That seems to be the argument that is made, but from my standpoint these gentlemen have no equity. From my standpoint they might stand on a strictly technical legal right, which I think would be a gross injustice to the Government if they did stand on it, and not a very high evidence of patriotism; but if they had a strict legal right we might have to pay them. But when they come here appealing to equity, appealing to the conscience of Congress, they have universally been met with a refusal, and that is what they are appealing to to-day. They are appealing to sentiment, to conscience and equity. They admit that they have not any strictly legal right.

Mr. McKENZIE. Will the gentleman permit an interruption?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. I yield to the gentleman five minutes more.

Mr. McKENZIE. In my judgment, the matter of longevity pay is a question of law, and according to this report the law of 1870 is as follows:

There shall be allowed and paid to each and every commissioned officer below the rank of brigadier general, including chaplains and others having assimilated rank or pay, 10 per cent of their current yearly pay for each and every term of five years of service.

Now, the Supreme Court of the United States has ruled that the four years spent in the Military Academy shall be counted as time served in the Army in figuring longevity pay. It seems to me that the law is just as plain as A, B, C, and if a man has a legal claim for longevity pay, I do not see why it is necessary to have any legislation to enable him to get it.

Mr. BORLAND. That is the whole answer to it. If there were any legal claim, based upon a decision of the Supreme Court, there would be no necessity of appealing to the extraordinary powers of Congress to pass a claims bill. That is perfectly plain. Evidently they have not got a legal claim, or they would not be here.

Mr. REED. Are some of these claims to pay the heirs of dead men?

Mr. BORLAND. I suppose so. I say I know nothing about the claims except the fact that we have had them up before Congress in previous sessions, and there has always been a disposition manifested by Congress, especially by the House of Representatives, not to pay these claims, not to go back into the past, and allow these claims to be drummed up against the United States and bunched at this time. It does seem to me that if we took that position in time of peace, when this Government had a comparatively small military burden upon it, when we might perhaps indulge this idea that Army officers were somewhat men of the rank of nobility in our country, we certainly can not take that position in time of war. A man who goes through West Point does not get a patent of nobility. He gets an education at public expense to serve his Nation, and I have never been able to believe that he was entitled to any special consideration because he had an opportunity to go to West Point. Thousands of other good men do not have the opportunity, yet when the time comes they serve their country just as bravely and just as capably as the men who went through West Point. They did not have the opportunity, and we are just simply making discrimination in this longevity matter between men who had a splendid opportunity to go through West Point, and to be paid for doing it, and men who served their country without any such inducement. I do not think we ought to make that distinction. I do not think there is any equity in this claim, and if there was any law on their side they would not be here appealing to the sentiment about the blue and the gray. The claim ought to be defeated. [Applause.] I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back two minutes.

Mr. WEBB. I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY].

Mr. CARAWAY. Mr. Chairman and gentlemen of the committee, I know no one will think I am unduly zealous in behalf of these people whose claims are now being considered before the House. There is no reason, political or otherwise, why I should espouse their cause, except a sense of justice. I am as much opposed to a law that makes the service of a cadet while in the academy count in computing his longevity pay as the gentleman from Missouri [Mr. BORLAND] seems to be. But that is not the question we are discussing and has nothing to do with it. Any gentleman who tries to confuse the issue by pretending that we are determining whether it is wise or not to count as service the time a cadet is in the academy as a part of his service on which longevity pay is based is either himself mistaken as to the issue raised in this bill or is knowingly or otherwise deceiving the committee, because the sole question here involved, as anyone can soon find if he takes the trouble to inquire, is whether men who stand in the selfsame relation to both the law and the fact shall receive the same treatment. Under the act of Congress of 1838 for the reorganization of the Army, the question of whether the longevity pay of an officer in the Army should be based upon his service after graduation or should include also the time he spent in the academy arose. The Supreme Court of the United States decided that in computing his longevity pay the four years that he was a student in the academy should be taken into consideration. That became the law of the land, because the Supreme Court said that was the intent of Congress. A Comptroller of the Treasury undertook to decide that he was not bound by the law—in other words, that he was not bound by a decision of the Supreme Court. All those who presented their claims to prior comptrollers were paid. All those who presented them to this particular comptroller were denied. Those who presented their claims to comptrollers who came after him were paid. Now, the question here is simply this: Whether men's claim for compensation resting upon the same facts and under the same law should be dealt with alike. Now, shall we recognize as binding upon the conscience of this country an erroneous ruling of a comptroller is up to us, or shall we mete out even-handed justice. That is the only question here involved. If we want to take advantage of a technicality or the mistake of an officer of this Government, and thereby deny equal justice to men who have performed equal services, why, bless your hearts, vote against this bill. If you want to put yourselves on record as being in favor of denying equal rights to men whose claims rest upon exactly the same facts and law, then hide behind the technical erroneous ruling of a Comptroller of the Treasury that was in contradiction to a ruling of the Supreme Court of the United States. You will accomplish that end.

Mr. TILSON. Will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. TILSON. Is there any question as to the ruling of that particular comptroller being wrong? In other words, was the ruling made by the other comptrollers right, in accordance with the decision of the Supreme Court, or was this ruling of this comptroller wrong?

Mr. CARAWAY. Absolutely wrong. The comptroller who came after, however, I think wisely decided that he was not a court of review; that the claims passed upon by the prior comptroller had been settled as far as he was concerned; and that he could not review the decisions of the prior comptroller. He was acting clearly within the law. He said that the comptroller was wrong, as everybody knows, but that he had no right to reverse it, and that no one could reverse it except the Congress of the United States, and we are to decide whether we will do it or not. Why, a man who would avail himself of that plea in this matter would plead the statute of limitations to avoid the payment of a just debt. The question is whether you want to plead a technicality to relieve the Government of its moral obligation.

Mr. BORLAND. Will the gentleman yield?

Mr. CARAWAY. I will.

Mr. BORLAND. This bill comes from the Judiciary Committee. Has not this exact question been presented to the Committee on Claims?

Mr. CARAWAY. I do not know as to that.

Mr. BORLAND. Is it not within the jurisdiction of the Claims Committee?

Mr. CARAWAY. Well, I do not submit my conscience to the Committee on Claims any more than I do to a Comptroller of the Treasury who makes a mistake. The question is whether it is just and right. Now I have no interest in it; my folks were all on the other side in the dispute. There is not a dollar going to anybody in my State. I never heard of anybody who was to profit by this legislation, but I would not deny justice to the blackest nigger that ever walked the earth under a technicality. [Laughter and applause.] And I would not permit my Government to do it if I could prevent it.

Mr. BORLAND. I do not want the gentleman to get away from that question that I asked.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WEBB. I yield the gentleman one minute more.

Mr. BORLAND. I am asking the gentleman whether it is not the uniform custom for the Court of Claims to bring its findings to Congress before the claims are paid and have them allowed? Why is it necessary that the gentleman's committee should bring in a bill authorizing the Court of Claims to enter up judgment?

Mr. CARAWAY. Anyone who understands the rules of the House will understand why it came to the Committee on the Judiciary, and I will not try to enter into an explanation of the rules of the House. The committee had jurisdiction of it. We believe that the country ought not to refuse to meet its legal obligations, and we voted for it.

Mr. COX. Will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. COX. If we do not pass this bill we punish the men who presented claims in their favor in time.

Mr. CARAWAY. Of course we do, and cover ourselves with infamy in doing it. [Applause.]

Mr. COX. Does not the gentleman in all sincerity feel that there ought to be some limitation placed in the bill as to the amount that would be allowed attorneys?

Mr. CARAWAY. If there is an attorney in it, I never heard of it. I can say truthfully that no attorney came before the committee, no attorney mentioned it to me, and no living soul has asked me to vote for the bill. I never heard of an attorney or agent or anybody else interested in it except these people, and they were not pushing it. It was a question that addressed itself to the conscience of the committee, and I voted for it.

Mr. COX. I am not trying to impute anything to the gentleman.

Mr. CARAWAY. I understand that. I want no attorneys or agents to profit by the act.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. WALSH. Mr. Chairman, I yield the gentleman from Illinois [Mr. CANNON] 15 minutes.

Mr. CANNON. Mr. Chairman, I do not think I shall want all that time, but I want to understand this bill. First, by way of suggestion, no man in the House has a greater respect for the gentleman from Arkansas [Mr. CARAWAY] than I have, and that is also true of the gentleman from Pennsylvania [Mr. GRAHAM]. I am not impugning the motive of any Member of Congress, but I can not quite agree with the gentleman from Arkansas. The gentleman from Arkansas intimated that a man who invoked the statute of limitations was not honest. Now, as I understand, these people who were diligent have not received their pay, but if they are entitled to anything why do they want legislation?

Mr. MADDEN. Because they did not receive it on account of the Comptroller of the Treasury at that time refusing to follow the decision of the Supreme Court.

Mr. CANNON. Precisely, and lo and behold, somebody evidently got the legislation. The Comptroller of the Treasury passed on these claims for a period of 10 years and rejected them.

Mr. GRAHAM of Pennsylvania. Will the gentleman pardon me a moment?

Mr. CANNON. Yes.

Mr. GRAHAM of Pennsylvania. The history is that in the beginning this longevity was not permitted to cover the period while the men served in the Military Academy. The Supreme Court of the United States in 1884 decided that that must be counted. Then, for a period from 1884 down to 1890 all these claims that were presented were paid. Then, from that period, under a ruling of the Comptroller of the Treasury, claims that were presented to him were ruled out arbitrarily. The next comptroller that came in allowed the claims that were presented to him, but said that he would not review those that his predecessor had passed upon.

Mr. CANNON. I think that is the usual course as to a predecessor.

Mr. GRAHAM of Pennsylvania. But not where there has been a blunder by refusing to follow the decision of the Supreme Court.

Mr. CANNON. Yes; in many cases that has happened, where the Comptroller of the Treasury has adjudicated, and then if anything happens that the claims are established subsequently by a decision of the court without express legislation on the part of Congress the claims that have been adjudicated by the comptroller are not paid or readjudicated. The very object of the gentleman by this legislation is to get authorization, as I understand it, for their adjudication. Now, the gentleman from Arkansas I am sure is not familiar with legislation had in recent years. After the close of the Civil War there were a lot of claims for back pay and bounty, and they kept coming in and coming in.

They were adjudicated, hundreds and thousands, I suppose hundreds of thousands of dollars, where they had not been paid, and where the records showed they had not been paid. Congress in its wisdom passed a statute of limitations and said that after the year 1912, I think it was, or possibly 1913, it does not make any difference, no claims should be considered thereafter filed. I have made several efforts to try to get rid of that act because I have a lot of constituents who are old, where the back pay and bounty is due them, but on account of that legislation which has been had by Congress and within the last decade, there is nothing doing. I speak whereof I know. People die, the personnel of Congress changes, we cross over, and there come up new claims and old claims that may not have been just, with a new set of legislators, or with the death of witnesses that knew they were not just, and then comes a second trial. After all, I think there is wisdom in statutes of limitations amongst individuals, and I wish to God there was a limitation in the Constitution of the United States, 6 years or 10 years or 20 years, as the case may be, because after claims have been rejected time and time and time again they spring up frequently with every new Congress. Let me tell you what has happened, and I speak whereof I know. Take the contracts, for instance, had during the Civil War for the building of gunboats and for services to the Government. Some of them were settled and receipts given in full payment, and yet year after year and Congress after Congress, when claims were presented for those things they were turned down, but finally many of them were paid by express legislation. If there had been a limitation in the Constitution providing that when there was settlement once made and the money was received in full payment they could not be again paid, that thing would not have happened.

I want to say frankly I do not understand why this bill should pass, if it does pass, unless some of it is stricken out. It is said that it is confined only to West Pointers, who can take under this legislation, having the four years in West Point counted for longevity.

Mr. GRAHAM of Pennsylvania. That is what the Supreme Court said.

Mr. CANNON. Precisely; that is what the United States Supreme Court said. What does this mean? It harks back to an act of 1838. I do not know how much significance there is in these claims, whether they are claims that have been pending or claims that have been rejected. We find them in the list of enlisted men. Take page 2 of the bill, going to line 10—

all services rendered as a cadet at the United States Military Academy—

Now, you might stop right there, if they alone are to be relieved; but we find further—

and as an enlisted man or commissioned officer in the Regular and Volunteer Armies, in all cases in which heretofore this credit was disallowed by any such accounting officer of the Treasury, and no decision of a comptroller heretofore made against a claimant under said section 15 shall preclude a settlement under the terms of this act where the claim has not been paid.

That covers the whole shooting match.

Mr. GRAHAM of Pennsylvania. No; it does not.

Mr. CANNON. Then what is the use of it?

Mr. GRAHAM of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Precisely; I am seeking knowledge in good faith.

Mr. GRAHAM of Pennsylvania. Just those claims which were proved before a comptroller and disallowed. They are easily ascertained.

Mr. CANNON. Oh, but the legislation is broader than that. Let me read it:

And that the accounting officers of the Treasury in the settlement of claims for longevity pay and allowances on account of services of officers in the Regular Army arising under section 15 of an act approved July 5, 1838, entitled "An act to increase the present Military Establishment of the United States, and for other purposes," and subsequent acts affecting longevity pay and allowances—

Longevity pay and allowances.

Mr. GRAHAM of Pennsylvania. Go on.

Mr. CANNON. It continues—

shall credit as service in the Army of the United States, within the meaning of said acts, all services rendered as a cadet at the United States Military Academy.

Mr. GRAHAM of Pennsylvania. See how it is narrowed.

Mr. CANNON. But why did you broaden it here?

Mr. GRAHAM of Pennsylvania. Any lawyer would understand why it was broadened there. It is a recital of those acts; that is all.

Mr. CANNON. Oh, no; here is where the broadening comes in—

and as an enlisted man or commissioned officer of the Regular and Volunteer Armies, in all cases in which heretofore this credit was disallowed by any such accounting officer of the Treasury—

Mr. GRAHAM of Pennsylvania. You see it is limited again.

Mr. CANNON (continuing)—

and no decision of a comptroller heretofore made against a claimant under said section 15 shall preclude a settlement under the terms of this act where the claim has not been paid.

Now, what is the use of putting in the enlisted man?

Mr. GRAHAM of Pennsylvania. The act put it in.

Mr. CANNON. Did the act put it in?

Mr. GRAHAM of Pennsylvania. Yes; it is only a recital.

Mr. CANNON. But could the enlisted man come in now if he had been rejected?

Mr. GRAHAM of Pennsylvania. No; unless his claim was before the comptroller and rejected. It is limited to that. It is limited to those whose credit for their service at the academy had not been accounted for, and whose claims were proved before the comptroller.

Mr. CANNON. But the enlisted man did not have any four years at West Point. The decision of the Supreme Court did not cover him.

Mr. GRAHAM of Pennsylvania. No. Will the gentleman pardon me for just a suggestion?

Mr. CANNON. Certainly.

Mr. GRAHAM of Pennsylvania. The act covers the enlisted men, and there were certain conditions of service as enlisted men that were allowed to be counted by the officer when he became an officer. That is the general provision of the act, but we recite that act simply to identify the law. Under that we simply say that where the service at the academy has not been accounted and proof made before the comptroller, those claims shall be taken up and reconsidered as they ought to be.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

Mr. CANNON. Yes.

Mr. PLATT. The act of 1838 provides for additional pay, then in form of additional rations, for each five years of service "in the Army." This was first held to apply only to the time of the commission, afterwards service in the ranks as an enlisted man was counted, and then the question came up whether enlistments in the Military Academy—and when men are appointed to West Point they do enlist—should be counted as enlistment.

Mr. CANNON. Yes.

Mr. PLATT. And that was decided favorably by the Supreme Court in the decision cited here, so that the question of the other enlistment in the ranks does not come in here at all. That was not in the Supreme Court decision.

The decision was merely that West Point service is enlistment.

Mr. CANNON. That could be done without covering enlisted men or volunteer officers; it is not necessary to cover them.

Mr. PLATT. It is already covered without being in here.

Mr. FIELDS. They are already covered by the language of the statute now. That only refers to the law.

Mr. CANNON. This language takes that act and all other acts subsequent. What would the gentleman think if I proposed to strike out on motion the words "and as an enlisted or commissioned officer in the Regular or Volunteer Armies in all cases in which heretofore this credit was disallowed by any such accounting officer of the Treasury"? Now, it looks like, to me, whoever drafted this bill——

Mr. FIELDS. That would be a discrimination wholly in favor of the West Point man.

Mr. CANNON. Well.

Mr. FIELDS. If under the law some man was entitled to this longevity pay who had served a certain time as an enlisted man, he is being discriminated against under the law that is now on the statute books.

Mr. CANNON. Well, I had supposed from reading this bill and what has been said about it that the people who were to be relieved were those who had been denied four years in the Military Academy.

Mr. GRAHAM of Pennsylvania. That is right—by the comptroller.

Mr. CANNON. The gentleman says that is right—by the comptroller. It seems some have been allowed. What is the use of spreading it beyond that?

Mr. GRAHAM of Pennsylvania. It does not go beyond that. If the gentleman will permit an interrogation, I would like to quote from a letter from the Secretary of War, Newton D. Baker.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAHAM of Pennsylvania. May I have a minute just to make this inquiry?

Mr. WALSH. I yield the gentleman from Illinois one minute.

Mr. GRAHAM of Pennsylvania. I quote from the letter of Secretary of War Baker:

> The question of counting cadet service and service as enlisted men arose some years ago, and the then Comptroller of the Treasury ruled that service as a cadet at West Point was not considered service in the Army. The matter finally reached the Supreme Court, and on March 11, 1889, that body ventured a decision that—
>
> "Cadets at West Point were always part of the Army, and that service as a cadet was always actual service in the Army," etc.
>
> It appears that the claims of all of those officers which were presented prior to 1908 were disallowed, but that the officers who presented identical claims after another decision of the assistant comptroller in May, 1908, had their claims allowed and paid. The present Comptroller of the Treasury declares himself powerless to reopen such claims, no matter how just they may be, unless authorized by Congress to do so.
>
> Accordingly, I have the honor to recommend that suitable legislation be enacted authorizing the Comptroller of the Treasury to reopen the claims of all officers who are entitled to longevity pay under the act cited.
>
> Very respectfully, NEWTON D. BAKER.
> *Secretary of War.*

Mr. CANNON. Now, the gentleman's bill goes further——

Mr. GRAHAM of Pennsylvania. It does not go a step beyond that.

Mr. CANNON. Then I think I do not understand the English language. I have already read it twice and shall, when opportunity offers, propose an amendment to strike out the language from lines 11 to 17, inclusive.

Mr. WEBB. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS of Virginia. Mr. Chairman, if I correctly apprehend the facts of this case and I think I do, then the merits of the pending proposition are beyond controversy. It is often said that the diligent man ought to be rewarded for his diligence, but according to the history of this case it is the slothful who have been rewarded, while the diligent have been punished. The committee ought to have in mind that the statute which determined the rights of the men who have received longevity pay is the same statute which is relied upon to establish the rights of the beneficiaries of the pending resolutions. This statute has been interpreted by the Supreme Court of the United States. It has also been interpreted by the comptrollers. One comptroller interpreting it, in advance of the decision of the Supreme Court held that it did not operate to include for the purpose of computing longevity pay the time spent by an officer as a student at West Point. Later the Supreme Court held that the time spent at the Military Academy, was to be counted as a part of an officer's service in the Army. Thereupon a number of officers who had noted the ruling of the comptroller excluding this time and therefore had never made application to have it considered in computing their longevity, were emboldened by this decision to submit their case to the comptroller. All of these applicants received longevity pay conformably to the interpretation of the statute established by the Supreme Court. The officers who had gone before the comptroller prior to the decision, and whose applications had been rejected, thereupon sought to secure the benefit of the same decision, by presenting their cases anew to the comptroller. What happened to these officers? Why, the comptroller held in substance, that he was not controlled or affected as to these cases, by anything that the Supreme Court had done, or any ruling that it had made, in interpreting the statute—that even if this court did hold that the ruling of antecedent comptrollers on the precise point presented was erroneous, and that service at West Point was to be considered in computing longevity pay, the comptrollers were a law unto themselves, and he would not undertake to reverse the antecedent ruling, but would reject the new applications, substantially on the ground, that the matter was res judicata. But the same comptroller who rejected the claim of an officer on this ground passed the claims of other officers whose cases, on the merits, were precisely those of the first officer, differing only in that they had never been presented to a comptroller, and therefore never had been rejected under an admittedly erroneous construction of the basic statute.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. SAUNDERS of Virginia. I will.

Mr. GREEN of Iowa. I do not think the comptrollers went quite that far. But they simply said they would not sit as a court of appeals under the decision.

Mr. SAUNDERS of Virginia. The effect was the same.

Mr. GREEN of Iowa. The effect was the same.

Mr. SAUNDERS of Virginia. If we agree upon the effect, there is no occasion to concern ourselves over verbal distinctions, or differentiations. What does the pending bill propose to do? In this connection I will refer to a statement made, I believe, by the gentleman from Missouri [Mr. BORLAND] as follows: "If these people have any rights under the law, why do they not go to the courts? Why do they come to Congress with this bill?" The answer to these queries is very simple. These claimants can not go to the Court of Claims for the reason the time has expired within which they could sue in the Court of Claims. They can go to the comptroller, but this step would not avail them for the reason that the comptroller will not consider their applications, on the ground that the action of a former comptroller rejecting their claims, even if that action was error, renders their case, res judicata. In substance this high and mighty Treasury official announces that even though the Supreme Court has construed the statute contrariwise to the view taken by antecedent comptrollers he prefers to follow those comptrollers, in preference to a decision of our greatest court of last resort. Hence the intended beneficiaries of this bill are barred in both forums. This statute simply declares that the Court of Claims shall have jurisdiction to entertain the claims of officers who are entitled to the benefit of the decision of the Supreme Court, but who have been debarred therefrom by the rulings of one or more comptrollers. The statute might fairly be denominated a statute to make a decision of the Supreme Court effectual against an opposing ruling of a comptroller.

Should the beneficiaries of this bill bring themselves, upon the facts, within the benefit of this decision of the Supreme Court construing a statute which is the basic law for these cases then they will secure the same longevity pay which other officers upon the same state of facts have secured, no more, no less. The merits of the case presented for these claimants is manifest. On the one hand is a decision of the Supreme Court announcing that the statute relied upon by these claimants, includes the time spent at West Point by a student, as a part of his Army service, and should be considered in computing longevity pay. On the other hand, are the decisions of one or more comptrollers construing the same statute, and holding that time spent at West Point should be excluded in computing this pay. It should not be difficult to determine which ruling should be the determining authority.

Mr. TILSON. Will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. TILSON. What does the gentleman have to say as to the purpose or effect of those words to which the gentleman from Illinois [Mr. CANNON] called attention to in lines 11 and 12 on page 2:

And as an enlisted man or commissioned officer in the Regular and Volunteer Armies.

Can he state whether this adds anything or whether it would subtract anything from the bill?

Mr. SAUNDERS of Virginia. I will refer the gentleman to the gentleman from Pennsylvania [Mr. GRAHAM], who has discussed that phase of the situation very fully.

Mr. TILSON. I was called out of the House at the moment, and I did not hear it.

Mr. SAUNDERS of Virginia. In reply to a query by the gentleman from Illinois [Mr. CANNON] the gentleman from Pennsylvania answered very fully the question now asked by the gentleman from Connecticut. This bill affords a relief to which its intended beneficiaries are very plainly entitled. These officers are asking for nothing but what others standing on the same footing as themselves have long since received. They are asking for something that should be accorded to them as a matter of right. They are not suppliants asking bounty or seeking a voluntary donation. They were diligent in presenting their claims and, by an erroneous ruling of a comptroller, have been punished for their diligence. In contravention of the accepted rule of action, the slothful in this case have been rewarded for their slothfulness.

Mr. WEBB. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, it has been stated, and well stated, that we are not considering the justice or injustice of allowing the service of four years in West Point in arriving at the longevity pay. That has been settled by the Supreme Court of the United States. I am frank to say that I think that law was wrong and that a law should never have been passed allowing this four years' service to be computed. But that law was passed and the Supreme Court of the United States held that it was valid.

Now, that law was passed upon by the Supreme Court in 1884 and for 10 years thereafter those claimants who presented their claims to the Comptroller of the Treasury received payment of them. All claims were not filed at the same time. They continued to file them, and in 1890 Comptroller Gilkeson, a new comptroller who came in at that time, reversed the decision of his predecessors and, we might say, the decision of the Supreme Court of the United States, and during his tenure in office he refused to pay these claims. After he went out of office the claims continued to come to the comptroller and his successor reversed his (Gilkeson's) ruling, and said that the claims were valid, and that he, acting upon the decision of the Supreme Court of the United States, would pay them, though he did not have the right to review those claims that had been filed during the tenure of his predecessor and were passed upon or rejected by him. So those are the claims that this legislation proposes to relieve.

Mr. CAMPBELL of Kansas. Will the gentleman yield for a question there?

Mr. FIELDS. Yes.

Mr. CAMPBELL of Kansas. Does the Judiciary Committee know how many of these claims there are and when the claims were pressed before the Auditor of the Treasury?

Mr. FIELDS. I will say to the gentleman I am not a member of the Judiciary Committee.

Mr. CAMPBELL of Kansas. I thought the gentleman was.

Mr. FIELDS. I am a member of the Military Committee.

Mr. CAMPBELL of Kansas. I can find nothing in the report. It does not mention the number of the claimants.

Mr. GRAHAM of Pennsylvania. It summarizes the amount.

Mr. FIELDS. The number does not affect the equity of the claims. If A, B, and C were claimants upon an equal footing and A filed his claim prior to the administration or the tenure in office of Comptroller Gilkeson, and his claim was paid, and C filed his claim after the service of Comptroller Gilkeson, and his claim was paid, can we take advantage of B, who filed his claim before Comptroller Gilkeson, whose decision conflicted with the decisions of both his predecessor and successor and the decision of the Supreme Court?

Mr. BORLAND. Will the gentleman yield?

Mr. FIELDS. I yield.

Mr. BORLAND. Does the gentleman agree with the position of the distinguished lawyer from Arkansas [Mr. CARAWAY] that Congress ought to rectify erroneous decisions of Federal courts, and that every time a judge is wrong Congress ought to sit as a court of appeals and set him right?

Mr. FIELDS. Well, I have seen some decisions that I thought Congress ought to show its disapproval of.

Mr. BORLAND. Does not the gentleman think injustice has often been shown to claimants?

Mr. FIELDS. I will say that this bill, if enacted into law, will only put the decisions of all Comptrollers in line with the decisions of the Supreme Court.

Mr. WEBB. Mr. Chairman, I yield three minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, I would like to have had a little more time than that, but possibly I can get through in three minutes.

I am entirely opposed to longevity pay on account of service in the Military Academy, but that is not the question now before the House. My vote upon that is foreclosed, and the vote of a large number of the Members of this House is foreclosed, by their previous action. Some four years ago, I think it was, the gentleman from Pennsylvania [Mr. GRAHAM], who has presented this bill, introduced a bill which permitted certain officers who had been in the service of the Confederacy as well to present and have allowed their claims for longevity pay of this character under the same statute. The bill passed this House, as I remember, without a dissenting vote, at that time. It allowed exactly the same kind of claims. No possible reason could be given for allowing those claims that could not be given for allowing these that we have before the House at this time, and possibly some reasons might have been urged why those claims should not be allowed which would not operate against the claims we are now considering.

Mr. HELM. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HELM. Is there anything in the language of this bill that gives the volunteer officer and the private soldier the same status that the Supreme Court of the United States gave the West Point cadets?

Mr. GREEN of Iowa. I have only three minutes and I can not go outside, if the gentleman will pardon me, and into that question.

I want to say a word further with reference to the bill that was before the House on the other occasion. At that time the gentleman from Pennsylvania [Mr. GRAHAM] made a most eloquent speech in favor of it—a speech, I might say, that is one of the classics of the CONGRESSIONAL RECORD—and unless my friend from Missouri [Mr. BORLAND] is prepared to say now he was entirely carried away by the eloquence of the gentleman from Pennsylvania, so that he hardly knew what he was doing at the time, I am unable to see how he can consistently vote against this bill. I take it, the gentleman was present on that occasion, as he is one of the most diligent Members of the House and always attending to business here.

Now, just a word further in reference to the statute of limitation. Without carrying the argument as far as the gentleman from Arkansas [Mr. CARAWAY] went, I will say the principle of the statute of limitations has no application to this situation whatever. We apply the statute of limitations because we say if a man is not diligent and does not present his claim within a reasonable time, we have a right to presume that his claim is not just. That is the principle upon which the statute of limitations is founded. That is the legal principle upon which it rests. But in this particular case, from the extraordinary circumstances that have arisen, a man who was diligent in presenting his claim early is debarred from presenting it now, and having it allowed, and others who put off the presentation of their claims until such a time when, if at all, the statute of limitations ought to apply, were permitted to present them and have their claims paid, and they were paid.

Mr. GARRETT of Texas. Mr. Chairman, will the gentleman yield? I want to ask a question for information.

Mr. GREEN of Iowa. Yes.

Mr. GARRETT of Texas. I understood the gentleman to say that the claims that had been filed prior to 1890 had been paid.

Mr. GREEN of Iowa. As I understand the situation, there were three sets of decisions with reference to this matter by different comptrollers. The early comptrollers ruled that these allowances ought to be paid. Then came in other comptrollers who ruled that they ought not to be paid; and then came in a third and last set, after the decision of the Supreme Court, and who were in accord with its decision and who admitted that these claims ought to be paid, but said that they ought not to sit as a court of appeals on the decisions of their predecessors. The result was that the later comptrollers paid new claims that were presented to them, but refused to pay the claims that we are now considering, holding that they were adjudicated by their predecessors.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WALSH. Mr. Chairman, I yield three minutes to the gentleman from Iowa [Mr. TOWNER].

The CHAIRMAN. The gentleman from Iowa is recognized for three minutes.

Mr. TOWNER. Mr. Chairman, the principle in this bill which Congress will have to determine is simply whether or not we will put this class of claims upon an equality with others of the same kind.

Now, here, very briefly speaking, is the situation: There were claims presented for longevity which were presented in time and within the statute of limitations. They were refused by a certain Comptroller of the Treasury Department. After this had been done, subsequent comptrollers granted the allowance of this class of claims.

Now, this class of claims is based upon this condition of law and of fact: The Supreme Court of the United States has said that as a matter of law the claimants are entitled to the payment of these claims. The Court of Claims has said that as a matter of fact the claimants are entitled to the payment of these claims. Both of those propositions have been adjudicated by the erroneous decision of a certain comptroller. A certain part of those claims were not allowed. Now, these parties can not make these claims because of the fact that the statute of limitations runs against them. So you are confronted with this proposition: Are you willing, as a matter of justice, to remove the bar of the statute of limitations in this class of cases? As my colleague [Mr. GREEN of Iowa] has just shown, the object of the statute of limitations is to secure the determination of claims in a timely manner and before the evidence is lost. That has been done, and the Court of Claims and the Supreme Court have decided that the claims are just. Now it is for us to say that they should be paid if they are established in accordance with law and fact.

I want to call the attention of Members of the House to this fact, that we have removed the bar of the statute of limitations and other bars against all those who served in the Confederate Army, and now if we refuse to do so in the present bill we make a discrimination against the Union soldier if we now refuse to remove the bar. If gentlemen are willing to do that, then they ought to vote against this bill. If you are willing to place the Union soldier upon exactly the same plane of equality that you have by unanimous consent voted to place the Confederate soldier, then you ought to vote for this bill.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. LONGWORTH. Would it not be a concrete statement to say that the object and effect of this bill is to remove from a sort of twilight zone a class of claims that are on exactly the same basis as claims that were allowed theretofore and claims that were allowed thereafter?

Mr. TOWNER. I could not concede that it was a twilight zone when we have an absolute decision by the Supreme Court and by the Court of Claims both on the question of law and fact.

Mr. LONGWORTH. But the adverse decision was not made by the Supreme Court, but it was made by a comptroller.

Mr. TOWNER. Yes; by the decision of a comptroller who refused to obey the decision of the Supreme Court. But we must either condemn the action that we took when we removed the bar from the Confederate soldiers or we must now give the same right to the Union soldier.

Mr. GARRETT of Texas. How long does the statute of limitations run?

Mr. TOWNER. Six years.

Mr. WALSH. Mr Chairman, I yield five minutes to the gentleman from New York [Mr. PLATT].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. PLATT. Mr. Chairman, it seems to me that there is some misunderstanding, because the report accompanying this bill is not quite as clear as might be as to some of the matters in this case. It recites the three longevity statutes—that of 1838, that of 1878, and that of 1881—the first being the ration statute, where the officers were allowed an additional ration for every five years they served. Once in a while we hear somebody talking in favor of that nowadays, but that was abolished or computed into money in 1870. Then comes the act of 1881. Each one of these acts provides that the actual time of service "in the Army or the Navy" shall be allowed to officers in computing their pay, and so forth. Of course, inasmuch as many men obtained commissions without going to West Point, the question as to whether their service in the Army as enlisted men should be counted in computing their longevity pay is a question that is quite pertinent, but it does not clearly appear in this report how it was settled.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes.

Mr. LONDON. I was trying to find out what longevity pay is and what is the nature of the claim.

Mr. PLATT. As I understand, every officer at the end of five years gets an addition of 10 per cent as longevity pay. He may be a captain for a long time when there is no war, but every time he passes five years he gets an increase of pay. I am right about that, am I not?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. PLATT. He does not get additional pay until after he has been in the Army a certain time. The question first came up, if he had first served in the ranks as an enlisted man whether he could count his term of service as an enlisted man toward longevity pay. As I understand it, the Comptroller of the Treasury in 1838 first decided against this, but sometime afterwards this decision was reversed. Then still later the question came up as to whether service at West Point was not also "service in the Army" within the meaning of the statute. The Supreme Court decided in 1884 that it was; that a man was a member of the Army or of the Navy when he enlisted or on admission to West Point or Annapolis, and we know that when a man does go to West Point or Annapolis he is subject to the orders of the Commander in Chief of the Army and Navy and can be sent to the front at once. Subsequent decisions, including that in the Watson case in 1899, extended the scope of the decision of 1884.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes.

Mr. REED. I understand the statement has been made that the comptroller decided at first as to a part of the claim. Did not the comptroller grant some portion of their claim? But they are now claiming more. Did he not settle with them for a part of the period, but not for four years?

Mr. PLATT. I think not. I think this particular comptroller, if the gentleman is referring to Mr. Gilkeson and his immediate successors, 1890–1908, ruled against the whole thing. Before his time the claims were allowed. Then he disregarded the Supreme Court decision and ruled against them, and while he was in no claims were allowed. Then after his time, after 1908, they were allowed again; but those claims that came in during the period 1890–1908 were held by later comptrollers to have been adjudicated. This bill simply allows the claims of that one period to be brought before the Court of Claims and determined.

Mr. REED. Could not some applicant have had four or five years' service in addition to the service at West Point?

Mr. PLATT. It is not a question of discrimination against men who got their commissions through enlistment in the Army first or their going to West Point. It has been possible for men to enlist in the Army and get commissions quicker than West Point men get them. I know of a case myself of a boy who failed to get an appointment to West Point who enlisted in the Army and got a commission in three years. Those things happen. The law allows the boy to count his three years of enlisted service in computing his longevity pay, but West Point service as the law now stands is not counted.

Mr. BORLAND. My understanding is clearly that the only matter in dispute is the four years' service in the academy.

Mr. PLATT. Yes; for the particular cases mentioned, others having been decided.

Mr. BORLAND. Then that is the only matter affected by this bill. The enlisted man is not benefited by it.

Mr. PLATT. The enlisted man afterwards commissioned had already been benefited by earlier decisions. As I understand it, the decision of the Supreme Court in 1884 went to that one point, whether the four years at West Point were to be computed as enlistment in the Army.

Mr. BORLAND. Yes; that has been repeatedly stated here on the floor.

Mr. PLATT. It seems to me that this bill simply provides for equal treatment for all cases of the same kind. Many of these claims have been paid. Others exactly the same have not been paid and in justice should be paid.

Mr. WEBB. Mr. Chairman, we shall have only one more speech. I desire the gentleman from Massachusetts [Mr. WALSH] to use his time.

The CHAIRMAN. The gentleman from North Carolina [Mr. WEBB] has 5 minutes remaining, and the gentleman from Massachusetts [Mr. WALSH] has 21 minutes.

Mr. WALSH. I yield five minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, it is, of course, perfectly obvious that a boy who goes to West Point or to Annapolis and receives an education there at the public expense is not entitled

to anything out of the Public Treasury because of any sacrifice he has made or any public service that he has rendered. There is no real merit in the claims of these officers who are now seeking to get something extra because they were permitted to go to West Point when other boys were denied that privilege. The claims stand purely upon a technicality, that an alleged discrimination was practiced against them. They have no merit in themselves. Their only argument is that somebody else got it and therefore they ought to have it. That is all there is in this bill.

Now, it is the present policy of Congress not to allow such a claim to be made. That policy is found in the act of Congress passed after this decision of the Supreme Court, which provides that no officer shall be allowed to add to his term of service for the purpose of getting longevity pay the time that he served in the academy. I find it as applicable to the Navy in the act of March 4, 1913, which provides as follows:

Hereafter the service of a midshipman at the United States Naval Academy, or that of a cadet at the United States Military Academy who may hereafter be appointed to the United States Naval Academy or the United States Military Academy shall not be counted in computing for any purpose the length of service of any officer in the Navy or in the Marine Corps.

The same kind of a statute has been passed applicable to service in the Army. Therefore it is the policy of Congress not to recognize at this time any such claim whatsoever. So that so far as those are concerned who have gone to the academy since this statute was passed, they will be discriminated against if we now turn back and give it to those who went to the academy before that time.

In 1838 it was held by the comptroller that those who had gone to the Military Academy should not be allowed to compute the time they were there as a part of their service in order to get this longevity allowance. That ruling remained in force for years and years, and while it was so in force and while the law was being so construed, Congress passed an act allowing longevity pay to officers in the Army. That was the beginning of it. Congress passed that act giving this longevity pay at a time when it was being uniformly held that the time spent at the academy could not be counted in. Congress undoubtedly, so far as longevity pay is concerned, never for a moment intended that boys favored by an education at the academy should have anything additional on account of it. It was after Congress had passed that statute allowing longevity pay, at a time when the law had long been held to be that time spent at the academy could not be computed or added to other service that the Supreme Court held that technically service at the academy was service in the Army and the longevity allowance was made. The Supreme Court held as a bare technicality that this statute giving longevity pay included time spent at West Point, and that cadets might have the benefit, as though in actual Army service, of the time they served there. Those who have received this pay for service at West Point have been allowed to do so because of a technicality. They had no real merit nor equity in their claims. They ought to have been ashamed to take the money.

And I say that there is no question of Union or Confederacy here now. I am surprised that gentlemen should talk about officers in the Union Army and Confederate officers. Gentlemen, that question is not involved in this bill. It has absolutely nothing to do with it. Confederate officers were enabled to present their claims by a statute removing the bar of Confederate service. They were in no way preferred over Union officers. The law merely placed both on an equality. That question is not in it and ought not to be brought into it.

Gentlemen ought not to get up here on the floor of the House and try to justify themselves in voting money out of the Public Treasury on the ground that it goes to Union officers. It is not proposed to give it to Volunteer officers. It is only for the fellows who had the benefit of West Point education at public expense. They have no merits in their claims, but stand upon a naked legal technicality. Against that technicality I match, for the consideration of the gentleman who stands on it the fact that such claimants had their day in court.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. I yield to the gentleman one minute more.

Mr. HUDDLESTON. They have had their day in court. Many wrongful decisions are made by the courts. They are made every day; it is a way courts have; but Congress does not undertake to do justice or correct them merely because the courts have erred. Public auditors make mistakes every day, and when the people to whom the claims are due, instead of taking their claims to the court, allow them to sleep throughout the long years, they ought not to undertake to come before Congress, standing, as I say, on naked legal technicalities. They should not come and ask us to rip up the decisions after long lapse of time and pay their claims when they stand on no real merit. Let us have done with such nonsense.

Mr. WALSH. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. HICKS].

Mr. HICKS. Mr. Chairman, I desire to speak not upon the bill but upon another matter in which I think the House is patriotically interested. It is in reference to a service flag to commemorate the men who have gone forth from the House and enlisted in the armed forces of the United States. Nearly every building in this country, nearly every home in this Nation, is to-day decorated by a flag which is placed there in honor of the sons and fathers who have enlisted in the service of the Republic. This House has to-day on its honor roll of valiant soldiers—brave men who have gone forth wearing the uniform of the United States—the lamented Gardner of Massachusetts, Mr. LAGUARDIA of New York, Mr. HEFNTZ of Ohio, and Mr. JOHNSON of South Dakota. I believe that this body should be so patriotic, so appreciative, so earnest, that we, its Members, will decorate the Hall of this House with a flag commemorating these four brave men and those that may follow them to the front.

I have already offered a resolution, Mr. Chairman, that is now pending before the Committee on Accounts, authorizing the procurement of such a flag, and I sincerely hope that it will report that resolution favorably, and that this House will indorse the action of the Committee on Accounts should they report favorably the resolution. [Applause.]

I yield back the balance of my time.

Mr. WALSH. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. COX].

Mr. COX. Mr. Chairman, there is no merit in this bill. There is no justice in it. There is no equity in it; it has no legs on which to stand. The only argument which its most ardent advocates and friends have advanced is an appeal to the fellows in the South, because they got their part of the swag a couple of years ago without any legitimate right, and the fellows in the North, who were barred from their part of the longevity pay between 1890 and 1908, were barred by an adverse decision by a Comptroller of the Treasury. Now, that is the kind of argument, but it does not appeal to me at all.

The student who goes to the Military Academy is graduated at the public expense or cost of about $40,000 or $60,000—I speak advisedly—to the taxpayers of the country, and it does not appeal to me with very much force when he comes to Congress and asks that these old graveyard claims, dead by the statute of limitations a long time ago, be resurrected.

Now, it is not my purpose to slander any member of the Judiciary Committee at all—far from it; but if any man wants to find out whether or not there are attorneys in this matter, let him go down to the auditor's office in the War Department. Let him go down and find out, as I have done, the attorneys that are behind these cases that have been denied between 1890 and 1908.

As I said a moment ago, I am not accusing the Judiciary Committee of anything unjust or unfair, but I am here to say to this Committee of the Whole that if there ever was an attorney's case presented on the floor of this House that never would have come here without an attorney, you are looking one now square in the face and fairly between the eyes. [Laughter.] It is an attorney's case, and that is all there is to it.

Now, with some amendments I may possibly vote for this bill. When the time comes I am going to offer an amendment, possibly two or more, and I want to ask the friends of this bill, the men who are sincere and who believe that it ought to pass, what earthly objection there can be to an amendment incorporating in the bill a provision that only the officers' widows and their children shall be allowed this longevity pay. Is there anything wrong in that? Would that destroy the bill? If your purpose be to remunerate simply the officers, if your premises are sound that they ought to have it, then are you going to insist that where the officer is dead and his widow is dead, where he has no children of his own, his nephews and nieces and uncles and aunts and collateral kin shall come into the Court of Claims and receive a part of the officer's claim or that part left by the attorney?

Another amendment I shall offer at the proper time—and I am not clear on that point as to the power of Congress—but it is that no attorney or agent of any attorney or set of attorneys shall receive a compensation in excess of 10 per cent of the amount which may be allowed by the Court of Claims.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. I yield the gentleman one minute more.

Mr. COX. I hope some of you gentlemen will take time to go down to the auditor's office in the War Department and find out the names of some of these attorneys that have these claims.

One of the men I am reliably informed was called before a very competent committee of this House the other day with relation to steamboat inspectors. Congress has been besieged for an increase in salary of steamboat inspectors, and I think the committee was favorable to granting the increase. I know a little something about the salary of steamboat inspectors, and I think they ought to be increased. But what was finally developed? It was finally developed that the leading attorney of the vast majority of these cases now pending in the War Department had a contract with the steamboat inspectors whereby he got 10 to 20 or 25 per cent of the first year's increase of salary in the event that the bill went through Congress. That is what you are up against here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. Mr Chairman, how much time have I remaining?

The CHAIRMAN. Seven minutes.

Mr. WALSH. Mr. Chairman, I understand that the gentleman from North Carolina [Mr. WEBB] has arranged to yield his time and that there will be only one more speech on that side. The gentleman from Pennsylvania, my colleague on the committee, Mr. GRAHAM, asked to get time from the gentleman from North Carolina, but he was unable to do so. Of the seven minutes remaining I desire to yield four minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I do not think I shall occupy the four minutes, but I want to correct one or two things that were not made clear in the beginning. I wish to call the attention of my colleagues to the fact that the lists published in the report of our committee are lists of the claims paid, and, of course, they go back beyond the period that was the subject of this controversy or dispute. I ask the attention of my colleagues also to the report, Appendix 2, which shows the history of this subject from the Fifty-first Congress down to this time. Bills exactly like this have been passed by the Senate of the United States, I think three times—twice I am sure of—in the history of this legislation, but they failed to pass in the House, not because of an adverse report but because they were not reached in the exigencies of the legislative period. I wish also to call the attention of my colleagues to the fact apparent in the quotation which I made from the letter of the head of the War Department in the present administration, Mr. Baker, who said that these claims were just and that they ought to be paid, and recommended to the Committee on Military Affairs that a proper and suitable bill should be introduced for the purpose of paying them; so that there has not been, as was intimated by the gentleman from Missouri [Mr. BORLAND], any instance in which these claims were turned down, repudiated, or adversely reported upon. In every instance they were recognized as fair. I wish to say one word in answer to the gentleman from Indiana [Mr. Cox]. He said the only meritorious argument found was the appeal based on the fact that certain legislation had taken place which allowed the soldiers or graduates of West Point that went into the Confederacy to get their "share of the swag," as he called it. The reference to that instance was only made to show that there was a demand in fairness and justice that the rest of those who graduated from West Point ought to receive the same consideration. Again I call attention to the fact that the argument presented based upon the statute repealing longevity rights is no argument to use against the payment of these claims. Very many of us will join with the gentleman who spoke here when he said that the four years of service at West Point at the expense of the Government ought not to be counted. I shall go as far as the gentleman from Missouri in saying that that perhaps ought not to be done, but that is not the question before us in this bill. The question before us is whether or not we can afford to dishonestly discriminate between several classes of men, shutting one side out simply because of an unfortunate decision by a comptroller and allow all the rest to be paid. It is not for us to say now what the policy of the Government ought to have been. The policy of the Government was clearly established during all those years and included in the count of longevity the period of service at the academy at West Point.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WALSH. Mr. Chairman, a great deal has been said with reference to these claims, and the appeal has been made that we ought to pass this bill in order to do equity. Since these claims were filed the United States, through its Congress, has enacted legislation which shuts out men who to-day stand in the same situation as these men stood in at the time they presented their claims, and it is said that hereafter attendance at the Military Academy shall not accrue to their benefit in getting longevity pay. One reason why I submit that equity will not be done is because the men themselves will get no benefit from this legislation, and if you will examine the files you will ascertain that the claims are filed by administrators and by persons representing the estates of these gentlemen, who have long since passed away.

Mr. COX. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. COX. Does the gentleman know how many of these unpaid claims still remain?

Mr. WALSH. I do not; nor was there any information presented to the committee respecting it, nor do we know how much it will cost, but the gentleman from Pennsylvania [Mr. GRAHAM] admits that it will cost about a half million dollars. In these days, when we are appropriating by the billion, of course we can pass over very lightly a half-million dollar appropriation in order to be equitable and just, but up to about 1884 no one ever suspected that the period spent in the Military Academy was to be counted, and it was only because some shrewd and clever agent was able to present his claim in such a manner and get it before the Court of Claims and take it before the Supreme Court that this ruling was secured. But the Supreme Court only assumed to act and adjudicate it in so far as they assumed the Court of Claims had jurisdiction, and in following that this Comptroller of the Treasury based his ruling, namely, that the Supreme Court only assumed to determine the question raised in so far as it held the Court of Claims had jurisdiction, and the Court of Claims only had jurisdiction in that class of cases that was filed within six years.

Mr. IGOE. Mr. Chairman, will the gentleman yield?

Mr. WALSH. And so I say that, in order to be equitable, we better know not only what it will cost but the reason for the adjudication by the Comptroller of the Treasury. I yield to the gentleman from Missouri.

Mr. IGOE. Did not the gentleman, as a member of the committee, approve an equitable claim by the State of Massachusetts from this very committee for about $600,000 growing out of a Civil War claim in the last Congress?

Mr. WALSH. Yes; I did; but it was not based upon any such flimsy pretext as is set up to do equity in this case, as the gentleman well knows; it related to a case where money had been paid by that State.

Mr. GRAHAM of Pennsylvania. Was it not a question of getting interest on an old debt that had been carried for the Government?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WEBB. Mr. Chairman, I yield the remainder of my time to the gentleman from Minnesota [Mr. VOLSTEAD].

Mr. VOLSTEAD. Mr. Chairman, this matter has been so fully discussed that it is idle to try and offer anything new. I want to call the attention of the committee to the fact that no one disputes that this is a valid legal claim except so far as it may be affected by the statue of limitation. Outside of that there is no question about the propriety of it. We have paid a large number of like claims, claims standing on exactly the same footing, to the officers who joined the Confederate Army. Why, then, should we not do equal justice to the officers who served the Union during the Civil War? They say this is a technical claim. Now, is it technical? Is it any more technical than any other claim against the Government? There is a statute directing this payment. The Supreme Court has held that these officers are entitled to this pay. The Court of Claims has held the same thing. The Secretary of War says this is an honest claim and ought to be paid. It seems to me that all this discussion with reference to whether it was good policy to authorize this payment in the first instance has no real bearing upon this matter at all. That is past. The parties whom we are seeking to help are the parties who used diligence in collecting their claims from the Government. They can not be said to have slept upon their rights. They presented their claims in due course and their claims ought to have been allowed, as appear clearly by the decisions to which I have called attention.

Mr. KEATING. Will the gentleman yield?

Mr. VOLSTEAD. I do not have the time.

Mr. KEATING. Just for one question. Has the gentleman read Comptroller Gilkeson's decision?

Mr. VOLSTEAD. I read it a year or more ago, and do not remember.

Mr. KEATING. As a matter of fact, was not he merely barring those claims which were not presented within six years?

Mr. VOLSTEAD. No; as I understand it, he barred out all of these claims.

Mr. KEATING. No; those not presented within six years.

Mr. VOLSTEAD. No matter what he did, it is perfectly apparent that the claim is just and valid under the law and that these officers have a right to it. We ought to do justice to these parties, and that is all that is asked in this case.

Mr. GARRETT of Texas. I would like to ask the gentleman to clarify that a little. I think it is a very important question which the gentleman from Colorado asked whether this comptroller from 1890 to 1908 disallowed only those claims which were not filed within six years.

Mr. VOLSTEAD. I do not remember just what he held, but one thing is perfectly plain, the Secretary of War has passed upon this matter within very recent times. The Supreme Court has passed upon it and the Court of Claims has passed upon it, and they have all held that it is a fair and honest claim. It does not make any difference, it seems to me, what he did hold. He did refuse to allow the claim. It does not matter what reason he gave for his action.

Mr. GARRETT of Texas. Did he allow any claim during his administration? Were any of these claims allowed from 1890 to 1908?

Mr. KEATING. Comptroller Gilkeson did not overrule the Supreme Court's decision. On the contrary, he told his subordinates to follow that decision, but that the Supreme Court did not take jurisdiction except in so far as the Court of Claims had jurisdiction, and that the Court of Claims did not assume the jurisdiction of claims which were not filed within six years.

Mr. WEBB. I will ask the Clerk to read.

The CHAIRMAN. All time has expired, and the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Court of Claims shall have power to enter judgment upon the findings of fact heretofore made in claims of officers of the United States Army for longevity pay under the decisions of the Supreme Court of the United States *v.* Morton, volume 112, United States Reports, page 1; and United States *v.* Watson, volume 130, United States Reports, page 80; and of the Court of Claims in Stewart *v.* United States, volume 34, Court of Claims Reports, page 553.

Mr. COX. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COX. Will this be regarded as one section and the two paragraphs be read before any amendment can be offered?

The CHAIRMAN. The Chair is of opinion that there are two paragraphs and that each paragraph should be treated separately.

Mr. COX. Then I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Add after the word "Army," in line 5, page 1, the following: "Who are living, or their widows and children."

Mr. COX. Now, Mr. Chairman, I think I said a moment ago on this amendment about all I had to say, but I would like earnestly to ask the most ardent advocates of this bill what earthly objection can they possibly have to this amendment?

What is wrong? If you want to compensate the officer, if he is alive, my amendment will let you do it. If the officer himself is dead, but his widow is living, my amendment lets you compensate her. If the officer and his widow both be dead, and they have any children living, my amendment lets you compensate them. Now, if it is justice and equity you are after, gentlemen, and that is the whole theory on which you bottom every argument that has been presented by every man who has spoken in favor of this bill, I am presenting you in this little amendment a case of equity, pure and simple.

I appeal to you, gentlemen, from another viewpoint. We ought to be just with ourselves and with our constituents before we become generous. Has the time come that when we compensate the officer, or if he be dead, then his wife, or if she be dead, then his children, that justice would say we should stop there before we go to compensating collateral kin—nephews, nieces, uncles, and aunts, and so forth?

Mr. WALSH. Will the gentleman yield?

Mr. COX. Yes.

Mr. WALSH. The gentleman's amendment is written "widows and children." Should it not be "widows or children"?

Mr. COX. That is correct.

Mr. WALSH. That should be corrected.

The CHAIRMAN. Without objection, the word "and" will be changed to "or."

There was no objection.

Mr. COX. I do not believe, as I said a moment ago, that the most ardent advocates of this bill can afford to oppose this amendment. If there be any merit at all in the entire proposed bill, it is in compensating the officers themselves. It is a peculiar thing to me—at least, somewhat peculiar—that the ardent advocates of this bill certainly had it within their power to file and make a part of their report the number of these unpaid claims that are pending down here with the Auditor for the War Department and did not do it. If they had exercised a little care or a little diligence by going down there, I do not think there would have been very much trouble for them to have found out how many of these unpaid claims are still pending in the department. And I know, Mr. Chairman, it would not have been very much trouble for them to have found out these attorneys' hands that have been playing in these cases for, lo, these many years.

Now, I am not in favor of going beyond the payment of the officer, his widow, or his children. I am in favor of stopping right there. I am not in favor of paying these attorneys 50 or 75 per cent upon whatever claim may be allowed by the Court of Claims as of judgment against the United States.

Mr. ROBBINS. To what extent will your amendment affect the number of claims in this bill?

Mr. COX. I have no idea; but I have an idea it will affect it very materially.

I had no idea that any of these claims were out in my district. I have one claim in my district, in the extreme southern part of Indiana, 800 miles from here. Some attorneys who were diligent in looking after the welfare of the soldier—oh, yes—got up a claimant away out in my district—a forty-second cousin of a graduate of West Point.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COX. Mr. Chairman, I would like to have two minutes more.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent for two minutes more. Is there objection?

There was no objection.

Mr. COX. About a forty-second cousin of a graduate of West Point. And I speak almost authoritatively when I put that multiplication to it. Before I wrote the party that I refused to support this legislation I took some precaution to find out who the party was and who his ancestor was. The relationship between them was about in the fourth degree. I promptly wrote the party that I would not support the bill, that I would not support it or any other as unmeritorious a claim from my district.

To sum this whole matter up, as I said a while ago—and I am not slamming the Judiciary Committee at all—I wish to say that you are dealing here with an attorney's case. When you pass this bill you will put in the pockets of certain attorneys here in the city of Washington, who are diligent to the day of judgment, not less than $250,000. That is what you are going to do. With a war in which we are spending billions, is this a war measure? No. Shall we put it upon that ground and run our hands into the Treasury of the United States and take out of there $500,000, one-half to go to attorneys in this city? No.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. Mr. Chairman——

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized.

Mr. MADDEN. Mr. Chairman, I confess I was rather inclined from a sentimental viewpoint to favor the enactment of this law, but I have listened to the amendment of the gentleman from Indiana [Mr. Cox], and I concur in the view that he has presented to the House. If there be any right, it must lie in the allowance of the claim first to the man who served; and if he be dead, to his widow; and if she be dead, to their children. And I verily believe it ought not to go beyond that. If we go beyond that, we appropriate the money out of the Treasury for the payment of attorneys' fees in large measure. And I am opposed to the payment of money from the Treasury of the United States to men who have been lobbying for the enactment of a law for the payment of bills that have long since gone beyond the realm of legality under the law.

And so I say that if we want to do justice, if we want to do equity, if we want to be fair to ourselves and to the Treasury of the United States, we can afford to agree with the gentleman from Indiana [Mr. Cox] and adopt the amendment which he has suggested, which does ample justice to everybody that ought to be concerned in the case.

Mr. ROWE. Will the gentleman yield there?

Mr. DOWELL. Mr. Chairman, will the gentleman yield for a question?

Mr. MADDEN. I yield to the gentleman from Iowa.

Mr. DOWELL. Does the gentleman understand that this amendment applies to children, whether they be of age or not? Or does it apply to those under age?

Mr. MADDEN. Well, it applies to the children of the soldier and his widow. If neither the soldier nor his widow be left, it applies to the children, whether they are of age or under age.

Mr. ROWE. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. ROWE. I have a case similar to that kind, where a man was a Civil War veteran, and he died and left three children. Two of those are dead now, but they left some little children.

In that event it would all go to one middle-aged woman and cut off those three children, his direct heirs.

Mr. MADDEN. I think the amendment of the gentleman from Indiana goes far enough. Of course, if you extend it to meet the case cited by my friend from New York you would have to extend it to meet the case of a nephew or a thirty-second cousin, or some other collateral heir, no matter how far distant, and there ought to be a line beyond which we will not go. The line has been drawn by this amendment, and it is just and fair and decent, not only to the claimants but to ourselves and to the people of the United States, for whom we speak. [Applause.]

Mr. BORLAND. Mr. Speaker, there is a special need why this amendment of the gentleman from Indiana [Mr. Cox] should pass and why his strictures about the attorneys' case are quite applicable. Nobody, of course, who knows the membership of the Committee on the Judiciary imagines that that is any reflection upon their consideration of this legislation or upon them; but I call the attention of the committee to the fact that this bill reads in its first line—

That the Court of Claims shall have power to enter judgment upon the findings of fact heretofore made.

Now mind: This whole bill is applicable only to a narrow class of cases, those where findings of fact have heretofore been made by the Court of Claims. So all of this argument about this bill not discriminating against anybody falls to the ground. This very bill is going to discriminate against everybody except those whose findings of fact have heretofore been made. Now, those findings of fact have heretofore been made only upon the claims of those who have employed attorneys to present their cases to the Court of Claims. That is just as plain as sunlight. During the 18 years in which this ruling was in force, from 1890 to 1908, when it was being held by the Comptroller of the Treasury that only such claims as the Court of Claims had taken jurisdiction of and the Supreme Court had affirmed would pass the muster of the Treasury, doubtless there were many other claims that did not pass muster, but they are not included here. However meritorious those officers may have been, they did not get in during that period, they did not get their claims before the Court of Claims, and they did not employ any attorney, and therefore they are not in this bill, because this bill says that only those whose findings of fact have heretofore been made shall have any advantage from this bill.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, will the gentleman permit a question?

Mr. BORLAND. In just a minute. It gives the court power to enter judgment in cases where the findings of fact have heretofore been made, and that confines it to the class of cases that some attorney has already had charge of.

Mr. GRAHAM of Pennsylvania. You say that is discriminatory. Have not all the others been paid?

Mr. BORLAND. No.

Mr. GRAHAM of Pennsylvania. I say they have been.

Mr. BORLAND. It is perfectly manifest from the information that was given about Comptroller Gilkeson's decision that what he did was that he ordered the auditor to allow all claims of which the court had taken jurisdiction, which included all claims filed within six years, and not to allow the claims of which the court had not taken jurisdiction; and that decision clearly indicates that there were some claims that fell outside his ruling. That is perfectly evident to me, and it must be perfectly evident to every lawyer in this body. There must have been certain cases that fell outside of that ruling. The cases that come under this bill are the cases where some attorney has taken the claims and presented them to the Court of Claims and secured findings of fact, and those findings of fact are now before this body.

Now, that being the case, it is specially necessary that this amendment be passed concerning this payment, not to the estate generally of the claimant or to his collateral heirs, but to the claimant himself and to those dependent upon him, his widow and children. I purpose to follow this by an amendment limiting to 10 per cent the amount that any attorney can be paid of any one of these claims. Now, I do not feel authorized to present my amendment unless if adopted I would vote for the bill, and I assume that the gentleman from Indiana [Mr. Cox] takes the same position. It seems to me that if we present these amendments and the House agrees to them, we are in some measure bound to support the bill, whatever might be our general view about the equities of it. But it does seem to me that these two propositions are absolutely essential in order that this House and the Treasury shall not be imposed upon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, with respect to the amendment that has been offered I wish to say that in my judgment it is not founded in right. Either these men have a claim that is established and just or they have not. If this Congress were making a gift to these men, that would be one question. But if we are simply correcting an error committed by an officer of the Government, that excluded their claims from consideration unrighteously, you have no right to debar any of the persons who would be interested in the estate of a deceased soldier from participation in a legal and just claim. You are not granting these men a favor; you are granting them a right. All who preceded were paid; all who came afterwards were paid; and this list of men were just as much entitled to their money and to have it devolve according to law as any of those who received their money, and to put this limitation on it is not to act in accordance with the spirit of justice. Besides, I understand the gentleman from Illinois adopted the interpretation of this amendment that if there were grandchildren of these soldiers they could not inherit. What right have you to deny to the blood of the men who earned and deserved this compensation that their relatives in that degree at least shall participate in the distribution of whatever money is recovered? [Applause.]

Mr. DOWELL. Will the gentleman yield for a question?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. DOWELL. As a matter of law, would not the grandchildren inherit under this bill from those who are entitled to it as children?

Mr. GRAHAM of Pennsylvania. No; not if you limit it in this bill. I am sorry to say it would limit it to soldiers who are living and their widows or children.

Mr. DOWELL. But it does not limit it to living children, and if it went to the children by inheritance it would then go to the grandchildren.

Mr. GRAHAM of Pennsylvania. Not unless they had a vested interest.

Mr. DOWELL. Would not that be true in case of a will?

Mr. GRAHAM of Pennsylvania. That is a different matter. That is different from the interpretation of a statute which recognizes the right solely upon the theory that it shall go to the widow or children. Children are a well-designated, specified class. The comptroller could only consider the claim when presented by the persons named in the act.

Mr. DOWELL. But if this is a claim which has been established, and is now a part of the estate, is it not true that the grandchildren would take the part that belonged to the child as a mater of law?

Mr. GRAHAM of Pennsylvania. Here is the difficulty. There is no method of enforcing the claim except by virtue of the power granted in this act of Congress to the comptroller to review the decision of a previous comptroller, or to the Court of Claims to enter judgment upon a state of facts already proved before them, and no award could be made to anyone outside of those specifically named in the act.

Mr. SANFORD. That might apply after the passage of this act.

Mr. GRAHAM of Pennsylvania. Yes; that might apply after the passage of this act with a vested right. Then I think the gentleman's theory of the law might possibly be applicable, but until then it would not prevail.

Mr. CANNON. Mr. Chairman, I move to strike out the last word. Here are some claims the payment of which is sought after many times and many years of refusal by Congress in time of peace, when there was a full Treasury to pay the same. Now, what is the condition of the country? In the first place, by voluntary contributions by the hundreds of millions, to the Red Cross, to the Young Men's Christian Association, to the Knights of Columbus, everywhere, men and women, North and South, are called upon, outside of taxation, from the standpoint of patriotism, to help the present in the great contest for the future. There are claims enough against the Government—some of them perchance with equity, most of them without equity, nearly all of them barred by the statute of limitation—to patch hell a mile. [Laughter and applause.] We passed on yesterday a second deficiency bill for over a billion dollars for the present year, and, as I recollect, a further deficiency, after extraordinary appropriations made on recommendations of the committee having jurisdiction, of over $2,000,000,000.

We are financing our allies by the multiplied billions. We are taxing ourselves and our constituents world without end. We are supporting the Army in its preparation for its service abroad and building a Navy by the billions of dollars. And yet here comes this claim that in God's chancery never ought to have been allowed or authorized. [Applause.] They say that it is confined to the graduates of West Point. I think it is broader than that, as I explained before. With that which we have at the present time for voluntary donation, when you consider all the industries to win this war and all the organizations

to enable us to win it, when you consider that we have already run two liberty loans and another coming to double both of them, with another revenue bill in sight, let us deal with the present instead of hatching up claims of doubtful character and beginning to vitalize them.

If it be in order, Mr. Chairman, when this amendment is disposed of, I will move to strike out the enacting clause. [Applause.]

Mr. STAFFORD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. Is not the proposed motion of the gentleman from Illinois to strike out the enacting clause now in order?

The CHAIRMAN. The Chair is of opinion that it is in order at any time.

Mr. CANNON. Then, Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The gentleman from Illinois moves to strike out the enacting clause.

Mr. WEBB. But, Mr. Chairman, the bill has not yet been read under the five-minute rule.

The CHAIRMAN. As the Chair stated, the motion is in order at any time, and the question is on the motion of the gentleman from Illinois to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. GRAHAM of Pennsylvania) there were—ayes 54, noes 28.

Mr. WEBB. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the amendment.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 1691) to confer jurisdiction on the Court of Claims, and had directed him to report the same back with an amendment striking out the enacting clause.

Mr. CANNON. Mr. Speaker, I move the previous question.

The question was taken.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I raise the point of no quorum.

Mr. WALSH. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. HUDDLESTON) there were—ayes 33, noes 53.

So the motion to adjourn was not agreed to.

The SPEAKER. The gentleman from Pennsylvania makes the point that no quorum is present. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees. The question is on the motion of the gentleman from Illinois for the previous question, and the Clerk will call the roll.

The question was taken; and there were—yeas 261, nays 51, answered "present" 4, not voting 112, as follows:

YEAS—261.

Alexander	Cooper, W. Va.	Flood	Hicks
Almon	Cooper, Wis.	Fordney	Hilliard
Anderson	Cox	Foster	Huddleston
Ashbrook	Crago	Francis	Hull, Tenn.
Aswell	Cramton	Frear	Humphreys
Ayres	Crisp	Freeman	Hutchinson
Bacharach	Crosser	French	Igoe
Baer	Currie, Mich.	Fuller, Ill.	Ireland
Bankhead	Dale, N. Y.	Gallagher	Jacoway
Barkley	Dale, Vt.	Gard	James
Barnhart	Darrow	Garner	Johnson, Ky.
Beakes	Decker	Garrett, Tenn.	Keating
Bell	Dempsey	Garrett, Tex.	Kehoe
Beshlin	Dent	Gillett	Kelly, Pa.
Black	Denton	Glass	Kennedy, Iowa
Bland	Dickinson	Glynn	Kennedy, R. I.
Blanton	Dies	Godwin, N. C.	Kettner
Borland	Dill	Goodall	Key, Ohio
Brand	Dillon	Gordon	Kincheloe
Browne	Dixon	Gould	King
Buchanan	Dominick	Gray, N. J.	Kinkaid
Burnett	Doolittle	Greene, Mass.	Kitchin
Burroughs	Doughton	Gregg	Knutson
Byrnes, S. C.	Dowell	Hadley	Kreider
Byrns, Tenn.	Drane	Hamill	La Follette
Caldwell	Dunn	Hamilton, Mich.	Langley
Campbell, Kans.	Dupré	Hamilton, N. Y.	Larsen
Campbell, Pa.	Eagan	Hamlin	Lazaro
Cannon	Edmonds	Harrison, Miss.	Lea, Cal.
Carew	Elliott	Harrison, Va.	Lee, Ga.
Carter, Okla.	Ellsworth	Hastings	Lehlbach
Cary	Elston	Haugen	Lenroot
Chandler, Okla.	Esch	Hawley	Lesher
Clark, Pa.	Evans	Heaton	Lever
Claypool	Farr	Heflin	Little
Collier	Fess	Helm	Littlepage
Connally, Tex.	Fields	Helvering	Lobeck
Connelly, Kans.	Fisher	Hersey	London
Lonergan	Park	Siegel	Voigt
Lundeen	Parker, N. Y.	Sinnott	Waldow
Lunn	Peters	Sisson	Walsh
McAndrews	Phelan	Sloan	Walton
McArthur	Polk	Smith, C. B.	Ward
McClintic	Purnell	Smith, T. F.	Wason
McKenzie	Quin	Snell	Watson, Va.
McKeown	Raker	Snook	Weaver
McKinley	Ramsey	Snyder	Webb
McLaughlin, Mich.	Ramseyer	Stafford	Welty
McLemore	Randall	Steagall	Wheeler
Madden	Rankin	Stephens, Miss.	White, Me.
Mansfield	Reed	Stevenson	White, Ohio
Mapes	Rogers	Stiness	Williams
Martin	Romjue	Sweet	Wilson, Ill.
Mays	Rouse	Swift	Wilson, Tex.
Merritt	Rowland	Switzer	Wingo
Montague	Rubey	Tague	Wise
Moon	Russell	Taylor, Ark.	Wood, Ind.
Neely	Sanders, Ind.	Temple	Woods, Iowa
Nelson	Sanford	Thomas	Woodyard
Norton	Saunders, Va.	Thompson	Wright
Oliver, N. Y.	Schall	Tillman	Young, N. Dak.
O'Shaunessy	Sears	Tilson	Young, Tex.
Overmyer	Sells	Timberlake	Zihlman
Overstreet	Shackleford	Van Dyke	
Padgett	Shallenberger	Venable	
Paige	Sherwood	Vinson	

NAYS—51.

Austin	Graham, Pa.	Morin	Sims
Butler	Green, Iowa	Mott	Slayden
Caraway	Griest	Nolan	Slemp
Carlin	Hull, Iowa	Oldfield	Smith, Idaho
Classon	Johnson, Wash.	Parker, N. J.	Smith, Mich.
Davidson	Juul	Platt	Steele
Davis	Kearns	Pratt	Stephens, Nebr.
Dewalt	Kiess, Pa.	Robbins	Sterling, Ill.
Fairchild, B. L.	Lufkin	Rose	Strong
Fairfield	McFadden	Rowe	Tinkham
Focht	Mason	Sanders, N. Y.	Vestal
Foss	Moores, Ind.	Scott, Pa.	Volstead
Graham, Ill.	Morgan	Shouse	

ANSWERED "PRESENT"—4.

Browning	Goodwin, Ark.	Hardy	Treadway

NOT VOTING—112.

Anthony	Ferris	McCormick	Rucker
Blackmon	Flynn	McCulloch	Sabath
Booher	Fuller, Mass.	McLaughlin, Pa.	Sanders, La.
Bowers	Gallivan	Magee	Scott, Iowa
Britten	Gandy	Maher	Scott, Mich.
Brodbeck	Garland	Mann	Scully
Brumbaugh	Good	Meeker	Shelley
Candler, Miss.	Gray, Ala.	Miller, Minn.	Small
Cantrill	Greene, Vt.	Miller, Wash.	Stedman
Capstick	Haskell	Mondell	Steenerson
Carter, Mass.	Hayden	Moore, Pa.	Sterling, Pa.
Chandler, N. Y.	Hayes	Mudd	Sullivan
Church	Heintz	Nicholls, S. C.	Summers
Clark, Fla.	Hensley	Nichols, Mich.	Talbott
Coady	Holland	Oliver, Ala.	Taylor, Colo.
Cooper, Ohio	Hollingsworth	Olney	Templeton
Copley	Hood	Osborne	Towner
Costello	Houston	Porter	Vare
Curry, Cal.	Howard	Pou	Walker
Dallinger	Husted	Powers	Watkins
Denison	Johnson, S. Dak.	Price	Watson, Pa.
Dooling	Jones, Tex.	Ragsdale	Welling
Doremus	Jones, Va.	Rainey	Whaley
Drukker	Kahn	Rayburn	Wilson, La.
Dyer	Kelley, Mich.	Reavis	Winslow
Eagle	Kraus	Riordan	
Emerson	LaGuardia	Roberts	
Estopinal	Linthicum	Robinson	
Fairchild, G. W.	Longworth	Rodenberg	

So the previous question was ordered.

The Clerk announced the following pairs.

Until further notice:

Mr. CLARK of Florida with Mr. GREENE of Vermont.

Mr. TALBOTT with Mr. BROWNING.

Mr. HOLLAND with Mr. FULLER of Massachusetts.

Mr. BOOHER with Mr. TREADWAY.

Mr. CANDLER of Mississippi with Mr. MAGEE.

Mr. ESTOPINAL with Mr. EMERSON.

Mr. BRODBECK with Mr. CARTER of Massachusetts.

Mr. BRUMBAUGH with Mr. DENISON.

Mr. COADY with Mr. GARLAND.

Mr. DOREMUS with Mr. BOWERS.

Mr. CHURCH with Mr. BRITTEN.

Mr. FERRIS with Mr. COOPER of Ohio.

Mr. WATKINS with Mr. GOOD.

Mr. FLYNN with Mr. HAYES.

Mr. JONES of Virginia with Mr. LONGWORTH.

Mr. GALLIVAN with Mr. HUSTED.

Mr. LINTHICUM with Mr. MONDELL.

Mr. GRAY of Alabama with Mr. KELLEY of Michigan.

Mr. OLNEY with Mr. MEEKER.

Mr. HAYDEN with Mr. MUDD.

Mr. POU with Mr. REAVIS.

Mr. HOUSTON with Mr. MOORE of Pennsylvania.

Mr. PRICE with Mr. KRAUS.

Mr. RAYBURN with Mr. SCOTT of Michigan.

Mr. RUCKER with Mr. RODENBERG.

Mr. ROBINSON with Mr. STEENERSON.
Mr. SABATH with Mr. ROBERTS.
Mr. SMALL with Mr. STERLING of Illinois.
Mr. SCULLY with Mr. CURRY of California.
Mr. STERLING of Pennsylvania with Mr. POWERS.
Mr. SHERLEY with Mr. TOWNER.
Mr. WHALEY with Mr. NICHOLS of Michigan.
Mr. TAYLOR of Colorado with Mr. OSBORNE.
Mr. WILSON of Louisiana with Mr. COPLEY.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on adopting the report of the committee striking out the enacting clause of House bill 1691.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. WEBB. Mr. Speaker, on that I ask for a division.

The House divided; and there were—ayes 148, noes 81.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I call for the yeas and nays.

The SPEAKER. The gentleman demands the yeas and nays. Fifty-eight gentlemen have risen, a sufficient number, and the Clerk will call the roll.

Mr. GRAHAM of Pennsylvania. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GRAHAM of Pennsylvania. A vote of "yea" defeats this bill and a vote of "nay" sustains it. Is that correct?

The SPEAKER. That is correct, although that is not a parliamentary inquiry.

The question was taken; and there were—yeas 172, nays 141, answered "present" 3, not voting 112, as follows:

YEAS—172.

Alexander	Denton	Humphreys	Randall
Almon	Dickinson	Hutchinson	Rankin
Anderson	Dies	James	Rayburn
Ashbrook	Dill	Johnson, Ky.	Romjue
Aswell	Dillon	Keating	Rouse
Ayres	Dixon	Kehoe	Rubey
Bankhead	Dominick	Kennedy, Iowa	Russell
Barkley	Doolittle	Key, Ohio	Sanford
Barnhart	Doughton	Kincheloe	Sears
Beakes	Dowell	Kinkaid	Shackleford
Bell	Drane	Lazaro	Shallenberger
Beshlin	Eagan	Lee, Ga.	Sherwood
Black	Edmonds	Lehlbach	Siegel
Blanton	Elston	Lenroot	Sisson
Borland	Esch	Lesher	Sloan
Brand	Evans	Lever	Smith, C. B.
Browne	Fess	Little	Smith, T. F.
Buchanan	Fordney	Lobeck	Snook
Burnett	Foster	London	Snyder
Burroughs	Francis	McAndrews	Stafford
Byrnes, S. C.	Frear	McClintic	Steagall
Byrns, Tenn.	Gallagher	McKenzie	Steenerson
Caldwell	Garner	McLaughlin, Mich.	Stephens, Miss.
Campbell, Kans.	Garrett, Tenn.	Madden	Stevenson
Campbell, Pa.	Garrett, Tex.	Mansfield	Stiness
Cannon	Gillett	Mapes	Sweet
Carew	Glynn	Martin	Swift
Cary	Godwin, N. C.	Mays	Tague
Claypool	Gordon	Moon	Thomas
Collier	Gould	Nelson	Thompson
Connally, Tex.	Gray, N. J.	Norton	Timberlake
Connelly, Kans.	Gregg	Oliver, N. Y.	Van Dyke
Cooper, W. Va.	Hamilton, Mich.	Overmyer	Vinson
Cooper, Wis.	Hamilton, N. Y.	Overstreet	Waldow
Cox	Hamlin	Padgett	Walsh
Cramton	Hardy	Park	Weaver
Crisp	Harrison, Miss.	Parker, N. Y.	White, Me.
Crosser	Helm	Peters	Williams
Currie, Mich.	Helvering	Polk	Wilson, Tex.
Dale, N. Y.	Hersey	Quin	Wise
Dale, Vt.	Hicks	Raker	Woodyard
Decker	Hilliard	Ramsey	Wright
Dempsey	Huddleston	Ramseyer	Young, Tex.

NAYS—141.

Austin	Fisher	Ireland	Montague
Bacharach	Flood	Jacoway	Moores, Ind.
Bland	Focht	Johnson, Wash.	Morgan
Butler	Foss	Juul	Morin
Cantrill	Freeman	Kearns	Mott
Caraway	French	Kelly, Pa.	Mudd
Carlin	Fuller, Ill.	Kiess, Pa.	Neely
Carter, Okla.	Gard	King	Nichols, Mich.
Chandler, Okla.	Good	Kitchin	Nolan
Clark, Pa.	Goodall	Knutson	Oldfield
Classon	Goodwin, Ark.	Kreider	Osborne
Crago	Graham, Ill.	La Follette	O'Shaunessy
Darrow	Graham, Pa.	Langley	Paige
Davis	Green, Iowa	Lea, Cal.	Parker, N. J.
Denison	Greene, Mass.	Lonergan	Phelan
Dent	Griest	Lufkin	Pratt
Dewalt	Hadley	Lundeen	Purnell
Dunn	Harrison, Va.	Lunn	Reavis
Dupré	Hastings	McArthur	Reed
Elliott	Haugen	McCulloch	Robbins
Ellsworth	Hayden	McFadden	Roberts
Fairchild, B. L.	Heaton	McKeown	Rogers
Fairfield	Hull, Iowa	McLemore	Rose
Farr	Hull, Tenn.	Mason	Rowe
Fields	Igoe	Merritt	Sanders, Ind.
Sanders, N. Y.	Smith, Idaho	Tinkham	Wheeler
Saunders, Va.	Smith, Mich.	Venable	White, Ohio
Schall	Snell	Vestal	Wilson, Ill.
Scott, Pa.	Steele	Volstead	Wingo
Sells	Sterling, Ill.	Walton	Wood, Ind.
Shouse	Strong	Ward	Woods, Iowa
Sims	Switzer	Wason	Young, N. Dak.
Sinnott	Taylor, Ark.	Watkins	Zihlman
Slayden	Temple	Watson, Va.	
Slemp	Tillman	Webb	
Small	Tilson	Welty	

ANSWERED "PRESENT"—4.

Browning	Larsen	Sabath	Treadway

NOT VOTING—111.

Anthony	Fairchild, G. W.	Kennedy, R. I.	Riordan
Baer	Ferris	Kettner	Robinson
Blackmon	Flynn	Kraus	Rodenberg
Booher	Fuller, Mass.	LaGuardia	Rowland
Bowers	Gallivan	Linthicum	Rucker
Britten	Gandy	Littlepage	Sanders, La.
Brodbeck	Garland	Longworth	Scott, Iowa
Brumbaugh	Glass	McCormick	Scott, Mich.
Candler, Miss.	Gray, Ala.	McKinley	Scully
Capstick	Greene, Vt.	McLaughlin, Pa.	Sherley
Carter, Mass.	Hamill	Magee	Stedman
Chandler, N. Y.	Haskell	Maher	Stephens, Nebr.
Church	Hawley	Mann	Sterling, Pa.
Clark, Fla.	Hayes	Meeker	Sullivan
Coady	Heflin	Miller, Minn.	Sumners
Cooper, Ohio	Heintz	Miller, Wash.	Talbott
Copley	Hensley	Mondell	Taylor, Colo.
Costello	Holland	Moore, Pa.	Templeton
Curry, Cal.	Hollingsworth	Nicholls, S. C.	Towner
Dallinger	Hood	Oliver, Ala.	Vare
Davidson	Houston	Olney	Voigt
Dooling	Howard	Platt	Walker
Doremus	Husted	Porter	Watson, Pa.
Drukker	Johnson, S. Dak.	Pou	Welling
Dyer	Jones, Tex.	Powers	Whaley
Eagle	Jones, Va.	Price	Wilson, La.
Emerson	Kahn	Ragsdale	Winslow
Estopinal	Kelley, Mich.	Rainey	

So the motion to strike out the enacting clause was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. HAMILL with Mr. ANTHONY.
Mr. LARSEN with Mr. PLATT.
Mr. GLASS with Mr. HAWLEY.
Mr. HEFLIN with Mr. DAVIDSON.
Mr. STEPHENS of Nebraska with Mr. MCKINLEY.
Mr. WELLING with Mr. KENNEDY of Rhode Island.

Mr. MCARTHUR. Mr. Speaker, I voted "nay" on the first call. I have a pair with the gentleman from Louisiana, Mr. DUPRÉ, and desire to withdraw that vote and answer "present."

The result of the vote was announced as above recorded.

On motion of Mr. CANNON, a motion to reconsider the vote by which the enacting clause was stricken out was laid on the table.

LEAVE OF ABSENCE.

Mr. CANDLER of Mississippi, by unanimous consent, was granted leave of absence, for three days, on account of illness.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.) the House adjourned until to-morrow, Thursday, February 21, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting copy of communication from the Acting Secretary of Commerce, submitting supplemental estimate of appropriation required by the Department of Commerce for the fiscal year 1919 (H. Doc. No. 953), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. CLARK of Florida, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 10022) authorizing the Secretary of the Treasury to purchase the site and building now under construction thereon known as the Arlington Hotel property, reported the same without amendment, accompanied by a report (No. 325), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8514) granting a pension to Charles H. Jessee; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8685) granting a pension to Alonzo Hutchison; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 9335) granting an increase of pension to Archie V. Chambers; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 8528) granting an increase of pension to Phebe Schonhoff; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. STEENERSON: A bill (H. R. 10063) to amend an act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved August 10, 1917; to the Committee on Agriculture.

By Mr. ALEXANDER: A bill (H. R. 10064) to amend an act approved May 9, 1888, as amended by the act of June 11, 1896, as amended by the act approved January 21, 1914; to the Committee on the Post Office and Post Roads.

By Mr. CRAGO: A bill (H. R. 10065) requiring receivers for national banks to file accounts in the district courts of the United States; to the Committee on Banking and Currency.

By Mr. TREADWAY: A bill (H. R. 10066) to amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September 2, 1914, and an act in amendment thereto, approved October 6, 1917; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER: A bill (H. R. 10067) amending section 3141 of the Revised Statutes of the United States, as amended by the act of July 16, 1914; to the Committee on Ways and Means.

By Mr. HAYDEN: A bill (H. R. 10068) to punish the destruction and injury to property essential to the national security and defense; to the Committee on the Judiciary.

By Mr. SMALL: A bill (H. R. 10069) making appropriation for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. O'SHAUNESSY: A bill (H. R. 10070) amending section 3285 of the Revised Statutes; to the Committee on Ways and Means.

By Mr. SMITH of Michigan: A bill (H. R. 10071) increasing rates of pensions of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. McLEMORE: Resolution (H. Res. 254) instructing the Judiciary Committee to inquire into the constitutionality of the vote by which the prohibition amendment was recently passed; to the Committee on Rules.

By Mr. HELVERING: Joint resolution (H. J. Res. 250) to amend section 14 of the food-control act by increasing the guaranteed minimum price of wheat for the crop of 1918 from $2 to $2.75 per bushel; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 10072) granting an increase of pension to James G. Overstreet; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 10073) granting an increase of pension to Simeon Chapman; to the Committee on Invalid Pensions.

By Mr. CARAWAY: A bill (H. R. 10074) granting an increase of pension to C. W. Kerlee; to the Committee on Pensions.

By Mr. DALE of Vermont: A bill (H. R. 10075) for the relief of Oscar F. Perry; to the Committee on Military Affairs.

By Mr. DRANE: A bill (H. R. 10076) granting an increase of pension to C. B. Bristol; to the Committee on Invalid Pensions.

By Mr. FAIRFIELD: A bill (H. R. 10077) granting an increase of pension to John A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10078) granting a pension to Isabella Parsons; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 10079) for the relief of James Kash Kash; to the Committee on Claims.

By Mr. HAMILTON of Michigan: A bill (H. R. 10080) for the relief of Thomas H. Thorp; to the Committee on Military Affairs.

By Mr. HELVERING: A bill (H. R. 10081) granting a pension to Carey O. Amsbaugh; to the Committee on Pensions.

By Mr. LUNDEEN: A bill (H. R. 10082) for the relief of Catherine Mahady; to the Committee on Military Affairs.

Also, a bill (H. R. 10083) to correct the military record of the late Henry Smith, alias Henry Schmidt, alias Heinrich Schmidt; to the Committee on Military Affairs.

By Mr. McFADDEN: A bill (H. R. 10084) granting an increase of pension to Sidney W. Clark; to the Committee on Invalid Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 10085) granting an increase of pension to William Durham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10086) granting an increase of pension to Harrison Ruark; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 10087) granting an increase of pension to Mathias Steffas; to the Committee on Invalid Pensions.

By Mr. WARD: A bill (H. R. 10088) granting a pension to Julia A. Burton; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 10089) granting an increase of pension to Milton T. Bedford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10090) granting a pension to Mary Kirchner; to the Committee on Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 10091) granting an increase of pension to Joseph Boyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10092) granting an increase of pension to William H. Rees; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10093) granting an increase of pension to John Carroll; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10094) granting an increase of pension to George M. Foresman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10095) granting an increase of pension to Stanley Hallman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10096) granting an increase of pension to Theodore C. Sargent; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10097) granting an increase of pension to Miles Cunningham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10098) granting an increase of pension to William Wolf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10099) granting an increase of pension to Jack Willis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10100) granting an increase of pension to Ephraim J. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10101) granting an increase of pension to John McKinley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10102) granting an increase of pension to Hezekiah Axsom; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10103) granting an increase of pension to Missouri L. Herron; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of Frederick Doyle, of Chicago, Ill., and a resolution of the Progressive Literary and Fraternal Club, Bellingham, Wash., asking for the repeal of the postal amendment to the war-revenue act; to the Committee on Ways and Means.

By Mr. CAREW: Resolution of the Republican Club of the city of New York, urging universal military training; to the Committee on Military Affairs.

By Mr. CARY: Petition of the mayor of Sea Bright, N. J., asking for appropriation to protect the entrance to Sandy Hook; to the Committee on Rivers and Harbors.

Also, memorial of the Railway Mail Association, tenth division, Watertown-Portage branch, asking for the passage of House bill 9414; to the Committee on the Post Office and Post Roads.

Also, petition of A. A. Jones, secretary Cheese Shippers' Traffic Association, urging amendment of the pending railroad bill so that the Interstate Commerce Commission shall have full jurisdiction over freight rates; to the Committee on Interstate and Foreign Commerce.

Also, petition of Frederick Doyle, of Chicago, Ill., and resolutions of the Progressive Literary and Fraternal Club, Bellingham, Wash., and the Woman's Improvement Club, Corona, Cal.

urging the repeal of periodical postage amendment to the war-revenue act; to the Committee on Ways and Means.

By Mr. CLARK of Pennsylvania: Petition of H. W. Van Tassel, Thomas Curran, J. Murray, George L. Woodward, and 18 others of the Musicians' Union, No. 17; also petition of M. V. B. Gifford, J. H. Durfield, L. E. Stancliff, F. D. Hatch, and 39 others, praying for the passage of House bill 7995 for the preservation of the *Niagara*, Commodore Perry's flagship in the Battle of Lake Erie; to the Committee on Naval Affairs.

By Mr. DALE of New York: Petition of Maude N. Brodeur and 11 other citizens of Berkeley, Cal., indorsing the Kelly bill, House bill 8761; also a resolution of the Twenty-eighth Ward Taxpayers' Protective Association, of Brooklyn, N. Y., favoring the daylight-saving law; to the Committee on Interstate and Foreign Commerce.

Also, petition of P. Hall Packer, mayor of Sea Bright, N. J., asking for an appropriation to protect the entrance to Sandy Hook; to the Committee on Rivers and Harbors.

Also, petition of Frederick Doyle, Chicago, Ill., and resolution of the Mishkawaka Woman's Club, Mishkawaka, Ind., asking for the repeal of the periodical postage amendment of the war-revenue act; to the Committee on Ways and Means.

By Mr. DARROW: Resolutions of the Lumbermen's Exchange, of Philadelphia, Pa., in behalf of the creation of a board of war control and the appointment of a director of munitions; to the Committee on Military Affairs.

Also, petition of the Philadelphia Central Labor Union in behalf of the Madden bill, House bill 1654; to the Committee on the Post Office and Post Roads.

By Mr. DILLON: Petition of Fred Felton and 18 other citizens of South Dakota, asking for the repeal of the periodical postage amendment to the war-revenue act; to the Committee on Ways and Means.

Also, petition of A. C. Ellerman and 110 other citizens of South Dakota, asking that the spring game law, in reference to duck and goose shooting, be suspended for the duration of the war; to the Committee on Agriculture.

By Mr. DOOLING: Memorial of Brooklyn Surgical Society, favoring advanced rank for officers of the Medical Corps of the Army; to the Committee on Military Affairs.

By Mr. ESCH: Papers in support of House bill 786, granting a pension to Lilla J. Darling; House bill 792, granting an increase of pension to William B. Hazeltine; House bill 796, granting an increase of pension to Silas D. Taylor; House bill 794, granting an increase of pension to Jesse Mather; House bill 788, granting a pension to Arabella Miller; House bill 787, granting a pension to Mary E. Jenks; and House bill 785, granting a pension to Hiram C. Barrows; to the Committee on Invalid Pensions.

By Mr. FULLER of Illinois: Petition of the Progressive Literary and Fraternal Club of Bellingham, Wash., and of Frederick Doyle, of Chicago, for repeal of the increased postage rates on periodicals; to the Committee on Ways and Means.

By Mr. HAMILTON of Michigan: Petition of Mrs. Bessie Fowler, of South Haven, Mich., for the Woman's Home Missionary Society of the Methodists of Kalamazoo District and for the Young People's work of the same society, protesting against the passage of Senate bill 3476; to the Committee on the District of Columbia.

By Mr. LINTHICUM: Resolution of Zeta Lodge, No. 2405, Fraternal Aid Union, favoring increased compensation for postal employees; to the Committee on the Post Office and Post Roads.

Also, a letter from Charles W. Hess, Baltimore, Md., urging the passage of the Van Dyke bill increasing salaries of railway mail clerks; to the Committee on the Post Office and Post Roads.

Also, petition of C. M. Gray, Baltimore, Md., favoring the Keating bill, House bill 7356; to the Committee on Appropriations.

Also, petition of John T. Stone, and memorials of the Medical and Chirurgical Faculty of Maryland, the Baltimore City Medical Society, and the Council Medical Chirurgical Faculty of Maryland, all favoring legislation creating advanced rank for officers of the Medical Corps of the Army; to the Committee on Military Affairs.

By Mr. LONERGAN: Petition of the Cosmopolitan Club of Manchester, Conn., for the repeal of the postal increase; to the Committee on Ways and Means.

Also, resolutions of the Typographical Union of New Britain, Conn., protesting against the importation of Chinese coolies for labor or other purposes; to the Committee on Immigration and Naturalizatin.

By Mr. LUNDEEN: Petition of Minnehaha Lodge, No. 624, Brotherhood of Railroad Trainmen, Minneapolis, Minn., W. P. Kennedy, president, in opposition to section 9 of House bill 8172 or any compensation law affecting railway employees; to the Committee on Interstate and Foreign Commerce.

Also, petition of Edwin Boutwell and others, that Congress define the number of hours that shall constitute a day's work, and that all work performed for the department shall be included in the day's work; also that all substitute railway clerks shall receive the same allowance for study that the regularly assigned clerks receive; and that the Van Dyke and Madden bills be passed with the provision "for the period of the war" struck out; to the Committee on the Post Office and Post Roads.

Also, petition of Col. Earl D. Luce, that Congress take over the short-line railroads; to the Committee on Railways and Canals.

Also, petition of the Plasterers and Cement Finishers of Minneapolis and St. Paul, by William Olson, financial secretary and business agent, St. Paul, Minn., requesting that Congress have the hospital buildings which the Government is now constructing at the various cantonments plastered to assure the comfort and health and sanitation of our soldiers; to the Committee on Military Affairs.

Also, petition of Hearts of Oak Lodge, No. 525, Brotherhood of Railroad Trainmen, Minneapolis, Minn., by M. O. Woods, president, in opposition to section 9 of House bill 8172; to the Committee on Interstate and Foreign Commerce.

Also, petition of Minneapolis Local, No. 30, Switchmen's Union of North America, by Morris Full, secretary, Minneapolis, Minn., in opposition to section 9 of House bill 8172; to the Committee on Interstate and Foreign Commerce.

By Mr. REED: Papers in support of House bill 9075; to the Committee on Invalid Pensions.

Also, evidence in support of House bill 10049; to the Committee on Pensions.

By Mr. WARD: Petition of Rev. H. Smith and other citizens of Woodbourne, N. Y., favoring enactment of Webb-Thompson bill, and other prohibition legislation pending in Congress; to the Committee on the Judiciary.

SENATE.

THURSDAY, *February 21, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we call upon Thee from day to day as we come to face the solemn responsibilities of this place and hour. We would gain a deep appreciation of those rights and obligations that lie deeper than human government, deeper than all that we have control of in life. We pray Thee to give us spiritual vision to know the things that pertain to life eternal, that we may have constantly in view the everlasting kingdom of God. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

NATIONAL ACADEMY OF SCIENCES.

The VICE PRESIDENT laid before the Senate the annual report of the National Academy of Sciences for the year ended December 31, 1917, which was referred to the Committee on Printing.

ESTIMATES OF APPROPRIATION.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of the Interior submitting a supplemental estimate of appropriations in the sum of $150,000 required by the Bureau of Mines for investigations concerning minerals needed for war purposes for the fiscal year 1918 (S. Doc. No. 178), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Postmaster General submitting a supplemental estimate of appropriation in the sum of $1,185,000 required by the Postal Service for the fiscal year 1918 for the manufacture of stamps, stamped envelopes, stationery, etc., payable from postal revenues (S. Doc. No. 177), which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed a joint resolution (H. J. Res. 70) authorizing the erection on the public grounds in the city of Washington, D. C., of a statue of James Buchanan, a former President of the United States, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution providing for the printing of 350,000 copies of the war excess-profits tax regulations No. 41, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a concurrent resolution providing for the printing of 350,000 copies of the income-tax regulations No. 33, revised, etc., in which it requested the concurrence of the Senate.

The VICE PRESIDENT. Petitions and memorials are in order. [A pause.] If there are none, reports of committees. [A pause.] Introduction of bills. [A pause.] Concurrent or other resolutions. [A pause.] The morning business is closed.

RAILROAD CONTROL.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of Senate bill 3752, the unfinished business.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. LEWIS. Mr. President, I take it that my observations in the general debate of this railroad bill will practically close the general debate and we will soon be remitted to the 10-minute rule and to the amendments. I trust I may not occupy the Senate unnecessarily.

The VICE PRESIDENT. The Senator has three hours. [Laughter.]

Mr. LEWIS. I thank you, sir. There are times when I would be very envious of that privilege. To-day I am not anxious to avail myself of it, and I fear the Senate is not particularly hopeful that I should occupy it. [Laughter.]

Mr. ASHURST. Mr. President, I suggest the absence of a quorum.

Mr. LEWIS. I yield for the purpose of the suggestion, holding my place if I can. I do not want to lose my right to the floor.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, N. Mex.	Overman	Thomas
Culberson	Jones, Wash.	Page	Till'man
Dillingham	Kellogg	Penrose	Townsend
Fletcher	Knox	Reed	Trammell
Gallinger	Lewis	Sheppard	Underwood
Gerry	Lodge	Sherman	Vardaman
Gore	McCumber	Simmons	Williams
Gronna	McLean	Smith, S. C.	
Hale	McNary	Smoot	
Johnson, S. Dak.	New	Sterling	

Mr. GERRY. I desire to announce that the Senator from California [Mr. PHELAN] is detained on official business.

Mr. GRONNA. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to illness in his family.

Mr. MCNARY. I wish to announce the unavoidable absence of my colleague [Mr. CHAMBERLAIN], on account of illness.

Mr. LEWIS. Mr. President, let me announce the absence of the Senator from Kentucky [Mr. JAMES] and the Senator from Oregon [Mr. CHAMBERLAIN], because of personal illness.

The VICE PRESIDENT. Thirty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. KENDRICK, Mr. KIRBY, Mr. NORRIS, Mr. ROBINSON, Mr. SAULSBURY, Mr. SHAFROTH, Mr. WARREN, and Mr. WOLCOTT answered to their names when called.

Mr. NUGENT, Mr. FRELINGHUYSEN, Mr. CURTIS, Mr. FRANCE, Mr. CUMMINS, and Mr. BECKHAM entered the Chamber and answered to their names.

Mr. BECKHAM. I wish to announce that my colleague [Mr. JAMES] is absent on account of illness. I will let this announcement stand for the day.

Mr. STONE, Mr. HARDWICK, Mr. NELSON, Mr. MARTIN, Mr. SWANSON, Mr. JOHNSON of California, Mr. KENYON, Mr. HENDERSON, and Mr. POMERENE entered the Chamber and answered to their names.

The VICE PRESIDENT. Sixty Senators have answered to the roll call. There is a quorum present. The Senator from Illinois will proceed.

Mr. LEWIS. Mr. President, this railroad bill, so called, has very many interesting features, and, with great respect to the debate and paying a due tribute to the eminent men who have participated in a most effective manner in that debate, I feel that some phases directly connected with the bill have been omitted in the consideration. Or if they have been contemplated in the consideration they have not been expressed in the debate. It is likely that my entrance at this hour in the debate means that my speech is the closing of the general debate.

Mr. President, the chairman of this committee, the junior Senator from South Carolina [Mr. SMITH], has given a ceaseless energy, constant labor, and unflagging perseverance to this work of getting out this bill from the committee and supporting and maintaining it on the floor. It is but justice to say to the chairman and of him that if the State of South Carolina ever fails in appreciation of his great efforts from time to time on this floor in conservation of its cotton interests, it should certainly turn with commendable pride and constant admiration for the distinctive effort he has brought to bear in support of this great administration measure

Mr. President, there is another feature I can not overlook nor fail to advert to. The debate on this bill from the Senators who have contributed to it has disclosed an amount of information and learning that would have been a credit to any set of men in any body, legislative or judicial. The amount of industry and sincerity, the complete divorcement of partisan attitude, the utter denial to indulge in any political prospective for themselves, has been so apparent that when this whole matter is concluded justice will accord to this debate a verdict of impartiality and fairness and a contribution of learning that has not been excelled by any other, sir, that has preceded it, certainly in this administration.

Mr. President, I see the purposes of this bill, however, in a little different light than has been proposed, at least observed upon, by these eminent Senators who have addressed themselves to the measure. The bill has for its ostensible object the lending of money to railroads upon their roads, their property, and their earnings as a security. The object is, of course, to enable the roads to conduct their business, and particularly to provide for that $790,000,000 that is now due upon securities of different roads of the country, where there is no money to meet it, and to avoid the distress and embarrassment that will follow from the inability to meet the obligations.

Mr. President, I heard the eminent Senator from Iowa, the senior Senator [Mr. CUMMINS], in his very full presentation of the objections he has to this measure, and wherein and however I may differ from the senior Senator from Iowa in many things, and possibly in many views on this bill, it is but the expression of justice to say that in railroad matters, in railroad legislation, there is no more informed man in public life.

The eminent Senator from Minnesota, the junior [Mr. KELLOGG], who differed to a great degree from the senior Senator from Iowa, however, excluded from personal experience in legislation of railroads, must be accorded that tribute which comes from a very vast experience in the litigation in the legal questions which arise growing out of the legislation touching railroads. So from both these sources much information rightfully is gleaned.

Mr. President, I am compelled of my own choice to pass by many of the features of this bill which I do not feel at all necessary to consider in order to justify my support of the measure.

We have been lending to foreign governments money that will soon reach in its total $10,000,000,000. We are lending this money only upon their bonds. These bonds, sir, are issued from governments over which we have no control. The security for which these bonds issue we have no government of. We have no method by which we can protect ourselves in the administering of these governments, in the conserving of our securities, in the guardianship of the property. Yet we issued this vast sum of money in perfect confidence that it is a safe investment, stimulated by the highest patriotism, and to be rewarded ultimately by a return of the full face of the security here in our own country.

These roads to which we are about to advance the money are all in the United States. The property will soon be under our own supervision, the roads under our own control, the management under our own direction. We are enabled to conserve this property, guard its finances, and secure ourselves.

At the very outset, the mere statement of this parallel would suggest that the investment to the railroad is really a much more secure, stable, and finally a more reliable one than that which we are indulging in behalf of these foreign governments.

Mr. President, I may shock those who may know me with some intimacy when I wish it understood that I view this bill as the beginning of the Government ownership of the railroads. More than that, sir, from my viewpoint this bill initiates the policy of this Government into the ownership not only of the railroads but into that era of the ownership of the telegraph and the telephone in America, to be followed by the ownership or the control of the agencies of fuel, those natural agencies—coal and oil—and all that, in order that this Government may no longer and never in the hereafter be paralyzed in its necessary governmental un-

dertakings because of the monopoly of private ownership of those public utilities essential to the public welfare of the Republic.

Mr. President, I know there are many objections to entering by this Government upon what may be called the general policy of a Government ownership of the transportation lines, as well as of other essential agencies to the public welfare.

There is now, and will remain, an honest school of difference between that which urges upon the Government the taking over of all of these agencies as necessary to the welfare and uses of the Government and that other school that demands for private enterprise full and unhampered opportunity for the exercise of its industry, the indulgence of its genius, and the benefit of its superior competition. In those two ideas there will ever be a conflict, and there is no man living to-day, nor will his children who shall come after him, ever see the end of it. It has been a question in all forms of government since government was devised.

It may interest my fellow Senators who do me the kindness to hear me to know that in the administration of Ming, 850 years before the birth of Christ, in the Government of China, the doctrine of socialism and that of the policy of the Government owning and controlling the roadways over which vehicles in the form of baskets, conducted upon the shoulders of men, were to be controlled, as against the policy of the companies, known as the Chinese companies, which then owned these methods of conveyance and use of transportation for the benefit of those who bought the privilege of this particular monopoly from the Government in which they existed for a certain sum of money; and afterwards, of course, extracted from the patrons such very large sum as they could as their profit of the undertaking.

Mr. President, it may amuse you to know that in the little Government of Iceland long years ago when it attempted a republic, which did not last very long as against the hordes which swept down from the north upon the country—that then ended it—that the first advent on the part of this little land, bounded with its barriers of snow and ice, was to control the first muniment of personal welfare, the egress and ingress of its people to and from markets and ports to their homes. That this little republic would have inaugurated for the very first government of Europe that system but for the force of spear and sword and the invasion of armies none of us now can deny.

But to indicate how little there is really new and how truly is the prophecy of Isaiah fulfilled, when the early Republic of Judea was established, one of the very first invocations that was sent to it from their spiritual masters was the demand that it promptly possess itself of the roads in order that no military companies from the outside be permitted to transport themselves across the land of this young Judea without the consent of its government, nor that its own people be allowed to use it without compensation to their own government. This control, having for its object the national defense, was based upon the theory that if private management or private control should ever possess the roads there would be no way to prevent the foreign enemy from being permitted to use the roads for their hordes of assault in exchange and barter, having paid for the privilege, and they might find their land invaded by men occupying their roads in turn for having bought them from those who privately assumed to sell them.

So we may not flatter ourselves that these are original thoughts in government. My eminent colleague the Senator from Illinois [Mr. SHERMAN] yesterday alluded, in a speech filled with acidulous drippings, to the fact that he could remember how these issues of Government ownership of roads were heard throughout Illinois in the seventies and in the eighties. I can assure my esteemed colleague that long indeed before Illinois was born they were heard in their different form and echo throughout different avenues of the earth.

But, Mr. President, the objections urged to Government ownership are, of course, in our Government particularly pertinent. We are presumed to have founded a Government on the theory of individualism, and to that extent, of course, it is a serious question whether these views suggested by me are in harmony with it.

But I wish to put my advocacy of this measure on the ground of national defense. I wish now to state to the Senate that the time has come when this Government must look squarely in the face the problems which confront it. This Government must take possession of these roads under this proposed law, or under any other law, not so much as a commercial necessity but as a necessary national preservative.

Mr. President, has it ever struck your mind (and, brother Senators, I ask your attention to the thought) that to-day there is not a road owned by this Government in the whole United States that can transport your soldiers from sea to sea for the defense of your shores? Do you fancy that the necessity is not now upon you? Senators, have you observed that here, when we attempted to defend ourselves against a foreign foe, we have been unable, in the system of transportation now prevailing, to send our soldiers to the coast, where they were to embark upon vessels to be landed upon foreign shores, because of the lack of continuous transportation, and because of the confusion of the railroads, the complications of their systems, and their failures to serve? What do you think would have been the result if an enemy were at your door possessing your coasts? What, then, do you think would have been the consequence to your Government in its efforts to transport its soldiers, to land its supplies, and be prepared to defend itself at its Pacific doors or on the Atlantic?

Mr. KELLOGG rose.

Mr. LEWIS. I fancy the Senator from Minnesota desires to interrupt me. Does he desire to do so?

Mr. KELLOGG. I desire to ask the Senator from Illinois a question.

Mr. LEWIS. I yield to the Senator from Minnesota.

Mr. KELLOGG. Mr. President, did I correctly understand the Senator from Illinois to say that the railroads had failed to transport troops promptly?

Mr. LEWIS. Yes. The word "promptly," I may say to the Senator, is a very elastic one.

Mr. KELLOGG. To transport them efficiently and promptly?

Mr. LEWIS. So is the word "efficiently" an elastic one. However, I say this, that in the attempt to transport the troops the roads were so congested that the cars could not be had. Since the Senator invites me to it, I regret to state that the soldiers were cramped. They were placed in accommodations which I deplore to say cattle would not have been put in. That was out of a forced condition on the part of the railroads. They did not have the equipment, and the conditions were such, I answer the Senator, that far from being transported promptly and efficiently, they were unfortunately most barbarously transported.

Mr. KELLOGG. The Secretary of War reported that the soldiers were transported promptly and efficiently, and praised the transportation in the highest terms.

Mr. LEWIS. I must say to the Senator that the conclusion of the Secretary of War was that "under the conditions," and it is those conditions which I ask to have removed. I must say to the eminent Senator that under the conditions we must admit that the roads probably could have done no better, and we must be just and say they did the best they could, but it is those conditions, which I feel laid such a burden upon this Government and placed us at such disadvantage that I wish to change.

I have also the other reason to which I was alluding and reaching when the eminent Senator from Minnesota interpolated his suggestion. Mr. President, I regard this Nation in this hour confronting a very serious danger to which our fellow citizens seem blind or indifferent. Notwithstanding the generosity and benefactions of this Nation to Russia, the vast millions we gave it to rehabilitate and restore it, its people seem unconscious either of the debt of appreciation or of gratitude. The attitude of mind of Russia is one of opposition to us, and that without regard to anything we have done. I deplore to say that it is my opinion that this attitude of antagonism will multiply and will continue, for to the Russian mind there is a basic reason: First, they have been educated to the belief that this United States failed in its obligation of gratitude to Russia. They point to the fact that we lent our aid, as they charge, to Japan, through the influence of Britain, in the war between Russia and Japan. Russia holds a deep sense of antipathy, if not vengeance, against us for that. Her humble people, her farmers, the moujiks, have been educated to hold us in prejudice, for that, it is said, we "put the Jew money lender upon them and stationed him upon every corner where their farms produce." That slander, we know, has no foundation. That falsehood, we know, is without justification, even in any form of governmental fact. We did demand of Russia that she give to the Jew the same fair treatment as a citizen that any other American citizen traveling in her land should have, but it is sufficient to say that our enemies, whether they come from Prussia or any other land, have fanned that prejudice to where to-day it burns like a flame in Russia.

Mr. President, Russia will not decline, as I see it, to gratify upon us any form of resentment she ever can enforce. I do not indulge the dream that is enjoyed by many gentlemen in this land that we have anything to expect in the way of reciprocal military friendship from Russia. To the contrary, I now warn my country, as far as my impotent voice can reach, that if Prussia shall succeed in the movement she is now making

toward the appropriation of Russia and secure power in Russia such as she hopes to administer, her very first inducement on Russia will be to advise Russia, "There is Alaska."

She will point to Russia that Alaska is yonder in the far north seas, so far as we are concerned, in the far northwestern waters; that there are the Aleutian Islands; that this land was wrested from them by America in diplomacy of the United States and, as alleged, "for a song." It will be cried out that Alaska possesses enough gold and minerals to enrich them from one end of their land to the other. That it was always theirs and was filched from them by us. Everything will be urged to awaken cupidity or vengeance and demand to wrest Alaska will be made by Prussia.

Alaska, divided from us by water, remote from us in its connection, difficult of approach, more difficult of defense, presents to us, to my thinking, at this hour the very serious problem of the day, because when Prussia will have animated this Russia, that is not now friendly to us at all, to move up toward Alaska and possess it, how shall we defend it? Russia, stimulated by Germany, could seize Alaska from the north, and we would have difficulty to reach it. We are engaged against Germany in Europe. In what manner would we move to the defense of this possession?

Mr. President, we are now building a railroad in Alaska as a Government railroad. The object, among other things, was to bring forth the stored riches of Alaska, but principally, I must assume, in order that we might defend Alaska; that we might have a method by which we could reach our ships at the shores of Alaska. If, sir, we do not have a Government road that reaches from sea to sea, that we may make an immediate connection whenever possible, wherever possible, and wherever necessary with the Government railroad of Alaska, by which we can transport troops across our own land, supplies across our own land, and then across Alaska in preference to any form of commodity of private persons whomsoever at any time, what possible agency of defense have we against that hour which I, sir, regretfully prophesy is ahead of us? With this bill passed it will at least initiate at once a system in the hands of the Government and enable us to prepare a defense for the evil which my eyes behold is at your door.

If the eminent Senators sitting about me answer that they can see no reason why this assault on Alaska should be made, then I will advert their minds, if they will permit me, to a military reason. What wiser policy than to have Germany stimulate Russia to seize Alaska, so as to compel us to divide our forces to the great North, to defend it, and thus disrupt them from the organization that is necessary now to be in the Atlantic to war against Germany in Europe? Then, Mr. President, keep in mind that that is but the beginning of what I see to be the problems of my country in our national peril.

Senators, we will live—God please to grant us our divine statute of limitations—to have to fight for Hawaii; and if we have any possessions in the Philippines—for the Philippines—all this to prevent those islands from being wrested from us by a power that will open its warfare through some form of antagonism—which need not now be anticipated in detail—against the United States.

If there be no railroad owned by this Government that can be used constantly to transport the troops to the edge of the Pacific to prepare us in our defense, to meet our vessels, and enable us to prepare in Hawaii, or in those possessions of the Pacific, the want of such defense will be quickly observed by those whose purposes and advantages will be served by assailing us, and we will find ourselves again powerless. For the protection of these possessions on the Pacific coast it is necessary that we have a Government railroad that shall be used and appropriated for the national defense of those possessions and for the safety of our Pacific coast against assaults which my mind, which my vision, beholds in the not too far distant future approaching upon us.

Mr. President, I can not conclude this suggestion without inviting your attention to the fact that we now control Porto Rico and the Virgin Islands. We have some friendship toward Cuba and a relation of amity. When the conflict comes upon us from any source—whether it should come now through Germany or in the future from a foreign foe upon the Atlantic or upon the Pacific—mark you, sir, these possessions in Atlantic waters will be easily the prey of any foreign foe assailing us. Therefore you must see clearly, sir, that if my argument is well taken as to the necessary defense of the Pacific, it is equally true as to the Atlantic, and that we need a road from the Pacific to the Atlantic as a Government property which can be taken, possessed, and utilized at any hour by the Government to transport to the Atlantic all essentials of defense, whether they be supplies or men, that these possessions, sir, in the Atlantic may be properly defended and supplied by our ships and our railroads.

Have we such a position now? No. Are we prepared now? No. Why? Because, as Senators on both sides of this Chamber have pointed out, our country never could be aroused to her dangers; and she will now, in her editorial columns throughout many places in this Nation, criticize me with great freedom, I dare say, and some bitterness, because I have assumed to point out at this critical time these increased burdens which I see are destined to come upon my Nation.

Mr. President, because I see, sir, the necessity of Government roads for the national defense, I justify this bill, indorse the purposes of the bill, and accept the objects of the bill. To the purpose of my support I concede every objection urged by the eminent Senators who have so faithfully considered the measure. I admit every one of them to the full extent to which they have been propounded; and I still reply that with all of the evils proposed by these eminent leaders they are small and insignificant compared to the benefits that will arise to the Government out of the protection, guaranty, and security which would come to use from these Government-operated roads in the manner that we are now taking them and in the method that we will continue to control them.

Mr. President, then, in conclusion of this feature, I tender the illustration:

Sir, it took Britain, with her divided situation, nearly two years, as we know, to make and land her armies. We know the trouble that was put upon France, with her more or less hybrid condition of private ownership of part of the roads and Government ownership of others. But when it came to Prussia, will Senators overlook how quickly Prussia, with her system of Government-owned roads, was enabled to mass her men at any point in all Prussia, and deprive all private merchandise, all private enterprise, of the privilege of the utilization of the roads? Being her own property, she was in no wise called upon to do as we had to do—summon the proprietors, negotiate a week, and reach a doubtful conclusion, leaving it subject to explosion, open to any form of construction, and finally a result to our embarrassment No! She took her own, placed her people upon it, and landed them in 11 days fully equipped, marshaled from helmet to sandal, and placed them upon the border of France, and was enabled by this mobilization to threaten the liberties of the world, so powerful was the concentration she was enabled to effect.

We may, sir, shrink from ever emulating the example of Prussia in her military establishments, in their assaults upon civil government, her blows against the freedom of man, or her attacks upon liberty of nations; but we surely will not blind our eyes with a bandage of ignorance and close them with indifference to this scene of complete efficiency when it came to defending her people or to preparing to advance against those she charged to the world were advancing upon her.

Then, I would have eminent Senators understand that while I respect their opposition, and in some instances their opposition is well founded to many features of the bill from their premises, I insist, sir, that this measure should pass with a unanimous vote for the uses it will give us in our national defense and the preparation against those dangers which any reflective man must see can be on their way against us.

Mr. President, many measures, sir, have in them a vital life that is not seen at the mere appearance, and they serve purposes which even their very authors at the time could not recognize.

Mr. President, in your casual reading I am sure you have run across the celebrated treatise of Guizot upon the Civilization of Europe. Archibald Alison, the great essayist of Scotland—writing from Postlehouse, his private home, in 1841—descants upon the splendid work of Guizot; and, among other things Alison has to say in the form of criticism, is that the work is destined to lay down precedents for the guidance of governments not yet born, and for the direction of men in things which Guizot himself did not understand.

Sir, there is before you an eminent Senator, the junior Senator from Pennsylvania [Mr. KNOX], who does me the compliment of his attention, who, I am sure, has had his attention and has had his mind drawn to the matter to which I now will advert.

In Morley's Reminiscences, in that very interesting book, he proceeds to advert to the literary character of the men he has known who held high places in statecraft; and among other things, Count Morley calls the attention of Britain to how true it is that this interesting adversion of Alison on Guizot and his history of the civilization of Europe has come to pass; that a form of government has come upon Europe which, while Guizot anticipated it as a thing that should be, he never lived to see.

It had no relation whatever to the thing of which he was writing, and he justifies Alison in his then prophecy that a form of relief to mankind would follow from the things set forth in Guizot, but they would come in another government and in another era than that to which Guizot referred in his splendid disquisition.

Mr. President, might I make an application of these observations to this bill? I probably shall not be living—in the nature of Heaven's disposition of us all—it can not be possible that any of us can exist to see the end of the new era that is now upon us; but you will see, learned Senators, that you have now begun, by this piece of legislation, a new era in the formation of this Government, and have inaugurated a policy for those who are not now living, leading to purposes that were never in the mind of the framer of the bill; to objects that are not in the mind of the eminent Senators who discuss this bill from their hearts in sincerity, but which I do respectfully urge are necessary to the welfare of this Republic.

Senators, hear me propound that which in my land—the South—where I was born, will be treated as a heresy, and for which I dare say I will not soon be forgiven.

This Government has reached an end of its yesterdays. There is now no excuse whatever for a sovereign State government. There is now no governmental reason which can be advanced in the mind of a thinking, reflective man for that organization called the sovereignty of a State. We have grown so close as a Union that we have become in the United States a state of Government; and, Mr. President, you will see in the changes of this Government a result that will bring us to but two forms of sovereignty in government. The municipality, with regulations for its people at its doors through its own local charter; and, then, the national legislation for the government of the country at large. This railroad bill, sir, in its execution, will hasten this sure transformation, establishing the Nation as a union of service to the people and a Republic of national defense, unhampered by divided powers contented for by certain States, that is coming upon this Government.

Mr. KNOX. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. LEWIS. I yield to the Senator from Pennsylvania.

Mr. KNOX. May I not inquire of the Senator from Illinois if the same reasons will not always exist for the States' existence that existed at the time the States were created?

As I recall, some of our most friendly critics, at the time of the formation of this Government, predicted that because of the vast area of our country—and it is much more vast now, probably three times greater in area than it was at the time of its formation—because of the necessary differences in climatic conditions, because of the differences in the habitudes and necessities of the people, because of the great mountain ranges and other physical divisions which appeared to cut this continent up into territory that would naturally be under different sovereignties, this Republic could not endure.

But the answer was made at the time that all these local things—these questions of ministering to the wants of the people of Texas, which were not the same as those of the people of Maine, or the wants of the people of Florida, which were not the same as those of the people of California—being committed to the States, which could locally govern within their boundaries, that constituted the cohesive bond that was going to hold this country together practically perpetually.

I ask the learned Senator from Illinois if those reasons are not as great to-day as they were at the time they induced the formation of the Government upon its present basis?

Mr. LEWIS. Mr. President, any inquiry from the junior Senator from Pennsylvania is not only pertinent, but we who know his character and information respond to it with the consciousness that it is always important. This much, sir, must be conceded in his premises: There were those at the early foundation of the Government who despaired that the Republic could exist in the form of separate sovereignties. They were very far apart, and, as the Senator says, it was charged that they were very discordant and diversified, indeed, conflicting in their interests. True, there were those who insisted that some of those localities were not fit to exist as States. Mr. Webster, for instance, could not see the great western prairie except as a land to be abhorred, not as one to be cultivated and to exist in the form of States.

I say to the Senator, I think the reasons do exist. I say to him he is accurate, and the spirit in which he speaks is one that ought to be preserved, from my conviction; but I am compelled to point out to him the movements of the time, and to remind him that from the day of which he speaks up to some years ago the Supreme Court of the United States, the final arbiter in all these matters of conflict, recognized those sovereignties as having some existence of government, and recognized them as being able to protect their own diversified interests, and allowed them within their own gates to administer their own affairs unhampered from the Federal Government or from the outside—that is, from other States. But I must remind the eminent Senator that in the latter years the Supreme Court of the United States has denied any State of the Union, in reference to transportation or any other subject matter that is indulged across its State lines, a sovereignty of government, and has practically left the State a mere province of the Federal Government in which the Federal laws are to be administered.

May I remind the Senator, eminent lawyer as he is, and once Attorney General of this country, to the pride of the profession, that the Supreme Court of the United States has only lately held that even in the case of a railroad within a State, because it has lines that make connection with roads outside of the State, the local regulation of that local institution is void when it runs counter to something that the Interstate Commerce Commission has held upon a similar subject, for that it related in the nature of things to the disposition of that which did cross State lines and was connected with other States.

Mr. KNOX. But, if the Senator will permit me again——

Mr. LEWIS. Certainly.

Mr. KNOX. I quite agree that in certain directions the tendency toward centralization has gone so far that there is practically not a shred left of State authority. Of course it is well known that under the commerce clause of the Constitution this great progress has been made, and I am willing to concede that in dealing with the transportation interests of the country they have at last become absolutely centralized. But the point that I desired to make a moment ago was this:

I wanted to challenge the statement of the Senator from Illinois, as I understood it—and I think I am correct—that there no longer exist reasons for the States; that we have at last gotten into a condition where there is no legitimate reason why the whole of the Government of the American people should not be centered in the United States.

I called the Senator's attention to the reason why the States were created. I called his attention to the fact that there must be some localized government to deal with purely local interests; and in my judgment those reasons are greater to-day than they were when they impelled the fathers to create this Government upon its present model. If the Senator from Illinois is willing to do so, I should like to have him state more at length why he thinks there is no reason for the existence of the States.

I can imagine, Mr. President, that the time may come in this country when the American people will be convinced that there may be reason for resorting to arms to preserve the States, as there was at one time to preserve the Union. I regard the maintenance of the function of the States as that function has been exercised, and for which they were created, as being as important as any other institution of our Government.

Mr. LEWIS. Mr. President, I would that there were more students of government such as the eminent junior Senator from Pennsylvania, and I would, sir, that there were others who had his conviction and would execute that conviction in high places. I agree with the Senator there has been a school, a political school of mind, sir, for which I have fought, but I am compelled to say again, sir, that those in power in this Government have left us now little reason for the continuation of a sovereign thing, or a thing called sovereign, which we term a State.

It may be, sir, that, as the eminent Senator says, wisdom will come back to us, justice return, and that these localities will be treated again as having a governmental existence justified in themselves and worthy to be defended.

I remember in the celebrated case of White against Texas—Seventh Wallace, I think it was—the Supreme Court of the United States, in making a splendid definition of it, referred to them as indissoluble agencies, and referred to them as sovereign States of the indissoluble Union. But we can not overlook the fact that since then, in nearly everything that the State government has assumed to do that could be said to be sovereign in character, the Federal Government, in some form or another, has so ignored it as to leave the States, as I have remarked, without a reason for their professed sovereign existence; and I was pointing out, as the eminent Senator will recall, how the trend of the times was repealing the State.

Let me go further, sir—it may shock you, knowing, as I do know, the eminent Senator's regard for the Constitution—likewise the trend of the time and events seems to me to be repealing the United States Constitution. It is a new era to which I am alluding setting upon us. It mostly calls for a new constitution.

Now, I want to meet a proposition of the eminent Senator from Pennsylvania, which, I think, is most worthy of thought, and that is that there must be some form of government, local of character, to administer to those particular needs local of nature. I remind the eminent Senator, as I do the Senate, that when the fathers laid the foundation of this Government and gave to the States a sovereign character of government, to which he alludes, many of them then and for years after had not the population or government of many of our small cities. To-day, I may say to the eminent Senator, our form of government has changed. Instead of going to the legislatures of the States for incorporation acts to incorporate a city or to have a street railroad or a corporation, so termed, incorporated, nowadays a charter is voted by the people themselves in the different municipalities, and whatever power they wish to take to themselves they do it by their own voice—by their own vote.

Therefore, I say to the able Senator, my vision as I see things, however much I may fear its consequences, is that the local government that will now take the place the State formerly held as to local institutions, or personal government, which has been so usurped by Federal rulings, Federal policy, and Federal extension, will be the municipality. It will serve in a local sovereign character through its own charter, a private or local government necessary to the welfare of the citizens in all local matters in which the citizen in his home is concerned.

That seems to me to be the trend of the future and looks to me now the end to which things are tending.

Mr. President, I appreciate the interruption of the eminent Senator, because it is a very interesting question. I did not intend to get so far afield. I certainly did not will to take so much time; but I thank the Senator for letting me make more clear my views, lest it might be misunderstood if left without explanation, without the general discussion that has followed through the appropriate interrogation.

Mr. President, let me address myself for one or two moments to some opposition to this bill. The eminent Senator from Iowa, the senior Senator [Mr. CUMMINS], has pointed out at very great length, and I personally witnessed the amount of industry—the assiduous industry—the tireless energy that he brought to bear in the investigation of some figures which he presented here to the Senate. The Senator says that the property of these roads, together with their earnings, disclose very clearly that we are not getting a security for the amount of money we are advancing; to the contrary, that much property is being put upon them that is worthless and much money we are giving to roads which have behind them, and will have, no security as gathered from the reports of their earnings.

The very thorough senior Senator from Nebraska [Mr. NORRIS], fortifying this viewpoint, likewise presented tables of his own to justify this form of objection.

I think, Mr. President, much must be said in favor of it; that it may be true that the disclosures of the road show that in many instances there is not a property earning that has now so much space and paper value as full security for the money we are advancing. But I ask all these Senators to hearken to the speech of the Senator from California, the junior Senator [Mr. JOHNSON], and ask them if they will not agree with him that that condition is largely due to the way those roads were managed, to the great expenses which are piled up, to use the figure of the Senator which I regard capable for them, piled mountain high, the excessive salaries they pay, many useless appendages which took a form of title and assumed a social superiority in the places where they live, and domination of legislators and purchase of judges, a form of extravagant outlay, vicious and corrupt expenditures, indulgences of a nature that need not be described at this time, but which in their saturnalia were vicious and nothing less than criminal.

I take it, eminent Senators, that with these things cut away, cicatrized, with these things dissected, removed, the Government coming into the management, these expenditures will be so eliminated that the earnings of the roads will rapidly rise to the point where the eminent Senator's objection to this bill on that ground would be no longer applicable.

But I am compelled to say to Senators if the objection is well taken, and as I think in some instances by comparison clearly it was, should they view the bill only as a loan, merely to give money to roads for money in return, ultimately to be foreclosed in the form of a mortgage, then it must be said that the diligence of Senators in pointing out the insufficiency of these securities is to be commended. If they see opposition to the bill on that ground, that opposition can not be overcome by these reports of the railroads.

But, Mr. President, I invite the Senate's attention to a homely illustration. Here is a building across the street valuable, the land upon which is very valuable, it is acceptable for residence, but those who have managed it have managed it so badly that they have not brought forth an income from it. They have dismembered it generally. They have left it dismantled; they have created a plague upon the building. They could not get any tenants; it could not produce a paying income. Would that be a good reason to urge against those who wanted to possess the building, who could give it industrious attention, who by rehabilitating it could rent it out in every room and draw a sure income and profit from it? I can not think so.

Thus I view this bill, Senators. I may be in error, amenable of course as I am to mistakes, but in this bill that apprehension was had in a part of the bill in committee as I helped shape it. I feared the opposition to the bill we should find with these deficiencies pointed out by these industries, Senators, when we take the property which is the property that is the security, but under our management we will make it pay for itself doubly and overdoubly, because we rid it of that incubus that has so long been fastened upon it in a vampire form as a fungus growth. That will no longer occur; it will not longer plague and destroy it. For that reason, sir, admitting the objection of the eminent Senators, I say it will be overcome by the mere transfer and change which the bill contemplated.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Illinois yield to the Senator from Utah?

Mr. LEWIS. Gladly.

Mr. KING. As I understand the Senator, he justifies this legislation, in part at least, because he believes that the operation of the railroads will be much more efficient and economical in the hands of the Government than under private management; and I deduce from his remarks that he supports the contention of the Senator from California [Mr. JOHNSON] that the Government ought to own the railroads, because it will operate them with greater efficiency and economy, than the present owners can or will operate them.

Does not the Senator know from his large experience in public life, from his extensive acquaintance with governments, ancient, medieval, and modern, and particularly our own Government and our own States and municipalities, that whatever work or enterprise the Government undertakes, whether the improvement of rivers and harbors or the erection of buildings—indeed, whatever it touches, the cost has been greatly in excess of what it would have been under private management and ownership? Does not the Senator know that notwithstanding there have been mistakes, and in many instances extravagancies, it is claimed by railroads that 75 to 95 per cent of all industries of the United States which have been chartered have gone through the bankruptcy courts or have been reorganized because of mismanagement, that the railroads present perhaps a better picture than the private enterprises of the United States that arose under corporate authority, and have been the subject of corporate control and management?

Mr. JOHNSON of California. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from California?

Mr. LEWIS. At this time, if the Senator from California desires to respond to the Senator from Utah.

Mr. JOHNSON of California. I wish to suggest simply one very brilliant example quite contrary to what has been suggested by the Senator from Utah, the history of the Panama Canal. The greatest engineering feat ever undertaken by man was built governmentally and built for a less sum than private enterprise could have done it.

Mr. KING. If the Senator will pardon me——

Mr. LEWIS. I, of course, yield to the Senator.

Mr. KING. I wish to dissent absolutely and unqualifiedly from the statement made by the eminent Senator from California. I submit, Mr. President, that that canal could have been constructed for 50 per cent of what it has to date cost the Government. I have not time nor opportunity to go into that now.

Mr. KNOX. Mr. President——

Mr. LEWIS. I yield to the Senator from Pennsylvania.

Mr. KNOX. I crave the indulgence of the Senator from Illinois for just a moment.

Mr. LEWIS. I yield gladly.

Mr. KNOX. I who had something to do with the Panama Canal can not allow that statement to pass unchallenged. I wish to say to the Senator from Utah that there has been nothing in the last 15 or 18 years to which I have devoted as much attention in all its phases as to the Panama Canal. It happens that the canal would never have been constructed at Panama if it had not rested upon my own opinion as Attorney General of the United States that there was a good and sufficient title to be obtained. Otherwise, under the provisions of the Spooner Act it would have been built at Nicaragua.

It happened that I was on the Canal Committee of the Senate when we decided the present type of the canal, taking up all the engineering questions and all the questions of cost and passing on the difference between the propriety of building the present lock type and a so-called sea-level canal. It also happened that I was on the side of the minority of that committee in favor of the present type and was appointed to conclude the argument in favor of the minority report.

What I am stating, Mr. President, I am not stating boastfully, but for the purpose of telling you the basis of some of my information.

It likewise happened that after the Senate had been polled and it had been determined that the sea-level type had a comfortable majority, when the vote was taken the present type won out, and several Senators did me the compliment to make the statement that they had been convinced by my argument.

I might go on and tell you half a dozen other very important relations that I have sustained to that project. I happened to be in the Cabinet when the question of construction came up, when tentative bids from private parties were considered, which were so overwhelmingly beyond anything that the engineers had informed us in committee that the work would cost that President Roosevelt decided that he would dismiss all idea of private contract and make no further consideration of proposed bids, but that he would send Gen. Goethals to Panama and tell him to build the canal, and he did build it. I also happen to know a great deal about the construction of the canal; for instance, the building of the Gatun Lock and those great gates, which are the wonders of the world, and I am perfectly certain if the Senator from Utah makes the investigation it will convince him that the canal could not have been built for less than it cost the Government, and he would find that it would have cost 50 to 100 per cent more.

Mr. LEWIS. Mr. President, I am glad to have had this contribution made to the debate.

Mr. JOHNSON of California. Mr. President——

Mr. LEWIS. I yield to the Senator from California.

Mr. JOHNSON of California. May I adopt what has been said by the distinguished Senator from Pennsylvania concerning the Panama Canal? It answers conclusively the vigorous dissent of the Senator from Utah, and refutes conclusively his animadversions upon that marvelous, efficient, and economical construction by the Government.

Mr. LEWIS. Mr. President, this much must be said before I respond directly to the query of the Senator from Utah: It has been published through certain railroad engineers—the statement that the Panama Canal could have been constructed with more effect and the slides averted, and these charges have been made in certain quarters. It is a very natural thing for the Senator from Utah to have his mind addressed to that early cost, because of those general publications; but the Senator from Pennsylvania, giving some definite reply to that, may disclose information of greater accuracy, we can readily conceive, and we can use the Panama Canal as a fitting illustration of some Government operation. But I do not have to enter into that, because I may amuse both Senators—the Senator from California and the Senator from Utah, who opposes his view—by saying I differ from both of them. I do not agree with the eminent Senator from California on one phase nor with the Senator from Utah upon the other. I am not at this time, sir, an advocate of the operation by the Government. I am for the ownership by the Government, the control by the Government, and then the matter of the operation of each piece of property and the need of the Government.

Mr. SHERMAN. Mr. President——

Mr. LEWIS. I will yield to my colleague in a minute. If it were better that we should contract any particular operation through lease, I would regard that as a privilege of the Government. If it would be better it should be done through private contract, without regard to lease, I would approve it. If the Government found an instance where it could operate itself, and could do so by first disclosing that to its representatives and have it work on whatever commission might be constituted, then that, sirs, would meet my approval.

I decline to adopt the hard-and-fast rule of a Government operation of public utilities merely because it may own the utility, and I now want to say, sir, I gave to this subject as full investigation as my limited industry and capacity would afford. I happened to bear the position of legal officer of the city of Chicago when we were taking over the railroads. That is a great municipality, larger than many States of the Union in its population. Finally, sir, we reached a system of city ownership of property, but allowing it to be operated by private operators under an agreement and understanding with the city. Then later that was amended and changed, but in some form it now continues. During that time, not being convinced by something that the Senator from Utah has said, something that my eminent colleague yesterday referred to in respect to the Governments of Europe, a certain form of political management can lead to the defilement and certain destruction of it, and oftentimes a corruption of it. Then I answer the Senator saying specifically, sir, because some Governments have shown their inability to conduct these large enterprises with cleanliness and honor is no proof that we would fail or those same Governments have failed to conduct their private affairs, their loyalty, or patriotism by the standards of honor. Yet, sir, that would not argue that we would also be deficient in the same thing. Let me advise the Senator from Utah of a thing that arises in my mind. When it was assumed that we would build the road in Alaska the same objections were heard. It will be recalled that when we had to establish a cable by the Government the same objections were urged. When the Post Office Department was inaugurated the same objections were heard. I remind the Senator when the Federal reserve bank as a governmental institution was presented on this floor eminent Senators presented the terrible picture of my eminent friend from Utah. When the Farm Loan Board was presented ably by the junior Senator from New Hampshire [Mr. HOLLIS], setting forth its operations to benefit mankind, we had the same form of objection.

You will remember, Mr. President, that when there was presented on this floor legislation to provide for the insurance of ships by the Government the same forms of objection were raised; and when there was presented only a short time ago a bill to provide for the insurance of the soldiers these objections were revived, repeated, reaccentuated, reemphasized, and the same mournful prophecies were indulged in, until the atmosphere of the room was a cloud of danger. True, there have been some instances, as the Senator says, where there has been laxity, but because there has been such laxity in a few instances is no proof that it will occur in all.

My eminent colleague from Illinois yesterday adverted to certain Governments of Europe which had failed in their operations, but he could have well recalled that these same Governments failed in the administration of their local affairs so corruptly that many of their members were sent to the penitentiary because of their offenses.

Mr. SHERMAN. Mr. President——

Mr. LEWIS. I yield to my colleague.

Mr. SHERMAN. Mr. President, I want at this time and place to file a plea of equitable set-off of Hog Island against the Panama Canal. [Laughter.]

Mr. LEWIS. Mr. President, I know——

Mr. HOLLIS. Mr. President, will the Senator from Illinois yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LEWIS. I yield to the Senator from New Hampshire.

Mr. HOLLIS. I should like to direct the attention of both Senators from Illinois to the fact that the money being spent on Hog Island is being spent under private contract and not by Government officials.

Mr. LEWIS. Mr. President, in reply to my colleague's statement, in which he wishes to offset Hog Island against the Panama Canal, and does so as a matter of plea, I recall that, in the ordinary usages of court practice, if one does not wish to proceed under that plea, he moves to strike it out; but I would do it no such injury. I rather think it is timely to tender it for contemplation and for the reason that the junior Sentaor from New Hampshire [Mr. HOLLIS] gives, that it is a marvelous illustration of how the Government, advancing money upon the confidence of men engaged in private enterprise, could be so deceived by them, and of how, to use the words of the junior Senator from California [Mr. JOHNSON], under the guise of patriotism, men could have so pillaged the Government, defiled their own honor, and debased the Republic before the world. Mr. President, in this place I would do no injustice. I will not sit in judgment on any matter that is now under inquiry, and I will qualify my statement by adding, "if the reports in the public press be accurate."

Mr. SHERMAN. Mr. President——

Mr. LEWIS. I yield to my colleague.

Mr. SHERMAN. There has not been a dollar paid on the Hog Island project that has not been paid by Government authority and under Government inspection. Even the piles that have been driven were inspected by Government authority, but when the work was rechecked it was found to be 25 per cent deficient. It is true, as the Senator from New Hampshire [Mr. HOLLIS] says, that some private interests probably have not performed their full duty, but it is a Government undertaking,

and ought properly to be set-off here against the one isolated successful Government undertaking, namely, the construction of the Panama Canal. The only instance I know of in the history of the United States where the Government undertook a great work where the taxpayer has not been cut clean to the bone is the Panama Canal, and that was constructed under most unusual conditions, by the exercise of very great vigilance, in a time of peace, with subcontracting at the lowest possible limit, with labor and material provided under the most favorable conditions, and with the vigilance of the executive department and all of its distinguished helpers exerted to the utmost. Under such conditions as never were presented before the Panama Canal was built, and to cite that achievement as an instance of what the Government can do is a good deal like the frequent undertaking to prove that the Government can do anything. It has never done anything successfully of an essentially private nature except in the one instance, Mr. President, of the Panama Canal, cited here this morning. I can cite everything from the beginning of civilized government down to date, from the beginning of the Christian era until the Panama Canal was constructed, and can demonstrate that in no time has the Government ever, as compared with private enterprise, efficiently performed anything. It has not even in time of peace taken care of its own departments without permitting itself to become entangled by a red tape that can only be removed by criticism of men in authority even in time of great public peril. If we had undertaken anything of this kind in time of peace it would have been a fair test, it is said, but in time of war, when vigilance and promptness are required and when every public interest should be bent to the performance of the public service, we, by committees in this body, have been compelled to investigate and to remove the impediments that have been encountered because of the lack of energy and of ability in peace times to perform necessary functions by this Government. Yet, Mr. President, the Panama Canal is held up as an instance of Government efficiency.

Mr. JOHNSON of California. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from California?

Mr. LEWIS. If my colleague has finished—I do not want to interrupt him—I will yield to the Senator from California.

Mr. JOHNSON of California. Mr. President, again I beg pardon of the Senator from Illinois for an interruption and the encroachment upon his time. I will not occupy his time to discuss what governments may have accomplished from the dawn of civilization. I am very glad that in the one instance challenged, namely, the Panama Canal, the work is admitted to have been performed well by the Government. As one of the Members of the Senate familiar with Hog Island developments, I want to make plain that the Hog Island situation results not from the Government doing the work but because the great financial interests and the great captains of industry of the Nation are doing the work, and doing the work as private contractors under a Government contract. So, unfortunately, Senators can not offset one against the other the two instances before us—the Panama Canal and the Hog Island scandal.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kansas?

Mr. LEWIS. I yield to the Senator from Kansas.

Mr. CURTIS. I think, in justice to the situation, that it is only fair to state that when the Panama Canal was first suggested it was estimated the cost of its construction would only be $110,000,000. The estimate was afterwards increased to $250,000,000, then to $300,000,000, and before the work was completed the cost ran up to about $500,000,000.

Mr. KING. And let me say, Mr. President, if the Senator from Illinois will pardon me, that the work is not yet completed.

Mr. SMITH of Michigan. And it never will be so long as the canal passes through an area where earth slides occur from time to time.

Mr. LEWIS. Did the Chair inquire if the Senator from Michigan desired me to yield?

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. LEWIS. I will yield gladly to the Senator from Michigan, if he desires to proceed; otherwise, I yield to the Senator from Illinois.

Mr. SHERMAN. Mr. President, I want to say as to the Hog Island situation that I do not want to inject that into this discussion now, but I will discuss it in its proper time and place, and find out whether or not the island is improperly named. [Laughter.] It is sufficient to say, Mr. President, my original proposition, which I stated without any expectation of provoking this encroachment on the Senator's time, was in order to preserve my rights and to give due and timely notice of the equitable set-off that ought to be made, for the Government, I will say, since the Hog Island question became a mooted one here, supervised every step of the work, and if it has not restrained what I consider the avarice and the undue desire to profit on the part of certain private interests it is because of the Government's incompetence and negligence up to this time. It has apparently aroused itself at last, and has I think placed itself in a fair way of checking this undue profiteering; but it remains to say that the Government is in a fair condition there to be deprived of a large sum of money unjustly. Government contracts prove nothing in the construction of the Panama Canal as compared with the vast sums that have been taken away by Government contractors, beginning with the cantonments and running on down to Hog Island. At the proper time and place, on the floor of the Senate, when it is an issue, I shall present the matter at length, when I shall not encroach on some other Senator's time.

Mr. KNOX. Mr. President, may I interrupt the Senator just for a moment?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. LEWIS. I yield to the Senator.

Mr. KNOX. I call the attention of the Senator from Illinois [Mr. SHERMAN] to the fact that obviously he did not catch the emphasis with which the Senator from California [Mr. JOHNSON] referred to the Hog Island difficulty. It seems to have turned out that it was because of the connection with that vast enterprise—vast in every respect; vast financially; and vast materially—of "captains of industry." That seems to have been the trouble down at Hog Island; and I suggest to the Government that if we want to avoid scandal as to these great enterprises, requiring great intelligence and a great expenditure of money, we should hereafter let them out to the corner grocery man or to the blacksmith.

Mr. JOHNSON of California. If we did so, perhaps we might have a greater degree of honesty in the execution of contracts.

Mr. SHERMAN. The whisky ring, for instance, some years ago robbed the Government itself blind.

Mr. LEWIS. Mr. President, as to this conflict between the junior Senator from California [Mr. JOHNSON] and the junior Senator from Pennsylvania [Mr. KNOX], I will leave to Patroclus and Ulysses the settlement of their own difficulties in their own tents. I will, however, refer for a moment, having been drawn quite afield, to the fact that my colleague [Mr. SHERMAN] indicts everything that the Government has done from the beginning of the world to the present time, and seemingly my eminent colleague gives absolution to Government enterprise, only providing it exhausts the whole bloody atonement.

Mr. President, I recognize that on that question there will be many differences and that these differences will remain. This much, sir, I say to the eminent Senator from Illinois, who made his offset of Hog Island as against the Panama Canal, that I understand the Hog Island enterprise—and I use that word, of course, now, with full knowledge of its meaning—if the reports in the public press are accurate, is being investigated; and while that investigation is pending, of course we will not prejudice it. The only observation I can make upon it is that if reports be true, whether the island be properly named, the undertaking seems to have been justly characterized as more hog than island; but we must await the future development of the investigation in order to arrive at the truth, and we will refrain here from rendering judgment against anyone while he is upon trial and leave it to the judgment of those who have been constituted as his triers.

I wish to bring my observations to a close. I fancy I have taken time that other Senators would like to have occupied, and I do not wish to exhaust their opportunity. I shall conclude on the question of Government operation. I have but one other word upon it.

I trust whenever this Government shall make its advent into taking over these great public utilities, which are necessary to the public welfare, particularly those that spring from nature, for the welfare of man, that it will do so honestly, and will do so under the spirit of justice. I trust there will be no indication to any American citizen of a spirit of confiscation; that there will be no money expended by any citizen honestly for stock in any road that will not be justly returned to that citizen. I hope there will never be an aspect indicative of any property confiscated by this Government merely because of either commercial or military necessity; that when the time comes that we shall appropriate it in whatever nature we shall adopt, there shall

be neither pillage nor robbery of any citizen, either of "the captain of industry" on the one hand or the defenseless toiler on the other.

Therefore, sir, when that era shall be ushered in, it will be ushered in within the law; that we will have liberty and justice according to the declared laws and policy of this country.

Mr. President, I therefore say to Senators whether this entrance of Government into this new era of the possession of public utilities shall be begun in order that mankind shall neither starve nor freeze at the dictation of the masters of finance or those who would be so selfish as to demoralize the community for their private gain, or whether we shall take them upon the ground of essential national defense, that we might anticipate such an hour as is already around us, and that which I fear is multiplying far in excess of the present into much more disastrous conditions than any man can at this particular time with propriety describe. Whether from that reason or any other we are upon it. Sir, I dare prophesy to you that in the next national convention, or whatever form the nomination of our President shall take, the one principal issue of the political campaign, as a matter of domestic and home discussion, will be this one of Government taking over these enterprises for the uses of Government when necessary to governmental welfare in the future policy of the Government in that direction. I prophesy that that one question, coupled with those that shall grow out of the war and the peace treaty, will be the great questions upon which our next election will depend and turn. So whether we shall invite it now, eminent Senators, or are prepared to consider it now, rest assured it will be, as I see it, the most important question for your consideration at the next great arbitration before this country as to who shall be its Chief Magistrate—the President of the United States.

Mr. President, I have a conclusion, and I tender it. There are those in the land who fear that in America there will arise the Bolsheviki or such a spirit as is now in Russia and as threatens Russia and Europe. Senators, I do not indulge in any such apprehensions. I think we do a great deal of violence to the property of America to let the owners feel that we see such a shadow. We do great violence to our own institutions by intimating that they have now reached a point where they could produce such apprehensions or anything in them could justify such.

Let me assure Senators, as I see it, we have no such fear in America; and the reason: These particular revolts, such as the bolsheviki, or in all the world under Marius, Gracchus, or under leadership in China, or that now of Trotzky and Lenine, in Russia, have only sprung up where the land of the people has been so monopolized by a few that homes for the individuals have been impossible, or, as was the condition in Ireland some years past, which is familiar to us, and as was the case also in Poland, where the land was so possessed that every man toiled as a tenant, and what he produced was appropriated from him, so that he had no hope to possess the fruits of his own toil or the blessings of independence. There is no such condition in America. As rapidly as the cities shall fill up and there ensues great competition as to toil, there will be land inviting, land of which you, eminent Senators from the West, so profoundly speak from time to time. Your gates are open from Omaha to St. Paul, out toward Ogden. There lies that great West, ever beckoning on, through to Alaska and Hawaii, where homes are ever ready for 20 generations yet unborn. As rapidly as there shall arise in our cities turmoil and confusion, resulting from competition of labor or discontent, men will move just a little farther into the wider field, into the open area, into the welcoming gate, into the new land, where they will possess their homes, and where they will own the fruits of their industry and enjoy independence. So the condition which makes for these which we call the bolsheviki does not exist in our land; and that class of men who revolt under the name of Industrial Workers of the World, or any other euphonious title, to war against every form of government, every form of restraint, all forms of justice, can not justify their action on the ground of a necessity of conditions. It is born of the spirit that does exist in certain mankind against every form of restraint, and which revolts against honest toil, and is ever lodging its protests by assaults waged against the organization of government itself. They present us nothing more than a repetition of those illustrations which have attended all government since it blossomed under the sun and smiled as under the blessing of God.

But, sirs, I do warn you—if I may be pardoned for that admonition—that unless we take some steps as legislators to let the great mass of the people see that these public agencies, created for their welfare, are possessed, dominated, and directed for that welfare through themselves by that agency they call government, they, mistaking the condition, will in one form or another organize into expressions of revolt or revolution against law, against government, against officials, and breathe here and there spasmodic anarchy from street corners to communities, from time to time unsettling all government, overthrowing all law, destroying every form of organized society.

Nothing, sir, will so compose this country, ward off the possibility of such revolts as we see around us, give confidence to the toiler, infuse a sense of regard in the farmer, and make the public at large feel that this is their Government, as to assure them by our legislation that all of the agencies produced by nature for their welfare have been taken charge of by their great trustee, their Government, to be administered in their behalf, and not to be controlled by private agencies for personal pillage to the denial of public welfare. Then, sir, with this assured, the people will be secure, communities serene, our land restored again to confidence in law, and we will move on as a government of competition in genius—in industry of man, of prosperity of nation, and of glory of Republic.

Therefore I support the bill, because I feel that it opens the era when this Government at last shall announce itself a Government, not a delusion; a Republic of law and justice, not a combination of confusion and disappointment.

I thank the Senate for its indulgence.

Mr. JOHNSON of South Dakota. Mr. President, when the transportation bill, which we now have under discussion, was reported last week, I offered the following amendment:

SEC. 13. That the Federal control of railroads and transportation systems herein and heretofore provided for shall continue for and during the period of the war and until Congress shall thereafter order otherwise.

This amendment simply reinserts the original provision in the bill as it appeared when first introduced, and the importance of retaining this original matter in the bill so as to prevent setting any fixed date within which the Government would be obliged to return control of the railroads to their original owners should be apparent to every Member.

The bill, as amended by the committee, prescribed, among other things, that within 18 months after the close of the war the Government shall return all the transportation lines to their original owners which have been taken over.

Mr. President, as I look at this question, such legislation would not be fair to the public nor to the stockholders of the railroads, because it would not give a reasonable time to the country to practically demonstrate Government ownership, which should be done. Surely no one would be so unfair as to say that during the war period, such as is upon the country today, and during the few months allowed by this bill after the war closes a fair chance could be had to test the wisdom and advisability of this manner of handling and controlling the transportation systems of the United States. And Congress, in my judgment, would do a very unwise thing to prevent by legislation a full, impartial, and satisfactory demonstration of such course by the Government. We have been compelled through lack of efficiency to assume Government control, and now that we have been forced to do this, would it not be the part of wisdom and equal justice to everybody to retain possession of these carriers at least until we could make the most thorough and practical demonstration of this great question, which has agitated the public mind for many years, and forever settle the question one way or the other? It would neither be fair to the Government nor to the railroads of the country to handle it as the bill provides; and when I use the word "railroads" in this connection I want it to be understood that I mean the small stockholders—those who have the actual money invested—because I believe they are anxious to test the advisability of this great undertaking, so as to give them an opportunity to determine whether their money has been honestly and efficiently handled by these great corporations and fair dividends returned in accordance with legitimate profits, honestly earned, if the roads had been operated on strictly business principles.

Mr. President, this is one of the few questions in which, to my mind, we all have about an even start. I assume to know but very little about the subject, and, so far as my knowledge goes, no one in this body has had any practical experience with the question of Federal ownership of transportation systems. The only experience I have ever had along this line is with our Government-owned subway monorail in the basement of this building, and the transportation and fares have been entirely satisfactory to me. [Laughter.] But, as one Member of this body, I would like to see a real practical test of the question. From my observation through life, I have reached the conclusion and desire to place myself on record as favoring Government ownership of railroads, at least until its worth to the people has been fully demonstrated. This is something in our history which is entirely new and untried, and, if we desire, we can give it a thorough trial as to its merits now. We have not

taken control of the transportation lines of the country by force, but by the consent of the railroads themselves, and we are agreeing to pay them a high rate of interest. They are perfectly willing to pass the buck along to the Government to operate them in times like the present, which try the souls of men. We have accepted the responsibility. Why, then, should we be compelled to fix a date when we shall deliver them back?

I have been informed by those in a position to know that the practice of many railroads, in building their lines, has been to immediately bond the road for about twice the actual cost of its construction, sometimes more and sometimes less, and then expect them to pay dividends upon the full amount of the bonded indebtedness in excess of the actual capital, as well as the capital stock itself, and also upon this basis go before the Interstate Commerce Commission and present in justification of their claims for rates to the public for transportation and service the same unjust and unfair practice. That is exactly what they do, and they will ask us to do the same thing in our settlement with them.

Mr. President, the argument of those who are opposed to Government ownership is that the Interstate Commerce Commission is empowered to fix rates and regulate traffic in the interest of the people, thereby protecting the public from exorbitant rates. My understanding of the power of this commission is that it may fix rates upon certain classifications, and they may make certain orders, but the railroads may to-morrow change the rates of to-day by simply reclassifying the goods and freight shipped, and we all know that orders emanating from the Interstate Commerce Commission have been violated every day in the year as they existed in the past, and will be violated as long as the transportation systems of the country are in private hands.

The one question of the greatest importance to the country in transportation matters is freight rates. This is a question which will make or break individuals or companies in any line of production, and will make it possible or impossible for small producers to compete with large corporate producers. I refer to the custom for many years past, and still the custom of to-day, concerning the shipment of goods to terminal points—the great centers of the country—at a less rate than for which goods can be shipped over the same line of road to less favored points which are much less distant.

I ask permission to insert a letter in the RECORD which I recently received touching on this point:

SPOKANE, WASH., *February 12, 1918.*

Hon. EDWIN S. JOHNSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: When the Newlands Commission was in session last fall in San Francisco, evidence taken there disclosed that the Interstate Commerce Commission had granted over 10,000 exceptions to the fourth section of the act to regulate interstate commerce.

The granting of these exceptions has been so wide and sweeping that it has gotten to a point now where the exception seems to be the rule of the Interstate Commerce Commission without regard to what the act of Congress may have been.

I want to call your attention to the attached data which is typical of 10,000 commodities on which unjust discrimination is being permitted in violation of the interstate-commerce act.

While illustrative of Spokane and other inland empire cities similarly situated, it will be found upon examination of railroad tariffs that this discrimination is in force upon the same commodity in a varying degree in every city and town west of Brunswick, N. Dak., to Pacific coast terminals, yet Brunswick is nearer New York by 1,458 miles than any Pacific coast terminal.

May we count upon your support of Senate bill 313, which will correct this situation?

Very truly, yours,

W. S. MCCREA,
Chairman Freight Rate Committee.

This is one of the things which I desire to complain of, as I understand the Interstate Commerce Commission permits this to be done, which must of necessity have a tendency to build up the great centers and large interests at the expense of the intermediate territory and its business men, upon which we are depending to-day to feed these great centers and the world. Surely this sort of discrimination can not appeal to fair-minded people as being just and equal. No man enjoys being robbed under the same Constitution which says he shall not be, and that is exactly what has been the general practice for years past, under the system of private ownership of transportation. The same plan of operation applies to passenger fares, which is, of course, of much less importance to the country, as it only affects those who travel, while the question of freight rate affects all; but the same principle is involved in one as in the other. I can go down to the station here in this city to-day and buy a first-class railroad ticket from Washington to Chicago for the same money it would cost me to travel to a point 25 or 50 miles this side of Chicago, on the same road and on the same train. Things of this nature are in accordance with the system of private ownership as it exists to-day. They are neither fair to the public nor to the stockholder, and in no sense do they conform to justice, but discriminate in the interest of the more favored few. Other practices of privately owned railroads may be likened to a wheel within a wheel. Companies are built up by the managers, such as town-site companies, steamboat and ferry companies, trolley lines, wharves, and so forth, and various other business ventures of a like nature, which make the manipulators rich at the expense of the stockholders and the public.

The ordinary stockholder of a railroad knows just about as much concerning its management, in my judgment, and what they may expect next, as I know or you or anyone else. They are called upon to send their proxies to stockholders' meetings to be voted, as many do not feel that they are justified, on account of their small holdings, to spend money to attend these meetings. These proxies are voted by the manipulators of these railroads for whatever program they want to put through. And so, I submit to you, that it is not fair to the real owners of the railroads, the small stockholders, to not give this matter of Government ownership a very thorough trial when we have the power and right to do so.

I can not believe, Mr. President, that the Congress of the United States desires to handle this great subject and go on record as not giving the people a fair test of this great question, and do not as yet believe it. Efficiency at the least possible expense to them is what the people of the country demand in transportation and what they are entitled to from us, as far as we have the power to act, and surely with the unsettled conditions which will exist after the war is over, operation for a few months, as provided in the bill, would not give us a fair trial. I would rather turn the carriers back the next day after the war than set a fixed time when we must do so, for such a course would only add to our enormous expense without any chance for returns, and would not afford an opportunity to demonstrate the wisdom of Government management.

The opponents of this amendment, and of the bill for that matter, will argue that public ownership of the transportation system of the country is directly contrary to the fundamental principles upon which this Government rests. That argument should have little weight, because, if we demonstrate that this important business can be handled to greater benefit for the people than it has been handled, such argument must naturally fall by the wayside, as it will. Again they argue that political influence will be a serious objection. Such conclusion, as well as the former, should have little consideration in the public mind, and they do not, because, if the railroads in the past have been handled by high-minded, public-spirited men as individual financial enterprises, as has been claimed, surely they would be handled by as equally high-minded and patriotic men on behalf of the Government, because in the one case undoubtedly we are forced to admit that they have been operated for personal profit while in the case of Government ownership no such claim could be advanced. Again, we admit, a necessity exists; otherwise Congress would not have given the President power to take over the transportation business of the country, and it did a wise thing when it gave him that power. Certainly, then, Congress should be willing to enact a law in which it can trust itself in saying when it would be best for the country to turn the railroads back to their original owners if ever. The transportation lines of the United States should be public highways for the use and benefit of all the public. They are the main arteries of trade and commerce, extending from one part of the country to the other, building up the country and making us a great Nation which loves liberty and equality, and these lines should be for the benefit of the public in all that the word implies. They should stand in the same relation to the public as does the public roadway upon which we travel every day. Is there anyone in this body who would permit the ordinary highways and roads of this country to be owned by corporations? No one would consider such a thing for a moment. How, then, can we best serve all the people should be our constant study with regard to these matters and be given our most careful and serious consideration before acting upon this important question.

One immense saving, which I can see in lessening the cost of operation of transportation companies by the Government would be to eliminate the thousands of highly paid officials, lobbyists, attorneys, and certain employees in various capacities, who are a surplusage to actual needs and a dead load to the railroads themselves, costing millions of dollars each year. But this policy has grown up with the system, and they are unable to change it. This item takes that much from stockholders and the public. If the opponents of this amendment are sure that Government ownership is wrong they should at least be fair enough to their constituents and themselves, who are vitally interested in this matter, to give it a chance to be fairly tried as to its practicability and to give the necessary time in order to do it. If we find, after a fair trial, that it would be a failure, I for one will acknowledge my mistake and vote to return these transpor-

tation companies to private ownership; but I first want a chance and a reasonable opportunity to be given in order that we may all know from practical experience and demonstration just what Government ownership would do for us.

No question to-day, aside from the great conflict in which this country is now engaged, is of such importance to every man, woman, and child in America as is this question, because it directly affects every one in some way. The business man, the laboring man, the man on the farm, and the man in the factory all have been made to contribute from their daily labor something unrighteously taken from them to sustain and perpetuate a system, which permits a few men to grow rich at the expense of the poor man and his family.

We have taken, and will take, millions of our best young men from their homes, positions, and professions, depriving many of them of their best years for accumulating savings for the comforts of life when they are old, destroying in many cases the support of families, and send them into the ranks to uphold and preserve the Nation. Let us hope that bye and bye thousands and hundreds of thousands will come back to us. We will thank God for that day. These men will then be forced to take up the battle of life anew. Do not you think we owe it to them to assist in starting them in civil pursuits again with the best possible economic chance we can give them? If you do, you should vote for this amendment. 'Let us try the experiment fully and not tie the hands of the Government in this great undertaking and important matter before starting; and if we find it is best for all the people of this grand old U. S. A., not one of us would favor returning the transportation lines under Federal control to private hands. You would rather keep them and pay a reasonable and fair compensation to their present owners as soon as we could.

Let me present what the representatives of over 2,000,000 workmen say on this point, and I ask to have it inserted in the RECORD in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

To the Members of the Senate and House of Representatives of the United States.

Being fully cognizant of the seriousness of the crisis confronting our country and realizing the dangers besetting our liberties, it is the honest, earnest desire of the railroad employees to give our full, loyal, and united support to our Government and to make certain, clear, and decisive the conclusion of our aims. Therefore we desire to make effective all the agencies of the Government, and we fully appreciate that the question of transportation is one of the important factors at this time.

While we are pledged to, and hereby reaffirm our pledge of, loyalty and whole-hearted support to our country, our Government, and our President during this war, we are aware of the seriousness of the situation that inevitably must follow immediately after the close of hostilities in the readjustment of conditions in the United States; and whereas the Government of the United States has, by proclamation of the President, assumed control of the transportation systems for the period of the war, with which we are in accord, we believe that full time should be given after the close of hostilities to enable just, fair, and impartial determination of the proper methods of adjustment of the rights and equities of the public, the owners of the transportation lines so taken, and of the employees thereof; and as representatives of nearly 2,000,000 employees of the railroads of the United States we most earnestly and respectfully petition the Congress of the United States not to fix a time limit at which the railroads must be turned back to private ownership, leaving this question for future determination, and thereby giving ample time for the adjustment of matters growing out of the temporary control of same, with equal justice to all parties at interest.

Very respectfully,

H. E. Wills, A. G. C. E. and national legislative representative Brotherhood of Locomotive Engineers; P. J. McNamara, vice president and national legislative representative Brotherhood of Locomotive Firemen and Engineers; W. M. Clark, vice president and national legislative representative Order of Railway Conductors; W. N. Doak, vice president and national legislative representative Brotherhood of Railway Trainmen; A. O. Wharton, president railway employees' department, American Federation of Labor; Martin F. Ryan, grand president Brotherhood Railway Carmen of America; J. A. Franklin, president International Brotherhood of Boiler Makers, Iron Ship Builders, and Helpers of America; F. J McNulty, president International Brotherhood of Electrical Workers; James J. Hynes, president Amalgamated Sheet Metal Workers' International Association; J. W. Kline, president International Brotherhood of Blacksmiths and Helpers; Wm. H. Johnston, president International Association of Machinists.

Mr. JOHNSON of South Dakota. Mr. President, I come from the great Middle West, where the people have been robbed by the railroads for so long that they consider it a matter of course, and have almost ceased to expect any relief, and I feel sure in speaking as I do, in so far as South Dakota is concerned, that almost the entire country would desire that the question of Government ownership of railroads be most thoroughly tested now. I am fully aware that the Interstate Commerce Commission has tried to do its duty in relieving the people of this unjust burden. Its members have worked hard, diligently, and faithfully; but with the vast amount of work upon their hands, if one should take up personally the claim of any small shipper with the commission to-day, he should be young when he started in, for in the ordinary course he would be dead before a ruling was made and the provisions of such ruling had been carried out by the railroads. This is the first time in its history that the United States has ever had a chance to determine this question, and we will fail in our duty as the Representatives of the Nation and the several States if we hesitate to go thoroughly into the wisdom of it.

I am a firm believer in the doctrine of letting the people know where you stand on any public question in order that you may have their advice and counsel. Viewing this subject as I do to-day I unhesitatingly desire to go on record as being a firm believer and an advocate of the principle of Government ownership of railroads, believing it to be for the best interests of all the people of the country and that it will bring to them great relief on all questions in which the past system of railroad management has entered into our business life.

Mr. President, there is another great economic question in connection with this subject, as I see it, linked to it by natural conditions, and that is the great labor question. As I look at this subject, it has much to do with my conclusions relating to Government ownership. I can not see why it would not be one of the strongest factors in settling this great question, which could possibly be put into practice. I believe that it would go a long way toward solving this problem, and as I view it, the labor question is the next great and important question which we must face. So I ask you to think about this in connection with the subject matter now before us.

As I have said, the management of the railroads has been taken over by the Government with the consent of the railroad managers themselves, for which we are to pay into their treasuries during the war a consideration based on respective rates of dividends during the three years ending June 30, 1917. These managers doubtless knew, as we all do, that the roads had not been and could not be handled satisfactorily to the general public. At least they were not giving the public the conveniences of travel heretofore enjoyed. Is it not that they may try to make Government control as unpopular as possible for the purpose of demonstrating to the people that if adopted in its entirety it would be a failure? Mr. President, I do not accuse the managers of the roads of having this object in view, but I will say to you that I would not be surprised had they considered this question fully, which, if successfully carried out, would tend to hinder the favorable consideration of this subject, which has constantly been growing in the minds of the people for a number of years. I have had a number of instances cited to me, from which I have arrived at the conclusion that this is possible. A Senator told me the other day that when he was coming down from New York there was no water in the Pullman car in which he was riding and that it was necessary for him to walk three cars ahead before he could get water with which to wash his hands and face. An agent at a small railway station in South Dakota, I learn, had his salary cut 65 cents per day and the depot was ordered closed at 4.30 in the afternoon, after which hour each day no freight would be received for shipment. A number of other instances of similar character have been reported. My purpose in mentioning these small matters is to place conditions as I see them before you for consideration.

There are many evil practices which a change in the policy of transportation ownership would affect and entirely eliminate in the country. There would be no pooling of stock; no dividing up of territory where railroads should be built by any gentlemanly agreements at the expense of millions of producers; no monopolization of stock to exploit it; no discriminatory rates; no bond issues for twice the cost of construction; no small stockholders fleeced out of their holdings through bankruptcy proceedings; no fluctuation of stock to catch the suckers. These things would all be wiped off the slate and in their place would come stability of market values, equality of stockholders composed of all the people, just treatment for the many who have suffered greatly in the past, and the rights of all the people of this great Republic. I will admit that it might hurt some; it might affect a few stock brokers; it might affect the great gambling centers of the country; it might compel some of the railroad manipulators and so-called great captains of industry to go at some kind of honest work; but those who have suffered long at their hands would not be apt to shed any tears at the new order of things, and so I hope you will vote for this amendment, or one of like character, which does not fix any definite time in which the Government will be compelled to turn the roads back to their original owners.

In conclusion permit me to say, Mr. President, that I believe the provision contained in my amendment is fair and right, and by its adoption justice will have been done to all the people.

Mr. HARDWICK. Mr. President, in the act approved August 29, 1916, the Army appropriation bill of that year, Congress enacted the following provision:

> The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other traffic thereon for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

The emergency, however, to which Congress referred was the trouble with Mexico and the presence upon the borders of this Republic and the Republic of Mexico of a large number of American troops. Yet, because the language employed by Congress was general in its terms, two and a half years after the enactment of a provision which was intended to apply to an entirely different situation the President of the United States by proclamation undertakes to take control of and operate the entire railway system of the United States.

I need not say that I share the very clear and forceful opinion expressed on this floor yesterday by the junior Senator from Alabama [Mr. UNDERWOOD] to the effect that the legislation under which the President assumed to act not only did not mean to authorize him to take the action he has taken, but was utterly and absolutely invalid if any railroad in this country saw fit to resist it, because our Supreme Court in adjudications that are unbroken has uniformly decided that Congress can not take over private property for public use without providing for just compensation therefor in the act that authorizes the taking over, and no such provision as that was made in this act. It is therefore apparent that the railroads are not being taken over and have not been taken over against their will or without their consent. Indeed, no well-informed man will controvert the statement that the reasons for this action have not been primarily connected with this war and are largely if not almost entirely financial.

It is true there has been congestion in the railway systems of the country, but how is that congestion to be relieved if the same men are to operate the railroads under Mr. McAdoo? It is true there has been some trouble about pooling and about traffic directions, but it was not necessary in order to cure either of those troubles to take over and operate the railroads of the country. Possibly without any additional law, probably, however, with some slight changes of statute law, the Interstate Commerce Commission or any other tribunal that Congress wished to vest with the authority could be given the power to make these necessary pooling and traffic arrangements and directions without any necessity whatever for the Government to operate the railroad systems of the country.

Mr. President, the real reason for this transaction, for the proclamation of the President of December 28, 1917, assuming to take control, assuming to operate the entire railroad systems of the country under this act of Congress more than two years ago, which was never drafted for any such purpose, is financial. Yet that reason is of such overwhelming strength that it can not fail to appeal to every one of us, and it will not fail to appeal to the country when the country understands it.

The railroads have a bonded debt maturing, according to the report of the committee, one hundred and eighty-eight million and odd thousands—hundreds of thousands—I will just read the millions—in 1918; $188,000,000, in round numbers, in 1919; $186,000,000 in 1920; and $440,000,000, nearly $441,000,000, in 1921.

Mr. President, it has been thought that because of the Government demand for money to carry on the war and of the necessity to float the different issues of bonds that have been already floated and that must be floated in the future, the money market would not respond in a manner sufficient to enable these railroads to meet these maturing obligations, and therefore that it was imperatively necessary that something should be done. That I readily concede, that reason I can understand, that situation I think I can comprehend, but I submit to the Senate and to the country that it was not necessary to take the extreme step of taking over and operating the railroads of this country as a whole in order to provide for these debts. In so far as their operation is necessary to the conduct of the war, in so far as their operation is necessary to the movement of troops, supplies, and equipment, and things of all sorts that contribute to a successful prosecution of the war, undoubtedly the Government could have done one or two things. It could either have advanced the money out of the Public Treasury in the shape of a loan, and that is what it is going to do anyhow, without taking over and operating the property, or it could, with just as much right and with just as much power and with just as much authority, have suspended, temporarily, the collection of these debts, as it suspends temporarily the collection of the debts of the soldiers or the sailors who are fighting for the flag.

So, I say, when I come to consider this situation, my mind halts at the very threshold of this question upon the preliminary question whether or not this taking over of the railroads was necessary. If it was, in my judgment, necessary in order to adequately prosecute this war, I would unhesitatingly support it as earnestly and uncompromisingly as I oppose the Government ownership and operation of railroads or any other form of private business. But, unless and until it is necessary, and unless and until that necessity is demonstrated to a reasonable degree to my mind, I find myself utterly unable to vote for a proposition that goes to this extreme before the necessity for it arises and before the justification for it can be fairly and reasonably established.

My disinclination to do that is enhanced by the fact that in the bill itself provision is made, not that this Government ownership and operation—it amounts to temporary ownership, of course, and to technical operation at least—shall end with the war or within any reasonable period thereafter, say 90 days or even 6 months—it did not take us 6 hours to take them over—but the bill provides that it shall take us 18 months to turn them loose. So if, by the grace of God, a just and honorable peace should come to this country, in common with the most of the balance of the world, in any reasonably near-by time, we would be still committed by this legislation to the uncertain and dangerous experiment—socialistic in its nature and, in my judgment, certain to prove destructive in its results—of Government ownership and operation of the railroads of this country for a period of some two years, as suggested by the House bill, or a year and a half, as proposed by the Senate bill, even if peace came to-morrow.

Another thing is an objection suggested in the able minority report of the distinguished Senator from Iowa [Mr. CUMMINS]. By the way, let me say that Senator has given to this subject—although he does not approach it from exactly the angle and standpoint that I do—a consideration and an ability which commands not only my respect but my admiration.

The Senator from Iowa made the point in his minority report that if this is to be done to strengthen the railroads of the country, to weather them over this financial storm, to provide for them a money market to make up for the money market which they will lose by reason of the Government's necessity, it is manifestly unjust, wholly unfair to extend the benefits of such legislation to the strong and deny them to the weak. Are we only to take the big roads that are strong and earning money and weathering this gale better than anybody else and leave alone and unprotected the smaller and weak and helpless railroads? Does the rain fall on the just and the unjust alike? Does the statute work on the rich and the poor alike? Does the law apply to the big and the small alike? No; it is left with the President to do as he pleases, and already the Director has announced that these smaller railroads will not be taken over, will not be given the benefit which this legislation intends to confer on the railroad system as a whole.

I understand—and I think I violate no personal confidence when I say it—that the distinguished Senator from South Carolina, the junior Senator [Mr. SMITH], who reports this bill, intends to offer an amendment to meet that situation and to treat all the railroads alike, when we come to the detailed consideration of the bill, and I intend to support it. I hope it will pass.

Let me read, because it is short and compact, the observations of the Senator from Iowa on this subject. I am reading from his minority report:

> THE SHORT-LINE INDEPENDENT COMPETITIVE ROADS.
>
> The President construes the act of 1916 to give him authority to take possession and operate any railroad or any part of any railroad. During the hearings it was clearly indicated by the Director General that it was not the purpose to take over all, or even many, of the short-line independent competitive roads. It is obvious that there are a large number of short-line roads which will not be affected by Government operation, and as to these nothing is said; but, on the other hand, there are a large number of comparatively short roads which compete with the trunk lines for traffic, and these roads will be absolutely destroyed if some arrangement is not made for their protection. While in a sense their operation by the Government may not be necessary for the successful conduct of the war—

And that may be said about the whole delectable scheme, by the way—

> they have all been built to give the communities which they serve relief from the monopoly of trunk lines. The welfare of the localities through which they pass is dependent upon their existence, and public interest demands their full and complete operation. If their relations with the trunk lines are destroyed by the diversion of the traffic which they have heretofore carried the outcome is perfectly clear. When the war ends

and the big systems are restored these small, independent, competitive roads will fall into the hands of the great systems for substantially nothing.

They will neither weather the traffic storms nor the financial gales that will fall upon them, and blow about them—

It is probable that if these roads were taken over the liability which the Government assumes would not be materially, if at all, increased, but even if it is enhanced by a small amount the Government can well afford to take something from the excessive compensation which it proposes to guarantee to the big roads in order to save some of the little ones.

Mr. VARDAMAN. May I interrupt the Senator from Georgia?

Mr. HARDWICK. Certainly.

Mr. VARDAMAN. The question I desire to ask the Senator is this: I will preface my remarks by saying that I am opposed to the maximum rates proposed to be paid to the trunk lines; but does the Senator think that Congress would be justified in taking over the short lines of roads just in order to save the roads from bankruptcy?

Mr. HARDWICK. That is what we are taking over the big ones for.

Mr. VARDAMAN. We are taking over the big roads to serve the country, to carry on the war, and not to serve the railroads.

Mr. HARDWICK. They can be required to serve now, and they dare not refuse. There is no use dodging the question. I know the Senator is not trying to dodge it, but there is no need for anybody to try to dodge it. We are taking over the railroads because, in the opinion of the President and railroad people and a great many well-informed people, their financial interests require us to do it; they do not know how they are going to get the money during the next two or three years if the Government loans are to continue in order to enable this country to prosecute the war.

Mr. VARDAMAN. Does the Senator really think that the purpose of the taking over of the roads is in the interest of the roads?

Mr. HARDWICK. I have not any doubt about it.

Mr. VARDAMAN. That statement is, I think, unwarranted.

Mr. HARDWICK. Of course the Senator is entitled to his own opinion; but I will venture the statement that not one Senator out of ten will vote for this bill who in his heart believes anything else.

Mr. VARDAMAN. I most assuredly can not agree with the Senator.

Mr. HARDWICK. The Senator does not think it is the financial situation of the railroads that is at the bottom of this?

Mr. VARDAMAN. I would not charge the administration with that. Taking over the railroads by the Government for the purpose of protecting the interests of the railroads would, it strikes me, be indefensible.

Mr. HARDWICK. I am not charging the administration with it. I say the situation that confronts the country is such that if we are to continue to float billion-dollar loans, three billion, five billion, or seven billion, or ten billion dollar loans, month after month and year after year, the money market will soon be in such a condition that something will have to be done if these agencies of transportation are to operate and meet their indebtedness. But I do not think it is necessary to take them over and operate them. I would rather lend them the money and let the owners operate the roads themselves than to do that. I would rather postpone the collection of their obligations, just as we do with soldiers and sailors. Their operation is necessary to prosecute this war, and we have just as much power to do it in the one case as we have in the other.

I admit that I am somewhat of an old-fashioned Democrat. My mind moves, conservatively, along settled lines. To me it is not necessarily true that what is is necessarily right; but to my mind it is necessarily true that you have got to show me that something you propose is better than the existing order before I am willing to make a change. I think that is sensible progress as well as common sense. Anyway, it is as I view the question. To my mind, from the beginning of this war until the present moment, and I am afraid for some time yet, it seems to me that this country and its Government, its Congress, and its Executive—you notice I class them all together—have made one colossal mistake, which runs through all our plans, through all our preparations, through all our legislation, and through all our executive and administrative acts. What is that mistake? That mistake is that on the threshold of a great war that is to try American strength and that is to test American vitality, that is to challenge American power, we have undertaken to reverse every process of thought and action and feeling and sentiment that have animated our people and have made this country great and strong and powerful and rich and mighty among the nations of the world. It seems to me that it would be just as foolish if a strong man, the vigor and strength of whose manhood is approved, when called upon to face the physical test of his life in mortal combat with a foe, it may be with naked hands, should undertake to reverse all the processes of his life that have made him strong in the few weeks that he was training for the fight.

Ah, Senators, there can be no doubt, in my mind at least, that you would find a greater America, a stronger America, a more efficient America, a more united America in soul, in spirit, in thought, in action, in word, and in deed, if you would pay some regard to the processes by which our national life has developed, if you would pay some regard to the old-fashioned principles, if you would utilize the strength that has come to us naturally, if you would quit trying to combat Prussian autocracy across the seas by establishing in America among her free people an autocracy that is little different from the autocracy over there.

What is the remedy? Whenever you find something that hurts, whenever you find some place where the shoe pinches, instead of going back to the old doctrines of individualism, to the sacred doctrines of democracy and of Americanism alike, you jump at once to the conclusion that you can only successfully combat private monopolies, that you admit your impotency to destroy or control, by establishing in their lieu public monopolies that are hardly more tolerable and certainly little less defensible.

For one I do not believe in it; for one I am opposed to it; for one I am willing to require the railroads, the steamboats, and everybody in this country to do all that is needed to furnish and supply the troops to wage and prosecute this war; but I say you can do that without taking over a tremendous task like the Government ownership of railroads or the Government operation of railroads. That is not necessary, or it would not be necessary under any circumstances, except now and then, when a railroad broke down or some part of the system failed, if that should happen; and I do not think that is likely to occur.

Mr. President, I listened with great interest, with admiration for his facility of expression, for his brilliancy of rhetoric, and for his cogency of logic to my warm personal friend, the distinguished Senator from Illinois [Mr. LEWIS], in his dissertation this morning. He leaped from continent to continent, from one planetary system to another, from universe to universe, from the North Pole to the Equator, in his discussion of this question, and yet every leap brought us to a more attractive stage of the journey and to a more entertaining portion of the distinguished Senator's admirable speech.

The thing that impressed me most was what the Senator said about the destruction of our dual system of government; about the concentration of power, not only here in Washington, and the Senator might have said, but also in the hands of one man, at the expense of the several State governments. Oh, my heart bled, Mr. President, as the distinguished Senator sang that mournful dirge over the tomb of the States; and I want to say to you in sober earnestness, in a spirit of alarm, that he is right. During a service in this Capitol, now approaching its sixteenth year, I have seen the steady march of these tremendous powers, of this centralizing, unifying, autocratic power. I have seen it march by leaps and bounds, unchecked and unimpeded, through every administration during which I have been serving here; but I must confess that it is with the deepest sorrow and the most profound regret that I have seen it more terribly accelerated during this administration than during any other, and that, too, long before this war began.

Are the States defunct? Is the Government that we love, that our fathers founded, that Jefferson framed, that Madison planned, that Monroe philosophized about, dead, and does a new America, no longer a dual confederated Republic, but a single great Nation, headed by a single great Chief, whose power is greater to-day than that of any potentate on this earth, certainly, at least, among civilized nations, stand before us? Senators, I hope not. I fear that if that day shall ever come, it will prove fatal to the liberties of the Republic. To prove to you that this jeremiad is not so much a personal view of mine, I want to read to you what a distinguished American really thinks on this great question, or at least what he once thought on this great question. Let me quote from one of his books:

If the jealousies of the Colonies and of the little States which sprang out of them had not obliged the makers of the Constitution to leave the greater part of legal regulation in the hands of the States, it would have been wise, it would even have been necessary, to invent such a division of powers as was actually agreed upon. It is not, at bottom, a question of sovereignty or of any other political abstraction; it is a question of vitality. Uniform regulation of the economic conditions of a vast territory and a various people like the United States would be mischievous, if not impossible.

The statesmanship which really attempts it is premature and unwise. Undoubtedly the recent economic development of the country, particularly the development of the last two decades, has obliterated many boundaries, made many interests national and common which until our own day were separate and local; but the lines of these great changes we have not yet clearly traced or studiously enough con-

sidered. To distinguish them and provide for them is the task which is to test the statesmanship of our generation; and it is already plain that, great as they are, these new combinations of interest have not yet gone so far as to make the States mere units of local government. Not our legal conscience merely, but our practical interests as well, call upon us to discriminate and be careful, with the care of men who handle the vital stuff of a great constitutional government.

The United States are not a single, homogeneous community. In spite of a certain superficial sameness which seems to impart to Americans a common type and point of view, they still contain communities at almost every stage of development, illustrating in their social and economic structure almost every modern variety of interest and prejudice, following occupations of every kind, in climates of every sort that the Temperate Zone affords. This variety of fact and condition, these substantial economic and social contrasts, do not in all cases follow State lines. They are often contrasts between region and region rather than between State and State. But they are none the less real, and are in many instances permanent and ineradicable.

It would be fatal to our political vitality really to strip the States of their powers and transfer them to the Federal Government. It can not be too often repeated that it has been the privilege of separate development secured to the several regions of the country by the Constitution, and not the privilege of separate development only, but also that other more fundamental privilege that lies back of it, the privilege of independent local opinion and individual conviction, which has given speed, facility, vigor, and certainty to the processes of our economic and political growth.

To buy temporary ease and convenience for the performance of a few great tasks of the hour at the expense of that would be to pay too great a price and to cheat all generations for the sake of one.

Those words are worthy of the pen of Thomas Jefferson himself. Thomas Jefferson never wrote with more clearness, with more vigor, and with more strength of the blessings of local self-government, as handed down to us from our English forbears. Those words came from the pen of Woodrow Wilson, the President of the United States. May God keep him, in this hour of his responsibility, steadfast to the faith that he once professed and which is vital to the life and safety of this Republic.

Mr. President, I can not support this bill. I would do so if I thought there was no other way to preserve the railroads of this country in all their vigor for the use of the Government in this hour of its national trial; but, convinced as I am that it could have been done in a much better way, in a much easier way, and that it can yet be done in both a better way and an easier way—of course, I speak only for myself; Senators who are not so convinced will, I can quite understand, support this bill, even if their general ideas are in accord with mine—but laboring under the convictions that I have expressed to you, it will be impossible for me to vote for a bill that I regard as wholly unnecessary and as equally unwise.

Mr. VARDAMAN. Mr. President, every phase of the subject matter under consideration has been so completely and exhaustively discussed by Senators who have preceded me that I deem it almost a matter of supererogation for me to have anything whatever to say upon this bill. On account of the limited time fixed by the rule of the Senate I shall speak but briefly, indulging perhaps in the discussion of general principles and leaving the details of the measure to be treated by the able Senators in charge of the bill.

I have listened with interest unabated to the able speeches that have been delivered by learned Senators upon the pending measure. Its magnitude and the far-reaching importance of the problem have called forth their best efforts, which are illuminating contributions to the legislative literature of America. It has been particularly interesting to observe the learned Senators who chose to travel the old beaten path of political orthodoxy, spice their arguments with new thoughts, employ unusual phrases, and use language which gave a trite old issue the appearance of a new plan. Other able Senators, playing the rôle of protagonists, have essayed to wander into the field of imagery and speculation, pictured in vivid colors conditions which will prevail throughout the world when their theory shall be tested and approved, and when the storm clouds shall have drifted away and the sunlight of peace again fill this war-cursed world.

While I have enjoyed and cheerfully acknowledge myself the debtor of the distinguished Senators for the great speeches delivered on this question—speeches well worthy of the Senate in its best days—I wish particularly to pay the tribute of my gratitude and approval to the learned junior Senator from California [Mr. JOHNSON], the affluence of whose eloquence and the cogency of whose logic touched the high-water mark of senatorial debate, and will, I am sure, cause a feeling of despair to overcome those who may follow him in the discussion of this great problem. The soundness of his argument, the breadth of vision, the accuracy of his logical processes made captive the judgment of his listeners and commanded my heartiest approval. He has blazed the way that the progressive statesmanship of America will follow, and although he stands with a small group of statesmen about him to-day, the doctrine he so eloquently announces will within a few years, I trust, become the faith of an enlightened Nation.

Mr. President, the marked distinguishing difference between the man of genius and the ordinary plodding, slow-thinking individual whose mind is filled with the undigested thoughts and facts of others, is, the man of genius is able to dip into the future as far as human eye can see; he is able to stand within the shadow of the evening and look beyond the night into the morro , and with trance-prophetic eyes read the finished story and contemplate with pleasure the consummation of the centuries while the plodder sees and understands only the things of to-day. It is the difference between true greatness and groveling mediocrity.

Mr. President, the world is passing through a period of change—mutations and multiplied mutations follow in rapid succession. Things are happening to-day with a suddenness and passing on with such velocity, the slow-thinking person can only stand and wonder what is coming next.

War is the pregnant womb of perplexing problems which issue forth with fearful fecundity, and the attempted solution of which will lead the statesman in his investigations into all the avenues and ramifications of human actualities. The old landmarks have been torn down. The buoys that marked the channel of the sea have been swept from their anchorage by the storm of a world-wide conflict. There is no tried rule, no tested formula, and no friendly milepost to guide us along to the sure and better way.

We have entered new fields, adopted a new diplomacy, altered our relations, changed our attitude to the nations of the world, which we have maintained since the birth of the Republic. Verily—

> New conditions teach new duties;
> Time makes ancient good uncouth.

Never in the history of mankind was there so great a need or so pressing a demand for the services of great, wise, and good statesmen as now. We need men of courage and intellect—men morally and mentally strong. We need men of independence of thought, of ripe statesmanship and great learning, to meet and solve the onrushing, untried issues that confront us. We realize that "he is next to God whom reason and not passion impels," who is able at all times to preserve his moral equilibrium and mental poise, to serve the public although it may involve a personal sacrifice, and who will spurn with contumely the opportunities that lead to personal aggrandizement or private pecuniary fortune at the public expense—men who, after weighing the facts in all circumstances, will be able to shape their conduct so as to square it with patriotic discretion. It is a time to pause, to look and listen—to move cautiously, but to move. Heroic action above all things is required at this time. The steady light of popular judgment is needed as never before to illuminate the strange, shadowed roads over which we must travel. I have always believed that in the multitude of counsel there is wisdom. It is, therefore, in my judgment, important in these unusual times to have the utmost freedom of speech, freedom of thought, and freedom of action.

I have infinite faith in the saving grace of the honesty and patriotism of the American people. And I know the most dangerous class of men in this Republic, be they in private life or public station, are the egotistical, self-satisfied, self-worshiping, intolerant individuals who have no conception of their own limitations.

Torquemada was doubtless an honest man; he was sincere; he felt that his life was consecrated to the service of the Savior of mankind. He held to the view that men think and believed as they would and not as they must, and therefore he believed it were better to subject a finite creature to the most cruel punishment in order to save that creature from infinite damnation. I have no doubt that he thought that the auto dafe was a divine ceremony. And yet, in the light of modern civilization, who will defend its barbarities?

The effort to muzzle the press and the manifest disposition on the part of a few to intimidate private individuals who dare express their honest thoughts regarding their Government and the conduct of their hired public servants are so utterly at variance with the genius of our institutions that it ought not to be tolerated in this Republic for a moment.

Mr. President, men and women born of free Caucasian parents will not long remain calm and quiescent under such restraint. You can not make an American white man a subject in one generation; but if you could, it would be disastrous to free institutions. Such things will be looked upon by the wise and patriotic men and women in America in the years to come, when reason resumes its sway, with a deep sense of humiliation and regret. We have already seen the evil effects of an unwarranted censorship. The exigencies of war necessarily bring about a change in our Government which amounts almost to a change of polity. I agree with Dean Swift, "that it may pass for a maxim in state that the administration can not be placed in too few hands nor the legislature in too many." And this is especially true in time of war. There must be concentration of

power. But it is possible to concentrate too much power even in time of war, powers that will ultimately, if not properly hedged about with limitations, overthrow Republican principles and destroy Democratic policies, especially if the powers thus conferred are conferred upon bureaus or individuals in whose own conceit there is no idea of the limitation of their own mentality.

There has been but one infallible man that ever lived upon this earth, and he was crucified 2,000 years ago. And he was crucified by the spiritual bigot, the mental coward—the servile tool of despotic power.

Hero worship has been the cause of more people losing their liberties than any other one error into which man has fallen. Eternal vigilance is the price of liberty to-day just as much as it was when Patrick Henry fired the hearts of the colonists more than one and a quarter centuries ago with the dramatic statement, "Give me liberty or give me death." I believe in the composite wisdom of the masses. It is my judgment that all the people have more sense, and I would rather trust their conclusions and feelings in the matter of legislating for their benefit than to trust the judgment or the logical processes of any one man or coterie of men. The most just and rational laws written upon the statute books are public opinion crystallized. Public opinion is the salubrious salt breeze that neutralizes the poisonous effluvia which rises from the miasmatic swamps of political corruption. As the persistent blowing of the winds from the southwest create that mysterious current in the sea known as the Gulf Stream which carries into the very heart of the Arctic the genial cordial climate of the Tropics, so public sentiment arising from the attrition of ideas, the friction of suggestion, the exchange of experiences in everyday affairs of men and women create an influence that moves irresistibly to the Capitol of the Nation, and there, if the statesmen are wise, will find crystallization in public statutes, statutes which will partake of the moral qualities and intellectual acquirements of the people and will therefore be responsive to their private and public necessities. The future of this Republic depends upon the honesty, the fearlessness, the patriotism, and the intelligence of the individual men and women who compose the citizenship of the Nation. It is an influence that the statesmen can not with prudence ignore. It is dangerous to overlook it.

Mr. President, the pending bill has for its purpose the rendering of a great service to the world at this particular time. I commend most heartily the prudence and wisdom of the erudite Chief Executive in taking over the railroads of the United States for the purpose of expediting and facilitating the movement of troops and munitions of war and at the same time carrying on the commerce of the Nation. I believe the end so necessary to be reached will be attained by this extraordinary step.

It is my deliberate judgment that the most important and difficult problem which we have to solve in winning this war is the matter of land and ocean transportation. In carrying out this great undertaking I shall esteem it a privilege as well as a patriotic duty to give the President my most cordial support in the performance of the great function which he has assumed. In addition to the advantage which the American people will derive from the President's action in this behalf, I hope and believe it will lead finally to Government ownership and Government operation of the railroads of the entire country. It will afford a practical test of the theory I have long approved. To my mind, Government ownership of these essential public utilities will come when the American people realize that governments are made for men rather than men for governments. It will come as surely as right shall triumph over wrong and truth prevail against error.

The cruel cupidity of the conscienceless few who have controlled the press, the molders of public thought, are responsible for its failure of consummation years ago.

These views I have entertained for many years, and therefore I shall watch with great interest the process and the fruition of a cherished hope. But however much I desire to see the Government become the possessor of all the railroads, I am opposed to any legislation of that character being enacted at this time. Indeed, Mr. President, I shall oppose any legislation of a permanent character at this time, because I do not think the public mind is really sane. The whole world is daft, crazed with a blood lust, and the greed for gain has poisoned the hearts of our people. Let us enact legislation necessary to meet the present emergencies, and after the war is over we may then with safety undertake the difficult task of building for the future.

A fevered brain is a veritable Pandora's box of perplexities, and I would not open that box now. My investigations into the shipbuilding industries of the United States, the Hog Island infamy, for instance, together with the question of the shortage of coal and scarcity of sugar, have led me into the various fields of industry and governmental war enterprises, and it is a lamentable fact, which I state with regret and shame for my fellow countrymen. I find the slimy trail of the serpent of greed somewhere in all the preparations for war.

There seems to have grown up on the part of some a passion for plunder and an insatiable greed for graft. We find that men of prominence in high finance—men who were loudest in their demands for "preparedness" a few years ago, who paid for the bunting that decorated the houses, paid for the flags that were flaunted in the air by the hired claquers, paid for the bands that led the "preparedness" parade; these men who were loudest in their denunciation of the Members of Congress who dared to insist that a fair share of the war profits be devoted to paying the expenses of the war—the same hypocritical, lying plutocratic patriots for perquisites wrap themselves in the American flag and with the words of patriotism upon their mendacious lips would rob the Government in contracts or otherwise and thereby impose burdens upon posterity that will bring squalor to the home of the laborer and shadow the future of the children of the toilers yet unborn with blighting poverty, frustrated ambitions, and commit them to lives of dull, debasing drudgery. Down all the stretches of hell to its last gulf there is nothing more shocking to the moral sensibilities of a patriotic citizen.

Mr. President, I realize that war is expensive; expensive in blood, expensive in treasure. I understand as one who has contributed personally to the toll this brutal business demands—I know that war means sacrifice, self-abnegation, patriotic endeavor, the noblest qualities of the human soul. I understand it means all that and more; it arouses the most brutal instincts of the human race.

I believe in doing justice to the man who sows, and I insist also upon the maintenance of the rights of the man who reaps. I believe it is just as wrong to rob the railroad magnate or the railroad corporation as it is to rob the engineer or the fireman or the patient toiler who lays the track. My only desire is that justice be done, and I am quite earnestly of the opinion that it is as wrong to rob the laborer as it is to rob the capitalist.

Now, in the matter of compensating the railroads for services which they are to render under Government control, I can not apprehend, I can not follow, the mental or moral processes of the men who would urge that they be especially paid for their services to their country or for the use of their property in this great emergency. There is no divinity that hedges about railroad securities. I am unable to find anything sacred about railroad bonds or railroad stocks that would entitle them to be preferred or favored in the way of securing larger dividends than other forms of property.

I had a letter a few days ago from a young man telling me he had to give up a profitable grocery business because his country called him to arms. He had no one to whom he could trust the management of his business while he is in the Army, so he sold it at a sacrifice, and went forth to do and, if need be, to die in defense of the flag.

Another young man, a farmer in my State, with a wife and little child, who owns a small farm, was conscripted. There was a scarcity of labor in that community. He could not rent his place and he was unable to employ labor to cultivate it. So he wrote to me that the prospects were that the land would lie fallow for the next year, but the brave, patriotic fellow gave it all up and left his loving wife and child to the tender care of relatives and friends and went forth in response to his country's call. The Government has not taken any thought or granted any especial protection or exemption to men of that character and it is not expected that the Government should do more than it has done. But the railroads are to be shown special favors—they are permitted to make and enjoy the same average profits they made during the years 1915, 1916, and 1917, the fattest years in the life of the railroad business in America. While everybody else is called upon to make the supreme sacrifice, these corporations for profit are to enjoy the favors of normal times. I am told, Mr. President, that this policy must be pursued with reference to corporations—that they must have dividends upon their stock during the war or they will not play the game. If that be true, it is lamentable, for the Republic is in a desperate strait when the corporations must be hired to perform their patriotic duty to the Nation in time of war by money wrung from the taxpayers of the realm and the soldiers conscripted to defend the flag. I hope the corporations will not maintain that attitude to this Government. If they should, I shall be the last man with my vote to humor such a criminal caprice or temporize with such indefensible greed for gain, and I will not consent that Congress shall by its vote indorse such a policy.

No, Mr. President, I can not understand the reasoning of Senators which leads them to that conclusion to which the

committee bill brings us. When the able and learned Senator from Ohio [Mr. POMERENE] talks of "stabilizing values of railroad securities" by the payment of undeserved dividends, he seems to forget that the extension of favors of this character to the railroads will be a gross, palpable, and inexcusable injustice to the men who compose the Army and their families and loved ones at home who must pay the taxes from which the dividends shall be taken. I believe the railroads ought not to have the profits that they would ordinarily make under war conditions after they shall have made the sacrifices that other industries and all the people have suffered. But they are entitled to no more. The maxim, "Equal and exact justice to all and special privileges to none," is the rule that ought to guide the statesman in the performance of the functions of his place, and especially in the treatment of this question. But it is urged that if we do not provide that the President may contract with the railroads for the dividends permitted in this bill that the railroads will go into the courts and after protracted litigation get a judgment against the Government for the use of their property which, it is urged, may be more than the maximum fixed in this bill. I do not believe anything of the kind possible. I do not believe that any judge or jury, with judicial knowledge of the conditions as they are would ever hold that the railroads were entitled to normal profits in abnormal times. The judgment of the court will be rendered upon facts and conditions that prevail at the time the Government incurred the liability and the reward of the railroads will be fixed by the average profits which other industries and other people received. For the railroads to ask for more would be the acme of injustice.

It is said that the saving under the Cummins resolution is small—only a couple hundred million dollars, an inconsequential amount. Mr. President, if that be true, if the amount is so small, the railroads ought not to demand it. On the other hand, the taxpayers of this country, who have borne the heavy burden of taxation until it has created "set fast" upon their tired backs, will be glad to receive any concession in the way of lightening the load, however small it may be. I am going to vote for the Cummins amendment and I hope sincerely it may be agreed to by the Senate. I believe that it comes more nearly dealing out justice to all parties concerned—to the railroads and the taxpayers alike. And, Mr. President, may I be permitted to say in conclusion that it is my deliberate judgment that if we would bring all the people of America to the support of the Government with enthusiasm, verve, and deathless determination to win this war nothing will contribute more to bring about that great desideratum than to impress the public mind—the man who toils—with the fact that we are not playing favorites; that equal and exact justice to all shall be done, alike to the rich and the poor, the weak and the strong.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, from this time forward until 6 p. m. of this evening arguments by Senators will be confined to 10 minutes each upon the bill and any amendment offered thereto. The bill is in the Committee of the Whole and open to amendment.

Mr. CUMMINS. Mr. President, I offer the amendment which I send to the desk.

Mr. JONES of Washington. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	Norris	Smith, Md.
Bankhead	Jones, Wash.	Nugent	Smith, S. C.
Culberson	Kellogg	Overman	Smoot
Cummins	Kendrick	Owen	Sterling
Curtis	Kenyon	Penrose	Sutherland
Dillingham	King	Phelan	Thomas
Fletcher	Knox	Pittman	Tillman
France	Lewis	Poindexter	Townsend
Frelinghuysen	Lodge	Pomerene	Trammell
Gallinger	McCumber	Ransdell	Underwood
Gronna	McKellar	Robinson	Vardaman
Hale	McLean	Saulsbury	Warren
Harding	McNary	Shafroth	Watson
Hardwick	Myers	Sheppard	Williams
Hitchcock	Nelson	Sherman	Wolcott
Johnson, Cal.	New	Shields	

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] by reason of illness.

Mr. MYERS. On account of the continued illness of my colleague [Mr. WALSH], he is unable to be present.

Mr. LEWIS. I desire to announce for the day the absence of the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from Kentucky [Mr. JAMES], caused by personal illness. I ask to have this announcement apply to future roll calls.

The VICE PRESIDENT. Sixty-three Senators have answered to the roll call. There is a quorum present. The Senator from Iowa [Mr. CUMMINS] offers an amendment, which will be stated by the Secretary.

The SECRETARY. On page 2, line 17, at the end of the sentence, after the word "included," it is proposed to insert a colon and the following words:

Provided, That the standard return to any such carrier whose average rate of net income to capital stock for the years aforesaid has been more than 5 per cent shall not exceed the net railway operating income for the calendar year 1917 after deducting therefrom the amount available out of earnings for investment and surplus: *Provided further*, That the last preceding limitation shall not be employed so as to reduce the net income (above all operating expenses, taxes, interest, and all other fixed charges) of any such carrier below the amount required to meet each year the regular dividend accruals on all capital stock outstanding December 31, 1917. The surplus over and above the standard return as so computed shall be paid into the revolving fund hereafter created, and such part thereof as may be necessary shall be used in additions, betterments, and extensions to said property. All of said property constructed out of or purchased by the same shall belong to, and shall be held in trust for, the public, and no return to any railway company shall ever be paid thereon.

Mr. CUMMINS. Mr. President, if Senators will give me their attention, I will adhere strictly to the issue presented in the amendment just offered.

I have already at considerable length expressed my views with regard to the standard proposed in the bill; and I have already laid before the Senate with fullness, and I hope with accuracy, what the standard proposed in the bill will do for the railroads which are affected by the amendment I have offered. I do not intend to repeat the argument I made with regard to the effect of the bill as it is upon these roads.

The amendment which I have offered affects 86 of the more than 1,000 railroads in the United States. It does not affect any others. As to all the remaining roads and systems the compensation remains precisely as it is proposed in the bill.

For instance, this amendment does not affect any roads in New England except two small ones. It does not affect the New York, New Haven & Hartford, or the Boston & Maine, or others of a similar character that I might mention. It affects two small railroads in New England. It does not include such roads as the Erie, the Southern, the Rock Island, the Chicago & Alton, the Great Western, the Missouri Pacific, the Missouri, Kansas & Texas, the St. Louis & San Francisco, the Denver & Rio Grande, or the Western Pacific; and I might mention a great many others, but it is unnecessary. I want the Senate to understand that I have segregated, for the application of my amendment, 86 roads which are named in the table which was appended to my remarks the other day.

Mr. HALE. Mr. President——

Mr. CUMMINS. I yield to the Senator from Maine.

Mr. HALE. Will the Senator give the names of the two roads in New England that are affected?

Mr. CUMMINS. My recollection is that the Maine Central and the Central of New England are the two roads that would be slightly affected by the amendment I have offered.

My statement with respect to the guaranteed income of these 86 roads has not been controverted, nor can it be controverted, because I simply laid before the Senate the results of an investigation of the Interstate Commerce Commission—an investigation made entirely, I assume, from a disinterested standpoint.

The roads in the eastern district affected by the amendment, which under the standard of the bill will have a net income of from 6 to 600 per cent, have an average net income upon capital stock of 11.48 per cent. The roads in the southern district within my amendment having a net income of from 5½ to 50 per cent average 12.37 per cent. The roads in the western district coming within the amendment with net incomes as compared with their capital stock of from 6 to 160 per cent average 9.96 per cent. The purpose of my amendment is to reduce this net income, and as compared with the standard return proposed in the bill, the aggregate reduction in the eastern district will be $65,205,667, the reduction in the southern district will be $35,659,207, and the reduction in the western district will be $72,209,538—a total of $173,000,000 for the 86 systems which I have named—and it will be understood, of course, that this is a reduction of the annual compensation of that amount.

Now, with regard to the amendment. I have taken as the basis of the amendment the best year which these roads have ever had in all the history of transportation. I have taken as a further maximum the earnings for the year 1917. The amendment provides that from the net operating income which the bill proposes to guarantee to these roads there shall be deducted in each case the amount of earnings available for investment and surplus. That is, after the road has paid all its expenses of every kind, has paid its interest, has paid its taxes, has paid its dividends, that then the amount which is available for investment—that is, capital investment—and the amount which is available for surplus shall be deducted from the standard return or from the operating income in order to reach the guranteed amount which the Government proposes for these companies. But in order to make the conclusion beyond attack

the amendment proceeds to say that in no event shall the guaranteed return be less than sufficient to pay the customary dividends of the roads named in the amedment.

I shall not pretend to read the customary dividends, for my time will soon expire. It is sufficient to say that the New York Central has customarily paid 5 per cent, the Pennsylvania 6 per cent. I think the Baltimore & Ohio 6 per cent, the Chicago & North Western 7 and 8 per cent—one upon preferred stock and one upon common—the Northern Pacific, I think, 7 per cent, the Great Northern 7 per cent, the Union Pacific, I think, 8 per cent, last year 10 per cent, and the Southern Pacific a like amount. I am simply instancing these things, Mr. President, to show that my amendment does not reduce the guaranteed return or income below the amount that these companies will require to pay every expense that can possibly be charged to them, and then pay the dividends which they have paid in times that are past; and any suggestion that under such a guaranty the stocks and bonds of these companies will not be fortified and strengthened and maintained in the market is purely imaginary.

I listened with profound interest to the brilliant eulogy pronounced upon railways and railway management by the distinguished Senator from Indiana [Mr. WATSON]. Some of it is very well founded. With some of it I could not agree. But what then? I care not how high may be the pedestal upon which we lift these heroes of the past—what has that to do with the question of compensation? It has no more to do with the fair value of these properties, or the fair value of the use of these properties, than the flowers that bloom in the spring.

I listened with emotion to the pathetic reference of the distinguished Senator from Ohio [Mr. POMERENE] to the great army of widows and orphans who own the railroads of the United States. I shall not pause to inquire just how extensive an interest the widows and orphans have in the railway property of this country, or how influential they are in its management. Let us grant it all. Let us grant that they own the railways; that all the orphans and all the widows are deeply concerned and deeply affected by what we do here—what then? I am no more in favor of giving a widow or an orphan an unfair, unjust, excessive compensation than I am in favor of giving a railway corporation or a millionaire an unjust or an excessive compensation. It is all wide of the mark. There have been drawn into this debate thousands of unrelated and immaterial conditions which ought not to be remembered when we are considering this amendment.

The VICE PRESIDENT. The time of the Senator from Iowa has expired:

Mr. WILLIAMS. Mr. President, while we are talking somewhat irrelevantly about things that are in themselves comparatively insignificant, I read in the cloakroom a moment ago an editorial from the New York Times of February 20, entitled "Lloyd-George triumphs again." It is tribute to that brilliant Welshman and a tribute to the war spirit and unity of action of the allied forces. I want the Secretary to read it as a part of my remarks before I go any further.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

LLOYD-GEORGE TRIUMPHS AGAIN.

Our system of government organization has this advantage over the British system of ministerial responsibility, that we escape the peril of enforced changes of administration in the midst of war. We are not confronted by the grave risk of the transfer of power from one set of men to another, from one party to another, at a time when the whole power of the Nation, of all the parties and of all the people, must be exerted, without any hindrance from political squabbles, for the overthrow of the enemy. Our President, our Senators, our Congressmen are elected at fixed dates, not subject to change because of any vote of want of confidence in Congress, while the overthrow of a British ministry may involve an appeal to the country through a general election of members of the House of Commons. In time of war, at least, our system has many advantages.

Happily, Mr. Lloyd-George has again baffled those who would like to displace him, and he has delivered the United Kingdom from the very serious embarrassment of either a general election or of a change of ministry at this moment. By his explanation in the House of Commons yesterday of the resolve recently taken at Versailles he retains the confidence of the House and of the country. We hope that confidence in him has been confirmed, really strengthened. It is distasteful to many old-fashioned conservatives that a man of his earlier political professions should hold the chief post of power, but Lloyd-George has been a mighty instrument of war for the British Empire, and his countrymen know it. While Americans would wish to refrain from any expressions of partisanship or any undue partiality in British politics, it is undoubtedly true that the overthrow of the British ministry, of which Lloyd-George is at the head, would be regarded here with no little apprehension. His extraordinary intellectual force, his power in organization and direction, as well as the capacity he has shown in declarations of policy for the prosecution of the war, have won for him our confidence. We are glad that he retains the confidence of the British people, which is very much more important.

The prime minister's explanation of the decisions taken at Versailles is very simple; it is very much what was expected; the facts were, indeed, already pretty well known. In establishing a central authority "to coordinate the strategy of the allies," the war council merely accomplished the general desire, including America, as Mr. Lloyd-George pointed out. It is gratifying to know that this general principle had the unanimous assent of the members of the council. Differences arose, as was natural, over details. The agreement that there should be "an interallied authority with executive powers" was easily reached. It was less easy to secure unanimity about the constitution of the central authority. A question somewhat apart from this arose through displeasure over the proposed transfer of Gen. Sir William Robertson, chief of the imperial general staff, to a place in the supreme war council, which he declined to accept. There was some mystery about it which seems to be cleared up by the now general understanding that Gen. Robertson was not satisfied with modification of the plan in force under which he issued orders without first submitting them to the army council or to the secretary of war. His feeling of dissatisfaction has been appeased, however, and he accepts the new post to which he has been assigned.

Political rivalries and ambitions have played a large part in the recent attacks upon the Lloyd-George ministry. We suppose expressions of regret in this country and in Paris that the passions and issues of party politics should be allowed to impair in any degree that unity of resolve and of effort which is essential to the success of the allies may have been heard in London. The newspaper campaign against the prime minister appears to have been actuated by a very different motive from that which has prompted recent criticisms here of the administration at Washington.

The result was an illuminating example of the successful working of our Government system. No high officer was displaced, but the men in high places responded by an instant compliance with the popular demand. There were reorganizations, efforts at coordination, new and strong men were called in as aids and the administration itself asked Congress to enact a measure which would increase its authority and make possible a more effective exercise of its powers. The war machine was strengthened, and criticism ceased because it had accomplished the end sought.

There was far less admixture of partisanship here than in the movement against Lloyd-George, and the motive of pacifism, of opposition to a determined prosecution of the war was altogether absent, which was not quite the case in England. The result, however, is satisfactory there, as it is here. Mr. Lloyd-George is sustained, our administration is better organized for its work, and both Governments can devote their energies to the business of chastising the enemy of civilization with full confidence that they have the united support of the peoples behind them.

Mr. WILLIAMS. Mr. President, there are two real great forces in the international arena right now. One of them is Lloyd-George, representing Great Britain and world democracy; the other is Woodrow Wilson, representing America and world democracy. This tribute to Lloyd-George which has just been read was his triumph over the discontented members of the Parliament of Great Britain, who were objecting to his favoring a central military staff for harmony of purpose and unity of action with all the allies. Lloyd-George and Woodrow Wilson both agreed, as they ought to have agreed, that we ought to fight the Central Empires—Mittel-Europa, as the Germans call it—not with five distinct forces but with one force. Harmony of purpose, unity of action, concentration of effort. This is the result in Great Britain. I have had it read because I want it to have its effect upon the Members of the legislative body of this Federal Union.

If with the power to remove Lloyd-George he won his way out upon this policy, then the President of the United States ought to be supported by this national legislative body, in spite of the fact that he has no way of coming to them and laying down the gauntlet and saying: "Attack me if you dare; go to the public in a general election if you dare. Stop your little bit of wasp stinging and muckraking, wherever you are delivering them. I challenge you to the combat now."

The President of the United States has no such power. He has no such privilege and it is a privilege. Lloyd-George had it. He threw the gauntlet down to the Parliament, or to the men who had been muckraking and the men who had been politics playing and wasp stinging, and said: "Here I am. If I and my administration do not suit you, get another; but while I am here I propose to do my duty as I understand it, not as you understand it."

I wish to God that the President of the United States had the privilege of coming before the Congress of the United States and saying just what Lloyd-George did to the Parliament of Great Britain. I do not care about these little discussions as to what amount of income some corporation is to get here or there or on the other side; neither does anybody else care a cent about it, contrasted with this great question of winning the war. The great question before us is to win this war.

If there be Germans with the brains of Robert E. Lee or of the Duke of Marlborough, they will give us a heap of trouble, because there is a chance of breaking through the Italian front and attacking France in the rear, and having the balance of us retreat from the continent of Europe. While that is going on over there you are tweedledumming and tweedledeeing here about the verbiage of a bill. Thank God Lloyd-George did not have to tweedledum nor tweedledee, and I wish to God that the President of the United States did not have to do it through his Cabinet, through his spokesmen on this floor, whoever they are—I do not know; I am not one of them. I wish to God that he had the privilege of coming directly as the prime minister of Great

Britain and the real chief executive—because the King merely reigns; he does not rule—has the privilege there. I wish to God that he had this power of coming to us, and I want to say it seems to me that the American people are expecting you and me to get through with these appropriations, to get through with these necessary war measures, and then to go home and stay there as long as we can. Here are a whole lot of investigations started.

The VICE PRESIDENT rapped with his gavel.

Mr. WILLIAMS. Let me finish this sentence.

The VICE PRESIDENT. The time of the Senator from Mississippi has expired.

Mr. WILLIAMS. What effect has been achieved by them except to disturb a few American mothers and wives and put the seed of pessimism in their bosoms and to encourage our enemies—no other effect.

Mr. THOMAS. Mr. President, this bill is a measure of vast and immense importance and requires the exercise of our best thought before we shall crystallize it into a statute. I shall not attempt to discuss it in the short space of time to which I am limited by the unanimous-consent rule. That has been done so much better than I can that were I to attempt it I could but supplement what has been so much better stated.

But, Mr. President, I want to express myself briefly regarding one or two of the principal features of the bill. I have long ago reached the conclusion that Government control or possibly Government ownership may be the only alternative to the solution of our various transportation problems, but I do not think that an emergency war measure should be made the vehicle for such legislation or for any legislation not absolutely essential to the present emergency.

The President took possession of the railway systems of the country under the act of August 29, 1916. That act limits his possession to the duration of the war, when, unless we otherwise provide, the control of these systems will automatically be restored to their owners.

Now that is the tenure of possession which he has and the only tenure which he can defend. Legislation now being enacted should, in my judgment, confine itself to that emergency and should not embrace subjects brought in and attached to the measure, thus making it a vehicle for legislation designed to be permanent in its character, and which the deliberate judgment of the people may not approve. A bill of this character should contain nothing regarding the time to which governmental possession should extend after the end of the war.

Therefore that section of the bill designed to extend Government control to 18 months after the end of the war should not, in my judgment, be adopted, for it is out of harmony with the general purpose of the bill.

Mr. President, another feature of this bill to which I will briefly refer relates to rates of transportation. It is foreign to the purpose of the bill and should not be in it. What right have we—what exigency exists to justify giving to the President or any other individual or official the power to initiate rates? It will be observed that that power is not limited to the duration of the war, but if there is to be a general extension of this possession, of course that power should govern until repealed by subsequent legislation.

But even if it were an emergency need, I should hesitate before voting to place such a power in other than the hands where it has rested for years and where the power has been properly exercised.

The pretense made during the last year or two that higher rates were necessary to save our roads from bankruptcy is wholly untrue. That is demonstrated to be the fact by the returns which we are to use as the average of the compensation to be granted to the railroads under Government control, which disclose that in 1916 and 1917, when the clamors of the roads for higher rates were greater and louder than ever and the pressure upon the Interstate Commerce Commission was more severe, they earned more money than they ever made annually in all the history of transportation.

Why under such circumstances is it necessary either to require the Interstate Commerce Commission or any other body or any other official to change rates? Why endow them with the power of initiating other rates which will be enhanced if a change is made?

Mr. President, one more word and I must yield the floor. I am sorry the Senators were not in their seats day before yesterday to listen to the discussion of this bill and the proposed substitute by the junior Senator from Michigan [Mr. TOWNSEND]. I am sure you would have been convinced had you been here, as I was, that the substitute he has offered is absolutely essential to clarify and make intelligent the bill reported by the committee. That is making no reflection upon the committee. It has unquestionably done the best it could in the time at its disposal; but the Senator from Michigan has told us the bill was not prepared by any member of the committee, it was prepared upon the outside and sent to it, and the committee has doubtless been too busy listening to testimony and holding its sessions to closely consider the phraseology of the bill. There are serious defects of expression regarding many of its vital features.

The Senator from Michigan offers no new suggestions. He introduces nothing of a novel character in the bill or differing materially from that which has been reported. He points out its verbal imperfections and its very serious defects, and asks that the bill shall be so changed in its phraseology as to recite what we want to express, and thus avoid appeals to the courts.

If his substitute is rejected I shall later on offer a number of specific amendments to the bill as reported out of committee.

Mr. KELLOGG. Mr. President, I should like the attention of the Senate for a moment while I explain, in a few words, what I believe this amendment would accomplish.

You will remember that under section 5 of the bill the railroads are permitted to pay their regular dividends that they paid for the last three years. The effect of this amendment is, in substance, to take all the income above the dividends and turn it over to the Government and make it Government money and make it a part of the revolving funds, and if loaned to the railroads they must pay back with interest.

Now, the effect would be this: The railroads would pay the same dividends. That would be their standard return. They could not receive one dollar above the dividends they have paid for the last three years. No railroad in the world can live any number of years if it has no income to invest in betterments and improvements above its dividends. It is perfectly clear that there are hundreds of millions of improvements made upon the railroads, and sometimes they amount to hundreds of millions in one year. They are of a class which do not pay a return to the railroad company, like new stations and elevated tracks and many other improvements which the public demands and is entitled to, but which do not return any revenue to the character.

I do not believe that the company should be held down to the exact amount of dividends which they have paid during the last three years. Let me illustrate it by some of the cases mentioned by the senior Senator from Iowa [Mr. CUMMINS]. Take the New York Central. It has paid for many years 5 per cent upon its stock. It has earned sometimes 1 and sometimes 3 or 4 and sometimes 5 per cent more than that, and that money has been invested in improvements and betterments, the same as it has on other roads in this country. The President would take every dollar above the 5 per cent from the New York Central Road, and he could loan it to a broken-down railroad, like the Western Pacific or the Missouri Pacific, or some other company. I do not believe that that is fair.

Now, take the Burlington, about which so much has been said. It is said in the tables presented by the senior Senator from Iowa that this return would give about 22 per cent. I believe, however, that is based on the two best years, and two years only, but it did not pay 20 or 22 per cent. As a matter of fact, the Burlington has paid 8 per cent on its capitalization of $110,000,000, and the balance of its income has been invested in improvements and betterments. The total capitalization of the Burlington Road's stock and bonds is less than $30,000 a mile. Nobody would claim that the Burlington Road is not worth more than that.

Mr. REED. Mr President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. KELLOGG. I yield for a question.

Mr. REED. Just for a question. Does the Senator wish us to understand that the Cummins amendment proposes to take the earnings of one railroad and turn them over to another railroad?

Mr. KELLOGG. The President could do that, because they are now a part of the revolving fund, and he may advance that money to any road he sees fit. He may take the earnings of one road and loan them to another.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Iowa?

Mr. KELLOGG. I can not yield. My time is very short.

The amendment of the Senator from Iowa does not equalize the compensation of the railroads any more than the bill does. The amendment of the Senator from Iowa gives each road the dividends that it has paid. The same equality of rates to the stockholders is preserved in his amendment as that he complains of in the bill, but it does confine the railroad's earning the

standard returns to the dividends it has paid during the last five years.

It is said that these earnings are unequal. I am not going into the details of that question. They are no more unequal than the dividends which have been paid. For instance, under this amendment, if a railroad had paid 2 per cent or 3 per cent, but had earned 5½ per cent, its standard return is only 2 or 3 per cent, and the balance over and above 2 or 3 per cent which it expended would be taken from that railroad, and if it is loaned back to it, it must pay it back to the Government and pay interest upon it, and it can not use its own money for purposes of capitalization. I do not claim that incomes should be capitalized above a reasonable return upon the capital, but in a case like that it would be great injustice to a road only paying 2 per cent.

It was impossible for the committee to equalize the payment to stockholders on all the roads of the United States. We have not the power to do it if we had had the time to inquire into each railway property. We could not say just what should be paid to a railroad company for the use of its property. As has been said here, that is a judicial question. All we did do was this: To say that the President might negotiate an agreement. But rather than let the President go to a higher figure than the average of the last three years' net earnings of the railroads we would compel a railroad to go into the court.

Between the highest point between these average earnings and other lower point we authorize the President to negotiate.

As I said before, the tables submitted by the senior Senator from Iowa, which are contained on pages 2199, 2200, and 2201 of the RECORD, are not tables of the dividends the railroads have paid during the last three years and which under this bill they would be authorized to pay to their stockholders. They can not pay any greater dividends than they paid in the last three years. Those tables represent the entire net earnings of the railroad companies above the interest upon their bonded debt if paid out to the stockholders in dividends.

But as I said before, it is impossible for the railroad companies of this country or any other country to pay out of their net income any dividends. It would bankrupt any railroad in 10 years.

Mr. REED. Mr. President, I understood the Senator from Minnesota [Mr. KELLOGG], in substance, to state that the proposition contained in the Cummins amendment is to take the earnings from successful roads and turn a part of those earnings over to unsuccessful roads. I do not get that meaning out of the amendment; but I want to ask the Senator from Iowa what is his construction of the amendment in respect to which I have just referred?

Mr. CUMMINS. Mr. President, in no sense does the amendment do what the Senator from Missouri understood the Senator from Minnesota to say. I really did not understand the Senator from Minnesota quite to affirm that proposition. We are guaranteeing to the roads a certain income, and all that the property earns above that income is not railroad money; it is Government money. The only difference between my amendment and the bill in that respect is that I prescribe a different income—a lesser income—with regard to certain roads; and the surplus above that no more belongs to the railroads than the furniture in this Chamber belongs to the railroads. It belongs to the Government of the United States, and the Government can do whatsoever it pleases with it.

Mr. REED. Does not the surplus which would come from the roads that are covered by the Senator's amendment take exactly the same course as the surplus from other roads?

Mr. CUMMINS. Precisely.

Mr. REED. Then the only thing the Senator's amendment does is to put a limit upon the profits of certain roads that will receive very high compensation?

Mr. CUMMINS. Precisely.

Mr. REED. I thought that was the situation.

Mr. SMITH of South Carolina. Mr. President, I think, in justice to the committee, it ought to be brought to the attention of the Senate that, from the use of expressions on the floor, the public and perhaps some Members of the Senate are getting the idea that the Government is going to pay the railroads a certain amount. The truth is that the Government is not proposing under this bill to pay anything at all. What it proposes to do is this: In the emergency certain railroad corporations and organizations, comprising in their entirety the railroad systems of this country, are essential, under the new order of things, for the proper prosecution of the war. That new order, in the wisdom of the President, was for him to take control of their operation. That contemplates that the same ownership shall still exist; that the same employees and operatives shall still be employed. We say to the railroads: "We shall assume Government control and allow you to make the same amounts that you have been making on the average for three years; and if, under Government control, we make more than you have been making, we will put it into the Treasury; but if, under our management or mismanagement, there is a loss, we will assume it." But not one dollar is pledged out of the Treasury, save to make good the loss that might accrue under Government management.

There have grown up surpluses in some of the roads, but they grew up, not by any power on the part of those roads to profiteer, because we have had them in the rigid grip of the Interstate Commerce Commission, which, under the act of 1910, was given the power to say how much any and every road in this country in the maximum should earn.

I have taken some time to look into the question of rate structure, the long and short haul, joint rates, the equalizing of the opportunity for the commercial and business world, so that one road would not have too great an advantage over another. It is a delicate and difficult problem to work out. I believe that the Interstate Commerce Commission, with the best information and light it has had, has, as well as it could under the law, worked out equality, as far as possible, between the public and those who own this property. Be that as it may, they worked it out under the sanction and by the power of the law which we enacted. In the emergency we took over these roads and said to them, "We want you still to operate the roads; we want you to do away with personal interest, with selfish interest, and to turn them into the hands of the great impartial Government of the United States, so that they may advantageously divert freight and so they may divert traffic."

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from New Hampshire?

Mr. SMITH of South Carolina. I yield to the Senator.

Mr. GALLINGER. I have listened to this debate with great interest; and I have noticed that objection has been made by one Senator at least, and perhaps by more, that in determining the compensation of the roads the committee has taken two fat years—the years of the war—as the basis upon which to fix the compensation. I want to ask the Senator from South Carolina if it is not reasonable to suppose that, if the Government had not taken over these roads during the continuance of the war, the roads would, in all human probability, have earned as much as they did during the two years which have passed since the war commenced?

Mr. SMITH of South Carolina. Why, as a matter of course, Mr. President, if the same conditions were to exist in 1918, in 1920, or in 1921 which existed in 1916 and 1917 the roads would be the beneficiaries of them.

But the point that I want to stress is the iteration and reiteration of the statement that we are going to pay the railroads exorbitant amounts of the people's money. You were doing this before the war; the railroads were not allowed to earn a dollar more during the war than they were earning before the war. The only excess profits they got were for excess services rendered by virtue of the war.

I hold no brief for the railroads. I am simply standing here trying, as an honest American citizen, to do justice under an emergency, and not to attempt to obtain goods under false pretenses. We have taken the roads over as we found them and as they were controlled by the laws that you and I enacted. The railroads were not earning a dollar more than the Interstate Commerce Commission allowed them to earn under congressional action. The only thing that we guarantee is that if under Government control there is a loss we will make it good. If there is a profit we will put it into the Treasury and say to them, "Go on and earn the average that you have earned for three years under Government control and under Government restrictive action."

I do not know whether or not the roads were making too much money or too little, and there is no man on this floor who knows. We have passed here a bill for the physical valuation of the roads. The committee called Judge Prouty in, and he said, "We expended $11,000,000 and have not secured information that is worth 1 cent to the committee." That is the situation. Men may assume knowledge here. As some one has said, "There is a great amount of conjecture that can be gotten out of mighty few facts." We do not know the value of the roads; we have had no way of finding out their value. The Interstate Commerce Commission has been allowing them a certain rate, which has been fixed after certain observations. The amount does not depend upon the capital stock or the real investment, but it depends upon what the commission believes to be a just, fair,

and equitable rate, taking all the circumstances of commerce under consideration.

I will join the Senator from Iowa and will join the Senate, if I am fortunate enough to be alive and to be a Member of it when this emergency shall have passed, in taking up this problem and solving it once and for all; but I do submit that in the midst of this emergency, these corporations having earned what they did earn under the rules and laws passed by this body, it is not fair and it is not right to seize that property, and then, once it is in our hands, begin to say to them, either because of public opinion or because of any other coercive force, "We are going to dictate now what you shall have."

I thought that it was just to the committee to give what was the opinion of the committee after this question was debated and thrashed out there. I am not here pleading that the railroads should get what they are now getting, because I do not know that they should. It is a question of suspended judgment. I do not know what is just, because I do not know what it cost to build, maintain, and operate the roads, and nobody else does.

Any two corporations in a given territory can start out under identically the same conditions to build a railroad. One by shrewd executive ability and shrewd financing will build one road at a less cost than the other, but the roads will render the same service to the public, yet the cost of one differs from the cost of the other as the financial ability with which one is managed differs from the other. It is a complex problem; it is one that involves so many diverse elements that a majority of your committee, in all honesty, thought that with this emergency we should allow the railroads to earn the average of three years under the same conditions—the war conditions—under which we took them. Therefore I do not want it imputed to me that I am standing here to gouge out of the American people an unholy stipend.

Mr. SHERMAN. Mr. President, some of the discussion of this amendment seems to proceed on the idea that the money invested in the railways of this country is all public property; that it belongs to the Government. Essentially all of it, on the contrary, is a private investment impressed only with a public interest and subject to governmental control. Every share of railway stock in this country is as much private property, except as subject to regulation by law, as is industrial stock or real estate. It is subject, with certain other kinds of property, to governmental regulation; it has been impressed with that public interest from time immemorial under the English rule, from the days of the stage coaches that ran out of London, which were the original common carriers. All of them have been impressed with that interest and have been subject to governmental control. Railways are in that condition now. There is very little distinction in the discussion between control and regulation and there is less for future legislative purposes.

The majority of the committee faced the problem of what should be the basis of charging the Government for the temporary use during the war of this private property so subject to governmental control. If they had adopted the capital stock as the basis of compensation, they would necessarily have adopted the method of capitalizing nearly 1,300 individual railways in the United States with the good and the evil and with the sins and the virtues of that capitalization. They would have penalized every conservatively managed road and capitalizing process in the country, and would have put a premium upon every watering process that has been the subject of proper criticism here and elsewhere. So they finally took another basis, making it the operating income of the roads.

Being private property, I do not consider that anything above the standard return provided in section 1 belongs to the Government. The Government must pay for the use of the property, as a majority of the committee has wisely decided, on a given basis other than that of the earnings on the mere capital stock. Having done that, any surplus is the earnings for the stipulated time on private property, not on public property.

I am entirely oblivious to the claims made by many eminent public authorities and professors of economics who are engaged in a Bolsheviki campaign in this country, and have been for many years, without any general obvious understanding on the part of the public. Notwithstanding these distinguished gentlemen, this is all private property, and what it earns over and above the compensation paid by the Government belongs to the private-property interest.

I want to turn to a concern whose home office is in Chicago, which is known as the Illinois Central Railroad. This amendment would penalize the very conservative management of that road. It has never been a speculative road from the time in 1850 when Senator Douglas introduced a bill in the Senate, which finally passed, that made the land grant that was the basis of the road in the pioneer days. It has been a 7 or 8 per cent stock and has been considered as safe as any bank stock in the United States. That company has never passed a dividend since 1858 or 1859 from the time it began to operate its road. It has a conservative issue of stock and has never overestimated at all its property value. For instance, under the general-balance head of "Property owned and securities held in the treasury"—that is, of property and securities of subsidiary lines, which that road has bought and controls and operates and holds in its treasury—it is shown that these two items alone constitute a total of more than $276,000,000. It is further shown that it has a total property valuation of $304,000,000, with a stock issue on that property valuation of $109,000,000 and a bonded indebtedness of $154,000,000.

As to that road the amendment of the Senator from Iowa [Mr. CUMMINS] would, as the Senator from Minnesota [Mr. KELLOGG] suggests, work a gross injustice; it would establish a false standard. Their machinery becomes obsolete; they do not wear it out, but some one invents something else, and in the machine shops at the terminals machine after machine that cost thousands of dollars is discarded overnight because some invention has been perfected whose labor-saving features make it wise to discard and throw away the old machine and buy another that may cost twice as much as the old one. In the operating departments of all the great railways of the country instance after instance of that kind can be found. To cover this obsolete property, depreciation, and repairs to track facilities, structures, and appurtenances it is necessary that a surplus be continually set aside to meet emergencies. All that would be ignored by this amendment, and I think it would work a very grave injustice to the interests concerned.

Mr. ROBINSON. Mr. President, I think the Senator from Minnesota [Mr. KELLOGG] was correct in his construction of the amendment of the Senator from Iowa [Mr. CUMMINS], at least the conclusion which he drew was not unwarranted. The amendment provides on page 2:

> The surplus over and above the standard return as so computed shall be paid into the revolving fund hereafter created, and such part thereof as may be necessary shall be used in additions, betterments, and extensions to said property.

It will be remembered that under section 6 of the bill a revolving fund is to be created, to be used for the benefit of all the roads. If the effect of the amendment of the Senator from Iowa is to reduce the compensation of particular roads, it will also have the effect of increasing the amount that shall go to the benefit of the Government and into the revolving fund, and, notwithstanding the provision in the amendment that any sum that may be necessary shall be used for betterments and extensions on the particular roads earning the money, a portion of their earnings may be used on other roads, and such portion will be correspondingly increased as the amount of compensation awarded to particular roads is reduced.

Mr. CUMMINS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Iowa.

Mr. CUMMINS. Suppose under the bill as it is the Pennsylvania Railroad were to earn a million dollars more than the standard return, what would become of that million dollars?

Mr. ROBINSON. It would undoubtedly go to the benefit of the Government.

Mr. CUMMINS. And could be used on other property?

Mr. ROBINSON. Yes; but now, to carry the illustration further——

Mr. SMITH of Georgia. Mr. President, if the Senator from Arkansas will allow me, if it is used on other property, that property would be charged with it, and it would be a debtor to the Government to that extent.

Mr. ROBINSON. Certainly. But now, to carry the illustration of the Senator from Iowa just a little further, suppose, for the sake of illustration, that we limited the amount of compensation to be awarded to these roads to 1 per cent, there would be an enormous fund which they had earned in the nature of a surplus which would be paid into the revolving fund, and it would not be necessary to use that fund or any considerable portion of it on the particular road earning it. Therefore, the remainder of it would be used for the benefit of other more improvident roads. So I maintain that the Senator from Missouri was correct in his implication in the question he asked the Senator from Iowa a few moments ago.

Mr. TRAMMELL. Mr. President, in studying the features of the bill pertaining to the question of compensation I observe that the committee has not declined to attempt to adjust inequities on account of poor and inadequate income received by a railroad. The bill seems to take into consideration the fact that a railroad may be losing money, and if it has been losing money that then the Government should guarantee to it a reasonable compensation. I take the position, Mr. President, that if it is within the province of Congress to deal with the equities in the case of a railroad that is operating at a loss, then it is

equally within the bounds of propriety for Congress to deal with the question of excess. I do not believe if any number of railroads have been making excess profits that when it comes to a question of Congress dealing with that subject then Congress should perpetuate those excesses.

If I understand the function of the Government in dealing with the railroad problem it is to do justice both to the railroads and to the patrons of the roads who furnish the sinews of war for their operation. If a number of the railroads of this country have been making excess profits during the past three years, then, performing the proper functions of government, I conceive it to be the duty of the Interstate Commerce Commission to reduce the rates to a point where they would only make reasonable compensation, instead of for Congress to give sanction to the excess profits that have been made heretofore. Therefore I hope the amendment offered by the Senator from Iowa will be adopted.

It is inevitable that if we put the railroads of this country that have been losing money upon a reasonable paying basis, and if we guarantee to the railroads that have been making excess profits a continuance of their excess profits, then there is going to be a deficit in the revenue, occasioned by the necessity of building up the railroad that is not making a profit, which will necessarily have to be raised by taxing the American people for that purpose, or else by raising rates. That is the proposition that confronts us. The people of this country will have to pay additional taxes in order that a certain class of our railroads shall continue to enjoy excess profits and in order that another class of railroads shall be put upon a paying basis, or else railroad rates will have to be increased.

I think, Mr. President, when we are dealing with the properties and the rights of the railroads and of the stockholders of the railroads—and I would not do them an injustice—we should also consider whether or not by our action we will impose an injustice upon the American people in enacting the proposed legislation. I submit, Mr. President, that for the Government to endeavor to place the entire railroad systems of our country on a paying basis and to permit certain systems to continue to receive excess incomes and to require that burden to be met by the American people either in the way of increased traffic rates or else by taxes which shall be levied upon them is favoritism to the railroad operators of this country and a discrimination against the American people who will have to bear the burden imposed on account of such action. So I hope the amendment offered by the Senator from Iowa will be adopted.

Mr. UNDERWOOD. Mr. President, the real import and purpose of the first section of this bill have been set forth a number of times already; but I think there is still some misapprehension as to the real status of the first section of the bill before the Senate, and therefore I am bold enough to restate it.

The question that confronts us is not the taking over of the railroads; they are already in the hands of the Government. The question before us is not the fixing of a just compensation for the property taken, because the courts have repeatedly held that that is a judicial function, and not a legislative function. We have no direct power to determine what is just compensation under the Constitution of the United States for the taking of these railroads by the Government. No matter what we might attempt to do in the way of legislation, it would fall into the wastebasket when it reached the Supreme Court of the United States, if we were to attempt to determine what is the fair compensation that should be paid for the use of the railroads during the life of this bill. Therefore the committee has attempted to do neither. It has not proposed legislation to take over the railroads; it has merely recognized, by the bill reported, an existing status. It has not in this bill attempted to determine what would be fair compensation to pay the railroads for the taking of their property, because there was not a question raised in the committee by any member of the committee, or by any man who appeared as a witness before the committee, that Congress had the power to determine what just compensation was. I think I can call on the distinguished Senator from Iowa, the proponent of this amendment, to justify my statement in that respect.

Mr. CUMMINS. Mr. President, unquestionably that is true. The section is confined to the matter of providing for agreements between the railroads and the Government.

Mr. UNDERWOOD. Now, the issue before us at this time is in relation to the attempt on the part of Congress, responding to a request by the President of the United States, to provide the machinery by which the President can make agreements with the railroads as to what is just compensation, without forcing them to go to the courts to have the courts determine what the amount shall be. That is all that is involved in the first section—merely a question as to whether we will authorize the President to enter into agreements with the railroads before they go into court or whether we shall force them to go into court to get the just compensation for which the bill provides.

I do not combat a great deal of what the Senator from Iowa has said in reference to these matters, but I am not sure that either the Senator from Iowa or myself or any other Member of this body, if to-day we were sitting on a tribunal to determine what was just compensation to these railroads for their taking, would be prepared to determine that matter now and find a just verdict, without further evidence and a further understanding of the situation.

But we are not confronted with that case. It is beyond our jurisdiction. The only issue involved here is the question as to whether or not we will give the President of the United States the power to make a temporary settlement with these railroads for their taking; to agree with them on a rental value for the period of this war and a few months thereafter.

As I said yesterday, if this were a permanent taking, a permanent agreement, I would not be willing to refer the matter to the executive branch of the Government. Under constitutional limitations it belongs to the judicial branch of the Government; and if it were a permanent taking I would insist that the finding of this verdict should go where the Constitution naturally places it, in the hands of the courts. But I recognize that as it is a temporary matter, to avoid financial complications, to avoid delays in operation, the more speedily we determine this question of compensation the better it is; and as a temporary matter it can not produce a serious and a permanent charge on the people of the United States. Therefore I am willing to grant to the President the right to make this agreement.

If you are willing to do so, then why unduly limit the power of the President to make the agreement? That is all there is in the amendment of the Senator from Iowa. It is a limitation on presidential power in making this agreement. It does not fix the compensation; it does not determine it. It merely says, "You shall not go above a certain amount."

If the limitation that the Senator from Iowa desires to place in this bill requires the President to withhold his hand in making this agreement below a standard that is just compensation, we will throw these 86 railroad systems into the courts, because it is not natural to expect that the trustees of a great property are going to consent to accept a compensation that is unjust to the cestui que trust. They owe a duty to their stockholders. They must live up to that duty. If you put a limitation here that prevents the President from offering them just compensation, you drive these 86 roads into the courts, you delay this procedure, and possibly you may affect the finances of the whole Nation.

Mr. HITCHCOCK. Mr. President, I understand that under the amendment offered by the Senator from Iowa the stockholders to whom the Senator from Alabama refers would receive just as much in dividends under Government control as they had received in the past.

Mr. UNDERWOOD. They would in dividends, but they would not in returns. It has been repeatedly stated in this country, and it was repeatedly stated before the committee, that a well-organized, solvent, safely managed railroad should put one dollar in the property where it spent one dollar in dividends; that wherever it has a dollar to declare in dividends it ought to spend one dollar in the improvement of its system; and that has been done by a great many of the very systems to which this amendment applies.

Mr. THOMAS. Mr. President, may I ask the Senator whether, under this bill, the Government is not obliged to continue the work of improvement in the place of the company?

Mr. UNDERWOOD. No; not of improvement.

Mr. THOMAS. So that it can deliver the roads back to the companies in as good condition as it received them?

Mr. UNDERWOOD. No. The bill refers to maintenance, to repairs, to upkeep, but not to improvement. For instance, the Pennsylvania Railroad in the last 10 or 15 years out of its earnings has spent a vast deal of its money in wiping out grade crossings, putting in double-track systems, heavier rails, and improving the whole system of the road. That came out of its earnings and was expended in the interest of the traffic of the people of the United States. Now, that money, if taken away from them, would not go for that purpose, nor would the Government guarantee that money would be spent for that purpose. The Government under this bill merely guarantees that the system as it exists to-day shall be kept in good repair.

The VICE PRESIDENT. The time of the Senator from Alabama has expired.

Mr. TOWNSEND. Mr. President, I desire to state what I said before the committee—namely, that while I believe the compensation provided in the bill is greater than it ought to be, and there can not be any substantial argument, at least con-

vincing to me, presented to demonstrate that the compensation provided is just to the people, I was, however, for the reasons given by the junior Senator from Alabama [Mr. UNDERWOOD], willing that this arrangement or agreement should be made for the war emergency; but I did object most seriously to carrying this compensation over into a time of peace after the war had ended.

The railroad representatives before the committee in the first instance were very much in favor of ending the period of control; but some peculiar change came over them during the latter part of the hearings and they were then perfectly willing that this period of control should extend beyond the war indefinitely if necessary. The House committee has fixed 2 years and the Senate committee has fixed 18 months after the end of the war, after the emergency period has ceased; and this excessive compensation is to be paid during a time of peace.

I would like to have a vote on the last proposition first. If the Senate would confine the period during which this compensation is to be paid to the war I would not complain at this arrangement. I would be willing that the President should make an arrangement for the maximum amount. But not having made it, the two Houses having reported on retention periods of 18 months and 2 years, respectively, after the war, I can not support a compensation for a time of peace which I thoroughly believe to be too great.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WALSH]. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], who is absent on account of sickness. I transfer that pair to the junior Senator from New York [Mr. CALDER] and vote "nay."

Mr. GRONNA (when Mr. LA FOLLETTE'S name was called). I wish to state that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent because of serious illness in his family.

Mr. SHERMAN (when his name was called). I have a pair with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. MYERS (when Mr. WALSH'S name was called). My colleague [Mr. WALSH] is absent on account of ill health. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. This announcement may stand for the day.

Mr. LODGE (when Mr. WEEKS'S name was called). My colleague [Mr. WEEKS] is absent, owing to the death of a relative. He has a general pair with the senior Senator from Kentucky [Mr. JAMES]. If present, my colleague would vote "nay."

The roll call was concluded.

Mr. GERRY (after having voted in the negative). Has the junior Senator from New York [Mr. CALDER] voted?

The VICE PRESIDENT. He has not.

Mr. GERRY. I understand that the junior Senator from New York, if present, would vote as I have voted on this matter. Therefore I ask that my vote in the negative may stand.

Mr. RANSDELL. I desire to announce that my colleague [Mr. BROUSSARD] is absent on account of illness.

Mr. McLEAN. I desire to announce that my colleague [Mr. BRANDEGEE] is unavoidably absent from the Chamber. If he were present, he would vote "nay."

Mr. WILLIAMS. I should like to inquire whether the senior Senator from Pennsylvania [Mr. PENROSE] has voted?

The VICE PRESIDENT. He has not.

Mr. WILLIAMS. I have a standing pair with the senior Senator from Pennsylvania. If he were present, I would vote "yea." As he is not present and not knowing how he would vote, I do not feel at liberty to vote at all.

The result was announced—yeas 23, nays 52, as follows:

YEAS—23.

Ashurst	Hitchcock	Kenyon	Sutherland
Cummins	Hollis	King	Thomas
Gore	Johnson, Cal.	Kirby	Townsend
Gronna	Johnson, S. Dak.	McNary	Trammell
Hardwick	Jones, Wash.	Norris	Vardaman
Henderson	Kendrick	Reed	

NAYS—52.

Bankhead	Jones, N. Mex	Overman	Smith, Ga.
Beckham	Kellogg	Page	Smith, Md
Culberson	Knox	Phelan	Smith, Mich.
Curtis	Lewis	Pittman	Smith, S. C.
Dillingham	Lodge	Poindexter	Smoot
Fernald	McCumber	Pomerene	Sterling
Fletcher	McKellar	Ransdell	Stone
France	McLean	Robinson	Swanson
Frelinghuysen	Martin	Saulsbury	Tillman
Gallinger	Myers	Shafroth	Underwood
Gerry	Nelson	Sheppard	Warren
Hale	New	Sherman	Watson
Harding	Nugent	Simmons	Wolcott

NOT VOTING—19.

Borah	Colt	Owen	Wadsworth
Brandegee	Fall	Penrose	Walsh
Broussard	Goff	Shields	Weeks
Calder	James	Smith, Ariz.	Williams
Chamberlain	La Follette	Thompson	

So Mr. CUMMINS's amendment was rejected.

Mr. PENROSE subsequently said: Mr. President, I wish to state that I was called out of the Chamber for a few moments while the vote was taken on the amendment of the Senator from Iowa [Mr. CUMMINS]. If I had been present, and had been at liberty to vote, I would have voted "nay."

Mr. ROBINSON. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 2, after the word "seventeen," in line 8, it is proposed to strike out the comma and insert a period.

It is also proposed to strike out all language in the bill on page 2, line 8, following the word "seventeen," down to and including the word "seventeen," in line 13, in the following words: "and in addition thereto an annual sum payable likewise in reasonable installments reckoned at a rate per cent to be fixed by the President upon the cost of any additions or betterments, less retirements, or road extensions, made during the six months ended December 31, 1917.".

Mr. ROBINSON. Mr. President, this amendment will eliminate from the compensation which the President will be authorized under the bill to agree upon with the carriers, sums invested in the property during the six-month period ended September 31, 1917. It will leave what is called in the bill the "standard return" unaffected.

Most of the discussion which has been had in the Senate concerning the subject of agreements touching compensation has related to what is called the standard return, namely, the average annual operating income for the three-year period ended June 30, 1917. That was the recommendation of the President in his proclamation and message to Congress, and if the amendment which I have proposed is agreed to, the President's recommendation will be substantially complied with.

This provision in the bill would add to the total amount of compensation which might be awarded carriers in class 1 something like six and a half million dollars. It is impossible to state definitely the amount, for two reasons: In the first place, we do not know whether all the roads in class 1 will be retained under Federal control; and, in the second place, we do not know what rate or percentage the President will fix on the sums invested in the property during the six-month period.

Senators will observe by reading the language which I have proposed to strike out, that the President is authorized to add to the compensation which he may agree upon with the carriers a reasonable percentage upon the sums invested in the property during this six-month period.

A second reason that I feel justifies me in offering the amendment is that, in my opinion, it is not necessary to enable the President to effectuate these agreements. I believe that the standard return is adequate for that purpose, and that it is not therefore necessary to authorize the President to allow these additional sums.

A third reason, which I suggest, is found in the fact that it may complicate the difficulties on the part of the Interstate Commerce Commission in ascertaining the basis for compensation. It will require a somewhat extended investigation on the part of the commission to determine the amounts that have been invested in these various properties during the six-month period.

I do not know that there is anything further that I care to add, and I submit the amendment to the Senate for its consideration. I realize that it may be said that this, too, is embraced within the maximum authorization, and that the President is not compelled to award a percentage on sums invested by these carriers in their property during that period.

Mr. HOLLIS. Mr. President——.

Mr. ROBINSON. I yield to the Senator from New Hampshire.

Mr. HOLLIS. Will the Senator kindly state whether his amendment tends to increase or to diminish the compensation to the railroads?

Mr. ROBINSON. I stated a moment ago that it will have the effect of decreasing by approximately $6,500,000 per annum the amount of compensation which may be awarded carriers in class 1 by virtue of agreements, and that the exact amount can not be stated, because we do not know what percentage the President may fix, and we do not know the exact amount that the commission will find has been invested in the property for carrier purposes during this period.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. ROBINSON].

Mr. PENROSE. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. KNOX (when his name was called). Repeating my previous announcement, I vote "nay."

Mr. GRONNA (when Mr. LA FOLLETTE'S name was called). I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent because of serious illness in his family.

Mr. SHERMAN (when his name was called). I have a pair with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. LODGE (when Mr. WEEKS'S name was called). I make the same announcement of the absence of my colleague [Mr. WEEKS] and his general pair with the Senator from Kentucky [Mr. JAMES]. I will let this announcement stand for the day.

The roll call having been concluded, the result was announced—yeas 44, nays 34, as follows:

YEAS—44.

Ashurst	Hollis	Nelson	Smith, Ga.
Beckham	Johnson, Cal.	Norris	Smith, Mich.
Culberson	Johnson, S. Dak.	Nugent	Sterling
Cummins	Jones, N. Mex.	Overman	Stone
Curtis	Jones, Wash.	Pittman	Sutherland
Fletcher	Kendrick	Pomerene	Swanson
Gore	Kenyon	Reed	Thomas
Gronna	King	Robinson	Townsend
Hardwick	Kirby	Shafroth	Trammell
Henderson	McKellar	Sheppard	Vardaman
Hitchcock	McNary	Shields	Williams

NAYS—34.

Bankhead	Kellogg	Page	Smith, Md.
Dillingham	Knox	Penrose	Smith, S. C.
Fernald	Lewis	Phelan	Smoot
France	Lodge	Poindexter	Underwood
Frelinghuysen	McCumber	Ransdell	Warren
Gallinger	McLean	Saulsbury	Watson
Gerry	Martin	Sherman	Wolcott
Hale	Myers	Simmons	
Harding	New	Smith, Ariz.	

NOT VOTING—16.

Borah	Chamberlain	James	Tillman
Brandegee	Colt	La Follette	Wadsworth
Broussard	Fall	Owen	Walsh
Calder	Goff	Thompson	Weeks

So Mr. ROBINSON'S amendment was agreed to.

Mr. ROBINSON. On page 2, line 3, I move to strike out all after the word "income," down to and including the word "and," in line 6, and to insert in lieu thereof the following language: "of property operated by it on."

Mr. SMITH of South Carolina. That does not change the meaning at all, but simply clarifies the language.

Mr. CUMMINS. I ask that the amendment be read at the desk, so that I can clearly understand it.

Mr. ROBINSON. It is not printed, but I can read it again.

Mr. CUMMINS. I did not quite hear what the Senator from Arkansas said, and I ask that it be read at the desk.

The PRESIDENT pro tempore. It will be read.

The SECRETARY. On page 2, line 3, after the word "income," strike out the remainder, down to and including the word "and," in line 6, before the word "December," and insert the words "of property operated by it on," so as to read:

Railway operating income of property operated by it on December 31, 1917.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arkansas. [Putting the question.] The ayes seem to have it.

Mr. SMITH of Georgia. I desire to ask that the amendment be stated once more. It may be very important.

The PRESIDENT pro tempore. The Secretary will again state the amendment.

The SECRETARY. On page 2, line 3, after the word "income," strike out the following words: "including therein such income of lines acquired by, leased to, or consolidated with such carrier between July 1, 1914, and," and insert "of property operated by it on," so as to read:

Equivalent as nearly as may be to its average annual railway operating income of property operated by it on December 31, 1917.

Mr. TOWNSEND. Does the Senator keep the parentheses?

Mr. ROBINSON. Strike out the parentheses. That is correct. I thank the Senator from Michigan for calling my attention to it.

Mr. SMITH of Georgia. I desire to ask the Senator from Arkansas to make some further explanation of the necessity for that change. A change in the language might affect very seriously roads, at least, in my own State where one of the most important railroads is leased and the State receives from it a large revenue.

Mr. ROBINSON. The language that is used in the bill is to my mind ambiguous and certainly not as clear as it might be. This language was suggested to me by an expert and is intended to accomplish the same end that was in mind when the other language was written. It simply provides that in ascertaining the average annual railway operating income there shall be included property operated by the carrier on December 31, 1917.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Colorado?

Mr. ROBINSON. I yield.

Mr. THOMAS. Does not the Senator think that the word "lines" would be better than the word "property"? The word "property" is very broad and might include other than railway systems or railway lines.

Mr. ROBINSON. I think the word "property" is better.

Mr. TOWNSEND. Mr. President, this and the other amendment which was adopted was suggested by me as provisions which require amendment in order to clarify them. It does not seem to me that the amendment the Senator from Arkansas has offered makes much clearer if any the expression already used in the bill. There are several amendments which ought to be made to the bill prior to this one. For instance, we ought to determine the question of ownership. We ought to determine that question at the beginning, in order that we may know with what companies the President is authorized to make agreements.

The part in parentheses, a part of which the Senator from Arkansas proposes to strike out, which was certainly unintelligible before, evidently was intended to cover a system of roads, and the agreement was to be made with the system; but it was discovered also that a road operated by that system might not be the owner entitled to the compensation during the period of Government control. It is possible to conceive that a trunk line might own the majority of stock in line A, and line A under the definition heretofore given in the bill makes report to the Interstate Commerce Commission. That is the road which is entitled to make the agreement with the President in reference to taking over the road.

May I submit to the Senator from Arkansas and to the Senate whether this proposition does not make absolutely clear what we intend to say in the bill? I propose to strike out the parentheses and all the words down to the period in line 21 and insert:

If any lines were acquired by, leased to, or consolidated with such railroad or system between July 1, 1914, and December 31, 1917, both inclusive, and separate operating returns to the Interstate Commerce Commission were not made for such lines after such acquisition, lease, or consolidation, there shall be computed—

Which we have stricken out, however; it has to be changed in that respect—

shall be computed, to be added to the total railway operating income of such railroad or system for the three years ending June 30, 1917, the total railway operating income of the lines so acquired, leased, or consolidated, for the period beginning July 1, 1914, and ending on the date of such acquisition, lease, or consolidation, or on June 30, 1917, whichever is the earlier.

That fixes the proposition that we are dealing with, the owner of the road, and that amendment I propose to offer if the committee does not. I define it as the company or system which is entitled to the possession of the road during the time of Federal control.

Mr. SMITH of Georgia. May I ask the Senator a question?

Mr. TOWNSEND. I yield.

Mr. SMITH of Georgia. I wish to ask the Senator whether the language in parentheses would mean that the lease or consolidation must have taken place during this time or merely that it existed during the period?

Mr. TOWNSEND. That which is in parentheses refers to the long time, the full period from July 1, 1914, to December 31, 1917.

Mr. SMITH of Georgia. But I mean, must the lease be made during that period or must it simply have existed during that period?

Mr. TOWNSEND. On the very first page the bill provides for compensation during this period, and there is no definition and

no distinction as between that and the road taken for only a part of the time. If I could have been permitted to have presented some of the amendments which I think are absolutely vital in order to the understanding of this proposition there would have been no misunderstanding between us.

Mr. ROBINSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. TOWNSEND. I yield.

Mr. ROBINSON. There is a provision in the bill to the effect that no compensation shall be paid to any road for any period that it is not within Federal control. So if the President releases any railroad, compensation can not be paid it after that time.

Mr. TOWNSEND. That is not, of course, the exact point I have offered.

Mr. ROBINSON. I understand it is not.

Mr. TOWNSEND. I will be very glad to meet that when we reach it.

Mr. SMITH of Georgia. The point about which I ask the Senator is this: Suppose a lease was made prior to the time and existed during the period of taking given in the parentheses. Does the language in parentheses require that the lease shall be made within those dates or merely require that it existed within those dates?

Mr. TOWNSEND. I do not know.

Mr. SMITH of Georgia. That is the information I wish.

Mr. TOWNSEND. I assume it means for the period, but it does not say so. The provision in parentheses, I submit, is subject to great speculation as to just what it does mean. We have stricken out a part of the matter in parentheses.

Mr. SMITH of Georgia. I suggest that we pass this amendment over for the present. It may be a very vital question in several States where the States own roads and the roads have been leased to other roads. I ask the Senator to let it be passed over.

Mr. ROBINSON. I have no objection to passing it over. I will withdraw it. The sole purpose I have is to clarify and improve language in the bill that I think is ambiguous. I ask that the amendment be passed for the present.

The PRESIDENT pro tempore. The Chair understands that by unanimous consent the amendment will be temporarily passed over. The Chair hears no objection.

Mr. THOMAS. I understand the amendment was carried, and was so announced by the Chair, and then the Senator from Georgia asked for further information.

The PRESIDENT pro tempore. The Chair will state for the information of the Senator from Colorado that the Chair stated that the ayes seemed to have it, when a yea-and-nay vote was called for, as the Chair understood it.

Mr. THOMAS. No yea-and-nay vote was called for on this amendment.

The PRESIDENT pro tempore. The Chair understood that the yeas and nays were demanded.

Mr. THOMAS. Not demanded.

Mr. TOWNSEND. I present the following amendment.

Mr. SMITH of South Carolina. Before the Senator presents that amendment I wish to make just one statement in reference to this amendment.

Mr. TOWNSEND. If it is understood that I am not yielding my time——

Mr. SMITH of South Carolina. It will be understood.

Mr. TOWNSEND. Otherwise I could not yield, because by the time the Senator made his statement my time might be exhausted.

Mr. SMITH of South Carolina. It will take but a minute, and I think it will not be deducted from the Senator's time.

The PRESIDENT pro tempore. The Senator from Michigan has the floor. The Chair must, under those circumstances, rule that if he yields, he yields his time. There is no other way in which orderly proceeding under the unanimous-consent agreement can take place.

Mr. ROBINSON. I ask unanimous consent to withdraw the amendment, if that is satisfactory to the Senator from South Carolina?

Mr. SMITH of South Carolina. That is very satisfactory to me.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and unanimous consent is given to withdraw the amendment.

Mr. TOWNSEND. I offer the following amendment. It is in reality a series of three amendments, but as they are all closely connected I offer them as one, and during the 10 minutes time I can discuss the three I am sure.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 1, line 6, strike out the words "called herein carriers" and the parentheses.

On page 1, line 7, strike out the words "any such carrier" and insert "the owner of any such railroad or system."

On page 5, line 14, insert a new paragraph, as follows:

Whenever used in this act the word "owner" includes any person, corporation, partnership, or association who during any portion of the period of Federal control of a railroad or system of transportation would be entitled to the possession, use, and control of such railroad or system in the absence of Federal control thereof. Wherever in this act reference is made to the period of Federal control in connection with an owner it shall be taken to refer to the portion of such period during which such owner but for such Federal control would have been entitled to the possession, use, and control of the railroad or system of transportation.

Mr. TOWNSEND. Mr. President, may I have the attention of the Senate, because, as I said yesterday, I am presenting no captious amendment? I am trying to keep the exact intention of the committee without incorporating any of my own ideas as to what the bill ought to be, but trying to make clear what we actually attempted to do.

In the first place, as to the first amendment, in line 6, I move to strike out the words "called herein carriers" and the parentheses that go with it. The carrier is referred to above, as you will notice, as "certain railroads and systems of transportation." All through the bill, with the exception of three cases, we do not mean railroads or system of transportation when we refer to the word "carrier," but we mean the corporation, the personality, if I may use the term, which can make a contract or an agreement.

A railroad can not make an agreement. A system of transportation can not make an agreement. It must be the owner of the railroad or the system.

Then, at the end of this paragraph I define what an owner is. An owner of a railroad is the one who was entitled to the use, occupation, and possession of the road during this period or any portion of this period, and only for such portion should it be entitled to the compensation.

Farther down, in line 7, on the next line, I move to strike out the words "any such carrier" and insert "the owner of such railroad or system."

With those provisions in the bill we have made clear that we are dealing with the railroads that are entitled and have a right to make an agreement or contract. No one else can make an agreement. It can only be made with a company that is entitled to the possession of the road. For instance, as I said before, if we make an agreement with a system for the period of Federal control, which we have defined here to be the period of control by the Government, and if that system is at the time the agreement is made entitled to the operating income from a branch line, that ought not to continue throughout the whole period unless it owns that railroad during the whole period. The object of these two amendments is to correct those inequalities and to make clear just exactly with what companies the President has the right to make the agreement.

So I have offered these amendments. I think every Senator will agree who has followed me that they will make clear the evident intention. I shall show as we go along a good many difficulties that we shall encounter by using improperly these two or three expressions.

Mr. KELLOGG. Mr. President, I think the bill is perfectly clear as it is, so why define the carriers to be the railroads and systems of railroads which the President has taken over? Under that, of course, the President can not make an agreement with anybody who is not the owner of a railroad. He makes the agreement with the corporation which owns the railroad, and he would not be so foolish as to attempt to make an agreement with somebody who did not own the railroads. For instance, the Pennsylvania Railroad was taken over. The President may say to the Pennsylvania Railroad System, "I will make an agreement with you as an entire system, and I will not make an agreement with each separate railroad in the system of railroads which your company owns by stock ownership."

The word "railroad" was put into the bill; it is not in the proclamation, so that if there should be any possible question that some individual line was not a part of a transcontinental or, rather, I will say, an interstate-commerce system, it would cover it. In my own judgment "systems of railroad or transportation" would have been all that was necessary to have said in this bill. The President does not take over the physical property, of course. The physical property is in certain railroad corporations. When he takes over the corporation the title of the property is not changed, and he deals with, and we deal with, and we guarantee to, of course, the corporation which owns the property and which operates it.

It does not seem to me that this amendment makes it any clearer. I have not had time to examine it with care; but I do wish to say that it is not true that the committee spent all of

its time listening to testimony and did not give any attention to the language of the bill. I do not believe that the bill is perfect; but I believe it fairly represents the idea of the committee, that the President was authorized to deal with these roads individually or were a system of roads controlled by one company to deal with the system. It does not seem to me necessary to state in this bill that the President must deal with the corporation which owns the road.

Mr. CUMMINS. Mr. President, neither the bill nor the amendment proposed by the Senator from Michigan [Mr. TOWNSEND] is entirely clear to me upon this point. It must be remembered that the term "carrier," which the Senator from Michigan seeks to strike out, or at least to change, so far as the definition is concerned, applies to section 3 as well as to section 1——

Mr. TOWNSEND. I stated that.

Mr. CUMMINS. That is the right to enter the Court of Claims or the condemnation tribunal for an assessment of damages. Suppose the Pennsylvania Railroad—that seems to be the nearest, and, therefore, a very common illustration—owns the capital stock, as it does, of a great many subsidiaries. The subsidiary has a right under the terms of section 3 to enter the Court of Claims for an assessment of its damages, no matter what the Pennsylvania Railroad Co. may do. It can not agree with the President simply as a stockholder in the road for compensation to the subsidiary.

I pointed out the other day the indefinite expansions which could be made through the manipulation of this terminology. The Pennsylvania Railroad Co., of course, makes an agreement with the Government based upon its returns. We will say as to the Philadelphia, Baltimore & Washington Railroad Co.—I am speaking without absolute knowledge, but I think it is true—that the Pennsylvania Railroad Co. owns all of the stock of the Philadelphia, Baltimore & Washington road. That road can come before the tribunal appointed for the purpose, or finally before the Court of Claims, and have its compensation assessed in that way, although the Pennsylvania Railroad Co. has made a contract under the bill—I think it would be true under the amendment proposed by the Senator from Michigan—which covers its earnings; that is, the earnings which it has derived from the Philadelphia, Baltimore & Washington road. I think that point ought to be made perfectly clear, and I want to ask the Senator from Michigan whether or not his amendment, in his opinion, covers that phase?

Mr. TOWNSEND. Let me take the Senator's time——

Mr. CUMMINS. No; I have finished.

Mr. TOWNSEND. Having exhausted my own time, I have not any right to speak.

Mr. CUMMINS. Then I will stay on my feet.

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I yield to the Senator.

Mr. TOWNSEND. Mr. President, the bill provides that this contract can only be made with the road now making operating returns. If the Philadelphia, Baltimore & Washington road makes operating returns——

Mr. CUMMINS. It does.

Mr. TOWNSEND. Then, of course, it would be the company with which the President would be authorized to make an agreement; otherwise it would not be.

Mr. CUMMINS. But the Pennsylvania Railroad gets all of the earnings of the Philadelphia, Baltimore & Washington Railroad, and it makes its agreement with the Government based on those earnings. Then in comes the Philadelphia, Baltimore & Washington Co. and insists upon compensation for the use of its property.

Mr. TOWNSEND. But my amendment makes it absolutely certain that those operating returns could not be credited to two different concerns—the Pennsylvania system and the Philadelphia, Baltimore & Washington road.

Mr. CUMMINS. I have not thoroughly examined the amendment proposed by the Senator from Michigan, but I will accept his statement in that respect. I only know that the bill is fatally weak in that regard.

Mr. TOWNSEND. That is what I am trying to correct.

The PRESIDENT pro tempore. The question is on the amendment submitted by the Senator from Michigan [Mr. TOWNSEND]. [Putting the question.] The noes seem to have it.

Mr. TOWNSEND. I call for the yeas and nays on the amendment, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement in regard to my pair and its transfer as before, I vote "yea."

Mr. GRONNA (when Mr. LA FOLLETTE's name was called). I wish again to state that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family.

The roll call was concluded.

Mr. SHERMAN. I am paired with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. TILLMAN. Repeating the announcement of the transfer of my pair that I made on the last vote, I vote "nay."

The result was announced—yeas 28, nays 47, as follows:

YEAS—28.

Ashurst	Gronna	McCumber	Smoot
Cummins	Hitchcock	McNary	Sterling
Curtis	Hollis	Norris	Sutherland
Dillingham	Johnson, Cal.	Page	Thomas
France	Jones, Wash.	Reed	Townsend
Frelinghuysen	Kenyon	Shafroth	Underwood
Gore	Lodge	Smith, Mich.	Vardaman

NAYS—47.

Bankhead	Kendrick	Overman	Simmons
Beckham	King	Penrose	Smith, Ariz.
Culberson	Kirby	Phelan	Smith, Md.
Fernald	Knox	Pittman	Smith, S. C.
Fletcher	Lewis	Poindexter	Stone
Gallinger	McKellar	Pomerene	Swanson
Gerry	McLean	Ransdell	Tillman
Hale	Martin	Robinson	Trammell
Harding	Myers	Saulsbury	Warren
Henderson	Nelson	Sheppard	Watson
Jones, N. Mex.	New	Sherman	Wolcott
Kellogg	Nugent	Shields	

NOT VOTING—19.

Borah	Colt	Johnson, S. Dak.	Wadsworth
Brandegee	Fall	La Follette	Walsh
Broussard	Goff	Owen	Weeks
Calder	Hardwick	Smith, Ga.	Williams
Chamberlain	James	Thompson	

So Mr. TOWNSEND's amendment was rejected.

Mr. JOHNSON of South Dakota. I offer the amendment which I send to the desk, and upon it I ask for the yeas and nays.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. It is proposed to strike out all of section 13 and to insert in lieu thereof the following:

SEC. 13. That the Federal control of railroads and transportation system herein and heretofore provided for shall continue for and during the period of the war and until Congress shall thereafter order otherwise.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from South Dakota, on which he asks for the yeas and nays.

The yeas and nays were ordered.

Mr. POINDEXTER. Mr. President, there are quite a number of Senators who are in favor of the unification of the railroads of the country and continued Government control. There are others who are opposed to the continuation of Government control. The pending bill ends Government control at a certain date; so that it seems to me consistent and logical for Senators who are opposed to Government control after the war, or after a limited period, to vote against the amendment offered by the Senator from South Dakota. On the other hand, it seems to me equally true that Senators who are in favor of the unification of the railroad systems of the country and their operation as a nationalized unit under Government regulation and Government control, not simply temporarily as a war measure but permanently as a policy of transportation in the United States, must necessarily support the amendment of the Senator from South Dakota in order to be consistent.

I make this statement for the purpose of declaring my understanding that the issue is clearly made by this amendment. I expect to support it.

Mr. PITTMAN. Mr. President, I take issue with the statement of the Senator from Washington [Mr. POINDEXTER]. At the present time I feel that I would be in favor of the unification of the railroads under Government control. I do not believe, however, that this bill contemplates any such program. If such a bill were presented, I take it, it would have to be far more complete than this bill is; certainly the powers granted to the President would not be so generous as are provided in this bill if it were intended to inaugurate Government control of railroads during peace times.

Mr. POINDEXTER. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. Certainly.

Mr. POINDEXTER. The Senator does not deny that the bill as presented by the committee terminates Government control at a certain date—18 months after the proclamation of peace?

Mr. PITTMAN. Undoubtedly, it terminates Government control, and so it was intended. This bill is not intended as a permanent Government-control bill; it has not been prepared with that in view. The only excuse on earth for some of the extraordinary powers granted by this bill is that it is a war measure. I think I will be prepared upon the termination of the life of this bill to vote for a bill for the unification and control of all the railroads under the Government; but certainly I would desire the bill prepared carefully by a committee with that object in view, and I should like to have an opportunity to consider that particular question. That opportunity can not be afforded now. I think the Senator from Washington, if he is in favor of this bill, is making an argument that is detrimental to its passage.

Mr. CUMMINS. Mr. President, I can not agree with the Senator from Washington [Mr. POINDEXTER]. I am, and have been for years, as those who have heard me speak in the Senate know, in favor of the Government ownership of the capital of the public property known as the railways. Whatever instrumentalities we may select or create for the operation of that property, I am profoundly convinced that the Government ought to own all of the railway property in the country, but I can not vote for the amendment proposed by the Senator from South Dakota for two reasons: In the first place, the agreements that we are authorizing the President to make impose an unjust exaction upon the people of this country amounting to at least $180,000,000 a year, and I am unwilling to allow the indefinite possession of the railway companies to continue under agreements of that character. Second, I am opposed to it because I am unwilling that the railway properties of the United States shall be dominated by any one man for a single moment after the war ends. I have an amendment, which I proposed in the committee, and which I shall offer here at the proper time, which at the end of the war passes the power which we are now giving the President into a board of railway directors to be appointed by the President and confirmed by the Senate.

For these reasons, which I shall not elaborate, I shall feel constrained to vote against the amendment proposed by the Senator from South Dakota.

Mr. SMITH of Georgia. Mr. President, there are already a number of provisions in this bill which I do not approve. It is all that I can do to vote for it in its present shape, but with the amendment of the Senator from South Dakota added I could not vote for it.

I do not believe that we should legislate so as to place upon the President responsibilities which he can not perform and end our legislation by designating him as the party who is to perform the responsibilities. When the scope of the work is so wide that we know the President can not perform it, I consider that a proper discharge of our duty as legislators requires that we go further and designate the plan of organization by which the duties shall be performed; and in the case of handling the railroads, instead of saying that the President shall take them and the President shall operate them, it would be better legislation to designate a commission and prescribe the duties of its members and really to limit their powers. In this manner alone can we perform the responsibilities that really pertain to the legislative branch of the Government.

But, Mr. President, already the railroads have been taken over. Already a management has been begun, and I believe the Secretary of the Treasury has made an organization as wise as could be hoped for looking to the handling of the roads. As this organization is already made and is operating as well as I could hope it would operate, I am willing, under the circumstances, to vote for that part of the bill, in no way committing myself to the policy of such legislation. I have entire confidence in the great executive ability of the Secretary of the Treasury. I do not know anyone to whom with more confidence I could see the task intrusted. Yet I have no hope that under Government management the roads can be handled substantially better than they have been handled before or that the public will get any better service. The justification for this action, in my opinion, is the financial one, the possibility that Government management may save the country from financial complications that would hinder raising the money necessary for the conduct of the war. The only excuse is the war and the finances of the country incident to the war.

I would prefer that under the terms of this bill Government control should end with the war. I certainly would prefer to limit it to 6 months after the war. I stretch my capacity to yield in this respect when I follow the committee provision allowing 18 months. If the Government control is to be permanent, then I must vote against the measure altogether, for I would not be willing to invest permanently in one officer the control of an income of three and a half billions of dollars a year, and together with the privilege of controlling the business of every citizen in the United States, together with the destiny of every locality. Again, the compensation we are allowing to the railroads amounts to war profits growing out of the volume of business which the war has brought to them. I would not be willing to place permanently upon the people of the United States in time of peace, when the volume of freights will be less, when the amount of the revenues will be less, a charge based upon these three years of heavy war business.

These two reason, it seems to me, are amply sufficient to induce everyone to vote against the amendment proposed by the Senator from South Dakota. I hope, if any change is made, that the time will be reduced from 18 to 6 months and lessen by that length of time the one-man rule of the railroads of our country and diminish to that extent the high rates provided by this bill.

Mr. GALLINGER. Mr. President, I had thought of presenting some views in opposition to the Government control of public utilities, including railroads; but as the longer I remain in this body the less inclination I have to consume time in debating questions that are pretty well understood, I came to the conclusion that I would not weary the Senate by making the observations I had in mind. But so far as concerns the superior accommodations that the public are getting under the present railroad management as compared with what we had before the railroads were taken over by the Government, I want to say a single word.

Any man who goes from here to New York, and especially from here to Boston, under existing conditions is very forcibly reminded of the fact that all the evils that have been complained of in railroad management have not by any manner of means been removed. It is true that the President and the Director General of Railroads have repealed numerous laws that the Congress during the last 20 years has been placing on the statute books that embarrassed and harassed the railroads of the country, and we had hoped that by doing that we might get superior accommodations, but the contrary has resulted.

When I go to my home I go to Boston, and from Boston I go 75 miles north, to Concord, N. H. Under railroad management we had three trains a day that carried us from Boston to Concord in 1 hour and 55 minutes. At the present time it is impossible to make those 75 miles under three hours, and sometimes it takes a longer time. The same condition exists to a large extent in all sections of the country; but we are hoping—I am hoping—that the present management may be able to work out these problems and that it may provide at least as good accommodations as we had when the wicked railroad men managed the property that they controlled.

I do not believe Government ownership is going to help this country in any way, and I believe it is fraught with the direst danger to the best interests of our people.

In that connection, I am going to ask unanimous consent—and that is all I shall say on this subject to-day—to have read from the desk an article from the London Daily Mail, which I had published four years ago, showing the management of the telephone system in Great Britain. Every Senator who has traveled on the Continent of Europe or in other countries of the world where Government ownership exists knows that they do not get as good accommodations as we have in the United States. Why, Mr. President, it is almost impossible to get a telephone message 5 miles from Paris or London in an hour; and we know that the railroads in any of those countries where Government ownership exists are not run as well as they have been in the United States. But, Mr. President, I do not care to weary the Senate, and I will simply ask that the brief article which I have sent to the desk may be read by the Secretary.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, the Secretary will read the article referred to by the Senator from New Hampshire.

The Secretary read as follows:

[From the London Daily Mail, Friday, Jan. 2, 1914.]

GOVERNMENT OWNERSHIP OF TELEPHONE LINES IN GREAT BRITAIN.

WHY AND BECAUSE.

Why is it that Government ownership and management of the telephone is practically always a failure? Why is it that for every thousand Europeans there is only one telephone, while for every thousand Americans there are 15? Why is it that the country which has done most to improve the telephone, both technically and commercially, and to popularize its use is the country in which its operation and development have been and still are exclusively the work of private enterprise? Why is it that not one of the innumerable discoveries that have transformed the telephone industry in the last 30 years has emanated from a department of state; that European governments have been the last to adopt them and that the verdict which experts are obliged to pass upon them, with perhaps two partial exceptions, is that they have not learned their business? Why is it that there are great and famous towns in Europe at this moment where methods and machinery that were abandoned 20 years ago in America are still in use?

Why is it that throughout the length and breadth of Great Britain and the Continent hardly a single efficient long-distance service is to be found? Why is it that in New York one can invariably get the number one wants, and get it at once, while in London one has often to wage a prolonged and embittering battle with a slow operator, insufficient lines, and a conversation—if any conversation ensues—that is only audible when it is interrupted?

The broad answer to all these questions is that the alertness and enterprise that are essential to telephone development can not be expected from a government department. The characteristics of the bureaucratic mind and temperament forbid it. The organization of a government office, with a virtually irremovable staff, forbids it. The spirit of officialdom, with its traditions of subordination, its narrow professional outlook, its unwillingness to concentrate responsibility, its insensible stifling of initiative, forbids it. A government department can not raise and discipline its staff to the same level of efficiency as a commercial company. It can not act with the same freedom and directness as a private board. It can not pursue a business object without deference to a hundred influences and considerations that have nothing to do with business. It can not advertise with anything like the same boldness. It naturally seeks efficiency through economy instead of economy through efficiency. It has to think of politics and political reactions. Its whole constitution prevents it from proving as enterprising as private initiative, as prompt to discard obsolete methods and apparatus, as quick to adopt new inventions, as skillful and aggressive in gathering in subscribers.

As we all know, to our cost, we have Government ownership and operation of the telephones in Great Britain. We shall never have a telephone system worthy of the name so long as the post office remains in undivided and despotic control. Sooner or later that authority must be modified or delegated if our telephone system is ever to attain an even passable standard of efficiency.

Mr. SMITH of Michigan. Mr. President, the item just read by the Senator from New Hampshire [Mr. GALLINGER] showing the experience of Great Britain in the ownership of the telephone system has probably warned them against any undue haste in taking over other utilities.

The British system of handling the railroad problem is no criterion for us. Their whole system of government is different. The executive and legislative functions are so inextricably interwoven that action by Parliament is imperative before any action can be taken. With us the Executive moves, frequently of his own initiative, but within his especial sphere, and Congress supplements his action by appropriate legislation.

The first provision for taking over the British railroads dates back to July 30, 1842, which provided for troop transportation and better regulation of railroads. The movement of soldiers with baggage, arms, and ammunition was made mandatory and necessary contracts were made to that end. In 1844 this power was enlarged. In 1871 Parliament empowered an officer of the Government to take possession of railroads and railroad plants on occasional emergency. Their problem was very different from ours, and is to-day. But 15,000 miles are embraced in the arrangement entered into—in August, 1914—at the breaking out of the present war. This was done by an amicable arrangement between the Government and the committee of general managers.

Last year the arrangement was extended to include the roads in Ireland, covering something over 3,000 miles, but, altogether, included only 12 or 14 companies, a comparatively easy task when we consider that our railroads embrace 50 large systems and nearly 700 separate corporations.

One of the first and most vexatious problems which the British committee had to meet was the question of increase in wage for over one-half million employees. This situation was finally met by an increase in compensation over that of 1914 of more than $165,000,000, a sum equal to all the dividends paid on all English railroad stocks the year before the war.

The act of Parliament does not permit the indefinite continuance of control and must be renewed weekly, notwithstanding their proximity to the very theater of the war. The whole arrangement emphasizes deliberation and solicitude and in no manner commits that Government to the doubtful expedient of unrestricted Government ownership.

Our problem is less acute and relates to the war only collaterally. There is some congestion, much confusion, a great deal of uncertainty because of the financial embarrassment and the desirability of stabilizing railroad credit and protecting the roadbed and equipment from unnecessary deterioration and decay, which would be alike disastrous and discreditable to us.

To avoid such a possible calamity and to keep the highways of commerce open to the communities they serve and thus safeguard the free interchange of commodities and encourage production, this step has been taken by the President of the United States.

I am not here to criticize or find fault with the President. There must be some sound reason for this radical departure from our previous treatment of the railroad problem. He undoubtedly thinks the war situation can be best met in this way. Dangerous as the expedient may be, he has already taken over the railroads and is now exercising authority thereover, and I do not believe that he has chosen this means of committing the country to a permanent policy of Government ownership. I prefer to believe that he is seeking to unify these roads for the more expeditious handling of war materials and food products, and by the same token guarantees that this property will be preserved and protected during the strain and disaster of war.

This plan can not be given effect unless Congress provides the necessary compensation guaranteed by the Constitution. We may haggle and squirm and hesitate; we may even impute bad motives to those who are responsible for committing the Government to this experiment; yet how idle and impotent we would be in the face of the fact that we are committed and are now in possession of these roads. Not to make the necessary appropriation to enable the President to deal justly and fairly with these properties would be to expose ourselves to the charge that we were seeking to capitalize this error to the disadvantage of the Executive, a thing I would decline to do. I am ready to meet the situation fairly and generously, leaving to him the plan to be pursued. The country is in war; we are face to face with danger. We must act together, with an eye single to the welfare of the country. Neither personal or political considerations have any right to move us. There can be no sacrifice too great for us to bear, and if our course seems now and then to drift out of the beaten path so long pursued we have the consolation of knowing that in the estimation of those in command of the ship of state that course seems to be best for the country in the present crisis.

If the amendment of the Senator from South Dakota is to be adopted, I give notice that when these amendments come up in the Senate I am going to vote for the amendment of the Senator from Iowa [Mr. CUMMINS] without any hesitation whatever.

Mr. CUMMINS. Mr. President, I offer the following amendment to the amendment proposed by the Senator from South Dakota.

The VICE PRESIDENT. It will be read.

The SECRETARY. Add at the end of the words proposed to be inserted by the Senator from South Dakota the following:

Provided, That upon the termination of the war the President shall appoint, by and with the consent of the Senate, a board of railway directors, to be composed of five persons, one of whom shall be an engineer, one a financier, one trained in the operation of railway property, one whose interests have allied him with the shipping public, and one a lawyer. The members of the board shall hold office during the remainder of the period of Federal control. Removals must be for cause shown, and vacancies shall be filled in the same manner as original appointments are made. Each of said directors shall receive compensation at the rate of $12,500 per year. The principal office shall be in the District of Columbia. All necessary employees of the board shall be appointed by the board under the rules of the Civil Service Commission.

Immediately upon the organization of said board of directors all the powers, whether granted by the act of August 29, 1916, or herein granted to the President, shall vest in said board of railway directors: *Provided further*, That all agreements for just compensation shall not continue longer than the termination of the war, and the termination of the war, for the purpose of these two provisos, shall be construed as the time at which armed hostilities cease.

Mr. CUMMINS. Mr. President, this amendment, if adopted, passes from the hands of the President upon the termination of armed hostility the power that is given to him in the act of 1916, and the further powers that we grant in this act to a board of railway directors, who shall exercise that power during the period of Federal control, whatever that period may be.

It, second, limits the authority of the President in making agreements for compensation to the termination of the war, instead of permitting, as the bill does, those agreements to be made for the period of the war and for 18 months after the treaties of peace are signed and ratified.

I gave a few moments ago the reasons that would prevent me from voting for the amendment as it is offered. If these qualifications are added to the amendment, I shall be very glad to vote for it, because I am not in favor of limiting the period of control that is named in the bill.

Mr. ROBINSON. Mr. President, the amendment of the Senator from South Dakota providing for an indefinite period of Federal control after the expiration of the war relates to one of the matters concerning which the committee found great difficulty. I think I divulge no secrets of the committee when I say that it was finally arranged that a subcommittee consisting of the Senator from Michigan [Mr. TOWNSEND] and myself should attempt to work out a provision touching this and one other feature of the bill for the consideration of the committee, and that we succeeded in agreeing upon a compromise which was finally adopted by the committee.

I want to state, Mr. President, for the benefit of Senators who are familiar with the discussions that have heretofore taken place in the Senate concerning this subject that it was not the thought of the proponents of the bill or of myself that the period of Federal control should be left indefinite in order

to promote either the control that is provided in this bill or what has come to be called the Government ownership of carriers. As to that last subject, it is one which can not be precluded by legislation at this time. It is one which, in my opinion, will not be very materially affected by the provisions of the bill. I have never felt that it was an intelligent procedure to attempt on this legisation to determine a question of that far-reaching consequence. I have felt all the while that if we undertake in this so-called emergency measure to determine the future status of the railroads after the expiration of the war the consideration of the bill would be very greatly prolonged.

There were some reasons which made me hesitate to agree upon a fixed limitation as to Federal control, and I can state them very briefly. In the first place, at the expiration of the war there will be many unsettled questions between the railroads and the Government which will probably require legislation. The subject is not so simple as to be dealt with conclusively in agreements to be entered into now. I have felt that it might be wise not to compel the return of the carriers to their owners until Congress has had an opportunity of deliberately working out those propositions.

In the second place, when once you have extended Government credit to the railroads, it will be difficult to withdraw it without materially impairing and endangering the value of railroad credit, and in all probability if the question as to what shall be the future status of the railroads remains unsettled at the expiration of the limitation the railroads themselves or their representatives will want it extended.

But, Mr. President, I do not believe that it is wise to attempt in this legislation to determine the very important question as to how the railroads shall be operated after the war. Almost every Senator who has studied the subject admits that it will be necessary to modify the old system; that some legislation will be required; that it will be necessary to repeal some laws; and for that reason all Senators, so far as I know, have agreed that the period of Federal control should extend beyond the termination of the war.

The same controversy that arose in the committee has arisen here. All about me I hear Senators saying that they would prefer to have the period of control shortened. Some of them have said on the floor that they would like to have Federal control terminated immediately upon the ending of the war; others have said that six months would be an adequate period. My conviction, therefore, is that the best thing that can be done is to adhere to the compromise which was effected in the committee and to sustain the provisions of the bill with regard to the limitation of one and a half years after the expiration of the war. I think it would be a very grave mistake to shorten that period and I do not believe that the temper of the Senate would permit its extension.

Now, Mr. President, as to the amendment which the Senator from Iowa [Mr. CUMMINS] has offered to the amendment of the Senator from South Dakota [Mr. JOHNSON], the effect of that amendment is to provide two systems of Federal control, one to be operative during the war and the other to take effect at the termination of the war. It is of course trite to say that no Senator can tell when this war will end. We hope it will end very quickly; we fear it may be some time in the distant future; but I submit to the Senate that it is unwise to attempt now to legislate for conditions in the period after the termination of the war; that it is unwise to attempt to provide for two systems of Federal control. If Congress desires to do so when the war has ended it can turn the operation of the railroads over to a board of directors as contemplated by the amendment of the Senator from Iowa. It is also true that we could repeal that provision of the bill, should we adopt it now, but the point I am making is that we would accomplish nothing of a substantial nature to adopt a dual system of Federal control, one to take effect now and the other to take effect at the end of the war.

Therefore, I repeat, the best thing in my judgment to be done is to retain the limitation in the bill which the committee agreed upon.

Mr. JONES of Washington. Mr. President, while I believe that Government ownership, or at any rate Government unification and control, of railroads is just as sure to come as the night is to follow the day, and that in no distant future, I do not consider that the question of Government ownership is involved in the amendment proposed by the Senator from South Dakota. I favor that amendment because there are so many things in the bill that I consider unwise and unjust and iniquitous that I want Congress to be free to get rid of them just as soon as possible. They are going to be adopted. I think we have a right to assume that the bill substantially as reported by the committee is going to be passed with all the things in it that make the Senator from Georgia hesitate to vote for it, with all the things in it that will possibly lead the Senator from Iowa to vote against it, and yet we are going to tie the hands of Congress for 18 months after the close of the war and prevent it from remedying those things.

I am in favor of leaving the hands of Congress free to act just as soon as possible, and I believe that the legislation will appear so unjust after it is enacted as to lead Congress to provide for a permanent system just as soon as possible, either before the war ends or afterwards.

Mr. SMITH of Georgia and Mr. ROBINSON addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield; and if so, to whom?

Mr. JONES of Washington. I yield to the Senator from Georgia. He rose first.

Mr. SMITH of Georgia. Then, why does not the Senator present this amendment: Let the limitation of 18 months remain, with a proviso—provided, however, that Congress may shorten the time—and I will vote for it.

Mr. ROBINSON. Will the Senator yield?

Mr. JONES of Washington. I yield.

Mr. ROBINSON. That is the provision as it now exists and as it is reported by the committee. If the Senator will permit me, the provision which the committee reported does not tie the hands of Congress. Congress can act at any time. The limitation is that it shall not continue longer than 18 months after the expiration of the war, which, of course, implies that it may not continue that long. There is also a provision in the bill that the President may relinquish all rights at any time he chooses.

Mr. JONES of Washington. Let me ask the Senator, does the bill provide that agreements made by the President, if made to extend 18 months beyond the close of the war, can be modified at any time prior to that date?

Mr. ROBINSON. The President is given very broad power with respect to the agreements. There is nothing in the bill that requires him to agree with the railroads for any fixed period, and the probability is that the agreements will run for a definite period, from year to year or from month to month.

Mr. JONES of Washington. Under the bill the President can contract with these roads for 18 months beyond the close of the war, and Congress can not change that contract when it has been entered into.

Mr. ROBINSON. If the Senator will permit me——

Mr. JONES of Washington. Certainly.

Mr. ROBINSON. Since Congress has power to terminate Federal control, the President could not, if he desired to do so, which, of course, he would not, estop Congress from exercising its function. There is a provision in the bill that no compensation shall be paid for any period extending beyond the actual Federal control. I think that is carefully safeguarded.

Mr. JONES of Washington. The Senator from Iowa a moment ago said what I believe to be the effect of the bill—that the President can make a contract to extend for 18 months beyond the close of the war.

Mr. CUMMINS. Mr. President, I go further. I do not agree with the Senator from Arkansas. I think the President must do it. I think the only authority that is given him here is authority to agree upon the just compensation during the period of Federal control, and that standard is 18 months after the expiration of the war.

Mr. ROBINSON. If the Senator will permit me, the period of Federal control——

Mr. JONES of Washington. My time is going to be gone.

Mr. ROBINSON. I merely say that the period of Federal control is not fixed in the bill, and therefore the President is not compelled to agree upon any definite time.

Mr. JONES of Washington. The divergent views in reference to that matter simply strengthen me in the opinion that we ought to leave this matter to Congress; and that is all there is in it. Any future Congress can extend the 18-month period to a 5-year period if it sees fit, and unless the agreement does have the effect that I think it has, Congress can limit the period to 6 months and limit each contract to 6 months. Why not leave the matter in the discretion of Congress? That is exactly what the amendment of the Senator from South Dakota provides. Let us leave ourselves free. I have confidence in what future Congresses will do. I believe that a future Congress can be depended upon to provide a permanent system. This is not a permanent system. The amendment of the Senator from South Dakota does not provide a permanent system. It is just as

temporary as it is with the 18-month limitation, except we have all the iniquities possible absolutely continued for a period of 18 months beyond the termination of the war.

So, Mr. President, regardless of whatever views I may have with reference to Government ownership, I can very heartily support the amendment of the Senator from South Dakota if he will do this. I think the word "thereafter" in his amendment ought to be cut out, because it seems to me that that is an attempt to limit the power of Congress to act and prevent its action until the war closes. I believe when we get through with some of these very urgent matters Congress can very well and probably will settle down and try to devise some permanent system for the control of these railroads, the necessity for which everybody conceives. I do not want to adopt a provision which says that this shall continue until the close of the war unless Congress shall thereafter, after the close of the war, otherwise provide. I want it to be free, and from the time hostilities cease until a treaty of peace is actually signed and ratified we shall probably have ample time to prepare permanent legislation.

Mr. SMITH of South Carolina. Mr. President——

Mr. JONES of Washington. The amendment of the Senator from Iowa impresses me favorably, but I do not know whether I should be in favor of it or not. I now yield to the Senator from South Carolina, if I have any time remaining.

Mr. SMITH of South Carolina. I want to call the Senator's attention to section 13, which takes cognizance of the very matter that is now under discussion. That section reads:

SEC. 13. That the Federal control of railroads and transportation systems herein and heretofore provided for shall not continue longer than 18 months after the proclamation of peace terminating the war in which the United States is now engaged: *Provided, however*, That the President may, prior to July 1, 1918, relinquish control of all or any part of any railroad or system of transportation further Federal control of which the President shall deem not needful or desirable; and the President may at any time during the period of Federal control agree with the owners to relinquish all or any part of any railroad or system of transportation—

The point that I am making is this—

Provided further, That the President may relinquish all railroads under Federal control at any time he shall deem such action needful or desirable. No right to compensation shall accrue to any owner from and after the date of relinquishment for property relinquished under authority of this section.

Therefore every contract that is made will be made, of course, in the light of that provision.

Mr. JONES of Washington. Yes; but if the contract is made in express terms to continue for 18 months after the termination of the war, as it can be made under this proposed law, then it will continue for 18 months.

Mr. SMITH of South Carolina. But does not the Senator from Washington understand that in a contract under a law which gives the President such power as this does, he may, upon notice, relinquish any road at such time as he deems it will not any further conserve the public interest to hold it?

Mr. JONES of Washington. If the President should reserve that right in the agreement that he makes, of course that would be made a part of it, I suppose, and the contract could be terminated, but there is nothing here to prevent the President from making a contract running for 18 months beyond the war, without any condition limiting it or permitting him to withdraw it. If he should make such a contract, it would run beyond the period of the war.

Mr. SMITH of South Carolina. Mr. President, just one word in reference to the amendment which has been proposed by the Senator from Iowa [Mr. CUMMINS]. The proposition of the Senator from South Dakota [Mr. JOHNSON] is that there shall be extended into peace times the conditions under which we are taking over the railroads; in other words, granting them certain compensation that no one can control—a radical departure from the present status of things—and projecting that arrangement indefinitely into peace times. The Senator from Iowa offers an amendment that provides, in his opinion, machinery that he could risk indefinitely. The proposition of the Senator from Iowa, in other words, is that he is proposing to legislate now in this emergency according to his idea how the railroads ought to be run after peace comes.

Mr. CUMMINS. Mr. President, if the Senator from South Carolina will allow me to correct him there, I wish to say that I am simply proposing to substitute a board for the President during the peace time; that is all. It does not affect the length of Federal control at all.

Mr. SMITH of South Carolina. But, Mr. President, the Senator from Iowa would be perfectly willing for that board thus appointed to go on indefinitely, for he says that if his amendment were adopted, then he would vote for indefinite tenure under that system, as modified by his amendment, which means that that is his idea of controlling the railroads during times of peace.

I submit that as fair-minded, honest men, the thing for us to do is to take this bill as a war measure, to treat it as a war measure, and to terminate that treatment when the war conditions are over.

Mr. GALLINGER. Mr. President, I rise to ask the Senator from South Carolina a question as to further procedure. We all agreed to this unanimous-consent agreement, some of us with hesitation, making it apply to the legislative day of Thursday. I will ask the Senator if he expects to complete this bill during this calendar day?

Mr. SMITH of South Carolina. My idea was that we would go on until the 10-minute limitation of debate is over, then take a recess, and finish the bill under the five-minute rule.

Mr. GALLINGER. Some of us would like to know about when we are likely to take that recess. Would the Senator think of running beyond 6 o'clock?

Mr. SMITH of South Carolina. No. My purpose was that at 6 o'clock we should take a recess, so as to begin the next session of the legislative day under the five-minute rule.

Mr. GALLINGER. It will be satisfactory if the Senator will move to take a recess at 6 o'clock.

Mr. SMITH of South Carolina. I should like in this connection to state to the Senator that I desire to run on until 6 o'clock, when the 10-minute limitation will have expired.

Mr. GALLINGER. That is entirely satisfactory.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. REED. I wanted the floor, and I thought the Senator from South Carolina had concluded.

Mr. SMITH of South Carolina. I am through.

Mr. REED. If I am not interrupting, I desire to ask the Senator in charge of the bill, the chairman of the committee, to consider this proposition. Perhaps I shall not offer an amendment upon it to-night, but possibly the committee will see fit to bring in one if the suggestion commends itself to the committee. The language of section 1 is:

That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier making operating returns to the Interstate Commerce Commission that during the period of such Federal control it shall receive as just compensation not exceeding an annual sum—

That is a clear right on the part of the President to make a contract covering the period of the war and the 18 months' period thereafter, unless there is to be found in the bill somewhere express language giving the right to terminate.

Mr. SMITH of South Carolina. I ask the Senator from Missouri to read section 13 of the bill—the last section.

Mr. REED. I have done so. When we come to the last section of the bill, to which the chairman of the committee refers me, we find this language:

SEC. 13. That the Federal control of railroads and transportation systems herein and heretofore provided for shall not continue longer than 18 months after the proclamation of peace terminating the war in which the United States is now engaged.

That, of course, fixes a limit of 18 months, and the President, so far as we have proceeded now, could contract for that period. Following the language on we find that the President may, prior to the 1st day of July, 1918, relinquish control of certain of the roads, and then we find the proviso, in line 12, which reads:

Provided, further, That the President may relinquish all railroads under Federal control at any time he shall deem such action needful or desirable.

But while you find the right to reserve to the President to relinquish these roads——

Mr. SMITH of South Carolina. I call the attention of the Senator from Missouri to the provision beginning in line 9 of that section.

Mr. REED. The Senator calls my attention to the language—

And the President may at any time during the period of Federal control agree with the owners to relinquish all or any part of any railroad or system, of transportation—

But that does not change the proposition I am trying to state. Under the provisions of the bill, as I see it, the President can contract for the period of 18 months after the war, and I think may be held to be bound to contract for the period of the war and 18 months thereafter. The President then has the right to terminate the period of the contract by his own act. I think, notwithstanding anything he may put in the contract, he can terminate it; but we do not know who may be President at that time; of course, we can not tell; the exigencies that happen in this life, the duration of the war, and other matters are to be considered. Now, is it not wise to incorporate in the bill some language reserving to the Congress the right to limit Federal control—and by "Congress" I mean the Congress by law, which, of course, implies the presidential action in connection with it

that of Congress—so that there will be written into the contracts at the time they are made the express reservation of law giving to the United States the right to terminate them by law. A few words will do it; and in view of the doubt, I suggest to the committee the propriety of an amendment of that kind.

Mr. POMERENE. Mr. President, does the Senator really have serious doubt about the power of Congress to repeal this proposed law at any time?

Mr. REED. Absolutely, if a contract has been made. I am of the opinion that if the President were to make a contract for the period of the war and for 18 months thereafter, and did not see fit himself to terminate the contract, the contract could not be annulled by an act of Congress, unless we place in this act a reservation of the right to change it. I am not going to insist that I am necessarily right about it; but I think a doubt exists, and I think that the insertion in line 13, after the word "President," of the words "or the United States by act of Congress," will settle the entire question.

Mr. SMITH of South Carolina. If I may make a suggestion to the Senator right there, I have not thought about the suggestion he makes to us for our consideration; but would not the Senator's proposal inject two parties to deal with the railroads in relation to the contracts to be made, one the Congress and the other the President, and might it not inject such an element of doubt and uncertainty as to make any agreement rather doubtful? I merely throw that out as a suggestion.

It seems to me that if the railroads are going to deal with the President, then they may learn just what he is going to do by communicating with him; but if we also reserve the right to Congress to change the contract, the railroads might not know exactly what kind of a contract they would be able to secure.

Mr. REED. Mr. President, if the Senator will pardon me, a moment ago he was insisting that Congress does now have that right under the bill.

Mr. SMITH of South Carolina. No; I said the President had.

Mr. REED. I understood a number of Senators to say that the right existed also on the part of Congress.

Mr. SMITH of South Carolina. But the Senator from South Carolina did not say that.

Mr. SMITH of Georgia. The Senator probably has in mind the Senator from Ohio [Mr. POMERENE].

Mr. REED. I was probably in error when I said the Senator from South Carolina had taken that position; but other Senators have taken it.

Mr. SMITH of South Carolina. I do not exactly understand, if the Senator will allow me a moment, how Congress can authorize and direct the President, and give him the power to do a thing, and then say that he can not do it. The bill expressly provides that he shall, of his own initiative, terminate any of these contracts when he sees fit to do so and when the public good in his judgment so demands. Now, if on the other hand, pari passu, we invest Congress with power to do the same thing, the railroads would not know where they stood. So it seems to me that the only question of doubt would be the question raised by the Senator that we do not know who might be President; but I take it that all Presidents are pretty much alike in some respects.

Mr. ROBINSON. Mr. President, I should like to ask the Senator from Missouri a question, if he will permit me. The Senator from Missouri understands, of course, that the constitutional limitation prohibiting the impairment of the obligation of contracts is upon the States, and not upon the Federal Government; in other words, the making of a contract can not estop Congress from legislating upon the subject.

Mr. REED. Mr. President, I have heard that proposition often laid down, and while it is true that there is no express constitutional provision that the United States can not impair the obligation of a contract, I think the authorities are perfectly clear that the United States can not take property without due process of law; and that when you impair the obligation of a contract you do take property without due process of law. The courts have so held. I think the fifth amendment covers it, but that is not the point I am talking about. It is perfectly clear that if we do write into this law words expressly reserving to Congress the power to turn back these roads, notwithstanding any contract, we will then be in a position to do it if the country wants to do it. Many Senators think that that right exists anyway; but, as there is a doubt about it, why not put in these three or four words? Then every railroad company will understand, Congress will understand, and the President will understand that the power is reserved to change these contracts. I make the suggestion as one desiring to aid the bill, and not in an antagonistic spirit, for the consideration of the committee.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Iowa [Mr. CUMMINS] to the amendment offered by the Senator from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. President, I want to get back for just a moment to the amendment. Referring to the suggestion made by the Senator from Washington [Mr. JONES], I desire to modify the original amendment by striking out the word "thereafter" in line 4.

The VICE PRESIDENT. The amendment will be so modified. The question now is on the amendment of the Senator from Iowa to the amendment of the Senator from South Dakota as modified.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now recurs on the amendment offered by the Senator from South Dakota as modified.

Mr. UNDERWOOD. I ask for the yeas and nays.

Mr. JOHNSON of South Dakota. I think the yeas and nays were ordered on the amendment some time ago.

The VICE PRESIDENT. They are now ordered, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I have a pair with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. THOMAS (when his name was called). May I inquire whether the senior Senator from North Dakota [Mr. MCCUMBER] has voted?

The VICE PRESIDENT. He has not.

Mr. THOMAS. I have a standing pair with that Senator, and therefore withhold my vote.

Mr. TILLMAN (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. LODGE (when Mr. WEEKS's name was called). My colleague [Mr. WEEKS] is absent, as I have already stated. He is paired with the senior Senator from Kentucky [Mr. JAMES]. If present my colleague would vote "nay."

The roll call was concluded.

Mr. MCLEAN. I wish to announce that my colleague [Mr. BRANDEGEE] is unavoidably absent from the Chamber. If present he would vote against this amendment.

Mr. FRELINGHUYSEN. Making the same transfer that I made on a previous vote, I vote "nay."

Mr. KIRBY. I have been requested to announce the unavoidable absence of the senior Senator from Kansas [Mr. THOMPSON], who, if present, would vote "yea."

Mr. HALE. I wish to announce the unavoidable absence of my colleague [Mr. FERNALD]. If present, he would vote "nay."

Mr. JOHNSON of South Dakota (after having voted in the affirmative). I have a pair with the senior Senator from Maine [Mr. FERNALD]. I transfer that pair to the junior Senator from New Hampshire [Mr. HOLLIS] and will allow my vote to stand.

The result was announced—yeas 10, nays 61, as follows:

YEAS—10.

Ashurst	Johnson, S. Dak.	Kirby	Poindexter
Gronna	Jones, Wash.	Norris	
Johnson, Cal.	Kenyon	Phelan	

NAYS—61.

Bankhead	Jones, N. Mex.	Page	Smith, S. C.
Beckham	Kellogg	Penrose	Smoot
Cummins	Kendrick	Pittman	Sterling
Curtis	King	Pomerene	Stone
Dillingham	Knox	Ransdell	Sutherland
Fletcher	Lewis	Robinson	Tillman
France	Lodge	Saulsbury	Townsend
Frelinghuysen	McKellar	Shafroth	Trammell
Gallinger	McLean	Sheppard	Underwood
Gerry	McNary	Sherman	Warren
Gore	Martin	Shields	Watson
Hale	Myers	Simmons	Williams
Harding	Nelson	Smith, Ariz.	Wolcott
Hardwick	New	Smith, Ga.	
Henderson	Nugent	Smith, Md.	
Hitchcock	Overman	Smith, Mich.	

NOT VOTING—23.

Borah	Culberson	LaFollette	Thompson
Brandegee	Fall	McCumber	Vardaman
Broussard	Fernald	Owen	Wadsworth
Calder	Goff	Reed	Walsh
Chamberlain	Hollis	Swanson	Weeks
Colt	James	Thomas	

So the amendment of Mr. JOHNSON of South Dakota was rejected.

Mr. SIMMONS. Mr. President, I ask unanimous consent to present, out of order, a favorable report from the Finance Committee.

The VICE PRESIDENT. The Chair will be compelled to hold that under the rule of the Senate the unanimous-consent agreement precludes any other business until 6 o'clock, at least.

Mr. SIMMONS. I apprehended that the Chair might so hold, but I thought I might get in this report without having to wait until 6 o'clock.

The VICE PRESIDENT. Unfortunately, the Chair will have to say to the Senator from North Carolina that since the present occupant of the chair came here a rule has been adopted whereby a unanimous-consent agreement can not be set aside except upon one day's notice.

Mr. SIMMONS. I was not unaware of that. I simply wanted to make this report, if possible.

Mr. STONE. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 11, line 11, after the word "property," it is proposed to insert the word "while," so that, if amended, the clause will read:

But no process, mesne or final, shall be levied against any property while under such Federal control.

Mr. SMITH of South Carolina. Mr. President, that amendment does not change the meaning of the proposition at all, and I have no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was agreed to.

Mr. FRELINGHUYSEN. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of section 13, the following words:

Provided further, That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

Mr. FRELINGHUYSEN. Mr. President, the State of New Jersey receives $7,000,000 from the railroads in the way of taxation, which is appropriated directly to the schools of the State. The object of this amendment is to make certain that there will be no interference by the Federal Government with that method of taxation.

I ask if the chairman of the committee will not accept the amendment?

Mr. SMITH of South Carolina. Mr. President, I am perfectly agreeable to that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

Mr. STERLING. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to strike out section 10, and to insert in lieu thereof the following:

SEC. 10. That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, or any other act applicable to such Federal control, or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under statutes or at common law, including the laws enacted or liabilities imposed under State authority for the regulation of the common carriers of traffic wholly within the State; and suits may be brought by and against such carriers and judgments rendered as now provided by law. But no process, mesne or final, shall be levied against any property under such Federal control.

That the Interstate Commerce Commission, in addition to the powers conferred by the act entitled "An act to regulate commerce," approved February 4, 1887, and acts amendatory thereof, is authorized to investigate, hear, and determine on application of the President and in the manner provided in said act, whether the rate or rates charged by any carrier or carriers under Federal control are, under the conditions, unjust or unreasonable or prejudicial to the public interest or to the purpose for which said control has been authorized and assumed, and on such hearing and determination to prescribe and order what rate or rates, charge or charges are, under the conditions, just and reasonable and which shall be observed as the maximum to be charged during such control.

Mr. STERLING. Mr. President, there are two changes in section 10 provided for by the proposed amendment.

The first is in the first paragraph of section 10 of the bill; and I am not sure, Mr. President, but that the amendment as proposed to the first paragraph of section 10 will simply make more certain what was intended by the committee. The only change made in the first paragraph is by the insertion of the following words after the word "law" in line 8:

Including the laws enacted or liabilities imposed under State authority for the regulation of the common carriers of traffic wholly within the State.

So that, if amended, the paragraph would read:

That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, or any other act applicable to such Federal control, or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under statutes or at common law, including the laws enacted or liabilities imposed under State authority for the regulation of the common carriers of traffic wholly within the State.

Under the theory, Mr. President, that the amendment will make it more certain than the bill, we would suppose, perhaps, that the word "statutes" referred to State as well as Federal statutes; but that is not clear. The words in the bill are "under statutes or at common law." If that language excludes State statutes and legislation and regulation under State statutes, it, of course, will have the effect of destroying railroad regulation under State systems, and I do not believe that is desirable. The exigencies of the case do not require it. After all, Mr. President, under the terms of the first paragraph of section 10 if any State regulation or statute is inconsistent with any order made by the President, the order of the President will, of course, supersede the State statute; but aside from the authority of the President—and aside from the regulation of rates or the initiation of rates he may make many, many orders—the State board of railroad commissioners surely should have control.

Mr. President, we can not ignore the great benefits conferred upon the people of a State by the action of the State boards of railroad commissioners. They have proved the greatest help in my own State of South Dakota; and, as I understand, they are coordinating and cooperating with the work of the Interstate Commerce Commission.

We have a fine example just now of the successful work of our own railroad commission. It was a case of rates charged by the railroads for hauling coal between the coal fields of Wyoming and points in South Dakota. Under the law a case was instituted by our railroad commission before the Interstate Commerce Commission, resulting in a recent decision to the effect that the railroad rates were, by order of the commission, reduced from what they were; and they had been, in fact, prohibitive of the bringing in of coal from the State of Wyoming.

Now, Mr. President, let me call attention to the second paragraph of section 10.

The second paragraph of section 10 gives the President the power to initiate rates. It in effect gives him the power to establish rates; for although the rates initiated by the President might be burdensome or unjust to the public, anyone would hesitate to complain to the commission.

What does my second amendment propose—the amendment to the second paragraph of section 10? It proposes that in addition to the powers conferred upon the Interstate Commerce Commission by the interstate-commerce act the commission shall, on the application of the President, investigate, hear, and determine any case where it may be alleged by him that the rates are unjust or unreasonable, or are prejudicial to the public interest, or are prejudicial to the purposes for which control of the railroads was assumed and has been authorized by act of Congress. I am satisfied, Mr. President, that all the benefits desired can be obtained in that way, by simply authorizing the President under the act to make application himself to the Interstate Commerce Commission for the fixing or the changing of a present rate on any line or the rate established by any carrier.

I have heard many objections, Mr. President, to the provision in the bill giving the President the power to initiate rates. All the good will be accomplished that is necessary to be accomplished, all that any exigency will require, by permitting the President under the law to make application himself to the Interstate Commerce Commission for the changing of any given rate, the rate of any line or of an entire system.

It seems to me, Mr. President, that under the conditions this is a most reasonable provision. I do not believe we want to put it in the power of the President of the United States to initiate, or, as I said, in effect to establish a rate for the whole country; but here the President can at any time—not in the ordinary case, but if the public welfare requires it or if it be for the purpose of carrying out the provisions of this bill—appear before the railroad commission or file his application before the Interstate Commerce Commission and have an investigation and a hearing, just as the bill provides may be had upon an initiated rate of which complaint is made; and I believe that all the exigencies and necessities of the case will be covered and that the great public will be better satisfied with a provision of that kind.

Mr. PHELAN. Mr. President, I desire to ask a question of the Senator. Do I understand that it is his view that under the powers granted by this bill the President has the right to initiate rates within a State, or only in interstate commerce?

Mr. STERLING. In interstate commerce, probably. However, on reflection I am inclined to think that the President would have a right under this bill to establish a rate for traffic wholly within a State.

Mr. PHELAN. The bill provides that the only appeal is to the Interstate Commerce Commission.

Mr. STERLING. Yes.

Mr. PHELAN. Therefore, by implication, I should say the initiation referred only to interstate rates.

Mr. STERLING. That is true; the appeal is to the Interstate Commerce Commission. But it is probably true that in this particular case, and to cover this class of cases, the Interstate Commerce Commission is made the instrument for the investigation of these rates.

Mr. PHELAN. I should like to ask the same question of the Senator from South Carolina, in charge of the bill.

Mr. SMITH of South Carolina. Mr. President, the committee itself was in doubt as to the real interpretation of this language. It seemed as if it were giving to the Interstate Commerce Commission the power of review when the President had initiated rates and made no other provision, and the interpretation would be that in case under this emergency clause he changed a rate that originated within the State, then it practically nullified or set aside the State commission to that extent.

Mr. STONE. Mr. President, I desire to ask the Senator in charge of the bill to inform me and the Senate what the program for to-morrow is.

Mr. SMITH of South Carolina. It is my intention, when the proper time arrives, to have the Senate take a recess until to-morrow at 11 o'clock. I presume the reading of the Farewell Address of Washington will be observed as heretofore, and afterwards we will go right along with the bill. That is my intention now. I think the urgency that is on us would cause us to go ahead with the bill.

Mr. CUMMINS. To-morrow will be the 21st of February.

Mr. SMITH of South Carolina. The 22d.

Mr. CUMMINS. The 21st. How can we celebrate Washington's Birthday on that day?

Mr. SMITH of South Carolina. No one will know that it is the legislative day of the 21st but the Senate.

Mr. STONE. That is a legislative technicality. To-morrow will be February 22.

Mr. President, I desire to say a word, if I may at this time, about this memorial event. I do not look with favor upon the program outlined for to-morrow by my friend from South Carolina. According to that program the Farewell Address of George Washington will be read in accordance with an ancient custom upon the assembling of the Senate to-morrow. We are told that after that we are to go on with the ordinary legislative business of the Senate. There is to be no adjournment in honor of Washington. Only the other day, the 12th of this month, the Senate adjourned out of respect to the memory of Abraham Lincoln, that being his birthday. It was a very proper observance of that event, a very proper compliment to pay to that great American. Of all men in our history entitled to bear the distinguished cognomen of the "Great Commoner" is Abraham Lincoln. It is a distinction that has been applied in one way or another to many eminent Americans from the day of Henry Clay—it may be before that—to this time, but Abraham Lincoln is the one man above all in our history really entitled to wear that distinguished title. It belongs to him.

Mr. President, what I wish to say is that while we paid this well-deserved compliment to Abraham Lincoln by adjourning the Senate out of respect to his birthday, I can not but look with disfavor upon the program for to-morrow.

The VICE PRESIDENT rapped with his gavel.

Mr. STONE. Mr. President——

The VICE PRESIDENT. Personally, the Chair has no control over the agreement. It is 5 minutes after 6 o'clock. The bill is before the Senate and has not been set aside.

Mr. STONE. Then I will take another occasion to say what I have to say about George Washington and why I think we should also adjourn the Senate in commemoration of his birth.

Mr. SMITH of South Carolina. Mr. President——

Mr. STONE. Mr. President, I move to strike out the last word.

The VICE PRESIDENT. There is an amendment pending to which the Senator from Missouri has addressed himself. The Chair is not responsible for this agreement.

Mr. STONE. I move to amend that amendment by striking out the first word in it.

The VICE PRESIDENT. The Chair does not know what the Senator from Missouri wants to strike out.

Mr. STONE. The first word of the pending amendment.

The VICE PRESIDENT. The word "section"?

Mr. STONE. Yes.

The VICE PRESIDENT. The Chair holds that that is not in order.

Mr. STONE. What is the first word of the amendment?

The VICE PRESIDENT. "That" is the first word.

Mr. STONE. I move to strike out the word "that."

The VICE PRESIDENT. The Chair holds that that is not in order. It is not an amendment which would leave anything if carried.

Mr. STONE. Then I move to strike out the first line of the amendment.

Mr. PENROSE. I raise a point of order that the amendment is not germane.

The VICE PRESIDENT. The Chair has nothing to do with the germaneness of the amendment. The amendment is in order, and the Senator can proceed for five minutes.

Mr. STONE. Mr. President, I wish to say that I look with disfavor upon the suggestion that on to-morrow when the Senate meets and the Senator from Rhode Island [Mr. GERRY] takes his place at the Secretary's desk and reads the last message that George Washington delivered to the American people, reads it on Washington's Birthday, that we shall then immediately go on with legislative current business. We ought to adjourn the Senate out of respect to Washington's memory, just as we did out of respect to the memory of Lincoln.

Mr. MARTIN. I ask the Senator if he will yield to me for just a moment? I wish to call his attention to the fact that the rule requires that we shall proceed with ordinary business as soon as the address has been read. That is in the rule of the Senate.

Mr. LODGE. It has always been done.

Mr. STONE. I know it is in the rule; I was not unaware of that.

Mr. GALLINGER. Of course, if we choose to adjourn after the address is read we can do so.

Mr. STONE. Yes; and I am now proposing that we do then adjourn.

Mr. President, it is a poor compliment to the man who is supposed to stand first in war, first in peace, and first in the hearts of his countrymen—the first of all Americans—that we merely read his Farewell Address to a half dozen Senators and to a scattered audience of a few curious onlookers in the galleries. How prone are we to forget the advice and admonitions of this greatest of all Americans! I not only want that address read to the Senate and to the country but to impress its dignity and wisdom, its soberness and its truth upon the Senate and the country and the world. If anything can be done by the Senate to impress the tremendous significance of that memorable address upon the American mind it should be done now if ever in our history. Can we not pay this simple compliment to George Washington as we paid a like well-deserved compliment to Abraham Lincoln?

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of executive business.

Mr. POINDEXTER. Will the Senator withhold that for just a moment while I offer an amendment in order that it may be printed for consideration to-morrow?

Mr. SMITH of South Carolina. Very well.

Mr. POINDEXTER. I offer an amendment and ask that it be printed.

The VICE PRESIDENT. It will be printed and lie on the table.

Mr. SMITH of South Carolina. I renew the motion.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Oklahoma?

Mr. SMITH of South Carolina. I yield.

Mr. GORE. I ask unanimous consent to print in the RECORD a brief of Judge Cowan, of Texas, in relation to the pending bill.

Mr. WILLIAMS. How long is it?

Mr. GORE. Several pages.

Mr. WILLIAMS. I believe I will object to printing the paper in the RECORD, and I make the objection on account of the high cost and scarcity of print paper.

EXECUTIVE SESSION.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

CAPT. HARRY GRAHAM—BILL BECOMES A LAW.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that S. 1418, an act to authorize the President of the United States to appoint Harry Graham captain of Infantry, having been presented to the President on February 7, 1918, and not having been returned by him to the House of Congress in which it originated within the 10 days prescribed by the Constitution, it has become a law without his approval.

EFFECT OF BOLSHEVIKI DOCTRINES IN LABOR UNIONS.

Mr. McCUMBER. Mr. President, I desire to give notice that on Monday next, at the close of the routine morning business, I shall ask permission to address the Senate upon the effect of the Bolsheviki doctrines in our labor unions upon production in the United States and the remedy of the country against those doctrines.

ESTABLISHMENT OF A FOREIGN BANK.

Mr. OWEN. Mr. President, I give notice that on to-morrow, Friday, after the morning hour, I should like permission to address the Senate with regard to the establishment of a foreign bank——

Mr. STONE. Mr. President, I should like to inquire, if the Senator will permit me, whether there will be a session of the Senate to-morrow?

Mr. OWEN. Yes. Washington's Farewell Address will be read to the Senate by the junior Senator from Rhode Island [Mr. GERRY], and then any other matter can be proceeded with that the Senate chooses to consider.

The PRESIDING OFFICER (Mr. PHELAN in the chair). The Chair begs to remind the Senator from Oklahoma that it is the custom—and, indeed, under an order of the Senate—that the Farewell Address of Washington shall be read to-morrow.

Mr. OWEN. I so understand, Mr. President; and I understand also that it is the practice of the Senate to transact any business it may see fit to transact on that day. After the reading of the address I wish to make some remarks on the establishment of a foreign bank and the necessity for providing the merchants' commerce of the United States with international exchange and international credits.

PETITIONS.

Mr. McLEAN presented a petition of the Grand Chapter of Connecticut, Order of the Eastern Star, of Winsted, Conn., praying for the establishment of a league of nations to safeguard an enduring peace after the close of the present war, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Retail Butchers and Grocers' Protective Association, of New Haven, Conn., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

WAR FINANCE CORPORATION.

Mr. SIMMONS. From the Committee on Finance, I report back favorably, with amendments, the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes. I wish to give notice that I shall submit a report (No. 286) to accompany the bill at a later day. I also desire to give notice that I shall ask the Senate to take up the bill for consideration on Monday next, in the event that the pending bill, known as the railroad transportation bill, shall have been disposed of.

The VICE PRESIDENT. The bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEWIS:

A bill (S. 3929) for the construction of a private conduit across Michigan Avenue NE., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. JONES of Washington:

A bill (S. 3930) granting an increase of pension to Francis A. Hoagland (with accompanying papers); to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 3931) granting an increase of pension to James N. Harris; to the Committee on Pensions.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. GALLINGER submitted an amendment proposing to appropriate $10,000 for the purchase and installation of a new elevator in the Central Dispensary and Emergency Hospital, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment providing that within two years after the conclusion of the existing war the buildings provided for shall be removed and parcels of land known as East Seaton Park and West Seaton Park, in the city of Washington, shall be attached to and become a part of the United States Botanic Garden, etc., intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. WILLIAMS submitted an amendment authorizing the Secretary of the Interior to enroll as members of the Choctaw Tribe of Indians all persons identified as Mississippi Choctaws by the Commission to the Five Civilized Tribes, under the provision of section 21 of the act of Congress approved June 28, 1898, and also to enroll all full-blooded Mississippi Choctaws not heretofore enrolled and all persons who may satisfactorily establish their rights as descendants of Choctaws, etc., intended to be proposed by him to the Indian appropriation bill, which was ordered to lie on the table and be printed.

Mr. GORE submitted an amendment providing that hereafter any moneys received by the United States in payment of charges fixed by the Secretary of Agriculture on account of cleaning and disinfecting of plants constructed therefor out of any appropriation made on account of the pink boll worm be appropriated and made immediately available during the continuance of such emergency, etc., intended to be proposed by him to the Agriculture appropriation bill, which was ordered to lie on the table and be printed.

THE PANAMA RAILROAD CO. (S. DOC. NO. 179).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was ordered to be printed, and, with the accompanying paper, referred to the Committee on Interoceanic Canals.

To the Senate and House of Representatives:

I transmit herewith, for the information of the Congress, the Sixty-eighth Annual Report of the Board of Directors of the Panama Railroad Co. for the fiscal year ending June 30, 1917.

WOODROW WILSON.

THE WHITE HOUSE, *February 20, 1918.*

RECESS.

Mr. SMITH of South Carolina. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 6 o'clock and 13 minutes p. m., Thursday, February 21, 1918) the Senate took a recess until to-morrow, Friday, February 22, 1918, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate February 21, 1918.

PUBLIC HEALTH SERVICE.

Dr. Marion Flint Haralson to be assistant surgeon in the Public Health Service, to take effect from date of oath. New office.

Dr. John Friend Mahoney to be assistant surgeon in the Public Health Service, to take effect from date of oath. New office.

Dr. Hugh David Ward, to be assistant surgeon in the Public Health Service, to take effect from date of oath. New office.

APPOINTMENTS IN THE ARMY.

CHAPLAINS.

Rev. Thomas A. Harkins, of Oklahoma, with rank from February 14, 1918.

Rev. John W. Inzer, of Alabama, with rank from February 15, 1918.

MEDICAL CORPS.

First Lieut. Charles Robert Henry, Medical Reserve Corps, to be first lieutenant with rank from February 15, 1918, to fill an existing vacancy.

APPOINTMENTS IN THE NATIONAL ARMY.

TO BE BRIGADIER GENERALS WITH RANK FROM FEBRUARY 18, 1918.

Adjutant General's Department.

Col. Henry G. Learnard, adjutant general.

Inspector General's Department.

Col. William T. Wood, United States Army, retired.
Col. Thomas Q. Donaldson, inspector general.

Ordnance Department.

Col. William S. Peirce, Ordnance Department.
Col. John H. Rice, Ordnance Department.
Col. Tracy C. Dickson, Ordnance Department.

PROVISIONAL APPOINTMENTS IN THE ARMY.

INFANTRY ARM.

John Thomas Bell, late cadet, United States Military Academy, to be second lieutenant with rank from October 26, 1917.

Second Lieut. Arthur Edmund Hirschler, Officers' Reserve Corps, to be second lieutenant with rank from date of appointment.

PROVISIONAL APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

Second Lieut. George Stewart Warren, Thirty-ninth Infantry, to be second lieutenant of Cavalry with rank from October 26, 1917.

FIELD ARTILLERY ARM.

Second Lieut. John S. Fishback, Infantry, to be second lieu- first lieutenant with rank from October 26, 1917.

INFANTRY ARM.

Second Lieut. Bernard M. Barcalow, Field Artillery, to be second lieutenant of Infantry with rank from October 26, 1917.

Second Lieut. James Robert Lowry, jr., Eleventh Cavalry, to be second lieutenant of Infantry with rank from October 26, 1917.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

COAST ARTILLERY CORPS.

Second Lieut. Arthur H. Warner, Coast Artillery Corps, to be first lieutenant with rank from October 26, 1918.

INFANTRY ARM.

Second Lieut. John Thomas Bell to be first lieutenant with rank from October 26, 1917.

CAVALRY ARM.

To be first lieutenants with rank from October 12, 1917.

Second Lieut. Vance W. Batchelor, Cavalry.
Second Lieut. Truman E. Boudinot, Cavalry.
Second Lieut. James R. Wood, Cavalry.
Second Lieut. William J. Gallagher, Cavalry.
Second Lieut. Charles Rudd, Cavalry.
Second Lieut. James G. Strobridge, Cavalry.
Second Lieut. Stephen Boon, jr., Cavalry.
Second Lieut. Harold G. Holt, Cavalry.
Second Lieut. Walter Gunther, Cavalry.
Second Lieut. Roy V. Morledge, Cavalry.
Second Lieut. John W. Noble, Cavalry.
Second Lieut. Herman R. Crile, Cavalry.
Second Lieut. Joseph E. Torrence, Cavalry.
Second Lieut. Charles G. Hutchinson, Cavalry.
Second Lieut. Chester P. Dorland, Cavalry (Signal Corps).
Second Lieut. Ernest D. McQueen, Cavalry.
Second Lieut. Archie E. Groff, Cavalry.
Second Lieut. George D. Wiltshire, Cavalry.
Second Lieut. Alfonso F. Zerbee, Cavalry.
Second Lieut. Jackson B. Wood, Cavalry.
Second Lieut. Arthur J. Wehr, Cavalry.
Second Lieut. Robert C. Scott, Cavalry.
Second Lieut. Ernest F. Apeldorn, jr., Cavalry.

To be first lieutenants with rank from October 24, 1917.

Second Lieut. John R. Evans, jr., Cavalry.
Second Lieut. DeLancey Bentley, Cavalry.
Second Lieut. William P. Rauch, Cavalry.
Second Lieut. John A. Garvin, Cavalry.
Second Lieut. Daniel D. Streeter, Cavalry.
Second Lieut. Randolph Russell, Cavalry.
Second Lieut. Ralston D. Livingston, Cavalry.
Second Lieut. Brock Putnam, Cavalry.
Second Lieut. Leland L. Miller, Cavalry.
Second Lieut. Edwin M. Sumner, Cavalry.
Second Lieut. William J. McChesney, jr., Cavalry.
Second Lieut. Joseph Sheehan, Cavalry.
Second Lieut. James M. Currin, Cavalry.
Second Lieut. Thomas H. Green, Cavalry.
Second Lieut. William H. C. Grimes, Cavalry.
Second Lieut. Russell C. Winchester, Cavalry.
Second Lieut. James S. Rodwell, Cavalry.
Second Lieut. Charles F. Choate, 3d, Cavalry.
Second Lieut. Charles D. Ryan, Cavalry.
Second Lieut. Nathaniel Holmes, Cavalry.
Second Lieut. Kirk Broaddus, Cavalry.
Second Lieut. Paul Blackmer, Cavalry.
Second Lieut. Herbert A. Suman, Cavalry.
Second Lieut. Harold de B. Bruck, Cavalry.
Second Lieut. Donald A. Young, Cavalry.

To be first lieutenants with rank from October 25, 1917.

Second Lieut. Hans C. Minuth, Cavalry.
Second Lieut. Edwin C. Gere, Cavalry.
Second Lieut. John M. Sweeney, jr., Cavalry.
Second Lieut. George G. Ball, Cavalry.
Second Lieut. Samuel C. Skemp, Cavalry.
Second Lieut. Jacob M. Carter, jr., Cavalry.
Second Lieut. Thomas P. Hazard, Cavalry.
Second Lieut. Francis C. Dossert, Cavalry.

To be first lieutenants with rank from November 5, 1917.

Second Lieut George W. Ewing, jr., Cavalry.
Second Lieut. Crawford C. Madeira, Cavalry.
Second Lieut. Charles P. Davis, Cavalry.
Second Lieut. Harry R. Kilbourne, Cavalry.
Second Lieut. Elmer E. Finck, Cavalry.
Second Lieut. Harry H. Semmes, Cavalry.

To be first lieutenant with rank from November 10, 1917.

Second Lieut. Clifford A. Eastwood, Cavalry.

To be first lieutenant with rank from November 30, 1917.

Second Lieut. Guy A. Russell, Cavalry.

To be first lieutenant with rank from December 1, 1917.

Second Lieut. Fenton S. Jacobs, Cavalry.

To be first lieutenant with rank from January 8, 1918.

Second Lieut. Catesby ap C. Jones, Cavalry.

To be first lieutenant with rank from January 9, 1918.

Second Lieut. Charles Wharton, Cavalry.

TEMPORARY PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

To be major with rank from July 13, 1917.

Capt. Clarence L. Sturdevant, Corps of Engineers, vice Maj. Thomas H. Jackson, promoted.

To be major with rank from July 14, 1917.

Capt. Earl J. Atkisson, Corps of Engineers, vice Maj. George B. Pillsbury, promoted.

To be major with rank from July 18, 1917.

Capt. Richard T. Coiner, Corps of Engineers, vice Maj. Gustave R. Lukesh, promoted.

To be majors with rank from August 5, 1917.

Capt. Robert S. A. Dougherty, Corps of Engineers, vice Maj. John R. Slattery, promoted.

Capt. Stuart C. Godfrey, Corps of Engineers, vice Maj. Albert E. Waldron, promoted.

Capt. Francis C. Harrington, Corps of Engineers, vice Maj. Francis A. Pope, promoted.

Capt. Edwin H. Marks, Corps of Engineers, vice Maj. Ernest D. Peek, promoted.

Capt. Earl North, Corps of Engineers, vice Maj. George R. Spalding, promoted.

Capt. Albert H. Acher, Corps of Engineers, vice Maj. Paul S. Bond, appointed colonel in the National Army.

Capt. Gilbert Van B. Wilkes, Corps of Engineers, vice Maj. Elliott J. Dent, promoted.

Capt. John C. H. Lee, Corps of Engineers, vice Maj. William L. Guthrie, appointed colonel in the National Army.

Capt. Frank S. Besson, Corps of Engineers, vice Maj. Henry C. Jewett, appointed colonel in the National Army.

Capt. Lindsay C. Herkness, Corps of Engineers, vice Maj. William P. Stokey, promoted.

Capt. Roscoe C. Crawford, Corps of Engineers, vice Maj. Ernest Graves, promoted.

Capt. Bradford G. Chynoweth, Corps of Engineers, vice Maj. Francis B. Wilby, promoted.

Capt. Gordon R. Young, Corps of Engineers, vice Maj. James J. Loving, promoted.

Capt. Lunsford E. Oliver, Corps of Engineers, vice Maj. John W. N. Schulz, promoted.

CAVALRY ARM,

To be colonel with rank from January 26, 1918.

Lieut. Col. Edgar A. Sirmyer, Cavalry.

To be lieutenant colonels with rank from January 26, 1918.

Maj. Hamilton Bowie, Cavalry.
Maj. Frederick J. Herman, Cavalry (Quartermaster Corps).
Maj. Ben Lear, jr., Cavalry (General Staff Corps).
Maj. George P. Tyner, Cavalry (General Staff Corps).
Maj. Walter F. Martin, Cavalry.

To be majors with rank from January 24, 1918.

Capt. Walter F. Martin, Cavalry.
Capt. N. Butler Briscoe, Cavalry.

To be majors with rank from January 26, 1918.

Capt. Elbert E. Farman, jr., Cavalry.
Capt. George S. Patton, jr., Cavalry.
Capt. James R. Hill, Cavalry.

To be captains with rank from January 24, 1918.

First Lieut. Peter T. Coxe, Cavalry.
First Lieut. Francis J. Bouche, Cavalry.
First Lieut. William H. Sweet, Cavalry.

To be captains with rank from January 26, 1918.

First Lieut. Louis Cansler, Cavalry (Signal Corps).
First Lieut. William Van D. Ochs, Cavalry.
First Lieut. Lee L. Elzas, Cavalry.
First Lieut. Owen G. Fowler, Cavalry.

To be first lieutenants with rank from January 23, 1918.

Second Lieut. Calvert L. Estill, Cavalry.
Second Lieut. Nathan Cockrell, Cavalry.

To be first lieutenants with rank from January 24, 1918.

Second Lieut. Channing C. Beeth, Cavalry.
Second Lieut. Cecil T. North, Cavalry.
Second Lieut. Robert M. Eichelsdoerfer, Cavalry.
Second Lieut. Edmund H. Driggs, jr., Cavalry.

To be first lieutenants with rank from January 26, 1918.

Second Lieut. James T. Watson, jr., Cavalry.
Second Lieut. Roswell E. Round, Cavalry.
Second Lieut. William D. Thompson, Cavalry.

To be first lieutenants with rank from August 12, 1917.

Second Lieut. Murray H. Ellis, Cavalry, vice First Lieut. Charles C. Smith, promoted.

Second Lieut. Wolcott P. Hayes, Cavalry, vice First Lieut. Harrison Herman, promoted.

To be first lieutenant with rank from August 15, 1917.

Second Lieut. Joseph I. Lambert, Cavalry, vice First Lieut. William W. Dempsey, promoted.

To be first lieutenants with rank from August 16, 1917.

Second Lieut. Ralph W. Rogers, Cavalry, vice First Lieut. Robert R. D. McCullough, promoted.

Second Lieut. William P. Medlar, Cavalry, vice First Lieut. Chapman Grant, promoted.

Second Lieut. Lawrence A. Shafer, Cavalry, vice First Lieut. Duncan G. Richart, promoted.

Second Lieut. Thurlby M. Rundel, Cavalry, vice First Lieut. Daniel A. Connor, promoted.

Second Lieut. Charles B. B. Bubb, Cavalry, vice First Lieut. Harley C. Dagley, promoted.

Second Lieut. Paul E. McDermott, Cavalry, vice First Lieut. Charles L. Clifford, promoted.

Second Lieut. Gustav B. Guenther, Cavalry, vice First Lieut. Gaston L. Holmes, promoted.

Second Lieut. William H. Skinner, Cavalry, vice First Lieut. George W. Wersebe, promoted.

Second Lieut. Leslie F. Lawrence, Cavalry, vice First Lieut. Milton R. Fisher, promoted.

Second Lieut. Horace W. Forster, Cavalry, vice First Lieut. John S. Jadwin, promoted.

Second Lieut. Franklin C. Ketler, Cavalry, vice First Lieut. Arthur P. Thayer, promoted.

Second Lieut. Charles Pope, 2d, Cavalry, vice First Lieut. Edward R. Scheitlin, promoted.

Second Lieut. Waldemar A. Falck, Cavalry, vice First Lieut. Edwin A. Martin, promoted.

Second Lieut. Carl J. Rohsenberger, Cavalry, vice First Lieut. Jay D. B. Lattin, promoted.

Second Lieut. Crawford M. Kellogg, Cavalry, vice First Lieut. Frank G. Ringland, promoted.

Second Lieut. James V. McDowell, Cavalry, vice First Lieut. John B. Harper, promoted.

Second Lieut. Harry L. Hart, Cavalry, vice First Lieut. Oliver I. Holman, promoted.

Second Lieut. James H. B. Bogman, Cavalry, vice First Lieut. John J. Bohn, promoted

Second Lieut. Robert H. Gallier, Cavalry, vice First Lieut. John C. Garrett, promoted.

Second Lieut. Percy S. Haydon, Cavalry, vice First Lieut. Grover R. Carl, promoted.

Second Lieut. David J. Chaille, Cavalry, vice First Lieut. Hugh D. Blanchard, promoted.

Second Lieut. Albert E. McIntosh, Cavalry, vice First Lieut. James G. Monihan, promoted.

To be first lieutenants with rank from August 17, 1917.

Second Lieut. Jefferson Kinney, jr., Cavalry, vice First Lieut. Anthony J. Kirst, promoted.

Second Lieut. Halbert H. Neilson, Cavalry, vice First Lieut. William B. Simmons, promoted.

Second Lieut. Leland C. McAuley, Cavalry, vice First Lieut. Rexford E. Willoughby, promoted.

Second Lieut. Carl R. Johnston, Cavalry, vice First Lieut. John D. Austin, promoted.

Second Lieut. Vance W. Batchelor, Cavalry, vice First Lieut. Cleo D. Mayhugh, promoted.

Second Lieut. Truman E. Boudinot, Cavalry, vice First Lieut. John P. Kaye, promoted.

Second Lieut. Dean R. De Merritt, Cavalry, vice First Lieut. James W. Barnett, promoted.

Second Lieut. James R. Wood, Cavalry, vice First Lieut. John C. Mullenix, promoted.

To be first lieutenants with rank from August 18, 1917.

Second Lieut. William J. Gallagher, Cavalry, vice First Lieut. Ross McCoy, promoted.

Second Lieut. Charles Rudd, Cavalry, vice First Lieut. Howard C. Tobin, promoted.

Second Lieut. James G. Strobridge, Cavalry, vice First Lieut. John A. Weeks, promoted.

To be first lieutenants with rank from August 19, 1917.

Second Lieut. Stephen Boon, jr., Cavalry, vice First Lieut. Walter E. Buchly, promoted.

Second Lieut. Harold G. Holt, Cavalry, vice First Lieut. Harold C. Mandell, promoted.

Second Lieut. Walter Gunther, Cavalry, vice First Lieut. Lester A. Sprinkle, promoted.

Second Lieut. Roy V. Morledge, Cavalry, vice First Lieut. Robert W. Grow, promoted.

Second Lieut. John W. Noble, Cavalry, vice First Lieut. Terrill E. Price, promoted.

Second Lieut. Herman R. Crile, Cavalry, vice First Lieut. William H. Kasten, promoted.

Second Lieut. Joseph E. Torrence, Cavalry, vice First Lieut. Leon E. Ryder, promoted.

Second Lieut. Charles G. Hutchinson, Cavalry, vice First Lieut. Richard L. Creed, promoted.

Second Lieut. Chester P. Dorland, Cavalry, vice First Lieut. William M. Husson, promoted.

Second Lieut. Ernest D. McQueen, Cavalry, vice First Lieut. Harry L. Putnam, promoted.

Second Lieut. Archie E. Groff, Cavalry, vice First Lieut. Roderick R. Allen, promoted.

Second Lieut. George D. Wiltshire, Cavalry, vice First Lieut. Adolphus W. Roffe, promoted.

Second Lieut. Lieut. Alfonso F. Zerbee, Cavalry, vice First Lieut. Ion C. Holm, promoted.

Second Lieut. Jackson B. Wood, Cavalry, vice First Lieut. Robert C. Candee, promoted.

Second Lieut. Arthur J. Wear, Cavalry, vice First Lieut. Joseph L. Philips, promoted.

Second Lieut. Robert C. Scott, Cavalry, vice First Lieut. Kenneth McCatty, promoted.

To be first lieutenant with rank from August 24, 1917.

Second Lieut. Ernest F. Apeldorn, jr., Cavalry, vice First Lieut. Joseph W. Geer, promoted.

To be first lieutenants with rank from August 20, 1917.

Second Lieut. Grayson C. Woodbury, Cavalry, vice First Lieut. Edwin D. Morgan, jr., promoted.

Second Lieut. Duncan G. McGregor, Cavalry, vice First Lieut. Leslie B. C. Jones, promoted.

Second Lieut. Thomas J. Heavey, Cavalry, vice First Lieut. Kramer Thomas, promoted.

Second Lieut. Wallace F. Safford, Cavalry, vice First Lieut. James R. Finley, promoted.

Second Lieut. Joshua A. Stansell, Cavalry, vice First Lieut. Williard S. Wadelton, promoted.

Second Lieut. Raymond E. S. Williamson, Cavalry, vice First Lieut. Hale S. Cook, promoted.

Second Lieut. David C. G. Schlenker, Cavalry, vice First Lieut. John M. Jenkins, jr., promoted.

Second Lieut. Harry T. Wood, Cavalry, vice First Lieut. Beverly H. Coiner, promoted.

Second Lieut. Earl F. Knoob, Cavalry, vice First Lieut. Albert D. Chipman, promoted.

Second Lieut. Robert E. Symmonds, Cavalry, vice First Lieut. Arthur H. Truxes, promoted.

Second Lieut. John R. W. Diehl, Cavalry, vice First Lieut. Gordon J. F. Heron, promoted.

Second Lieut. Rudolph D. Delehanty, Cavalry, vice First Lieut. Carl C. Krueger, promoted.

Second Lieut. William H. W. Reinburg, Cavalry, vice First Lieut. Hugh M. Gregory, promoted.

Second Lieut. Elmer H. Almquist, Cavalry, vice First Lieut. Oron A. Palmer, promoted.

Second Lieut. Frank L. Carr, Cavalry, vice First Lieut. Stanley Bacon, promoted.

Second Lieut. Frank E. Bertholet, Cavalry, vice First Lieut. Samuel V. Constant, promoted.

Second Lieut. Marion Carson, Cavalry, vice First Lieut. William C. Chase, promoted.

Second Lieut. Rossiter H. Garity, Cavalry, vice First Lieut. Norman E. Fiske, promoted.

Second Lieut. Frank C. Jedlicka, Cavalry, vice First Lieut. Donald O. Miller, promoted.

Second Lieut. Leo B. Conner, Cavalry, vice First Lieut. Richard D. Gile, promoted.

Second Lieut. John B. Saunders, Cavalry, vice First Lieut. Wilson T. Bals, promoted.

Second Lieut. Arthur B. Custis, Cavalry, vice First Lieut. Cyrus J. Wilder, promoted.

Second Lieut. Desmond O'Keefe, Cavalry, vice First Lieut. Harold C. Fellows, promoted.

Second Lieut. Hal M. Rose, Cavalry, vice First Lieut. John T. Pierce, jr., promoted.

Second Lieut. Frederick J. Durrschmidt, Cavalry, vice First Lieut. Henry H. Anderson, promoted.

Second Lieut. Milton W. Davis, Cavalry, vice First Lieut. George M. Herringshaw, promoted.

Second Lieut. John B. Bellinger, jr., Cavalry, vice First Lieut. Thomas F. Limbocker, promoted.

To be first lieutenant with rank from October 4, 1917.

Second Lieut. John R. Evans, Cavalry, vice First Lieut. Cornelius M. Daly, promoted.

To be first lieutenants with rank from October 25, 1917.

Second Lieut. Fenton S. Jacobs, Cavalry, vice First Lieut. Richard B. Trimble, promoted.

Second Lieut. Catesby ap C. Jones, Cavalry, vice First Lieut. Arthur S. Harrington, promoted.

Second Lieut. Charles Wharton, Cavalry, vice First Lieut. Frank L. Whittaker, promoted.

Second Lieut. W. Dirk Van Ingen, Cavalry, vice First Lieut. Philip H. Sherwood, promoted.

Second Lieut. Herbert V. Scanlan, Cavalry, vice First Lieut. Robert S. La Motte, promoted.

Second Lieut. Sigurd von Christierson, Cavalry, vice First Lieut. George M. Gillet, jr., promoted.

Second Lieut. Kenneth O. Spinning, Cavalry, vice First Lieut. Arthur E. Pickard, promoted.

Second Lieut. Curt E. Hansen, Cavalry, vice First Lieut. James F. Dewhurst, promoted.

Second Lieut. Vincent P. Ryan, Cavalry, vice First Lieut. Donald S. Perry, promoted.

Second Lieut. Raymond C. Blatt, Cavalry, vice First Lieut. Thomas S. Poole, promoted.

Second Lieut. Clinton de Witt, Cavalry, vice First Lieut. Frederick G. Rosenberg, promoted.

Second Lieut. Harold J. Adams, Cavalry, vice First Lieut. Frederick R. Lafferty, promoted.

Second Lieut. William B. Van Auken, Cavalry, vice First Lieut. Carl H. Strong, promoted.

Second Lieut. Harold Kitson, Cavalry, vice First Lieut. Meade Firerson, jr., promoted.

Second Lieut. John Boies, Cavalry, vice First Lieut. Arthur T. Lacey, promoted.

Second Lieut. Charles R. Gross, Cavalry, vice First Lieut. David W. Craig, promoted.

Second Lieut. Irvine L. McAlister, Cavalry, vice First Lieut. Edmund M. Barnum, promoted.

Second Lieut. Robert G. Breene, Cavalry, vice First Lieut. Thomas A. Dobyns, jr., promoted.

Second Lieut. James I. Gibbon, Cavalry, vice First Lieut. John T. Minton, promoted.

Second Lieut. Walter C. Butler, Cavalry, vice First Lieut. Edward S. Bassett, promoted.

Second Lieut. Don Briley, Cavalry, vice First Lieut. Edward F. Shaifer, promoted.

Second Lieut. Howard F. Long, Cavalry, vice First Lieut. George M. Peabody, jr., promoted.

Second Lieut. Benjamin Lufkin, Cavalry, vice First Lieut. Athnel B. Ellis, promoted.

Second Lieut. Burton C. Andrus, Cavalry, vice First Lieut. Harrie K. Dalbey, promoted.

Second Lieut. Harold E. Lewis, Cavalry, vice First Lieut. John W. McDonald, promoted.

Second Lieut. Newell P. Weed, Cavalry, vice First Lieut. Victor Kerney, promoted.

Second Lieut. Arthur H. Besse, Cavalry, vice First Lieut. David H. Blakelock, promoted.

Second Lieut. Charles W. White, Cavalry, vice First Lieut. Rinaldo L. Coe, promoted.

Second Lieut. John R. Lindsey, Cavalry, vice First Lieut. Harold J. Duffey, promoted.

Second Lieut. George L. Snelling, Cavalry, vice First Lieut. Jay K. Colwell, promoted.

Second Lieut. Duane L. Tice, Cavalry, vice First Lieut. Amory C. Cotchett, promoted.

Second Lieut. Jason B. Hart, Cavalry, vice First Lieut. Otis Porter, promoted.

Second Lieut. Roland H. Rogers, Cavalry, vice First Lieut. Arthur C. D. Anderson, promoted.

Second Lieut. Fred N. Raymond, Cavalry, vice First Lieut. Emory M. Mace, promoted.

Second Lieut. Glenn W. Keith, Cavalry, vice First Lieut. Harry H. Dunn, promoted.

Second Lieut. Roscoe C. B. Ellard, Cavalry, vice First Lieut. George L. Morrison, promoted.

Second Lieut. Robert C. Knowlton, Cavalry, vice First Lieut. Renn Lawrence, promoted.

Second Lieut. Richard H. Pinney, Cavalry, vice First Lieut. Joseph A. Covington, promoted.

Second Lieut. Garland C. Black, Cavalry, vice First Lieut. John L. Rice, promoted.

Second Lieut. George A. Delaney, Cavalry, vice First Lieut. Nelson M. Imboden, promoted.

Second Lieut. Keith F. Driscoll, Cavalry, vice First Lieut. Randolph Dickens, promoted.

Second Lieut. Albert G. Hunt, Cavalry, vice First Lieut. John N. Steele, promoted.

Second Lieut. Egbert F. Bullene, Cavalry, vice First Lieut. Eugene M. Dwyer, promoted.

Second Lieut. Arthur W. Stanley, Cavalry, vice First Lieut. Wharton G. Ingram, promoted.

Second Lieut. Harold E. Brailey, Cavalry, vice First Lieut. Edward S. Moale, promoted.

Second Lieut. Carleton Burgess, Cavalry, vice First Lieut. Adrian St. John, promoted.

To be first lieutenants with rank from October 26, 1917.

Second Lieut. Frederick H. Vandegrift, Cavalry, vice First Lieut. Frederick J. Holzbaur, promoted.

Second Lieut. Harry E. Dodge, Cavalry, vice First Lieut. George H. Carruth, promoted.

Second Lieut. Charles F. Palmer, Cavalry, vice First Lieut. Robert M. Carswell, promoted.

Second Lieut. Jay D. D. Marcellus, Cavalry, vice First Lieut. Walter C. Merkel, promoted.

Second Lieut. Lewis D. Cooper, jr., Cavalry, vice First Lieut. Joseph M. Hurt, jr., promoted.

Second Lieut. Charles J. Davis, Cavalry, vice First Lieut. George L. Speer, promoted.

Second Lieut. George W. Outland, Cavalry, vice First Lieut. Charles B. Duncan, promoted.

Second Lieut. John M. Moose, jr., Cavalry, vice First Lieut. Ferris M. Angevine, promoted.

Second Lieut. Nelson R. Perry, Cavalry, vice First Lieut. Julian W. Cunningham, promoted.

Second Lieut. Innes Randolph, Cavalry, vice First Lieut. Sam G. Fuller, promoted.

Second Lieut. Carl B. Byrd, Cavalry, vice First Lieut. Clinton A. Pierce, promoted.

Second Lieut. Thomas Brady, jr., Cavalry, vice First Lieut. Thomas M. Cockrill, promoted.

Second Lieut. Gilbert X. Cheves, Cavalry, vice First Lieut. Delmore S. Wood, promoted.

Second Lieut. Wingate Battle, Cavalry, vice First Lieut. Arthur Vollmer, promoted.

Second Lieut. Harold B. Wharfield, Cavalry, vice First Lieut. Otto B. Trigg, promoted.

Second Lieut. Wade C. Gatchell, Cavalry, vice First Lieut. George W. L. Prettyman, promoted.

Second Lieut. Henry G. White, Cavalry, vice First Lieut. Thomas M. Turner, promoted.

Second Lieut. Norman D. Twichell, Cavalry, vice First Lieut. Horace L. Hudson, promoted.

Second Lieut. Andrew J. Wynne, Cavalry, vice First Lieut. Lawrence C. Frizzell, promoted.

Second Lieut. Howard C. Wiener, Cavalry, vice First Lieut. Jean F. Sabin, promoted.

Second Lieut. Walter F. Goodman, Cavalry, vice First Lieut. Robert F. White, promoted.

Second Lieut. Thomas M. Benson, Cavalry, vice First Lieut. Henry D. Jay, promoted.

Second Lieut. Edward F. Porter, Cavalry, vice First Lieut. Ray L. Burnell, promoted.

Second Lieut. Lucian K. Truscott, jr., Cavalry, vice First Lieut. Arthur W. Hartman, promoted.

Second Lieut. Ralph E. Alstead, Cavalry, vice First Lieut. John W. Berry, promoted.

Second Lieut. Arthur S. Kelley, Cavalry, vice First Lieut. Joseph N. Marx, promoted.

Second Lieut. James H. Akerman, Cavalry, vice First Lieut. George Sawtelle, promoted.

Second Lieut. Raymond T. Connell, Cavalry, vice First Lieut. Ray Harrison, promoted.

Second Lieut. James N. W. McClure, Cavalry, vice First Lieut. William F. Daugherty, promoted.

Second Lieut. Gabriel R. Mead, Cavalry, vice First Lieut. John T. Cole, promoted.

Second Lieut. Millard G. Harnden, Cavalry, vice First Lieut. Stephen H. Sherrill, promoted.

Second Lieut. David McK. Wilson, Cavalry, vice First Lieut. Charles H. Gerhardt, promoted.

Second Lieut. Leonard M. Mertz, Cavalry, vice First Lieut. Walter H. Schulze, promoted.

Second Lieut. Ernest A. Williams, Cavalry, vice First Lieut. Herbert C. Holdridge, promoted.

Second Lieut. Daniel H. McCarthy, Cavalry, vice First Lieut. Albert C. Smith, promoted.

Second Lieut. Slocum Kingsbury, Cavalry, vice First Lieut. Nicholas W. Lisle, promoted.

Second Lieut. George H. Millholland, Cavalry, vice First Lieut. Percy G. Black, promoted.

Second Lieut. Gardiner S. Platt, Cavalry, vice First Lieut. Albert C. Stanford, promoted.

Second Lieut. Roy I. Phares, Cavalry, vice First Lieut Louis Le R. Martin, promoted.

Second Lieut. Donald R. Dunkle, Cavalry, vice First Lieut. William K. Harrison, promoted.

Second Lieut Chester E. Davis, Cavalry, vice First Lieut. Josiah F. Morford, promoted.

Second Lieut. Holmes G. Paullin, Cavalry, vice First Lieut. Ernest N. Harmon, promoted.

Second Lieut Francis R. Kenney, Cavalry, vice First Lieut. Joseph S. Tate, promoted.

Second Lieut. Monroe P. Smith, Cavalry, vice First Lieut. Arthur M Harper, promoted.

Second Lieut. John H. Irving, Cavalry, vice First Lieut. John W. Confer, jr., promoted.

Second Lieut. Evan D. Cameron, jr., Cavalry, vice First Lieut. Herbert N. Schwarzkopf, promoted.

Second Lieut. William F. McLaughlin, Cavalry, vice First Lieut. Robert N. Kunz, promoted.

Second Lieut. Glenn S. Finley, Cavalry, vice First Lieut. Charles S. Kilbourn, promoted.

Second Lieut. Manly F. Meador, Cavalry, vice First Lieut. Charles R. Johnson, jr., promoted.

Second Lieut. Ernest F. Sexton, Cavalry, vice First Lieut. Coalter B. Compton, promoted.

Second Lieut. Stephen W. Davis, Cavalry, vice First Lieut. Folsome R. Parker, promoted.

Second Lieut. Lynn B. Conde, Cavalry, vice First Lieut. Guy H. Dosher, promoted.

Second Lieut. Clarence B. Werts, Cavalry, vice First Lieut. Cecil R. Neal, promoted.

Second Lieut. Henery R. Miller, jr., Cavalry, vice First Lieut. Myer S. Silven, promoted.

Second Lieut. John H. G. Reily, Cavalry, vice First Lieut. William H. Symington, promoted.

Second Lieut. Charles H. Unger, Cavalry, vice First Lieut. Philip B. Fryer, promoted.

Second Lieut. William D. Tabor, Cavalry, vice First Lieut. Donald C. Hawley, promoted.

Second Lieut. Horace S. King, Cavalry, vice First Lieut. Vernon L. Padgett, promoted.

Second Lieut. Edward M. Fickett, Cavalry, vice First Lieut. Jay W. MacKelvie, promoted.

Second Lieut James C. Van Ingen, Cavalry, vice First Lieut. Francis T. Bonsteel, promoted.

Second Lieut. Callie H. Palmer, Cavalry, vice First Lieut. William E. Barott, promoted.

Second Lieut. Charles R. Chase, Cavalry, vice First Lieut. Wallace F. Hamilton, promoted.

Second Lieut. Thomas F. Mishou, jr., Cavalry, vice First Lieut. Frank Nelson, promoted.

Second Lieut. Robert B. Jackson, Cavalry, vice First Lieut. William E. McMinn, promoted.

Second Lieut. Christopher C. Strawn, Cavalry, vice First Lieut. Edmund M. Crump, promoted.

Second Lieut Allyn R. Brownson, Cavalry, vice First Lieut. Herman F. Rathjen, promoted.

Second Lieut. John R. Breitinger, Cavalry, vice First Lieut. Daniel J. Keane, promoted.

Second Lieut. Robert D. Beer, Cavalry, vice First Lieut. Milo J. Warner, promoted.

Second Lieut. Alfred J. de Lorimier, Cavalry, vice First Lieut. Le Roy Davis, promoted.

Second Lieut. George S. Warren, Cavalry, vice First Lieut. Anthony J. Tittinger, promoted.

Second Lieut. William O. Coleman, Cavalry, vice First Lieut. Max D. Holmes, promoted.

Second Lieut. Herbert R. Sargent, Cavalry, vice First Lieut. Charles A. Ellis, promoted.

Second Lieut. John E Ketchum, Cavalry, vice First Lieut. Demas L. Sears, promoted.

Second Lieut. Arwed C. Baltzer, Cavalry, vice First Lieut. Bankston E. Mattox, jr., promoted.

Second Lieut. James W. Ewing, Cavalry, vice First Lieut. Frank H. Barnhart, promoted.

Second Lieut. Wallace Van Cleave, Cavalry, vice First Lieut. John A. Moschner, promoted.

Second Lieut. Karl W. Curtis, Cavalry, vice First Lieut. George E. Harrison, promoted.

Second Lieut. Carl E. Rankin, Cavalry, vice First Lieut. Wesley J. White, promoted.

Second Lieut. Richard E. Tallant, Cavalry, vice First Lieut. Alton W. Howard, promoted.

Second Lieut. Nelson M. Utley, Cavalry, vice First Lieut. Richard W. Carter, promoted.

Second Lieut. John A. McDonald, Cavalry, vice First Lieut. Richard W. Carter, promoted.

Second Lieut. Henry H. Cheshire, Cavalry, vice First Lieut. Kenneth Rowntree, promoted.

Second Lieut. Nathan B. Reynolds, Cavalry, vice First Lieut. George A. King, promoted.

Second Lieut. John Andrew Wood, Cavalry, vice First Lieut. James B. Lockwood, promoted.

Second Lieut. Venable Moore, Cavalry, vice First Lieut. Lionel L. Meyer, promoted.

Second Lieut. Guy L. Furr, Cavalry, vice First Lieut. Frederick H. L. Ryder, promoted.

Second Lieut. Walter McL. Robinson, Cavalry, vice First Lieut. John W. Weeks, promoted.

Second Lieut. John S. Peters, Cavalry, vice First Lieut. Theodore B. Apgar, promoted.

Second Lieut. Herbert L. Earnest, Cavalry, vice First Lieut. Jefferson B. Osborn, promoted.

Second Lieut. Verne Austin, Cavalry, vice First Lieut. Mortimer H. Christian, promoted.

Second Lieut. Willis H. Ryder, Cavalry, vice First Lieut. Marcus R. Monsarratt, promoted.

Second Lieut. Alden H. Torrey, Cavalry, vice First Lieut. Fabius B. Shipp, promoted.

Second Lieut. Morris T. Whitmore, Cavalry, vice First Lieut. James J. Cecil, promoted.

Second Lieut. Samuel Leask, jr., Cavalry, vice First Lieut. George A. Moore, promoted.

Second Lieut. Guy E. Dillard, Cavalry, vice First Lieut. James M. Shelton, promoted.

Second Lieut. Ray T. Maddocks, Cavalry, vice First Lieut. Albert R. Kuschke, promoted.

Second Lieut. Thomas A. Frazier, Cavalry, vice First Lieut. George W. Gay, promoted.

Second Lieut. Victor R. Sladek, Cavalry, vice First Lieut. Forsyth Bacon, promoted.

Second Lieut. James W. Husted, jr., Cavalry, vice First Lieut. Ralph L. Joyner, promoted.

Second Lieut. Richard N. Atwell, Cavalry, vice First Lieut. Roscoe S. Parker, promoted.

Second Lieut. William Elliott, jr., Cavalry, vice First Lieut. Heywood S. Dodd, promoted.

Second Lieut. Thomas B. Locke, Cavalry, vice First Lieut. Kent C. Lambert, promoted.

Second Lieut. Morris S. Daniels, jr., Cavalry, vice First Lieut. George E. Huthsteiner, promoted.

Second Lieut. Frank S. Pope, Cavalry, vice First Lieut. Richard B. Lloyd, promoted.

Second Lieut. Harold G. Davis, Cavalry, vice First Lieut. Maurice Morgan, promoted.

Second Lieut. Robert M. Cherry, Cavalry, vice First Lieut. Gilbert E. Bixby, promoted.

Second Lieut. Roger W. Sawyer, Cavalry, vice First Lieut. Eugene Burnet, promoted.

Second Lieut. John H. Welsh, Cavalry, vice First Lieut. Charles F. Houghton, promoted.

Second Lieut. Edwin J. Kratzenberg, Cavalry, vice First Lieut. Harry A. Buckley, promoted.

Second Lieut. Robert D. Coye, Cavalry, vice First Lieut. James E. Slack, promoted.

Second Lieut. Almet F. Jenks, jr., Cavalry, vice First Lieut. Culver S. Mitcham, promoted.

Second Lieut. James P. Gifford, Cavalry, vice First Lieut. William A. Johnson, promoted.

Second Lieut. Vern Hinkley, Cavalry, vice First Lieut. Harold B. Gibson, promoted.

Second Lieut. Charles C. Allen, jr., Cavalry, vice First Lieut. John D. Hood, promoted.

Second Lieut. A. Herman Stump, Cavalry, First Lieut. Charles S. Lawrence, promoted.

Second Lieut. John O. Lawrence, Cavalry, vice First Lieut. Melvin S. Williamson, promoted.

Second Lieut. Charles W. Glover, Cavalry, vice First Lieut. Evarts W. Opie, promoted.

Second Lieut. William R. Evans, Cavalry, vice First Lieut. Frank P. Stretton, promoted.

Second Lieut. John K. Gailey, jr., Cavalry, vice First Lieut. Paul Hurlburt, promoted.

Second Lieut. Warren L. Shumaker, Cavalry, vice First Lieut. Aaron Y. Hardy, promoted.

Second Lieut. Charles R. Simmons, Cavalry, vice First Lieut. Earl B. Wilson, promoted.

Second Lieut. James Van V. Shufelt, Cavalry, vice First Lieut. Edmund J. Engel, promoted.

Second Lieut. William H. Davidson, Cavalry, vice First Lieut. John E. Grant, promoted.

Second Lieut. Herbert A. Welch, Cavalry, vice First Lieut. Jack M. Reardon, promoted.

Second Lieut. Hobart R. Gay, Cavalry, vice First Lieut. Lewis Mesherry, promoted.

Second Lieut. Rutherford L. Hammond, Cavalry, vice First Lieut. Lewis A. Weiss, promoted.

Second Lieut. Paul H. Alling, Cavalry, vice First Lieut. Francis E. Cheney, promoted.

Second Lieut. Ervin W. Harrison, jr., Cavalry, vice First Lieut. Robert P. Mortimer, promoted.

Second Lieut. Raymond G. Clark, Cavalry, vice First Lieut. Lee T. Victor, promoted.

Second Lieut. Elisha C. Wattles, Cavalry, vice First Lieut. Henry C. Caron, promoted.

Second Lieut. Brooks Shumaker, Cavalry, vice First Lieut. William P. Powell, promoted.

Second Lieut. Parker G. Tenney, Cavalry, vice First Lieut. Robert F. Merkel, promoted.

Second Lieut. George P. Pattison, Cavalry, vice First Lieut. Carroll A. Powell, promoted.

Second Lieut. Mordaunt V. Turner, Cavalry, vice First Lieut. Frank C. De Laugton, promoted.

Second Lieut. Norman E. Waldron, Cavalry, vice First Lieut. Ivan N. Waldron, promoted.

Second Lieut. Herbert J. Burke, Cavalry, vice First Lieut. Carter R. McLennan, promoted.

Second Lieut. Leo L. Gocker, Cavalry, vice First Lieut. Frederick Gearing, promoted.

Second Lieut. Carleton Swasey, Cavalry, vice First Lieut. Geoffrey Galwey, promoted.

Second Lieut. John H. Ransdell, Cavalry, vice First Lieut. Louis G. Gibney, promoted.

Second Lieut. Edwin W. Godbold, Cavalry, vice First Lieut. William D. Adkins, promoted.

Second Lieut. Louis G. Forney, Cavalry, vice First Lieut. John B. Hartman, promoted.

Second Lieut. Hugh Brooks, Cavalry, vice First Lieut. Harry C. Jones, promoted.

Second Lieut. John G. White, Cavalry, vice First Lieut. James E. Simpson, promoted.

Second Lieut. Edwin W. Meise, Cavalry, vice First Lieut. Charles J. Booth, promoted.

Second Lieut. Raymond C. Gibbs, Cavalry, vice First Lieut. William T. Hamilton, promoted.

Second Lieut. Leo F. Crane, Cavalry, vice First Lieut. Richard C. Boyan, promoted.

Second Lieut. Harry C. Boden, Cavalry, vice First Lieut. Harry P. Shaw, promoted.

Second Lieut. Robert Driscoll, Cavalry, vice First Lieut. Frederick F. Duggan, promoted.

Second Lieut. Rohland A. Isker, Cavalry, vice First Lieut. Harry H. Baird, promoted.

Second Lieut. James M. Graham, jr., Cavalry, vice First Lieut. Francis H. Waters, promoted.

Second Lieut. Wallace G. Corwin, Cavalry, vice First Lieut. William T. Bauskett, jr., promoted.

Second Lieut. Robert R. Maxwell, Cavalry, vice First Lieut. Carlisle B. Cox, promoted.

Second Lieut. Peter D. Larson, Cavalry, vice First Lieut. Walter L. Bishop, promoted.

Second Lieut. Charles A. Horger, Cavalry, vice First Lieut. Donald R. McComas, promoted.

Second Lieut. Robert O. Wright, Cavalry, vice First Lieut. John W. Burke, promoted.

Second Lieut. Arthur D. Soper, Cavalry, vice First Lieut. William D. Savage, placed on the detached officers' list.

Second Lieut. Conrad G. Wall, Cavalry, vice First Lieut. Lloyd W. Biggs, placed on the detached officers' list.

Second Lieut. Andrew Wilson, jr., Cavalry, vice First Lieut. John A. Hettinger, placed on the detached officers' list.

Second Lieut. Roger L. Branham, Cavalry, vice First Lieut. Lathan H. Collins, placed on the detached officers' list.

Second Lieut. Harold A. Davis, Cavalry, vice First Lieut. Herbert E. Watkins, placed on the detached officers' list.

Second Lieut. Lloyd A. Houchin, Cavalry, vice First Lieut. Erskine A. Franklin, placed on the detached officers' list.

Second Lieut. Charlie E. Hart, Cavalry, vice First Lieut. James L. Franciscus, placed on the detached officers' list.

Second Lieut. Richard T. Lyons, Cavalry, vice First Lieut. Carter R. McLennan, placed on the detached officers' list.

Second Lieut. Hugh A. Barnhart, Cavalry, vice First Lieut. Maurice Morgan, placed on the detached officers' list.

Second Lieut. James W. Jenkins, Cavalry, vice First Lieut. Heywood S. Dodd, placed on the detached officers' list.

Second Lieut. George H. Howard, jr., Cavalry, vice First Lieut. Mortimer H. Christian, placed on the detached officers' list.

Second Lieut. Frank Wideman, Cavalry, vice First Lieut. Charles R. Johnson, jr., placed on the detached officers' list.

Second Lieut. Arthur C. Crunden, Cavalry, vice First Lieut. Charles S. Kilburn, placed on the detached officers' list.

Second Lieut. James Parker, Cavalry, vice First Lieut. Robert N. Kunz, placed on the detached officers' list.

Second Lieut. James T. Donald, Cavalry, vice First Lieut. Herbert N. Schwarzkopf, placed on the detached officers' list.

Second Lieut. Edward G. Knowles, Cavalry, vice First Lieut. Ernest N. Harmon, placed on the detached officers' list.

Second Lieut. Guy T. O. Hollyday, Cavalry, vice First Lieut. Josiah H. Morford, placed on the detached officers' list.

Second Lieut. Francis V. Terry, Cavalry, vice First Lieut. William K. Harrison, jr., placed on the detached officers' list.

Second Lieut. Tolman D. Wheeler, Cavalry, vice First Lieut. Nicholas W. Lisle, placed on the detached officers' list.

Second Lieut. Charles E. Dissinger, Cavalry, vice First Lieut. Herbert C. Holdridge, placed on the detached officers' list.

Second Lieut. Martin G. Charles, Cavalry, vice First Lieut. Walter H. Schulze, placed on the detached officers' list.

Second Lieut. Earl M. Abbott, Cavalry, vice First Lieut. Charles H. Gerhardt, placed on the detached officers' list.

Second Lieut. Harvey M. Breaks, Cavalry, vice First Lieut. Ray Harrison, placed on the detached officers' list.

Second Lieut. Williamson W. Simons, Cavalry, vice First Lieut. George Sawtelle, placed on the detached officers' list.

Second Lieut. Robert B. Kerr, Cavalry, vice First Lieut. Henry D. Jay, placed on the detached officers' list.

Second Lieut. Samuel V. H. Danzig, Cavalry, vice First Lieut. Lawrence C. Frizzell, placed on the detached officers' list.

Second Lieut. George F. Neilson, Cavalry, vice First Lieut. Delmore S. Wood, placed on the detached officers' list.

Second Lieut. Dean A. Jones, Cavalry, vice First Lieut. Sam G. Fuller, placed on the detached officers' list.

Second Lieut. Hugh F. Conrey, Cavalry, vice First Lieut. Ferris M. Angevine, placed on the detached officers' list.

Second Lieut. Callistus J. Enuis, Cavalry, vice First Lieut. Charles B. Duncan, placed on the detached officers' list.

Second Lieut. Venance Le May, Cavalry, vice First Lieut. Joseph M. Hurt, placed on the detached officers' list.

Second Lieut. Edward L. Morss, Cavalry, vice First Lieut. Frederick J. Holzbaur, placed on the detached officers' list.

Second Lieut. Paul C. Febiger, Cavalry, vice First Lieut. Edward S. Moale, placed on the detached officers' list.

Second Lieut. David N. Sutton, Cavalry, vice First Lieut. Wharton G. Ingram, placed on the detached officers' list.

Second Lieut. Alexander D. Mason, Cavalry, vice First Lieut. Randolph Dickins, placed on the detached officers' list.

Second Lieut. William E. Duke, Cavalry, vice First Lieut. Nelson M. Imboden, placed on the detached officers' list.

Second Lieut. Earle L. Hazard, Cavalry, vice First Lieut. Arthur C. D. Anderson, placed on the detached officers' list.

Second Lieut. Paul J. King, Cavalry, vice First Lieut. Otis Porter, placed on the detached officers' list.

Second Lieut. Harry E. Pendleton, Cavalry, vice First Lieut. George L. Morrison, placed on the detached officers' list.

Second Lieut. Thomas McP. Glasgow, Cavalry, vice First Lieut. Athael B. Ellis, placed on the detached officers' list.

Second Lieut. John McLean, Cavalry, vice First Lieut. William T. Haldeman, placed on the detached officers' list.

Second Lieut. Fred T. Cunningham, Cavalry, vice First Lieut. John T. Minton, placed on the detached officers' list.

Second Lieut. Benton F. Munday, Cavalry, vice First Lieut. Edmund M. Barnum, placed on the detached officers' list.

Second Lieut. Gyles Merrill, Cavalry, vice First Lieut. Arthur E. Pickard, placed on the detached officers' list.

Second Lieut. William C. Bowie, Cavalry, vice First Lieut. Meade Frierson, jr., placed on the detached officers' list.

Second Lieut. Wilfred E. Willis, Cavalry, vice First Lieut. Thomas S. Poole, placed on the detached officers' list.

Second Lieut. John B. Seaton, Cavalry, vice First Lieut. Donald S. Perry, placed on the detached officers' list.

Second Lieut. Thomas B. Sweeney, Cavalry, vice First Lieut. Frank L. Whittaker, placed on the detached officers' list.

Second Lieut. Richard S. Miesse, Cavalry, vice First Lieut. Cornelius M. Daly, placed on the detached officers' list.

Second Lieut. James M. Adamson, jr., Cavalry, vice First Lieut. Henry H. Anderson, placed on the detached officers' list.

Second Lieut. Charles E. Sheldrake, Cavalry, vice First Lieut. John T. Pierce, placed on the detached officers' list.

Second Lieut. Kenneth M. Harris, Cavalry, vice First Lieut. Harold C. Fellows, placed on the detached officers' list.

Second Lieut. Max H. Nippel, Cavalry, vice First Lieut. Cyrus J. Wilder, placed on the detached officers' list.

Second Lieut. Charles M. Stewart, 3d, Cavalry, vice First Lieut. Wilson T. Bals, placed on detached officers' list.

Second Lieut. Philip S. Weadock, Cavalry, vice First Lieut. Samuel V. Constant, placed on the detached officers' list.

Second Lieut. Stewart F. Miller, Cavalry, vice First Lieut. Oron A. Palmer, placed on the detached officers' list.

Second Lieut. Joe C. Rogers, Cavalry, vice First Lieut. Gordon J. F. Heron, placed on the detached officers' list.

Second Lieut. Frank A. Allen, jr., Cavalry, vice First Lieut. John M. Jenkins, jr., placed on the detached officers' list.

Second Lieut. Matthew Griswold, 3d, Cavalry, vice First Lieut. Hall S. Cook, placed on the detached officers' list.

Second Lieut. Guy O. Kurtz, Cavalry, vice First Lieut. Charles W. Jacobson, promoted.

Second Lieut. Louis J. Compton, Cavalry, vice First Lieut. Edgar R. Garlick, promoted.

Second Lieut. Frederick Sanborn, Cavalry, vice First Lieut. Henry P. Ames, promoted.

Second Lieut. Clarence A. Lefferts, Cavalry, vice First Lieut. Richard F. Leahy, promoted.

Second Lieut. Nables F. Ryan, Cavalry, vice First Lieut. Howard C. Okie, promoted.

Second Lieut. George W. Barber, Cavalry, vice First Lieut. William L. Gibson, promoted.

Second Lieut. Francis M. Weld, Cavalry, vice First Lieut. James L. Franciscus, promoted.

Second Lieut. Read Wipprecht, Cavalry, vice First Lieut. Eddie J. Lee, promoted.

Second Lieut. Claire M. Daugherty, Cavalry, vice First Lieut. Elmer P. Gosnell, promoted.

To be first lieutenants with rank from November 3, 1917.

Second Lieut. Ceylon O. Griffin, Cavalry, vice First Lieut. Raymond D. Adolph, promoted.

Second Lieut. Edward E. Hamilton, Cavalry, vice First Lieut. Donald A. Stroh, promoted.

Second Lieut. Erle F. Cress, Cavalry, vice First Lieut. Russell T. George, promoted.

To be first lieutenants with rank from November 5, 1917.

Second Lieut. Dimetrio P. Harkins, Cavalry, vice First Lieut. Thomas C. McCormick, promoted.

Second Lieut. Harold G. Hathaway, Cavalry, vice First Lieut. Erskine A. Franklin, promoted.

Second Lieut. Bruce M. McDill, Cavalry, vice First Lieut. Wallace H. Gillett, promoted.

Second Lieut. Loren F. Parmley, Cavalry, vice First Lieut. Robert D. Thompson, jr., promoted.

Second Lieut. Edward Herendeen, Cavalry, vice First Lieut. John E. Maher, promoted.

Second Lieut. Floyd M. Friar, Cavalry, vice First Lieut. John E. Selby, promoted.

Second Lieut. John A. Anheier, Cavalry, vice First Lieut. Arthur L. Marek, promoted.

Second Lieut. Grayson H. Bowers, Cavalry, vice First Lieut. Herbert E. Watkins, promoted.

Second Lieut. Thomas W. Herren, Cavalry, vice First Lieut. Raymond L. Newton, promoted.

Second Lieut. Alfred R. Teter, Cavalry, vice First Lieut. William R. Irvin, promoted.

Second Lieut. Harry G. Clarke, Cavalry, vice First Lieut. Alfred L. Baylies, promoted.

Second Lieut. Alden H. Seabury, Cavalry, vice First Lieut. Lathan H. Collins, promoted.

Second Lieut. Fred W. Koester, Cavalry, vice First Lieut. Ralph B. Skinner, promoted.

To be first lieutenant with rank from November 6, 1917.

Second Lieut. Clarence A. Shannon, Cavalry, vice First Lieut. Candler A. Wilkinson, promoted.

To be first lieutenant with rank from November 13, 1917.

Second Lieut. Alexander B. MacNabb, Cavalry, vice First Lieut. Milton A. Lowenberg, promoted.

To be first lieutenant with rank from November 17, 1917.

Second Lieut. Charles C. McCall, Cavalry, vice First Lieut. John A. Hettinger, promoted.

To be first lieutenants with rank from November 23, 1917.

Second Lieut. William N. Todd, jr., Cavalry, vice First Lieut. George A. Goodyear, promoted.

Second Lieut. Walton W. Cox, Cavalry, vice First Lieut. Paul H. Morris, promoted.

To be first lieutenant with rank from November 28, 1917.

Second Lieut. Dudley Miller, Cavalry, vice First Lieut. Francis E. S. Turner, promoted.

To be first lieutenant with rank from November 29, 1917.

Second Lieut. John K. Egan, Cavalry, vice First Lieut. Guy D. Thompson, promoted.

To be first lieutenant with rank from December 11, 1917.

Second Lieut. Thomas R. Taber, Cavalry, vice First Lieut. George A. Parson, promoted.

To be first lieutenant with rank from December 22, 1917.

Second Lieut. Earl W. Henderson, Cavalry, vice First Lieut. David W. Barton, promoted.

To be first lieutenant with rank from December 28, 1917.

Second Lieut. Ross E. Larsen, Cavalry, vice First Lieut. Martin R. Rice, promoted.

To be first lieutenants with rank from December 29, 1917.

Second Lieut. Charles W. Burton, Cavalry, vice First Lieut. Philip C. Clayton, promoted.

Second Lieut. Harry D. Bishop, Cavalry, vice First Lieut. Hans E. Kloepfer, promoted.

Second Lieut. John S. McCloy, Cavalry, vice First Lieut. Edward A. Everett, jr., promoted.

To be first lieutenant with rank from January 16, 1918.

Second Lieut. Samuel G. Mitchell, Cavalry, vice First Lieut. Herbert A. Myers, promoted.

COAST ARTILLERY CORPS.

To be first lieutenants with rank from October 26, 1917, to fill existing vacancies.

Second Lieut. Robert K. Gooch, Coast Artillery Corps.
Second Lieut. Oliver N. Hollis, Coast Artillery Corps.
Second Lieut. Cranston B. Rader, Coast Artillery Corps.
Second Lieut. Cedric E. Scheerer, Coast Artillery Corps.
Second Lieut. Geoffrey Marshall, Coast Artillery Corps.
Second Lieut. Lloyd W. Taylor, Coast Artillery Corps.
Second Lieut. Guy H. Hearon, Coast Artillery Corps.
Second Lieut. Francis E. Harrison, jr., Coast Artillery Corps.
Second Lieut. James W. Hopkins, Coast Artillery Corps.
Second Lieut. Ralph E. Billsborrow, Coast Artillery Corps.
Second Lieut. Alfred W. Chapman, Coast Artillery Corps.
Second Lieut. William A. Emerson, Coast Artillery Corps.
Second Lieut. Lawrence J. Meyns, Coast Artillery Corps.
Second Lieut. James C. Vickery, Coast Artillery Corps.
Second Lieut. Clarence E Muehlberg, Coast Artillery Corps.
Second Lieut. Edwin C. Higbee, Coast Artillery Corps.
Second Lieut. William T. Andrews, Coast Artillery Corps.
Second Lieut. Stoddard P. Johnston, Coast Artillery Corps.
Second Lieut. Lewis A. Hudgins, Coast Artillery Corps.
Second Lieut. Levi M. Bricker, Coast Artillery Corps.
Second Lieut. Thomas P. Ahern, Coast Artillery Corps.
Second Lieut. Lawrence Iverson, Coast Artillery Corps.
Second Lieut. Herbert Macmillan, Coast Artillery Corps.
Second Lieut. John P. MacNeill, Coast Artillery Corps.
Second Lieut. Archibald L. Parmelee, Coast Artillery Corps.
Second Lieut. Robert E. Ryerson, Coast Artillery Corps.
Second Lieut. Sam H. Coile, Coast Artillery Corps.

Second Lieut. Junius B. Peake, Coast Artillery Corps.
Second Lieut. Sam W. Anderson, Coast Artillery Corps.
Second Lieut. Richard B. Cross, Coast Artillery Corps.
Second Lieut. Geoffrey A. Ogilvie, Coast Artillery Corps.
Second Lieut. John S. Cansler, Coast Artillery Corps.
Second Lieut. George M. Holstein, jr., Coast Artillery Corps.
Second Lieut. Joseph G. Cole, Coast Artillery Corps.
Second Lieut. Ward Rubendall, Coast Artillery Corps.
Second Lieut. Clyde LeG. Walker, Coast Artillery Corps.
Second Lieut. Richard B. Gayle, Coast Artillery Corps.
Second Lieut. Stillman B. Hyde, Coast Artillery Corps.
Second Lieut. Winston W. Little, Coast Artillery Corps.
Second Lieut. Ralph P. Wagner, Coast Artillery Corps.
Second Lieut. John A. Spanogle, Coast Artillery Corps.
Second Lieut. Henry M. Atkinson, jr., Coast Artillery Corps.
Second Lieut. Charles S. Harris, Coast Artillery Corps.
Second Lieut. Paul W. Rutledge, Coast Artillery Corps.
Second Lieut. Alvin C. Smith, Coast Artillery Corps.
Second Lieut. James C. Corless, Coast Artillery Corps.
Second Lieut. Robert T. Chaplin, Coast Artillery Corps.
Second Lieut. Chester B. McCoid, Coast Artillery Corps.
Second Lieut. Hugh G. Lieber, Coast Artillery Corps.
Second Lieut. Earle W. Marvin, Coast Artillery Corps.
Second Lieut. Robert G. Rhett, jr., Coast Artillery Corps.
Second Lieut. James K. Morris, Coast Artillery Corps.
Second Lieut. Charles E. Bates, Coast Artillery Corps.
Second Lieut. Marshall L. Gosserand, Coast Artillery Corps.
Second Lieut. Winthrop M. Allen, Coast Artillery Corps.
Second Lieut. Maxwell R. McMillan, Coast Artillery Corps.
Second Lieut. St. John Waddell, jr., Coast Artillery Corps.
Second Lieut. Cary B. Easley, Coast Artillery Corps.
Second Lieut. Nicholas B. O'Connell, Coast Artillery Corps.
Second Lieut. Junius T. Moore, Coast Artillery Corps.
Second Lieut. Oscar D. McNeely, Coast Artillery Corps.
Second Lieut. Abraham R. Ginsburg, Coast Artillery Corps.
Second Lieut. Vincent K. Smith, Coast Artillery Corps.
Second Lieut. Charles L. Ordeman, Coast Artillery Corps.
Second Lieut. Ramon Conroy, Coast Artillery Corps.
Second Lieut. Thomas J. Betts, Coast Artillery Corps.
Second Lieut. David O. Haynes, jr., Coast Artillery Corps.
Second Lieut. Edwin J. Patton, Coast Artillery Corps.
Second Lieut. Morris C. Handwerk, Coast Artillery Corps.
Second Lieut. Herbert B. Knox, jr., Coast Artillery Corps.
Second Lieut. Charles Cobb, 3d, Coast Artillery Corps.
Second Lieut. Benjamin F. Harmon, Coast Artillery Corps.
Second Lieut. Ralph A. Densmore, Coast Artillery Corps.
Second Lieut. Charles C. Bell, jr., Coast Artillery Corps.
Second Lieut. Charles W. Lawrence, Coast Artillery Corps.
Second Lieut. Edgar C. Outten, Coast Artillery Corps.
Second Lieut. David W. Burgoon, Coast Artillery Corps.
Second Lieut. Raymond B. Bottom, Coast Artillery Corps.
Second Lieut. Farrant L. Turner, Coast Artillery Corps.
Second Lieut. Henry T. Morrison, Coast Artillery Corps.
Second Lieut. Lee D. Pettingill, Coast Artillery Corps.
Second Lieut. Malcolm H. Ross, Coast Artillery Corps.
Second Lieut. Leonard R. Crews, Coast Artillery Corps.
Second Lieut. Harold M. Jobes, Coast Artillery Corps.
Second Lieut. Thomas J. Delaney, Coast Artillery Corps.
Second Lieut. William F. Cassedy, jr., Coast Artillery Corps.
Second Lieut. John W. Loveland, jr., Coast Artillery Corps.
Second Lieut. Scott Hayes, Coast Artillery Corps.
Second Lieut. Webster H. Warren, Coast Artillery Corps.
Second Lieut. Callan E. England, Coast Artillery Corps.
Second Lieut. Evan H. Benoy, Coast Artillery Corps.
Second Lieut. John B. Bethea, jr., Coast Artillery Corps.
Second Lieut. Charles W. Higgins, Coast Artillery Corps.
Second Lieut. Hugh N. Herrick, Coast Artillery Corps.
Second Lieut. Harry Lee Campbell, Coast Artillery Corps.
Second Lieut. Milton L. Dodge, Coast Artillery Corps.
Second Lieut. Robert Mochrie, Coast Artillery Corps.
Second Lieut. Albert B. Ede, Coast Artillery Corps.
Second Lieut. Donald W. Tyrrell, Coast Artillery Corps.
Second Lieut. Everett M. Barton, Coast Artillery Corps.
Second Lieut. Warren S. Robinson, Coast Artillery Corps.
Second Lieut. William W. Wertz, Coast Artillery Corps.
Second Lieut. Evans R. Crowell, Coast Artillery Corps.
Second Lieut. Simon L. Bear, Coast Artillery Corps.
Second Lieut. Laurence W. Hutchinson, Coast Artillery Corps.
Second Lieut. Gilbert H. Gaus, Coast Artillery Corps.
Second Lieut. James C. Bates, Coast Artillery Corps.
Second Lieut. Thomas E. Troland, Coast Artillery Corps.
Second Lieut. William A. West, jr., Coast Artillery Corps.
Second Lieut. Louis H. Thompson, Coast Artillery Corps.
Second Lieut. Albert Bonds, Coast Artillery Corps.
Second Lieut. Thomas W. Conrad, Coast Artillery Corps.
Second Lieut. Frederick W. Hoorn, Coast Artillery Corps.
Second Lieut. Charles C. Stalter, Coast Artillery Corps.
Second Lieut. Joseph C. Stephens, Coast Artillery Corps.
Second Lieut. Eugene R. Guild, Coast Artillery Corps.
Second Lieut. Thomas R. Lannon, Coast Artillery Corps.
Second Lieut. Leslie W. Jefferson, Coast Artillery Corps.
Second Lieut. Luther O. Leach, Coast Artillery Corps.
Second Lieut. James D. Jones, Coast Artillery Corps.
Second Lieut. Guy W. Thomas, Coast Artillery Corps.
Second Lieut. James L. McMullen, Coast Artillery Corps.
Second Lieut. Charles R. Walker, jr., Coast Artillery Corps.
Second Lieut. Harold L. Williamson, Coast Artillery Corps.
Second Lieut. Isaac Wynne, jr., Coast Artillery Corps.
Second Lieut. Temple H. Buell, Coast Artillery Corps.
Second Lieut. Julien R. Hume, Coast Artillery Corps.
Second Lieut. John R. Embich, Coast Artillery Corps.
Second Lieut. Ernest W. Soucy, Coast Artillery Corps.
Second Lieut. Donald B. Hilton, Coast Artillery Corps.
Second Lieut. Ralph E. Hill, Coast Artillery Corps.
Second Lieut. Francis L. Christian, Coast Artillery Corps.
Second Lieut. Maitland Bottoms, Coast Artillery Corps.
Second Lieut. William R. Epes, Coast Artillery Corps.
Second Lieut. Irvin H. Zeliff, Coast Artillery Corps.
Second Lieut. Charles H. Stewart, Coast Artillery Corps.
Second Lieut. John Fiacsan, Coast Artillery Corps.
Second Lieut. Edward N. Horr, Coast Artillery Corps.
Second Lieut. Joseph E. Simmons, Coast Artillery Corps.
Second Lieut. Lucius T. Hill, Coast Artillery Corps.
Second Lieut. Hal F. Corry, Coast Artillery Corps.
Second Lieut. Martin A. Hayes, Coast Artillery Corps.
Second Lieut. Edward R. Holland, jr., Coast Artillery Corps.
Second Lieut. John W. Russey, Coast Artillery Corps.
Second Lieut. James D. McIntyre, Coast Artillery Corps.
Second Lieut. Harry W. Lins, Coast Artillery Corps.
Second Lieut. Bryan L. Milburn, Coast Artillery Corps.
Second Lieut. Alexander B. Carrington, jr., Coast Artillery Corps.
Second Lieut. Frederick H. Bachman, Coast Artillery Corps.
Second Lieut. Bradley J. Saunders, jr., Coast Artillery Corps.
Second Lieut. Herbert C. Bartlett, Coast Artillery Corps.
Second Lieut. Nyal L. Adams, Coast Artillery Corps.

To be first lieutenant with rank from November 17, 1917.

Second Lieut. William B. Cooley, Coast Artillery Corps.

To be first lieutenant with rank from November 29, 1917.

Second Lieut. Lloyd G. Sparks, Coast Artillery Corps.

To be first lieutenant with rank from December 4, 1917.

Second Lieut. Arthur F. Aston, Coast Artillery Corps.

To be first lieutenants with rank from December 8, 1917.

Second Lieut. Charles M. Dale, Coast Artillery Corps.
Second Lieut. Stanford Rayne, Coast Artillery Corps.

To be first lieutenants with rank from December 20, 1917.

Second Lieut. Harry M. Carder, jr., Coast Artillery Corps.
Second Lieut. William A. Clark, jr., Coast Artillery Corps.

To be first lieutenant with rank from December 25, 1917.

Second Lieut. William W. Dinsmore, Coast Artillery Corps.

To be first lieutenants with rank from December 26, 1917.

Second Lieut. Arthur Duffy, Coast Artillery Corps.
Second Lieut. Ellsworth Young, Coast Artillery Corps.

To be first lieutenants with rank from December 29, 1917.

Second Lieut. John W. Fuchs, Coast Artillery Corps.
Second Lieut. Thomas R. Bartlett, Coast Artillery Corps.
Second Lieut. Dudley F. Taylor, Coast Artillery Corps.
Second Lieut. James L. D. Corey, Coast Artillery Corps.
Second Lieut. Andrew J. Bentley, Coast Artillery Corps.
Second Lieut. Frank H. Pritchard, Coast Artillery Corps.
Second Lieut. Clyde M. Watson, Coast Artillery Corps.
Second Lieut. Stanley H. Franklin, Coast Artillery Corps.

INFANTRY ARM.

To be captains with rank from August 5, 1917.

First Lieut. Willis E. Comfort.
First Lieut. Leven C. Allen.
First Lieut. Joseph Quesenberry.
First Lieut. Robert O. Jones.
First Lieut. Oliver A. Hess.
First Lieut. Edward A. Allen.
First Lieut. Carroll M. DeWitt.
First Lieut. George L. Pepin.
First Lieut. Clarence B. Carver.
First Lieut. Jedediah H. Hills.
First Lieut. Edwin E. Schwien.

First Lieut. Dan D. Howe.
First Lieut. John E. Copeland.
First Lieut. Lloyd N. Keesling
First Lieut. John H. Humbert.
First Lieut. Joseph L. Lancaster.
First Lieut. David R. Kerr.
First Lieut. Everett G. Smith.
First Lieut. Lyman S. Frasier.
First Lieut. Howard E. Hawkinson.
First Lieut. Julius A. Mood, jr.
First Lieut. Sidney S. Eberle.
First Lieut. Joseph N. Dalton.
First Lieut. Charles N. Stevens.
First Lieut. James S. Bailey.
First Lieut. Henry C. Long, jr.
First Lieut. William E. Lucas, jr.
First Lieut. Victor Parks.
First Lieut. Walter A. Pashkoski.
First Lieut. Roscius H. Back.
First Lieut. Oscar F. Carlson.
First Lieut. Richard G. Tindall.
First Lieut. Roy L. Taylor.
First Lieut. Leander R. Hathaway.
First Lieut. German W. Lester.
First Lieut. Karl Engeldinger.
First Lieut. Francis A. Byrne.
First Lieut. Harry J. Selby.
First Lieut. Farragut F. Hall.
First Lieut. Orville M. Moore.
First Lieut. Walter R. McClure.
First Lieut. Charles E. Speer.
First Lieut. Baldwin Williams-Foote.
First Lieut. Edmund Wilhelm.
First Lieut. George H. Butler.
First Lieut. Frank C. Foley.
First Lieut. Leonard R. Boyd.
First Lieut. Withers A. Burress.
First Lieut. Arthur J. Hoffmann.
First Lieut. Harry L. Bennett, jr.
First Lieut. Joseph J. McConville.
First Lieut. John C. Platt, jr.
First Lieut. Thomas H. Ward.
First Lieut. Edward H. Nichols.
First Lieut. Lawrence B. Glascow.
First Lieut. Alfred D. Hayden.
First Lieut. Melville W. F. Wallace.
First Lieut Paul M. Ellis.
First Lieut. Kirk A. Metzerott.
First Lieut. Thomas E. Mount.
First Lieut. John P. Pryor.
First Lieut. Jewett C. Baker.
First Lieut. Robert B. Moore.
First Lieut. Charles W. Jones.
First Lieut. Edward H. Cotcher.
First Lieut. Robert S. Miller.
First Lieut. Paul N. Starlings.
First Lieut. Charles Porterfield, jr.
First Lieut. Sevier R. Tupper.
First Lieut. Frank E Royse.
First Lieut. Lawrence F. Stone.
First Lieut. Aaron J. Becker.
First Lieut. Wilson M. Spann.
First Lieut. James V. Ware.
First Lieut. Robert W. Brown.
First Lieut. James R. Manning.
First Lieut. Charles L. Steel.
First Lieut. Stuart R. Carswell.
First Lieut. Gilbert S. Harter.
First Lieut. John W. Cotton.
First Lieut. Ralph E. Wallace.
First Lieut. Lawrence W. Fagg.
First Lieut. Maury Mann.
First Lieut. Rupert L. Purdon.
First Lieut. Richard S. Jones.
First Lieut. William C. Hanna.
First Lieut. Leon C. Harer.
First Lieut. Edwin M. Scott.
First Lieut. Paul J. Dowling.
First Lieut. John H. Jones.
First Lieut. Rufus E. Wicker.
First Lieut. Charles L. Briscoe.
First Lieut. Hermann C. Dempewolf.
First Lieut. Frank E. Hinton.
First Lieut. Frank P. Tuohy.
First Lieut. John R. Hermann.
First Lieut. Louis T. Roberts.
First Lieut. James M. Palmer.
First Lieut. Ralph A. W. Pearson.
First Lieut. Alfred Millard.
First Lieut. Harry H. Ambs.
First Lieut. William H. Bittenbender.
First Lieut. Raymond H. Bishop.
First Lieut. James A. Summersett, jr.
First Lieut. Hugh C. Gilchrist.
First Lieut. Allen T. Veatch.
First Lieut. Sigurd J. Simonsen.
First Lieut. Thomas G. Bond.
First Lieut. John E. Haywood.
First Lieut. Willis H. Hale.
First Lieut. Noe C. Killian.
First Lieut. Lindsay P. Johns.
First Lieut. Walter R. Mann.
First Lieut. Henry W. Lee.
First Lieut. Charles A. Shamotulski.
First Lieut. Sidney F. Mashbir.
First Lieut. William P. Scobey.
First Lieut. William C. Moore.
First Lieut. Albion Smith.
First Lieut. Le Roy Lutes.
First Lieut. Edwin D. Patrick.
First Lieut. Herman F. Kramer.
First Lieut. Clarence P. Evers.
First Lieut. William H. Coacher.
First Lieut. Edward S. Johnston.
First Lieut. John T. Henderson.
First Lieut. Ray P. Harrison.
First Lieut. Daniel M. Cheston, jr.
First Lieut. Kirke B. Everson.
First Lieut. John C. Daly.
First Lieut. Paul E. Peabody.
First Lieut. Albert F. Christensen.
First Lieut. William S. Maxwell.
First Lieut. Ernest H. Burt.
First Lieut. Frederick R. Baker.
First Lieut. James D. Basey.
First Lieut. Ray M. O'Day.
First Lieut. Alan Pendleton.
First Lieut. Merritt E. Olmstead.
First Lieut. Benjamin F. Caffey, jr.
First Lieut. Hadyn P. Mayers.
First Lieut. Rogers M. Wilson.
First Lieut. Henry E. Mosher.
First Lieut. Albin K. Kupfer.
First Lieut. Augustine J. Zerbee.
First Lieut. Frank A. Heileman.
First Lieut. Arthur B. Hutchinson.
First Lieut. Lauritz D. Simonson.
First Lieut. Carl R. Perkins.
First Lieut. Franklin W. Cheney.
First Lieut. George F. Wellage.
First Lieut. Alfred F. Biles, jr.
First Lieut. Charles T. Hearin.
First Lieut. Hugh M. Davis.
First Lieut. John F. Fredin, jr.
First Lieut. James B. Wise, jr.
First Lieut. Harry L. Kimmel.
First Lieut. Clarence M. Culp.
First Lieut. Robert D. Horton.
First Lieut. Charles B. Kehoe.
First Lieut. Philip S. Wood.
First Lieut. Harvey C. Kearney.
First Lieut. Arthur P. Jervey.
First Lieut. Starr S. Eaton.
First Lieut. Oliver F. Holden.
First Lieut. Thomas L. Lamoreux.
First Lieut. Daniel N. Murphy.
First Lieut. Adlai C. Young.
First Lieut. Alexander N. Stark, jr.
First Lieut. Clinton I. McClure.
First Lieut. Roy C. L. Graham.
First Lieut. Lloyd B. Russell.
First Lieut. George R. Barker.
First Lieut. John E. Gough.
First Lieut. Leonard A. Smith.
First Lieut. John W. Thompson.
First Lieut. Philip Overstreet.
First Lieut. Lara P. Good.
First Lieut. George A. McDonald.
First Lieut. George M. Wright, jr.
First Lieut. Archie A. Farmer.

First Lieut. John T. Fisher.
First Lieut. Edwin E. Elliott.
First Lieut. Charles S. Ferrin.
First Lieut. George W. Titus.
First Lieut. John C. Adams.
First Lieut. Robert G. Ervin.
First Lieut. Edward L. McKee, jr.
First Lieut. Robert W. Nix, jr.
First Lieut. Francis E. Dougherty.
First Lieut. Lyman L. Parks.
First Lieut. John T. Murray.
First Lieut. Warfield M. Lewis.
First Lieut. Joseph L. Collins.
First Lieut. James O. Green, jr.
First Lieut. Daves Rossell.
First Lieut. Harold M. White.
First Lieut. Lincoln F. Daniels.
First Lieut. Frederick A. Irving.
First Lieut. Matthew B. Ridgway.
First Lieut. Richard M. Wightman.
First Lieut. Charles W. Yuill.
First Lieut. William W. Eagles.
First Lieut. Francis A. Markoe.
First Lieut. John J. McEwan.
First Lieut. John A. Stewart.
First Lieut. George W. Sackett.
First Lieut. Francis G. Bonham.
First Lieut. Norman D. Cota.
First Lieut. Robert B. Ransom.
First Lieut. Carleton Coulter, jr.
First Lieut. James H. Frier, jr.
First Lieut. Leo J. Erler.
First Lieut. Robert D. Newton.
First Lieut. Willis R. Slaughter.
First Lieut. George H. Weems.
First Lieut. Roy L. Bowlin.
First Lieut. William C. McMahon.
First Lieut. Francis M. Brennan.
First Lieut. Milton B. Halsey.
First Lieut. Charles L. Mullins, jr.
First Lieut. Thomas S. Sinkler, jr.
First Lieut. George F. Wooley, jr.
First Lieut. Sterling A. Wood, jr.
First Lieut. William F. Redfield.
First Lieut. Mark W. Clark.
First Lieut. Stewart W. Hoover.
First Lieut. David S. Rumbough.
First Lieut. Francis J. Heraty.
First Lieut. Donovan Swanton.
First Lieut. Francis A. Macon, jr.
First Lieut. Laurence B. Keiser.
First Lieut. Homer C. Brown.
First Lieut. Clare H. Armstrong.
First Lieut. Harris M. Melasky.
First Lieut. Sidney H. Young.
First Lieut. John C. Whitcomb.
First Lieut. Wallace J. Redner.
First Lieut. Charles D. Lewis.
First Lieut. Edward W. Leonard.
First Lieut. Paul H. Brown.
First Lieut. William S. Eley.
First Lieut. Paul W. York.
First Lieut. Ferdinand G. von Kummer, jr.
First Lieut. Joseph P. Sullivan.
First Lieut. Henry H. Chapman.
First Lieut. Asa P. Pope.
First Lieut. Edwin H. Clark.
First Lieut. Lewis Perrine.
First Lieut. Clarke K. Fales.
First Lieut. John A. Weishample.
First Lieut. Malcolm B. Helm.
First Lieut. Madison Pearson.
First Lieut. John M. Boon.
First Lieut. Roger Hilsman.
First Lieut. Holmes E. Dager.
First Lieut. James E. Allison.
First Lieut. Harry E. Fischer.
First Lieut. Thomas L. Alexander.
First Lieut. Charles E. Ravens.
First Lieut. Charles H. Jones.
First Lieut. Roger Williams, jr.
First Lieut. Harry D. Hildebrand.
First Lieut. William Hones, jr.
First Lieut. John J. Bethurum.
First Lieut. John L. Cootey.
First Lieut. Albert C. Anderson.
First Lieut. William H. Joiner.
First Lieut. Hugh P. Schiveley.
First Lieut. John D. Joanidy.
First Lieut. Gilmer M. Bell.
First Lieut. Manley Lawton.
First Lieut. Roy Sloan.
First Lieut. Bryce F. Martin.
First Lieut. Harold C. Hoopes.
First Lieut. Henley Schick.
First Lieut. Glenn D. Hafford.
First Lieut. Paul R. Hudson.
First Lieut. William R. Dwyer.
First Lieut. Hanon F. Combs.
First Lieut. William E. Fentress.
First Lieut. Ralph Hall.
First Lieut. Mahlon G. Frost.
First Lieut. Benjamin H. Hensley.
First Lieut. Hawthorne C. Gray.
First Lieut. Donald J. Neumüller.
First Lieut. Orland S. O'Neal.
First Lieut. Otto Kramer.
First Lieut. George D. Ramsey.
First Lieut. Jerome Pickett.
First Lieut. Lebbens M. Cornish.
First Lieut. Leon F. Stevens.
First Lieut. William S. Rumbough.
First Lieut. George A. Murray.
First Lieut. Joseph E. Young.
First Lieut. Henry T. J. Weishaar.
First Lieut. Cyrus A. Hay.
First Lieut. Benjamin J. Holt, jr.
First Lieut. Newton D. Hathaway.
First Lieut. Byron W. Fuller.
First Lieut. John E. Stulken.
First Lieut. Herman H. Meyer.
First Lieut. Carleton More.
First Lieut. Edward P. Sheppard.
First Lieut. Henry J. Matchett.
First Lieut. John H. Strickland.
First Lieut. Vincent S. Burton.
First Lieut. Griffith Wight.
First Lieut. Curtis P. Miller.
First Lieut. William Ernst.
First Lieut. John W. Bulger.
First Lieut. Roy W. Voege.
First Lieut. Taylor M. Uhler.
First Lieut. Roy G. Gordon.
First Lieut. Vernon L. Burge.
First Lieut. Simon Fostiak.
First Lieut. Edwin L. Dittmar.
First Lieut. Crosby N. Elliott.
First Lieut. Ernest R. Marvel.
First Lieut. Frank M. Child.
First Lieut. Raymond L. Price.
First Lieut. Frederic M. Lee.
First Lieut. Hurley E. Fuller.
First Lieut. Larry McHale.
First Lieut. Arthur M. O'Connor.
First Lieut. John P. Horan.
First Lieut. James H. S. Wells.
First Lieut. Augustus B. O'Connell.
First Lieut. Charles C. Fitzhugh.
First Lieut. Thomas L. McMurray.
First Lieut. Hiram G. Fry.
First Lieut. Paul E. Jackson.
First Lieut. Richard W. Cooksey.
First Lieut. Homer S. Youngs.
First Lieut. Edwin W. Grimmer.
First Lieut. William H. Clark.
First Lieut. Frank E. Haskell.
First Lieut. Lloyd D. Brown.
First Lieut. Roy C. Hilton.
First Lieut. Raymond E. O'Neill.
First Lieut. Justin S. Hemenway.
First Lieut. William A. Shely.
First Lieut. Corwin C. Smith.
First Lieut. John U. Ayotte.
First Lieut. Charles H. Barnwell, jr.
First Lieut. Henry A. Schwarz.
First Lieut. Edward G. Herlihy.
First Lieut. Arnold J. Funk.
First Lieut. George M. Ferris.
First Lieut. Edwin L. MacLean.
First Lieut. Norman Minus.

First Lieut. Ernest N. Stanton.
First Lieut. Thomas G. O'Malley.
First Lieut. Newell R. Fiske.
First Lieut. Philip B. Harrigan.
First Lieut. John D. Hill.
First Lieut. Frank W. Gano.
First Lieut. John L. Pierce.
First Lieut. Donald K. Mason.
First Lieut. John J. Atkinson.
First Lieut. Lowell W. Rooks.
First Lieut. Claude J. Hayden.
First Lieut. Samuel D. Bedinger.
First Lieut. Alpheus E. W. Harrison.
First Lieut. Malcolm V. Fortier.
First Lieut. Edward C. Allworth.
First Lieut. Roland W. Wittman.
First Lieut. Julian R. Orton.
First Lieut. Reginald N. Hamilton.
First Lieut. John W. Nicholson.
First Lieut. Thomas A. Young.
First Lieut. Charles H. Lee.
First Lieut. Ray B. Conner.
First Lieut. James S. Moore.
First Lieut. Franklin H. Woody.
First Lieut. Herbert L. Landolt.
First Lieut. Samuel W. Sowerbutts.
First Lieut. Will Van S. Parks.
First Lieut. Charles B. Kelly.
First Lieut. Malcolm M. Maner.
First Lieut. John L. McKee.
First Lieut. Glenn L. Allen.
First Lieut. Charles R. Jones.
First Lieut. Willard S. Paul.
First Lieut. Moritz A. R. Loth.
First Lieut. Robert H. Chance.
First Lieut. Claude W. Shelton.
First Lieut. Harry G. Hodgkins, jr.
First Lieut. Vincent P. Rousseau.
First Lieut. March H. Houser.
First Lieut. Lamont Davis.
First Lieut. James B. Golden.
First Lieut. Edwin B. Banister.
First Lieut. Wilfrid R. Higgins.
First Lieut. Eldon P. King.
First Lieut. Frederick S. Matthews.
First Lieut. Arthur P. Sibold.
First Lieut. Francis M. Lasseigne.
First Lieut. Walter Hellmers.
First Lieut. Jesse P. Green.
First Lieut. Howard W. Turner.
First Lieut. William A. Taber.
First Lieut. P. Barbour Peyton, jr.
First Lieut. Henry G. Sebastian.
First Lieut. Wesley C. Brigham.
First Lieut. William M. Goldston.
First Lieut. Cyrus H. Searcy.
First Lieut. Theodore Kelly.
First Lieut. Leon E. Norris.
First Lieut. David M. Hunter.
First Lieut. J. Harold Fleischhauer.
First Lieut. Tasso W. Swartz.
First Lieut. Edward W. McCaskey, jr.
First Lieut. Ward C. Goessling.
First Lieut. Curley P. Duson.
First Lieut. Richard D. Daugherity.
First Lieut. Walter R. Graham.
First Lieut. Albert H. Peyton.
First Lieut. Patrick Houstoun.
First Lieut. Miron J. Rockwell.
First Lieut. Peter Wirtz.
First Lieut. Allen W. Stradling.
First Lieut. Robert V. Tackabury.
First Lieut. James P. Murphy.
First Lieut. Gustav A. M. Anderson.
First Lieut. William E. Kepner.
First Lieut. William C. Peters.
First Lieut. Francis L. Hill.
First Lieut. Charles M. Parkin.
First Lieut. Jacob E. Bechtold.
First Lieut. Neal C. Johnson.
First Lieut. John E. McCarthy.
First Lieut. Leo M. Daly.
First Lieut. Norman P. Groff.
First Lieut. Glenn A. Ross.
First Lieut. Donald J. Myers.
First Lieut. Vic K. Burriss.
First Lieut. Francis A. Woolfley.
First Lieut. Carl B. Schmidt.
First Lieut. Leslie L. Connett.
First Lieut. Owen R. Rhoads.
First Lieut. Joe L. Ostrander.

To be captains with rank from November 3, 1917.

First Lieut. Carl E. Driggers.
First Lieut. Carl G. Lewis.

To be captains with rank from November 5, 1917.

First Lieut. John D. Burris.
First Lieut. Harry V. Hand.
First Lieut. Frederick V. Edgerton.
First Lieut. Anthony O. Adams.

To be captain with rank from November 7, 1917.

First Lieut. George A. Stockton.

To be captain with rank from November 12, 1917.

First Lieut. Charles W. Neues.

To be captain with rank from November 13, 1917.

First Lieut. George R. Brown, jr.

To be captains with rank from November 14, 1917.

First Lieut. Oscar A. Burton.
First Lieut. Harold W. Kelty.

To be captain with rank from November 15, 1917.

First Lieut. William H. Valentine.

To be captains with rank from November 16, 1917.

First Lieut. George N. Munro.
First Lieut. Herbert Boyer.

To be captains with rank from November 17, 1917.

First Lieut. Myron W. Sherman.
First Lieut. Woodworth B. Allen.

To be captains with rank from November 18, 1917.

First Lieut. Robert Ferris.
First Lieut. William E. Shaw.
First Lieut. Lee B. Woolford.
First Lieut. Ned Blair.

To be captains with rank from November 19, 1917.

First Lieut. Ernest A. Kinderwater.
First Lieut. Oscar M. McDole.
First Lieut. Jared I. Wood.

To be captain with rank from November 20, 1917.

First Lieut. Henry H. Ranson.

To be captain with rank from November 21, 1917.

First Lieut. Gordon C. Irwin.

To be captain with rank from November 22, 1917.

First Lieut. Elbridge G. Chapman, jr.

To be captains with rank from November 23, 1917.

First Lieut. Jacob H. Lawrence.
First Lieut. Everett M. Yon.
First Lieut. Grady H. Pendergrast.
First Lieut. Robert E. Frye.

To be captains with rank from November 28, 1917.

First Lieut. Cornelius F. Dineen.
First Lieut. John C. Haynes.
First Lieut. George L. Hopkins.

To be captain with rank from November 30, 1917.

First Lieut. George M. MacMullin.

To be captains with rank from December 1, 1917.

First Lieut. Harold K. Coulter.
First Lieut. Hugh C. H. Jones.
First Lieut. Otto E. Pentz.
First Lieut. Nicholas Szilagyi.

To be captains with rank from December 4, 1917.

First Lieut. Williston L. Warren.
First Lieut. Frederick W. Hyde.

To be captain with rank from December 10, 1917.

First Lieut. Gilbert Good.

To be captain with rank from December 14, 1917.

First Lieut. Theodore Rayburn.

To be captain with rank from December 19, 1917.

First Lieut. Leland S. Hatfield.

To be first lieutenants with rank from October 26, 1917.

Second Lieut. Roland M. Glenn.
Second Lieut. Harry S. Robertson.
Second Lieut. Lawrence M. Arnold.
Second Lieut. Arthur R. Knott.
Second Lieut. Samuel O'C. Neff.
Second Lieut. Philip E. Brown.
Second Lieut. Olaf P. Winningstad.
Second Lieut. Raymond M. Myers.
Second Lieut. Paul S. Russell.
Second Lieut. Herbert C. Smith.
Second Lieut. Edward N. Mitchell.
Second Lieut. James A. Van Sant.
Second Lieut. William E. Stanley.
Second Lieut. Frank S. Spruill, jr.
Second Lieut. George A. Davis.
Second Lieut. Laurin L. Williams.
Second Lieut. George Van W. Pope.
Second Lieut. Edwin M. Allison.
Second Lieut. George E. Butler.
Second Lieut. Edgar L. Clewell.
Second Lieut. Herbert A. Buermeyer.
Second Lieut. Leo R. Moody.
Second Lieut. William McL. Christie.
Second Lieut. Leon D. Gibbens.
Second Lieut. Mark M. Grubbs.
Second Lieut. Robert A. Kinloch.
Second Lieut. Joel R. Burney.
Second Lieut. Franklin P. Shaw.
Second Lieut. Winfield H. Scott.
Second Lieut. Arthur G. Davidson.
Second Lieut. Harold A. White.
Second Lieut. Campbell N. Jackson.
Second Lieut. Joel A. Fite.
Second Lieut. James A. Black.
Second Lieut. Clarence R. Peck.
Second Lieut. Glenn G. Hall.
Second Lieut. Charles C. Gillette.
Second Lieut. Walace E. Hawkins.
Second Lieut. Ralph M. McFaul.
Second Lieut. Forrest P. Barrett.
Second Lieut. Beal H. Siler.
Second Lieut. Emmett G. Lenihan.
Second Lieut. Edward Hines, jr.
Second Lieut. Bird Little.
Second Lieut. Evan C. Williams.
Second Lieut. James A. O'Neill.
Second Lieut. Coulter M. Montgomery.
Second Lieut. Einar W. Chester.
Second Lieut. James A. Griffin.
Second Lieut. Guy C. McKinley, jr.
Second Lieut. Gordon P. Savage.
Second Lieut. Harold H. McClune.
Second Lieut Kingsley Barham.
Second Lieut. Lester E. MacGregor.
Second Lieut. Harold P. Gibson.
Second Lieut. Lloyd R. Besse.
Second Lieut. Willard J. Mason.
Second Lieut. Percival R. Bowey.
Second Lieut. Hugh M. Elmendorf.
Second Lieut. William N. Given.
Second Lieut. Charles F. Sutherland.
Second Lieut. Lance E. Gowen.
Second Lieut. Edward P. Hayward.
Second Lieut. Gilbert E. Parker.
Second Lieut. Francis B. Myer.
Second Lieut. Arthur S. Nevins.
Second Lieut. Gustave Villaret, jr.
Second Lieut. Horace E. Watson.
Second Lieut. Lester A. Webb.
Second Lieut. Royal C. Carpenter.
Second Lieut. Edwin S. Van Deusen.
Second Lieut. Robert S. Boykin.
Second Lieut. Edward M. Ford.
Second Lieut. William L. Phillips.
Second Lieut. George A. Hunt.
Second Lieut. Kenneth G. Reynolds.
Second Lieut. Robert H. Warren, jr.
Second Lieut. Vyse B. Whedon.
Second Lieut. John Walcott.
Second Lieut. Philip H. Condit.
Second Lieut. John E. Dahlquist.
Second Lieut. Russell S. Fisher.
Second Lieut. Luther K. Brice.
Second Lieut. John M. Dale.
Second Lieut. Jack Edward Duke, jr.
Second Lieut. Tom S. Brand.
Second Lieut. Charles M. Ankcorn.
Second Lieut. James R. Urquhart.
Second Lieut. John W. Saladine, jr.
Second Lieut. Morrill W. Marston.
Second Lieut. Morrison C. Wood.
Second Lieut. Alymer B. Atkins.
Second Lieut. Robert Robinson.
Second Lieut. John D. Filley, jr.
Second Lieut. William E. Bergin.
Second Lieut. John O. Crose.
Second Lieut. Samuel R. Epperson.
Second Lieut. Leslie F. Tanner.
Second Lieut. Frederick L. Bramlette.
Second Lieut. Benjamin W. Venable.
Second Lieut. Myron E. Bagley.
Second Lieut. John L. Murphy.
Second Lieut. John W. Freels.
Second Lieut Eugene F. Gillespie.
Second Lieut. George W. Setzer, jr.
Second Lieut. James B. Mudge.
Second Lieut. Allan H. Snowden.
Second Lieut. Earl L. R. Askam.
Second Lieut. Irvin L. Swanson.
Second Lieut. Philip D. Richmond.
Second Lieut. William W. Timmis.
Second Lieut. Gayle McFadden.
Second Lieut. Burt E. Skeel.
Second Lieut Henry A. Brickley.
Second Lieut. Thomas P. Barry, jr.
Second Lieut. Roger Wisner.
Second Lieut. Merril V. Reed.
Second Lieut. A. Pledger Sullivan.
Second Lieut. Douglas O. Langstaff.
Second Lieut. Ralph W. Hickey.
Second Lieut. George K. Page.
Second Lieut. Thomas L. Reese.
Second Lieut. William B. Yancey.
Second Lieut. Leo J. McCarthy.
Second Lieut. Griffin D. Vance.
Second Lieut. Joseph M. O'Grady.
Second Lieut. Clifford R. Wright.
Second Lieut. Donald McG. Marshman.
Second Lieut. John S. Coleman.
Second Lieut. Harrison B. Beavers.
Second Lieut. Elbridge Colby.
Second Lieut. Herbert D. Gibson.
Second Lieut. Goulding K. Wight.
Second Lieut. Harry S. Wilbur.
Second Lieut. Albert S. Johnson.
Second Lieut. Clarence O. Black.
Second Lieut. Paul B. Robinson.
Second Lieut. William L. Coulter.
Second Lieut. Glen E. McCarthey.
Second Lieut. Joseph H. Hinwood, jr.
Second Lieut. Russell F. Walthour, jr.
Second Lieut. James C. DeLong.
Second Lieut. Joseph P. Lawler.
Second Lieut. Timothy A. Pedley, jr.
Second Lieut. Charles N. Owen.
Second Lieut. Charles R. Gideon.
Second Lieut. Archie MacI. Palmer.
Second Lieut. Jack B. Chadwick.
Second Lieut. John R. Bair.
Second Lieut. James S. Varnell.
Second Lieut. Arthur F. Dahlberg.
Second Lieut. Russell C. Chapman.
Second Lieut. Edwin T. Bowden.
Second Lieut. Eugene M. Frederick.
Second Lieut. Cassius H. Styles.
Second Lieut. Fisher S. Harris.
Second Lieut. Frederick J. Slackford.
Second Lieut. George F. Dashiell.
Second Lieut. Ray Edison Porter.
Second Lieut. Frank E. Barber.
Second Lieut. Julian Erwin.
Second Lieut. John E. Brannan.
Second Lieut. George W. Brodie, jr.
Second Lieut. Waldron J. Cheyney.
Second Lieut. Edward R. Jobson.
Second Lieut. Albert S. Lewis, jr.
Second Lieut. Edward S. Couch.
Second Lieut. William J. Devine.
Second Lieut. Edward H. Carpenter, jr.

Second Lieut. Charles C. Brooks.
Second Lieut. Gordon Kaemmerling.
Second Lieut. Francis R. Holmes.
Second Lieut. William V. Rattan.
Second Lieut. Rosswell E. Hardy.
Second Lieut. Wilbur C. Herbert.
Second Lieut. Ross Martin.
Second Lieut. Alexander McC. Craighead.
Second Lieut. William Mason Smith, jr.
Second Lieut. James M. Symington.
Second Lieut. Herron W. Miller.
Second Lieut. Maurice R. Fitts.
Second Lieut. Marvin R. Dye.
Second Lieut. Emanuel R. Wilson.
Second Lieut. William I. Truitt.
Second Lieut. Lloyd Zuppann.
Second Lieut. John K. Rice.
Second Lieut. Hammond D. Birks.
Second Lieut. James H. Hagan.
Second Lieut. Lester S. Ostrander.
Second Lieut. Edward T. White.
Second Lieut. Edward A. Whitney.
Second Lieut. Arthur B. Jopson.
Second Lieut. Charles P. Cullen.
Second Lieut. Frederick H. Gnarini.
Second Lieut. Roscoe B. Ellis.
Second Lieut. John A. Langan.
Second Lieut. Jeremiah E. Murphy.
Second Lieut. Edward G. Perley.
Second Lieut. Frank M. Conroy.
Second Lieut. Charles S. Johnson.
Second Lieut. Albert R. Boomhower.
Second Lieut. Hugh A. Wear.
Second Lieut. George A. Miller.
Second Lieut. David Loring, jr.
Second Lieut. Stockbridge C. Hilton.
Second Lieut. James D. Everett.
Second Lieut. Gordon C. King.
Second Lieut. Jackson R. Sharman.
Second Lieut. Harvey C. McClary.
Second Lieut. Willard J. Freeman.
Second Lieut. Jay M. Fields.
Second Lieut. George A. Horkan.
Second Lieut. Samuel C. Thompson.
Second Lieut. Harry W. Caygill.
Second Lieut. Emery St. George.
Second Lieut. John L. Phillips.
Second Lieut. Berthoud Clifford.
Second Lieut. James E. Jeffres.
Second Lieut. Epler C. Mills.
Second Lieut. Harry E. Storms.
Second Lieut. Orlo H. Quinn.
Second Lieut. Ernest R. Hoftyzer.
Second Lieut. John W. Scott.
Second Lieut. Lewis A. Page.
Second Lieut. John M. Battle.
Second Lieut. John R. Sproul.
Second Lieut. Virgil Conkling.
Second Lieut. William R. Silvey.
Second Lieut. Alexander O. Gorder.
Second Lieut. Charles E. Garbrick.
Second Lieut. Forrest A. Roberts.
Second Lieut. Alonzo F. Myers.
Second Lieut. Thomas E. Martin.
Second Lieut. Max J. Berg.
Second Lieut. Thomas J. Guilbeau.
Second Lieut. Hugh J. Hannigan.
Second Lieut. John J. Mathison.
Second Lieut. Milo V. Buchanan.
Second Lieut. Kearie L. Berry.
Second Lieut. William E. Wiley.
Second Lieut. Earl P. Kemp.
Second Lieut. William E. Chickering.
Second Lieut. Wilbur R. McReynolds.
Second Lieut. David D. Barrett.
Second Lieut. William W. Burke.
Second Lieut. Arthur D. Fay.
Second Lieut. William B. Pitts.
Second Lieut. Thomas H. Ramsey.
Second Lieut. Paul D. Davis.
Second Lieut. Lewis B. Rock.
Second Lieut. Gaillard Pinckney.
Second Lieut. Benjamin F. O'Connor, jr.
Second Lieut. Fred C. Milner.
Second Lieut. William P. Driskell, jr.
Second Lieut. George K. Bowden.
Second Lieut. Lloyd Wallace Georgeson.
Second Lieut. Francis M. Darr.
Second Lieut. William C. Webster.
Second Lieut. Francis T. Ward.
Second Lieut. Frederick W. Wendt.
Second Lieut. William C. Thurman.
Second Lieut. Robert E. Shideler.
Second Lieut. Oliver W. Fannin.
Second Lieut. Charles F. Craig.
Second Lieut. Arthur L. Turner.
Second Lieut. Hendeson D. Emery.
Second Lieut. Oscar K. Wolber.
Second Lieut. Russell Slocum.
Second Lieut. Karl Eugene Henion.
Second Lieut. Thomas L. Creekmore.
Second Lieut. George O. Clark.
Second Lieut. William C. Stettinius.
Second Lieut. Russell J. Potts.
Second Lieut. William H. Craig.
Second Lieut. John R. Schwartz.
Second Lieut. Thaddeus C. Knight.
Second Lieut. Ollie W. Reed.
Second Lieut. Frank E. Boyd.
Second Lieut. Louis W. Maddox.
Second Lieut. Clark O. Tayntor.
Second Lieut. Ernest Eugene Stansbery.
Second Lieut. Malvern J. Nabb.
Second Lieut. Andrew H. Hilgartner.
Second Lieut. John C. Glithero.
Second Lieut. Eugene P. Watkins.
Second Lieut. Richard N. Armstrong.
Second Lieut. Philip J. Sexton.
Second Lieut. W. Fulton Magill, jr.
Second Lieut. Harry Curry.
Second Lieut. Ethan A. H. Shepley.
Second Lieut. Otis B. Adams.
Second Lieut. Millard F. Staples.
Second Lieut. Hugh H. Drake.
Second Lieut. Joseph H. Kelleher.
Second Lieut. Benjamin R. Sleeper.
Second Lieut. James J. Kelley.
Second Lieut. Walter B. Fariss.
Second Lieut. Robert J. Wagoner.
Second Lieut. William E. Vernon.
Second Lieut. Felix V. Embree.
Second Lieut. William T. Makinson.
Second Lieut. Clarence E. Allen, jr.
Second Lieut. George F. Herrick.
Second Lieut. Joseph W. McCall, jr.
Second Lieut John R. Hunneman.
Second Lieut. Winfred E. Merriam.
Second Lieut. Laurence MacH. Tharp.
Second Lieut. Clive A. Wray.
Second Lieut. Donald P. Vail.
Second Lieut. Thomas B. Steel.
Second Lieut. Douglas B. Baker.
Second Lieut. Harold H. White.
Second Lieut. Thomas W. Butler.
Second Lieut. Everett Busch.
Second Lieut. Frank G. Busteed.
Second Lieut. Frank L. Scott, jr.
Second Lieut. John W. Heisse.
Second Lieut. Douglas G. McGrath.
Second Lieut. Stephen C. Peabody.
Second Lieut. Max Bernstein.
Second Lieut. Herschel V. Johnson.
Second Lieut. William B. Clark.
Second Lieut. Stewart D. Hervey.
Second Lieut. James L. Blanding.
Second Lieut. Frank J. Pearson.
Second Lieut. J. Gordon Hussey.
Second Lieut. Lester T. Miller.
Second Lieut. Leo Donovan.
Second Lieut. George E. Kirk.
Second Lieut. Frank W. Hayes.
Second Lieut. Vincent Rochester Bartlett.
Second Lieut. Samuel M. Bemiss.
Second Lieut. Richard L. Holbrook.
Second Lieut. James K. Hoyt, jr.
Second Lieut. Julian G. Hart.
Second Lieut. William M. Leffingwell.
Second Lieut. John T. Sunstone.
Second Lieut. Arthur B. McDaniel.
Second Lieut. Harold H. Schaper.

Second Lieut. Randall T. Kendrick.
Second Lieut. Percy McCay Vernon.
Second Lieut. Samuel W. Perrott.
Second Lieut. Jay A. Richardson.
Second Lieut. Milton Whitney, jr.
Second Lieut. Emile J. Boyer.
Second Lieut. Harry M. Bardin.
Second Lieut. Joseph P. Guillet.
Second Lieut. Leander Forest Conley.
Second Lieut. Paul P. Reily.
Second Lieut. Peter J. Lloyd.
Second Lieut. Paul S. Buchanan.
Second Lieut. Cranston G. Williams.
Second Lieut. Lewis B. Cox.
Second Lieut. Theodore M. Cornell.
Second Lieut. Launcelot M. Blackford.
Second Lieut. Frederick W. Deck.
Second Lieut. Fernand G. Dumont.
Second Lieut. Stephen Y. Mann.
Second Lieut. Joseph H. Payne.
Second Lieut. George E. Braker, jr.
Second Lieut. Paul V. Kellogg.
Second Lieut. Langdon D. Wythe.
Second Lieut. John O. Flautt, jr.
Second Lieut. Giles F. Ewing.
Second Lieut. Fred W. King.
Second Lieut. Ivy W. Crawford.
Second Lieut. John S. Fishback.
Second Lieut. Robert S. Downing.
Second Lieut. Clement A. Reed.
Second Lieut. George M. Hancock.
Second Lieut. Jesse B. Smith.
Second Lieut. Selden S. Smith.
Second Lieut. John R. Hodge.
Second Lieut. Arthur R. Walk.
Second Lieut. Leslie E. Toole.
Second Lieut. Lewis A. List.
Second Lieut. James F. Johnson, jr.
Second Lieut. Francis M. Brady.
Second Lieut. Eubert H. Malone.
Second Lieut. Wayne W. Schmidt.
Second Lieut. Theodore W. Crossen.
Second Lieut. James F. Butler.
Second Lieut. Herbert G. Peterson.
Second Lieut. Truman M. Martin.
Second Lieut. Veno E. Sacre.
Second Lieut. Warner B. Van Aken.
Second Lieut. Richard G. Plumley.
Second Lieut. Charles R. Davis.
Second Lieut. Cecil L. Rutledge.
Second Lieut. Theodore C. Gerber.

HOUSE OF REPRESENTATIVES.

THURSDAY, *February 21, 1918.*

The House met at 12 o'clock noon.

Rev. Ulysses G. B. Pierce, D. D., pastor of All Souls Church, Washington, D. C., offered the following prayer:

O Lord, our Heavenly Father, Almighty and Everlasting God, who hast safely brought us to the beginning of this day, defend us in the same with Thy mighty power and direct us with Thine infinite wisdom. May all our deliberations, begun in Thy name, be continued in Thy fear and ended to Thy glory. So, our Father, may we labor until the kingdoms of this world become the kingdom of our God and of His Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS.

Mr. CLARK of Florida rose.

The SPEAKER. For what purpose does the gentleman from Florida rise?

Mr. CLARK of Florida. I rise, Mr. Speaker, to ask unanimous consent to extend my remarks in the RECORD by printing a tribute by a newspaper in my district to a young lieutenant killed in France.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD by printing an editorial from a Florida paper. Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, I ask unanimous consent that my colleague, Mr. JONES of Texas, have leave to extend his remarks by printing a letter that he wrote to the Committee on Foreign Affairs concerning a resolution that he introduced.

The SPEAKER. The gentleman from Texas asks unanimous consent that his colleague [Mr. JONES] be permitted to extend his remarks in the RECORD by printing a letter that he wrote to the Committee on Foreign Affairs. Is there objection?

Mr. WALSH. Reserving the right to object, Mr. Speaker, that relates to some measure that is pending?

Mr. BLACK. Yes. I called attention to it before.

Mr. WALSH. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Sharkey, one of his secretaries.

EXCESS-PROFITS TAX REGULATIONS NO. 41.

Mr. BARNHART. Mr. Speaker, I submit a privileged resolution and ask for its present consideration.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House concurrent resolution 36 (H. Rept. No. 328).

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 500,000 copies of the war excess-profits tax regulations No. 41—150,000 copies for the use of the Senate and 350,000 copies for the use of the House of Representatives, the same to be distributed through the folding rooms.

The SPEAKER. The question is on agreeing to the resolution.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. BARNHART. I yield.

Mr. DOWELL. How long will it take to have these copies ready for distribution?

Mr. BARNHART. I have the assurance of the Printing Office this morning that they will go right at them. They are now delivering the last primers ordered a week ago, so that it may be a week before they are out.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

INCOME TAX REGULATIONS NO. 33, REVISED.

Mr. BARNHART. Mr. Speaker, I submit another privileged resolution and ask its immediate consideration.

The SPEAKER. This is a privileged resolution?

Mr. BARNHART. Yes.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

House concurrent resolution 37 (H. Rept. No. 327).

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 500,000 copies of the income-tax regulations No. 33, revised—150,000 copies for the use of the Senate and 350,000 copies for the use of the House of Representatives, the same to be distributed through the folding rooms.

The SPEAKER. Is not this the same resolution that was just passed?

Mr. BARNHART. No.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

STATUE OF JAMES BUCHANAN.

The SPEAKER. The Clerk will read the engrossed copy of the Buchanan Statue resolution.

The engrossed copy of House joint resolution 70 was read.

The SPEAKER. The question is——

Mr. STAFFORD. Mr. Speaker, I offer a motion to recommit the resolution with instructions to the Committee on the Library to report the same back forthwith with an amendment.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Mr. STAFFORD moves to recommit by striking out all the remainder of the paragraph after the words "United States," page 1, line 7, down to the proviso, and inserting "on one of the public reservations generally known as 'small park areas' and which is entirely surrounded by streets in the city of Washington, D. C., to be selected by the officer in charge of public buildings and grounds and the Commission of Fine Arts."

Mr. SLAYDEN. Mr. Speaker, I move the previous question on that.

Mr. STAFFORD. Will the gentleman hold that for five minutes, in view of the erroneous ruling made by the gentleman from Kentucky [Mr. SHERLEY]? Will he not withhold it for five minutes?

Mr. SLAYDEN. Mr. Speaker, this is to gratify the gentleman from Wisconsin, who was in such a desperate hurry yesterday to get to the consideration of the railroad bill.

Mr. STAFFORD. The gentleman is putting words in my mouth that I did not use, and he is attempting to deprive this House of fair play.

Mr. GILLETT. Mr. Speaker, I make the point of no quorum.

Mr. CRISP. Mr. Speaker, when the previous question was ordered the motion would not be debatable anyway.

Mr. STAFFORD. It is not a question of the previous question.

The SPEAKER. The motion for the previous question is not debatable and never has been.

Mr. CRISP. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. CRISP. The motion to recommit anyway would not be debatable, the previous question having been ordered on the passage of the bill.

The SPEAKER. This is a motion for the previous question on the motion to recommit.

Mr. CRISP. The previous question is ordered on a motion to recommit for the purpose of cutting off amendments to the motion to recommit; but where the previous question is ordered on the passage of the bill, I think the motion to recommit is not debatable. That is the parliamentary inquiry that I desire to propound to the Chair.

Mr. GILLETT. It is debatable by unanimous consent.

Mr. CRISP. We can do anything by unanimous consent.

Mr. STAFFORD. If you will not allow three minutes to discuss a bona fide amendment——

Mr. GILLETT. Under the circumstances, I make the point of no quorum, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. SLAYDEN] moves the previous question on the motion to recommit, and the gentleman from Massachusetts [Mr. GILLETT] makes the point of no quorum present. Evidently there is not.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Anthony	Fuller, Mass.	Lobeck	Rodenberg
Blackmon	Garland	McCormick	Rowland
Booher	Glass	McFadden	Sanders, La.
Britten	Gould	McLaughlin, Pa.	Scott, Iowa
Candler, Miss.	Hamill	Magee	Scully
Capstick	Hamlin	Maher	Snyder
Chandler, N. Y.	Harrison, Va.	Mann	Stedman
Costello	Haskell	Meeker	Steenerson
Curry, Cal.	Heintz	Miller, Minn.	Sullivan
Dallinger	Hensley	Miller, Wash.	Sumners
Davidson	Holland	Mudd	Taylor, Colo.
Drukker	Hollingsworth	Nelson	Vare
Dyer	Hood	Nicholls, S. C.	Walker
Eagle	Howard	Oliver, Ala.	Webb
Edmonds	Johnson, S. Dak.	Olney	Wilson, La.
Emerson	Jones, Tex.	O'Shaunessy	Woods, Iowa
Fairchild, G. W.	Kelley, Mich.	Overmyer	Young, N. Dak.
Ferris	Kennedy, R. I.	Phelan	Zihlman
Fess	Kraus	Porter	
Flynn	LaGuardia	Rainey	

The SPEAKER. On this roll call 349 Members, a quorum, have answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. STAFFORD] be allowed five minutes to explain this motion to recommit.

The SPEAKER. The gentleman from Massachusetts [Mr. GILLETT] asks unanimous consent that the gentleman from Wisconsin [Mr. STAFFORD] be allowed five minutes in which to express his opinion.

Mr. SLAYDEN. Mr. Speaker, I hope that request will be granted. The gentleman has explained his reason.

The SPEAKER. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Speaker, the joint resolution as reported to the House provides for the location of this statue at Meridian Hill Park. In my motion to recommit, embodying the amendment which I sought to have voted upon yesterday, but when I was denied that privilege by reason of an erroneous ruling, this statue is to be located at a public reservation in one of the smaller park areas entirely surrounded by streets, of which there are numerous in different parts of the city. Regardless of the position which you may take as to whether the statue should be erected or not, it should at least, from my standpoint, and I think from the standpoint of the friends of the statue, be evident that we ought not to locate this statue of James Buchanan in the one public park that is destined to be rather historic as Washington grows in history. There are ample public reservations where the proposed statue could be erected, and even now these public reservations are being rapidly taken up. It will be only a question of time when we will have to put the ban on the allowance of further statues on public reservations to persons whose fame is of a more or less doubtful character. But I plead with all Members that Meridian Hill Park, out Sixteenth Street, be reserved for future statues of celebrities who have made names for themselves in the past or who are now making names for themselves in the present European war. There are plenty of other places which would be fitting for this statue of James Buchanan. I leave the selection of the place to the officer in charge of public buildings and the Commission of Fine Arts. I believe it is a bad practice for a committee to locate the site where this statue should be placed, especially when that committee may have been influenced by representatives from localities where some of the trustees under this will reside. The site should be selected by the Commission of Fine Arts in collaboration with the Superintendent of Public Buildings and Grounds.

The Commission of Fine Arts should be allowed to determine what is a fitting place, and I can conceive of no more fitting place for a statue of James Buchanan than in one of these triangular parks. I merely rose to explain the purpose of the motion to recommit, and not wishing to take up any further time I submit the question for a vote.

The SPEAKER. The question is on adopting the previous question.

The previous question was ordered.

The SPEAKER. The question now is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were 96 ayes and 164 noes.

So the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the joint resolution.

Mr. WALSH. And on that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 213, nays 127, answered "present" 3, not voting 85, as follows:

YEAS—213.

Alexander	Dooling	Lazaro	Saunders, Va.
Almon	Doremus	Lea, Cal.	Scott, Pa.
Ashbrook	Doughton	Lee, Ga.	Sears
Aswell	Drane	Lesher	Shackleford
Ayres	Dupré	Lever	Shallenberger
Bankhead	Eagan	Linthicum	Sherley
Barkley	Edmonds	Littlepage	Sherwood
Barnhart	Estopinal	London	Shouse
Beakes	Evans	Lonergan	Siegel
Bell	Fields	Lunn	Sims
Beshlin	Fisher	McAndrews	Sisson
Black	Flood	McFadden	Slayden
Blanton	Foster	McKeown	Slemp
Booher	Francis	McLemore	Small
Borland	French	Mansfield	Smith, C. B.
Brand	Gallagher	Martin	Smith, T. F.
Brodbeck	Gallivan	Mason	Snook
Browning	Gard	Montague	Steagall
Brumbaugh	Garner	Moon	Steele
Buchanan	Garrett, Tenn.	Moore, Pa.	Stephens, Miss.
Burnett	Garrett, Tex.	Mott	Stephens, Nebr.
Butler	Glass	Mudd	Sterling, Pa.
Byrnes, S. C.	Goodwin, Ark.	Neely	Stevenson
Byrns, Tenn.	Gordon	Nelson	Strong
Caldwell	Gray, Ala.	Nolan	Swift
Campbell, Pa.	Gregg	Norton	Tague
Cannon	Griest	Oldfield	Talbott
Cantrill	Hardy	Oliver, N. Y.	Taylor, Ark.
Caraway	Harrison, Miss.	Osborne	Templeton
Carew	Hastings	O'Shaunessy	Thomas
Carlin	Hayden	Overstreet	Thompson
Carter, Okla.	Hayes	Padgett	Tillman
Clark, Fla.	Heaton	Park	Van Dyke
Claypool	Heflin	Parker, N. J.	Venable
Coady	Helm	Peters	Vinson
Collier	Helvering	Polk	Walton
Connally, Tex.	Hilliard	Pou	Ward
Connelly, Kans.	Houston	Price	Watkins
Copley	Huddleston	Quin	Watson, Pa.
Cox	Hull, Tenn.	Ragsdale	Watson, Va.
Crago	Humphreys	Raker	Weaver
Crisp	Igoe	Randall	Webb
Crosser	Jacoway	Rayburn	Welling
Dale, N. Y.	Johnson, Ky.	Riordan	Welty
Darrow	Jones, Va.	Robbins	Whaley
Davis	Keating	Roberts	White, Ohio
Decker	Kehoe	Robinson	Wilson, Tex.
Dent	Kettner	Romjue	Wingo
Dewalt	Key, Ohio	Rose	Wise
Dickinson	Kiess, Pa.	Rouse	Wright
Dies	Kincheloe	Rowe	Young, Tex.
Dill	Kitchin	Rubey	
Dixon	Kreider	Rucker	
Dominick	Larsen	Russell	

NAYS—127.

Anderson	Browne	Cooper, Ohio	Davidson
Anthony	Burroughs	Cooper, W. Va.	Dempsey
Austin	Campbell, Kans.	Cooper, Wis.	Denison
Baer	Cary	Cramton	Dillon
Bland	Chandler, Okla.	Currie, Mich.	Doolittle
Bowers	Classon	Dale, Vt.	Dowell

Dunn	Haugen	McLaughlin, Mich.	Smith, Mich.
Elliott	Hawley	Madden	Snell
Ellsworth	Hersey	Mapes	Stafford
Elston	Hull, Iowa	Mays	Sterling, Ill.
Esch	Husted	Merritt	Stiness
Fairfield	Hutchinson	Moores, Ind.	Sweet
Farr	Ireland	Morgan	Temple
Focht	James	Nichols, Mich.	Timberlake
Fordney	Johnson, Wash.	Paige	Tinkham
Foss	Juul	Parker, N. Y.	Towner
Frear	Kahn	Platt	Treadway
Freeman	Kearns	Powers	Vestal
Fuller, Ill.	Kelly, Pa.	Pratt	Voigt
Gandy	Kennedy, Iowa	Purnell	Volstead
Gillett	King	Ramsey	Waldow
Glynn	Kinkaid	Ramseyer	Walsh
Good	Knutson	Rankin	Wason
Goodall	La Follette	Reavis	Wheeler
Graham, Ill.	Lehlbach	Rogers	White, Me.
Graham, Pa.	Lenroot	Sanders, Ind.	Williams
Green, Iowa	Little	Sanders, N. Y.	Wilson, Ill.
Greene, Mass.	Longworth	Schall	Winslow
Greene, Vt.	Lufkin	Scott, Mich.	Wood, Ind
Hadley	Lundeen	Sells	Woods, Iowa
Hamilton, Mich.	McCulloch	Slozn	Woodyard
Hamilton, N. Y.	McKenzie	Smith, Idaho	

ANSWERED "PRESENT"—3.

Gray, N. J.	Langley	Sabath

NOT VOTING—85.

Bacharach	Fuller, Mass.	McArthur	Rowland
Blackmon	Garland	McClintic	Sanders, La.
Britten	Godwin, N. C.	McCormick	Sanford
Candler, Miss.	Gould	McKinley	Scott, Iowa
Capstick	Hamill	McLaughlin, Pa.	Scully
Carter, Mass.	Hamlin	Magee	Sinnott
Chandler, N. Y.	Harrison, Va.	Maher	Snyder
Church	Haskell	Mann	Stedman
Clark, Pa.	Heintz	Meeker	Steenerson
Costello	Hensley	Miller, Minn.	Sullivan
Curry, Cal.	Hicks	Miller, Wash.	Sumners
Dallinger	Holland	Mondell	Switzer
Denton	Hollingsworth	Morin	Taylor, Colo.
Drukker	Hood	Nicholls, S. C.	Tilson
Dyer	Howard	Oliver, Ala.	Vare
Eagle	Johnson, S. Dak.	Olney	Walker
Emerson	Jones, Tex	Overmyer	Wilson, La.
Fairchild, B. L.	Kelley, Mich.	Phelan	Young, N. Dak.
Fairchild, G. W.	Kennedy, R. I.	Porter	Zihlman
Ferris	Kraus	Rainey	
Fess	LaGuardia	Reed	
Flynn	Lobeck	Rodenberg	

So the joint resolution was passed.

The following pairs were announced:

Until further notice:

Mr. HENSLEY with Mr. KELLEY of Michigan.

Mr. OLIVER of Alabama with Mr. GEORGE W. FAIRCHILD.

Mr. FERRIS with Mr. HOLLINGSWORTH.

Mr. HOWARD with Mr. MCLAUGHLIN of Pennsylvania.

Mr. WILSON of Louisiana with Mr. LANGLEY.

Mr. CHURCH with Mr. BACHARACH.

Mr. DENTON with Mr. BRITTEN.

Mr. EAGLE with Mr. CARTER of Massachusetts.

Mr. FLYNN with Mr. BENJAMIN L. FAIRCHILD.

Mr. GODWIN of North Carolina with Mr. FESS.

Mr. HAMILL with Mr. GARLAND.

Mr. HAMLIN with Mr. DYER.

Mr. HOOD with Mr. CHANDLER of New York.

Mr. JONES of Texas with Mr. HASKELL.

Mr. LOBECK with Mr. COSTELLO.

Mr. MCCLINTIC with Mr. KENNEDY of Rhode Island.

Mr. MAHER with Mr. MCKINLEY.

Mr. NICHOLLS of South Carolina with Mr. MEEKER.

Mr. OLNEY with Mr. MILLER of Minnesota.

Mr. OVERMYER with Mr. REED.

Mr. PHELAN with Mr. RODENBERG.

Mr. RAINEY with Mr. SNYDER.

Mr. SANDERS of Louisiana with Mr. STEENERSON.

Mr. STEDMAN with Mr. SWITZER.

Mr. SULLIVAN with Mr. TILSON.

Mr. SUMNERS with Mr. ZIHLMAN.

Mr. TAYLOR of Colorado with Mr. DALLINGER.

Mr. WALKER with Mr. ROWLAND.

Mr. SCULLY with Mr. CURRY of California.

On this vote:

Mr. HICKS (for) with Mr. MCARTHUR (against).

Mr. CANDLER of Mississippi (for) with Mr. MAGEE (against).

Mr. HOLLAND (for) with Mr. FULLER of Massachusetts (against).

Mr. HARRISON of Virginia (for) with Mr. GOULD (against).

Mr. BLACKMON (for) with Mr. EMERSON (against).

The result of the vote was then announced as above recorded.

On motion of Mr. SLAYDEN, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

STATUARY IN THE CAPITAL.

Mr. OSBORNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered by Gen. ISAAC R. SHERWOOD on statuary in the Capital.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD in the manner stated. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a copy of a memorandum of a dispatch to the Secretary of State of the United States from the envoy of the provisional government of Ireland, dated February 17, 1918. It is not very long.

The SPEAKER. The gentleman from Illinois [Mr. MASON] asks unanimous consent to extend his remarks in the RECORD by printing a letter to the Secretary of State. Is there objection?

Mr. WALSH. I object.

The SPEAKER. The gentleman from Massachusetts objects.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. JOHNSON of Washington for Friday and Saturday; and

To Mr. KRAUS (at the request of Mr. WOOD of Indiana), indefinitely, on account of sickness.

ORDER OF BUSINESS.

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for four minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for four minutes. Is there objection?

Mr. SIMS. Mr. Speaker, I object.

The SPEAKER. The gentleman from Tennessee objects.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes. Pending that motion, I wish to know if we can not have some agreement in respect to the closing of general debate?

The SPEAKER. Has the gentleman any suggestion to make?

Mr. SIMS. Yes. I ask unanimous consent that all general debate on the pending bill close upon the rising of the committee this afternoon, not later than 6 or 6.30 o'clock.

The SPEAKER. Is there objection?

Mr. ESCH. Mr. Speaker, we have lost almost an hour and a half already to-day. To-morrow there is a special order, which will take possibly an hour, and if the Committee on Invalid Pensions claims the day we may lose another half hour, so that I feel we can not agree to the proposition made by the gentleman from Tennessee. I have requests from members of the committee that will consume at least two hours and a half. Five members of the committee on this side have not yet debated the question. I have requests from 16 other Members of the House asking for time. I believe under the circumstances we should devote all day to-morrow to general debate, and I think we will make time by so doing.

Mr. SIMS. Mr. Speaker, this measure is so important that I do not think we need to emphasize its importance. The unanimous-consent agreement under which we are considering the bill is that it shall be considered until concluded when taken up, with the exception of Calendar Wednesday and conference reports; so as far as pension matters are concerned they can be delayed. I do not know about the terms of the special order for to-morrow. I will make this further request, that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow, and that all general debate on the bill close not later than 3 o'clock to-morrow. That will give abundant time for any real discussion that is needed in general debate.

Mr. GILLETT. Why not wait until to-night before making that request?

Mr. SIMS. I desire that there may be as much liberality as possible when we come to consider the bill for amendment under the five-minute rule, and the time of gentlemen may be extended when talking not directly to what may be before the House, when Members are in much better attendance than they are in general debate. I hope the gentleman will agree to that request.

Mr. LENROOT. Mr. Speaker, reserving the right to object, so far all of the time that has been consumed upon the bill has been consumed by members of the committee.

Mr. SIMS. Oh, no.

Mr. LENROOT. With two exceptions.

Mr. LANGLEY. Practically all of the time has been consumed by members of the committee.

Mr. LENROOT. Practically all of it, and to-day will be taken, I understand, by members of the committee. Does not the gentleman think there should be reasonable opportunity for those who are not members of the committee who desire to discuss this bill in general debate to do so?

Mr. SIMS. There are at least four hours and a half that we can devote to general debate to-day. That is two hours and a quarter on a side. If we meet at 11 o'clock to-morrow, even if an hour should come out, that would give three hours for general debate to-morrow.

Mr. LENROOT. That is an hour and a half on a side. I want to say to the gentleman that I very much desire to have an hour, and I have stated to the gentleman what I personally desire. I want to have the time in general debate, because I think the committee will want to consider some of the suggestions that I have to make.

Mr. KITCHIN. Could not the gentleman from Tennessee give gentlemen on the other side two-thirds of his time to-morrow?

Mr. SIMS. I would want to reserve, in order to close, if need be, 30 minutes, but I will say right now that I shall yield one hour of the equal time to be disposed of as the gentleman from Wisconsin [Mr. ESCH] may see proper.

Mr. AUSTIN. Is not to-morrow pension day in the House?

Mr. GARNER. Yes; but the unanimous-consent agreement puts it out of the way.

Mr. LANGLEY. It is pension day, but it will not take very long.

Mr. GILLETT. Why does not the gentleman let the debate run to-day and make an agreement to meet at 11 o'clock to-morrow for general debate, and then see how far we have gotten to-day, and see whether members of the committee have all used up their time, because I think the gentleman wants to be reasonable, and it is certainly fair that Members on this side of the House, outside of the committee, should get more than an hour and a half, it seems to me.

Mr. SIMS. Well, that is a matter entirely with that side of the House when I offer here to yield one hour and give them one hour more than consumed on this side, and have all the afternoon until 3 o'clock—I will make it 4 o'clock.

Mr. LENROOT. Make it all day.

Mr. SIMS. No; I will offer a motion to close debate rather than that; but I do hope the gentleman will consent to 4 o'clock, with the understanding that he may have an hour and a half the advantage of this side in the division of the time.

The SPEAKER. Has the gentleman any other request to make?

Mr. SIMS. The request is this: I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow, and that all general debate on this bill close not later than 4 o'clock to-morrow, the gentleman from Wisconsin [Mr. ESCH] in the division of time to have one hour and a half more than this side.

Mr. WALSH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. Mr. Speaker, reserving the right to object, it seems to me that a matter which the chairman has stated is of such great importance that there should not be any arrangement entered into whereby the committee have two whole days of general debate and the rest of the membership of this House be permitted to have only four hours of participation in general debate, and I think it is not unfair to ask that the whole of to-morrow be devoted to general debate, so that other Members who are just as well able to discuss this matter in general debate as some of the members of the committee, who have been unable to answer questions relating to the bill, may be heard; and therefore I shall object to the request.

The SPEAKER. The gentleman objects.

Mr. SIMS. Mr. Speaker, I move that all general debate upon this bill—I mean the railroad-control bill—close not later than 4 o'clock to-morrow.

Mr. LANGLEY. That does not give enough time, I want to say to the gentleman.

Mr. SIMS. This is not debatable.

The SPEAKER. The gentleman from Tennessee moves that general debate on this railroad bill shall close at 4 o'clock p. m. to-morrow.

Mr. WALSH. Mr. Speaker, I would like to offer an amendment to make it not later than 6 o'clock to-morrow.

Mr. SIMS. I move the previous question on my motion——

The SPEAKER. But the gentleman from Massachusetts has been recognized proposing a substitute of 6 o'clock for 4 o'clock. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. SIMS) there were—ayes 116, noes 62.

So the amendment was agreed to.

The SPEAKER. Does the gentleman want the 11 o'clock request submitted?

Mr. SIMS. No.

Mr. LENROOT. Mr. Speaker, the motion as amended must be put.

The SPEAKER. Yes. The question is on the motion as amended.

The question was taken, and the motion as amended was agreed to.

Mr. DOWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOWELL. Was not the request to meet at 11 o'clock included in the motion?

The SPEAKER. No; the motion was only to close debate at 4 o'clock.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. SIMS. Mr. Chairman, I yield one hour to the gentleman from Pennsylvania [Mr. DEWALT], a member of the committee. [Applause.]

Mr. DEWALT. Mr. Chairman and gentlemen of the committee, judging from the statements made by the distinguished gentleman from Massachusetts I am fully aware that this subject, which we are about to discuss, is one of great importance. He emphasized that fact by saying that he was quite sure that there were Members of the House, other than members of the committee, who were quite equal to the task of discussing this bill. I grant him that, because in the very outset of my remarks I desire to say that the importance and the gravity of this bill is of such momentous character that, even though I as a member of the committee have been engaged in hearings for almost four weeks, I do not have the temerity to say that I am entirely able to discuss comprehensively and lucidly the provisions of this bill. The importance of it is beyond question, and perhaps in the outstart it might be well to refer to some matters that make it so important for the earnest consideration of this great body. In the first place, the property rights of the railroad companies amount in the aggregate, roughly estimating the same, to over $18,000,000,000 in this country, and this legislation will vitally affect that tremendous amount of property interest. The mere statement of that fact is sufficient to warrant me in stating that this is one of the most important bills presented to this Congress. Again, there are 1,700,000 employees engaged by these railroad companies. Who would dare to assert in contradiction that their interests should not be conserved and preserved, and if that be true, then again the importance of this great measure must become apparent to you. Added to that you should remember that there are over 250,000 miles of railroad lines in this country that must be affected by this legislation. Added to that fact is another which is quite important, and that is that there are hundreds of thousands of stockholders in these corporations whose moneyed interests will be vitally affected by the passage or the nonpassage of this bill. And so whilst one perhaps is able, after hearings held in committee, to have some general knowledge of the subject that he is about to discuss, I am very frank to say to this membership that I am quite aware of my own deficiencies. I claim no pride of authorship in this bill, nor do I attempt to assert that it is a perfect bill.

Mr. CANNON. Mr. Chairman, I would make the suggestion that the gentleman has omitted from his list of those who are vitally interested the 110,000,000 people in the United States.

Mr. DEWALT. If the gentleman from Illinois had permitted me a moment, I would have referred to that as perhaps the most important of all the considerations, and I am very glad the gentleman introduced it just the moment that he did. The

great question of rates in this controversy is certain to be raised, and, after all, in the ultimate conclusion, if the gentleman from Illinois will permit me to suggest, it is the consumer who ultimately pays the freight. And it is entirely suggestive and proper that the gentleman from Illinois should say that 110,000,000 people are vitally interested in this legislation, because as the rates are changed, either for freight or passenger traffic, or as the management of these roads is changed ultimately, the people—men, women, and children—throughout the country must, in the popular expression used, "pay the freight."

Now, let us drop for a moment, if you please, the consideration of the importance of this legislation. The next thought that occurs to me, and possibly will occur to you, is, logically, admitting the importance of it, where is the necessity for it? The necessity for it became quite apparent to every man who had the situation in hand, and particularly and strongly apparent to the membership of this committee. The whole Nation knew, and everyone now is convinced, of the fact that the railroad systems of the country had, according to popular expression, "broken down." Freight traffic, passenger traffic, all sorts of transportation facilities, were congested and for the time being almost at a standstill. What were the causes of this great discomfort to the people of this country? Was it the fault of the Government? No one could fairly charge that that was true. Was it the fault of the railroads? Partially so; yes. I think an affirmative answer could be given to that proposition. But there were other reasons which were momentous and almost paramount in regard to this great disaster that fell upon the country almost overnight. What were they?

There was a tremendous demand for transportation. When the war came on, and when we were preparing for entrance into the war, it became necessary to make shipments almost beyond comparison with the shipments that had been made in years prior to our proposed entrance into the contest. The natural consequence was that freight traffic was congested. And the sequence of that congestion, and the sequence also of the demand of the Government for shipments of war munitions, led to priority orders, and priority orders meant in substance that governmental shipments should take precedence of all other shipments. And for that reason, and for other reasons consequent thereon, there was this congestion in freight and passenger traffic. Added to that was the apparent desire, futile in the end, of the railroad managers to help the Government; and you will remember better perhaps than I can tell you, that there was a War Board of Railroads established, which War Board of Railroads, consisted of the general managers and presidents of the various roads of the country. To their credit, and I desire to voice that sentiment now, be it said, that they did the best they could under the circumstances, and they displayed loyalty and public spirit which deserves the recognition of the people of this country. Unfortunately, however, they were hampered. They were unable to do that which the Government desired and which they were willing to do. How were they hampered? They were hampered by the Sherman law, and they were constrained by the rules and regulations of the Interstate Commerce Commission. Priority shipments were clearly against the provisions of these two methods of regulation. The routing of freight was clearly against the provisions of the Interstate Commerce regulations, and they did under the law the best they could, but it was finally found that it was entirely inefficient, and that in order to render the service that the Government demanded, and in order to serve the public at the same time, it became necessary to do what?

It became necessary in the judgment of the Government itself, and of the committee acting under the authority of this House, to devise some means by which these rules and regulations should either be made lax, made wider, if you please, or entirely abrogated. Perhaps no more explicit and suggestive illustration of this fact can be shown than that of demurrage. There is not a man within the hearing of my voice who does not know that there were thousands of freight cars that were used as storage places. They were filled with freight; they arrived at terminal stations and remained unloaded, not only for days but sometimes for weeks. And the fact was disclosed in the hearings that sometimes these cargoes of freight in these cars were sold and resold, and again sold and resold, without ever being unloaded. All of this resulted, as I am trying to show you, in this great disaster to the transportation systems of the country.

Mr. DENISON. Will the gentleman yield?

Mr. DEWALT. I will.

Mr. DENISON. I was going to ask the gentleman right at that point if he does not think that situation could have been met by Congress repealing those regulations and suspending the Sherman law?

Mr. DEWALT. It could have been met in that way, and that was suggested by the Interstate Commerce Commission itself, and there were two remedies, one of which you suggest and that which is now proposed. I am frank to admit that, sir. And in this discussion I beg pardon, gentlemen, for desiring, if possible, to answer all pertinent questions which may be submitted to me, disclaiming to have any more knowledge than anybody else has upon the subject, and I am quite sure that if the questions be relevant, material, and pertinent I will receive information and perhaps be able in my modest way to impart some.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. DEWALT. Certainly.

Mr. CONNALLY of Texas. Right in this connection, in touching the causes of the congestion, I am interested to know what the gentleman's views are in reference to how far the diversion of traffic from other ports to New York contributed to that condition?

Mr. DEWALT. I think you had better put that, sir, in the other way. "Nondiversion" to those ports would, in my judgment, be a more explicit term. It is true that the port of New York, by the natural influx and reflex of trade in this country, is the greatest port in the country; and it is also true, and shown by the testimony in some of these hearings that the ports of Charleston, Savannah, New Orleans, and Philadelphia, if you please, also included, do not have the terminal facilities that New York has. They do not have the depth of water for large vessels, and the natural consequence is that trade seeks its easiest channel. It is like the flowing of the blood in the human body. If the veins are congested the blood does not readily flow, and the system become affected or possibly ceases its functions. And the question is very pertinent from the fact that if Savannah, Charleston, and New Orleans, and Philadelphia, too, if you please, in my own State, had the terminal facilities and the depth of water, which possibly they have not, a great deal of this freight would be diverted from New York and would go to those other ports.

Mr. WHALEY. Mr. Chairman, will the gentleman permit a question right there?

Mr. DEWALT. Certainly.

Mr. WHALEY. You say the diversion of traffic from those ports was because of the lack of water at those ports. Is it not a matter of fact that those ports have that depth of water?

Mr. DEWALT. I understand the gentleman from South Carolina has received an appropriation quite monumental, in its aggregate, which will give the required depth of water at Charleston.

Mr. WHALEY. I would like to correct that. There is a depth of water already there sufficient to float any ship of the United States or any that England sends over here with the exception of the *Mauretania*.

Mr. DEWALT. I hope it will be increased to a depth of 35 feet and the appropriation in like proportion.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield there?

Mr. DEWALT. Certainly.

Mr. MOORE of Pennsylvania. I think the gentleman ought to advise the committee that Philadelphia has an assured high-tide depth now of 35 feet, and is capable of accommodating twice as much business as goes into that port, and that it has terminal and docking facilities sufficient to take over a vast part of the business that now clogs New York.

Mr. DEWALT. I entirely agree with the gentleman, and yet strange it is that the general public throughout the West has an idea that Philadelphia has not the requisite terminal facilities and the proper depth of water.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. GREEN of Iowa. I think the West is not quite that much in error and that they know something about the depth of water at Philadelphia. But regardless of that, is not the gentleman aware of the fact that it is now conceded that a great mistake was made in sending so much freight to New York, and that arrangements have been made for its diversion to these other ports to a very considerable extent?

Mr. DEWALT. I am very glad that is so.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. SLOAN. I would say that the misinformation throughout the country as to the port of Philadelphia was in no wise due to a lack of diligence and repeated statements on the part

of the distinguished gentleman from Philadelphia [Mr. MOORE], of whom I have distinct recollections on several occasions as having mentioned, first, that there was such a port as Philadelphia and that the port was made up largely of water, and, second, that it was of great depth, corresponding therewith to his arguments and his speeches delivered here on the floor. [Laughter.]

Mr. DEWALT. Well, I do not want to reply to that at all, except to say this: That the gentlemen who reside in the beloved city from which the gentleman from Philadelphia comes are largely of the Quaker element and are always very modest; they are not like those of the West and they do not blow their horns so loudly. [Laughter and applause.]

Mr. MOORE of Pennsylvania. Of course I thank the gentleman from Nebraska [Mr. SLOAN] and the equally distinguished gentleman from Pennsylvania [Mr. DEWALT] for the fine personal compliments they have paid to me, but I would like the gentleman to permit me to incorporate in his remarks this fact, that Boston has a depth of 35 feet, that Baltimore has a depth of 35 feet, that Philadelphia has a depth of 35 feet, that Charleston has a depth of at least 30 feet, that Savannah has a depth of 30 feet, and so on down the line; as all those ports south of New York are nearer to the West than New York is, it is not strange that people should wonder why all the business of the West and of the South should be concentrated at the port of New York.

Mr. DEWALT. Whatever the reason is, the fact is quite apparent, and the result is the same. I am very glad that my colleague from Pennsylvania has given not only me but the House and the committee the information that it is so important for the people at large to know.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Certainly.

Mr. ALEXANDER. When the gentleman was diverted he was discussing the limitations caused by the accumulation of cars on the sidings and the use of them for storehouse purposes instead of for transportation. That was not caused by any provision of law. That condition might have been remedied by the railroad companies themselves, might it not?

Mr. DEWALT. Yes.

Mr. ALEXANDER. The gentleman also referred to the fact that under the provisions of the Interstate Commerce law—and I think he mentioned section 6—there were certain limitations which prevented the railroad companies from developing their system and making them as efficient as they may be under this legislation.

Mr. DEWALT. I did not mention the section, but that was my idea; yes.

Mr. ALEXANDER. I would like to ask the gentleman to develop that thought and tell us just what those provisions are; in other words, why these roads under private ownership could not be developed and utilized just as well as if those limitations were removed and the roads taken out of governmental control?

Mr. DEWALT. The only question that arises here, if the gentleman will permit me, is this, that in spite of the fact that we have a demurrage system, and in spite of the fact that the Government and the railroads themselves have been very assiduous in collecting this demurrage, the shippers of freight are willing to pay the demurrage in order to have the storage facilities of the cars. They simply laugh at the idea of demurrage, because they think it cheaper to pay the demurrage than to take the freight off the cars in proper time except as that time suits their convenience. That is the truth of it.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. AYRES. Is it not a fact that the railroads themselves utilize a great many cars for storage purposes?

Mr. DEWALT. I am sorry to say that I think that is so. I am not here with any bill or brief for the railroad companies, nor do I excuse them at all for their laxity in not enforcing the rules which they themselves have made—and the regulations of the Interstate Commerce Commission. But there is very little use, gentlemen, in decrying these evils or blaming John or James for the existence thereof. We have a condition confronting us, and the question is, How are we to remedy it? Not "Who is to blame?" Not "Why he or it is to blame?" But the blame being here, and the condition existing, the question is, "What is the best thing to do under the circumstances?"

Now, let me proceed for a moment further, leaving that phase of the topic and going to another: Admitting the importance of the subject we are discussing, and admitting, if you please, the necessity for the legislation, as we have tried to point out, how did the legislation come about? And how is it that we now have before us this bill?

It came about in this way. You will recollect it, perhaps, without any refreshment of your memory on my part. In 1916 there was a bill enacted into law entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes." In that appropriation bill was the following section:

The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems or transportation, or any part thereof, and to utilize the same, to the exclusion as far as may be necessary of all other traffic thereon, for the transfer or transportation of troops, war material and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

That act was passed August 29, 1916, and, gentlemen, I desire to enforce upon your attention this very momentous thing, that although in the judgment of a great many eminent lawyers, some of whom I have consulted, the President, under the provisions of the act of 1916, had the authority and the right then and there to take possession of and assume control of the railroad systems of this country, he did not do that. Why did he not do it? Of course, again I may say, I hold no brief for the President of the United States, but the very fact that he did not do so is evidence to my mind that he was using the best of sound judgment in preparing the country at large for this momentous action when he must take over the railroad systems of the country. I have heard it said here that this was an assumption of authority by the President of the United States that was almost autocratic in its exercise. I grant you we have proceeded along the lines of almost revolutionary processes; I grant you that an old-line Democrat like myself, reared with the idea that the Constitution must be strictly conserved and observed, is sometimes frightened, almost appalled, at these momentous powers that are given to the Executive. But the very fact that the President did not exercise them when he had the right to exercise them, if he saw fit, and that he waited all this time, until it became quite apparent to him and the country at large that it must be done, is good assurance to me that he did not desire and never assumed autocratic powers. [Applause.]

Mr. FORDNEY. Will the gentleman yield?

Mr. DEWALT. Certainly, sir.

Mr. FORDNEY. In section 6, page 9, of the bill there is this language:

From said revolving fund the President may expend such an amount as he may deem necessary or desirable for the purchase, construction, or utilization and operation of canals, boats, barges, tugs, and other transportation facilities on the inland, canal, and coastwise waterways, and may in the acquisition, operation, and use of such facilities create or employ such agencies and enter into such contracts and agreements as he shall deem in the public interest.

Does the gentleman think in order to carry on this war it is necessary that the Government should purchase inland canals that will not admit ships?

Mr. DEWALT. If the gentleman will permit me to answer that question when I get to the discussion of the different sections of the bill, I will be very much obliged; but the power to purchase inland canals is, in my judgment, not contemplated in the act.

Mr. FORDNEY. I shall be very glad to do it.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. DEWALT. No; not for the present. I know the gentleman is very much interested in the subject of inland waterways, and his knowledge is authority on that subject.

Mr. MOORE of Pennsylvania. I do not want to interrupt the gentleman, but should like through him to remind the gentleman from Michigan [Mr. FORDNEY] that hundreds of barges laden with lumber have been using some of the canals referred to, while others have been delayed because the railroads were incapable of taking their cargoes, with the result that ship construction has been held up and the war has not proceeded as rapidly as it should.

Mr. DEWALT. Now, resuming the thought that was in my mind, gentlemen, after this provision in the appropriation bill of 1916 was incorporated into the law, then there was this period of preparation, as I have tried to illustrate. And then there followed what? A proclamation by the President of the United States, in which he said that he would do what?

Take possession and assume control at 12 o'clock noon on the 28th day of December, 1917, of each and every system of transportation and the appurtenances thereof located wholly or in part within the boundaries of the continental United States and consisting of railroads and owned or controlled systems of coastwise and inland transportation engaged in general transportation, whether operated by steam or by electric power including also terminals, terminal companies, and terminal associations, sleeping and parlor cars, private cars and private car lines, elevators, warehouses, telegraph and telephone lines, and all other equipment and appurtenances commonly used upon or operated as a part of such rail or combined rail-and-water systems of transportation.

We then have as a consummation of these facts that I have tried to give you, first, the importance of the legislation; second, the necessity of it; third, the passage of the act of 1916; and fourth, the proclamation of the President of the United States. We have this fact, that now the President is in actual control of the railroad systems of this country. Why do I try to emphasize that statement? I emphasize it, gentlemen, for this reason, that it brings me to the discussion now in regular order of the bill itself. When the President took over the railroads, as we say in popular terms, when he assumed control and took possession thereof, he was taking private property for public use, and, as we all know, the Constitution provides that there must be payment for such taking. The question then naturally came to the mind of the legislator as well as to the mind of the Executive, What means can be best devised to pay this stipulated sum or, if not stipulated, how shall this remuneration be made?

If it were a complete taking over, if it were not only an occupation but a confiscation or a commandeering, which meant not only the use but the actual possession of the property for an indefinite or a definite time, which meant ownership, the question might be easier of solution, because it would amount to an appraisal of the value of the property, an appraisal of the franchise, and other concomitant features which go into such an appraisal, and then a lump sum could be paid by the Government for such taking. But this taking is different. This is the taking of the use for a time. What is that time? For and during the war, and for such a reasonable time thereafter, not exceeding a stipulated time, to wit, two years after the ratification of the treaty of peace.

It therefore became, in the mind of every sensible man who was studying this situation, a startling question as to what should be paid. There were several theories presented. I do not desire at this time, nor do I have the time to cover the several theories that were presented to the committee. But this bill provides a specific method of arriving at what should be paid to the different railroad companies.

Mr. LAZARO. Will the gentleman yield in this connection?

Mr. DEWALT. Certainly.

Mr. LAZARO. In explaining this feature of the bill will the gentleman explain how the British handled that feature of it when they took possession of their railroads?

Mr. DEWALT. I shall be very glad to, as well as I am able, sir. The Government of Great Britain had an act passed in 1871 which gave the Government the right to take over, without any further proceedings, the railroads in the United Kingdom. When the war came, in 1914, the Government took over the railroads. It was first asserted that they did it without any regard or agreement as to compensation, but they did afterwards make an agreement. They made an agreement in the spring after the war in August, 1914. They have continued the operation and extended the power week by week. Instead of for a time limited they extend the power week by week.

Mr. MONTAGUE. Every two weeks.

Mr. DEWALT. Every two weeks is it? Pardon me for saying one. The first system was for a pooling of railroad income. They paid to the lines for operating the amount that they had received for the years 1914 and 1913, dependent in amount as to whether the business of the first six or seven months of 1914 was in excess of the business done in the last six months of 1913.

After pooling all these rates, both for passenger and freight traffic, they divided the receipts in proportion to the amount of earnings the various roads had had prior to that time. That arrangement was again changed for what was called an inclusion of the bonus system. The labor agitation came on, and the laborers on the railroads insisted that they must have higher pay. The Government then said that they would guarantee a 25 per cent increase to the laborers on the railroads, and the amount given to the railroads was not made less by reason of the bonus, for the Government stood for the bonus. That bonus has again been increased 10 per cent and includes not only the male laborers but the females in the railroad offices taking the place of male employees.

Mr. RUSSELL. Will the gentleman yield?

Mr. DEWALT. Yes.

Mr. RUSSELL. I find that there are a number of small railways in Missouri that believe—whether it is true or not I do not know—that the action of taking the larger systems, to the exclusion of the short lines, is going to drive them into bankruptcy. Will the gentleman discuss the wisdom of the order or the law that excludes from operation under the Government of these small roads?

Mr. DEWALT. I will be pleased to do so hereafter.

Mr. DENISON. Will the gentleman yield?

Mr. DEWALT. Yes.

Mr. DENISON. My inquiry is suggested by the reply of the gentleman to the gentleman from Louisiana in reference to the labor troubles in England. I would like to ask the gentleman if he remembers the fact that there was a threatened and impending strike among the railroad employees of this country just before the President issued his program in December?

Mr. DEWALT. I am not certain about that.

Mr. COOPER of Ohio. If the gentleman will pardon me, I do not think there was any threatened strike; they did make a demand for increase of wages.

Mr. DEWALT. I do not think that since the passage of the Adamson bill there has been any threatened strike on the part of the employees of the railroads.

Mr. DENISON. Perhaps it was in the form of a general demand for increased wages.

Mr. DEWALT. There has been a demand for increased wages—the first demand was 40 per cent, but that has been graduated to 20 per cent, and I think gentlemen who represent the railroads and the unions have agreed upon some tentative proposition.

Mr. DENISON. Does the gentleman think that the demand for a decided increase of wages that was made at the time had anything to do with precipitating the action of taking over the railroads?

Mr. DEWALT. I do not think it had a particle of effect. I do not think it was a moving consideration in the minds of either the Executive or his advisers. It is a clear business proposition, and that is all this is, coupled with a legal liability that a party always has when he takes private property for himself, or when the Government takes private property for public use. That is the legal proposition, and it is a business proposition as well. The only question, in my judgment, that there is before this House at this time which is of great moment is how we can best determine what the remuneration shall be, taken in connection with the other things that are concerned with that vital question. If this is so, then let us proceed in the limited time I have to a discussion of the provisions of this bill.

When I spoke of the pay of the railroad companies for the use of their lines I stated in the same breath this legal proposition that when they were deprived, even for a moment, of their property rights, they are entitled to compensation. Whether the time be 1 year or 10 years, the primal question is, What shall be paid?

In this bill the committee has provided for what is known as the standard return. What is the standard return? The standard return can perhaps be best defined by giving you what I have tried to get out of the act itself. It is the annual average railway operating income, including income of lines acquired by lease of or connected with the carrier, between July 1, 1914, and December 31, 1917, for the three years ending June 30, 1917; and the rate per cent to be fixed by the President upon the cost of any additions or betterments, less retirements or road extensions, made during the six months ending December 31, 1917. Now that is the standard return as laid down by this act.

What does it amount to in figures? The net operating income of the roads in class 1—and that includes all the roads whose income was over $1,000,000 a year—was $1,020,800,000. That was for 1917. In 1916 the net income of these roads in class 1 was $984,872,959. In 1915, which was what the railroad companies called the lean year, the net income was $683,104,833.

Add these three amounts together and you have $2,688,777,792, and dividing that by 3 you have $896,254,264, which is the average net operating income for these three years for this class 1 railroad, to wit, the railroads whose annual income was over $1,000,000 a year. But there were other railroads that were not of class 1, namely, railroads that did not earn $1,000,000 a year.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. BORLAND. How much of the total mileage of the country is included in class 1?

Mr. DEWALT. I am not able to give the gentleman that. The total mileage operated in 1917 on all of the railroads was about 230,000 miles. The total in 1916 was 257,000 miles, in round numbers. I can give the gentleman that exactly, if he will wait a moment.

Mr. BORLAND. I know the total mileage of the country is approximately 250,000 miles, but I was wondering how much of it was included in class 1.

Mr. DEWALT. Perhaps another way of answering the gentleman's question is this: Class 1 earned and received about 96

per cent of the total income of all of the roads, but as to the mileage I can not give you the exact figures.

Mr. CRISP. Would the gentleman mind giving us the per cent that the roads in class 1 earned, or has the gentleman reduced that to percentages?

Mr. DEWALT. That differs so variously and so radically that one could not estimate that; but if this figure were to be divided by the property valuation used in operation by all the roads in class 1, it would give them an average percentage of about 5.6 on their property.

Mr. BANKHEAD. Is that based upon the amount of capital actually invested?

Mr. DEWALT. Yes; their operating property. As I tried to say before the interruption, this figure of $896,000,000, in round numbers, did not include the average operating income of these roads that were not in class 1, and the Interstate Commerce Commission and others who were advising with the framers of this bill included a sum for them which made the total about $935,000,000, which is a basis of payment if this agreement is carried into effect by the President of the United States.

Mr. CONNALLY of Texas. How does the percentage for those three years compare with the percentage for the years immediately preceding, say, 1913, 1912, and 1911?

Mr. DEWALT. In some of the years preceding 1912 the gross earnings were larger, though not larger than 1917, because that was the banner year. Nineteen hundred and nine was a lean year, if I recollect; 1912 was a lean year, as the railroad men call it, and the scale of gradation runs up and down, best illustrated by a map that was presented to the committee itself, showing that in some years whilst the gross receipts were enhanced the net income did not materially increase, by reason of the greater expense in operation and the greater cost for material.

Mr. SWITZER. Will the gentleman state about what per cent of this net income finally went to the pockets of the stockholders?

Mr. DEWALT. I can tell that pretty nearly.

Mr. SWITZER. Not all of it, as I understand it?

Mr. DEWALT. Oh, no. The gross earnings of these roads were $3,824,419,739. The operating expenses, and this will give the gentleman a clue to what he desires to know, were $2,581,838,511, leaving a net, after the payment of taxes, which amounted to $172,830,714, of $1,069,750,514, which was for the payment of dividends and for the payment of the interest on the bonds. When the gentleman asked me the question how much went into the pockets of the stockholders and the bondholders, not being fortunate enough to own any stock or bonds of railroad companies, I really can not answer the question.

Mr. SWITZER. Is it not true that a great part of this went back into betterments?

Mr. DEWALT. Some part of it did.

Mr. ESCH. Mr. Chairman, if the gentleman will permit, this may throw a little light on the question asked by the gentleman from Ohio [Mr. SWITZER]: The bonded indebtedness of the carriers is $10,000,000,000, on which was paid $450,000,000, with interest. The amount paid in dividends was from $250,000,000 to $300,000,000, and that would leave a balance of possibly $150,000,000 or $200,000,000 for surplus, fixed betterments, and so on.

Mr. SWITZER. About one-fourth, then?

Mr. DEWALT. Mr. Chairman, I desire to hurry on, as I have promised, as well as I may, to touch one other question which some gentleman asked me here on the left. Before we get to that, however, how do we ascertain this standard return? The standard return is ascertained, according to the provisions of the bill, by taking the debits and credits arising from the accounts in the monthly reports to the Interstate Commerce Commission. That is the basis, including equipment rents and joint facility rents, and then the standard return also includes the cost of additions and betterments, railroad extensions, and they are to be ascertained by the Interstate Commerce Commission from reports, books, and other data of the carriers, and these are to be certified to the President. What is the result? The result is this, that after you have fixed a basis for the standard return as outlined in one of the provisions of section 1, you determine almost in the same breath how that ascertainment shall be arrived at, and how is it? Not by the railroad companies themselves, not by the President, if you please, not by the Director General, but by the Interstate Commerce Commission from their reports which have been submitted to them by the railroad companies, and which they have supervised, and which, they have ratified. So that there can be no question either about the validity of the ascertainment nor about the justice of the ascertainment, provided always you agree with me in saying that the Interstate Commerce Commission is a body which is reasonable and just and loyal and conservative of the Government's interests. Now, this certificate as furnished by the Interstate Commerce Commission shall be conclusive as to the amount for the purposes of this agreement.

This same section 1—and I am hurrying along—provides further that Federal taxes under the act of October 3, 1917, assessed for the time beginning January 1, 1918, shall be paid by the carrier or charged against the sum known as the standard return, and other taxes shall be paid out of the revenue derived from the railway operations whilst under Federal control. All taxes before January 1, 1918, shall be paid out of the carrier's funds or charged against the standard returns and deducted therefrom. In other words, the Government will pay the tax whilst it is operating the roads, but the railroad companies will pay the taxes which ought to have been paid or which were assessed against them prior to the date specified and that I have just mentioned.

Mr. LENROOT. Will the gentleman yield?

Mr. DEWALT. I will.

Mr. LENROOT. Is there any provision in the bill in reference to taking care of these taxes except in cases where an agreement is made with the railroad?

Mr. DEWALT. Yes, sir; there is.

Mr. LENROOT. Will the gentleman point it out?

Mr. DEWALT. I will come to that in a few moments. We then follow in this section 1 a stipulation as to maintenance. Everyone knows who is engaged at all with railroad legislation or with railroad operation, or even though he be but a mere traveler upon a railroad, that there must be betterments for maintenance, there must be extensions, there must be repairs, there must be, if you please, the acquirement of new motive power and new cars.

So this section 1 provides that maintenance, repairs, renewals, depreciation shall be considered so that the carriers' property may be returned. How? That the carriers' property may be returned to the owners thereof when this period of Government control is ended substantially in the same condition as when it was taken from them. Certainly no more equitable provision can be had than that. If I take the property of John Jones by right of eminent domain, if you please—but that is not quite a relevant comparison—but if I take the property of an individual for a certain time, with a promise to return it to him, I should return it in the same condition that I obtained it, or I should pay for the depreciation in the value thereof by reason of my use. Therefore, this provision of the bill provides that in regard to maintenance and betterments they shall be substantially replaced to the road in the same condition as it was at the time the Government took the control. Now, further than that, section 1 provides only one important feature, and that is as to nonoperating roads or those in the hands of receivers, and there the President may make such agreements with such corporations as are equitable.

Now, what do we mean by "nonoperating roads"? There were certain roads which were not entirely completed. There were certain roads which were in process, if you please, of stabilization and required betterments, and therefore were not able to operate as going concerns. There were other roads in the hands of receivers, and it was deemed best by the authorities who drew the bill, and also by the committee itself to place in the bill some stipulation to meet that emergency and that condition, and that is met by saying that as to those particular roads the President may make such an agreement as to him seems equitable under the supervision of the Director General of Railroads. Now, that condition contemplates something which is also of very great moment. This lays out the general plan of how the standard return shall be established; it lays out the constituent parts that go into the standard return. It specifies, if you please, that the Interstate Commerce Commission by the reports submitted to it by the railroad companies shall effectually and eventually determine what the rates have been and upon which this standard return is based, and all this contemplates something which is not fully explained unless I say something else to you. What is that? It contemplates an agreement between the railroad companies and the President of the United States. In other words, after the standard return is fixed by this process that I have tried to demonstrate to you, then the President goes to the carrier company and says, "Here is the standard return, fixed according to the reports that you have made to the Interstate Commerce Commission, graduated according to the process that is named in this bill. I offer to you an agreement now that we will pay to you this sum. I can not pay you in excess thereof, but I will pay you that as a maximum amount and I want you to agree with me, as I have taken over the road."

Mr. STEELE. Will the gentleman yield?

Mr. DEWALT. I will.

Mr. STEELE. As I understand the bill, there are two methods of compensation provided. One is the judicial proceeding where the parties can not agree, and the other where they do agree. Now, does the method of the agreement provided here for compensation conform with the legal measure of damages?

Mr. DEWALT. It does, sir. In answer to that let me say this, that in every legal proceeding—as the gentleman knows far better than I do, as I concede to him greater ability as a lawyer than I have ever claimed—as the gentleman well knows, and every other Member knows, the legal standard for the assessment of damages is this: What was the property worth at the time of the taking? That is the general broad proposition. Now, when we come down to pay damages for the use of property, then we have the same standard. What was the use worth at the time of taking? And therefore it follows as a logical conclusion of the answer to the gentleman's question that the legal standard of payment would be what was its use worth at the time, and that is to be determined, how? Why, by what it actually brought in; what it earned.

Mr. TOWNER. Will the gentleman yield?

Mr. DEWALT. Certainly.

Mr. TOWNER. I am going to ask the gentleman this question: Of course, we all agree that the rule established by the courts is when property is taken the value of it must be established at the time when it is taken. When we take over the use the gentleman says that is also to be established at the time of the taking. Is not that, however, subject to this modification, when you come to consider the question of use it must extend over a period of time, and for that reason there is no other standard except we shall take in the preceding years or months or days, or whatever may be proper for the purpose of determining what period of time the use is?

Mr. DEWALT. Certainly.

Mr. TOWNER. So it is hardly strictly true. I will ask the gentleman, to say that we determine the use of the property as of the time of the taking.

Mr. DEWALT. No; but my dear sir, if the gentleman will take in connection that which I have just stated in reference to the establishment of the standard return, he will notice at once that the bill contemplates the taking in the receipts for three years and out of them making an average.

Mr. TOWNER. Yes. We say to the railroads under the terms of this bill: We are willing to determine its use by this standard which we offer you. Now, you have the right to take it or refuse it——

Mr. DEWALT. I am going to come to that in a moment. I will now yield to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. I take it from the gentleman's argument that some of these roads are not receiving the same income that others are receiving.

Mr. DEWALT. That is certainly so.

Mr. DOWELL. There are two methods that are adopted: One is by agreement and the other a remedy in the courts. Is it not true that the roads receiving the large incomes under this provision will accept the agreement and those receiving a less sum will refuse the agreement and obtain theirs through the courts?

Mr. DEWALT. Well, in answer to that, I would say to the gentleman that there is nothing more dangerous in the world than prophecy. I have never yet been able to prophesy as to what I myself would do on the morrow, and I can not tell what they would do the next day.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DEWALT. May I have 15 minutes' additional time?

Mr. SIMS. I yield 15 minutes more to the gentleman.

Mr. DEWALT. I am sorry, gentlemen, if I have wearied you, and I apologize for taking all of the time that I have taken.

I proceed now, gentlemen, to section 3 of this bill, which provides that in case the President of the United States and the carriers are not able to agree, then what follows? The scheme is carried out. First, we try to agree with the carrier companies. The reason for that is that we desire by this bill to prevent litigation, and certainly nothing could be more desirable at this time than to prevent and forestall, if you please, litigation. And so every means is to be used by the executive authority to arrive at this agreement.

But suppose the carrier company says, "We will not agree," or suppose the President says that the demands are excessive according to the circumstances, or the standard return, if you please, in regard to this one particular road is excessive at this particular time; and the parties to this agreement do not agree? In other words, they agree to disagree. Then what follows? The bill then provides that three referees shall be chosen. Chosen by whom? Not by the President; chosen not by the carrier companies, but chosen by an impartial body, namely, the Interstate Commerce Commission. And these three men then shall determine the rights of these contending parties. The bill also provides that any member of the Interstate Commerce Commission may serve as a referee or that anyone connected in official capacity with the Interstate Commerce Commission also shall have the right to serve if chosen. If then the reference is made, which is compulsory, of course, and the parties do not agree, what follows? Still the rights of the corporation are preserved, and still the rights of the Government are preserved. How? By referring the matter for final adjudication to the Court of Claims. That is the last resort; but the whole design of this bill—the whole desire, as expressed throughout the bill—is to prevent as much litigation as possible, and to keep these railroad companies and the executive authority of the United States, and the Government itself, in such a position that litigation will not be necessary. I need not emphasize the importance of that, gentlemen. It is apparent to the mind of everyone who knows anything at all about the subject. Litigation—unprovoked, perhaps, in some instances; provoked in other instances—might possibly lead to the disruption of the transportation systems on the one hand or financial disaster on the other.

I pass over section 4 and section 5, although I have them noted here and would like to discuss them, and come down to the question of what is known as the revolving fund, which is section 6.

This bill provides that $500,000,000, not otherwise appropriated, shall be appropriated for the purpose—of what? The expression is very clear in the bill. The revolving fund of $500,000,000 is for operating expenses, and with the revenue derived from the operation of the road shall be used—for what? For just compensation of the railroads under control, or terminals, motive power, cars, equipment, and so forth. And the President may do what else? The President may order the road to make betterments and road extensions, and so forth, for road purposes, and may advance the cost thereof from the revolving fund for such betterments and extensions, and charge the same up against the carrier.

Now, I have heard some gentlemen in committee, as well as out of it, say, "Oh, well, this will inevitably lead to this, that the railroads will receive these betterments, receive these extensions, will receive these large improvements, at the expense of the Government, and then when the railroads are turned over they will have the benefits thereof without payment to the Government." No more ridiculous statement was ever made by anyone in regard to the provisions of a bill if he reads and syllogizes the bill itself. Because the revolving fund is specified at $500,000,000, and the revenue derived from the operation of the roads by the Government shall be taken for the purpose specified, to wit, for betterments and improvements, and for the payment of a just compensation to the roads, and, more than that, the President can order and direct that these betterments and improvements shall be made and charged up against the standard return.

I pass now to the question that was asked me in reference to the short-line railroad by the gentleman from Missouri [Mr. RUSSELL]. And permit me to say that I believe that portion of the controversy is no longer one that need agitate the minds of those who are interested in short-line railroads. Section 9, referring to this matter, is as follows:

That nothing in this act shall be construed to affect the routing instructions—

And I emphasize "routing instructions"—

over, and the traffic arrangements—

Emphasizing again, "traffic arrangements"—

of such railroads as may not be taken under Federal control by the President unless such arrangements and instructions prejudice—

What? Here are the two exceptions—

the transportation of war materials or of Government supplies; in which cases—

And only in which cases, according to the provisions of this section—

the President may change the routing of such materials and supplies as the war and national interests demand.

And certainly that is a wise and patriotic provision.

And now, further:

If the President should deem it necessary temporarily to suspend such arrangements and instructions as to freight other than war materials and Government supplies he may thereafter, so far as practicable, cause to be diverted—

What?—

sufficient unrouted freight to such road as will compensate it in revenue for such temporary suspension.

Mr. RUSSELL. Now, that is the best provision that has been made there that is possible under the circumstances, and that is when the road is not taken over; but you notice that the section reads that the President may, as far as practicable, reroute other freights that might make up the loss to that road. But the mere fact that that may not be done, as I am informed, has already tended to reduce the value of stocks and bonds of some of these smaller lines, very much to their injury, I am informed, and they fear may result in driving them into the hands of receivers and into bankruptcy.

Does not the gentleman appreciate that there is a possibility of very great injury being done to those smaller lines if they are not taken over?

Mr. DEWALT. I do. One gentleman who appeared before the committee was president of one of the so-called short lines and the receiver of another; I think he came from Pittsburgh. His name I have forgotten. But he emphasized to the committee this important fact, saying in substance: "I am speaking for these short-line roads, in which I am interested, and there are others who take the same view. I, speaking for them, desire only two things: First, that their traffic arrangements, as now provided for by the Interstate Commerce Commission, shall remain practically as they are, to wit, that we shall be entitled to a proportionate rate for the service we have rendered; and secondly, that if there be freight diverted from our lines as feeder lines to trunk lines, we receive such rate in return, if it is possible to give it to us; and third"—which I do not think has been mentioned in the argument at all by anybody who has asked me a question—"that motive power and transportation facilities be given us as heretofore."

That is all they seem to be interested in, and it was with that view that this provision was drawn. And it was drawn, I believe—although I am not authorized to say so positively—by gentlemen who are interested in the short lines. I appreciate fully that these short lines are built, capitalized, and owned largely by local stockholders in the localities in which they are constructed.

Mr. RUSSELL. I understand, if the gentleman pleases, that there are about 800 of these short lines in the country?

Mr. DEWALT. I so understand.

Mr. RUSSELL. Several of them are in my district, built by the local people. As this great harm will come to them, I wondered why that situation should not be remedied so as to include them.

Mr. DEWALT. The only remedy, in my judgment, would be to take them all over; and there, I fear, the remedy would be worse than the evil.

Mr. LENROOT. Mr. Chairman, will the gentleman yield there?

Mr. DEWALT. Yes.

Mr. LENROOT. The language is, "That nothing in this act shall be construed so as to affect the routing instructions over and the traffic arrangements of such railroads as may not be taken under Federal control by the President," and so forth. I want to ask is there any other language but that which would affect those traffic arrangements? And, if it does not, does it not leave this language meaningless?

Mr. DEWALT. Oh, no; there is something in this act that might possibly lead to a different conclusion.

Mr. LENROOT. What?

Mr. DEWALT. There is a provision in the act itself to the effect that the President of his own initiative may route freight.

Mr. LENROOT. There is nothing about traffic arrangements.

Mr. DEWALT. Routing freight is traffic arrangements. I believe that provision is in the bill.

Mr. WATSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Certainly.

Mr. WATSON of Pennsylvania. I want to give a practical illustration of a road which I know something about, it being a short-line road. A member of the Interstate Commerce Commission recommended that the Government should operate the road. The Secretary of the Treasury made the reply that "We have no money to operate small roads, and the President can deal with it as he deems wise." I therefore take it that the Government will not have anything to do with small roads. Am I correct in that?

Mr. DEWALT. I would not go quite as far as that, sir. I should think that the Government would have something to do with short-line railroads, and I appreciate very much the suggestion made by the gentleman from Missouri, Judge RUSSELL.

Mr. WATSON of Pennsylvania. But Mr. McAdoo said not.

Mr. DEWALT. Mr. McAdoo illustrated it by saying:

We are calling into the draft service of the United States at this time those who are most efficient for service in the war. We want fighters, and we do not want cripples. Therefore I say to the railroads generally, "We want railroads that we can use, and we do not want railroads that we can not use."

Mr. WATSON of Pennsylvania. Then the small railroads must suffer?

Mr. DEWALT. Oh, no. That does not follow at all, because by the provisions of this bill I maintain, and they themselves maintain, that they are taken care of as far as possible.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Certainly.

Mr. LAZARO. On day before yesterday the gentleman from Alabama [Mr. BURNETT] asked the chairman of the committee this question—it is short:

Mr. BURNETT. As I understand from your bill, you give this power to the President? That is, he may exercise it in regard to rates on railroads that are entirely inside of the border of a State, where the freight is entirely intrastate freight. Would not that absolutely, by this kind of legislation, destroy the power of the State railway commissions to fix intrastate rates on intrastate railroads, and so forth?

I would like to have the gentleman's opinion of that.

Mr. DEWALT. That raises a very important question. Some of these lines will not be taken over, and perhaps a number of them that are not small roads. So far as those roads are concerned that have to do with interstate commerce, they will certainly be governed by the Interstate Commerce Commission itself. You grant me that, do you not?

Mr. LAZARO. Yes.

Mr. DEWALT. The roads that are engaged entirely in intrastate business will, of course, be covered by the State commissions. But permit me to say that upon investigation it has been determined, at least it was so affirmed before the committee, that there were only three or four railroads in the United States that are exclusively devoted to intrastate traffic, and the reason for that is this: That if there be a car upon a road that carries any freight from Ohio to Pennsylvania or from one State through another, it is interstate traffic, and therefore if it gets on that line, it is interstate traffic.

I beg your pardon, gentlemen, for taking up so much time. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DEWALT. I ask unanimous consent, Mr. Chairman, to extend and revise my remarks.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. SIMS. Mr. Chairman, will the gentleman from Wisconsin [Mr. ESCH] now use some time?

Mr. ESCH. Mr. Chairman, I come to the consideration of this question with a good deal of misgiving, owing to the importance of it and the complexity of the problem presented.

The committee, after five weeks of hearings and arguments, reports out this bill for consideration. It meets with the general approval of the committee, with possibly two or three major exceptions. No doubt some of the sections of the bill to which no attention has been directed in general debate ought to be amended in order to more clearly express the purpose of the bill and to make it more workable and more effective.

I am one of those who believe that we should have taken over control of the carriers even sooner than we did. As was stated by the gentleman [Mr. DEWALT] who just preceded me so clearly and so logically, the President took control over the roads under the act of August 29, 1916. That act was purely a war measure and gave to the President war powers. Of course, from the day of its enactment the President might have taken over the roads; but we were not at war and there was really no necessity for the President to take them over until we ourselves became involved in the struggle.

Even at that time, on the 6th of April, there were many notes of warning that the administration might well have heeded, and that would have justified the taking over of the roads. The carriers themselves realized the necessity of prompt and united action, for on the 11th day of April, five days after war was declared, their chief executives met and passed a resolution, declaring, among other things, that "during the present war they would coordinate their operations in a continental railway system, to produce a maximum of national transportation efficiency."

A committee was appointed to carry out the object of the resolution, but effective powers were not given to it. It did not create that continental system that the needs of the country required and that the war-traffic conditions made necessary. It did much, and I here willingly grant them all meed of praise for what they did accomplish in inducing shippers to load and un-

load their freight speedily, in inducing them to increase the car loading, and in adopting plans and policies which resulted in expediting traffic. But there was still no real continental system of control, no directing of all energies to one common purpose—the winning of the war. No committee with full powers to pool equipments was appointed until November 24, last, more than seven months after war began.

On the 17th day of November Mr. Anderson, one of the Interstate Commerce Commissioners, was requested to consider the framing of a bill for the taking over of the roads. Doubtless information of such proposed action may have come to the railroad executives. They met on the 24th, a week later, created a committee of vice presidents, sent them to Pittsburgh, and gave them, so far as they could do it, full powers of pooling equipments for the handling of all freight east of Chicago. This indicates to my mind that the railroad executives had begun to realize that there were still greater burdens for them to carry, and that greater sacrifices of the individual interests of their respective roads must be made, to the end that through complete unification and cooperation Government possession and control alone might be averted.

One week after this committee met at Pittsburgh, on the 1st day of December, the Interstate Commerce Commission sent to Congress its special report, in which two alternatives were presented: First, that there might be a repeal of all prohibitory statutes, such as section 6 of the interstate commerce act prohibiting pooling and the antitrust acts against combinations; or, second, that the Government should take control and possession of the roads under the act of August 29, 1916. On the 28th of December the President, adopting the alternative of Government control and possession, issued his proclamation taking over the roads. When this proclamation was issued a duty devolved upon Congress immediately to provide compensation for the roads taken over. As Judge DEWALT, the gentleman from Pennsylvania, has already explained, the act of 1916 contained no provision for compensation, and the Government under the Constitution could not take over this or any other property without just compensation. This bill makes provision for compensation for the carriers that are taken over. Section 1 of the bill relates entirely to the amount of the compensation and the plan by which it is to be ascertained. Before our committee several plans of compensation were presented by various witnesses. One plan suggested was that compensation should be based upon the value of the roads as disclosed by the market prices obtained for their stocks. The committee did not consider that the market value of the stocks of the carriers was a stable or just standard of the value of the properties, because stocks were subject to fluctuations, largely because of speculation therein, and that increases in market values of stocks did not reflect always increases in the property valuation.

Mr. Kruttschnitt, of the Southern Pacific, cited this instance in demonstration of the truth of the statement I have just made, that 10 years ago the stock of the Southern Pacific sold at 130, while on the day on which he testified it sold for 75, and that, too, notwithstanding the fact that during that 10-year period the road had put into its property $400,000,000, so that its property or investment value had increased 50 per cent in the 10 years, while its stock had depreciated 42 per cent. The committee did not believe the market value of stocks to be a fair or just basis for the fixing of compensation under this bill.

Another plan was suggested by Mr. Plumb, the representative of the railroad brotherhoods. Under it the carriers were to receive the standard return as provided in the bill, but that the Interstate Commerce Commission should proceed, as soon as possible, to ascertain the true value of the railroads of the United States, and that when determined the compensation should be fixed at a certain percentage of the valuation so found. The objection made to this plan of compensation lies in the fact that the physical valuation of railroad properties can not be completed until 1921. Judge Prouty, the director of valuation of the Interstate Commerce Commission, appeared before us and so stated. That being the case, the final valuation upon which the percentage was to be based would be deferred for a period of three years, and the war may be ended by that time.

Another basis of compensation was presented by myself, through an amendment offered in the committee. The amendment is as follows:

Provided, however, That the standard return to any such carrier whose average rate of net income to capital stock for the years aforesaid has been more than 5 per cent shall not exceed the net railway operating income for the year 1917, after deducting therefrom the amount available out of earnings for investment and surplus: *Provided, however,* That this further limitation shall not reduce the net income (above all operating expenses, taxes, interest, and all other fixed charges) of any such carrier below what is required to meet the regular didivend accruals on all capital stock outstanding December 31, 1917. The surplus over and above the aforesaid standard return shall be divided as follows: One-half shall go to the company earning such surplus, and the balance shall be paid into the revolving fund created by this act. All of said surplus and all property constructed out of or purchased by the same shall belong to, and shall be held in trust for, the public, and no return to any railway company or its assigns shall ever be paid thereon.

In my opinion there is nothing in this bill that will be a sufficient incentive for the carrier to promote the highest output in transportation. The carrier under the general guarantee herein provided does not care whether his road carries 10 or 15 per cent more traffic this year than it did in the years when it was under private management, because it is assured its standard return, based on the operations for the three preceding years. Its officials might say, "Why, the less traffic our road handles, the less wear and tear there will be upon its rolling stock and tracks." If we can give to the carrier a portion of the surplus, we will give the prod to efficiency. One fear I have as to the bill as we now have it is that there will not be that incentive to efficiency which is so necessary for the successful operation of the roads in war time.

Mr. GORDON. Mr. Chairman, will it interrupt the gentleman if I ask him a question?

Mr. ESCH. No; go ahead.

Mr. GORDON. The gentleman has called attention to the fact that the market value of the stock of the Southern Pacific had dropped from 130 to 75, notwithstanding the fact that they had invested $400,000,000 in the road. But did he say anything about the amount of stock and bonds that had been issued in the meantime?

Mr. ESCH. No; he made no statement of that kind.

Mr. GORDON. Would not that be a material factor affecting the price of the stock per share?

Mr. ESCH. As I recollect, the Southern Pacific reorganization occurred some years ago and there has been very little addition to the capital stock. So the purpose for which he cited the figures would be pertinent.

Mr. GORDON. If there had been an abnormal issue of stock, did the committee obtain information as to the extent of the increase of stock when there has been no extension of the line?

Mr. ESCH. There are tables printed in the hearings giving capitalization year by year for the last 10 or 15 years.

Mr. ALEXANDER. Did he state the earnings during these corresponding years?

Mr. ESCH. The earnings increased, but the expenditures increased at a more rapid rate. I may say that that has been the experience of many roads.

Mr. RAMSEYER. Will the gentleman yield?

Mr. ESCH. I will.

Mr. RAMSEYER. The gentleman used the term in explaining his proposed guaranty "regular dividends" of the road. What does the gentleman mean by "regular dividends"? Over what period would he continue them?

Mr. ESCH. Over the period of three years, the same we are using in the bill itself.

Mr. RAMSEYER. Would not that mean the same as the bill provides for?

Mr. ESCH. Yes. The gentleman from Pennsylvania, who preceded me, gave the result in dollars and cents of the operation of the bill by applying to carriers the standard return therein provided. It is not my purpose to duplicate the figures that he gave. I make the average for the three years on the roads of class 1, $896,000,000, in round numbers. If we add the operating income for class 2 and 3 roads, we will make a total of $935,000,000.

The bill, as you will notice, provides that in addition to the standard return for the three years prior to June 30, 1917, there should be added a percentage—the rate to be determined by the President—on the cost of additions, betterments, and road extensions made during the six months ending December 31 last. That cost was $130,000,000, and 5 per cent thereon would amount to six and a half million dollars, which, added to the $935,000,000, would make a maximum guaranty of $941,500,000 for which the Government would be obligated.

Out of this sum the carriers must pay their excess-profits tax, estimated all the way from $50,000,000 to $60,000,000. Even with this deducted there would still be about $900,000,000 which the Government would have to stand for in carrying out section 1 of this bill, to apply on interest and dividends. There are $10,000,000,000 of bonded indebtedness of the carriers of the United States. That represents about $450,000,000 of interest that, deducted from the $900,000,000 of the guaranty, would leave about $450,000,000 for dividend purposes. Four hundred and fifty million dollars on the capitalization of the roads as of last year—$7,000,000,000—would represent something like 7 per cent. If we take the whole capitalization of stocks and bonds,

then this guaranty would represent on the capitalization about 5.63 per cent and upon the book value only 5.19 per cent.

Mr. HARDY. Will the gentleman yield for a question?

Mr. ESCH. I will.

Mr. HARDY. In ascertaining that percentage of income on the stocks and bonds, did not the gentleman omit from the esti mate the fact that these bonds had been allowed $450,000,000 on the income?

Mr. ESCH. Oh, yes. The amount of the return provided by this bill applied to the total capitalization would represent 5.63 per cent.

Mr. SWITZER. Will the gentleman yield?

Mr. ESCH. I will yield to the gentleman.

Mr. SWITZER. The gentleman does not mean that that is actually paid out?

Mr. ESCH. No; dividends may be earned but not always declared. A large share of the surplus may be used for dividends or be used for additions, betterments, or road extensions.

Mr. SWITZER. Does the gentleman know what part of this is for that purpose?

Mr ESCH. No; I can not state.

Mr. SNOOK. Will the gentleman yield?

Mr. ESCH. I will yield to my colleague.

Mr. SNOOK. The gentleman has made a statement about the value of stocks and bonds of these roads, and also the value of the capital. I believe he stated that the capital issued was about $7,000,000,000. He would not say that that came anywhere near, in his opinion, representing the value of the money invested in the roads?

Mr. ESCH. Not at all; and I did not so state.

Mr. SNOOK. I call my colleague's attention to that because a speech made by some gentleman here left the impression that this standard return provided for in section 1 of the bill would yield an income on the money invested of over 8 per cent to the railroads. That would not be so, would it?

Mr. ESCH. It depends on how you figure that.

Mr. SNOOK. If the value of the roads is anything like what it is believed to be.

Mr. ESCH. If you take the total valuation, it could not be 8 per cent.

Mr. SNYDER. Will the gentleman yield?

Mr. ESCH. I will.

Mr. SNYDER. The gentleman stated a moment ago that the Government would have to stand for $900,000,000 guaranty. Of course, it is contemplated that under the Government management the roads will earn at least as much as they earned heretofore; and if they do, the Government will not have to stand for anything, will it? The roads will earn the money and ought to be entitled to the same compensation that they have had heretofore.

Mr. ESCH. By "standing for it" I meant that that was the guaranty. The roads are doing the business as they have heretofore, and the amount of money they take in is being disbursed currently, as if there had been no Federal control.

Mr. SNYDER. If they do earn the same as they earned heretofore——

Mr. ESCH. The Government will not be out, but I have not such confidence that that will be the result. I am very fearful that under Government control there will be an increase of wages, and in fact the wage board is now considering that very question. There will be an increase in the cost of materials, and when you add those increases of cost I expect to see the Government's liability increase. On the other hand, economies are prophesied under Federal control, because competition will be eliminated.

Mr. CARTER of Oklahoma. May it not also be said that there will be an increase in rates to compensate for these things the gentleman is speaking about?

Mr. ESCH. If the bill remains as it is now written, with the power claimed by the Director General to make and initiate rates, I feel confident that there will be increases of rates, and the trouble with that provision of the bill making the Government a guarantor of the standard return is that the Government would be induced to increase the rates to lessen its liability under its guaranty.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. ESCH. Yes.

Mr. LONDON. Is there any available information as to the number of stockholders and the character of their holdings?

Mr. ESCH. Some information was given as to that, and, as I recollect the figures, there are about 600,000 stockholders in the United States.

Mr. LONDON. How is the stock distributed among them?

Mr. ESCH. The holdings, on the average, are very small.

Mr. SIMS. Dividing the whole volume by the whole number of stockholders the average holding is thirteen thousand and odd dollars.

Mr. ESCH. That would imply that there are some holders that have very large blocks of stock, if the average is $13,000.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. ESCH. Yes.

Mr. AYRES. The gentleman made a statement that he thought it would be an inducement for the Government to raise the rate for the purpose of——

Mr. ESCH. Lessening its liability under the guaranty.

Mr. AYRES. Is it not a fact that the railroads for months and months have been carrying on a propaganda creating a sentiment also to have the rates raised many hundreds of thousands of dollars?

Mr. ESCH. Not only a propaganda, but actual cases before the commission, known as the 15 per cent advance rate cases, which were heard last March and April, and as to which a finding was made in June allowing a 5 per cent increase on certain traffic in eastern classification territory and allowing an increase of 15 per cent on coke, coal, and iron, and those hearings were reopened last October because of the changed condition of the financial returns on the part of the carriers, but the commission made no final determination as to the hearings had in October.

Mr. SMITH of Michigan. Is it not true that since the war the earnings of the railroads have been abnormally high, due to the increased business and the traffic?

Mr. ESCH. Yes; I think that can be very safely stated.

Mr. PLATT. President Hadley, of Yale, I think, in his book on railroad transportation, says practically that the railroad corporation is a corporation of the small investor. Would the gentleman say that that is practically true?

Mr. ESCH. No; I think not. Only a few men and a few powerful financial institutions, mainly banks and trust companies, have the destinies of the railroads of the United States in their hands.

Mr. PLATT. But when these men die we usually find that they have only a very few shares and that they have their control through proxies.

Mr. ESCH. That is the trouble with the railroad situation to-day, that they are controlled by men who are directors and, in many instances, have holdings of only from one to five shares of stock, sufficient to qualify as directors; and it is one of the weak spots in the management of the carriers that they are controlled by men who have not a direct and a very vital financial interest in the property that they are trying to carry on.

Mr. MOORE of Pennsylvania. May I say to the gentleman that recent statistics published by the Pennsylvania Railroad Co. show that they have over 100,000 stockholders?

Mr. ESCH. Yes. Does the gentleman know the average amount of the holdings?

Mr. MOORE of Pennsylvania. I do not; but the point is made of the fact that those 100,000 stockholders are made up largely of women.

Mr. ESCH. There was a statement made before our committee to the effect that so many women and children held these railroad securities——

Mr. GORDON. And orphans.

Mr. ESCH. And orphans, that there ought to be special consideration given to them, and that safeguards should be thrown around their holdings. Mr. Plumb presented, however, a table showing the proportion of total stock held by 10 leading stockholders in principal railway systems in 1915. The table is as follows:

Proportion of total stock held by 10 leading stockholders in principal railway systems, 1915.

Name of road.	Total stock outstanding.	Stock held by 10 leading stockholders.	Per cent.
Pennsylvania R. R	$506,457,848	$27,327,000	5.40
Baltimore & Ohio	210,811,885	45,923,100	21.78
New York Central	241,593,514	69,967,700	28.03
New Haven	157,117,300	21,386,500	13.61
Philadelphia & Reading	42,481,700	42,481,631	100.00
Erie	176,271,300	37,403,300	21.22
Delaware & Hudson	42,503,000	3,644,600	8.57
Delaware, Lackawanna & Western	42,231,120	13,033,300	30.83
Chesapeake & Ohio	62,786,000	12,166,900	19.38
Norfolk & Western	131,146,200	64,577,600	49.24
Western Maryland	59,428,098	37,672,100	63.39
Wabash[1]	92,104,127		64.55
Lehigh Valley	60,608,000	9,935,550	16.39
Southern Railway	185,650,200	87,576,900	47.17

[1] In hands of receiver.

Proportion of total stock held by 10 leading stockholders in principal railway systems, 1915—Continued.

Name of road.	Total stock outstanding.	Stock held by 10 leading stockholders.	Per cent.
Illinois Central	$109,291,717	$38,592,600	35.31
Atlantic Coast Line	68,754,700	26,105,100	37.97
Seaboard Air Line	60,913,500	35,017,100	57.49
Denver & Rio Grande	87,775,670	47,496,700	54.11
Missouri, Kansas & Texas	76,309,857	29,447,900	38.59
Missouri Pacific	82,702,585	10,735,100	12.98
Chicago, Milwaukee & St. Paul	233,201,900	23,371,400	10.02
Chicago, Rock Island & Pacific [1]	74,875,200	14,166,300	18.92
St. Louis & San Francisco	90,671,762		
Union Pacific	321,835,100	50,192,800	15.60
Northern Pacific	247,946,000	31,038,600	12.52
Grand Trunk Western [1]	6,000,000	6,000,000	100.00
Chicago, Burlington & Quincy	110,839,100	110,040,100	99.28
Southern Pacific	272,674,405	53,573,800	19.65
Great Northern	249,129,962	31,222,000	12.53
Chicago & North Western	152,509,500	24,391,400	15.99
Canadian Pacific in Maine	2,273,000		
Atchison, Topeka & Santa Fe	314,663,230	34,078,100	10.83

[1] In hands of receiver.

Mr. STEVENSON. Mr. Chairman, I want to ask the gentleman a question about the matter of rates. He suggested that the Government would possibly raise the rates. I notice that the bill provides that the Government shall initiate rates only on roads controlled by it?

Mr. ESCH. Yes.

Mr. STEVENSON. The Interstate Commerce Commission, as I understand it, will retain jurisdiction of the uncontrolled roads. Is that the idea?

Mr. ESCH. Yes.

Mr. STEVENSON. If the Government relinquishes control of a large number of the roads on which the Government has raised the rate, and fixes a rate on the controlled roads different from that obtaining on the uncontrolled roads, how are we going to coordinate? How is the shipper going to know, if we have two sets of rates on two different roads? When a man wants to ship on two different roads, with that condition, how will he be controlled in making his through rates?

Mr. ESCH. The gentleman can settle that situation if he will vote for amendments to be offered upon our side leaving the initiative of rates where the initiative now is.

Mr. STEELE. Mr. Chairman, will the gentleman yield?

Mr. ESCH. Yes.

Mr. STEELE. The gentleman a few moments ago referred to the act of 1916 giving the Government a right to control the railroads. Under the word "control," as contained in the act of 1916, does the gentleman think the power to establish rates is given to the President?

Mr. ESCH. I do not. I think it raises a very grave constitutional question, and in connection with that I wish to read what Senator THOMAS said last week in the Senate in regard to this very paragraph of the act of August 29, 1916, under which the President took over the roads. Senator THOMAS is the author of that paragraph of the act of 1916. Here is what he said:

> I had no intention of making it so operate as to invest the President with anything more than the power to control the possession of the physical property of the railroads for war purposes.

Indicating that in his mind there was to be no power given over the rate problem. That power was to be left where it now is. The power he intended to confer was only as to the physical control over the property for war emergency.

Mr. STEELE. I think the gentleman will agree that the question is not what was in the Senator's mind at the time, but what is the proper conclusion of the language as used.

Mr. ESCH. And judging from the Senator's interpretation of his own language he, I, and the gentleman agree.

Mr. SMITH of Michigan. Will the gentleman yield——

Mr. ESCH. I will.

Mr. SMITH of Michigan. For just one more question. If the railroads have all the business they can do and all the traffic they can carry and are earning more now than they have heretofore and are not paying their dividends or making expenses, how do they expect in the future to pay this increased rate or pay the indebtedness that the Government will be put to in taking over the railroads?

Mr. GORDON. They do not expect to pay it; they expect the Government to pay it.

Mr. SMITH of Michigan. That might be true before this abnormal condition came about by which they have been doing more business than they can transact, and still they can not pay the rate.

Mr. ESCH. That condition of a surplus of business is not widespread over all the railroads of the country. There are some railroads that could do vastly more business than they are doing, but the congestion is where they are all trying to run through the neck of the bottle.

Mr. SMITH of Michigan. I am obliged to the gentleman for speaking about that congestion at the neck of the bottle. I have heard it stated that in the shipment of coal they could not get through the cities of Pittsburgh, Detroit, Chicago, and other places because of the congestion of coal on cars which they could not move at those places, while the people at those places were freezing for the need of coal, right there in those cities.

Mr. AYRES. Will the gentleman state what caused that congestion?

Mr. SMITH of Michigan. They say it was a congestion; why could not they take those cars——

Mr. AYRES. Was not the railroad company using those cars for storage for railroad purposes in many instances?

Mr. ESCH. Gentlemen, I have got to discuss two points to this bill. One relates to section 11, covering the powers of the Interstate Commerce Commission as to rates, and the other to section 14, relating to the term of control. I am firmly convinced that we will make a mistake if we leave section 11 with relation to the powers of the Interstate Commerce Commission as now written. I believe we should not change the existing law with reference to the commission. I certainly object to giving to the President the right to initiate rates, even though it be coupled with the right of making complaints before the commission, the commission to pass upon the justness or reasonableness of such rates, where the veto still remains in the President, notwithstanding the recommendation of the commission.

Where the President initiates a rate we are revolutionizing rate making as it now exists. Under the existing law the carrier files a schedule for increases with the commission, and before it is approved the commission must investigate on its own motion or upon complaint before it can be filed. The right to suspend the rate remains, but when you give to the President the right to initiate the rates they become effective at once, without opportunity for consideration or examination by the Interstate Commerce Commission. Suppose the President should initiate the rate. Suppose complaint was made and the commission found the rate to be unjust and unreasonable, and the President agreed with the commission's recommendation. There will be hundreds of people, possibly, who paid the rate that had been initiated by the President and which was found by the commission thereafter to be unjust or unreasonable. That would give rise to a vast number of claims for operation. Those shippers who paid that rate would feel that they were entitled to reimbursement, and yet, knowing that the President had initiated the rate, knowing the delays in securing reparation, they would forego their action for reparation and would suffer the loss. I do not believe, gentlemen, there should be given to one man this tremendous power. The gross earnings or the total business of the carriers of this country amount to about $4,000,000,000 in a single year. To give to an individual the power to determine rates over such a tremendous traffic as that is a power no nation that claims to be a democracy should grant. Why, no nation that is at war to-day has given to any individual in it the power to make rates.

Mr. SIMS. Will the gentleman yield for one question?

Mr. ESCH. Yes.

Mr. SIMS. Have not we pledged in our declaration of war all our resources to the successful prosecution of the war to the President himself? Now, the gentleman is not willing to trust what he calls a tremendous power simply to initiate a rate and maintain it if he thinks it is necessary in order that the President may do that which we have authorized him to do.

Mr. ESCH. If the gentleman's contention is correct, then we should give to the President in a war emergency the power to raise money, the power to fix our customs duties, the power to fix our internal-revenue taxation, the power to fix postal rates.

There is no one here that would have the hardihood to claim that we should abrogate our functions and give to the Chief Executive such tremendous power. [Applause.]

Mr. SIMS. Another question in that connection. Do you not believe if it was necessary to win this war to give him the power to levy taxes and revenues, you would do it without hesitating?

Mr. GORDON. If you would, you would violate your oath of office. [Applause and laughter.]

Mr. PLATT. I was going to ask the gentleman if he thought the power to fix the price of transportation was any greater power than the power to fix the price of food as we did. It is not as great and no more taxation, either.

Mr. DOREMUS. Will the gentleman yield for a question?

Mr. ESCH. Yes.

Mr. DOREMUS. I was going to ask my colleague of the committee if he does not make a distinction between clothing the Executive with power to fix taxes at the customhouse and clothing him with power to fix the rates upon the railroads? In other words, would not one be a clearly unconstitutional exercise of power while the other would be within the Constitution?

Mr. ESCH. Whether constitutional or not, I do not think it would be wise to give any one man the power of fixing the rates on the traffic of the United States, for the fixing of rates is a species of taxation, and no single individual should be given that power.

Mr. DOREMUS. Does my friend question the constitutional power of Congress to delegate to the President the power to fix transportation rates?

Mr. ESCH. I think we could delegate the power. I am protesting against the unwisdom of the delegation of such power and have tried to show in the argument I have thus far presented that it might result in loss and damage to the shipping interests of the country. I do not know whether we realize what a sensitive structure the rate structure of the United States is. The change of a single cent per hundredweight may change terminal markets and bring loss to numerous industries. To give this power to a single individual, without investigation, to fix the rates, seems to me to invite disaster. We ought not to do it, because it is not necessary, gentlemen, in the successful conduct of the war to turn over the rate-making power to the Chief Executive.

Mr. MOORE of Pennsylvania. Will the gentleman clear up one point that has been troubling me? The gentleman from Pennsylvania [Mr. DEWALT] stated very likely the President would increase the wages of those employed by the railroads to the extent of 20 per cent. If the President has the power to do that, which would be a charge against the railroads, how does the gentleman explain opposition to the suggestion that if the President should fix rates, which would be a charge perhaps in favor of the railroads, he should increase the wages?

Mr. ESCH. I suppose there will be increases of wages. I can not talk advisedly on that matter.

Mr. LENROOT. Will the gentleman yield?

Mr. ESCH. Yes.

Mr. LENROOT. I would like to suggest that when under private ownership the railroads had the power of increasing rates, but the rates had to be passed upon by the Interstate Commerce Commission.

Mr. PLATT. Was not that just what was the matter?

Mr. LENROOT. No.

Mr. PLATT. It was, exactly.

Mr. ESCH. I can not yield further, as I have only 10 more minutes.

Another question was suggested by a gentleman on my right, and that is the infinite confusion that we will get into, if we give the President the right of initiating rates, arising out of the fact that there will be a large number of lines that will not be taken over. That is conceded now. There are some 800 short lines with a total capitalization of something like $1,200,000,000. Many of these will not be taken over. There may be some large lines that will not be taken over. Then, besides that, the bill provides that the President can relinquish control over lines prior to the 1st of July next.

And there is another provision in the last section under which the President can relinquish control over any lines after he has made an agreement to this effect with such carrier. What does it all mean? It means that thousands of miles of railroad in the United States will not be under the control of the Government, and if not taken over by the Government, they can not be under the control of the Director General. Where do they go? Under whose authority are they? Who shall make the rates? Why, the Interstate Commerce Commission. Then, you will have thousands of miles of railroad in the United States that are under the Interstate Commerce Commission, which has the power to fix the rates thereon. You will have other thousands of miles of road under the Director General, and he will have the power to fix the rates, according to the contention of this bill. That, gentlemen, will bring inextricable confusion into the rate-making structure of the United States, and we do not want to invite that. No one of us wishes that, but it is inevitable if the bill remains as it is.

Mr. DEMPSEY. Will the gentleman yield?

Mr. ESCH. Yes.

Mr. DEMPSEY. Have you not always had such a conflict of authority between the State commissions and the Interstate Commerce Commission?

Mr. ESCH. Oh, but not nearly the difficulty that there would be under this new arrangement.

Mr. DEMPSEY. It exists in as many jurisdictions as there are States, does it not?

Mr. ESCH. Yes; but under the Shreveport decision those differences between the Federal Government and the States are being rapidly overcome and not added to.

Mr. STEVENSON. Will the gentleman excuse me just one further question? The confusion which I referred to awhile ago could be obviated, could it not, by striking out lines 14 and 15 on page 12, as to Federal control, so that if the President initiated rates at all it would be for all roads, and not only for those under his control? Would not that obviate the confusion? Whether it would obviate the objection or not I am not prepared to say.

Mr. ESCH. As an illustration of sudden action on the part of the individual, I wish to cite the instance of a special order of the Director General, made early in January, changing the rules as to demurrage practically overnight, and the commission merely passing on it pro forma.

By that single order the Director General, without hearing, without notice, increased the demurrage rates throughout the United States to a maximum of $10 per day. He also abolished the average agreement and the bunching rules, to which rules the commerce and manufacturing industry of the United States had adapted itself. He did it overnight. The traffic people were not here, and did not have an opportunity to be heard.

As soon as the order became effective the traffic and industrial people of the United States brought to the attention of the Director General the injustice of his order and the hardship it was creating, and the Director General, after that rule had been in force and effect only nine days, changed it back virtually to what it was before. There ought to be a careful, calm consideration of these schedules and of these rates.

Mr. HARDY. Mr. Chairman, will the gentleman yield right there?

Mr. ESCH. Certainly.

Mr. HARDY. Was not the change back to the former rate probably induced by the fact that this higher demurrage rate had apparently, at least, accomplished its purpose in securing the unloading of the cars?

Mr. ESCH. No; that is not the reason why it was modified.

Mr. SIMS. It did not reduce the rate under the modification.

Mr. ESCH. The maximum was $10 a day.

Mr. SIMS. That did not exist before he made his order.

Mr. ESCH. It began at $3, according to my recollection.

Now, gentlemen, I have used my hour, and I want to close with a reference to the fourteenth section, concerning the last contention, namely, as to the time limit. I have not time to read more than this recommendation which I make with reference to it.

We believe that a period of one year or less after the proclamation of peace will be a sufficient period for the continuance of Federal control. The length of time which will elapse between an armistice and the ratification of the treaty of peace is certain to be many months. This time, added to the one-year limitation, would, in our opinion, be sufficient for Congress to pass whatever legislation might be necessary for the adjustment of the financial relations between the Government and the carriers and the enactment of whatever other legislation may be necessary. The Congress that will then be in existence will be as patriotic as this Congress and can be trusted to enact the necessary legislation. As the carriers were taken over under the war power, the tenure should be no longer than the duration of the war and a reasonable time thereafter. This Congress, fixing as it does in the pending bill the terms of agreement for just compensation, should at the same time fix the term.

In conclusion, we do not wish by this bill to hinder or embarrass the President in the slightest degree so far as operation of the carriers is concerned. We grant him fullest power in all matters of operation, in all matters of directing traffic, of rerouting shipments and preventing cross hauling and long hauling, or even in the imposition of demurrage rates. As to all matters of transportation, give him a free hand; but when it comes to the matter of rates, preserve the power over rate making in the hands of the Interstate Commerce Commission. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SIMS. Mr. Chairman, I yield one hour to the gentleman from Kentucky [Mr. BARKLEY], a member of the committee.

The CHAIRMAN. The gentleman from Kentucky is recognized for one hour.

Mr. BARKLEY. Mr. Chairman and gentlemen of the committee, I had intended to cover during my remarks three phases of this bill as those occurring to me to be the most important, and perhaps those which will be controverted more keenly than others by various members of the committee and of the House. I had intended to discuss first the compensation feature of the bill, and then the rate-regulating power, which has been discussed by the gentleman from Wisconsin [Mr. ESCH], and then I desired also to discuss the question of the time limit or the tenure of Government control as provided in the bill and as advocated by some Members who do not entirely agree with that provision as it appears in the bill.

I think we ought, in the consideration of the compensation section of the bill, to keep in mind the fact that Congress can not fix the compensation which the Government must pay the railroads for their use during the period of Government control.

During the Civil War, when the Government took over under a law passed by Congress 2,105 miles of railroad mileage in the United States, Congress had attempted in the chartering of many of these railroads to limit the charges which the Government should pay upon those particular roads for the transportation of Government property, troops, and supplies, because of the fact that those were land-grant roads which had been allowed to use certain public lands of the United States. In the provision of the law it was attempted to be enacted that in the transportation of troops and military supplies these land-grant railroads should not be permitted to charge the Government of the United States for that service.

Notwithstanding that provision of the law and that provision in the original charters of their roads, the War Department during the Civil War undertook to construe that language to mean that while the Government might have the right to the use of the road itself, it did not give any right to the Government to use the rolling stock or the equipment of the road free of charge, and there was an appropriation made by Congress to take care of the charges that had been agreed to between the War Department and these land-grant railroads. The Supreme Court later, in the Atchison, Topeka & Santa Fe case, I believe, in the Ninety-third United States, decided that the War Department was within its jurisdiction in holding that while the Government of the United States might have the right to use the roadway, it did not have the right under the charter to expect the railroads to haul its troops and supplies without due compensation.

Now, in this bill we are not attempting to fix the compensation of the roads, because Congress has no power to fix the compensation. Under the Constitution, as has already been explained forcibly and lucidly by other gentlemen, the Government had the right to take the property. There may be some dispute in this argument as to whether, except by the act of August 29, 1916, the President would have had the right to take over the railroads under the elastic war power conferred upon him by direct and implied provisions of the Constitution. But laying that all aside, the President, acting under the power as conferred upon him by the act of 1916, took over the railroads in the absence of any congressional provision in regard to just compensation therefor. We are here attempting to provide a method of fixing that by agreement.

Now, Congress can not by any enactment fix the compensation. Congress can not by any enactment compel the railroads to accept any suggestion that it makes with reference to compensation. We can not take away from those railroads their legal right to go into court and submit legal evidence on the question of ample compensation, as intended by the Constitution. All that we are attempting to do here is to suggest a basis for a contract between the roads and the Government which will obviate the necessity of litigating that question in the courts of the United States.

Of course, we have provided that the President shall be authorized to make a contract. But we can not compel the roads to accept the contract which he will offer. He can not compel that any more than he can compel these railroads to accept any suggestion that he may make with reference to just compensation to which they may be entitled.

Therefore in determining how far the President may go in making this contract we have fixed the maximum as the standard return arrived at by an average of the three years ending June 30, 1917.

Mr. STEVENSON. Will the gentleman answer a question there that is bothering me a little?

Mr. BARKLEY. I will permit the gentleman to ask it, and I will answer it if I can.

Mr. STEVENSON. Is the President authorized to make any other contract than that provided in this bill, if the compensation does not exceed that which is provided in the bill? You say you prescribe the maximum.

Mr. BARKLEY. Yes.

Mr. STEVENSON. Is he authorized to go below that?

Mr. BARKLEY. He is authorized to go as far below the standard return as he can in making any contract that the railroad companies will sign. In all probability they will not be willing to sign any contract that goes very much below the standard return, but we know he can not go above the standard return.

There were witnesses before the Committee on Interstate and Foreign Commerce who advocated that we ought to go back for six years and take an average for six years in order to arrive at the standard return above which the President should not be authorized to go. In looking at the result that would have come about if that suggestion had been accepted we found ourselves confronted with a situation where we would have been compelled to fix a standard return which would have been based upon a capitalization or upon an amount of money invested very much below that amount which is now invested in the railroads throughout the United States. The carriers would probably not have accepted such terms, and the whole situation would have been thrown into the courts, with all the possibility of delay and uncertainty and consequently financial chaos.

Mr. HASTINGS. Will the gentleman permit a question?

Mr. BARKLEY. Yes.

Mr. HASTINGS. Why did you fix three years instead of one year; that is, 1915, 1916, and 1917 instead of the year 1917?

Mr. BARKLEY. I will state to the gentleman that the railroad companies desired that that should be done. Those who represent the railroad companies insisted that we ought to follow the policy that was followed by England in fixing the period next prior to the taking over of the roads in fixing their compensation. It so happens that in England the year 1913 was the high-water mark of net income and earnings of the British railroads. When the war broke out, on the 4th day of August, 1914, of course they had not completed their yearly period of accounting. The war between England and Germany came about on the afternoon, I believe, of the 4th of August. At 12 o'clock that night all the railroads in Great Britain were taken over by the Government by an order in council issued almost immediately upon the declaration of war.

Within a very few hours after England and Germany had locked horns in war England took over her railroads. They were taken over without any agreement about compensation. They were taken over under an old act of 1871, which permitted the Queen, by an order in council—and, of course, the King if it happened to be a King—to take over the railroads in Great Britain, not only in time of war, but at any time whenever it should be determined to be in the public interest. They had the right to take over the railroads, but they could only take them for one week at a time, and so from the 5th day of August, at one minute after midnight, 1914, until now they have renewed that order from week to week in England, in order to preserve and keep control of the railroads, because the law itself only allows them to take over the railroads for one week at a time.

It so happened that the year 1913 in England was the high-water mark of railroad earning capacity and the British Secretary of State under the English law made a contract with the railroads that they should be compensated upon the basis of the net income for 1913, which was the year previous to the outbreak of the war. There was subsequently an arrangement whereby, if the first seven months of 1914 were to exceed or to fall below the corresponding period of 1913, there was to be a readjustment of compensation in accordance with those results; but on the 1st day of January, 1915, that agreement was withdrawn, and now for all practical purposes we may say that England will compensate and guarantee her railroads upon the basis of the net earnings for 1913. I will say to the gentleman from Oklahoma [Mr. HASTINGS] that in view of the fact that 1916 was an abnormally prosperous year for the railroads in the United States, while for the year 1917 the net earnings had fallen off a little, the fiscal year of the railroads being the calendar year, instead of the year ending June 30, as formerly, we did not believe we should take one year alone. But in view of the fact that the war had been in progress during 1915, 1916, and 1917, and by a sort of reflex action upon industries and the financial system of the United States due to the world war, there had been some abnormal conditions on both sides, we thought an average of the year 1915, which was a very low year in railroad prosperity, and of 1916 and 1917, both of which were prosperous years, would be about as fair an average as we could arrive at

in order to authorize the President to make a contract with those roads for that sum, if he should see fit, or for lower than that if he could persuade them to enter into a contract to that effect.

Now, the object of our committee has been, and the object of Congress ought to be, and no doubt will be, to provide in this law a contract that the railroad companies will be likely to sign, because if we should fix the maximum compensation so low that the railroads would not enter into it, and would fall back upon their legal right to go into court and have their rights adjudicated according to the rules of evidence and according to their earning capacity, which would be the test of their right to compensation, then we would tie up in the courts of law more than $18,000,000,000 worth of stocks and bonds, and what has been estimated at nearly one-seventh of the entire property of the United States, and this would so undermine the credit and the financial structure of our country that we might precipitate a panic in the midst of war.

Because no man who has not given the question serious study can estimate the great influence the railroad securities of the country have on the structure and fabric of national credit, and anything that would undermine the securities and the stocks of railroads, anything that would unsettle the market with reference to railroad securities, would unsettle the market with reference to all securities, and might place the country in a serious and embarrassing situation. We felt that was about the best average, the most reasonable that could be arrived at—one lean year and two prosperous years.

Therefore, not having the power to compel the railroads to accept any compensation which Congress might fix, we have attempted to arrive at a reasonable sum as a basis upon the railroads and the Government might enter into voluntary agreement.

I would very much hate to imagine the disastrous results that would come to the country in this precarious posture in our financial and domestic affairs, if all or any considerable number of railroads in this country felt themselves justified in going into court and establishing the amount of money that the Government should pay them for the use of their roads. It is impossible to imagine the disastrous results that might come not only to the prosecution of the war itself but to all forms of credit or investment in our country during this period.

Mr. DOWELL. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DOWELL. Is it not a fact that under this system a number of railroads will receive from 15 to 25 per cent on the par value of their capital stock?

Mr. BARKLEY. It is possible that some roads may receive more than 12 per cent upon the par value of their stock. I doubt very seriously if any will go as high as 25 per cent. But these roads have been making that net income on the par value of their stock before the Government took them over, and it would be competent evidence in any court of justice in the United States to show that that was their earning capacity, and the Government could not afford to put itself in the position of taking forcibly, without their consent, private property for public use and expect them to be limited to any particular percentage on the par value, because Congress might decide that it was too much, especially where they had the approval and sanction of the Interstate Commerce Commission which has the power to pass upon the reasonableness of their rates.

Mr. DOWELL. But suppose the rate fixed in the bill is both unreasonable and not a just rate, would the gentleman be in favor of paying what he believed to be more than what was reasonable and just after they are taken over by the Government?

Mr. BARKLEY. I think we may assume that the Interstate Commerce Commission has, in the main, performed its duty satisfactorily. The gentleman must not confuse a reasonable rate for hauling a particular consignment of freight with a reasonable return on the investment of the company. The Interstate Commerce Commission has the right to fix the reasonableness of any rate that the company may charge the public for service it renders, but they are not given by law any power to pass upon the reasonableness of dividends that may be declared by reason of the efficient and economical management by the company to which the stockholders may be entitled.

I do not know of any criterion where Congress could set itself up as the dictator of what should be a reasonable compensation as a reward for economic and intelligent management of these roads.

Mr. DOWELL. If the gentleman will permit, is it not true that when the Government takes over the railroads they are in a different position? The Government should pay to the railroad what is a reasonable rate. I think we all concede that. It ought not to pay more than is reasonable and just. Is not that correct?

Mr. BARKLEY. Theoretically the gentleman may be correct, but legally he is in error. The Government is compelled to pay the railroad companies what they would be reasonably expected to recover if they went into a court and litigated what they were entitled to.

Mr. DOWELL. Does the gentleman believe that the roads should receive more than is just and fair or that they would recover more than what would be just and reasonable in a court of justice?

Mr. BARKLEY. That is a speculative question that nobody could answer, because nobody in advance can say what the court might hold as reasonable and just, but the court legally would be compelled to fix the verdict on the earning capacity of the road demonstrated by experience in the past.

Mr. RAYBURN. Will the gentleman yield?

Mr. BARKLEY. Certainly.

Mr. RAYBURN. Is it not also true that the capital stock of any road has little to do with the actual value of the road?

Mr. BARKLEY. That is true, or with the earning capacity.

Mr. DEMPSEY. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DEMPSEY. Is it not a fact that during the years adopted, and for many years previous, the railroads, while they may on the basis on which the figures are made up have yielded a gross income of 12 per cent or over, have only paid a moderate dividend of 5, 6, or 7 per cent, and have used the rest of the gross earnings to keep up their rolling stock, roadbeds, and terminals, and by that policy have kept them up so as to handle efficiently the business which it was necessary for them to handle for the benefit of the country?

Mr. BARKLEY. That is true with respect to many roads. As has been suggested, the expense of the equipment of the railroads has within the last three years advanced nearly 100 per cent. The railroads must bear that expense, and because of the increase of expenses of equipment some have not been able to keep up to the standard that I believe ought to be set for railroads in the public service. Some of them, because of their effort to do so, have been denied the privilege of declaring dividends on their stock as a reward for the investments of the stockholders.

Mr. DOWELL. Mr. Chairman, will the gentleman yield again? I do not want to interrupt unless it is agreeable.

Mr. BARKLEY. I yield to the gentleman.

Mr. DOWELL. Is it not a fact that under this bill the Government itself takes care of all the expenses, the upkeep of the road, and has to keep it in as good condition as it was before the war?

Mr. BARKLEY. Yes; but that must come out of the earnings of the railroads, and it is charged as a part of operating expenses, just like it has been heretofore.

Mr. DOWELL. Is not the amount I have referred to the net, after paying all of these expenses?

Mr. BARKLEY. Not necessarily; but even if it were, in some isolated cases, that would not justify the Government in saying to a railroad which has been charging rates by the consent and sanction of the Government itself that because by wise and economic management it has been able to make a greater per cent on its investment than some other roads, that it is going to take that away from it and put it in the Treasury of the United States. That certainly would not be the criterion which we would set up for ourselves in passing on any other private property that the Government might feel it necessary to take over.

My colleague on the committee, the gentleman from Wisconsin [Mr. ESCH], suggested that he had offered an amendment providing that where railroads had earned above a certain per cent—I think the amendment mentioned 5 per cent—during the period of the standard return, the three years ending June 30, 1917—that if they had earned more than 5 per cent on their investment the Government should in those cases guarantee interest upon their indebtedness, guarantee their regular dividend, and then divide all that was over and above that 5 per cent between the railroad company and the Government, in order to induce the railroad company to go on and be patriotic and act with efficiency and the same wisdom they had displayed heretofore. The amendment went further and provided that this one-half of the surplus should be used in paying roads that had not made up to that amount any deficit that might accrue to them in their operation during the period of Government control. In other words that amendment would penalize frugality and industry and wise control, and it would offer a reward for inefficiency. I can not imagine a more unjust provision for the compensation of railroads by the Government than to take away some of the money earned by the prosperous and well-

managed roads and give it to some that had been managed and operated with little wisdom or efficiency. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. COOPER of Ohio. I would like to say to my colleague on the committee I believe that the road that made the highest percentage of net return for the last three years is the Pittsburgh & Lake Erie Railroad. I maintain that the Pittsburgh & Lake Erie is one of the best equipped and gives the best service; in fact, it has the name of being the best equipped and giving the best service of any railroad in the United States to-day. It would not be fair to take the earnings away from a railroad that is giving such service.

Mr. BARKLEY. Oh, no. I think the gentleman is entirely correct. I desire to discuss for a few moments the question of the power to make rates, upon which the gentleman from Wisconsin [Mr. ESCH] has spoken so ably and yet, I think, so erroneously. The Interstate Commerce Commission has never enjoyed the power to initiate rates. The Interstate Commerce Commission of its own motion can not increase rates; it can not initiate rates; it has no initiative power with reference to rates except that whenever a railroad company fixes or files with it a schedule of rates, either upon complaint or upon its own initiative, the commission may investigate the reasonableness, the fairness, of the rates, and it may grant it or suspend it or entirely nullify it. But never has the Interstate Commerce Commission been given any right ab initio to bring about an increase or change in rates where the railroad companies themselves have not started the procedure.

Mr. DOWELL. But, under the system the gentleman has just referred to, the practical effect is to fix the rate by the Interstate Commerce Commission.

Mr. BARKLEY. The practical effect is that if the rate satisfies the Interstate Commerce Commission they approve it, and if the rate does not they disapprove it. But that is not the question that I am coming to. When these railroads were taken over by the Government, it has been suggested that they lost all incentive to bring about an increase in revenue. That may be true, because their standard return is guaranteed to them. That being true, if the railroad companies themselves have no further interest in procuring a change of rates, and the Interstate Commerce Commission can not do so, then where shall we lodge the power to initiate increases or changes in rates that are to be charged on the roads? Not only does this section apply to rates but it applies to regulations and practices of all sorts that are prescribed by the Interstate Commerce Commission and by the law. When the Government took over these railroads the President of the United States, under the law, stepped into the shoes of the managers and boards of directors and the presidents of all of the railroads in the United States. Therefore he succeeded by operation of law to the powers which they enjoyed prior to taking over the roads by the Government. That being true, then there is no other authority where the power to initiate ought to be lodged except in the hands of the man who succeeded in every way the management of these railroads while they were under private control. [Applause.] If the gentleman from Wisconsin [Mr. ESCH] is correct, there can not be any change of rates while the Government controls the roads; and it has already been suggested, and we predict it with a certain degree of moral assurance, that the wages of the railroad men will be increased, and I think they ought to be increased. They may be increased as much as 20 or 25 per cent.

Now, if it becomes necessary to increase the wages of railroad men in order to do justice to them and keep them at work, satisfied and contented, and those increases should amount to $100,000,000 or $200,000,000, and it should be necessary for rates to be increased in order to make up the deficiency brought about by the increase in railroad wages, and the gentleman from Wisconsin succeeds in his amendment, who will have the power to bring about that increase? The railroads will not do it, because they are not any longer interested. They get their standard return, no matter what the revenues, no matter what the wages, no matter what the expenses may be. They have no further interest in it and it can not be presumed they will do it.

Mr. RAYBURN. Has an additional burden like that ever been placed upon the railroads of this country by the Interstate Commerce Commission that they have failed to respond to it?

Mr. BARKLEY. I think not.

Mr. GORDON. Why does the gentleman assume they will not do it now?

Mr. BARKLEY. Because nobody has the power. The Interstate Commerce Commission can not make any changes of its own motion. It can not say, "We have heard in a roundabout way that the President increased wages, and that will increase operating expenses, and in order to meet the deficit we must raise the rate." They can not do that; nobody proposes to give them power to do it, and they ought not to be given the power ab initio to start proceedings.

Mr. RAYBURN. I will call attention to the fact that the amendment I offered to the committee gave the President the power to initiate rates and put him in exactly the same position that the railroads are now and left the Interstate Commerce Commission exactly as it is now.

Mr. BARKLEY. And let the Interstate Commerce Commission come along and veto what the President has done and overrule him in the exercise of its power. If the President enjoys any power in the control of these roads it is either by virtue of the statute itself or by the implied war power of the Constitution. He has taken them over according to his proclamation in pursuance of the statute passed in August, 1916. Now, I do not believe the President of the United States——

Mr. RAYBURN. May I ask the gentleman this question? Everybody knows—I presume that they do—that the President will not upon his own knowledge, and without consulting anybody, fix these rates, and neither will the Director General. He is going to consult somebody. Where in America is there a better body to consult than the Interstate Commerce Commission? [Applause.] And where, further, is there a body in this Government that in its long standing has been subject to as little just criticism as the Interstate Commerce Commission?

Mr. BARKLEY. I agree with every statement the gentleman from Texas makes, and I am perfectly willing for him to consult the Interstate Commerce Commission and the bill provide that the commission shall be consulted. If anybody objects to a rate that he makes, they can take it up and have a hearing, and then the findings of the Interstate Commerce Commission are prima facie evidence of their own correctness, and there is not a President of any political party who would not be guided by the results of the investigation of the Interstate Commerce Commission in so far as possible in the public interest.

Mr. RAYBURN. If the framers of this bill had not been driven as a final thing to make——

Mr. BARKLEY. How is that?

Mr. RAYBURN. If the framers of this bill had not by sentiment in the committee and outside of it been driven in some way to bring in the Interstate Commerce Commission with reference to these rates and somebody else had been in favor of the Interstate Commerce Commission and brought in this amendment, the gentleman who believes that the President should be charged with all of this authority would have said that this amendment was an insult to the President of the United States, for this reason——

Mr. BARKLEY. I yielded to the gentleman for a question. Go ahead and finish the question.

Mr. RAYBURN. Oh, well, I have not asked the question yet.

Mr. BARKLEY. The gentleman is a long time getting ready to ask one.

Mr. RAYBURN. I am not going to ask it.

Mr. BARKLEY. When the bill was first brought in those who believed with the gentleman from Texas, fearing that the President might have some authority to initiate a rate, brought in an amendment reserving specifically to the Interstate Commerce Commission the right to initiate or to fix rates.

Mr. RAYBURN. Yes.

Mr. BARKLEY. Then it was that this provision was added to the bill in the committee, not because they were driven by anybody, but because they wanted to preserve the unity of control of these railroads while they are under Federal control. It is a ridiculous anomaly, if I may be permitted to suggest, that the President of the United States has the right to increase the wages of the employees of all those companies and yet can not increase the revenue. [Applause.]

Mr. LENROOT. The railroads can not do it.

Mr. BARKLEY. They can do it, subject to the approval of the Interstate Commerce Commission. But they have been superseded by the Government and no longer are interested about whether revenues are sufficient to meet expenses.

Mr. DECKER. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. DECKER. Let me suggest to the gentleman from Wisconsin [Mr. LENROOT] that there is this vital difference between the private owners of railroads and the Director General of the United States, manager of railroads. The private owners of railroads are human beings, and look after their own interests

first. The Director General of the United States is a public official, representing you and me and 110,000,000 people, and he looks out for both sides.

Mr. LENROOT. How about the Interstate Commerce Commission?

Mr. DECKER. Who appoints the Interstate Commerce Commission?

Mr. FORDNEY. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. FORDNEY. The gentleman has stated undoubtedly the wages of railroad employees will be increased, and I agree with him. Who will do that, the President of the United States having control, and if so, would not the President recommend increases of rates to the Interstate Commerce Commission, and would not the Interstate Commerce Commission, under such circumstances, knowing that the increased cost of operation had been brought about by the President, listen to his recommendation, which was for an increase of rate?

Mr. BARKLEY. I think they would, but we have heard so much about rubber stamps here during recent sessions of Congress that I am unwilling to make a rubber stamp out of the Interstate Commerce Commission. It might be true that they should act upon the suggestion of the President because he requested them to make an increase, but it seems to me ridiculous that, as the President has the power to control the matter himself, he must go to some subordinate body in order to get power to increase the income.

Mr. FORDNEY. If you are going to make a rubber stamp of him in increasing the operating cost of the railroads, why not make a rubber stamp of him anyway?

Mr. BARKLEY. I will say to the gentleman that if he has the power to increase the operating expenses of the road he has the power to increase the income. We might as well face the situation now, because if there is any deficit in railroad income you will all be called on to vote a tax upon the people in order to make up the deficit to the Treasury, and we might as well provide for some means of providing for it in advance.

Mr. FORDNEY. I agree with you, and that is exactly what we are coming to, in my opinion. I know this, further, and I am half agreeing with the gentleman entirely, the Interstate Commerce Commission for the past decade has not permitted increased rates in the country in keeping with the increased rates on the railroads of other countries in the world. A comparison of statistics will show that. I do not believe they have been fair with the railroads in permitting income in keeping with increased cost of operation. That right ought to be put somewhere where the railroads will get justice in that respect.

Mr. BARKLEY. I think there is a good deal of force in what the gentleman says. Now, it may be true, and I think it is true, that heretofore the Interstate Commerce Commission has not allowed increases in rates proportionate to the increases that were forced upon the railroads in matters of wages and other operating expenses. I am not criticizing the commission for taking that attitude. They may be entirely correct, because in passing upon a rate they pass upon the reasonableness and justness of it, and not necessarily in relation to what they may have been compelled to pay out on some other account. But here is a situation where the Government has come in and supplanted the railroad managers. Previously the railroad managers had the right to initiate a rate, while now under this bill the President has the right to initiate a rate, and it must be a reasonable and just rate. It must be a just or reasonable practice or charge. He is compelled to file that rate with the Interstate Commerce Commission, and if any human being complains about the injustice or the unreasonableness of that rate, the Interstate Commerce Commission must investigate it and report the facts back to the President; and their findings are prima facie evidence of their own correctness. Now, the point of difference between some gentlemen, and the point of difference between this provision and the bill as reported to the Senate, was that after the Interstate Commerce Commission has made this investigation they have the power to veto the action of the President and nullify his act, and they may be actuated purely and simply by the reasonableness of the rate itself for the service rendered, wholly independent of any outside circumstances.

Mr. FORDNEY. I will say to the gentleman this, as a comparison, that the railroads in Canada for the past few years, under Government control, have spent $102 for every $100 of receipts, which left them no money for betterments of the roads in Canada. Those are Government-owned roads that I refer to now. If that condition were brought about in this country, then there must be increased rates to offset that added cost of operation, or the people must be called upon to go down in their pockets and pay taxes to meet that difference, or the railroads are going into bankruptcy.

Mr. BARKLEY. That is absolutely true.

Mr. LENROOT. The gentleman states that if the Interstate Commerce Commission decides this, they are limited to the reasonableness of the rates. I want to ask him if under his proposition the same limitation does not rest upon the President?

Mr. BARKLEY. Of course.

Mr. LENROOT. And who is more competent to ultimately decide that question, the Interstate Commerce Commission or the President?

Mr. BARKLEY. I think if the President of the United States had the opportunity to go into a long-drawn-out investigation, he might reach as correct an interpretation of the reasonableness of the rates as the Interstate Commerce Commission. And I do not anticipate and I do not think that the gentleman from Wisconsin needs to fear the President of the United States is going to increase or change rates or practices by the wholesale unadvisedly. But now and then there may be a situation that may need to be remedied instantly, where some change not only of a rate that affects the whole country, but some particular local rate, or some practice or some charge in the facilitation of the hauling of freight, may be necessary. If it were necessary for the Interstate Commerce Commission to go into a long investigation, the efficacy of the ruling might be worthless by the time they reached a conclusion about it.

Mr. LENROOT. The gentleman knows that it is not necessary under the present law for the Interstate Commerce Commission to do that.

Mr. BARKLEY. Railroads, as I suggested a while ago, are not going to initiate any changes of rates, because they get their guaranty just the same, and they have no incentive to do so.

Mr. LENROOT. But the President may now, may he not?

Mr. BARKLEY. I think he can. There is considerable legal doubt as to whether he can do it or not.

Mr. LENROOT. Not to initiate them.

Mr. BARKLEY. Eminent lawyers have said to the contrary, and I think they are wrong; but whether he can or not, that is the very reason this amendment was first brought in here, because they thought he had the power and they did not want him to have the power.

Mr. LENROOT. The gentleman should bear in mind that there is a distinction between the initiating of rates and the making of rates.

Mr. BARKLEY. I understand that.

In the demurrage cases that my friend from Wisconsin [Mr. ESCH] made so much light of, it was necessary to bring about some sort of compulsion in the unloading of freight cars. The Director General, of course, increased the demurrage charges up to $10 a day in order to compel men to unload freight cars and bring about a relief of the congestion.

It turned out afterwards that there had been some prior arrangement made by men under the previous conditions, and he modified his order in order to relieve that situation. But if he had been compelled to go before the Interstate Commerce Commission and subject himself to the delay of an investigation, it would have been too late to have brought about the remedy.

Mr. LENROOT. If the gentleman will yield——

Mr. BARKLEY. Yes.

Mr. LENROOT. No delay is necessary on the part of the Interstate Commerce Commission unless they choose on hearings to suspend this rate. Does the gentleman think they would suspend a rate initiated by the President?

Mr. BARKLEY. Well, if it is assumed that the Interstate Commerce Commission is going to approve everything the President does, if his acts are to be final anyway, I see no use in giving them authority to nullify them absolutely. If that were to be the assumption, he might as well put them in force at once.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DEMPSEY. Is not the gentleman's position logically this: That under private ownership the railroads could initiate a rate, but a check was put upon it by the Interstate Commerce Commission because of the interest of the railroads; and does not that interest disappear the instant they go under Federal control, because the President, who has the power to initiate rates, has no interest whatever in what the rate shall be? It is his interest simply to do that which is best, taking all things into consideration.

Mr. BARKLEY. Absolutely.

Mr. DEMPSEY. And is it not sufficient, under any circumstances like that, to have the Interstate Commerce Commission merely investigate and advise, because they are advising a man who has no interest and only wants to serve the public?

Mr. BARKLEY. The gentleman has stated it very correctly and forcibly. Not only is it a fact that the President, as I sug-

gested at the outset, represents in his official capacity the railroads, because he has taken them over and stepped in in place of the managers and directors of the railroads, but the President also represents the public.

Now, the Interstate Commerce Commission was created in order to protect the public against the railroads, and in order to make its powers of any effect it was given the power to enforces its decrees. It was not given merely advisory power with reference to the increase of rates by railroads, because it was presumed that the railroads would not check their increase of rates merely upon the advice of the Interstate Commerce Commission, and therefore the actual power was given to the commission to enforce its decrees. But here the President of the United States has no selfish interests to serve. He has taken over the railroads and in a larger capacity he represents the public, so that it is not necessary to protect the public against their own servant who has been chosen by them to act for them in the administration of the Government.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. PLATT. I wanted to suggest also if it did not come down to this, that in time of war it is necessary to act first and investigate afterwards.

Mr. BARKLEY. That is frequently found to be necessary.

Mr. GORDON. How does it come that Congress has taken a different view about trusting its own chosen servants? If they had so much confidence in the President to fix railroad rates, why did they not leave it to the President when they passed this law? And what is there in time of war to qualify the President to determine such an intricate matter as the fixing of railroad rates?

Mr. BARKLEY. The gentleman from Ohio is on the Committee on Military Affairs, and that committee when they brought the Army bill out gave the President the right to take possession and assume control of the railroads.

Mr. GORDON. Yes; but not to fix rates. You do not find that in the law.

Mr. BARKLEY. I understand that very well. The gentleman's committee not only did not give the President the right to fix rates, but did not provide any means of compensating the railroads when they were taken over, and that is why this bill is here.

Mr. GORDON. The reason why we did not do that was because we did not know how much money would be necessary. We did not know what the railroads would be worth.

Mr. BARKLEY. Do you know any more now?

Mr. GORDON. No; yes; we know more than we did then, but we do not know that.

Mr. BARKLEY. I have some doubts about that.

Mr. DOREMUS. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DOREMUS. Under this bill the President is authorized to make these contracts with the railroads. These contracts will provide for a certain return to the road. The Interstate Commerce Commission is no party to that contract. Under those circumstances does not the gentleman think that the Congress should clothe the President with all the power that is necessary to carry out the contract that he makes with the roads?

Mr. BARKLEY. Absolutely; and he ought not to be handicapped or be put in a situation where he would have to cramp himself or his Government in order to carry out the contract.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. LENROOT. Does not a section of this bill have for its very purpose the purpose to enable the President to carry out that contract? I refer to the $500,000,000 appropriation.

Mr. BARKLEY. Yes; but we do not know how much of that $500,000,000 appropriation is to pay any deficiencies arising by reason of the Government operation. That is only one of the objects.

The primary object of that appropriation is to create a fund out of which the President can construct equipment and rolling stock in order to enable the Government to carry out its war purposes, for which it took over the railroads. Of course if there is a deficit he may pay for it out of this $500,000,000 fund.

Mr. DOREMUS. Mr. Chairman, will the gentleman permit another question?

Mr. BARKLEY. Yes.

Mr. DOREMUS. Which policy does the gentleman think is preferable: To meet a deficit by taxing the people or meet it out of the revenues?

Mr. BARKLEY. I think I have answered that. But the question almost answers itself.

Mr. GORDON. Mr. Chairman, will the gentleman permit a question?

Mr. BARKLEY. In just one moment.

Mr. GORDON. I thought you said the question answered itself.

Mr. BARKLEY. I am going to amplify it. I think it will be easier for Congress to give the power to increase the revenues of the roads than to increase the taxes which would be necessary to make up the deficit. The people have to pay for it anyhow, and my experience is that they will be more willing that the deficit shall be paid out of the revenues than that it shall come in the form of taxes out of their own pockets.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DEMPSEY. Does it not come to this, that the fixing of rates involves two sets of people? In one case, if you fix them too high, it involves taxes to all the people, and if you fix the rate just high enough it involves only the shippers?

Mr. BARKLEY. Yes; and not only that, but——

Mr. GORDON. I would like to supplement that question.

Mr. BARKLEY. I hope the gentleman will get time enough to make a speech himself, because he is evidently loaded up with something that oppresses his system. [Laughter.]

Not only have we got to consider the question of revenues and expenses as they may counteract each other, but one of the main reasons for the taking over of these railroads by the Government was the fact that there is an intimate financial relationship existing between the railroad companies and the stockholders, and the Government of the United States by reason of this fact. There is about to be put upon the market another Liberty loan campaign. There ought not to be any competition between the Government of the United States and any other great interest in the money market, and we know that the money markets have been closed to the railroads for the last two or three years. The railroads have been unable to borrow money, and that is one reason why some of their equipment has gone down. The money markets of the world have been closed to the railroads, and this was necessary to be taken into consideration in taking these railroads over not only to unify their physical control but to unify the relationship between the financial situation of the railroads and of the Government of the United States, and it might be a very embarrassing and disastrous situation if by reason of handicapping and dividing authority to control the railroads the Government were not able to provide revenues sufficient to carry them on.

Mr. GRAHAM of Illinois. I want to ask this question: The gentleman says, as I understand it, that he thinks instead of being levied upon the people by general taxation it ought to be levied upon the shippers, a special class, and that that would be more equitable. The railroads are being taken over for the benefit of all the people, are they not?

Mr. BARKLEY. Why, yes, in a large sense.

Mr. GRAHAM of Illinois. Is it not true, then, that you ought not to impose a special burden on a special class of people, namely, the shippers, when the taking over is for the benefit of the whole people? Do you not think your argument about that is wrong?

Mr. BARKLEY. No, I do not; and I will tell the gentleman why. If the Government had not taken over the railroads, in all probability there would have been a very large increase in wages to their employees. I think it is practically certain that there would have been an increase. There might have been more of an increase than there will be under the Government. If that increase had come under private ownership the public would have had to pay for it in the payment of freight rates. There is not any doubt about that, because the railroads, either under private or public control, ought to take in as much money as they pay out. Now, does the situation change merely because as a war measure the President was compelled to take over the roads? Ought they not to pay their operating expenses? Ought they not to pay for their increased equipment? Ought they not to be able to pay these things out of earnings? Ought they be taken out of the Treasury, merely because the Government has taken over the roads? I do not think so.

Mr. GRAHAM of Illinois. The answer to that is that the burden that is being assumed by the Government is being assumed for the benefit of all of us.

Mr. GORDON. On account of the war.

Mr. GRAHAM of Illinois. On account of the war and of war conditions; but your plan proposes to place a burden on a special class of people who ship stuff over the railroads.

Mr. BARKLEY. That statement is only partially true.

Mr. PLATT. The shipper does not have to pay it. He passes it on.

Mr. BARKLEY. The shipper pays it initially, but the people, after all, pay all freight and all taxes alike. It is distributed among the people, and in such form and in such quantities that

they may not always feel the burden; and it is an unwise financial policy to inaugurate here in the very beginning the possibility of creating more expenses than the revenues of the railroads will be able to meet.

Mr. GRAHAM of Illinois. Let me add to that question that under normal conditions perhaps that argument is correct, but when you have a special fixing of prices of certain things—for instance food, which constitutes a large part of the shipments by freight in this country—then another element enters into the question of governmental control which perhaps you have lost sight of in your argument.

Mr. BARKLEY. It is difficult, of course, to separate that part of it that is incidental to the war from that part which is incidental to commercial traffic generally.

But having taken them over as a war policy, the Government must assume the burden of carrying the commercial traffic with the same wisdom and financial foresight. It could not throw aside all rules of finance, because, having taken them over as a war measure, they have to regulate the charges incident to commercial traffic.

Mr. PLATT. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. PLATT. I want to ask a question in reference to this provision that all fares, rates, and charges shall be fair, reasonable, and just. Would the gentleman hold that the President under this bill, if it passes as it is, would not be allowed to initiate a rate, perhaps for the purpose of shutting off some traffic? Suppose the excursionists were coming to Washington and crowding the accommodations; would the President have the right to raise the passenger rates to keep people from traveling?

Mr. BARKLEY. It would all be subject to the provision that they must be just and reasonable. In England it so happens that they did raise the passenger rates 50 per cent in order to discourage passenger travel. It was necessary in order to carry the freight traffic of the railroads to discourage passenger travel by increasing the rates more than 50 per cent. Whether that would be a wise policy in this country I do not say; it will all depend on circumstances.

Mr. HARDY. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. HARDY. I think the gentleman has presented the question of the right of the President to initiate rates very forcibly. Would not it be an anomaly to have two executive administrative officers, and one of them a subordinate, allowed to overrule his superior? If the Interstate Commerce Commission as an administrative body were allowed to finally overrule the action of the President in fixing these rates, would not that in itself be an anomaly and an absurdity?

Mr. BARKLEY. That is a ridiculous situation, which I called attention to a while ago. The railroads were taken over in order to unify them, because under separate competitive systems and boards of directors they desired to get all the traffic and revenue they could, and they could not unify themselves. Now, unification or physical control is wholly incomplete unless the unification of financial control goes hand in hand with it. It is a ridiculous situation to say that a subordinate body can overrule the action of the President in a great war crisis.

Mr. MADDEN. Will the gentleman yield?

Mr. BARKLEY. I yield to the gentleman from Illinois.

Mr. MADDEN. Does the gentleman consider the President of the United States in the same position that the railroad companies themselves were under the law?

Mr. BARKLEY. Before they were taken over?

Mr. MADDEN. Before and after they are taken over is not he in the attitude of the railway company, in the same position?

Mr. BARKLEY. Yes; he steps in, and what authority they exercise now is through his consent and by reason of the permission that he gives.

Mr. MADDEN. If he takes the place that the railroad company formerly occupied, could he have any greater power to initiate rates and put them into effect than the railroad companies themselves had?

Mr. BARKLEY. Yes; for the reason I suggested a moment ago. Not only does he take the place of the railroad companies, but the desire or incentive of the railroad companies to gouge the public is removed. He not only stands in the relationship of the railroad managers, but he represents the public and has no desire to increase rates unreasonably. There is no logical reason why the Interstate Commerce Commission should stand between him and the public when he is the representative of the public as much as they are.

Mr. MADDEN. I understood the gentleman to say, and the purpose of his argument was, that the President might have a superior power to increase a rate, to get increased compensation which the Interstate Commerce Commission as a body would not allow.

Mr. BARKLEY. I say that is one situation that enters into the wisdom of giving him the power to do that; there may be a hundred others, but that is one. It is presumed that freights may be changed, may be rerouted, taken off one road and put on others, and it would be a serious embarrassment if the President did not have the right to change rates, charges, or practices so as to facilitate the transportation of freight over one road or another which had never enjoyed the transportation of that freight.

Mr. MADDEN. Then what becomes of the gentleman's argument that the President is not in the same position to gouge the public by charging increased and unreasonable rates which the railroad companies were themselves in before he took them over?

Mr. BARKLEY. I say he has no incentive to do that.

Mr. MADDEN. If he increases the rates beyond what they are, what would the gentleman call it?

Mr. BARKLEY. I am not qualified to pass on the reasonableness of any rate, and I do not know what it is going to be. I do not believe that any President in opposition to the report of the Interstate Commerce Commission would insist on an unreasonable rate on freight.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. I yield to the gentleman.

Mr. GORDON. You have provided in this bill that any rate fixed, whether by the President or anybody else, must be just and reasonable?

Mr. BARKLEY. Yes.

Mr. GORDON. And yet the gentleman is arguing for the arbitrary power in the President to impose a rate, just or unjust?

Mr. BARKLEY. Oh, no. The gentleman misses the whole question involved.

Mr. GORDON. The gentleman is also arguing that the President when he finds that the rate he has imposed is unjust and unreasonable through an investigation of the Interstate Commerce Commission, shall as an honest man proceed to change it. Why not allow the Interstate Commerce Commission to fix it before it becomes operative and effective, just exactly as it did before this war started?

Mr. BARKLEY. Because there might be a hundred circumstances when immediate action is necessary to facilitate transportation of freight or protect the interests of the people, and if you give him power with reference to one thing, you must give him power with reference to the whole field, because Congress can not divide up the field and say that the President shall have the right to fix such rates as shall affect the war; but as to commercial rates he shall have no power, because it is impossible in a legislative way to draw the line between strictly war business and commercial traffic.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. BARKLEY. May I have 10 minutes more?

Mr. SIMS. I yield 10 minutes more to the gentleman.

Mr. BARKLEY. The last thing I desire to discuss, and I am sorry that I have taken so much time, is the question of the tenure of Government control as provided in this bill. I am one of those who do not believe there ought to be any time limit fixed in this bill, not because I may or may not favor Government ownership, nor because I believe that Government ownership necessarily is coming. It is wholly unnecessary to discuss the question of Government ownership in deciding upon whether there shall be a time limit after the proclamation of peace within which these roads shall pass back to their private owners. This bill provides that the Government shall, if necessary, buy equipment, rolling stock; it may even buy and build terminal facilities or branches, extensions of the line. It may even, under the bill, buy the bonds that are permitted to be issued by order of the President in order that the railroads shall not come into competition with the Government in the borrowing of money. If this war should last for three or four years—and I do not think even Solomon himself, if he were here, and he enjoyed some reputation for being a wise man, could tell anything about how long the war is going to last—I do not believe anybody in Congress or in the United States is wise enough now to say in advance what character of laws may be necessary in providing for the return of these roads to their private owners. It may be that we will have to spend more than a billion and a half of dollars, it may be $2,000,000,000, in the purchase and the construction of equipment necessary to carry on the railroads while the war is in progress. It may be that under the provisions of this bill the Government will purchase bonds issued by the railroads, because they can not issue bonds under this bill except by approval of the President, and he is authorized, if necessary, in order to take the railroads out of competition with the Government in the issue of bonds, to purchase those bonds on behalf of the Government.

Mr. LENROOT. Mr. Chairman, I would like to hear the gentleman on the proposition of what right we have under the Constitution to hold these railroads after the war is over for more than a reasonable time.

Mr. BARKLEY. If I get time, I shall come to that, but I do not want to interrupt my thought right now. It will take at least a year after the war is over and peace is proclaimed to bring the soldiers back from Europe. It may happen that it will be necessary entirely to revolutionize the character of control that the railroads shall resume after they are turned back to their owners. I think we may predict with reasonable certainty that they will never be turned back under the old competitive conditions that existed prior to their taking over by the Government. We might as well recognize the fact that this is not only a military war, a world-wide conflict between military powers, but the result of this war will be a universal world-wide economic revolution, brought about by reason of or during the progress of the war. We may assume, I think, with a reasonable degree of certainty that these roads will not be turned back to their owners under the same conditions that existed prior to the time the Government took them over.

Mr. HARDY. Mr. Chairman, Congress is going to be in session annually right along after the war is over. Is there any reason why, when that time comes, Congress then in existence should not be allowed to control the matter under the conditions that then exist?

Mr. BARKLEY. Of course that is true, but I want to submit a suggestion as to the unwisdom of having a time limit for that reason.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Not now, I have only 10 minutes. We have not the power of foresight to tell us what sort of legislation will be necessary. The bill provides for a two-year limit. If it should happen that in those two years the economic and financial conditions of the world are such, and the relations of the Government have become entwined and entangled with these railroads to such an extent that they can not be untangled in two years, then either we must turn back those roads automatically without any provision of law under the old competitive and chaotic conditions, or we must extend the time limit beyond the two years.

Mr. SHERLEY. What does the gentleman say to the converse of that, where if you happen to have a President that wanted Government ownership it would take two-thirds of the Congress to undo it?

Mr. BARKLEY. It takes two-thirds of the Congress to override any veto of the President, and I do not think we should act unwisely because of any fear of a veto.

Mr. SHERLEY. Yes; for this reason, that the war is a reason for doing things now, but it is not a reason for making it a continuing condition.

Mr. COOPER of Ohio. Will the gentleman yield for a question? I would like to ask the gentleman what power the President has to hold a railroad after the conclusion of peace? Tell me what power he has to hold a road after the declaration of peace?

Mr. BARKLEY. Congress in time of peace can pass a law taking over every railroad in the United States under the commerce clause of the Constitution.

Mr. COOPER of Ohio. Has he got the power now?

Mr. BARKLEY. And if Congress can do it in time of peace, Congress has the power in time of war to say that under the commerce clause it can continue their possession and operation after the war is over. In the absence of congressional action he could only keep them for a reasonable time after the war. If the time should be about to expire, and Congress has not acted, and there is an uncertainty in the money market, $18,000,000,000 worth of securities are hanging by a thread; nobody knows what Congress will do, and if Congress hesitates and vacillates, and there may be a division between the Senate and the House or a division between the Congress and the President, and we should from time to time be compelled to pass a resolution of extension, that very uncertainty would put in motion such fear, doubt, and lack of confidence as might bring about in the United States a panic the like of which we have never seen since the Government began. Therefore I believe it is better to leave this matter to the wisdom of some future Congress without tying their hands, without compelling them to act with a stop watch, and depend upon the vision and the wisdom of some future Congress to act in the light of the circumstances that may then exist, and not try now to handicap them.

Mr. MADDEN. Will the gentleman yield for a short question?

Mr. BARKLEY. I yield for a short question.

Mr. MADDEN. This is an important bill and, I take it, involves all the value of the railroad companies in the United States, and it will not take more than a week to pass it, and I assume it will not take but two or three or four days to pass the legislation that will be necessary after the war closes.

Mr. BARKLEY. Oh, if the gentleman means to say that after this war is over, and the relationship between the railroads and their competitors is entirely wiped out, and the Government becomes entangled in the mesh of financial operating relations between railroads, that a law might be passed within a week providing for that situation, it is not doing the intelligence and the foresight of the gentleman from Illinois justice. It might be possible to pass a bill within a week after it is brought in the Congress, but who can tell how long it will take for the Government and Congress to determine what sort of a bill ought to be passed, and what sort of a permanent policy should be adopted with reference to the railroads?

Mr. MADDEN. It will not take very long to pass this one, and this is a very important bill.

Mr. BARKLEY. We are passing this with a great deal more expedition than we would if it were not so important and necessary to get it off our hands right now. When this war is over and we are considering the changes coming out of it, we need not try now to blind ourselves to the conditions existing then whether we are for or against Government ownership. We can not stop the current of human progress, if people should favor permanent control, by placing a two-year limit upon the expiration of the term of Government control. I have heretofore referred to the fact that prior to the Civil War the Supreme Court thought it had settled the slavery question when it rendered the Dred-Scott decision. It did not settle it at all. It took four years of war to settle that question. I mention that not because this law will have a like result, but because it is impossible for Congress or courts to stem the tide of human progress in any direction the people may determine upon. It certainly can not be done by attempting to dam up the stream. I believe it to be the part of wisdom to leave the time open in order that future Congresses may deal with it in the light of the conditions that will exist after the war is over. I am not afraid to trust any Congress that the American people will select to deal wisely with this question, not under compulsion or limitation, but with vision, patriotism, and experience, in the light of the new conditions that will come as a result of the war, so that the interests of stockholders, the Government, and the American people may be safeguarded and protected. No suitable adjustment can be made or even forecast now. None should be attempted in blindness. The light we have to-day does not penetrate far enough into the future to reveal what may be necessary then. Let us leave the solution of that problem to those who may be called on to deal with it when peace and readjustment shall have approached. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ESCH. Mr. Chairman, in view of the fact that the other side has used 2 hours and 25 minutes this afternoon I would like to yield to three or four Members on this side in succession.

Mr. SIMS. That will be perfectly satisfactory.

Mr. ESCH. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman and members of the committee, I have no desire to take up much time during the general debate on the bill which we are now considering. I believe that this is a time when every Member of this body should confine himself to things worth while, and the important issues which are before us relative to the great war in which we are now taking part. But this measure is a war measure in which we are all interested, and I believe it is one of the most important and far-reaching propositions our Government has ever undertaken, because there is involved in this measure the taking over by our Government of private property which is valued at approximately seventeen or eighteen billion dollars. I am one of the members of the Interstate and Foreign Commerce Committee, which held hearings and considered this measure—and at this point I want to congratulate the chairman, Judge SIMS, on the efficient manner and the successful way in which he conducted the hearings on this bill. In taking up this measure for consideration, I believe it is the duty of every Member of this body to consider the most important fundamental principle involved in this bill, and that is, the Government is taking over the railroads of our country to control and operate the same, as a real necessity, to help us and our allies to win the war. I believe that is the first and most important question which every Member ought to bear in mind while we are considering this measure.

There are two sections of this bill—sections 11 and 14—in which I am intensely interested and desire to express myself upon them at this time. Section 11 relates to the liabilities of common carriers while under Federal control. Section 11 says:

That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, or any other act applicable to such Federal control, or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law. Suits may be brought by and against such carriers and judgments rendered as now provided by law, and in any suit against the carrier no defense shall be made thereto upon the ground that the carrier is an instrumentality or agency of the Federal Government. But no process, mesne or final, shall be levied against any property under such Federal control.

I desire to say that this section was considered very carefully by the committee who had charge of the bill, and we were concerned very much regarding the wording of this section, which has to do with the rights and remedies to recover for injuries and damages which we now have under State and Federal laws. The wording of the section says that the carrier shall be liable, and that suits may be brought by and against such carriers and judgments rendered as now provided by law. I must confess that I know very little about law, as I am not a lawyer or a member of that honorable profession, but I want to call your attention to the words starting in line 2, page 12, "or with any order of the President be subject to all laws and liabilities as common carriers." Now, it seems to me, that these words are very clear, for it states that the railroads shall be liable for all damages, providing the order which might have caused the damage or injury was not issued by the President or some one vested with power under Government control. Now, what I want to know is—and I trust some of the lawyers of this body will explain these words before we finish this bill—who is going to be liable for injuries or damages which may have been caused by an order of the President or the Director General of the railroads while they are under Government control. Mr. STINESS, of Rhode Island, brought the question before the committee, and he cited such an instance as this: Supposing that a certain locomotive or railway equipment was not in a safe condition to make a trip over the road, and on account of the condition of such equipment the division superintendent or the train master refused to let the locomotive, train, or cars go over the road until it was in good condition and safe to the traveling public and employees of the railroad. Now, let us suppose that the Director General or some one with Government authority ordered this equipment to be moved, stating that it was a war necessity, and a serious accident happened by reason of this defective equipment. What I want to know is, Who would be liable for damages in a case of this kind? Surely no court would hold that the carrier was liable. And then, again, I want to call the lawyers' attention to the words in lines 9, 10, and 11, on page 12, which say:

That no process shall be levied against any property while under Federal control.

It seems to me that when a party sues and gets final judgment in his favor it is evidence conclusive that he is entitled to payment of the same; and in the case of a badly injured employee, if he can not obtain it, great suffering and loss is the probable result. Now, if one was to get judgment against the carrier, section 11 says that no process can be levied against the property of the carrier while said property is under Federal control. Now, I fully realize that this being a war measure it would be a bad thing to frame this bill in such a way as to let anyone who might have secured a claim for damages against the carrier tie up the road or equipment; but I do wish the chairman of this committee or some one would suggest an amendment to this section which would enable the injured employee or creditor to get his pay and at the same time fully protect the Federal Government in the use, possession, and control of the property so sold.

Mr. CLARK of Pennsylvania. Will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. CLARK of Pennsylvania. Does the gentleman come to the conclusion that there is no effective remedy for this?

Mr. COOPER of Ohio. I do not think so under this bill.

Mr. CLARK of Pennsylvania. What was the consensus of opinion in the committee?

Mr. COOPER of Ohio. That question was discussed very carefully, and I do not believe there were many members of the committee that cared to say that this section fully protected an injured person who might be entitled to recover damages.

Mr. CLARK of Pennsylvania. The gentleman's opinion accords with my own, for I do not believe there is any remedy.

Mr. BARKLEY. If the gentleman will permit me, a suit might be brought against the railroad and a recovery had, because it makes no difference whether the Government is liable or the road is liable, it all comes out of the operating expenses and is charged up to that.

Mr. COOPER of Ohio. That is not in the bill. If you will put it in the bill I will support it.

Mr. BARKLEY. The bill provides that every employee shall have the same remedy against the company that he had before. That is not limited by the fact that the Director General might order any train to go over any part of the road.

Mr. COOPER of Ohio. I understand that the gentleman from Wisconsin [Mr. LENROOT] has an amendment to the section, and I hope it will be agreed to.

Mr. CLARK of Pennsylvania. The laws of the States are not applicable if they are in conflict with the order of the President.

Mr. COOPER of Ohio. Section 14, which has to do with the length of time that the Federal Government shall control the railroads after the war is over, was discussed probably more than any other section in the bill. I believe that the railroads should go back to their owners no later than one year after the proclamation of peace, but there are some who would have the Government control the railroads indefinitely. Some members of the committee desire this. Mr. McAdoo, the Director General, and Mr. Anderson, of the Interstate Commerce Commission, favor indefinite control of the railroads. Now, I claim that the act of August, 1916, does not give the President the power to take over the railroads to control and operate them in times of peace. This act provides that the President in time of war shall have the power to take over our railroads—for what? For the transportation of troops, war material and equipment, or for such other purposes connected with the emergency. When this power was given to the President, it was not contemplated that it should be used in times of peace. When this power was granted we were having trouble with Mexico and were getting into the European conflict as fast as we could. But there was a limitation placed in this act, and that was that the President should be vested with this power during the time of war. We find that this same power was given to the President during the Civil War. In the act passed January 31, 1862, we find in section 5 these words:

And be it further enacted, That this act, so far as it relates to the operating and using said railroads, shall not be in force any longer than is necessary for the suppression of this rebellion.

And I read from the minority view the following:

We believe that such control should terminate as speedily as is consistent with due regard for the rights and interests of both the Government and the carriers and that one year or less after the proclamation of peace within which to make the proper readjustments would be reasonable. Congress in practically every war-emergency bill it has enacted has limited its operation to "the continuance of the war" or to six months or one year thereafter. It did this in the priority-of-shipments act, the espionage act, the trading-with-the-enemy act, the food control and food survey acts.

Now, why should we extend this power in the time of peace? I believe that to take over the railroads indefinitely means Government ownership, and at this time I am unalterably opposed to our Government undertaking such a proposition. If we are going to embark in Government ownership of railroads, we should take up this question in times of peace, not when the world is all afire and upside down. I, for one, am not ready to go into the question of Government ownership at this time. If we take up this question at all, we should meet it in the daylight, and not in the dark. If we are going to consider this question, let us meet it in the right spirit and at the right time, when our country is normal, not abnormal.

But there are some who would have the question of Government ownership sneak into this bill like the prowler comes into your home at night. Under the pretense of it being a war measure, they are trying to force upon the people of this country Government ownership without any study whatsoever of the question.

To place in this bill an indefinite time as to when the railroads shall go back to their owners, we create an uncertainty which would take the heart out of the men who have had charge of the operation of our railroads previous to the war. It seems to me that in order to keep our railroads up to the highest standard of efficiency we should set a definite time in this bill as to when these roads should go back to their owners and operators. Why some should want to experiment with Government ownership at this time I do not know, for it is a known fact that under Government ownership and control of railroads in other countries the cost of operation and the rates far exceed those of our own country under private control, and at the same time the service is not nearly as efficient, and the wages of the employees are much lower. The wage conditions of the American railway employees are bad to-day. Let me say in passing, while I am on

this question, that I believe the railroad men are the poorest paid class of skilled workmen in our country to-day, and to my mind the Government should at once grant an increase in wages to the American railroad employees. They are entitled to an increase, and should have it.

I listened with much attention to the speech of my colleague, Mr. STEPHENS of Nebraska, which he delivered on Tuesday. I can not agree with Brother STEPHENS when he says that the railroads of this country are operated by a gang of highbinders, crooks, and wrecking crews, as he calls them. I believe that there are just as honest, noble, patriotic, big business men at the head of the operating departments of our railroads as there are in any of the other business institutions of our country.

Mr. GREEN of Iowa. If the gentleman will permit, I think the gentleman from Ohio has somewhat misunderstood the gentleman from Nebraska [Mr. STEPHENS]. I do not think he referred to the railroad officials in general, but he meant to be understood, when he used the term "highbinders and thieves," to refer to that class of people that wrecked the Rock Island and the New Haven.

Mr. COOPER of Ohio. It is true that he referred to the Rock Island and the New Haven, but because they went wrong it does not follow that all the rest of the managers of the railroads in the country are highbinders and thieves. Most of these men have gone through the hard knocks of life, and through perseverance, hard work, and honesty have worked up the ladder to the top. I can not understand why some people are forever knocking the railroads and calling their owners and operators highbinders and crooks, for I think I can say that the United States has the finest and the most efficient system of railroads of any country in the world. And yet there is no business or industry in this country which has been legislated against and condemned more than our railroads. Let us try and be fair to the railroads and give them a square deal and help them when they need helping instead of clubbing them when they are down, such as they are now, which was brought on by no fault of theirs, but by reason of the great abnormal condition which exists in the world to-day. [Applause.]

Mr. ESCH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I do not wish to take the time of the committee. I yield back the time, if I may have unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. WALSH. Mr. Chairman, reserving the right to object, is he going to extend his remarks upon this bill?

Mr. MASON. Mr. Chairman, I decline to answer the gentleman.

Mr. WALSH. Mr. Chairman, I object.

Mr. MASON. Then I shall take the time. I am much obliged to the guardian of the ink pot who permits me to waste two or three days to present to the people of this country the humble petition of the Irish-Americans who wish to get into the RECORD a statement by Mr. McCartan in regard to the effect of the proposed conscription, which could have been inserted within the past two days without taking the time of the committee, and I take the 10 minutes now to read his statement. If I shall read a little fast in order to conserve and economize time, I hope the distinguished gentleman who is opposed to the filing of this petition will make due allowance for my fast reading.

[Memorandum dispatched to the Secretary of State of the United States from the envoy of the provisional government of Ireland.]

FEBRUARY 17, 1918.

SIR: As the representative of the provisional government of Ireland, accredited to the United States, I have the honor to request you to bring to the notice of your Government the following observations concerning the treaty now in process of negotiation between the United States on the one hand and Great Britain on the other, whereby residents in the United States who are claimed as nationals by Great Britain may become available for military purposes.

The Irish born who reside in this country are separated by the American Government into three categories: First, American citizens by naturalization; second, declarants, or "such as have taken out their first naturalization papers and thereby declare their intention and desire to become full citizens of the United States"; third, aliens, those whose status as Irish nationals is beyond question.

Over the members of the first of these categories the United States alone exerts authority, an authority which the contemplated treaty can not influence, and which the provisional government of Ireland fully recognizes.

The formal declaration of intention to become a citizen of the United States is accompanied by an explicit statement of purpose to renounce allegiance to the sovereignty to which the declarant is subject. Basing its action upon this purpose of renunciation, Congress ordained, by the selective-service act of 1917, that cobelligerent declarants were liable to military duty in the United States on the same terms as citizens by birth or by adoption. In other words, citizens and declarants were placed upon an equality of sacrifice in defense of the United States. The ratio of cobelligerent declarants called to those accepted for service was higher than that among citizens naturalized by pre-war legal forms, and only slightly lower than that among citizens by birth. (Provost Marshal General's Report, p. 55.)

Civic sacrifice carries with it an inalienable right to privileges. This principle is well recognized by your Government and already modifies the process of naturalization for enlisted aliens in the Army and Navy. No State can in equity require the sacrifice of life to civic duty from any but a citizen. The enforcement by the State, and the acceptance by the cobelligerent declarants, of the supreme duty inherent to citizenship constituted a contract between the State and cobelligerent declarants. That contract implicitly extended to cobelligerent declarants the right to the privilege of citizenship of the United States. The selective-service act of 1917 in equity naturalized cobelligerent declarants, and was in accord with the established policy of the United States as laid down in section 1999 of the Revised Statutes of the United States.

Cobelligerent declarants were called upon for military service as a class. The demand for military service made upon them differed in no particular from the demand made upon other classes of citizen. Accident of age, ballot, health, or other circumstance, caused certain of these declarants to be discharged, exempted, rejected, or not called upon; but similar accidents affected in precisely similar ways both native-born and naturalized citizens. Such accidents can, therefore, in nowise affect the status of citizenship conferred implicitly by the selective-service act upon all cobelligerent declarants; that act was in nature a contract which can not be modified by treaty or convention.

As the provisional government of Ireland are maintaining on a front, where allied unity is not at present possible, the principle of self-determination, and as the United States Government entered the war to champion that principle, our respective countries are de facto cobelligerents, associates in a common struggle for this common cause. The fundamental right of every human being to voluntary expatriation, a right upon which your great country is built, a right for which many of your noblest died in the Wars of 1776 and of 1812, a right specifically established here for declarants by the expatriation law of 1868, a constitutional right which no executive officer may violate and which no treaty may restrict was exercised in intent by those of Irish birth who became declarants here. The provisional government of Ireland accepting the obligation implied by this cobelligerency, and upholding the right of expatriation, did not protest the inclusion of Irish-born declarants in the scope of the selective-service act of 1917, but tacitly acquiesced in that inclusion, which was therefore legally established. Hence it is far from my duty now to question the legality of this established fact; but I must protest against any attempt to reopen the matter by treaty or convention with a third power—Great Britain. The inclusion of the Irish born, who are declarant citizens, in the scope of the pending Anglo-American treaty would be contrary to justice and equity; would be a reversal by treaty of the action of Congress in the expatriation law of 1868 and in the selective-service act of 1917; would be an unconstitutional exercise of treaty-making authority; and would be a repudiation of the traditional American principles and policy. Hence the provisional government of Ireland refuses to believe that the Government of the United States has in contemplation any treaty with Great Britain which would discriminate against a group of coopted American citizens—the Irish declarants—who in this war have shown themselves the most devotedly loyal of all American citizens.

A treaty with Great Britain may properly concern only American residents of British origin who have made no legal expression of intent to become a citizen. The term "British" is correctly applied only to the English, Scotch, and Welsh. The Government of Great Britain—i. e., of England, Scotland, and Wales—has the right to enter into agreements with the United States regarding only the British residents here and the resident who was formerly an inhabitant of a British Crown colony such as Jamaica, which is governed from the British colonial office. But Great Britain can not enter into agreements on behalf of the self-governing dominions such as Canada. Hence, I am informed, Canadian aliens are included in this treaty by a separate convention with the Government of Canada. Canada could enter into such an arrangement for the draft is legal in Canada. But citizens of a self-governing colony, which like South Africa has refused to consider conscription, or which like Australia has specifically rejected conscription, can not be made subjects of draft conventions between the United States and Great Britain without impugning their jealously cherished rights of sovereignty. To conscript Boers or Australians here would be not only to deny the right of self-determination which these people claim and now enjoy, but would also be tantamount to American recognition of the right of England to conscript Boers and Australians as the Romans conscripted the barbarians—without the sanction of the conscripted and for the benefit of the Empire; that is, England.

Last summer the British premier, in the name of and by the authority of the British Government, declared that a convention of Irishmen should meet to determine a plan for the government of Ireland within the British Empire. He thus conceded that Ireland is a small nationality, entitled to government by Irishmen; and in a somewhat Teutonic form he applied the principle of self-determination to Ireland by creating the Irish convention. Even the British thus pretend to recognize Ireland's right to be self-governing. Even the British do not attempt to apply conscription in Ireland. And the Provisional Government of Ireland wholly denies the authority of Great Britain, or of any other State, to conscript such Irish nationals as circumstance has for the moment removed from the protection of the Provisional Government of Ireland. It has not been the habit of the Government of your great, liberty-loving Republic to exploit the defenseless; and I am confident our Government need be under no apprehensions now on this score. Hence, in submitting this memorandum against the inclusion of Irish nationals in the scope of the pending treaty, I wish clearly to disavow all intention to impute to your Government the motive which might be supposed to require this protest. Among the Irish here who have not already volunteered are refugees of the revolutionary government of Ireland. It is of the ethics of statehood to give sanctuary to political refugees. Even the unspeakable Turk refused, at the risk of war, to deliver up to Austria and Russia the Hungarian revolutionaries who within living memory sought haven at Constantinople. And I do not for a moment fear that the Irish refugees in the United States who conscientiously object to aid, either directly or indirectly, in the aggrandizement of the British Empire will be forced by treaty to attempt to flee to Mexico in search of a safety denied them here.

The results to be obtained from the inclusion of the Irish in such a treaty are negligible. Among immigrants the Irish are of the first to seek citizenship. Of the hundreds of thousands of adolescent Irishmen who before the war found existence impossible in an English-ridden Ireland almost all have become declarants or citizens, almost all are

taking their place alongside the native-born American in this war. For the total number of Irish aliens between the ages of 21 and 30, inclusive, registered in the United States was only 20,840. Would there be any need to impress the handful of these who when called would not volunteer, if the four and a half divisions, which Sir F. E. Smith told us were with machine guns governing Ireland, were sent to France?

In objecting to conscription here under a British treaty, Irishmen are influenced solely by the desire not to compromise their nationality. In the American Army about 25 per cent of the draft are of the Irish race. Indeed, among the cobelligerent aliens here who were called in the draft, and, who, waiving the exemption to which they were entitled as aliens, were accepted for service, the Irish ranked easily first in devotion to the country which was giving them sanctuary. From the Provost Marshal General's report, appendix 33a, the following percentages are computed:

Percentage of the total alien cobelligerents called who waived exemption and were accepted.

Ireland	30.4
Belgium	24.4
Scotland	24.2
England	22.5
Wales	22.0
Serbia	21.7
Canada	21.0
France	19.4
Italy	16.8

Of the total registered citizens and declarants called 27.06 per cent were certified for service. (Provost Marshal General's Report, p. 55, table 27.) The Irish alien, with 30.4 per cent, has therefore already made a relatively better contribution to the defense of the United States in this war than even the United States citizen. I can not conceive that he is now to be rewarded for this unequaled demonstration of friendship for the United States by a treaty which makes his nationality a matter of barter between the Governments of the United States and of Great Britain.

On January 5 Premier Lloyd-George announced that Great Britain was fighting for the principle of self-determination; extended the application of that principle even to the African Askari. On February 11 President Wilson, in his address to Congress, asserted that America's essential aim in the war was to establish the principle of self-determination in the law of nations. It is axiomatic that a principle worthy of the sacrifice which civilization is being called upon to offer in this contest, must be of universal application, valid alike for friend and for foe; that those to whom the benefits of the principle are denied may not be conscripted for sacrifice to secure these benefits for others; and that no power can rightly claim to be devoting men, money, and munitions to the defense of a principle which that power does not observe within its own territory. As Ireland is indisputably a nation, the principle of self-determination is as applicable to Ireland as it is, say, to Poland or to Palestine; the Irish must first be guaranteed the exercise of their own right of self-determination before they can be expected to die for the freedom of foreign nationalities; and so long as that guaranty is refused, the validity of the principle is questionable, and the right of the allies to champion that principle needs proof. No group can justly seek to impose by force upon a selected enemy a principle which is repudiated by any of its members; self-determination is not a punitive principle to be applied only to the enemy.

Any treaty by which Irish nationals would become liable to conscription here, if arranged without the sanction of the provisional government of Ireland, would violate the right not merely of Irish Nationals but of plain people everywhere, and would implicity discredit the good faith of any champion of self-determination who might be party to it. Hence, I feel assured that the Government of the United States will not enter into any treaty with the Government of Great Britain, by which the Irish people here will be "bartered about from sovereignty to sovereignty as if they were mere chattels and pawns in a game."

I am, sir,

Your obedient servant,

PATRICK MCCARTAN, F. R. C. S.,
Envoy of the Provisional Government of Ireland.

Mr. Chairman, the reason I wanted that in the RECORD is not only because it was requested by my constituents, but because I wanted to bring it before the Congress, and I have no doubt that the question raised by Mr. McCartan will be provided for. It will be hardly fair for our Government to ask for, or the Government of Great Britain to attempt to give, the power to conscript men in this country whom she can not conscript in their own country.

Mr. SIMS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. RUSSELL, as Speaker pro tempore, having assumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9685 and had come to no resolution thereon.

PANAMA RAILROAD CO. (S. DOC. NO. 179).

The SPEAKER pro tempore laid before the House the following message of the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Senate and House of Representatives:

I transmit herewith, for the information of the Congress, the sixty-eighth annual report of the board of directors of the Panama Railroad Co. for the fiscal year ending June 30, 1917.

WOODROW WILSON.

THE WHITE HOUSE, *February 20, 1918.*

LEAVE OF ABSENCE.

The SPEAKER pro tempore. The Chair lays before the House the following request for leave of absence, which the Clerk will report.

The Clerk read as follows:

Mr. TIMBERLAKE requests leave of absence for one day, February 22, 1918, to make a patriotic address before the Woman's Section, Council of National Defense, at Annapolis, Md.

The SPEAKER pro tempore. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, that is a very unusual form in which to make such a request. Is the gentleman present?

The SPEAKER pro tempore. The Chair does not see him.

Mr. GARRETT of Tennessee. It is a very unusual form. However, if the gentleman is not here, I shall not object.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HOUR OF MEETING TO-MORROW.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. SIMS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Friday, February 22, 1918, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury relating to the extension of the provisions of the bill to supply Army officers with uniforms, etc., at cost to officers of the Public Health Service engaged at national cantonments (H. Doc. No. 955); to the Committee on Military Affairs and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Commissioners of the District of Columbia submitting supplemental estimates of appropriation required by the District of Columbia for the fiscal year 1919 (H. Doc. No. 956); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. HOUSTON, from the Committee on the Territories, to which was referred the bill (H. R. 9960) to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war, reported the same with amendment, accompanied by a report (No. 326), which said bill and report were referred to the House Calendar.

Mr. PADGETT, from the Committee on Naval Affairs, to which was referred the bill (S. 3126) to provide temporary promotion for retired officers of the Navy and Marine Corps performing active duty during the period of the present war, reported the same with amendment, accompanied by a report (No. 329), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 7638) to authorize the Secretary of the Navy to make payment to the employees of the Navy for leave not taken and used by the employees, reported the same without amendment, accompanied by a report (No. 330), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 9390) to promote the efficiency of the Navy, and for other purposes, reported the same without amendment, accompanied by a report (No. 331), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 8986) to pay a cash reward to civilian employees of the United States Navy, reported the same with amendment, accompanied by a report (No. 332), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 8983) to amend an act approved May 27, 1908 (35 Stat., pp. 417, 418), and for other purposes, reported the same without amendment, accompanied by a report (No. 334), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 7327) to amend an act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, reported the same without amendment, accompanied by a report (No. 333), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GLASS: A bill (H. R. 10104) to amend and reenact sections 4, 11, 16, 19, 22, and 25 of the act approved December 23, 1913, and known as the Federal reserve act, and sections 5208 and 5209, Revised Statutes; to the Committee on Banking and Currency.

By Mr. ANDERSON: A bill (H. R. 10105) to amend section 2, of part B, of the act entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1917, and for other purposes," approved August 11, 1916, known as the United States grain-standards act; to the Committee on Agriculture.

By Mr. PHELAN: A bill (H. R. 10106) to authorize national banking associations to establish branches; to the Committee on Banking and Currency.

By Mr. GANDY: A bill (H. R. 10107) authorizing the Secretary of War to deliver to the town of White River, S. Dak., one condemned bronze or brass cannon or fieldpiece and suitable outfit of cannon balls; to the Committee on Military Affairs.

By Mr. SMITH of Michigan: A bill (H. R. 10108) increasing rates of pensions of soldiers and sailors of the Civil War and the War with Mexico; to the Committee on Invalid Pensions.

By Mr. MADDEN: Resolution (H. Res. 255) for the consideration of H. R. 9414; to the Committee on Rules.

By Mr. BURROUGHS: Joint resolution (H. J. Res. 251) proposing amendments to the Constitution of the United States giving the right of suffrage, of representation in Congress, of choice of President and Vice President, and equal rights in the courts to the people of the District of Columbia, and for the safe transmission of the Executive power; to the Committee on the Judiciary.

By Mr. ROGERS: Memorial of the General Court of the Commonwealth of the State of Massachusetts, favoring the ratification of regulations establishing a closed season on water fowl; to the Committee on Agriculture.

Also, memorial of the General Court of the Commonwealth of Massachusetts, favoring the creation of a league of nations to safeguard permanent peace at the termination of the present war; to the Committee on Foreign Affairs.

By Mr. TINKHAM: Memorial of the General Court of the Commonwealth of Massachusetts, favoring the ratification of regulations establishing a closed season on water fowl; to the Committee on Agriculture.

Also, memorial of the General Court of the Commonwealth of Massachusetts, favoring the creation of a league of nations to safeguard permanent peace upon the termination of the present war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10109) granting an increase of pension to Oscar Dunham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10110) granting an increase of pension to Zachariah Allbaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10111) granting an increase of pension to Samuel Gilbert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10112) granting an increase of pension to Milton Mahaffey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10113) granting an increase of pension to Charles Mountain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10114) granting a pension to Alfred Andrews; to the Committee on Invalid Pensions.

By Mr. DEWALT: A bill (H. R. 10115) granting an increase of pension to William H. Shunk; to the Committee on Pensions.

Also, a bill (H. R. 10116) granting an increase of pension to Frank W. Henninger; to the Committee on Invalid Penisons.

By Mr. DILL: A bill (H. R. 10117) granting a pension to Edwin E. Robertson; to the Committee on Pensions.

By Mr. FIELDS: A bill (H. R. 10118) granting an increase of pension to Ella G. Hamrick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10119) granting an increase of pension to Joseph H. Hamrick; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 10120) granting an increase of pension to Joseph Loughry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10121) granting an increase of pension to James A. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10122) granting an increase of pension to Dennis G. Morgan; to the Committee on Invalid Pensions.

By Mr. GARD: A bill (H. R. 10123) granting an increase of pension to William H. McCurdy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10124) granting a pension to Jesse A. R. Forbes; to the Committee on Pensions.

Also, a bill (H. R. 10125) for the relief of Jacob Shoup; to the Committee on Military Affairs.

By Mr. GILLETT: A bill (H. R. 10126) granting a pension to Esmeralda C. Adams; to the Committee on Invalid Pensions.

By Mr. HAMILTON of New York: A bill (H. R. 10127) granting a pension to Pheba A. Vaughn; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 10128) granting an increase of pension to Lucian B. Walker; to the Committee on Invalid Pensions.

By Mr. KETTNER: A bill (H. R. 10129) to transfer Frederick W. Cobb from the list of chief machinists, United States Navy, to the list of chief pay clerks, United States Navy; to the Committee on Naval Affairs.

By Mr. KEY of Ohio: A bill (H. R. 10130) granting an increase of pension to Henry M. Inman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10131) granting an increase of pension to Benjamin Ott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10132) granting a pension to Fanny Simpson; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 10133) granting a pension to Mary Diven; to the Committee on Pensions.

By Mr. LUNDEEN: A bill (H. R. 10134) granting a pension to Patrick H. May; to the Committee on Pensions.

Also, a bill (H. R. 10135) granting a pension to William J. Linn; to the Committee on Pensions.

Also, a bill (H. R. 10136) granting a pension to Harry Vining; to the Committee on Pensions.

Also, a bill (H. R. 10137) granting a pension to Catherine Mahady; to the Committee on Pensions.

Also, a bill (H. R. 10138) granting a pension to Maggie Coss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10139) granting an increase of pension to Robert A. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10140) granting an increase of pension to Mathias Logelin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10141) granting an increase of pension to Conrad H. Rowe; to the Committee on Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 10142) granting a pension to Elizabeth M. Steele; to the Committee on Pensions.

Also, a bill (H. R. 10143) granting a pension to Andrew R. Lewis; to the Committee on Pensions.

By Mr. MONDELL: A bill (H. R. 10144) granting a pension to Stanley S. Courtright; to the Committee on Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 10145) granting an increase of pension to William S. Webb; to the Committee on Invalid Pensions.

By Mr. PARK: A bill (H. R. 10146) granting a pension to Eugene A. Hendricks; to the Committee on Pensions.

By Mr. POWERS: A bill (H. R. 10147) granting a pension to Alexander P. Steele; to the Committee on Invalid Pensions.

By Mr. RANDALL: A bill (H. R. 10148) granting a pension to Josephine Parker; to the Committee on Invalid Pensions.

By Mr. ROBBINS: A bill (H. R. 10149) granting an increase of pension to James H. Stone; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 10150) granting an increase of pension to Frank B. Weed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10151) granting an increase of pension to Ephraim Brower; to the Committee on Invalid Pensions.

By Mr. SANDERS of Louisiana: A bill (H. R. 10152) to carry into effect the findings of the Court of Claims in favor of Elizabeth White, administratrix of estate of Samuel N. White, deceased; to the Committee on War Claims.

By Mr. SEARS: A bill (H. R. 10153) granting a pension to George Gwynne; to the Committee on Pensions.

Also, a bill (H. R. 10154) granting a pension to Narcissa A. Grant; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 10155) granting a pension to Pleasant D. Cooper; to the Committee on Pensions.

By Mr. CHARLES B. SMITH: A bill (H. R. 10156) granting a pension to John Moc t, jr.; to the Committee on Pensions.

By Mr. SNOOK: A bill (H. R. 10157) granting an increase of pension to Frank B. Gorman; to the Committee on Pensions.

By Mr. STEPHENS of Mississippi: A bill (H. R. 10158) to allow credits in the accounts of certain disbursing officers of the Army; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions of the Child Culture Club, Ogden, Utah; the Mishawaka Woman's Club, Mishawaka, Ind.; and the Woman's Improvement Club, Corona, Cal., urging the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. CARY: Resolutions of the Newton Federation of Women's Clubs, Newtonville, Mass.; the Mishawaka (Ind.) Woman's Club; and the Child Culture Club, Ogden, Utah, asking for the repeal of the periodical postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also, resolution of the German-American Central Verein, of Spokane, Wash., protesting against the passage of a law to rescind the charter of the German-American Alliance of the United States of America; to the Committee on the Judiciary.

By Mr. CLARK of Pennsylvania: Petition of Anna Foley, Margaret Walthauser, Minnie Kutz, A. G. Hansen, and 18 others, officers and members of Lounsburry Hive, No. 14, Maccabees, favoring passage of House bill 7995, for the preservation of the *Niagara*, Commodore Perry's flagship in the Battle of Lake Erie; to the Committee on Military Affairs.

By Mr. DALE of New York: Petition of Newton Federation of Women's Clubs, of Newtonville, and Progressive, Literary, and Fraternal Club of Bellingham, Wash., against increase on second-class mail rates; to the Committee on Ways and Means.

Also, petition of Hon. P. Hall Packer, of Sea Bright, N. J., favoring legislation for the protection of the beach at Sea Bright, N. J.; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Woman's Improvement Club, of Corona, Cal., and Child Culture Club of Ogden, Utah, against increase in second-class postage; to the Committee on Ways and Means.

By Mr. FOSTER: Petitions of Woman's Christian Temperance Union and Woman's Club of Kinmundy, and citizens of Kell, Ill., urging repeal of the second-class postage rate; to the Committee on Ways and Means.

By Mr. FULLER of Illinois: Petitions of the Newton Federation of Women's Clubs, of Newtonville, Mass.; the Child Culture Club of Ogden, Utah; and the Woman's Improvement Club of Corona, Cal., for the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also, memorial of the Farmers Cooperative Grain Dealers' Association of Iowa, relative to the pending railroad bill; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON of New York: Evidence to accompany H. R. 10042, granting an increase of pension to James Stapleton; to the Committee on Pensions.

By Mr. KIESS of Pennsylvania: Testimony in support of H. R. 9801, for the relief of Susie A. Van Kirk; to the Committee on Naval Affairs.

Also, evidence in support of House bill 9542, granting a pension to Uriah Adams; to the Committee on Invalid Pensions.

By Mr. SNELL: Petition of citizens of Madrid, N. Y., urging favorable action on national emergency war prohibition; to the Committee on the Judiciary.

Also, petition of pharmacists of Dannemora, N. Y., and vicinity, urging support of the Edmonds bill (H. R. 5531) to increase the efficiency of the Medical Department of the United States Army, to provide a pharmaceutical corps in that department, and to improve the status and efficiency of the pharmacists in the Army; to the Committee on Military Affairs.

By Mr. TILSON: Petition of Connecticut Council of Defense, favoring passage of Senate bill 1786, relating to the Medical Corps in the Army; to the Committee on Military Affairs.

By Mr. VARE: Memorial of the Commercial Exchange of Philadelphia, Pa., in support of the resolutions of the Atlantic Deeper Waterways Association; to the Committee on Rivers and Harbors.

SENATE.

FRIDAY, *February 22, 1918.*

(Legislative day of Thursday, February 21, 1918.)

The Senate met at 11 o'clock a. m.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Jones, N. Mex.	Nugent	Smoot
Culberson	Jones, Wash.	Overman	Sterling
Curtis	Kellogg	Owen	Stone
Dillingham	Kendrick	Page	Sutherland
Fernald	Kenyon	Poindexter	Swanson
Fletcher	King	Ransdell	Thomas
Frelinghuysen	Kirby	Reed	Tillman
Gallinger	Knox	Robinson	Townsend
Gerry	Lewis	Shafroth	Trammell
Hale	McKellar	Sheppard	Vardaman
Hardwick	McNary	Sherman	Warren
Henderson	Martin	Smith, Ga.	Williams
Hollis	New	Smith, Md.	
Johnson, S. Dak.	Norris	Smith, S. C.	

Mr. McNARY. I wish to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of illness.

Mr. LEWIS. Permit me to announce the absence of the Senator from Kentucky [Mr. JAMES] and the Senator from Oregon [Mr. CHAMBERLAIN], occasioned by personal illness. I ask to have the announcement stand for the day.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is absent owing to illness. I ask that this announcement may stand for the day.

Mr. McKELLAR. I desire to announce the absence of the senior Senator from Tennessee [Mr. SHIELDS] on public business.

The VICE PRESIDENT. Fifty-four Senators have answered to the roll call. There is a quorum present.

Among the rules of the Senate is the following rule:

No request by a Senator for unanimous consent for the taking of a final vote on a specified date upon the passage of a bill or joint resolution shall be submitted to the Senate for agreement thereto until, upon a roll call ordered for the purpose by the presiding officer, it shall be disclosed that a quorum of the Senate is present; and when a unanimous consent is thus given, the same shall operate as the order of the Senate, but any unanimous consent may be revoked by another unanimous consent granted in the manner prescribed above upon one day's notice.

In accordance with that rule, the Senate entered into this unanimous-consent agreement:

It is agreed, by unanimous consent, that at not later than 2 o'clock p. m., on the legislative day of Thursday, February 21, 1918, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill S. 3752, a bill to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, through the regular parliamentary stages to its final disposition; and that from and after the hour of 2 o'clock p. m. up to the hour of 6 o'clock p. m. of the calendar day of Thursday, February 21, 1918, no Senator shall speak more than once or longer than 10 minutes upon the bill or any amendment offered thereto; and that after the last-named hour on the said calendar day of Thursday, February 21, 1918, no Senator shall speak more than once or longer than 5 minutes upon the bill or any amendment offered thereto.

It will be observed that by this unanimous-consent agreement the bill (S. 3752) must proceed to its final disposition through the regular parliamentary stages during the legislative day of February 21, 1918. The Senate held until 6 o'clock of the calendar day of February 21, 1918, at which time the right to 10-minute speeches upon the bill or any amendment thereto expired. It then recessed until to-day, the calendar day of February 22, at the hour of 11 o'clock a. m. This still being the legislative day of February 21, 1918, there is nothing in the unanimous-consent agreement that requires a vote to be taken at any definite hour upon the legislative day of February 21, 1918.

There is another order of the Senate made in the year 1901 to the effect that, unless otherwise ordered, on the 22d day of February in each year, or if that day shall be on Sunday, then on the day following, immediately after the reading of the Journal, Washington's Farewell Address shall be read to the Senate by a Senator to be designated for the purpose by the presiding officer.

The Chair is confronted by two orders of the Senate. If they could not be construed together so as to keep each of them in force the Chair would be compelled to hold that the unanimous-consent agreement touching the pending bill took precedence. But the Chair does not believe that there is any conflict between the two agreements in view of the fact that no Senator can lose any right. The debate will not thereby be cut off if the Chair shall hold that the order with reference to the reading of Washington's Farewell Address is in order. The Chair believes it is in order, and unless there be an appeal taken from

the Chair the Senator from Rhode Island [Mr. GERRY] will now be directed to read the Farewell Address of George Washington, and at the conclusion of it the Senate will proceed to the consideration of the unfinished business under the unanimous-consent agreement, and will continue the consideration thereof unless the Senate chooses to recess until to-morrow.

Mr. STONE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. STONE. At the conclusion of the reading of the Farewell Address of George Washington the unfinished business will either upon the request of the Senator in charge or automatically come before the Senate. Now, at that point I inquire whether it would not be in order for the Senator from South Carolina [Mr. SMITH], or any other Senator for that matter, but I say especially the Senator from South Carolina, as he is in charge of this legislation, to move a recess of the Senate until such hour as he may name to-morrow?

The VICE PRESIDENT. That is just what the Chair ruled.

Mr. STONE. I was not quite clear as to the Chair's ruling.

The VICE PRESIDENT. That is what the Chair ruled. Is there any objection to the ruling of the Chair? The Chair hears none. The Senator from Rhode Island will read the Farewell Address of George Washington.

READING OF WASHINGTON'S FAREWELL ADDRESS.

Mr. GERRY read the address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow

and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discrimination,—*northern* and *southern*,—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions: that experience is the surest standard by which to test the real tendency of the existing constitution of a country: that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular reference to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism—but this leads at length to a more formal and permanent despotism. The disorders and miseries which result gradually incline the minds of men to seek security and repose in the absolute power of an individual; and sooner or later the chief of some prevailing

faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind (which nevertheless ought not to be entirely out of sight), the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the Government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the Government and serve to keep alive the spirit of liberty. This within certain limits is probably true, and in governments of a monarchial cast patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundations of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak, toward a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influ-

ence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us in regard to foreign nations is in extending our commercial relations to have with them as little political connection as possible. So far as we have already formed engagements let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people under an efficient government the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

The VICE PRESIDENT. The unfinished business is now before the Senate, and, in accordance with the unanimous-consent agreement, five-minute speeches only are allowed upon the bill and any amendment thereto.

Mr. STONE. Mr. President, I rise to urge the Senator from South Carolina [Mr. SMITH], who is in charge of the pending legislation, with which I would not interfere except by his consent, out of compliment to the memory of George Washington—whose last address, containing his final advice and admonition to the American people, has just been read, and who still remains and, in my opinion, should always be esteemed as the first citizen of the Republic, past or present—to move a recess of the Senate until to-morrow.

Mr. SMITH of South Carolina. Mr. President, I am fully aware of the debt of obligation we owe to George Washington; but I am quite sure that if he were alive to-day, with the emergency that is on, with the patriotism that always characterized him, he would tell us to go on and meet this emergency now. I do not think the Senate can pay a higher tribute to George Washington than, holding his memory in our hearts as we do, to emulate his example by doing our duty first. Therefore I think we had better go on with the bill.

SHORTAGE OF SUGAR AND COAL.

Mr. LODGE. Mr. President, as a member of the committee, I give notice that if I can secure recognition on Wednesday, February 27, immediately after the close of the routine morning business, I shall ask the permission of the Senate to ad-

dress them briefly on the testimony gathered by the committee appointed to investigate the shortage of sugar and coal.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. STERLING. Mr. President, the pending amendment is, I think, the amendment offered by myself last evening. That amendment is susceptible of division, and I think should be divided and the two parts submitted separately.

I therefore ask that the amendment as it pertains to paragraph 1 of section 10 be submitted to the Senate for a vote first; and, if that is permissible, I will ask that the Secretary read that amendment.

Mr. SMITH of South Carolina. Mr. President, I think the purpose which the Senator has in view by his amendment is amply taken care of in the present form of the bill. It is merely explanatory of what, in my opinion, is already in the bill. I do not know that it adds to or subtracts from it, but I do not think it is at all necessary. I think the object for which the Senator offers his amendment is already covered in the provisions of the bill.

The VICE PRESIDENT. The question would be divisible if it were not for the fact that this is a motion to strike out and insert.

Mr. STERLING. There are two propositions involved.

The VICE PRESIDENT. One is to strike out and the other is to insert. They are the two propositions. So you can divide to the extent of a motion to strike out and divide to the extent of a motion to insert. You can not otherwise divide it.

Mr. CUMMINS. There was so much confusion in the Chamber that I could not fully understand the proposal of the Senator from South Dakota in regard to the division of the amendment.

Mr. STERLING. The proposition was to divide the amendment and offer it separately. There are two paragraphs to section 10, and the amendment pertains to each of those paragraphs and the subject matter of each paragraph. My amendment inserted certain language in the first paragraph and substituted a new paragraph for the second paragraph of section 10, but the amendment was in the form of a motion to strike out and then insert a new section 10. The question is as to whether or not it is now divisible and if I can ask that the question be divided and that the language as proposed be inserted in the first paragraph.

Mr. CUMMINS. I do not believe that the proposed amendment to the first paragraph has any effect whatever, although I would have no objection to it in order that it may be made entirely clear. It is clear to me as it is now. I desire to address the Senate very briefly on the second paragraph of the proposed amendment, if it is before the Senate.

The VICE PRESIDENT. The rule clearly settles the question. Rule 18 provides that if a question in debate contains several propositions any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided. The motion of the Senator from South Dakota is a motion to strike out and insert, and it is not divisible. The amendment is debatable, and it is amendable, of course.

Mr. STERLING. Then, to meet the emergency, if I may, I ask unanimous consent to withdraw the pending amendment, in order that I may offer an amendment to paragraph 1 of section 10.

The VICE PRESIDENT. It is withdrawn, without objection.

Mr. SMITH of South Carolina. There was so much confusion I could not exactly understand the motion of the Senator from South Dakota.

The VICE PRESIDENT. He has withdrawn his amendment for the present.

Mr. SMITH of South Carolina. All right.

Mr. STERLING. I now move to amend paragraph 1 of section 10 as follows:

After the word "law," in line 8, on page 11, insert the words "including the laws enacted or liabilities imposed under State authority for the regulation of common carriers of traffic wholly within the State."

Mr. SMITH of South Carolina. As I said before, that, in my opinion, is simply explanatory of what is already in the bill. I have no objection to the language the Senator proposes, only I think it is superfluous. I do not think it changes the meaning of the present bill.

Mr. STERLING. Then, if the Senator will accept the amendment, I am satisfied that it will clear up what, I am sure, is at least an ambiguity in the bill. The question will be raised, and it will be one of great doubt, I think, as to whether or not State statutes regulating the common carriers of traffic within the States are to be included here in the word "statutes." I hope this amendment will prevail. If it was the intention of the committee that State statutes should still be in force, there can be no harm done and it will clear up the ambiguity.

Mr. CUMMINS. I desire to ask the Senator from South Dakota whether there is not danger that the amendment as he has worded it now will not introduce more ambiguity than is in the present bill. I am entirely in sympathy with his suggestion, and I assume that the bill meant, when it used the word "statutes," both Federal and State statutes. If we include, however, the State statutes relating to the regulation of rates without at the same time specifying the Federal statutes relating to rates, there might an interference arise that the Federal statutes relating to rates were not included. I suggest that instead of the language used the Senator insert the words "arising under Federal and State statutes."

Mr. STERLING. Very well; that will be quite satisfactory. I suggest that as a substitute for my amendment.

Mr. SMITH of South Carolina. To that amendment I have no objection.

The VICE PRESIDENT. It will be stated.

The SECRETARY. On page 11, line 8, after the words "the common law," insert the words "arising under Federal and State statutes."

The VICE PRESIDENT. The question is on the amendment.

Mr. KNOX. I should like to inquire what meaning the words "arising under statutes or at common law" have. If we are going to expressly legislate that they shall be under State and under Federal statutes, why do we have any words as to other statutes? Certainly they are not subject to foreign statutes. It seems to me that the bill is perfectly clear.

Mr. CUMMINS. My suggestion was in line 8, after the word "under" to insert the words "Federal or State statutes."

The VICE PRESIDENT. It will be stated.

The SECRETARY. On page 11, line 8, before the word "statutes" and after the word "under," insert "Federal or State," so that it will read:

Whether arising under Federal or State statutes or at common law.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STERLING. I offer the amendment which I send to the desk, to strike out all of section 10 beginning with line 13, and insert——

The VICE PRESIDENT. It will be read.

The SECRETARY. Strike out, on page 11, beginning with line 13, all of the bill down to and including line 2, on page 12, or the remainder of section 10, and in lieu insert:

That the Interstate Commerce Commission, in addition to the powers conferred by the act entitled "An act to regulate commerce," approved February 4, 1887, and acts amendatory thereof, is authorized to investigate, hear, and determine on application of the President and in the manner provided in said act, whether the rate or rates charged by any carrier or carriers under Federal control are, under the conditions, unjust or unreasonable or prejudicial to the public interest or to the purpose for which said control has been authorized and assumed, and on such hearing and determination to prescribe and order what rate or rates, charge or charges are, under the conditions, just and reasonable and which shall be observed as the maximum to be charged during such control.

Mr. SMITH of South Carolina. Mr. President, this is one of the very points the committee had before it, and after a very thorough debate and a pretty even division in the committee touching this rate making in the emergency, an agreement was reached which is embodied in the present bill and which will appeal to all those who have given study to the bill as being approximately the solution of the conditions that now confront us. The object and aim of this legislation is readily and easily without restriction to mobilize forces, and there must of necessity be given power to the Director General to keep commercial conditions as near as may be in their present status.

This is almost exactly an expression of the one side of that debate, while the opposite was to grant unlimited power over the rates. The committee decided that in an emergency where justice must be meted out the Director General should have the power to initiate rates, but if the rates that he names are burdensome the complainant could go before the Interstate Commerce Commission and have it adjudicated.

I hope the Senate will not accept this amendment.

Mr. ROBINSON. Mr. President, pending a brief discussion of the amendment by the Senator from South Dakota, I ask unanimous consent to modify the provision in the bill so as to make clear the meaning of it by the insertion, after the word

"That," in line 13, of the words "during the period of Federal control," so that it will read:

That during the period of Federal control, whenever in his opinion—

And so forth.

That was the intention of the committee. It was not intended to give the President the power to initiate rates except during the period of Federal control.

As stated by the Senator from South Carolina, the amendment of the Senator from South Dakota relates to one of the very difficult controversies that arose in the committee concerning the provisions of the bill. It is easily conceivable that it may become necessary under the new order of things, under the rerouting and diversion of freight, to establish new rates, and to do that promptly the power to initiate rates under the bill is given to the President, with the right of review vested in the commission. That, as stated by the Senator from South Carolina, represents the best compromise after many days of deliberation that the committee could reach. It is not desirable to compel the President to apply to the commission for an order to change the rates, because the procedure of the commission is such that it would nullify the very purpose which the committee had in view in giving the President the power in certain instances to initiate rates. The proceedings before the commission are in the nature of judicial proceedings, and hearings are had, which would occasion great delay, and it would accomplish no good end to give the President the power to go before the commission to have rates instituted. The better plan, the committee found, was to give the President the power to initiate rates. That power undoubtedly would not be exercised save in exceptional cases and where the public interest seemed to the President to require it.

In any case, the commission is given the power to review the rate so initiated as to reasonableness and justice, and I respectfully suggest that is best, unless you want to adopt the idea which will, I understand, be presented by the Senator from Iowa, to give the commission exactly the same power that it now has over the rates. Unless you want to do that, I think it would be best to defeat the amendment of the Senator from South Dakota.

Mr. CUMMINS. Mr. President, it is true that the majority of the committee accepted the provision now found in the bill. There are some members of the committee who were not prepared to accept it. I believe that the President ought to have the power to initiate rates precisely as carriers now initiate them. All the rates of the country are initiated by carriers, and during the period of Federal control the President, being in possession and operation of the property, ought to have the power that the carriers now have in that regard. I am speaking, of course, of the rate upon general commerce and not for the movement of Government property or troops.

My objection to the bill as it now is may be thus stated: At this time the carriers can initiate rates, but the commission have the power to suspend the rates until an investigation takes place respecting their reasonableness and justice. Now, carriers can not increase rates without the consent or approval of the commission, and my objection to the bill as it is lies in the effect of this amendment, which repeals the interstate-commerce law as far as the power of the commission to suspend proposed rates is concerned. It repeals the law which declares that rates shall not take effect if they are increased rates until approved by the commission. The bill as it is now furnishes no practical relief, because if the President can file a schedule of rates and put it into immedate effect and the commerce of the country must go forward for a period of 5, 6, 8, 10 months or more under the rates that are prescribed by the President, the review or appeal to the commission is of little practical value.

I have proposed an amendment which I shall offer presently and which retains on the part of the Interstate Commerce Commission just the authority it has now with regard to rates upon general commerce and puts the President exactly in the position of the carrier, with power to initiate rates, of course, and after initiating them then it is for the commission to say whether they shall become effective or not.

The difficulty with the amendment proposed by the Senator from South Dakota, in my judgment, is that it is qualified by the former part of the section, which gives the President the right to supersede by an order these laws and statutes and this jurisdiction of the Interstate Commerce Commission. Unless I am otherwise convinced, I am compelled to look upon the amendment as imperfect in that respect and not really as well calculated to do what the Senator from South Dakota has in his mind as is the bill in its present form.

Mr. STERLING. Mr. President, in regard to the last statement made by the Senator from Iowa, I would like to say that I do not think his view is well taken. I remember having heard him mention the same matter before. The first part of section 10 is general; it refers to the orders which may be made by the President, and in effect provides that the orders made by the President shall supersede any conflicting Federal or State statute in regard to the matter of Federal control, but the second paragraph of section 10 relates to a special case, to the case of the initiation or fixing of rates. I think, under a familiar rule of consideration, that the special provisions would govern, and the President would not under my amendment initiate a rate in the first instance and without action by the commission.

Mr. ROBINSON. Mr. President, I rise to a point of order. I feel it my duty to make the suggestion to the Senator—I will not make the point of order now—but, with the leave of the Senator from South Dakota, I call his attention to the unanimous-consent agreement and to the fact that it only permits one speech from a Senator on the same amendment, and that the Senator has once spoken.

The VICE PRESIDENT. The Senator from South Dakota is speaking to the amendment of the Senator from Arkansas.

Mr. ROBINSON. On my amendment?

The VICE PRESIDENT. Yes; on the Senator's amendment.

Mr. ROBINSON. I thought that amendment had been agreed to by the Senator from South Carolina [Mr. SMITH].

The VICE PRESIDENT. The Senator from South Carolina could not agree to the amendment.

Mr. ROBINSON. Very well; I will withdraw the suggestion; but, Mr. President, the amendment that I proposed was accepted by the Senate.

The VICE PRESIDENT. It was not; it has not been voted on at all. The Senator from South Carolina can not accept an amendment.

Mr. ROBINSON. Well, I asked unanimous consent for its consideration; otherwise it would not have been in order.

The VICE PRESIDENT. It was in order. The motion was to strike out and insert, and the Senator from Arkansas knows as well as does the Chair that the part to be stricken out is first to be amended.

Mr. ROBINSON. Well, the Senator from Arkansas is unable and unwilling to express any opinion as to what the Chair knows, but the Senator from Arkansas asked unanimous consent, out of order, to present a verbal amendment. Of course, if the Chair makes an objection—the Senator from South Dakota made no objection——

The VICE PRESIDENT. The Senator from South Dakota has not anything to do with it. The amendment is before the Senate.

Mr. SMITH of South Carolina. Mr. President, if I may be allowed——

The VICE PRESIDENT. The amendment is pending before the Senate, unless it is withdrawn by the Senator from Arkansas.

Mr. TOWNSEND. Regular order, Mr. President.

Mr. SMITH of South Carolina. Then, I present the amendment of the Senator from Arkansas to the effect——

The VICE PRESIDENT. The amendment is before the Senate, unless the Senator from Arkansas withdraws it, and it is subject to five minutes' debate.

Mr. STERLING. Mr. President, as I understand, my amendment is the amendment now before the Senate.

The VICE PRESIDENT. No.

Mr. STERLING. I should like to be informed——

The VICE PRESIDENT. The Senator from South Dakota exhausted his time on his amendment; the Senator from Arkansas was right about that.

Mr. ROBINSON. I thank the Chair.

The VICE PRESIDENT. There is no doubt about the Senator from South Dakota having exhausted his time on his amendment; but the pending amendment is the amendment of the Senator from Arkansas, unless he withdraws it, which is to perfect the portion proposed to be stricken out.

Mr. ROBINSON. I ask leave to withdraw the amendment.

The VICE PRESIDENT. The amendment is withdrawn, and the Senator from South Dakota has, therefore, exhausted his time.

Mr. SMITH of Georgia. Mr. President, the Senator from South Dakota [Mr. STERLING] has mentioned a few words in the first part of section 10 of the bill which I think will attract the attention of all of us if we will consider them. The first part of the section reads:

SEC. 10. That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, or any other act applicable to such Federal control, or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under Federal or State statutes.

Mr. President, should an order of the President set aside a statute? Surely, no one wishes the words "or with any order

of the President" as a limitation upon the continued effectiveness of acts of Congress and acts of legislatures. We propose in this bill to modify the general law as far as we deem it proper to modify it; we are repealing the pooling statute; we are furnishing the machinery and the law under which we think this handling of the railroads should be managed; we are providing that the existing law, except as changed, shall remain in force, and that the rights of the people, the rights of the citizens, the rights of all shall be maintained, except as changed by ourselves, the lawmaking branch of this Government. Shall we put into the bill such a paragraph, an additional provision, that the change may be made by the order of an Executive? If I could combine in an Executive the wisdom of every man who has ever sat in that office, I would not disregard the constitutional responsibility of Congress by giving him the privilege of setting aside acts of Congress.

Surely, we will strike out that provision as soon as an opportunity can be made to move to strike it out. I believe there is a motion pending to amend by the Senator from South Dakota, but as soon as that has been disposed of I desire to move to strike from line 6 the words "or with any order of the President."

The VICE PRESIDENT. The question is on the amendment of the Senator from South Dakota [Mr. STERLING].

The amendment was rejected.

Mr. ROBINSON. Mr. President, I offer the following amendment: On page 11, line 13, after the word "That," to insert the words "during the period of Federal control," so that it will read:

That during the period of Federal control whenever, in his opinion, the public interest requires—

And so forth.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Arkansas.

Mr. POINDEXTER. Mr. President, I offer the amendment which I send to the desk as a substitute for the amendment of the Senator from South Dakota.

Mr. ROBINSON. I make the point of order that the amendment of the Senator from South Dakota has been disposed of.

The VICE PRESIDENT. The amendment of the Senator from South Dakota has been defeated.

Mr. POINDEXTER. I was not in the Chamber, and I understood that that amendment was still pending.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Arkansas [Mr. ROBINSON].

The amendment was agreed to.

Mr. SMITH of Georgia. In line 6, page 11, after the word "control," I move to strike out the words "or with any order of the President."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Georgia.

Mr. ROBINSON. I express the hope that this amendment will not be agreed to. The adoption of the amendment would be far-reaching; indeed, the effect of its adoption would be to retain in force all existing laws, and it would, in part, nullify Federal control. Under this amendment the order affecting demurrage would be invalid; under this amendment any order depriving the shipper of the right to route his freight would be invalid. I think to strike out this language would absolutely destroy the purpose of this bill. The purpose of providing Federal control is to make the executive authority in the operation of the roads paramount in certain instances, and if we provide that existing laws, both State and Federal, shall remain in force, I ask you what on earth could the President do that the railroads themselves could not do? The antipooling provision of the law would be kept in force; it would be impossible for the railroads under the statute to pool their earnings, and it would be impossible for the Director General to reroute freight or to do many other things which it is absolutely necessary for him to do if Federal control is to amount to anything.

Mr. SMITH of Georgia. Mr. President, I wish to ask the Senator does not this bill give that privilege specifically?

Mr. ROBINSON. What privilege?

Mr. SMITH of Georgia. The privilege of rerouting freight and waiving the antipooling law?

Mr. ROBINSON. To what language in the bill does the Senator refer?

Mr. SMITH of Georgia. I asked the Senator the question because he is more familiar with the bill as a whole than I am, having participated actively in its preparation.

Mr. ROBINSON. It does not. I will state to the Senator from Georgia that there is no such language in the bill.

Mr. KNOX. It seems to me, Mr. President, that one of the things that has reconciled the public sentiment of the country to the assumption by the Government of the operation of the railroads has been the fact—and it has been set before the public by newspapers and by speakers upon this subject in both branches of Congress—that the President will be enabled, in the interest of efficiency, to do a great many things that the law prohibited the carriers themselves from doing. It seems to me that if this amendment prevails and the orders of the President as against existing practices, and to some extent as against existing law, are allowed to have no effect because of the striking out of the words "or with any order of the President," we might just as well not have taken over the railroads, but have left them in the management of those who have been trying to manage them during all the past years, and who were limited in their efficiency by statutes, rules, and orders which the President may temporarily suspend in order that the railroads may be operated to the best advantage.

Mr. REED. Mr. President, it has been impossible for me to give this bill the careful consideration that it deserved, because my time has been taken elsewhere; but it seems to me, from the somewhat hasty examination I have been able to make, that the objections expressed by the last two Senators who have spoken are not well-founded.

The clause in section 10 which we are considering simply provides:

That carriers while under Federal control shall, in so far as is not inconsistent therewith—

That is, inconsistent with Federal control, which means all that the term implies, of course—

or with the provisions of this act or any other act applicable to such Federal control—

Then follow the words—

or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under statutes or at common law; and suits may be brought—

And so forth.

I may be in error, but, in my opinion, formed as it is somewhat hastily, all the provisions of this act which cover completely the question of general control, with all that control implies—the right to make rates, the right to make regulations, and so forth—will exist. All of the provisions of this act then will also apply, and all that it is proposed now to strike out is the provision that the orders of the President may set aside the substantive law of the country, and the law which is referred to is the law affecting liabilities as to common carriers, whether arising under statute or at common law. I think that it is to the words that I have just read that the broad provision which it has been moved to strike out applies.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. REED. I yield, of course, although I have not much time.

Mr. ROBINSON. The language "all laws and liabilities as common carriers, whether arising under statutes or at common law" embraces the whole volume of both Federal and State laws affecting carriers. That is the very point. Government control would not accomplish anything if those laws are to remain in full force and effect.

Mr. REED. It would not limit the right to run these roads—to manage these roads—but the liability would exist. If we take the other construction, then the proposition is to give the President the right to nullify any law of Congress. We do not mean to do that, and I do not think the President asks for that. It is not intended to say, by the insertion of these words "or with any order of the President," that we intend to confer upon the President the broad right to set aside any law that Congress may have enacted.

Mr. KNOX. Mr. President, may I ask the Senator a brief question?

Mr. REED. Yes; if I can have time to answer it.

Mr. KNOX. Suppose that the President should issue an order for the movement of a large body of troops in a way and under circumstances that would violate some law or some rule that now applies to interstate commerce?

Mr. REED. That is covered by the laws that are upon the statute books and is covered by this bill. I can not conceive of these particular words having any application to the general management of these properties. This provision relates to the rights of carriers—the rights of the people under the substantive laws of the country. If it is proposed broadly to give the President the right to set aside any law at any time he sees fit, then we are engaged in idle pastime here in passing a law and writing rules and regulations into it, because all that we would need to do would be to say that the President is hereby authorized to take over the railroads and to manage them for the benefit of the country. I have no doubt he would do it

to the very best of his ability, and perhaps he would do it better than it will be done with any interference, but surely we do not mean to write the law in that form.

Mr. THOMAS. Mr. President, I think the query of the Senator from Pennsylvania is answered by the act of August 29, 1916, under which the President assumed control of these systems. That act recites:

The President in time of war is empowered through the Secretary of War to take possession and assume control of any system or systems of transportation or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other traffic thereon for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

Of course this bill, if it becomes enacted into law, is supplementary to and not a repeal of the act of August 29, 1916.

Mr. CUMMINS. Mr. President, the power given to the President is tremendous; but I simply want to remind the Senator from Georgia of the fact that if these words are stricken out the whole section will have to be rewritten. We have no law, either statute or common law, applicable to the Government operation of a railway system. None of the laws we have now relating to the regulation of these systems would be applicable at all.

Section 10 brought forward and made applicable the existing law which pertains to carriers operating property of this sort: and the committee sought to supersede or put over these laws the order of the President if it should become necessary. Now, I should like to see that authority limited; but it is perfectly apparent that if we should strike out the words "by order of the President" and allow the remaining part of the section to stand we would have a perfectly unworkable statute.

Mr. SMITH of South Carolina. Mr. President, I am perfectly aware that the position taken by the Senator from Iowa is the correct one unless we then go to work and define in the bill just what powers shall be granted the President, just to what extent we do modify the law; and, as he intimates, it will be necessary to rewrite in this bill what modification of the laws we propose shall be put at his disposal. As a matter of course it is a tremendous grant of power, and that was one reason why the committee insisted that it should be limited to the war period; that these powers, so necessary for the proper prosecution of the war, we must of necessity grant and leave the responsibility for their wise execution upon those to whom we grant them. It is our duty in the premises to grant them. When we have done that we have discharged our obligation, and the obligation for the wise use of them rests upon those who, in the very nature of the case, are those responsible for their execution.

The statement of the Senator from Arkansas and the statement of the Senator from Iowa make it clear to me that unless we leave these words in the bill we might as well have no Federal control, so far as the objects and purposes for which the bill is written are concerned.

Mr. SMITH of Georgia. Why, Mr. President, the President is now operating the roads under the act of 1916. Everything is being done now that ought to be done under the act of 1916. Now, let us go a step further.

Section 8 provides:

That the President may execute any of the powers herein and heretofore granted him with relation to Federal control through such agencies as he may determine.

That absolutely preserves all the power needed by the President for their operation.

Again, section 9 declares:

That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President to take possession and assume control of any or all systems of transportation; and the President, in addition to the powers conferred by this act, shall have, and is hereby given, such other and further powers necessary or appropriate to give effect to the powers herein and heretofore conferred.

But the Senator from Arkansas says that he must pool the roads and that it is necessary by order to set aside the Sherman Antitrust Act. Why, when we authorize their operation by a single agency as one road they are already pooled. When we put them all together ourselves and authorize the President to operate them, or rather to have them operated, the pooling is complete. It requires no further legislation to accomplish it.

Mr. CUMMINS. Mr. President——

Mr. SMITH of Georgia. I can not yield to the Senator. I have just a moment.

Now, let me go just one step further and see what the particular provision is to which I object.

When we come to section 10 it is declared:

That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, or any other act applicable to such Federal control, be subject to all laws and liabilities as common carriers, whether arising under Federal or State statutes.

We have already suspended many of the State and Federal statutes by conferring power on the President to have the railroads operated as one system. We have waived all the Sherman Antitrust Acts by consolidating the property under a single management. We have the right to create priorities of shipments and to determine the routes without regard to direction of shippers. We have furnished the power. It is now being exercised. We redeclare the power formerly given as being vested in the President and those acting for him, and such incidental power, this bill says, as is necessary.

This particular section, section 10, has reference to certain rights of shippers and private citizens, and it declares that they shall remain, except as superseded by this and other acts of Congress. Shall we say they shall also be superseded by an order of the President? It is not necessary that we should do so to enable him to discharge the duties required by this bill; and I do not believe in declaring that any Executive can set aside legislative acts intended to guard the rights of the ordinary citizen.

I object to this provision in part because it may be used by employees away from Washington to annoy citizens, but I especially object to it because it is an abandonment of legislative responsibility.

Mr. TOWNSEND. Mr. President, this illustrates the point which I suggested the other day, namely, that Senators who are discussing it have not understood the situation.

This provision was never intended, nor was it ever suggested before to my knowledge that the power in this paragraph was conferred upon the President to enable him to operate the railroads. If this bill is defeated, the operation of the railroads taken over by the President would not be affected. It was simply a provision to determine the liability of carriers under Federal control to suits and to determine what laws shall apply. This paragraph has nothing more to do with the operation of railroads under Federal control than the preamble of the Constitution. The power arbitrarily to control the railroads was conferred upon the President by the act of August, 1916. This bill is not intended to give the power of operation to the President, but to enable the people who have dealings or differences with the railroads to have them settled, and lawfully so. This is a railroad pay bill. That is what we intended it for.

Now, Senators insist that the power to operate the railroads by the President depends upon section 10. I called attention to this matter on day before yesterday, and have some amendments to offer to it if they could only receive consideration. This simply shows the confusion which comes out of this bill. This provision does not affect the Federal control of the railroads, but it does attempt to fix the legal status of the people of the country who have dealings with railroads under this changed condition. That is all that part of section 10 is for, although it is most imperfectly expressed. It ought to be changed. But this doubtfully expressed paragraph has been written into the bill and there it must remain. It ought to be clarified.

Mr. LODGE. Mr. President, I have only had time to examine this bill very casually; but it seems to me, on the face of it, that the powers to operate the railroads are conferred by the act of 1916, supplemented by this, and powers are given in section 9 in the largest possible way. It may be my own lack of acumen, but I can not see anything in section 10 except a provision to reserve to the American citizen—shipper or others—the right of suit which he now has under the laws, and, as the bill stands, that right to his day in court, to be set aside by an order of the President. I do not see how it could interfere with the running of a car or the routing of a train or anything.

Section 9 says that the President—

shall have, and is hereby given, such other and further powers necessary or appropriate to give effect to the powers herein and heretofore conferred.

The largest kind of powers. All the ground on which the general-welfare clause of the Constitution was interpretated is in section 9. This is simply to protect the right of suit on the part of certain American citizens, and I do not think that right to a day in court ought to be taken away by an order.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Massachusetts yield to the Senator from Nevada?

Mr. LODGE. I do.

Mr. PITTMAN. I want to ask a question of the Senator from Massachusetts upon that point. Do I understand that the Senator from Massachusetts holds that a court should be allowed to restrain action under any order of the President in the control of these roads?

Mr. LODGE. I do not think there ought to be any power to deprive a man of his right to a day in court except by the statutes; and I think it is fully covered by the statute of 1916

and section 9 of this bill so as not to interfere with the powers of the President in the operation of the roads.

Mr. PITTMAN. Unless the powers of the President are absolute in the running of these roads his control would be worse than useless, it seems to me; and I believe if the existing laws covering the control of the roads are now superior to the order of the President in the premises a case could arise in which the courts would deny the authority of the President to make the order and restrain its operation.

Mr. LODGE. How is anyone going to get into court to sue the United States?

Mr. PITTMAN. Not necessarily to sue the United States, but they might enjoin an agency from the operation of the act.

Mr. LODGE. A United States agency? Enjoin the United States from running a railroad?

Mr. PITTMAN. If you give specific authority in this section to enjoin the United States agency, it could be done.

Mr. LODGE. Mr. President, I think this applies only to suits, as I have said; and I think it is one of those cases of running mad over this in the desire to give powers.

Mr. REED. Mr. President, may I ask the Senator from Nevada to examine the language of section 10, to which I call attention? It is:

That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, * * * be subject—

Now, I am paraphrasing from this point on:

be subject to liability under statutes or common law in suits brought against carriers.

Is not that the meaning? Has not the Senator overlooked the language "is not inconsistent with Federal control"?

I call his attention to the report of the committee. It reads:

Section 10 provides that so far as not inconsistent with Federal control each of the carriers shall remain subject to all laws and liabilities.

Mr. PITTMAN. What I am getting at, Mr. President, is this: Do the words "in so far as not inconsistent therewith"——

Mr. REED. With Federal control.

Mr. PITTMAN (continuing). Mean that it is consistent to restrain an order of the President of the United States?

Mr. REED. Oh, no. The President controls. We have Federal control. The President is the President. Now, just so far as is not inconsistent with that control, what? The carriers and the people can enforce the labilities which exist at common law or under the statutes arising out of their contracts with these companies; and I ask the Senator, who always wants to be right, to examine that statute and see if that is not the true construction of it.

Mr. PITTMAN. Mr. President, the matter that I have in mind is this: Undoubtedly there is no authority to sue the United States unless it is expressly given. Section 10 attempts to expressly give that authority. Now, then, if you are going to give an express authority to invoke the laws of the country against the United States, it should be definite; and I say that where you say "in so far as not inconsistent therewith" it is not definite. If you are going to give authority to the courts to entertain suits against the United States or restrain the United States, it should be definite, and I contend that you should have in there the words "or with any order of the President," because it is essential to the control given under this act that the President shall have authority to issue orders.

Mr. ROBINSON. Mr. President, will the Senator yield to a question?

Mr. PITTMAN. Yes.

Mr. ROBINSON. Federal control is not necessarily inconsistent with the right of the shipper to route his freight, is it?

Mr. PITTMAN. Yes.

Mr. ROBINSON. Then if existing laws remain in force the Federal Government could not reroute freight, because the law now gives the shipper the right to route the freight.

That is one illustration.

Under existing law, the equipment of one road could not be used on another against its will, could it?

Mr. PITTMAN. No.

Mr. ROBINSON. Then under Federal law, with the existing laws all remaining in force, the President could not remove the equipment of one road to another road where it was necessary.

That is another illustration, and dozens of them might be cited.

Mr. PITTMAN. The exception contained in section 10 is a reservation against suits and not against the power of the President.

Mr. President, I believe that both of those exceptions to the right to sue the United States or bring an action should be retained. It is absolutely essential that you except those things that are inconsistent with this act. It is also absolutely necessary that you except from the authority to sue the Government the power to hamper the President of the United States in his orders. Both of those clauses are essential to carrying out this act, and I take it that the purpose of the section is to grant the power of action against the United States Government, because the United States Government is running these roads under the bill. That power is wise, but it should be limited. It should be so limited as not to interfere with the operation of the roads, and if you are going so to limit it as not to interfere with the operation of the roads you have not only got to say that it shall not have any power or effect where inconsistent with the act, but you have got to go further and say it shall have no power or effect where it will interfere with the President of the United States in the operation of the roads under his order.

Mr. HARDWICK. Mr. President, I am very much in favor of the amendment suggested by my colleague.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. HARDWICK. I hope the Senator will pardon me. I have only five minutes and can not yield.

I am very much in favor of the amendment suggested by my colleague, and I do not think any Senator who clearly understood exactly what it seeks to accomplish could possibly oppose it. As suggested by the Senator from Nevada, it does not interfere and can not interfere in the slightest with the operation of these railroads by the President; but it does affect, and affect seriously, the civil rights of every person in the United States who has business relations with these carriers, whether those relations are the relations of shipper or of employee or whether they are contractual or arise from a tort.

We have labored in the two Houses of Congress for years to pass and perfect the employers' liability laws, for instance, changing the old common-law rule governing suits between the employer and the employee, and yet if this were passed, by a stroke of his pen the President of the United States could destroy those laws that we have built up through years of labor for the protection of the employees of railroads in their suits against the railroad companies. Now, there is no necessity whatever to do that. Certain laws of diligence and negligence relating to the obligation of carriers, both of freight and of passengers, are left absolutely in the air—all of them are left absolutely in the air and subject to Executive pleasure—if we leave in the bill these words that my colleague wants to strike out. In other words, we substitute for a government of laws a government not of men but of one man.

I am not willing myself to go on record in favor of the proposition that the President of the United States, while he is operating these railroads and while he stands in the stead of these railroads, in the place of these railroads, shall be allowed to abolish at any time the laws of contract, the laws governing torts, the laws governing the relations between shippers and carriers and between carriers and their employees; and I do not think that was the intention of the committee that reported this bill. That will be the unfortunate effect of it, however, if these words are not stricken out. I think we ought to leave the ordinary laws that have governed these carriers for years, while their property was in the hands of its owners, still in effect while the Government operates them, so far as those laws touch the citizen and his rights. No matter who operates these railroads, whether it is a government or a corporation or a number of corporations, the rights of the citizen, when they touch the persons controlling and operating these roads, ought to remain unaltered as they are now fixed by law. That, as I understand it, is the object of my colleague's motion, which I hope may prevail.

Mr. FLETCHER. Mr. President, it seems to me that without these words in section 10 the effect of the section with those words stricken out would be that the carriers would continue absolutely subject to all laws and liabilities as comomn carriers, whether arising under Federal or State statutes or at common law. If they are subject to all laws and liabilities as common carriers, whether arising under Federal or State statutes or at common law, then they are not under Federal control; you are absolutely robbing the statute of all of its virtues so far as the protection of the property against suits may be concerned.

This does not have reference to authorizing suits against the Government, but it authorizes suits against the carriers. It preserves the right to sue the carrier by any citizen who may have such a right and force it into court according to Federal

law and according to statute and according to common law. It is only where Federal control would be destroyed by such a procedure and in such an instance as that, unless you give that power somewhere in the President, who stands in the place of the carrier when that right is invoked, unless you give the power in the President to prevent the taking out of his control absolutely the property of the carrier, you have not accomplished anything at all by your legislation. You can not preserve to the people who have dealings with the carrier, shippers, and passengers all the rights they have under Federal law and under State law and under common law against the carrier to proceed in the State courts or in any other way they may proceed and at the same time maintain your Federal control of the property, because the exercise of those rights now under the laws as they stand and without this statute might take the property absolutely out of the power and control of the Federal Government.

Mr. THOMAS. May I ask the Senator a question?

Mr. FLETCHER. Certainly.

Mr. THOMAS. Of course, the Senator understands that the law does not purport to repeal the act of 1916. Does not that act invest the President with ample power to operate the railways as may be essential to the prosecution of the war without regard to the provisions of this section?

Mr. FLETCHER. I am inclined to agree with the Senator that it would be better not to have the section in the bill at all, and to stand on the statute of 1916.

Mr. THOMAS. I think so, too, as far as that is concerned.

Mr. FLETCHER. But if you proceed to enact it and provide in this statute that this control shall be subject to common law, State law, Federal law, then you have nullified the act of 1916.

Mr. THOMAS. So far as it is not inconsistent with the Federal control.

Mr. FLETCHER. So far as it is not inconsistent with the Federal control. That is very indefinite and vague. I do not believe that the courts would be empowered to enforce such a provision as that. Then the semicolon following the word "law" leaves the provision rather unfortunate, it seems to me, if you propose to accomplish anything by this act. It goes on and says suits may be brought by and against carriers and judgment rendered as now provided by law, but unless it could be subject to the powers of the President to control these carriers in the operation of the road to act as common carriers you have not cured that defect. You must leave these words in the statute as it is or else you have not Federal control.

Mr. HARDWICK. Let me ask the Senator——

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HITCHCOCK. Mr. President, I have been consulting with Senators who have taken part in this matter and I believe I can suggest an adjustment. Instead of striking out the words "or with any order of the President," I move to add the words "authorized by law," so that the phrase will read:

Or with any order of the President authorized by law.

That would permit to stand any order of the President which is authorized either by this act or by existing law. It seems to me that would meet the view expressed.

Mr. ROBINSON. Will the Senator yield?

Mr. HITCHCOCK. Certainly.

Mr. ROBINSON. Does the Senator think that Congress has undertaken to define what orders the President may issue either in this act or the act of 1916? Does the Senator think it is possible to anticipate the orders which it will be necessary for the President to issue in the effective operation of the roads under Federal control? The amendment which the Senator from Nebraska has suggested, in my opinion, does not help the matter.

Mr. HITCHCOCK. The President might issue orders which are not authorized by any existing law, either the act of 1916 or this act, and if he went beyond his power no Senator would maintain that those orders should be recognized.

Mr. ROBINSON. If the Senator will allow me——

Mr. HITCHCOCK. And yet it is also evident that the orders of the President so long as they are based upon law, either this act or previous acts, should be allowed full recognition.

Mr. ROBINSON. If the Senator will permit me, the authority given by the act of 1916 and in this act given to the President is general. We have not undertaken to define what orders the President may issue, because it is impossible for Congress to anticipate what conditions will arise and what orders it will become necessary for him to issue.

If you put in the language "authorized by law," it will be necessary to write into this act the orders that you want to empower the President to issue, and he will have no authority to issue any order not expressly authorized by this act.

Mr. HITCHCOCK. I do not see how the Senator can maintain anything of that sort. The President derives his power under acts of Congress. Congress does not specify precisely which orders he shall issue, but lays down the general control of these railroad properties for war purposes.

Mr. ROBINSON. Will the Senator yield?

Mr. HITCHCOCK. I yield.

Mr. ROBINSON. The whole subject matter of railroad operation and railroad liability is controlled by existing laws—State and Federal. These laws are put into effect by this bill. Unless we do specifically authorize the President to issue certain orders he would have no power to issue any order of importance, because we make the laws that are already in existence, both State and Federal, effective, and they cover the field of railroad operations.

The Senator from Florida [Mr. FLETCHER], in my opinion, was entirely correct in his statement that the insertion of this amendment would nullify the effect of Federal control.

Mr. SMITH of Georgia. I think the amendment suggested by the Senator from Nebraska is a very wise one. Surely the Senator from Arkansas does not wish the President to issue orders not authorized by law and in violation of law.

Mr. ROBINSON. Will the Senator permit me to reply to that?

Mr. SMITH of Georgia. Certainly.

Mr. ROBINSON. I certainly do think it may be necessary to issue orders not expressly authorized by law, because you can not define what orders the President may find it necessary to issue.

Mr. SMITH of Georgia. Yes; you can.

Mr. ROBINSON. When you authorize one, the expression of one would exclude the authority to issue other orders.

Mr. SMITH of Georgia. The expression that they are to be authorized by law excludes the idea that they shall be lawless orders.

Mr. ROBINSON. Will the Senator yield to me in that connection?

Mr. SMITH of Georgia. It depends on whether this is in my time or some one else's time.

Mr. ROBINSON. It is certainly not in my time, because I have exhausted my time.

The PRESIDING OFFICER. It is in the time of the Senator from Nebraska.

Mr. HITCHCOCK. I am perfectly willing to yield. I have not anything further to say.

Mr. ROBINSON. I repeat the illustration that I used a while ago. Under existing Federal law there is no authority for rerouting freight. The law relating to the routing of freight by shippers would be put into effect by this statute unless you provide otherwise. It might be——.

Mr. SMITH of Georgia. I answer the Senator I do not agree with him at all. The consolidation of the railroads under a single management, in my judgment, eliminates any right to route freight.

Mr. ROBINSON. Will the Senator yield? I am still in the time of the Senator from Nebraska. We write here a provision that the existing laws shall govern and shall apply.

Mr. REED. So far as not inconsistent with Federal control.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. NELSON. Mr. President, I am inclined to concur in the views of the Senator from Massachusetts. I think section 10 should be retained in the bill, and I will state briefly my reasons.

The President will operate these railroads through the officials and employees and operating forces of the different railroads. Manifestly we do not intend that he shall create an operating force of his own. He will give direction to these roads to operate in such and such a manner. Manifestly he will direct them to operate in a legal manner, not to violate the rights of the public.

There are many instances where a railroad may be lawless in its operations. The President may direct the Northern Pacific Railroad to carry shipments of supplies from the Pacific coast over to the East, to the seaboard. That does not authorize the Northern Pacific Railroad Co. to perform that work in a lawless manner. It does not authorize it to operate in such a manner as to destroy the life or property of anybody. In all those cases there ought to be a remedy and a relief left to the public.

All this amendment proposes to do is what it says in respect to matters not covered by the orders of the President, either under this law or the law of 1916. In all other respects the right of the public to relief and to a remedy shall continue to exist. Why should they not continue? We have given the President the power to operate these roads by this act, but it does not imply that the roads shall be operated in a lawless manner, and if

they violate the rights of the public why should not the public have a right to a remedy in those cases? That is what this proposes to do. It proposes to save to the American public all their rights and remedies existing by law against the railroads so far as they do not interfere with the order and direction of the President. Take a passenger train. The President may give direction for a passenger train to operate from here to New York. That does not give the railroad company through which the operation is carried authority to operate it in a lawless manner. It does not give that train authority to run over a wagon or team in a careless and negligent manner. If they proceed to operate that train illegally then the company that operates it is liable, as it should be liable, to the public.

So, Mr. President, while this proposed law and the other law give the President all the power to operate these trains, whatever right the public may have under the general laws, if they are not in conflict with the President's power, is saved to the public. Why should we not reserve those rights to the public and leave the American citizen to obtain all the remedies possible under existing law? It simply amounts to this, Mr. President, that we say by this law that the rights of the American public shall not be suspended because of the powers we give the President under the law.

Mr. PITTMAN. Mr. President, I think the amendment of the Senator from Nebraska is unobjectionable. It does not take away any power from the President that he would use. Section 10 is an exception to this act. Without section 10 there is no authority whatever to invoke the law against any act under this bill or the act of 1916. In granting the power to interfere with the operation of this act by a court you should limit it. You limit it in the first place by stating "in so far as not inconsistent with this act." In other words, they can bring an action so long as it is not inconsistent with Government control.

Now, it is contended that that is broad enough, and it may be broad enough. Why not go further and say that they may invoke the aid of a court when not interfering with Government control and when not interfering with an order of the President in the control of those railroads authorized by law. Certainly there can be no objection to it. Certainly if you are going to prohibit these suits which are inconsistent with the act you will also prohibit these suits when inconsistent with an order of the President made under the act.

It may be contended that the first language covers it, but at least it emphasizes the fact that in section 10 we do not intend to allow suits to be instituted that will interfere with this Government control, and where you repeat the language in the form that these suits shall not be instituted in opposition to any order of the President made by authority of law you emphasize what you mean and at the same time do not grant the President any authority in addition to that which he has by virtue of this bill and by act of 1916. I will vote for the amendment of the Senator from Nebraska, but if it is lost I will vote against the amendment of the Senator from Georgia, which I believe will limit the President's authority.

The PRESIDING OFFICER. The Chair desires to inquire of the Senator from Nebraska if the amendment which he tenders is to be treated by him as having been tendered?

Mr. SMITH of Georgia. I understood that he formally tendered it. I can not accept it, because I have no authority to accept it. I move to strike out certain words. He proposes to amend those words, and that amendment would be acted upon before a motion to strike out. If the amendment is adopted I would be very much disposed to withdraw my motion to strike out.

Mr. PITTMAN. Let the Senator withdraw his amendment and then accept the amendment of the Senator from Nebraska.

Mr. SMITH of Georgia. I do not think I have any authority to accept the amendment. It is for the Senate alone to say whether it will amend the clause.

Mr. PITTMAN. If the Senator withdraws his amendment, then the amendment of the Senator from Nebraska stands as simply an addition to the language in the bill.

Mr. SMITH of Georgia. It stands if the Senate adopts it. If I had the power to do it, I would put it right into the bill now and withdraw my amendment, but I have not the power. I move to strike out a particular clause. The Senator from Nebraska moves to amend that clause. Before the motion to strike out can be put, the motion to amend or perfect the clause must be acted upon, and the first question for consideration, therefore, will be, Shall the amendment offered by the Senator from Nebraska be adopted? which proposes to make the clause read:

Any order of the President authorized by law.

It seems to me, Mr. President, that that should satisfy every one, because unquestionably it carries the spirit of the act. It carries the power of the act. It carries the authority to the President to do, in my opinion, everything which the Senator from Arkansas insists that he should have the power to do, but it does not give him the power to go beyond the general purposes of the act and strike down the rights of shippers. I have no idea the President would wish to do so. I have no idea the Secretary of the Treasury would wish to do so. But, Mr. President, in the handling of railroads all over the United States special orders will be issued in the name of the President in particular localities just as the Food and Fuel Control Directors and their assistants have issued special orders in the name of the President under the powers we have given the President. It is the danger of the man in a locality interfering with the right of a citizen; it is that danger, incident to the use of the power given to the President by others than the President or the Secretary of the Treasury, that I feel should cause us to limit this language to orders of the President in pursuance of law.

Mr. STERLING. Mr. President, I would just like to add one word in regard to the amendment proposed by the Senator from Nebraska. The words of the amendment conform to the other parts of the bill as otherwise expressed.

Let me call attention briefly to sections 8 and 9 and the reference in those two sections to the power conferred upon the President. Section 8 provides—

That the President may execute any of the powers herein and heretofore granted him with relation to Federal control through such agencies as he may determine, and may fix the reasonable compensation for the performance of services in connection therewith; and may utilize the personnel and facilities of the Interstate Commerce Commission and call upon members of such commission, or any of its employees, or employees of any department of the Government for such services as he may deem expedient. No such Federal official or employee shall receive any additional compensation for such services.

Now, look at the very general language in section 9:

SEC. 9. That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President to take possession and assume control of any or all systems of transportation; and the President, in addition to the powers conferred by this act, shall have, and is hereby given, such other and further powers necessary or appropriate to give effect to the powers herein and heretofore conferred. The provisions of this act shall also apply to any carriers to which Federal control may be hereafter extended.

I wonder why we should add unqualifiedly the words in section 10 "or with any order of the President," after he is given the power to make any orders to carry into effect any of the provisions of this act conferring upon him all these powers.

I am quite in sympathy with the amendment of the Senator from Nebraska [Mr. HITCHCOCK].

The PRESIDING OFFICER. The question recurs on the amendment offered by the Senator from Nebraska [Mr. HITCHCOCK] to the amendment of the Senator from Georgia. [Putting the question.] The noes seem to have it.

Mr. SMITH of Georgia. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GRONNA (when Mr. LA FOLLETTE'S name was called). I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to serious illness in his family.

Mr. SAULSBURY (when his name was called). Notwithstanding my general pair with the senior Senator from Rhode Island [Mr. COLT], I have been voting thus far on the bill with the committee. I have heard from him to-day that that is his understanding in regard to his pair. I therefore at this time vote. I vote "nay."

Mr. SHERMAN (when his name was called). I have a pair with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. OVERMAN (when Mr. SIMMONS'S name was called). My colleague [Mr. SIMMONS] is detained from the Senate on official business.

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. ASHURST (when Mr. TRAMMELL'S name was called). The junior Senator from Florida [Mr. TRAMMELL] is unavoidably detained from the Chamber. If present he would vote "yea."

The roll call was concluded.

Mr. LEWIS. I merely rise to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from Kentucky [Mr. JAMES], occasioned by personal illness.

Mr. MYERS. On account of the state of health of my colleague [Mr. WALSH] he is still detained from attendance in the Senate. He is paired with the Senator from New Jersey [Mr. FRELINGHUYSEN]. This announcement may stand for the day.

Mr. WILLIAMS (after having voted in the negative). I have a standing pair with the senior Senator from Pennsylvania

[Mr. PENROSE]. I thought he had voted a moment ago. I find he has not. I transfer my pair to the Senator from North Carolina [Mr. SIMMONS] and let my vote stand.

Mr. FLETCHER. I inquire whether the senior Senator from New Hampshire [Mr. GALLINGER] has voted?

The PRESIDING OFFICER. He has not.

Mr. FLETCHER. I have a general pair with that Senator. I transfer my pair to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. LODGE. My colleague [Mr. WEEKS] is absent, and, as I stated yesterday, he has a general pair with the Senator from Kentucky [Mr. JAMES].

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. HARDING. I have a general pair with the junior Senator from Alabama [Mr. UNDERWOOD], but with the understanding that upon the bill and any amendments thereto either is privileged to vote in the absence of the other. Therefore I avail myself of the opportunity of voting. I vote "nay."

Mr. KNOX (after having voted in the negative). When my name was called I voted "nay," neglecting to state that I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], which I transfer to the junior Senator from New York [Mr. CALDER].

Mr. WOLCOTT (after having voted in the negative). I wish to inquire if the Senator from Indiana [Mr. WATSON] has voted?

The PRESIDING OFFICER. He has not.

Mr. WOLCOTT. I have a general pair with that Senator. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and let my vote stand.

The result was announced—yeas 25, nays, 46, as follows:

YEAS—25.

Cummins	Johnson, Cal.	Pittman	Thomas
Dillingham	Jones, Wash.	Reed	Townsend
Gore	Kenyon	Smith, Ga.	Vardaman
Gronna	Kirby	Smith, Mich.	Warren
Hardwick	Lodge	Smoot	
Hitchcock	McCumber	Sterling	
Hollis	Norris	Sutherland	

NAYS—46.

Ashurst	Jones, N. Mex.	New	Sherman
Bankhead	Kellogg	Nugent	Shields
Beckham	Kendrick	Overman	Smith, Ariz.
Curtis	King	Page	Smith, Md.
Fernald	Knox	Phelan	Smith, S. C.
Fletcher	Lewis	Poindexter	Stone
Frelinghuysen	McKellar	Pomerene	Swanson
Gerry	McLean	Ransdell	Tillman
Hale	McNary	Robinson	Williams
Harding	Martin	Saulsbury	Wolcott
Henderson	Myers	Shafroth	
Johnson, S. Dak.	Nelson	Sheppard	

NOT VOTING—23.

Borah	Culberson	La Follette	Underwood
Brandegee	Fall	Owen	Wadsworth
Broussard	France	Penrose	Walsh
Calder	Gallinger	Simmons	Watson
Chamberlain	Goff	Thompson	Weeks
Colt	James	Trammell	

So Mr. HITCHCOCK's amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs upon the amendment offered by the Senator from Georgia [Mr. SMITH], which will be stated.

The SECRETARY. On page 11, line 6, after the word "control," it is proposed to strike out the words "or with any order of the President."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Georgia.

The amendment was rejected.

Mr. TOWNSEND. Mr. President, I move to strike out the first paragraph of section 10, referring to this subject, and to insert the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Michigan offers an amendment to section 10, which the Secretary will state.

The SECRETARY. It is proposed to strike out the first paragraph of section 10, being all of the language embraced between lines 3 and 12, both inclusive, on page 11, and in lieu thereof to insert:

That during the period of Federal control any suit or proceeding (of such a character that but for Federal control it could be brought against the owner of any railroad or system of transportation and any amount paid in compromise thereof or in satisfaction of a judgment or decree therein charged to operating expenses or to railway tax accruals under the Interstate Commerce Commission classification of accounts in force on December 27, 1917), may, except as otherwise provided in this act, be instituted against the United States in any court or tribunal which would have jurisdiction of such suit or proceeding but for Federal control, and process therein may be served on the same persons and in the same manner as would be proper but for Federal control, and subsequent proceedings shall be the same as would be proper but for Federal control.

No process, mesne or final, shall be levied against any property under Federal control, or, in connection with any suit or proceeding that may properly be brought against the United States under this section, against any property belonging to the owner of a railroad or system of transportation; but the President shall, by regulation, provide for the payment out of the operating revenue derived from Federal control or, if that is insufficient, out of the revolving fund of any judgments or awards, and for the enforcement of any decrees or orders that may be rendered against the United States in any such suit or proceeding.

That except as otherwise provided in this act the operating accounts and business shall be continued as in a going concern, so that operating accounts and claims, which have been deferred in the ordinary course of railroad business and which are not paid at the beginning of Federal control of a railroad or system of transportation and which are of a character properly chargeable to operating expenses, shall be paid out of operating income or out of the revolving fund; and on the surrender of such railroad or system of transportation it shall be returned subject to any operating accounts and claims that may be unpaid, if such accounts and claims have been deferred in the ordinary course of railroad business.

Mr. TOWNSEND. Mr. President, I am only going to say a word. My understanding of this provision is that it is to take care of liabilities for suits, to make provision for them, and to provide what laws shall apply. There was no other object in mind when this matter was before the committee.

The provision which I have offered takes care of those cases. It will afterwards be determined whether the committee acts upon this measure or not, because it is bound to be a controverted question. Therefore I offer the amendment as a substitute, and I ask to have a vote upon it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan. [Putting the question.] The "noes" seem to have it.

Mr. TOWNSEND. Mr. President, I ask for the yeas and nays on that proposition.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GRONNA (when Mr. LA FOLLETTE's name was called). The Senator from Wisconsin [Mr. LA FOLLETTE] is detained from the Senate Chamber on account of serious illness in his family.

Mr. SHERMAN (when his name was called). I announce the same pair and its transfer as on the former vote and vote "nay."

The roll call was concluded.

Mr. FLETCHER. I make the same announcement as to my pair and its transfer as before, and vote "nay."

Mr. OVERMAN. Mr. President, I inquire if the Senator from Wyoming [Mr. WARREN] has voted?

The PRESIDING OFFICER. He has not.

Mr. OVERMAN. I have a pair with that Senator, but I transfer that pair to my colleague [Mr. SIMMONS] and vote "nay."

Mr. HARDING. Repeating the announcement relative to my pair and its transfer which I made on the previous roll call, I vote "yea."

Mr. FRELINGHUYSEN. Making the same announcement as to my pair and its transfer as I made before, I vote "yea."

Mr. WATSON (after having voted in the negative). I have a general pair with the junior Senator from Delaware [Mr. WOLCOTT]. I observe that he is absent. I transfer my pair with him to the Senator from Rhode Island [Mr. COLT] and will let my vote stand.

The result was announced—yeas 20, nays 44, as follows:

YEAS—20.

Cummins	Harding	Lodge	Smith, Mich.
Dillingham	Hardwick	Norris	Smoot
France	Johnson, Cal.	Page	Thomas
Frelinghuysen	Jones, Wash.	Reed	Townsend
Gronna	Kenyon	Shafroth	Vardaman

NAYS—44.

Ashurst	Kellogg	New	Sheppard
Bankhead	Kendrick	Nugent	Sherman
Beckham	King	Overman	Shields
Culberson	Kirby	Penrose	Smith, Ariz.
Curtis	Knox	Phelan	Smith, Md.
Fernald	Lewis	Pittman	Smith, S. C.
Fletcher	McCumber	Poindexter	Stone
Gerry	McKellar	Pomerene	Sutherland
Hale	McLean	Ransdell	Swanson
Henderson	Martin	Robinson	Watson
Hollis	Myers	Saulsbury	Williams

NOT VOTING—30.

Borah	Goff	Nelson	Underwood
Brandegee	Gore	Owen	Wadsworth
Broussard	Hitchcock	Simmons	Walsh
Calder	James	Smith, Ga.	Warren
Chamberlain	Johnson, S. Dak.	Sterling	Weeks
Colt	Jones, N. Mex.	Thompson	Wolcott
Fall	La Follette	Tillman	
Gallinger	McNary	Trammell	

So Mr. TOWNSEND's amendment was rejected.

Mr. KIRBY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). The amendment proposed by the Senator from Arkansas will be stated.

The SECRETARY. It is proposed to amend the bill by striking out on page 10 all after the word "interest," in line 1, down to and including line 6.

Mr. KIRBY. Mr. President, this bill, as I understand it, is proposed in order that the President may carry out more efficiently the Federal control of the railroads that has been assumed under the authority of the act passed in 1916. I have heard no discussion as to whether or not the act of taking control of these railroads was legal. My own opinion has been that the President did not take control of the railroads in accordance with the authority granted in that act or that might necessarily be implied from it. But the passage of this bill will of course authorize and ratify the taking of control and remedy any possible defect that may exist in that respect.

However, Mr. President, it seems to me that there is no necessity for the Government of the United States now, with the Treasury burdened as it has been and as it will be, buying and trafficking in securities of impecunious railroads. Generally speaking, those railroads which have extended their credit and used to a large extent are the ones that will be required to use it more, and the President is authorized by this bill to take the money of the people out of the Treasury and buy railroad stocks. Under the law as it exists the railroads have a right to continue their operations, borrowing money and making mortgages, and if the Government should buy bonds secured by a second or third mortgage, then we might as effectually be frozen out in foreclosure and the Government would lose its money just as surely as we have lost the money that we sent to establish a provisional government in Russia when we picked out the wrong faction.

It seems to me we ought not to go into that sort of business and that it ought not to be authorized. On that account I have presented this amendment. It does not interfere with the railroads going on with the sale of their securities; it only refuses to authorize the Government to deal in such securities.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. KIRBY. Certainly.

Mr. KELLOGG. I beg pardon; I thought the Senator had concluded.

Mr. KIRBY. That is all I have to say about the amendment.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from Arkansas a question.

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. KIRBY. Certainly.

Mr. SMITH of Michigan. I should like to ask whether the Senator construes the language in the first line, on page 10, as mandatory upon the President or discretionary?

Mr. KIRBY. The President may do what I have suggested; he is authorized to do so.

Mr. SMITH of Michigan. But is it a discretion or is it a direction?

Mr. KIRBY. Certainly it is within his discretion; we do not compel him to do it; but I do not think the power ought to be granted under which it could be done.

Mr. TOWNSEND. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the junior Senator from Michigan?

Mr. KIRBY. Yes.

Mr. TOWNSEND. Has the Senator considered, in looking over this provision to which the Senator from Minnesota and others in the Senate have given such care, what the President will do when he purchases the securities, how he would vote them, who would vote them, and how they would be represented in reference to the railroad? There is not a thing in the bill that makes any provision in that regard, but it is all left entirely blank.

Mr. KIRBY. This provision in effect authorizes the President to deal in stocks and other securities of impecunious and bankrupt railroads, and I do not think that ought to be done.

Mr. KELLOGG. Mr. President, it is a well-known fact that there are securities of railroads coming due in 1918 and in 1919—something like $400,000,000 in the next two years. It is a fact that it is impossible for the railroads to sell those securities on the market on a basis which the Government desires them to be sold when the Government is occupying the entire field with Government loans. The Secretary of the Treasury was very anxious that the power should be given to the Government to take any securities which might be necessary in order to render effective Government control, not to make it too expensive, and to relieve the conditions of the railroads.

Furthermore, it may be necessary for the President to authorize the extension of a road to some shipbuilding plant or other Government enterprise, and some one must finance the construction of such lines or the improvements necessary to make the Government operation effective.

This provision of the bill simply authorizes the President to take up each case and decide whether the Government out of the revolving fund shall temporarily take the securities of the railroads.

Mr. KIRBY. Mr. President, I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. KELLOGG. I yield.

Mr. KIRBY. Is it not a fact that under the authority granted the President can buy railroad securities out of any fund, without regard to the revolving fund?

Mr. KELLOGG. No; he will buy them out of the revolving fund.

Mr. KIRBY. That is the question I wanted to ask.

Mr. KELLOGG. He will buy them out of the revolving fund created for that purpose.

Mr. KIRBY. The bill provides that that fund may be used, but it does not necessarily limit the President to the use of that fund. He may buy them from other funds, and is authorized so to do.

Mr. KELLOGG. He has no other fund with which he could buy securities except the revolving fund which is created for that purpose.

Mr. POMERENE. Mr. President, if the Senator will permit me, the President could not use other funds without special authority.

Mr. KELLOGG. Certainly he could not.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from North Carolina?

Mr. KELLOGG. Yes.

Mr. OVERMAN. The Senator used the word "temporarily." Is the bill so framed that the President can only make a temporary purchase?

Mr. KELLOGG. The object is to authorize the President to make temporary purchases during the period of Government operation, of course.

Mr. OVERMAN. I understand that; but there is nothing in the bill to that effect, is there?

Mr. KELLOGG. It is not intended by this bill to authorize the United States Government to go into the business of speculating in railroad securities.

Mr. OVERMAN. But he might buy all the securities owned by the railroads if he wanted to do so, might he not?

Mr. KELLOGG. But it is impossible with the $500,000,000 in the revolving fund to do anything of that kind.

Mr. OVERMAN. I understand as to that; but the question in my mind is as to whether it is limited to the revolving fund and is merely temporary.

Mr. SMITH of Michigan. Mr. President, if the Senator from Minnesota will pardon me, it may come to be very permanent if the President is authorized to buy the securities and then has no power to sell them for less than he paid for them. If the market goes down a penny after he has acquired these securities, he has got them on his hands and under the law can not sell them.

Mr. OVERMAN. Mr. President, if the Senator from Minnesota will yield to me again, my attention was attracted by his use of the word "temporarily," and I wanted to know if the bill is so framed that the authority granted would be temporary. I should like to see it made temporary. Of course the Government can only hold the railroads in control up to the expiration of 18 months following the proclamation of peace, but in the meantime he might purchase the securities and continue to hold them.

Mr. KELLOGG. Mr. President, it is not practicable to require the President to sell the securities he acquires under this provision within a definite time; he may not be able to sell them within a fixed time. It is absolutely necessary that the President should have some authority to finance extensions and to finance securities which are to fall due during the present year, for in no other way can we make Government operation effective.

So far as concerns any direction as to how the President shall vote stocks or what he shall do with bonds, it is impossible to meet all conditions which may happen by detailed specifications in this bill. I think it is absolutely necessary that the President should have this power.

Mr. OVERMAN. I also think he ought to have the power.

Mr. SMITH of Michigan. Mr. President, I want to ask the Senator from Minnesota, for whom I have great respect, whether he does not think it desirable to so qualify that clause that the President must dispose of these securities, even at a small loss, and thus rid the Government of its ownership of that kind of property? Suppose, for instance, he acquired securities of the New York Central Railroad at par and the market should drop to around 99½. Under this provision in the bill he could not sell a dollar's worth of the stock he had purchased at par. He ought to have that right. It would be perhaps less objectionable that he should be permitted to sell than that he should continue to hold them.

Mr. KELLOGG. Mr. President, so far as the Senator from Minnesota is concerned he is willing to give the discretion to the President to sell the securities he acquires at less than par, but we believed that the Congress would desire to limit the power of the President to do so.

It is not probable that the President is going to buy railroad stocks, but when a railroad needs money for the purchase of new cars or for extensions the President will undoubtedly make an arrangement for the issuance of bonds of the railroad secured upon its property, and the President will, if necessary, buy those bonds from the money in the revolving fund. Secretary McAdoo expressed his hope that the railroads would be able to sell some of their securities or refund some of their securities without the Government's assistance; but if that can not be done then it will become necessary that they should be financed to that extent.

Mr. SMITH of Michigan. Mr. President, if the Senator will allow me, my point is this, that I do not want the President or the Government to maintain stock values on the exchange at the price at which the securities were purchased in order that he may let go of the stocks of a railroad corporation. It does not look to me as though that were wise. If he can shake them off at a small loss, perhaps that would be more desirable than that he should continue to hold stock in private or semi-private corporations.

Mr. POMERENE. Mr. President, I hope this amendment will not prevail. It has occurred to everyone who has given any study to the subject that one of the very great difficulties which we have had in the past few months has been to sell railway securities. Many of them have fallen in value from 25 to perhaps 35 per cent.

A year or more ago, when it was found that it was necessary to add to the rolling stock of the companies, the railroads had very serious difficulty in getting the necessary funds. They did, I believe, succeed finally in making arrangements for the funds, but they were not able to have either engines or freight cars built. Now, if the railroads were not able to do their own financing when they had possession and control of the property how can we reasonably expect these same railroads to finance their properties when they do not have control or possession of them?

I recognize the fact that it is an unwise thing to have the Government unnecessarily go into the task of financing railroads, but we are doing many things now which we would not do in normal times; and if these securities are to mature from month to month and year to year, and the properties are not in the possession of the railroads, how can we expect them to raise the necessary money under war conditions? And is it not a wise thing to confer this discretionary power upon the Government to aid them?

Mr. KIRBY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. POMERENE. I yield.

Mr. KIRBY. Would it not be better to provide by law a postponement of the payment of these obligations, and let the Government pay the interest, rather than to unload the whole thing on the Government?

Mr. POMERENE. Well, Mr. President, that is a good way to depress the price of securities. Of course, we can provide a sort of a moratorium here, and we can prevent those who are the holders of these securities from collecting them; but is it a wise thing now to do it? We may have to do it later. At the present time all the surplus money of the country is going into subscriptions for Government bonds, for Red Cross funds, and for Young Men's Christian Association funds. The Government has preempted the money market; and now, having substantial control of that, knowing the vast amount of railway securities which are maturing, must we not, as a business proposition, aid in taking care of the responsibilities which now rest upon the companies?

The Senator from Minnesota has referred to the fact that there are about $200,000,000 of these securities maturing this year, $200,000,000 the next year, and, as my memory now serves me, more than $400,000,000 the third year. For this reason it does seem to me that it would be very unwise if we did not confer this power upon the President.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the junior Senator from Arkansas [Mr. KIRBY].

Mr. SMOOT. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. The junior Senator from Arkansas proposes the following amendment:

On page 10, strike out the following words, beginning after the word "interest," in line 1:

> The President may purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities whenever in his judgment it is desirable at prices not less than the cost thereof; any sums available from the revolving fund provided in section 6 may be used for such purchases.

Mr. SMOOT. Mr. President, I think it would be very unwise to adopt this amendment. The chairman of the Finance Committee [Mr. SIMMONS] yesterday reported to the Senate a bill authorizing a corporation to be organized under the provisions of the bill to make advances to railroads and all public-utility corporations. The $500,000,000 provided in this bill as a revolving fund is a mere bagatelle compared to what has to be advanced, not only to the railroads but to the business concerns of this country, in the next year.

Mr. KIRBY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. KIRBY. Does not the Senator think that authority is granted by the provision that is proposed to be stricken out for the President to buy all the securities that he cares to buy, and obligate the Government to pay for them, whether this revolving fund is big enough to do it or not?

Mr. SMOOT. The revolving fund is not big enough to do it; and not only that, but the bill that I have referred to protects the Government or its corporation when advances are made on securities, not only to the railroads but from other public-utility corporations and to the banks of the country, including the savings banks of the country. That bill gives all the power that could possibly be asked on the part of the Government to finance all the institutions of the country.

I do not want to take the time of the Senate now to go into the details of the bill, but I want to say now that it will not be $500,000,000, but it will be billions of dollars, that will have to be advanced to the business interests of this country in order to carry them over during the duration of this war. The bill that was reported yesterday by the senior Senator from North Carolina [Mr. SIMMONS] provides a maximum of $4,500,000,000, and specific arrangements are made for railroads in paragraph (d) of section 6 of the bill. We take care of them, as well as the other public utilities.

Mr. CUMMINS. Mr. President, there are so many provisions in this bill which I can not reconcile with good legislation that my opinion with regard to any particular part of it must not be very highly regarded. Nevertheless, I am moved to say this with regard to the part of the bill that is sought to be stricken out:

If the Senate had adopted the amendment which I proposed relating to compensation this provision would not involve a great burden upon the Treasury, for the Government could have taken the surplus which, under my amendment, would be paid into the Treasury, and it would have been ample to care for the maturing obligations of these carriers, in my opinion. But the Senate chose to authorize giving to the railway companies a compensation that will put in their hands a surplus ample to do these things.

I do not think it possible, after paying to the railway companies this compensation that we propose, to avoid giving to the President the authority to buy railway securities. I would have been much better satisfied if the securities had been limited to bonds, and had not been extended to stocks; but that probably is not a very serious matter, as I can not conceive that the President will buy to any great extent the stocks of the railway companies.

For these reasons I find it impossible to support the amendment proposed by the Senator from Arkansas.

Mr. SMITH of South Carolina. Mr. President, it is not necessary for me to go further, except that I should like to say that I am of opinion that had the amendment of the Senator from Iowa prevailed, restricting the roads to the amount to which he would have restricted them, I think the Government would have had to buy all of these bonds. I think the persons who held them would have thought them practically worthless, and would have thrown them on the market, because they would have been so restricted.

But be that as it may, this provision was written into the bill to take care of the securities that it was ascertained were likely to come on the market during the time of Federal control, and to provide, in case their protection was necessary, for the Government to do it, in order that the immense financial requirements of the country for war purposes should not be embarrassed by these transportation securities being thrown on the market at the very time Government securities were to be thrown on the market. It was to take care of that condition that this provision was written in the bill.

Mr. VARDAMAN. Mr. President, may I ask the Senator a question before he takes his seat?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Mississippi?

Mr. SMITH of South Carolina. I do.

Mr. VARDAMAN. What protection would the Government have if those bonds should decline still further after the Government purchased them?

Mr. SMITH of South Carolina. The only protection the Government would have is the protection that all Government securities have—the power of the Government back of them.

Mr. VARDAMAN. But if the Government bought the bonds at a certain price, and the bonds were to depreciate, the Government then would suffer the loss resulting in the depreciation of the bonds, would it not?

Mr. SMITH of South Carolina. Oh, no. The Government would still have the property.

Mr. VARDAMAN. And the loss would be pocketed by the people. But maybe that is of no special concern just now.

Mr. SMITH of South Carolina. Well, if any loss should accrue, I do not anticipate that any great amount would be thrown on the market. It seems to me that under the provisions of this bill the very security that is guaranteed by this paragraph will take care of itself without this paragraph necessarily being invoked to take care of it.

Mr. KIRBY. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Arkansas?

Mr. SMITH of South Carolina. I do.

Mr. KIRBY. This provision does not lessen the guaranteed return of profits or dividends, does it?

Mr. SMITH of South Carolina. No.

Mr. KIRBY. Then this is in addition. After the Government guarantees all the returns that the roads have been making heretofore, you authorize the Government then to buy these securities that may be offered.

Mr. SMITH of South Carolina. Why, that is a part of the same principle. If we guarantee and maintain the stability of these securities in allowing them to make what they have made heretofore, then, if they come on the market, in order to carry out the same purpose of stabilizing the market, you must provide this or you absolutely nullify the very object for which you started out in securing this interest.

Mr. KIRBY. The Government pays the road a dividend for the operation of the road. Is not that true?

Mr. SMITH of South Carolina. It allows the road to earn the same dividend that it has been earning; and it did that in order that the public might know that they would suffer no diminution in the value of the securities.

Mr. KIRBY. Certainly.

Mr. SMITH of South Carolina. Now, when the securities mature, if there is difficulty in financing them, we provide that they also shall be financed by the Government.

Mr. KIRBY. But if the Government pays for the operation of the road and operates the road, it gets all the service it has expected to get without buying the bonds; does it not?

Mr. SMITH of South Carolina. But suppose the bonds mature?

Mr. KIRBY. It would not affect the operation of the road, if the Government paid for the operation of the road, would it?

Mr. SMITH of South Carolina. It would affect the value of the bonds, if they were to be thrown on the market, and might also affect the sale of Government securities as well.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Arkansas [Mr. KIRBY].

Mr. KENYON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Nugent	Smith, S. C.
Bankhead	Kellogg	Overman	Smoot
Beckham	Kendrick	Owen	Sterling
Culberson	Kenyon	Page	Sutherland
Cummins	King	Phelan	Swanson
Curtis	Kirby	Poindexter	Thomas
Dillingham	Knox	Ransdell	Tillman
France	Lewis	Robinson	Townsend
Gerry	McCumber	Saulsbury	Trammell
Gronna	McKellar	Shafroth	Underwood
Hale	McLean	Sheppard	Vardaman
Harding	McNary	Sherman	Warren
Henderson	Martin	Shields	Watson
Hollis	Myers	Smith, Ariz.	Williams
Johnson, Cal.	New	Smith, Md.	Wolcott
Johnson, S. Dak.	Norris	Smith, Mich.	

Mr. CURTIS. I announce the unavoidable absence of the senior Senator from Rhode Island [Mr. COLT]. I will let this announcement stand for the day.

The PRESIDING OFFICER. Sixty-three Senators are present, a quorum. The question is upon agreeing to the amendment offered by the Senator from Arkansas [Mr. KIRBY].

Mr. GRONNA. Mr. President, may we have the amendment stated?

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The SECRETARY. The Senator from Arkansas [Mr. KIRBY] proposes to amend by striking out, on page 10, all after the word "interest," in line 1, down to and including line 6, on page 10.

Mr. THOMAS. I call for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating my announcement as to transfer, I vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

The roll call was concluded.

Mr. FRELINGHUYSEN. Making the same announcement as on previous votes, I vote "nay."

Mr. SHERMAN. I am paired with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. WILLIAMS. Upon this question I desire to vote "nay." I am informed that the senior Senator from Pennsylvania [Mr. PENROSE], with whom I am paired, if he were present would also vote "nay." I therefore feel at liberty to vote.

Mr. CURTIS. I desire to announce the absence on official business of the senior Senator from New Hampshire [Mr. GALLINGER]. He is paired with the senior Senator from Florida [Mr. FLETCHER]. I will let this announcement stand for the day.

The result was announced—yeas 11, nays 58, as follows:

YEAS—11.

Gore	Johnson, Cal.	Kirby	Townsend
Hardwick	Johnson, S. Dak.	Norris	Vardaman
Hollis	Jones, Wash.	Thomas	

NAYS—58.

Ashurst	Kellogg	Owen	Smith, S. C.
Bankhead	Kendrick	Page	Smoot
Beckham	Kenyon	Phelan	Sterling
Culberson	King	Pittman	Stone
Cummins	Knox	Poindexter	Sutherland
Curtis	Lewis	Pomerene	Swanson
France	Lodge	Robinson	Tillman
Frelinghuysen	McCumber	Shafroth	Trammell
Gerry	McKellar	Sheppard	Underwood
Gronna	McLean	Sherman	Warren
Hale	McNary	Shields	Watson
Harding	Martin	Simmons	Williams
Henderson	Myers	Smith, Ariz.	Wolcott
Hitchcock	New	Smith, Md.	
Jones, N. Mex.	Nugent	Smith, Mich.	

NOT VOTING—25.

Borah	Fall	Nelson	Thompson
Brandegee	Fernald	Overman	Wadsworth
Broussard	Fletcher	Penrose	Walsh
Calder	Gallinger	Ransdell	Weeks
Chamberlain	Goff	Reed	
Colt	James	Saulsbury	
Dillingham	La Follette	Smith, Ga.	

So Mr. KIRBY's amendment was rejected.

Mr. CUMMINS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to amend section 1 by adding thereto the following:

Provided further, That every railroad not owned, controlled, nor operated by another carrier company, and which has heretofore competed for traffic with a railroad, or railroads, of which the President has taken the possession, use, and control, shall be held and considered as within "Federal control," as herein defined, and shall be entitled to the benefit of all the provisions of this act.

Mr. CUMMINS. Mr. President, it is obvious that the amendment just read presents one of the exceedingly important questions which arise out of this legislation. We do not know what railroads have been taken over. As I remarked the other day, there has been, so far as we are informed, no definite or specific action on the part of the Director General in determining just what roads have been taken over.

There are in this country a great many small, independent, short-line roads. None of them are very prosperous. They have been built in order to give the communities which they serve such relief as competition with the trunk lines or systems may afford. They depend for their existence upon the activity and the vigilance of the officers or agents of the line in soliciting business. They could not exist at all in all probability if it were not for that part of the interstate-commerce law which gives to shippers the right to route the freight which they offer for transportation. That right has been taken away; that part of the law has been repealed; and the President or the Director General now assumes, as I think he may lawfully assume, the authority to divert traffic wherever it seems best for him to divert it.

I can not enter into the evidence which was laid before the committee at very great length and with absolute conclusiveness, but the consequence of taking over the trunk lines, competitors of the short lines, will be to destroy them. They have already suffered such embarrassment that bankruptcy stares them in the face.

We are proposing to finance the railroads which have been taken over, and you can imagine what opportunity the short-line independent roads will have to finance themselves or aid or better themselves in any way when every market for their securities will have been foreclosed through Government competition.

Now, we have taken over these railroads upon the assumption that we ought to unify the transportation systems of the United States. We have taken them over upon the assumption that the old laws of competition are no longer to be regarded—that is, during the war. We are entering on an effort to consolidate the energies of all railroads, so that they can be used with the utmost competency as a whole, and yet the short lines are not to be taken over, because we were advised in the hearings that many of them would not be taken over, although it was impossible to tell just which of them would be taken over and which would not, but we were left under the impression, and I think a fair impression, that a very few of them would be taken over.

Mr. President, if we undertake the operation of these great lines without giving the short-line independent roads—competitive roads—the benefits of this bill we will drive all of them into insolvency, and when the period of Federal control shall have passed the great railroads of this country will be able to absorb the small ones at whatever cost it may deem wise for the great lines to give the smaller ones.

I hope that the amendment to the amendment may prevail.

Mr. SMITH of South Carolina. Mr. President, this matter was gone into pretty thoroughly in the committee. I think the Senate should know that when the proponents of the bill, the representatives of the administration, first came before us the question was asked, "What part of the railroad system of this country would be taken over?" The reply was that it was understood that all the roads, possibly going so far as little private logging roads, might under the terms of the bill be considered as a part of the system.

Be that as it may, the object and purpose of the bill is that the Government of this country shall avail itself of the transportation facilities. These roads have been built up under the competitive system. As the Senator from Iowa says, they are independent; they are competitive. It is needless for me to offer an illustration to show that that is true. In common justice, in fairness to the carriers of this country, and to the people whom the carriers serve, I think the roads that the Senator describes should be incorporated in the bill.

You can not calculate the value of a road by the amount of money that is invested in it. You can not calculate the value of a road by the earnings it makes. The only way you can calculate the benefit of the railroads to the people to-day is from a comparison with other means of transportation and communication. I had a little experience that gave me a keen appreciation of the value of railroads when I rode 30 miles on a train to reach a certain point, which point was 15 miles away from any railroad station. I paid a little less than a dollar. I went 30 miles. I saved money. I saved time. I was as fresh when I got off the train as when I got on it. I paid $5 for a private conveyance to take me, in two hours, over the 15 miles that I had to go by private conveyance.

I use that as an illustration to show that the people of the community in the transportation of their goods are entitled to the same fair consideration as those who are contiguous to the great trunk lines bear to the points at which the smaller lines converge and which would not exist were it not for the small lines.

I think the road described by the Senator from Iowa ought to be incorporated in this bill and be taken care of for the benefit of the public.

Mr. OVERMAN. Mr. President, I hope the amendment will be adopted. The State of North Carolina is known to be quite a manufacturing State. There are many little manufacturing towns which were discriminated against by exorbitant freight charges and relief could not be had from the Interstate Commerce Commission.

On the eastern side of my State is the Atlantic Coast Line Railroad, a great trunk line, running through the entire State; on the west and in the Piedmont section of the State is the Southern Railroad; and in the central part of the State is the Seaboard Air Line Railroad. The people took the matter in their own hands and built from 20 to 30 short-line railroads, connecting these little towns with the Atlantic Coast Line, the Southern, and the Seaboard Air Line so that they could secure competitive rates.

North Carolina has been discriminated against because it was in a classification district south of Virginia and the State suffered from exorbitant rates. These little short-line railroads have given lower rates. It is the only way they can get them. They could not get it through the commission. By this means our people have been able to get cheaper rates and have built up wonderful little towns, manufacturing towns, and made our State prosperous and rich.

Giving the power to change the routing, and give these roads no freight, bankruptcy will be the result, and there no longer will be any short-line roads. Competitive lines and the people will be in the hands of the great trunk lines and will be robbed by higher freight rates. They will all be bankrupt. In my State one railroad was built by a half dozen men who advanced the money themselves. They put in all the money and built a railroad for the purpose of getting cheaper rates. If you do not take over these short-line railroads, they will be bankrupt by act of their own Government, and I am sure the Government does not want to bankrupt these small lines.

I think it is the duty of the Senate to adopt this amendment. In fact in the House of Representatives the committee itself has adopted an amendment which probably does not go as far as this, but an amendment which I think will pass the House.

Mr. VARDAMAN. May I ask the Senator from North Carolina a question?

Mr. OVERMAN. I yield.

Mr. VARDAMAN. Or, rather, may I be permitted to make a suggestion to the Senator? If the Government takes over these roads in order to save the roads, is there not a likelihood of bankrupting the Government? I am more interested in protecting the interests of the Government than I am in looking after the private pecuniary welfare of the railroads.

Mr. OVERMAN. Not at all, Mr. President; if we route the freight over roads like the trunk lines have been doing the roads will make money, as they have been doing.

Mr. VARDAMAN. I thought this bill was for the purpose of taking over the railroads to enable the President to successfully conduct this war and carry the commerce of the Nation. I had no idea anyone had in mind that it was done with a view of promoting the interest of a private enterprise or protecting private property.

Mr. OVERMAN. Nor destroy it, as the Senator from Missouri [Mr. STONE] suggests to me. It is not intended that the Government should destroy this property that the people have built up.

Mr. THOMAS. It is trying to destroy the oil locations of our citizens, and I am afraid it may succeed.

Mr. HARDWICK. Mr. President, I wish to say but a word in support of this proposition. There is no one who is going to vote on this bill who doubts, or not many at least who doubt, but what the real reason back of this legislation is the financial situation in which these railroads will find themselves on account of the condition of the money market and the Government neces-

sity to float loans. That being true in spite of the suggestion of the Senator from Mississippi [Mr. VARDAMAN], and he seems to be the only man who is doubtful on the point—that being true, I want to ask the Senate if it is fair and just to extend this financial help for a limited period to all great and rich and powerful railroads and deny it to the weak and small and the poorer railroad. If the Pennsylvania System, for instance, or the Great Northern, or the Northern Pacific, or the Chicago, Milwaukee & St. Paul could not get money in the condition of the money market that we expect the money market to be in it is practically certain that these smaller lines could not. You leave them to inevitable ruin, you send them to their death unless you do this thing, because none of the other remedies that might be adopted to relieve the railroads, of course, will be adopted if this plan of Government operation for a limited period prevails, as it seems likely to prevail.

Mr. POINDEXTER. Will the Senator yield?

Mr. HARDWICK. I yield.

Mr. POINDEXTER. If the object in taking over the roads had been primarily that of protecting the securities, would it not have been a much simpler proceeding to have passed an act for the protection of the securities instead of taking over the roads and operating them?

Mr. HARDWICK. Exactly, and that is what I urge the Senate to do, and that is the reason why I am not going to vote for the bill no matter how you fix it, because it could have been done in a much simpler and easier way, and it could yet be done in a much easier and simpler way.

Mr. POINDEXTER. Will the Senator yield further?

Mr. HARDWICK. I can not yield to the Senator under the five-minute rule. We are not going to do that if we adopt this other plan, and I do not think any Senator seriously doubts but that the financial consideration is the principal consideration moving us in this matter. That being true, is the rain to fall on the great and small alike? Are we to help the powerful system of trunk lines and deny that same help to smaller and weaker and poorer lines? That is the question presented by this amendment.

Mr. VARDAMAN. Will the Senator permit me to ask him a question?

Mr. HARDWICK. I yield.

Mr. VARDAMAN. The Senator has announced his determination to vote against this bill.

Mr. HARDWICK. Undoubtedly.

Mr. VARDAMAN. Without charging the Senator with an improper motive in this matter, for I know he is incapable of such a thing, it occurs to me, since he has announced his unalterable opposition to the bill, that he is trying to make it as unpalatable for the balance of us as possible by this amendment.

Mr. HARDWICK. The Senator knows better than that. That is not a fair suggestion. The Senator from Georgia, although opposed to this bill, is voting on these amendments according to the merits of each one of them.

Mr. VARDAMAN. The Senator understands that what I said was only in a spirit of jest. I am sure my friend, the able Senator, never had a sordid motive in the performance of his official duties.

Mr. HARDWICK. The Senator ought not to make suggestions of that sort, even in jest. I am voting upon these amendments squarely on their merits, and if the Senator from Mississippi is voting on the Utopian idea that he is really not helping pull the railroad chestnuts out of the fire, I think there is a day of awakening coming to him.

Mr. CUMMINS. Will the Senator from Georgia yield to me?

Mr. HARDWICK. I yield, if I have any time.

Mr. CUMMINS. It simply brings these roads within the operations of the bill.

Mr. HARDWICK. It treats them like the others.

Mr. CUMMINS. The President is empowered to make just what agreement he can make respecting the compensation which is to be paid for their use.

Mr. VARDAMAN. Mr. President——

Mr. HARDWICK. I yield.

Mr. VARDAMAN. To the suggestion of the Senator from Georgia that the purpose of the bill is to take care of the railroads, of course I can not agree.

Mr. HARDWICK. I understood the Senator to dissent from that, and I was wondering whether anyone else in the Senate dissented from it or not.

Mr. VARDAMAN. It is astonishing to me that the Senator should make a statement which, it seems to me——

The VICE PRESIDENT. The time of the Senator from Georgia is up.

Mr. VARDAMAN. Mr. President, is my time up?

The VICE PRESIDENT. You have not started yet. [Laughter.]

Mr. VARDAMAN. Then I will start. [Laughter.]

I realize that the taking over by the Government of the railroads will incidentally yield to them large profits, profits greater than they would enjoy if they remained the masters of themselves. But it certainly was not the primary purpose of taking the railroads over. My understanding, though it may be Utopian in the estimation of some—it is common honesty in my judgment—is that the railroads were taken over for the purpose of improving transportation facilities, to enable the President, as Commander in Chief of the Army, to move men, material, munitions of war, and otherwise improve the commerce of the country, for the purpose of carrying on to a successful issue this war. It is simply and purely a war measure. To my way of thinking it is a lamentable fact that railroads will profit largely by the assumption of control of them by the President. It is one of the hardships the people must bear in this emergency, I might add, however regretfully, with the permission of Congress. I have voted to limit these profits, and I shall continue to support any measure that may be introduced that will hold down the profits to the level of just compensation. I think to secure the railroads normal profits in these abnormal times, while other branches of trade and business people are making sacrifices, borders on to disloyalty to the great masses of the people who fight the battles of the Nation, and whose toil produces the food and material that clothes and feeds the world. I repeat, Mr. President, that it can not be the primary purpose of this measure to benefit the railroads. To use a public function such as this bill creates to promote the interest of a private corporation would be disloyalty to this Government.

Mr. HARDWICK. Will the Senator yield?

Mr. VARDAMAN. I yield.

Mr. HARDWICK. Of course the Senator states his own purpose, but——

I think there are a great many other purposes the Senator is not acquainted with that may be moving.

Mr. VARDAMAN. That may be very true.

Mr. HARDWICK. I think the Senator himself can not deny, whatever the purpose, that that is one of the primary objects of the bill anyhow.

Mr. CUMMINS. Will the Senator yield?

Mr. HARDWICK. I yield.

Mr. CUMMINS. I agree with the statement as to the object of the bill, but does not the Senator know it is just as necessary to mobilize the life and strength of the food producers of the country as the ammunition makers? Does not the Senator know it is just as necessary to maintain these roads in their full operation in order that we may produce as much as possible as it is to make guns or to make powder?

Mr. VARDAMAN. That may be true, Mr. President, but we must indulge in the presumption that the President, the Commander in Chief of the Army, has thoroughly canvassed all of these questions and reached the conclusion, after consultation with those in authority about him, that the short-line railroads should not be taken over. We must depend upon the President's judgment in this emergency as well as leave many matters to his discretion. I am not of those who believe him inerrant, but I think he is a man of extraordinary learning, great determination, and as he is the constitutional head of the Army we must leave some things to him to do which we can not do as the Congress. I am in no way antagonistic to the interests of short lines of railroads and I regret the straits in which conditions place them. If they are needed in conducting this war, they ought to be taken over, and doubtless will be. But up to this time the President has not done so. He evidently deems it unnecessary. But aside from all that, Mr. President, I want to say that if the purpose of this amendment is to take care of the financial interests of short lines of railroads rather than to serve the public, of course I can not subscribe to such a theory. It seems to me indefensible.

Mr. POMERENE. Mr. President, of course I think the Senate understands that if this amendment is adopted it will compel the taking over of all short-line roads. It speaks of roads competing for traffic. I would have liked the amendment very much better if it read the President is hereby compelled to take over all short lines. As this is phrased, it will be very difficult to find a short line anywhere that does not compete to some extent with some other line, and therefore it could be taken over, and would have to be taken over, under the proposed amendment.

Senators have attempted to distinguish here between great systems and small lines. It is a favorite method of argument

sometimes with some people to try to distinguish between the great and the small for the purpose of casting reflection upon a bill that may be up for consideration before the Senate. Under the bill as it is framed the great systems and the small lines are treated alike. There is no distinction. The proposed amendment makes favorites of the small or short lines, and requires them to be taken over, but it does not require the taking over of the larger lines.

I recognize the part that the small lines play in our civilization, and I want to see them cared for when they are deserving. But let me illustrate what this amendment means. A distinguished lawyer from the State of Georgia came before the committee, who was insisting that all these lines should be taken over. I put the question to him if a road had an interest-accruing account of $500,000 annually, and it was earning only $250,000 to apply on interest account, would you want the Government to take over that road and pay the whole amount of the interest? Why, certainly, he said, because if the Government did not do that the road would go into the hands of a receiver.

I want Senators to bear in mind, when they are voting upon this question, that it means upon the Government is placed the burden of taking over every bankrupt road in the country.

Mr. CUMMINS. Mr. President——

Mr. POMERENE. It means that every company that has two streaks of rust and bales of bonds outstanding must be taken over. The committee bill leaves it to the discretion of the President to say what lines shall be taken over, and I am willing to trust the welfare of the deserving small roads to the President, as well as the welfare of the great ones. I yield to the Senator from Iowa.

Mr. CUMMINS. I ask the Senator this question. We are also leaving to the President the authority to agree upon compensation. He need not agree with these roads for a compensation too great, and if they are two streaks of rust and serve no useful purpose their compensation would then be very nominal.

Mr. POMERENE. Mr. President, the Senator has very intense feelings upon this subject. I have not designated all these short roads, as the Senator would indicate by his statement. I have distinguished between the deserving and the undeserving. It is for that reason that I shall vote against this amendment, at the same time believing and hoping that the most of these short lines will be taken care of by the Government. But I do not propose by my vote to tell the President to take over some roads that have been promoted by some people who know more about getting money from the public than they do about operating railroads.

Mr. SMOOT. Mr. President, I certainly would not stand before the Senate and ask the Government of the United States to protect any railroad that was not more than paying expenses to-day. The reason why I am in favor of this amendment is because the short-line railroads of the United States are on a paying basis to-day. The short-line railroads of the United States are the ones that are reaching out into all parts of the country, and are the means of developing new homes and building up new towns and cities. The short-line railroads of to-day are financed largely by local money, and if not interfered with will have no trouble in the future. The Government now steps in and monopolizes the money market. Its requirement closes the money market to borrowers and prevents the short-line railroad from securing additional money for extensions—which I have no objection to at all, for in a time of war I believe that ought to be done, and if the financial bill that was reported yesterday is passed it will be done—but prevents the refunding of the roads' standing bond obligations.

I know of one short-line railroad whose bonds will fall due on the 1st day of April of this year. Most of those bonds are held by local people, and the holders of the bonds have notified the railroad people that they do not know whether they dare carry the bonds longer. The bonds are falling due. The roads will have to refund them or fail. The present holders do not know whether they dare invest their money in such bonds again, for the reason that there is power in the hands of one man in the United States to say that there shall not be one pound of freight carried over the road that enters into interstate commerce. This could be done; and the man who has invested his money in the bonds to build the road and who has seen the road grow and actually become a financial success, under the power that is granted in this bill will not know whether the limit of that power will be exercised or not.

I do not expect Secretary McAdoo, the Director of Railroads, to issue an order of that kind against any road in the United States; I know he has no such motive in view; but we do not know what circumstances are going to arise, nor does the holder of the bonds know what is going to happen, so he more than likely will refuse to buy the bonds.

Therefore, Mr. President, it does seem to me that if we are going to protect railroads at all we ought to protect the ones that need it for their existence as much or more than the great systems of roads in the United States. The short-line roads have been feeders for the larger roads. They haul freight in many cases direct from the farm and delivered it in carloads or less than carloads to the main trunk line.

I want to say, Mr. President, if conditions are to remain just as they are to-day, and these short-line railroads are not recognized, when the bonds fall due they can not refund them under the conditions of the money market, and they will be in the hands of a receiver; and what will be the result? When in the hands of a receiver and a forced sale is the result, we will find the short lines controlled by the larger railroads of the country.

The VICE PRESIDENT. The Senator's time has expired.

Mr. RANSDELL. Mr. President, I have no objection to the amendment as I understand it, but I should like to ask the author of it a question. I wish to know whether or not this amendment, if adopted, would require the Director General to take over the New Orleans Belt Line Railroad? That is a road which serves every railroad entering the city of New Orleans. It has about 70 miles, with main trunk and sidings, and I do not understand that it operates with any other road, but it is a public utility for the use of the roads entering the city. I simply wish to know whether the Government would be compelled under the terms of this agreement to take it over and handle it as it is now handling other roads in the country?

Mr. CUMMINS. The utility referred to by the Senator from Louisiana [Mr. RANSDELL] very clearly would not come within the amendment which I have proposed any more than a terminal company would come within the amendment. The word "competitive" was used for a purpose, and if the public-utility company did not compete for traffic with other trunk lines that were taken possession of by the President, it would not be within the operation of the amendment.

Mr. RANSDELL. Mr. President, that is the way I understood it, and I am glad to have that explanation from the Senator, because I should very much dislike to have that big public utility there taken over. It is doing for that community exactly what the Director General is trying to do for the railroads of the United States. It is unifying all the roads so that when we get their service they all serve on terms of absolute equality.

Mr. KIRBY. Mr. President, it seems to me that this amendment should not be favorably considered. If the purpose in taking over the railroads was to benefit the Government, and not for the benefit of the railroads, we ought to limit the right to take them over to such roads as are necessary to serve the purposes of the Government—to transport the soldiers, the munitions, the equipment, and the supplies of the Government which are necessary to be transported. That is all the service we ought to be required to pay for in taking over these roads in the first instance, it seems to me.

We have agreed upon this method of compensation for the roads taken over and now, since it is necessary only to use certain trunk lines and certain short lines together, in order to carry out the Government purpose, that is as far as we ought to go. It seems to me that we ought to stand by and help to protect the Government here, rather than to go further, and spread out, to protect the railroads at the expense of the Government. If it were a question of owning the railroads, of the Government taking over and operating the railroads to subserve the public convenience and to protect the public against extortionate charges and rates, it might be well to consider this other matter proposed by the amendment; but it seems to me that it ought not to be done now. Let the President take over only such roads as are necessary for this war purpose; and let us pay whatever ought to be paid for that service, and no more. It is time we came to the rescue of the Government, it seems to me; and I do not think this amendment ought to be adopted.

Mr. KELLOGG. Mr. President, I realize that something can be said on both sides of this question. I merely wish to state my position upon it. I am not willing to vote to compel the President to take over practically every line of road in the country. I believe that nearly every road in the country will come under the description of "competitive roads" and will be taken over, and that the Director General or the President will have to make an agreement with each one or they will be remitted to court to sue the Government for reasonable compensation. While some injury may be done to some lines of road, I am not yet ready to vote to give every one of them a right to go into court to sue the Government for compensation.

Mr. McKELLAR. Mr. President, I very much hope that this amendment will be adopted on two grounds: First, on the ground that these independent short-line roads are important to the Government. Many of these railroads are very necessary to the Government. For instance, a great many of them are coal roads, running for a short distance into coal territory, and surely nothing is more important to the Government than is a bountiful supply of coal, as we all know. We ought not to take any position about this matter which does not provide that short-line roads running into coal territory, for instance, shall be utilized by the Government. Our recent experience about coal indicates that it is absolutely necessary for the Government to have every coal-using railroad in the country, whether it is a long-line or a short-line road, whether it is a great trunk line or an independent short line.

In the next place, this amendment ought to be agreed to because it is absolutely fair. As reasonable men, as men of business, we all know that unless some arrangement is made to finance these short-line roads, after this bill has passed they can not meet their obligations or maintain their credit, and they will go into the hands of receivers. I think that would be bad for the whole country. I think it would not only be bad for the roads themselves—unjust and unfair to these short-line roads—but it would be unfair to the public and to the Government. It ought not to be countenanced. I believe that this amendment ought to be adopted, and I am going to vote for it.

Mr. KELLOGG. Mr. President——

Mr. McKELLAR. I yield to the Senator from Minnesota.

Mr. KELLOGG. I should like to ask the Senator from Tennessee if it is not a fact that under the finance bill, which is to be reported to the Senate I understand very soon, the Government may aid the financing of any institution in this country when it is necessary to do so?

Mr. McKELLAR. Oh, of course, under some other bill we might provide for that; we might provide for a great many things in the future. But what we are doing now is providing for the passage of a fair and just and effective railroad bill. The amendment is pertinent to this very bill, and the question ought to be decided at the same time that we decide the questions arising about the other great lines of railroad. We ought to take care of the Government in using short-line competitive railroads necessary to the Government, just as we do in using the great railroad systems of the country. It may be too late to save these short lines from bankruptcy if we delay. They may all be put in the hands of receivers and then gobbled up by the great Government-favored systems if we do not provide for them now. We should be as fair to the small ones as we are to the great ones. I sincerely hope that the amendment will be adopted now and that it will not be put off until some future time.

Mr. SIMMONS. Mr. President, as has been said by one Senator, practically all of these short-line roads have been paying properties. The fact that they have been paying properties has grown out of two circumstances: One, under the competitive system under which they were built, the right of every shipper to route his freight; secondly, the traffic arrangements between these short lines and the through lines which they serve and with which they connect.

If we take away from them the routing privilege and take away from them the traffic arrangements which they have made—and they would never have been built unless they could have made such arrangements—then we shall leave those roads absolutely helpless. It is not a matter of speculation or theory; it is a matter of absolute certainty that everyone of them must cease to be a profit-earning property.

Talk about their ability to borrow money under those conditions. Why, Mr. President, neither under the Federal reserve act nor under the war finance-corporation bill—which has been reported, and not to be reported, as the Senator from Minnesota [Mr. KELLOGG] said—under neither one of those bills could these roads borrow a dollar, because the depreciation of their securities would be so great that it would be impossible for them to give the requisite security to meet their maturities on the advances they would under these conditions have to borrow, if they are to remain and continue as going concerns.

What will be the result of those conditions? Inevitably those roads, which are worth to-day over $1,000,000,000, will go into the hands of receivers and become utterly worthless properties.

Mr. President, of course, the purpose of this is to help the Government in the prosecution of the war; but in all of our legislation with the same end in view we have not been unmindful of the private interests which would be affected by the legislation. When we fixed the price of wheat we were not unmindful of the interests of the wheat growers of the country; and when we come to pass this legislation we ought not to be unmindful of the interest of the owners of these short lines. It is not alone the interest of the stockholders in these roads and the holders of securities in these roads that will be disastrously affected by their exclusion from the provisions of this bill. The people of many communities—agricultural communities, towns, and cities—will also be disastrously affected. Most of these roads were, in the first instance, built through a sparsely settled section of country; they develop these communities.

Along these roads thriving and prosperous towns and cities spring into being, agriculture has been stimulated and developed.

There are short roads in my State, upon the line of which prosperous towns of three, four, and five thousand people have in recent years sprung up, dependent upon them for transportation facilities. Destroy such roads and you destroy the means of transportation facilities of those people; you destroy these towns and cities, and you handicap and weaken the agriculture of the entire section they traverse.

Mr. President, I do not believe that the taking over of these roads will impose any serious burden, if any burden whatsoever, upon the Government. In the first place, if the Government shall take over these short roads and if it will let them continue the present privilege of routing their freight and will continue the traffic arrangements they now have with the through lines taken over by it with which they connect, they will continue upon a profit-earning basis in the future as in the past. The Government need not lose a cent, and the communities through which they now go will continue to enjoy the same benefits of transportation that they now have, and these great property interests will be protected and preserved.

Mr. KELLOGG. Mr. President, will the Senator from North Carolina yield to me?

Mr. SIMMONS. Yes.

Mr. KELLOGG. I should like to remind the Senator that he cut down the price of wheat instead of raising it.

Mr. SIMMONS. Yes; but we fixed a price for wheat that makes it profitable for every man in this country to raise wheat.

Mr. McCUMBER. Not by any means.

Mr. SIMMONS. The price is twice as much as before the war in Europe.

Mr. CURTIS. Mr. President, I want to suggest to the Senator from North Carolina that the farmers were getting more for their wheat at the very time the President fixed the price than they have since received.

Mr. SIMMONS. But that was the result of the war. They never got such a price for wheat before the war. We fixed the price at $2.20 a bushel, and before the war I do not remember in all my life to have heard of wheat selling for $2.20.

Mr. WILLIAMS. Mr. President, I think all this talk about the price of products at this time is somewhat irrelevant. Cotton is selling at 30 cents a pound, which is about three times its normal price. Wheat is selling at $2.20, which is about 120 per cent beyond its normal price. I do not see that we have anything to do with that. The demand and supply of the market have controlled the price of both products, just as they have controlled the price of barley and flax and wool and hundreds of other commodities. By the way, every attempt of the United States Government to interfere with prices in the markets is futile. Whenever you fix a price by governmental regulation you do one of two things: You either fix that as a minimum price while you are fixing it as a maximum and you enable the producer to speculate upon the consumer, or, upon the other hand, your action is ineffectual, and if it is ineffectual you leave it to the ordinary speculative market to control the price.

The world has been full ever since the beginning of time of examples of governmental attempts to regulate prices. No governmental attempt to regulate prices has ever been successful; no governmental attempt of that sort ever will be successful. When you say to a man, "You have a right to charge $2.20 for a bushel of wheat," that gives him a right to speculate up to the extent of $2.20, and if he can find in the market somebody interested in reducing the price of wheat it will be reduced; and that is the end of that proposition. If you were to attempt to fix the price of cotton, for example, at 30 cents, its present price—an exorbitant price for all of us, as we recognize—you could not do that. The price might be fixed, but it would be fixed independently of you and independently of any legislative commandment of the United States Government. It is fixed inexorably by supply and demand.

There are about a million and a quarter bales of cotton going up every year in explosives. What is left is nothing. In the old times when a million and a quarter bales of cotton were used there was something left in the shape of old clothes; you could send them somewhere and have them converted into rags, if you could not do anything more; but there was something left.

There is nothing left of this million and a quarter bales. All the linters are going up, and about half a million bales of cotton besides the linters are going up every year.

Mr. President, all this attempt on the part of the Government, here or elsewhere, to control prices hits itself upon the rocks of psychology. You can tell a man what he can sell a thing at but you can not tell the man to sell it; and if he does not want to sell it, he will not sell it. You can tell a man what to buy a thing at but you can not make him buy it.

I have stood here and I have voted for bill after bill providing for the fixing by the Government of all sorts of prices, and I did so because I did not want anybody to suspect that, even remotely, with my boys and sons-in-law and my nephews in the Army, I could object to anything that the administration wanted to carry on the war.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. WILLIAMS. Mr. President, I am very sorry; I have just begun. [Laughter.]

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. On the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating the announcement as to my pair and its transfer, I vote "yea."

Mr. SHERMAN (when his name was called). I am paired with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I am not certain how he would vote if present, although his colleague [Mr. KNOX] has voted "yea" and perhaps he might vote "yea." I therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. TILLMAN. I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. FLETCHER. I make the same announcement as to my pair and its transfer as heretofore, and vote "yea."

Mr. BECKHAM (after having voted in the affirmative). I inquire if the Senator from West Virginia [Mr. SUTHERLAND] has voted?

The VICE PRESIDENT. He has not.

Mr. BECKHAM. Then I transfer my pair with that Senator to the senior Senator from Texas [Mr. CULBERSON] and will allow my vote to stand.

Mr. GRONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family.

Mr. FRELINGHUYSEN. Making the same announcement as to my pair and its transfer as on previous votes, I vote "yea."

The result was announced—yeas 58, nays 14, as follows:

YEAS—58.

Ashurst	Hitchcock	Nelson	Smith, Ariz.
Beckham	Hollis	New	Smith, Ga.
Cummins	Johnson, Cal.	Norris	Smith, Mich.
Curtis	Johnson, S. Dak.	Nugent	Smith, S. C.
Dillingham	Jones, N. Mex.	Overman	Smoot
Fernald	Jones, Wash.	Page	Sterling
Fletcher	Kenyon	Phelan	Stone
France	Knox	Pittman	Swanson
Frelinghuysen	Lewis	Ransdell	Thomas
Gore	Lodge	Reed	Tillman
Gronna	McCumber	Robinson	Trammell
Hale	McKellar	Sheppard	Warren
Harding	McNary	Sherman	Wolcott
Hardwick	Martin	Shields	
Henderson	Myers	Simmons	

NAYS—14.

Bankhead	King	Saulsbury	Vardaman
Gerry	Kirby	Shafroth	Watson
Kellogg	Poindexter	Townsend	
Kendrick	Pomerene	Underwood	

NOT VOTING—22.

Borah	Culberson	McLean	Wadsworth
Brandegee	Fall	Owen	Walsh
Broussard	Gallinger	Penrose	Weeks
Calder	Goff	Smith, Md.	Williams
Chamberlain	James	Sutherland	
Colt	La Follette	Thompson	

So Mr. CUMMINS's amendment was agreed to.

Mr. LODGE. I move, on line 3, page 14, to strike out the word "eighteen" and insert "six." I have no desire to discuss the amendment. I think the Senate understands it perfectly well, but I should like to have the yeas and nays on it.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 14, section 13, line 3, before the word "months," it is proposed to strike out "eighteen" and to insert "six," so as to read:

SEC. 13 That the Federal control of railroads and transportation systems herein and heretofore provided for shall not continue longer than six months after the proclamation of peace terminating the war in which the United States is now engaged.

Mr. LODGE. On that amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THOMAS. Mr. President, I ask to have the amendment again stated. I am not sure that I caught its full purport.

The VICE PRESIDENT. The Secretary will again state the amendment.

The Secretary again stated the amendment of Mr. LODGE.

The VICE PRESIDENT. The question is on the amendment of the Senator from Massachusetts, on which the yeas and nays have been ordered.

Mr. ROBINSON. Mr. President, I express the hope that the amendment offered by the Senator from Massachusetts will not be agreed to. This feature of the bill was the subject matter of prolonged discussion on yesterday, and it is not my purpose to repeat in detail the arguments that I then attempted to make justifying the limitation of 18 months placed in the bill by the committee. I do, however, want to state that this feature of the bill was the occasion of very sharp differences in the committee, resulting in a compromise and the placing of a limitation of 18 months. It is the opinion of the Director General and of others connected with the administration that a shorter period than 18 months will certainly not be adequate to afford an opportunity for the adjustments which will be necessary between the railroads and the Government. Indeed, it is gravely doubtful whether 18 months will be long enough. I repeat the hope that the limitation of six months will not be placed in the bill.

The VICE PRESIDENT. The yeas and nays having been ordered on the amendment of the Senator from Massachusetts, the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I have a pair, as heretofore announced. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

The roll call was concluded.

Mr. FRELINGHUYSEN. Making the same announcement as before, I vote "yea."

Mr. RANSDELL. I wish to announce the absence of my colleague [Mr. BROUSSARD] on account of illness. I ask that this announcement may stand for the day.

Mr. GRONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is detained from the Senate on account of illness in his family.

Mr. WILLIAMS. I have a standing pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

The result was announced—yeas 28, nays 47, as follows:

YEAS—28.

Curtis	Hale	Kirby	Sherman
Dillingham	Harding	Lodge	Smith, Ga.
Fernald	Hardwick	McCumber	Smith, Mich.
France	Hitchcock	McNary	Smoot
Frelinghuysen	Jones, Wash.	Nelson	Sutherland
Gallinger	Kenyon	New	Townsend
Gronna	King	Page	Warren

NAYS—47.

Ashurst	Kellogg	Phelan	Smith, Ariz.
Bankhead	Kendrick	Pittman	Smith, Md.
Beckham	Knox	Poindexter	Smith, S. C.
Cummins	Lewis	Pomerene	Swanson
Fletcher	McKellar	Ransdell	Thomas
Gerry	McLean	Reed	Tillman
Gore	Martin	Robinson	Trammell
Henderson	Myers	Saulsbury	Underwood
Hollis	Norris	Shafroth	Watson
Johnson, Cal.	Nugent	Sheppard	Williams
Johnson, S. Dak.	Overman	Shields	Wolcott
Jones, N. Mex.	Owen	Simmons	

NOT VOTING—19.

Borah	Colt	La Follette	Vardaman
Brandegee	Culberson	Penrose	Wadsworth
Broussard	Fall	Sterling	Walsh
Calder	Goff	Stone	Weeks
Chamberlain	James	Thompson	

So Mr. LODGE's amendment was rejected.

Mr. KING. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to strike out the word "eighteen" and to insert in lieu thereof the word "twelve," so that, if amended, it will read:

Twelve months after the proclamation of peace.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah.

Mr. KING. Upon that I demand the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I am paired, as heretofore announced. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. LODGE (when Mr. WEEKS's name was called). My colleague [Mr. WEEKS] is absent, for the reason I have already stated. He has a general pair with the senior Senator from Kentucky [Mr. JAMES]. If my colleague were present, he would have voted "yea" on the amendment I offered, and would vote "yea" on this amendment.

Mr. WILLIAMS (when his name was called). I have a standing pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and vote "nay."

The result was announced—yeas 29, nays 45, as follows:

YEAS—29.

Curtis	Harding	McCumber	Smoot
Dillingham	Hardwick	McNary	Sutherland
Fernald	Hitchcock	Nelson	Thomas
France	Jones, Wash.	New	Townsend
Frelinghuysen	Kenyon	Page	Warren
Gallinger	King	Sherman	
Gronna	Kirby	Smith, Ga.	
Hale	Lodge	Smith, Mich.	

NAYS—45.

Ashurst	Kellogg	Phelan	Smith, Ariz.
Bankhead	Kendrick	Pittman	Smith, Md.
Beckham	Knox	Poindexter	Smith, S. C.
Cummins	Lewis	Pomerene	Stone
Fletcher	McKellar	Ransdell	Swanson
Gerry	McLean	Reed	Underwood
Gore	Martin	Robinson	Watson
Henderson	Myers	Saulsbury	Williams
Hollis	Norris	Shafroth	Wolcott
Johnson, Cal.	Nugent	Sheppard	
Johnson, S. Dak.	Overman	Shields	
Jones, N. Mex.	Owen	Simmons	

NOT VOTING—20.

Borah	Colt	La Follette	Trammell
Brandegee	Culberson	Penrose	Vardaman
Broussard	Fall	Sterling	Wadsworth
Calder	Goff	Thompson	Walsh
Chamberlain	James	Tillman	Weeks

So Mr. KING's amendment was rejected.

Mr. SAULSBURY. Mr. President, I send to the desk an amendment of which I move the adoption.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 5, line 15, after the word "made" and before the word "the," it is proposed to insert the words "or pending the execution of an agreement," so that if amended it will read:

That if no such agreement is made, or pending the execution of an agreement.

Also, at the end of line 19, on page 5, it is proposed to insert the words "in cases where no agreement is made," so that if amended it will read:

That if no such agreement is made, or pending the execution of an agreement, the President may nevertheless pay to any carrier while under Federal control an annual amount, payable in reasonable installments, not exceeding 90 per cent of the estimated annual amount of just compensation, remitting such carrier, in cases where no agreement is made, to its legal rights for any balance claimed to the remedies provided in section 3 thereof.

Mr. SMITH of South Carolina. Mr. President, that is simply in line with the intention of the paragraph, and I see no objection to it.

Mr. THOMAS. Mr. President, I move——

The VICE PRESIDENT. The amendment of the Senator from Delaware has not been disposed of yet.

Mr. THOMAS. I understood the Senator in charge of the bill to accept it.

The VICE PRESIDENT. We must get that out of our heads at some time. The Senator in charge of the bill does not adopt amendments. The question is on the amendment offered by the Senator from Delaware.

The amendment was agreed to.

Mr. THOMAS. Now, Mr. President, on page 2, line 18, after the word "extensions," I move to insert the words "and the value of such retirements," which I hope will be acceptable to the Senator having charge of the bill, whether that disposes of it or not.

Now, Mr. President, just a word.

Mr. ROBINSON. Mr. President, will the Senator yield to just a brief statement? That provision, I think, has gone out of the bill on an amendment which I presented a day or two ago.

Mr. THOMAS. May I ask what has been substituted for it?

Mr. ROBINSON. Mr. President, a provision was agreed to, striking out that part of the compensation based upon sums invested in the property during the six-months period ended December 31, 1917. A further amendment is required to effectuate the first amendment, as follows: Strike out all after the word "return," in line 17, page 2, down to and including the word "are," in line 18, and insert the word "is."

Mr. THOMAS. Mr. President, I do not think that affects the amendment which I have offered. The standard return and the cost of such additions, betterments, or road extensions are to be ascertained by the Interstate Commerce Commission.

Mr. ROBINSON. Mr. President, the standard return is all that is left in the bill as the basis of compensation.

Mr. THOMAS. The bill makes no provision, as far as I am able to ascertain, for a means of determining the cost or value of retirements, and it is a very important subject. If there is such a provision in the bill, I should desire——

Mr. ROBINSON. That provision has gone out, and it was my oversight in not offering a further amendment to take that language out of the provision requiring the Interstate Commerce Commission to make the finding as to betterments, improvements, and retirements.

Mr. THOMAS. Does the bill contain any provision for ascertaining the value of retirements?

Mr. ROBINSON. It does not. There is no provision in the bill basing compensation on retirements now, and therefore there is no necessity for ascertaining that.

Mr. THOMAS. Accepting that statement, Mr. President, I, of course, do not insist upon the amendment.

Mr. ROBINSON. With the permission of the Senator from Colorado, I will state that I will offer the amendment which his suggestion has called to my attention as being necessary, and which I stated a moment ago.

Mr. THOMAS. Very well. I am satisfied with that statement.

Now, Mr. President, on page 3, I move to strike out all after the word "taxes," on line 7, down to and including the word "taxes," on line 9, and to insert in lieu thereof the words "heretofore or hereafter provided by law"; also to strike out the words "Federal or," on line 14, so that, if amended, the clause will read:

Every such agreement shall provide that any Federal taxes heretofore or hereafter provided by law—

And other taxes shall be paid in the manner which is set forth—

That other taxes assessed under any other governmental authority—

And so forth.

Mr. SMITH of South Carolina. Mr. President, on what page is this?

Mr. THOMAS. This is on page 3.

The bill as it now stands, Mr. President, provides that any Federal taxes under the act of October 3, 1917, commonly called war taxes, or any amendment thereto, shall be paid by the carrier out of its own funds or shall be charged against or deducted from the standard return, and that other taxes assessed under Federal authority shall be paid out of the revenues derived from railway, operations, and so forth. Now, we are all familiar with the fact that the act of 1916, increasing the normal income tax, applies to railways as well as other concerns, and that act has not been repealed by the act of 1917. Other taxes, notably a corporation stock tax, are provided in that act or the one preceding it, which must be paid by the corporation. As this bill stands, the only tax which the railroads are to pay under it is the war tax imposed under the act of 1917; and the Government will pay all the other taxes that may be and will be assessed against the roads under other laws. Now, that is wrong, and I do not think was intended by the committee. Nevertheless, that will be the construction placed upon this bill if my amendment is not accepted.

Mr. SMITH of South Carolina. Mr. President, the method of ascertaining the compensation was to deduct all the taxes, add in all the taxes as part of the expense, and they therefore would be deducted to ascertain the net operating income which we will allow.

Mr. THOMAS. But the section does not so state. If the Senator will permit me, it is expressly provided that the corporation itself shall, out of its income, pay the war tax under

the act of October, 1917, and that all other Federal taxes shall be paid out of the revenues derived from railway operation.

Mr. SMITH of South Carolina. That is true.

Mr. THOMAS. Which means that if the bill stands as it is the Government will pay to itself the normal income tax of the corporation under the act of 1916 and the corporation-stock tax. My amendment is necessary if that is to be prevented, and, of course, these companies should pay, out of the enormous compensation we are to give them, all of the Federal taxes, no matter what their character, that may be assessed against them.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, I do not care to take this out of his time——

Mr. THOMAS. Unfortunately, that is the ruling of the Chair. If it were not for that I would willingly yield.

Mr. SMITH of South Carolina. When the Senator is through, then, I will make an explanation of the matter.

Mr. THOMAS. But the very fact that a different method of payment is provided for the two sets of taxes necessarily indicates that one comes out of the net profits of the railroads and the other comes out of the Government before the net profit is paid over. It was not intended by the committee, evidently, because the proposition is plainly unjust, but that is the necessary construction of the section to my mind. Let these corporations which we are to so handsomely reward pay all the taxes properly assessable against them

Mr. SMITH of South Carolina. Mr. President, the object that the committee had in view, and which I presume the expert lawyers on the committee have worked out, was this: That the tax mentioned here, particularly under the act of October 3, 1917, which is the excess-profits tax, should not be paid as a part of the regular taxes, but should be paid out of whatever returns we give the roads after deducting all the other ordinary taxes. We were going to leave the stockholders and the bondholders to pay that tax. In other words, up to the time that we make the compensation we deduct all the ordinary taxes provided for by law, except the tax that we impose under the act of October 3, 1917. That must continue, and, with whatever other war taxes may be placed upon this property, shall be paid by those who get the standard return, but before ever you pay the standard return you have deducted the ordinary taxes up until now.

Mr. THOMAS. Precisely.

Mr. SMITH of South Carolina. And will continue to deduct them.

Mr. THOMAS. Precisely.

Mr. SMITH of South Carolina. And when you have deducted them, then you require the beneficiaries of this amount to pay out of whatever we give them as standard compensation whatever other war taxes may come.

Mr. THOMAS. Mr. President, I think my construction of this law is exactly right. The Government is going to pay its own taxes to itself, except the war tax of 1917.

Mr. SMITH of South Carolina. Mr. President, I may miss the Senator's meaning. Before ever we allow them to have any standard compensation, we take out the tax.

Mr. THOMAS. Then why do you not take it all out—the taxes under the act of 1917 as well as the others?

Mr. SMITH of South Carolina. The committee was of opinion that this excess-profits tax should be taken and put upon those who receive the dividends and who hold the bonds.

Mr. THOMAS. If the Senator will permit a question, why should not those who receive the dividends and own the bonds pay the income tax assessed under the act of 1916?

Mr. SMITH of South Carolina. They do it, indirectly.

Mr. THOMAS. I am unable to perceive how.

Mr. SMITH of South Carolina. The whole object of the committee was that this excess-profits tax should rest upon those who get the standard return, but that all of the normal standard tax should be deducted before ever we allow them the compensation. That was my understanding of this proposition.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Colorado.

Mr. THOMAS. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I am paired, as heretofore announced. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

The roll call was concluded.

Mr. GRONNA. I wish to state that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to illness in his family.

Mr. McLEAN. I desire to announce the unavoidable absence of my colleague [Mr. BRANDEGEE]. If he were present, he would vote "nay."

The result was announced—yeas 20, nays 50, as follows:

YEAS—20.

Cummins	Hollis	Kenyon	Sutherland
Curtis	Johnson, Cal.	McCumber	Swanson
Gronna	Johnson, S. Dak.	Norris	Thomas
Hardwick	Jones, N. Mex.	Reed	Townsend
Hitchcock	Jones, Wash.	Shafroth	Vardaman

NAYS—50.

Ashurst	Kellogg	New	Shields
Bankhead	Kendrick	Nugent	Simmons
Beckham	King	Overman	Smith, Ariz.
Dillingham	Kirby	Page	Smith, Md.
Fernald	Knox	Phelan	Smith, Mich.
France	Lewis	Pittman	Smith, S. C.
Frelinghuysen	Lodge	Poindexter	Smoot
Gallinger	McKellar	Pomerene	Underwood
Gerry	McLean	Ransdell	Warren
Gore	McNary	Robinson	Watson
Hale	Martin	Saulsbury	Wolcott
Harding	Myers	Sheppard	
Henderson	Nelson	Sherman	

NOT VOTING—24.

Borah	Culberson	Owen	Tillman
Brandegee	Fall	Penrose	Trammell
Broussard	Fletcher	Smith, Ga.	Wadsworth
Calder	Goff	Sterling	Walsh
Chamberlain	James	Stone	Weeks
Colt	La Follette	Thompson	Williams

So Mr. THOMAS's amendment was rejected.

Mr. THOMAS. I wish to reserve the right to offer this amendment again when the bill comes into the Senate.

The VICE PRESIDENT. The Senator has that right.

Mr. ROBINSON. I offer now the amendment I referred to while the Senator from Colorado had the floor. On page 2, line 17, I move to strike out all language after the word "return," down to and including the word "are," and insert the word "is," so that it will read: "That standard return is to be ascertained by the Interstate Commerce Commission." As I stated while the Senator from Colorado had the floor, this amendment is necessary in order to effectuate an amendment that the Senate agreed to the other day.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 2, lines 17 and 18, strike out the words "and the cost of such additions, betterments, or road extensions are" and insert the word "is," so that the sentence will read:

The standard return is to be ascertained by the Interstate Commerce Commission from the reports, books, and other pertinent data of such carrier and certified by it to the President.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Arkansas.

The amendment was agreed to.

Mr. ROBINSON. I offer an amendment and call it especially to the attention of the chairman of the committee. I ask the Secretary to read it.

The VICE PRESIDENT. It will be read.

The SECRETARY. On page 7, at the end of line 7, insert the following words:

Proceedings in the Court of Claims under this section shall be given precedence and expedited in every practicable way.

Mr. SMITH of South Carolina. I hope that amendment will be adopted, because it is right along the line of expediting the work on which the bill is drawn.

The VICE PRESIDENT. The question is on the amendment submitted by the Senator from Arkansas.

The amendment was agreed to.

Mr. CUMMINS. Mr. President, I move that the words "during the period of Federal control," in lines 19 and 20, on page 7, be stricken out, and that, after the word "compensation," in line 17, on the same page, the words "or return" be inserted.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 7, line 17, after the word "compensation," insert the words "or return," and, on lines 19 and 20, strike out the words "during the period of Federal control," so that, if amended, the proviso will read:

Provided, That there shall be no increase of compensation or return for any additions, improvements, or betterments constructed out of or purchased by the earnings for investments or surplus.

Mr. CUMMINS. Mr. President, the purpose of this amendment is to prevent the claim that the railway companies are entitled to an additional return, whether in Federal control or after Federal control, upon values which have been created by the investment of surplus earned out of the transportation of persons or property. As everybody knows, it has been contended for a long time that when railroad companies earned more than enough to pay the expenses of maintenance and operation, more than enough to pay the interest on their bonds for fixed charges of all kinds and adequate dividends upon their capital, any surplus existing after those payments are made,

and which are invested in the property of the railway company, ought not to be made the basis for increased returns upon capital in the future.

This view was urged before the committee, and the committee adopted the view, to the extent of affirming the principles, by saying that we should pay no increased compensation for added values of this kind during the period of Federal control. My amendment simply projects that principle into the future, if the roads are ever returned to private ownership and management. If we are to adopt the important principle during Federal control the bill already does, how can it be urged that after the property is returned to the several railway companies they shall be permitted to earn a return upon values created during Federal control out of surplus earnings after the full compensation for the capital involved?

I appeal to the Senate, and especially to the members of the committee who are familiar with the whole controversy, not to be so inconsistent and illogical as to deny to these railroad companies additional returns upon these values while in Federal control after permitting additional returns or added compensation for the same value after the property passes back into private operation.

Mr. KELLOGG. Mr. President, I should like to explain to the Senate a little more what this amendment means. It would prohibit any railroad company having any surplus on hand over and above the dividends it had paid, not fair dividends. Those dividends might not be more than 1 or 2 per cent. The company might have a surplus on hand now which it desired to invest in betterments and improvements, and certainly no one can claim that surplus property taken out of dividends and which the company determined to put in its property instead of giving it out to stockholders should not be capital.

The committee attempted to simply provide a policy as to betterments and improvements made out of surplus over and above dividends during Federal control; that that surplus, whatever it amounted to over and above the dividends which they were allowed to pay under this bill, should not be used to increase the guaranteed income of the road during the Federal control.

We did not desire to go into the future, after Federal control, and to settle a policy for the railroad companies, rather leaving all questions to be settled by the Congress before the railroads should be turned back.

There is, of course, much to be said to the effect that where a railroad company has paid a reasonable dividend upon its value or its stock and bonds surplus over and above that amount invested in the property should not be capitalized or used as a basis for making rates. But surplus that the companies now have on hand, a surplus which should have earned less than a fair dividend, certainly should be capital to the stockholders.

Mr. CUMMINS. Will the Senator from Minnesota yield to me?

Mr. KELLOGG. I have but five minutes, and I can not yield.

Mr. CUMMINS. I simply want to advise the Senator that I exactly agree with him. I think there ought to be a provision for the allowance of reasonable dividends, and the Senator from Minnesota knows I intended that. I adopted the language in the bill rather than to offer an independent amendment of my own. I intend to amend it in that way.

Mr. KELLOGG. Mr. President, it does seem to me that we ought not to prevent the roads from using the surplus which they now have on hand or to project any policy into the future beyond the Government control. Those policies should be settled at that time.

Mr. REED. Will the Senator yield for a question?

Mr. KELLOGG. I can not. I have only five minutes, and I prefer the Senator to use his own time.

Mr. REED. I want to get light from the Senator. I can not get it myself.

Mr. KELLOGG. Mr. President, I believe that the amendment as it exists here goes too far, and certainly the amendment of the Senator from Iowa goes much too far. I believe that so far as it is possible we ought not to undertake in this bill to settle the policies of railroad control, railroad management and capitalization and what should be capitalized and what should not be capitalized.

Mr. REED. Mr. President, in my own time I will ask the Senator a question.

Mr. KELLOGG. I shall be very glad to answer it.

Mr. REED. The Senator speaks about the surplus the railroad may have on hand now that it may desire to invest. Of course under the terms of the bill as it is drawn it would get no return upon those investments during the time of governmental control. That is correct, is it not?

Mr. KELLOGG. No; as the bill is now drawn any surplus on hand when the Government took over the road, if they invested it, would be the same as their capital, but under the bill as drawn any surplus made over and above dividends during the Government control can not be used to increase the income of the road during the time of that control.

Mr. REED. Does the Senator think that the latter income he has just spoken of is likely to be invested at all during Government control when there is an absolute prohibition against any income being paid on it?

Mr. KELLOGG. There is some question about that, and I am not sure of the wisdom of the clause that is in the bill now, but certainly it is not wise to go further than that.

Mr. REED. It seems to me, if the Senator's contention is correct, it is perfectly plain that a road will not be deterred from putting its income back into its property by the amendment offered by the Senator from Iowa, if it put it in the teeth of a provision which denied it any return during the period of the war or the period of control; that is, for the war, and as the bill now stands for 18 months thereafter. It occurs to me that the opposition has not very much ground to stand upon.

Mr. CUMMINS. Mr. President, I do not rise to speak on the amendment. I desire to modify the amendment by adding, after the word "surplus," the words "after allowance for reasonable dividends."

The VICE PRESIDENT. The amendment will be stated as modified.

The SECRETARY. On page 7, line 17, after the word "compensation," insert the words "or return," and, on lines 19 and 20, strike out the words "earned during the period of Federal control" and insert "after allowance for reasonable dividends," so that the proviso will read:

Provided, That there shall be no increase of compensation or return for any additions, improvements, or betterments constructed out of or purchased by the earnings for investment or surplus after allowance for reasonable dividends.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa.

Mr. CUMMINS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I make a like announcement as to my pair and the transfer of it, as on the former vote, to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

The roll call was concluded.

Mr. SMITH of South Carolina. I have a general pair with the Senator from South Dakota [Mr. STERLING], who is absent; but I was permitted by him to cast my vote, as I have done, in his absence. He also stated that he would vote for the bill on its passage, whenever that may occur.

The result was announced—yeas 21, nays 49, as follows:

YEAS—21.

Cummins	Johnson, S. Dak.	McNary	Thomas
Curtis	Jones, Wash.	Norris	Trammell
Gronna	Kenyon	Phelan	Vardaman
Hardwick	King	Reed	
Hollis	Kirby	Shafroth	
Johnson, Cal.	McCumber	Sutherland	

NAYS—49.

Ashurst	Henderson	Nugent	Smith, Md.
Bankhead	Hitchcock	Overman	Smith, Mich.
Beckham	Jones, N. Mex.	Page	Smith, S. C.
Culberson	Kellogg	Pittman	Smoot
Dillingham	Knox	Poindexter	Stone
Fernald	Lewis	Pomerene	Underwood
Fletcher	Lodge	Ransdell	Warren
France	McKellar	Robinson	Watson
Frelinghuysen	McLean	Sheppard	Williams
Gallinger	Martin	Sherman	Wolcott
Gerry	Myers	Shields	
Hale	Nelson	Simmons	
Harding	New	Smith, Ga.	

NOT VOTING—24.

Borah	Fall	Owen	Thompson
Brandegee	Goff	Penrose	Tillman
Broussard	Gore	Saulsbury	Townsend
Calder	James	Smith, Ariz.	Wadsworth
Chamberlain	Kendrick	Sterling	Walsh
Colt	La Follette	Swanson	Weeks

So the amendment of Mr. CUMMINS was rejected.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Iowa will be stated.

The SECRETARY. It is proposed to strike out the second paragraph of section 10, which begins on page 11, line 13, down to and including line 2, on page 12, as amended, and to insert:

Provided, That with respect to rates, charges, and fares for the transportation of persons and property (except troops and Government property) the act to regulate commerce approved February 4, 1887, and all amendments thereto shall remain in full force and effect, and the Interstate Commerce Commission shall continue to exercise all the powers conferred in said act; and the President shall have no greater power respecting rates, charges, and fares for the transportation of persons and property (except troops and Government property) than carriers have heretofore had under the said act.

Mr. CUMMINS. Mr. President, this amendment presents squarely the question that has been more than once suggested and debated in the last day or two. Under this amendment the jurisdiction of the Interstate Commerce Commission as to rates and charges for the transportation of persons and property in general commerce is preserved unimpaired and untouched, the President having absolute power under the previous part of the section to dispose of every other question relating to the operation and management of railways. The bill as it is, as I remarked in my minority report, keeps the promise to the ear but breaks it to the hope. It gives the President the right to initiate rates, as my amendment does, but it gives him also the power to put the new rates instantly into effect, and they can only be modified upon the complaint of some interested person after a hearing by the Interstate Commerce Commission.

Mark you, I am not impairing or infringing upon the authority given to the President in any other thing save the fixing of rates in general commerce, and the difference between the amendment I have offered and the bill as it is lies practically in two things: First, it will give the Interstate Commerce Commission the power to suspend a rate proposed by the carrier or by the President; second, it will make it necessary that the Interstate Commerce Commission shall approve the rate, if it be an increase over the existing rate, before it goes into effect. In that way we may be able, notwithstanding the enormous influence of the Executive—an influence which in recent years unhappily has embraced the Interstate Commerce Commission—notwithstanding that pernicious activity, we may be able to preserve some power in the commission. But under the bill as it is there is no hope of any practical exercise of power upon the part of the commission.

I want to present the question fairly and fully as to whether the Senate desires that in future the Interstate Commerce Commission shall have the same power over rates which it now possesses under the law. Remember, however, when you are voting upon it that it does not interfere with the President's absolute power in every other respect.

Mr. STONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I yield.

Mr. STONE. Does the Senator mean that he wishes the Interstate Commerce Commission to retain its present power with respect to fixing and adjusting competitive rates?

Mr. CUMMINS. Mr. President, the Interstate Commerce Commission has no power to fix or adjust competitive rates so far as I know.

Mr. STONE. I thought where there were questions arising between railroads running in different directions—competing lines—that it had the power to fix rates?

Mr. CUMMINS. It has the power to fix rates for every railway company in the country, but it has no power to adjust competitive rates, because really there is no such thing as a competitive rate; that is to say, which is recognized by the law.

Mr. STONE. Well, then, does the Senator mean that the Interstate Commerce Commission must retain the power of fixing rates generally?

Mr. CUMMINS. I do. I am insisting that the Interstate Commerce Commission shall be the tribunal, as heretofore, for the establishment of rates for the transportation of property in general—not Government property or Government troops.

Mr. ROBINSON. Mr. President, the amendment which the Senator from Iowa [Mr. CUMMINS] has presented relates to one of the most fiercely contested questions involved in this bill. The provision in the bill was the result of a compromise, to which I referred yesterday, and gives the President the power to initiate rates and put them into effect, subject to the right of the Interstate Commerce Commission to review them as to justness and reasonableness.

I maintain, Mr. President, that under Federal control much power is necessarily vested in the President. In the first place, it has become necessary for the purpose of relieving congestion in the eastern ports to divert a large volume of traffic to South Atlantic and Gulf ports, and it may prove wise to divert some even to Pacific ports. This can not be done without a quick readjustment of rates between these ports. It may be necessary to increase rates to the eastern ports, to discourage traffic in that direction, and thus induce it to go to ports less congested. It is manifest that there must be a great many readjustments of joint rates to accommodate this new movement of traffic, which would involve long delays if the ordinary peace processes before the Interstate Commerce Commission in respect to the increase of rates should be followed.

In the next place, because of war conditions the country is confronted with the withdrawal of water transportation all along the Atlantic coast, and notably from New England points, and many essential commodities, such as coal, must now move entirely by rail. The rail rates were perhaps in many instances fixed in order to meet water competition, and the railroads can not be made to carry the traffic in all instances without some increase in rates. It may become necessary, in the third place, in the public interest to increase or reduce rates under many circumstances during Federal control, and if the President be deprived of this power it will limit him in the effective operation of the railroads during this very great emergency.

Mr. President, Federal control implies a readjustment to some extent of the conditions and rates that prevailed during peace. There has been already, and there will hereafter be, a great diversion of freight, a great rerouting of freight, and to require the President to wait until the Interstate Commerce Commission has gone through its quasi judicial processes and determined these questions would be to deprive the Government of the benefit of prompt action in the matter of Federal control.

I maintain that the committee has adopted about the best provision to meet the conflicting views that can be written into this bill, and I express the hope that the Senate will defeat the amendment and sustain the committee's provision, which grants the minimum authority in the Executive necessary for effective Federal control as to the making of rates.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. Upon the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I am paired with the senior Senator from Kansas [Mr. THOMPSON] and therefore withhold my vote.

The roll call having been concluded, the result was announced—yeas 24, nays 45, as follows:

YEAS—24.

Cummins	Hitchcock	Nelson	Stone
Curtis	Johnson, Cal.	New	Sutherland
France	Jones, Wash.	Norris	Thomas
Gronna	Kenyon	Reed	Trammell
Harding	Knox	Smith, Ga.	Vardaman
Hardwick	McNary	Smoot	Wolcott

NAYS—45.

Ashurst	Jones, N. Mex.	Nugent	Shields
Bankhead	Kellogg	Overman	Simmons
Beckham	Kendrick	Page	Smith, Ariz.
Dillingham	King	Phelan	Smith, Md.
Fernald	Kirby	Pittman	Smith, Mich.
Fletcher	Lewis	Poindexter	Smith, S. C.
Frelinghuysen	Lodge	Pomerene	Swanson
Gallinger	McCumber	Ransdell	Warren
Gerry	McKellar	Robinson	Watson
Hale	McLean	Saulsbury	
Henderson	Martin	Shafroth	
Hollis	Myers	Sheppard	

NOT VOTING—25.

Borah	Fall	Penrose	Wadsworth
Brandegee	Goff	Sherman	Walsh
Broussard	Gore	Sterling	Weeks
Calder	James	Thompson	Williams
Chamberlain	Johnson, S. Dak.	Tillman	
Colt	La Follette	Townsend	
Culberson	Owen	Underwood	

So Mr. CUMMINS's amendment was rejected.

Mr. STONE. In this connection, Mr. President, I ask to have printed in the RECORD a telegram which I send to the desk.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

KANSAS CITY, MO., *February 21, 1918.*

Hon. WILLIAM J. STONE,
United States Senator, Washington, D. C.:

At a special called meeting this date of the board of directors of the chamber and representative shippers to consider rate-control features of railroad bills in Congress, we respectfully urge the amendment and enacting of the Senate bill, providing that the Interstate Commerce Commission shall continue to exercise full control of all rates and charges of railroads during Government operation, subject to all provi-

sions of the act to regulate commerce, especially relating to discriminatory and prejudicial rates and suspension of date effective thereof pending public hearing. We make no suggestions as to other features of the proposed legislation empowering the President to deal with the carriers during the period of the war.

THE CHAMBER OF COMMERCE OF KANSAS CITY, MO.,
C. W. LONSDALE,
Third Vice President, in Charge of Traffic.

Mr. SMITH of Michigan. Mr. President, I desire to invite the attention of the Senator from South Carolina to the provision of this bill at pages 9 and 10, section 7, where the President is given discretionary power to buy certain railroad stocks and securities at par, but he has no discretion whatever in selling those securities.

It seems to me that the President should be given some discretion in disposing of railroad stocks. He can not dispose of them at less than cost, no matter how badly he may want to do so. If there is any good reason for thus restricting his power to divest the Government of railroad stocks purchased under the authority of this bill, I should like to know what the reason is?

Mr. SMITH of South Carolina. Mr. President, I think the only object that the committee had in view was that when these securities were purchased, without making some limitation as to what should be the price, it might be possible that they would lay themselves open to the charge of having disposed of them at a sacrifice. I can see the point that the Senator is making. In that connection, the provision reads:

The President may purchase for the United States all or any part of such securities at prices not exceeding par.

Which means that he may purchase at any price——

Mr. SMITH of Michigan. Less than par.

Mr. SMITH of South Carolina. Less than par; and I do not know that there is any valid reason why he may not be allowed to sell them under such conditions as would be for the best interests of the public in general.

Mr. SMITH of Michigan. That is exactly the point I desire to make.

Mr. SMITH of South Carolina. I see no objection to that.

Mr. SMITH of Michigan. It seems to me that all after the word "desirable," in line 4, down to the semicolon, ought to be stricken out, so that the provision would read:

The President may purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities whenever in his judgment it is desirable.

That amendment ought to be made. Otherwise we may get into the Treasury of the United States millions of dollars' worth of stocks and bonds that we can not get rid of unless the President goes into the open market and bolsters up that market. To make him such an instrument of questionable propriety is beyond belief.

I therefore move, Mr. President, to strike out the words "at prices not less than the cost thereof," in line 4, on page 10; and after what the Senator from South Carolina, in charge of the bill, has said about it, I hope the amendment may be adopted.

Mr. SMOOT. Mr. President, just one word. The object of allowing the President to buy these securities at all is that the market is not and will not be in a condition to purchase them. If we give the President the power to purchase these securities at par and then allow him to sell them at less than par, the President could throw these very securities upon the market, and that would have a worse effect than if forced upon the market by the roads themselves.

Mr. SMITH of Michigan. Mr. President, if the Senator will permit an interruption, to throw them upon the market, of course, would challenge the discretion and the patriotism of the President. I am not doing that; and to make it necessary for him to bolster the entire market before he could part with these stocks would be a strange thing for the President of the United States to undertake.

Mr. SMOOT. Mr. President, I do not think the Government of the United States would have to invest any money in these securities unless the condition of the money market was such as now exists. I think the Government ought to buy the securities at par, if it buys them at all, and I do not believe it ought to sell them below par, nor should we authorize them to be sold below par, because after normal conditions have been restored the President can sell these securities at par and perhaps above. It does seem to me that they ought not to be sold by the Government of the United States for less than it paid for them, and not until financial conditions are normal.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. SMITH].

The amendment was rejected.

Mr. CUMMINS. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of section 1, the following:

Provided, That in no case shall the net income—that is, the sum remaining after deducting for operation, maintenance, taxes, fixed charges, interest on funded and unfunded debt and all other items of expense according to the system of accounting established by the Interstate Commerce Commission—of any such carrier exceed 5 per cent on the par value of its capital stock—eliminating duplications—outstanding on the 31st day of December, 1917.

Mr. CUMMINS. Mr. President, this amendment recalls the attention of the Senate to the subject of compensation during Federal control.

The amendment which I offered yesterday, or day before, was scientifically correct, so far as its expression was concerned, but I believe that a great many Senators failed to comprehend its effect upon the bill by reason of the intricacy of the subject. I have reduced the matter to its last analysis in the amendment which I have just offered, and it is so simple that anyone, no matter how unfamiliar with the bookkeeping or system of accounts established by the commission, can comprehend it.

It provides that the net income, after the payment of all expenses of every character, including interest and taxes of every kind that can be possibly assessed against the railway company, shall not exceed 5 per cent upon the par value of the stock outstanding on the 31st day of December, 1917, that being the day upon which we began our new relation to the railway companies.

I believe that in the emergency through which we are passing 5 per cent is adequate compensation. I believe that in view of the sacrifices and hardships which the American people are expected to make and to suffer we ought not to pay these securities more than 5 per cent, for then they are closely related in value to the bonds which the Government expects the people to take, the proceeds from which will enable us to carry on the war.

Now, that is my view, but if this amendment is not acceptable I intend to offer another providing for 6 per cent. I want to get, if I can, the sober, intelligent view of the Senate with regard to the dividends that ought to be paid upon the stock of railroad corporations during this war, and I know of no way in which to get that view except to ask a vote upon the proposition I have made, which strips the subject of all the verbal obscurities in which the bill itself is couched.

If no other Senator desires to speak upon the amendment, or in any event, Mr. President, I will ask at this time that when the vote is taken upon the amendment it shall be by the yeas and nays.

Mr. SMITH of South Carolina. Mr. President——

Mr. CUMMINS. I should like to have that matter determined now.

The VICE PRESIDENT. Is there a second?

The yeas and nays were ordered.

Mr. SMITH of South Carolina. Mr. President, I just want to call the attention of the Senate to the fact that this is the identical proposition that the Senator from Iowa has offered here more than once, and it has been voted down more than once. It simply means that he is committing the Government to a policy that has not obtained at any time, at any place, anywhere, and restricting the roads to an amount sufficient to pay a certain rate of interest on their bonds and dividends on their stock, and, outside of that, no earnings whatsoever. He knows as well as the committee knows that we have had no way to ascertain whether or not this would be a just compensation. He knows as well as the committee knows that it would rob the President of the basis which we hope will be one upon which he and the railroads can agree. He knows that rather than submit to some arbitrary statutory enactment as the basis upon which they will settle, which it is beyond the province of this legislature to make, the roads will go into the courts, and the precious time that is necessary for us to mobilize and use these indispensable resources of our economic life will have passed.

The Senator knows that this is not the time or the place for us to determine the question of the justice of returns to the railroads. Every man on the floor of the Senate will address himself at the proper time to that question, but this is not the proper time, and I do not know why the Senator insists upon bringing it up and having it defeated and still bringing it up again. He is not detracting from the patriotism of any man here by putting us on record as to how we stand on this matter. I say here and now that I am willing to bear my share of the so-called burden that we are going to pay the railroads, if in bearing it we can expedite matters and cause us the more readily and easily to win the terrible conflict we are in. But in order to save one or two or three million dollars, perhaps, let us not jeopardize the whole scheme and throw it all into the courts for a mere question of dollars and cents. We are passing this legislation for the purpose of getting the forces of America mobilized as quickly and as powerfully as we may, in order to win this

war. We can not sit down and calculate nicely what the shippers and the railroads are entitled to in a nicely balanced peacetime condition.

I hope the Senate will vote down the amendment and give the President the latitude that this bill gives him, to agree with these people who have their money invested in these roads on any basis that he can within the provisions of the bill.

Mr. REED. Mr. President, adopting the phraseology of the chairman of the committee, it might be said that he knows that the adoption of this amendment or any other amendment fixing a compensation will not delay the taking over of these roads one second, because the roads have already been taken over. It might be further said that he knows perfectly well that it will not unstabilize financial conditions, because the road refusing to accept the 5 per cent return will surely be a road that would hope to get a larger return than 5 per cent by going into court; and the road that can fairly hope to have more than 5 per cent net return is not the kind of road the securities of which will in any manner disturb the financial market.

When we consider the question so often raised to cover every defect and every imperfection, that we must do this in order to win the war, it will be difficult to understand how keeping railroad companies down to a fair return upon their capital can in any way militate against the success of our fortunes on the western front or on the high seas. The truth of the matter is that as we are drawing this bill we are putting some few restrictions in, we are laying down some rules to be followed, and the sole question is, Ought we to provide that no railroad company shall receive more than 5 per cent net upon its stock? It seems to me that that question ought to be settled upon its merits. It does seem to me that an absolute guaranteed return of 5 per cent for a period of the war and 18 months thereafter would be a condition that most financial institutions of the United States and most individuals would like to be assured of upon their investments.

Mr. JOHNSON of California. Mr. President, neither this amendment nor any individual connected with the amendment, of course, impugns the patriotism of any Senator upon this floor. We recognize the unselfish devotion of those who are upon the committee, and the patriotism of all those who have voted with the majority. Their patriotism and unselfishness as evinced by their action on this bill are far beyond any dispute or any cavil of ours whatever.

This amendment, however—and I trust if it is defeated it will be followed with other amendments of a like sort at 6 and 7 per cent as well—says to the railroad companies of the United States in time of war that they shall be paid every dollar of expense, every penny of interest that may be due upon any outstanding indebtedness or outstanding bond, and then that there shall be paid to them 5 per cent upon their capital stock. It is a sorry compliment to the railroad companies and to the railroad magnates of this land, it is a pitiful tribute to their patriotism, that any Senator should insist that that does not, in this time of crisis and war, do ample, full, and complete justice to them, and to every one of them.

I can conceive of no rational theory upon which to every business in this land a lesser rate should be guaranteed in this crisis and to the railroads of the land 5 per cent and more.

If this amendment be defeated I trust the Senator from Iowa will follow it with an amendment allowing the railroad companies 6 per cent on their capital stock, and then an amendment providing for 7 per cent, and let us see just exactly the extent of the generosity of Congress to railroad proprietors in time of crisis and in time of war, in time of sacrifice of men and of women and children in this land, in time of sacrifice of property and of blood.

Mr. SMITH of South Carolina. Will the Senator allow me? It is not a question of 5, 6, 7, 8, 9, 10, or 20 per cent. It is a question in this bill of leaving it to the discretion of the President to take what the railroads have earned and reach a basis of agreement as to what he will pay them.

Mr. JOHNSON of California. On the contrary, Mr. President, in reply—for I have only a minute and a half—I say to the Senator from South Carolina he is inaccurate in his statement. The bill provides the particular mode of compensation. The President has stated the mode that he will adopt. The Director General has stated his intention, and the intention of the Director General and the rate of compensation in the proclamation by the President are alike. It is the intention to pay exactly the rate that is specified in this particular bill.

Mr. SMITH of South Carolina. If the Senator will allow me, those intentions have never been communicated to the committee; certainly not to the chairman of the committee.

Mr. JOHNSON of California. In answer, Mr. President, I say they were communicated in the original proclamation of the President. They were stated in his address given to both Houses. I am told by the Senator from Iowa [Mr. CUMMINS] that they were stated by Director General McAdoo in his testimony before the particular committee. If I am in error in the latter statement, I may stand corrected, but the statement has never been challenged. They are of record in the proclamation of the President and they are of record as well in the President's address to Congress delivered only a brief period ago; they are of record in the proceedings of the committee and of record in the bill before us. Whether of record or not, here now is submitted that the rate of compensation shall not exceed, after all payments of interest, indebtedness, and so forth, 5 per cent. Hereafter, if this amendment be defeated, the compensation will be increased to 6 per cent. If that be defeated, then we offer 7 per cent. Can more be asked of a kindly and tender and overgenerous Congress?

Mr. SMITH of South Carolina. That was to be the basis on which compensation was to be reckoned. The average of three years' net earnings was the basis upon which the agreement was to be reached. I will just call the attention of the Senator to one glaring instance in the table given by the Senator from Iowa.

The VICE PRESIDENT. The Senator's time has expired. Is there further discussion? If not, the yeas and nays have been demanded on the amendment proposed by the Senator from Iowa. Is there a second?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Again announcing my pair with the senior Senator from Oregon [Mr. CHAMBERLAIN] and transferring that pair to the junior Senator from New York [Mr. CALDER], I vote "nay."

Mr. SHERMAN (when his name was called). I have a pair with the senior Senator from Kansas [Mr. THOMPSON], which I transfer to the Senator from New York [Mr. WADSWORTH] and vote "nay."

The roll call having been concluded, the result was announced—yeas 19, nays 46, as follows:

YEAS—19.

Cummins	Henderson	Kenyon	Sutherland
Curtis	Hollis	Kirby	Thomas
Gore	Johnson, Cal.	McNary	Trammell
Gronna	Jones, Wash.	Norris	Vardaman
Hardwick	Kendrick	Reed	

NAYS—46.

Bankhead	Kellogg	Overman	Simmons
Beckham	Knox	Owen	Smith, Ariz.
Dillingham	Lewis	Page	Smith, Md.
Fernald	Lodge	Phelan	Smith, Mich.
Fletcher	McCumber	Pittman	Smith, S. C.
France	McKellar	Pomerene	Smoot
Frelinghuysen	McLean	Ransdell	Swanson
Gallinger	Martin	Robinson	Warren
Gerry	Myers	Saulsbury	Watson
Hale	Nelson	Shafroth	Wolcott
Harding	New	Sheppard	
Jones, N. Mex.	Nugent	Sherman	

NOT VOTING—29.

Ashurst	Fall	Poindexter	Underwood
Borah	Goff	Shields	Wadsworth
Brandegee	Hitchcock	Smith, Ga.	Walsh
Broussard	James	Sterling	Weeks
Calder	Johnson, S. Dak.	Stone	Williams
Chamberlain	King	Thompson	
Colt	La Follette	Tillman	
Culberson	Penrose	Townsend	

So Mr. CUMMINS's amendment was rejected.

Mr. CUMMINS. I offer the following amendment.

The SECRETARY. Add at the end of section 1 the following:

Provided, That in no case shall the net income (that is, the sum remaining after deducting for operation, maintenance, taxes, fixed charges, interest in funded and unfunded debt, and all other items of expense according to the system of accounting established by the Interstate Commerce Commission) of any such carrier exceed 6 per cent on the par value of its capital stock (eliminating duplications) outstanding on the 31st day of December, 1917.

Mr. CUMMINS. Mr. President, it will be observed that this amendment is precisely in terms like the one just voted upon except that it permits a dividend of 6 per cent upon the capital stock outstanding on the 31st day of December. It is offered, as I shall offer another one, in the hope that we may not close this bill with the extravagant compensation now provided remaining in it.

I ask for the yeas and nays upon agreeing to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating the announcement on the former vote, I vote "nay."

Mr. SHERMAN (when his name was called). I am paired as heretofore announced, and I transfer my pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

The roll call having been concluded, the result was announced—yeas 24, nays 45, as follows:

YEAS—24.

Borah	Henderson	Kenyon	Shafroth
Cummins	Hollis	King	Smith, Mich.
Curtis	Johnson, Cal.	Kirby	Sutherland
Gore	Johnson, S. Dak.	McNary	Thomas
Gronna	Jones, Wash.	Norris	Trammell
Hardwick	Kendrick	Reed	Vardaman

NAYS—45.

Bankhead	Kellogg	Overman	Smith, Ariz.
Beckham	Knox	Page	Smith, Ga.
Dillingham	Lewis	Pittman	Smith, Md.
Fernald	Lodge	Poindexter	Smith, S. C.
Fletcher	McCumber	Pomerene	Smoot
France	McKellar	Ransdell	Swanson
Frelinghuysen	McLean	Robinson	Warren
Gallinger	Martin	Saulsbury	Watson
Gerry	Myers	Sheppard	Wolcott
Hale	Nelson	Sherman	
Harding	New	Shields	
Jones, N. Mex.	Nugent	Simmons	

NOT VOTING—25.

Ashurst	Fall	Phelan	Wadsworth
Brandegee	Goff	Sterling	Walsh
Broussard	Hitchcock	Stone	Weeks
Calder	James	Thompson	Williams
Chamberlain	La Follette	Tillman	
Colt	Owen	Townsend	
Culberson	Penrose	Underwood	

So Mr. CUMMINS's amendment was rejected.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Iowa will be stated.

The SECRETARY. It is proposed to add to section 1 the following:

Provided, That in no case shall the net income (that is, the sum remaining after deducting for operation, maintenance, taxes, fixed charges, interest on funded and unfunded debt, and all other items of expense according to the system of accounting established by the Interstate Commerce Commission) of any such carrier exceed 7 per cent on the par value of its capital stock (eliminating duplications) outstanding on the 31st day of December, 1917.

Mr. CUMMINS. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating the announcement which I made upon the previous vote as to my pair and its transfer, I vote "nay."

Mr. SHERMAN (when his name was called). I am paired with the senior Senator from Kansas [Mr. THOMPSON]. I transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a standing pair with the senior Senator from Pennsylvania [Mr. PENROSE], but I am informed that if he were present he would vote as I am about to vote. I therefore regard myself as at liberty to vote. I vote "nay."

The result was announced—yeas 27, nays 47, as follows:

YEAS—27.

Ashurst	Hardwick	Kendrick	Shafroth
Borah	Henderson	Kenyon	Smith, Mich.
Cummins	Hitchcock	King	Sutherland
Curtis	Hollis	Kirby	Thomas
Gore	Johnson, Cal.	McNary	Trammell
Gronna	Johnson, S. Dak.	Norris	Vardaman
Harding	Jones, Wash.	Reed	

NAYS—47.

Bankhead	Knox	Owen	Simmons
Beckham	Lewis	Page	Smith, Ariz.
Dillingham	Lodge	Phelan	Smith, Ga.
Fernald	McCumber	Pittman	Smith, Md.
Fletcher	McKellar	Poindexter	Smith, S. C.
France	McLean	Pomerene	Smoot
Frelinghuysen	Martin	Ransdell	Swanson
Gallinger	Myers	Robinson	Warren
Gerry	Nelson	Saulsbury	Watson
Hale	New	Sheppard	Williams
Jones, N. Mex.	Nugent	Sherman	Wolcott
Kellogg	Overman	Shields	

NOT VOTING—20.

Brandegee	Culberson	Penrose	Townsend
Broussard	Fall	Sterling	Underwood
Calder	Goff	Stone	Wadsworth
Chamberlain	James	Thompson	Walsh
Colt	La Follette	Tillman	Weeks

So the amendment of Mr. CUMMINS was rejected.

Mr. RANSDELL. I submit an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Louisiana will be stated.

The SECRETARY. On page 9, line 17, after the word "interest," it is proposed to insert "including the construction of tracks, structures, and equipment to facilitate the exchange of traffic between carriers by water and carriers by rail."

Mr. RANSDELL. Mr. President, I regard this as quite an important amendment. It is barely possible that it may be included in the terms of the bill, but I am not at all clear as to that. It certainly is very important that water carriers, if used, as I hope and believe they will be used under the power given to the President in this bill, will be enabled to cooperate in a businesslike manner with the railways.

The waterways, as everyone knows, are not being used at the present time. There are very few carriers on them—very few boats. They have been completely neglected and overlooked. We criticize the Germans in a great many respects, but we might well imitate them in utilizing our waterways as they have been utilizing theirs. Many of the closest students of the subject think that the great development of Germany during the last 40 years is due more to the wise and businesslike development of its waterway systems than to any other one cause.

This bill provides, at the close of section 6, that out of the revolving fund of $500,000,000 the President shall have authority to build boats and barges for the various canals and rivers of the country, if he deems it advisable so to do. The purpose of my amendment is to authorize him, beyond any question, to make physical connection between the railways and the boat lines. We know that that does not exist at the present time, or that it exists in very few places. If we are to utilize rivers and canals, it can not be done effectively except by making the railway and the waterway cooperate.

Mr. POMERENE. Mr. President, may I interrupt the Senator for a question?

Mr. RANSDELL. I will yield for a question, but not for an argument.

Mr. POMERENE. Merely for a question. The Senator has stated that there were very few boats on the rivers.

Mr. RANSDELL. That is true.

Mr. PEMERENE. Now, then, with what are we to connect the railways if there are no boats?

Mr. RANSDELL. There are some boats now; and the provision which I propose would authorize the President to put on more boats. I sincerely hope we are going to use a part of this $500,000,000 in putting more boats on the rivers. We could not expend it in a wiser or better way. We could not expend it in a way which would give greater returns to the American people. We could not help them more than by utilizing these splendid God-given highways, which have been allowed to go to utter neglect in this country.

Mr. President, I wish to ask that a very brief address, of some eight pages, delivered by Mr. S. A. Thompson, on "The relation of improved waterways to foreign trade" be published along with my remarks. The address was delivered two years ago before the Third National Foreign Trade Convention at New Orleans. It contains some splendid thoughts and very valuable data.

The VICE PRESIDENT. Is there objection?

Mr. GALLINGER. What is the request, Mr. President?

The VICE PRESIDENT. The request is to publish somebody's speech as a part of the Senator's remarks.

Mr. GALLINGER. I must object.

The VICE PRESIDENT. Objection is made.

Mr. RANSDELL. I hope the Senator from New Hampshire will not make the objection. Let me state what the matter is. It is a very brief address, covering eight narrow pages, which was delivered two years ago before the Foreign Trade Council at New Orleans. I shall simply have to read it if the Senator objects to printing it. It is not a political speech, but it is a discussion, in a very forceful manner, of the merits of the question of transportation.

Mr. GALLINGER. Mr. President, I think we ought to keep that kind of matter out of the RECORD until we can get paper enough to print the RECORD for our constituents.

Mr. RANSDELL. I will say to the Senator that, while I respect him very much, that matter shall go into the RECORD if I am obliged to stand in my place here and read it. The Senator will not accomplish anything by his objection.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. RANSDELL. Very well; I shall resume later.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Louisiana.

The amendment was rejected.

Mr. CUMMINS. I offer the amendment which I send to the desk, and desire to say now that I do not intend to ask for a roll call upon it.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 14, line 9, after the word "desirable," it is proposed to insert the following proviso.

Provided, That upon the termination of the war the President shall appoint, by and with the consent of the Senate, a board of railway directors, to be composed of five persons, one of whom shall be an engineer, one a financier, one trained in the operation of railway property, one whose interests have allied him with the shipping public, and one a lawyer. The members of the board shall hold office during the remainder of the period of Federal control. Removals must be for cause shown, and vacancies shall be filled in the same manner as original appointments are made. Each of said directors shall receive compensation at the rate of $12,500 per year. The principal office shall be in the District of Columbia. All necessary employees of the board shall be appointed by the board under the rules of the Civil Service Commission.

Immediately upon the organization of said board of directors all the powers, whether granted by the act of August 29, 1916, or herein granted to the President, shall vest in said board of railway directors.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Iowa.

Mr. RANSDELL. Mr. President, I proceed now to read the address to which I have referred. It is a speech of Mr. S. A. Thompson, delivered before the Third National Foreign Trade Convention, held in New Orleans, on January 29, 1916:

"Mr. Chairman and gentlemen, it may seem presumptuous for anyone on this closing day of the convention to attempt to add anything whatever to the able addresses and the interesting and enlightening discussions to which we have already listened. I crave your indulgence for a few minutes, however, while I briefly discuss a factor which bears a fundamental relation to trade both foreign and domestic, one which is of vital importance to commerce both under the normal conditions of peace and in the emergencies produced by war. I refer to transportation.

"Transportation affects the price of everything bought or sold by any individual. It limits the territory tributary to the trade of any city. It determines the development of the resources of any State. And, far more than any other one thing, it fixes the share obtained by any nation in the commerce of the world.

"Unlike manufacture, which transforms crude materials into products adapted for human use, transportation changes the location of things without changing their character. The cost of transportation, therefore, is a tax which must be paid either by the producer or the consumer, or, as is sometimes the case, divided between the two.

"This transportation tax is by far the heaviest one we pay. Official figures for the year 1913 show that if to the total expenditures made by the National Government, for all purposes, we add all those made by the 48 States, by every county in all these States, and by every city, town, and incorporated village in the country with a population of 2,500 or over, the whole vast total sum could have been paid out of the gross earnings and income of our railways for the same year, and there would then have been left a surplus of $152,000,000.

"So, as you see, one form of transportation alone, the railway, collects from the average citizen of the United States more than he pays for the support of the Nation, the State, the county, and the city or village in which he lives. A little study of the cost of transportation by different methods may give us some light on the possibility of getting our transportation taxes reduced.

"The experts of the Agricultural Department estimate the cost of transporting a ton of freight a distance of 1 mile by horse and wagon, on the average road in the United States, at 23 cents. In England, where the roads are much better than most of those in this country and where much attention has been given to the development of what the English call a steam lorry and we would call a steam truck, it is said that goods can be carried for 5 cents per ton per mile.

"The average rate on all the railroads in the United States during the past few years has been about 7½ mills per ton per mile, but I can pick out a special group of roads upon which the average has been about 5 mills.

"On the Erie Canal in recent years the ton-mile rate has been about 3 mills, while on certain canals in Europe, which are deeper and wider and on which electric or other mechanical systems of haulage are used, the rate is 2 mills.

"The official records kept at the 'Soo' show that the average rate on the freight carried into and out of Lake Superior in 1913 was two-thirds of a mill per ton-mile, while coal is habitually carried from Buffalo to Duluth, and I have the authority of the Pittsburgh Coal Exchange for the statement that it has often been carried from Pittsburgh to New Orleans for one-third of a mill per ton per mile.

"These are microscopic figures; let me translate them into something with which the average business man is more familiar. Here is something [holding up a dollar bill] with which I hope all of you are very much more familiar than I am. Suppose you have a ton of freight to ship and a dollar to spend in shipping it. How far will the dollar carry the ton by these different methods and at these different rates of transportation?

"By horse and wagon, a little over 4 miles; by English steam truck, 20 miles; by rail, at the average rate for United States railways, 133 miles; at the rate on the group of selected railways, 200 miles; on the Erie Canal, 333 miles; on the European canals, 500 miles; by lake, at the average rate through the 'Soo' Canal in 1913, 1,500 miles; while at the rate at which coal is carried, both on the Great Lakes and on the Ohio and Mississippi Rivers, the ton of freight can be shipped 30 miles for a cent, 300 miles for a dime, 3,000 miles for a dollar.

Mr. GALLINGER. Mr. President, notwithstanding the eloquent and instructive speech of the Senator from Louisiana in support of the amendment submitted by the Senator from Iowa, I trust the amendment may be defeated.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Iowa.

The amendment was rejected.

Mr. RANSDELL. I submit the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 9, line 13, after the word "facilities," it is proposed to insert "including terminals and their equipment."

Mr. RANSDELL. Mr. President, I should like to ask the chairman of the committee if the insertion of the words "including terminals and their equipment," after the word "facilities," in line 13, was considered by his committee, and if, in his judgment, they are included in the intendment, at any rate, of the bill?

Mr. SMITH of South Carolina. Mr. President, I think that both amendments which have been offered by the Senator from Louisiana are absolutely covered by this bill. We make provision for the purchasing of boats and the utilization of waterways and canals as a part of the systems taken over; and I think that wherever indicated the President certainly will take advantage of such facilities if that is for the benefit of the public.

Mr. RANSDELL. I am delighted to have that expression of opinion from the chairman of the committee. I will now proceed with what I was reading:

"The difference in the rates of transportation by different methods seems to be sufficiently great to be worthy of serious consideration, but there is more in this matter than has yet been made apparent. Taking any point as a center—and naturally each one of you will think of your own city as a center—over how great a territory will a dollar carry a ton by these different methods and at these various rates of transportation?

"By horse and wagon, over a circle a little more than 8 miles in diameter; with the English steam truck on the English good road, the diameter of the circle becomes 40 miles; at the average railway rate in the United States, it expands to 266 miles; at the rate on the selected railways, to 400 miles; at the Erie Canal rate, to 666 miles; at the European canal rate, to 1,000 miles; at the 'Soo' Canal rate, to 3,000 miles; while at the coal rate which has been named, the dollar will carry the ton to the outer limits of a circle 6,000 miles in diameter.

"Let me give you a concrete illustration of the difference in the cost of transportation by water and by rail. Through the 'Soo' Canal, at the outlet of Lake Superior, there were carried, in 1913, 79,718,344 tons of freight. This was carried an average distance of 820 miles, at an average cost of two-thirds of 1 mill per ton per mile. If this same quantity of freight had been sent an equal distance by rail at the average rate received by United States railways for that year it would have cost $445,555,488—and 59 cents, if you want to be particular about it—more than was actually paid for its transportation by water.

"Let me hasten to add, however, that if Noah had prophesied a drought instead of a flood, and had issued bonds to construct an irrigation system instead of building an ark, he would have been a bright and shining example of business sagacity compared to a railway man who opposes the improvement of waterways. For, paradoxical as it may seem, the truth is that the best thing that can happen to a railway is to have a waterway paralleling every mile of its track. Indeed I have never been able to find an instance where the improvement of an existing waterway or the creation of a new one has done anything else than to increase the business and the dividends of competing railways. Can any gentleman present tell me of a different result?

"The reason that waterways benefit railways is also one of the fundamental reasons why improved waterways benefit foreign trade. It goes without saying that internal development

must precede external commerce, and the more intensive the internal development the more extensive the external trade may be. Now, waterways have what may properly be termed a creative effect. If a whole mountain is full of valuable minerals only a small portion of the metal can be secured by a tunnel which enters the mountain near the top, but the lower the level at which a tunnel can be driven the greater the number of veins which can be tapped.

"A country may be full of natural resources, yet if none but a costly form of transportation is available few of them can be developed. Every decrease in cost of transportation, like the driving of a tunnel at a lower level, makes possible the utilization of additional resources.

"There are vast quantities of crude, raw materials which can only be profitably moved at a rate which is below the absolute cost of railway operation. But these crude materials, when moved by the cheap transportation which waterways can give, furnish the foundation for great industries, to the benefit both of the territory developed and of the railways by which it is served. Let me give you a concrete illustration.

"The city of Frankfort, in Germany, is said to have been founded by the Romans about the year 150 A. D. Through the slow movement of the centuries Frankfort grew until, in 1881, it had a population of about 140,000. Something happened to change the rate of growth, for in the 20 years following 1886 Frankfort grew more in industry, in commerce, in population, and in wealth than it had grown in all the previous seventeen hundred years.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

Mr. SMOOT. Mr. President, I am simply going to ask the reporters that the speech be put in the RECORD just as it has been read, and not as a whole.

The VICE PRESIDENT. That is their duty.

Mr. SMOOT. Some speeches have been printed otherwise.

Mr. FLETCHER. The Senator need not bother about that. It is a matter for the reporters to attend to.

Mr. SMOOT. The Senator can bother about it.

Mr. FLETCHER. The Senator can not bother about it. It must go in precisely as delivered here, without any request of the Senator.

Mr. GALLINGER. Mr. President, I will ask that the pending amendment be stated again.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 9, line 13, after the word "facilities," it is proposed to insert the words "including terminals and their equipment."

Mr. GALLINGER. Mr. President, I am only going to observe that I think the Senator from Louisiana is pursuing rather an extraordinary course, and I hope that in due time he will reach the terminal.

Mr. RANSDELL. I hope, Mr. President——

The VICE PRESIDENT. The Senator from Louisiana has had his five minutes. The question is on agreeing to this amendment.

The amendment was rejected.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to further amendment. There being no further amendment——

Mr. TOWNSEND. Mr. President, I have a substitute to offer. If there is not any other amendment to be offered, I will offer the substitute now. I was under the impression that I could not offer a substitute while there was an amendment pending to perfect the bill.

The VICE PRESIDENT. There is no amendment pending now.

Mr. TOWNSEND. Then, Mr. President, I offer the amendment which I send to the desk in the form of a substitute.

The amendment is to strike out all after the enacting clause and insert the following:

That the President being authorized in time of war to take possession, assume control, and utilize systems of transportation, it is hereby declared that the United States will pay just compensation for property now or hereafter taken by the exercise of such authority.

SEC. 2. That where used in this act—

The term "Federal control" means the possession, control, and utilization of a railroad or system of transportation under authority of this act or of the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, whether now or hereafter assumed.

The term "owner" includes any person, corporation, partnership, or association who, during any portion of the period of Federal control of a railroad or system of transportation would be entitled to the possession, use, and control of such railroad or system in the absence of Federal control thereof. Wherever in this act reference is made to the period of Federal control in connection with an owner, it shall be taken to refer to the portion of such period during which such owner, but for such Federal control, would have been entitled to the possession, use, and control of the railroad or system of transportation.

SEC. 3. That the President is authorized to make with the owner of any railroad or system of transportation under Federal control for which operating returns were made to the Interstate Commerce Commission during the three years ending June 30, 1917, an agreement substantially as follows:

(1) That during the period of Federal control the United States shall pay to such owner—

(a) An annual sum, to be fixed in the agreement, not exceeding the average annual railway operating income from such railroad or system for the three years ending June 30, 1917. In the computation of such income, debits and credits arising from the accounts called in the monthly reports to the Interstate Commerce Commission equipment rents and joint-facility rents shall be included, but debits and credits arising from the operation of such street electric passenger railways, including railways commonly called interurbans, as are at the time of the agreement not under Federal control, shall be excluded. If any lines were acquired by, leased to, or consolidated with such railroad or system between July 1, 1914, and December 31, 1917, both inclusive, and separate operating returns to the Interstate Commerce Commission were not made for such lines after such acquisition, lease, or consolidation, there shall be included in such income an amount representing as nearly as may be what would have been the annual average railway operating income of such lines during the three years ending June 30, 1917, if such separate operating returns had been made.

(b) An annual sum equivalent to an agreed percentage upon the cost of any additions and betterments, less retirements and road extensions, made on or in connection with such railroad or system during the six months ending December 31, 1917.

(c) An annual sum equivalent to a fair percentage upon the cost of additions and betterments, less retirements and road extensions, made on or in connection with such railroad or system during the period of Federal control by the owner, with the approval or by the order of the President, out of funds other than surplus earned or earnings from investments during the period of Federal control, plus a fair percentage upon the amount expended by the owner, during the period of Federal control, for taxes chargeable under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, to investment in road and equipment, and for assessments for public improvements. Such fair percentage in the case of expenditures made out of borrowed money shall be equal to the rate at which such money is borrowed, and in other cases shall be fixed by the President at the time the expenditure is made.

(d) Such average annual railway operating income, the cost of such additions, betterments, and road extensions, the amount of such retirements, and the amounts expended for such taxes and assessments shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amounts so certified shall, for the purpose of the agreement, be conclusive.

(e) The annual sums above referred to shall be reduced pro rata for any portion of a year during which Federal control does not continue.

(f) Any annual sum required to be paid by the United States under this subdivision shall be paid in such installments as may be agreed upon.

(2) That the United States shall pay to the owner any loss accruing to such owner by reason of any additions, betterments, or road extensions made during the period of Federal control by the President, or made during such period at the order of or with the approval of the President, by such owner, or by the person, corporation, partnership, or association entitled to the possession, use, and control of the railroad or system of transportation at the time such additions, betterments, or road extensions are made. The amount of such loss shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amount so certified shall, for the purpose of the agreement, be conclusive.

(3) That all taxes assessed for the period of Federal control (which but for such Federal control would under the Interstate Commerce Commission classification of accounts in force December 27, 1917, be deducted from "net revenue from railway operations" in determining "railway operating income") shall, except as hereinafter provided, be paid from operating revenue, or if that is insufficient for the purpose, then from the revolving fund created by this act. If Federal control begins or ends during the tax year for which any taxes may be assessed, the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control, and the foregoing provisions shall apply only to that portion of such taxes which is due for the part of such tax year which falls within the period of Federal control.

(4) That the owner shall pay from his own funds all other taxes, including the taxes under Titles I and II of the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, or any act in addition thereto or in amendment thereof.

(5) That the owner shall be bound by all the terms and conditions of this act and by any regulation or order made by or through the President under authority of this act or of that portion of the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation; and that, in case of failure to observe such terms and conditions or such regulations or orders, any further payments under the agreement may be suspended or forfeited.

(6) That the owner shall accept the agreement and the performance thereof as just compensation for all property taken by reason of Federal control.

(7) That the President is further authorized in such agreement to make all other reasonable provisions not inconsistent with the provisions of this act or of that portion of the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation that he may deem necessary or proper for such Federal control or for the determination of the mutual rights and obligations of the parties to the agreement arising from or out of such Federal control.

(8) If the President finds in the case of any railroad or system of transportation (a) that no dividends were paid during the period of three years ended June 30, 1917, and (b) that during all or a substantial portion of such period the condition of such railroad or system was so exceptional as to make the average annual railway operating

income plainly inequitable as one of the elements of just compensation, and (c) that such exceptional condition was caused by nonoperation or receivership, or by the fact that recent expenditures for additions, betterments, road extensions, or equipment were not fully reflected in the railway operating income during such period or a substantial portion thereof, or by other undeveloped or abnormal conditions, then the President may, in lieu of so much of the annual sum payable under clause (a) of subdivision (1) as represents the annual average railway operating income from such railroad or system, substitute such amount as he finds just.

(9) The President is further authorized to make in such agreement all reasonable provisions for the maintenance, repair, and renewals of the property, for the depreciation thereof, and for the creation of necessary reserve funds in connection therewith, to the end that at the termination of Federal control the railroad or system of transportation shall be returned to the person, corporation, partnership, or association then entitled to the possession, use, and control thereof, in substantially as good repair and in substantially as complete equipment as at the beginning of Federal control, and that all just and proper accounting and adjustments be made, due consideration being given to the standards of maintenance and depreciation used in connection with such railroad or system during the three years ended June 30, 1917, and to the condition of the property at the beginning and at the end of Federal control.

SEC. 4. That if no agreement is made under section 3 the President may nevertheless pay in reasonable installments to the owner of any railroad or system of transportation under Federal control an annual sum during the period of Federal control not exceeding 90 per cent of the estimated annual amount of just compensation, and any balance claimed shall be determined as provided in section 5. The estimated annual amount of just compensation in the case of an owner with whom the President is authorized to agree, under section 3, shall not exceed the annual amount which he is authorized under that section to agree that the owner shall receive.

The acceptance of any benefits under this section shall constitute an acceptance by the owner of all the provisions of this act and shall obligate the owner to pay to the United States, with interest at the rate of 6 per cent per annum from a date or dates fixed in proceedings under section 5, the amount by which the sums received under this section exceed the sum found due in such proceedings.

SEC. 5. That if no agreement is made all claims for just compensation shall, on the application of the President or of any owner, be submitted to boards, each consisting of three referees to be appointed by the Interstate Commerce Commission, members of which and the official force thereof being eligible for service on such boards without additional compensation.

Such board of referees are hereby authorized to summon witnesses, require the production of records, books, correspondence, documents, and other papers, view properties, administer oaths, and may hold hearings in Washington and elsewhere, as their duties and the convenience of the parties may require. In case of disobedience to a subpœna the board may invoke the aid of any district court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpœna issued to any person, corporation, partnership, or association, issue an order requiring appearance before the board, or the production of documentary evidence if so ordered, or the giving of evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Such cases may be heard separately or together or by classes, as the Interstate Commerce Commission or any board of referees to which any such cases shall be referred may determine. Such boards shall give full hearings to such owners and to the United States, shall consider all the facts and circumstances, and shall report as soon as practicable in each case to the President the just compensation, calculated on an annual basis, and otherwise in such form as to be convenient and available for the making of such an agreement as is authorized in section 3.

The President is authorized to enter into an agreement with such owner for just compensation upon a basis not in excess of that reported by such board and may include therein provisions similar to those authorized in section 3.

Failing such agreement, either the United States or such owner may file a petition in the Court of Claims for the purpose of ascertainment of the amount of such just compensation, and in the proceedings in such court the report of the referees shall be prima facie evidence of the amount of just compensation and of the facts therein stated.

The Court of Claims shall have jurisdiction to render its award in such form as it may deem proper and to provide for the reopening of its award and for the award of such further compensation as may be found due because of conditions arising after the making of the original award.

SEC. 6. That if no agreement is made under section 3 the United States nevertheless pledges itself to maintain each railroad or system of transportation in such manner that at the termination of Federal control thereof such railroad or system will be turned over to the person, corporation, partnership, or association then entitled to the possession, use, and control thereof in substantially as good physical condition as at the beginning of Federal control thereof. The amount of any loss sustained by any failure to carry out such pledge shall be determined by agreement with the President or, failing such agreement, in the manner provided in section 5, and shall be paid out of the revolving fund created by this act.

SEC. 7. That the sum of $500,000,000, out of any moneys in the Treasury not otherwise appropriated, and any funds covered into the Treasury under section 14 are hereby permanently appropriated for use by the President as a revolving fund for the payment of the just compensation agreed upon or found due by the Court of Claims, under section 3 or 5, for other purposes specified in this act. If the amount so appropriated proves insufficient for the payment of just compensation, the United States hereby pledges itself to appropriate such sum as may be necessary for such purpose.

SEC. 8. That the President may expend from the revolving fund such amounts as he may deem necessary or desirable—

(a) To provide motive power, cars, and other necessary equipment, which shall be used and accounted for as the President may direct and disposed of as Congress may hereafter by law provide;

(b) To make on or in connection with any railroad or system of transportation any additions, betterments, or road extensions necessary or desirable for war purposes or in the public interest;

(c) For the utilization and operation of canals or for the purchase, construction, utilization, or operation of boats, barges, tugs, and other transportation facilities on the inland and coastwise waterways, and in the operation and use of such facilities he may create or employ such agencies and enter into such contracts and agreements as he deems proper in the public interest.

SEC. 9. That the President during the period of Federal control may on or in connection with any railroad or system of transportation order the owner to make any additions, betterments, or road extensions necessary or desirable for war purposes or in the public interest. He may advance from the revolving fund all or any part of the expense of such additions, betterments, and road extensions, such advances to bear interest at such rate and be payable in such manner and on such terms as may be determined by the President, to the end that the United States may be fully reimbursed for the amount of such advances.

SEC. 10. That if, in proceedings under section 5, neither the award of the Court of Claims nor the agreement makes provision therefor, the President may nevertheless pay, if he deems it just, out of the revolving fund during the period of Federal control to the owner an annual sum equivalent to a fair percentage upon the cost of additions and betterments, less retirements and road extensions, made on or in connection with any railroad or system of transportation during the period of Federal control by the owner, with the approval or by the order of the President out of funds other than surplus earned, or earnings from investments, during the period of Federal control, plus a fair percentage upon the amount expended by the owner during the period of Federal control for taxes chargeable under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, to investment in road and equipment and for assessments for public improvements.

Such fair percentage in the case of expenditures made out of borrowed money shall be equal to the rate at which such money is borrowed, and in other cases shall be fixed by the President at the time the expenditure is made. The cost of such additions, betterments, and road extensions, the amount of such retirements, and the amounts expended for such taxes and assessments shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amount so certified shall be conclusive.

SEC. 11. That if, in proceedings under section 5, neither the award of the Court of Claims nor the agreement makes provision therefor, the President may nevertheless pay, if he deems it just, out of the revolving fund (to the owner of any railroad or system of transportation or to any person, corporation, partnership, or association who at the termination of Federal control of such railroad or system is or will become by reason of rights existing at such time entitled to the possession, use, and control thereof) any loss accruing by reason of any additions, betterments, or road extensions on or in connection with such railroad or system of transportation made during the period of Federal control by the President or made during such period by the owner at the order or with the approval of the President.

SEC. 12. That during the period of Federal control no owner of a railroad or system of transportation shall, without the prior approval of the President, declare or pay any dividend in excess of the average rate of dividends paid during the three years ending June 30, 1917, by the person, corporation, partnership, or association then entitled to the possession, use, and control of such railroad or system.

SEC. 13. That an owner may, during the period of Federal control, issue only such bonds, notes, equipment trust certificates, stock, and other forms of securities, secured or unsecured by mortgage, as the President may approve as consistent with the public interest. The President may, out of the revolving fund, purchase for the United States all or any part of such securities at prices not exceeding par, and thereafter any securities so purchased shall be held by the Secretary of the Treasury, who shall, under the direction of the President, represent the United States in all matters in connection therewith in the same manner as a private security holder. Any income from such securities shall be covered into the Treasury as miscellaneous receipts. The President may direct that such securities or any portion thereof be sold whenever in his judgment it is desirable, at prices not less than the cost thereof, and the proceeds of such sale shall be covered into the Treasury as miscellaneous receipts.

SEC. 14. That moneys and other property derived from the operation of the railroads or systems of transportation during Federal control are hereby declared to be the property of the United States. Unless otherwise directed by the President such moneys shall not be covered into the Treasury, but such moneys and property shall remain in the custody of the same officers and the accounting thereof shall be in the same manner and form as before Federal control. Disbursements therefrom shall, without further appropriation, be made in the same manner as before Federal control, and for such purposes as under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, are chargeable to operating expenses or to railway tax accruals, and for such other purposes in connection with Federal control as the President may direct, except that taxes under Titles I and II of the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, or any act in addition thereto or in amendment thereof, shall be paid by the owner out of his own funds. If Federal control begins or ends during the tax year for which any taxes so chargeable to railway tax accruals are assessed, the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control and disbursements shall be made only for that portion of such taxes as is due for the part of such tax year which falls within the period of Federal control.

Such custody and disbursement shall, however, be subject to the direction of the President, and all officers and employees having custody or control of any of such moneys or property shall be subject to all criminal laws regarding the custody and control of public moneys or property so far as not inconsistent herewith.

At such periods as the President may direct the books shall be closed and the balance of revenues over disbursements shall be covered into the Treasury of the United States to the credit of the revolving fund created by this act. If such revenues are insufficient to meet such disbursements the deficit shall be paid paid out of such revolving fund in such manner as the President may direct.

SEC. 15. That the President may execute any of the powers herein and heretofore granted him with relation to Federal control through such agencies as he may determine and may fix the reasonable compensation for the performance of services in connection therewith; and may utilize the personnel and facilities of the Interstate Commerce Commission and call upon members of such commission, or any of its

employees, or employees of any department of the Government for such services as he may deem expedient. No such Federal official or employee shall receive any additional compensation for such services.

SEC. 16. That all persons performing service, on or in connection with a railroad or system of transportation under Federal control, of such a character that, but for Federal control, all or a portion of their compensation would under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, be chargeable to operating expenses, are hereby declared to be, during the period of Federal control or such portion thereof as they remain in such service, in the service of the United States, subject to the following limitations:

(a) They shall not be considered as officers or employees under the United States for the purpose of Title II of the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917, commonly called "war excess profits tax";

(b) They shall not be considered civil employees of the United States within the meaning of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916;

(c) The President may by general or special order prescribe what, if any, statutes of the United States, or orders made thereunder (other than the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, and amendments thereto), shall be inapplicable to such persons or any class thereof;

(d) Nothing in this section shall apply to persons otherwise in the Government service who are utilized or called upon for services under the provisions of section 15.

SEC. 17. That during the period of Federal control any suit or proceeding (of such a character that but for Federal control it could be brought against the owner of any railroad or system of transportation and any amount paid in compromise thereof or in satisfaction of a judgment or decree therein charged to operating expenses or to railway tax accruals under the Interstate Commerce Commission classification of accounts in force on Dec. 27, 1917), may, except as otherwise provided in this act, be instituted against the United States in any court or tribunal which would have jurisdiction of such suit or proceeding but for Federal control, and process therein may be served on the same persons and in the same manner as would be proper but for Federal control, and subsequent proceedings shall be the same as would be proper but for Federal control.

No process, mesne or final, shall be levied against any property under Federal control, or, in connection with any suit or proceeding that may properly be brought against the United States under this section, against any property belonging to the owner of a railroad or system of transportation; but the President shall, by regulation, provide for the payment out of the operating revenue derived from Federal control or, if that is insufficient, out of the revolving fund of any judgments or awards, and for the enforcement of any decrees or orders that may be rendered against the United States in any such suit or proceeding.

SEC. 18. That except as otherwise provided in this act the operating accounts and business shall be continued as in a going concern, so that operating accounts and claims, which have been deferred in the ordinary course of railroad business and which are not paid at the beginning of Federal control of a railroad or system of transportation and which are of a character properly chargeable to operating expenses, shall be paid out of operating income or out of the revolving fund; and on the surrender of such railroad or system of transportation it shall be returned subject to any operating accounts and claims that may be unpaid, if such accounts and claims have been deferred in the ordinary course of railroad business.

SEC. 19. That all statutes and regulations of the United States or for the District of Columbia in force on December 27, 1917, in relation to railroads or systems of transportation, or to their owners or the officers and employees of such owners in connection with the operation thereof, shall, for the purposes of Federal control and so far as is not inconsistent therewith or with this act, be read as if the United States and its agents during the period of Federal control were by the terms of such statutes and regulations expressly subject thereto. The President may from time to time by general or special order specify, as inconsistent with Federal control or any part thereof, any such statute or regulation or part thereof, except the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, and amendments thereto. In any cause of action against the United States, or any civil or criminal liability of any person, based on any such statute or regulation, hereafter arises before the making of such order, the President may direct that such order or any part thereof be retroactive, and in such event the consent in this act given by the United States to be sued shall for the purpose of such cause of action be withdrawn, and such civil or criminal liability shall no longer exist.

SEC. 20. That the law of each State, statutory or other, in force on December 27, 1917, in relation to railroads or systems of transportation, or to their owners or the officers and employees of such owners in connection with the operation thereof, is hereby, for the purposes of Federal control and so far as is not inconsistent therewith or with this act, made a part of this act and applicable to the United States or its agents operating such railroads or systems of transportation within the jurisdiction of such State. The President may from time to time by general or special order, specify, as inconsistent with Federal control or any part thereof, any portion of such law, except the law relating to contracts, and except that portion of the law regulating the liability for personal injuries to or death of passengers, employees, or other persons, which does not impose liability for breach of a statute or order regulating the health, comfort, or safety of passengers, employees, or other persons. If any cause of action against the United States, or any civil or criminal liability of any person, based on such law, hereafter arises before the making of such order the President may direct that such order or any part thereof be retroactive, and in such event the consent in this act given by the United States to be sued shall for the purpose of such cause of action be withdrawn, and such civil or criminal liability shall no longer exist.

SEC. 21. That, during the period of Federal control, whenever in his opinion the public interest requires, the President may initiate rates, fares, charges, or classifications in relation to any railroad or system of transportation under Federal control, by filing the same with the Interstate Commerce Commission. Such rates, fares, charges, and classifications shall be fair, reasonable, and just, and shall take effect at such time and upon such notice as he may direct, but the Interstate Commerce Commission shall, upon complaint, enter upon a hearing concerning the fairness, justness, and reasonableness of so much of any order of the President as establishes or changes any such rate, fare, charge, or classification, and may consider all the facts and circumstances existing at the time of the making of such order. After full hearing, the commission may make such findings and orders as are authorized by the act to regulate commerce, as amended and supplemented, in the same manner as if the railroads or systems of transportation affected by such rate, fare, charge, or classification were being operated by the owners thereof; and for such purpose the act to regulate commerce, as amended and supplemented, shall be read as if the United States or its agents operating such railroad or systems were by the terms thereof expressly subject thereto.

SEC. 22. That all pending cases in the courts of the United States affecting railroads or other transportation systems brought under the act to regulate commerce, approved February 4, 1887, as amended and supplemented, including the commodities clause, so called, or under the act to protect trade and commerce against unlawful restraints and monopolies, approved July 2, 1890, and amendments thereto, shall proceed to final judgment as soon as may be, as if the United States had not assumed control of transportation systems; but in any such case the court having jurisdiction may, upon the application of the United States, stay execution of final judgment until the further action of Congress in respect of control of transportation systems by the United States.

SEC. 23. That the Federal control of railroads and transportation systems herein and heretofore provided for shall not continue longer than 18 months after the proclamation of peace terminating the war in which the United States is now engaged: *Provided, however*, That the President may, prior to July 1, 1918, relinquish control of all or any part of any railroad or system of transportation further Federal control of which the President shall deem not needful or desirable; and the President may, at any time during the period of Federal control, agree with the owners to relinquish all or any part of any railroad or system of transportation: *Provided further*, That the President may relinquish all railroads under Federal control at any time he shall deem such action needful or desirable. No right to compensation shall accrue to any owner from and after the date of relinquishment for property relinquished under authority of this section.

SEC. 24. That this act is expressly declared to be emergency legislation enacted to meet conditions growing out of war; and nothing herein is to be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of carriers or the method or basis of the capitalization thereof.

SEC. 25. That whoever knowingly violates this act, or knowingly interferes with or impedes the possession, use, operation, or control of any railroad property, railroad, or transportation system hitherto or hereafter taken over by the President, or knowingly violates any order or regulation made in pursuance of this act, or of any other act concerning such possession, use, operation, or control, is guilty of a misdemeanor, and shall, upon conviction, be punished by a fine of not more than $5,000, or by imprisonment for not more than two years, or both. Prosecutions shall be in the district courts of the United States, under the direction of the Attorney General, in accordance with the procedure for the collection and imposing of fines and penalties now existing in such courts.

SEC. 26. That if any provision of this act or the application of such provision to certain circumstances is held unconstitutional the remainder of the act and the application of such provision to circumstances other than those as to which it has been held unconstitutional shall not be affected thereby.

Mr. TOWNSEND. Mr. President, some of the amendments which I have proposed have already been adopted by the committee. Senators who were opposed to my substitute voted for those amendments; but some of the most serious matters connected with the Senate bill have not been corrected, like the compensation which comes from an electric road that is a part of a steam railroad system and like the determination of retirements, no provision having been made for ascertaining their value, which will amount to millions of dollars. The provision relative to taxes is obscure. There is no Senator who can read it and understand exactly what is meant. It will afford a fertile field for litigation. "Standard return" still remains as a misnomer. The unconstitutional provision which fixes the rate of interest which a court must find ere a judgment is not eliminated; and this is similarly true of the prohibition denying to owners the right to dispose of the compensation they receive as they desire.

Now, Mr. President, I do not wish to delay the Senate. I tried to get my views before this body; and having offered this substitute, which will be printed, I am not going even to ask that it be read again, but that a vote be had upon it; and I would like the yeas and nays for the RECORD.

Mr. RANSDELL. Mr. President, I want to put this in the RECORD.

Mr. TOWNSEND. May I have order?

Mr. RANSDELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. TOWNSEND. I have been obliged to suspend, but I do not yield.

Mr. President, I have offered the substitute in good faith. It will be printed in the RECORD, and hereafter, when disputes arise under the law, Senators may possibly have occasion to refer to it to determine whether the suggestions that I have made, the offered amendments, were captious or whether they were of the very essence of clear legislation on a matter of the utmost importance to the country.

I ask for the yeas and nays.

The VICE PRESIDENT. Is the request seconded? [A pause.] It is.

Mr. RANSDELL. Mr. President, I wish to proceed with reading this very interesting speech.

"Just one thing was changed, and the conclusion is therefore irresistible that this one changed condition produced the results which have been stated.

"Frankfort is situated upon a little river, the original condition of which I have heard described as being 'too much dried up in summer, frozen up in winter, and flooded in the spring, to be of any account for navigation.'

Mr. SHAFROTH. Mr. President——

Mr. RANSDELL. I can not yield to the Senator, as I have only five minutes.

Mr. SHAFROTH. Mr. President, I ask unanimous consent that the article or speech which the Senator is reading be printed in the RECORD.

Mr. SMOOT. I object.

The VICE PRESIDENT. The Senator has five minutes. Let him proceed.

Mr. RANSDELL (reading)—

"However, a few small boats, drawn by horses, occasionally came up to the city. But in October, 1886, the river as far as Frankfort was given a dependable channel 8 feet 3 inches deep and then things began to happen.

"The German Government, when it agrees to improve a waterway, compels the cities along that waterway to build harbors so that the channel can be used. Frankfort, from 1883 to 1886, spent $1,750,000 on a harbor, and one indication as to the effect of the improved river upon the city's growth is given by the fact that when the war broke out they were at work upon a new harbor, the estimated cost of which was nearly $18,000,000.

Mr. KENYON. Mr. President, there is so much disorder that we can not hear the Senator.

Mr. RANSDELL. I am speaking loud enough to be heard if order is kept in the Senate. [Reading:]

"Talking some time ago with a gentleman who was born on the banks of the Main, and who still has the accents of the fatherland upon his tongue, he said to me, 'I make two visits, 12 years apart, one before, one after, the river was improved; und now my frendts think I lie ven I say dere are schmoke-stacks all der vay from Frankfort to der Rhine.' But he was telling the literal truth.

"There is a railroad running along each bank of the Main all the way down to the Rhine. What happened to them? Did their business fall off? Did they go into the hands of receivers or anything like that? On the contrary, their business began to grow by leaps and bounds, and at the time the war broke out they were handling almost four times as much tonnage as they hauled when they had a practical monopoly of the business of Frankfort.

"And that is not all; it is only the beginning. Formerly Frankfort had little to sell and much to buy. The cars and such boats as came at all came in loaded and went back empty. With the development of commerce and industry, Frankfort had also much to sell, and cars and boats went loaded in both directions. Thus the traffic was not only quadrupled in quantity but equalized in direction, and every traffic man present knows what an advantage that is.

"Nor is that all, or even the best of it. The traffic was not only increased in volume and equalized in direction, but it was raised in grade. It could afford to pay, and did pay, a very much higher rate, and in addition to all else, with the growth of population and prosperity, there was a great increase in the passenger traffic. Following the improvement of the Main, the Prussian railway administration found it necessary to spend $11,000,000 for increased terminal facilities in order to take care of the traffic which the river created and brought to the railway.

"A striking instance of the dominating influence which cost of transportation exercises over foreign trade is to be found in the report of the British Royal Commission on Waterways. The sworn testimony of a manufacturer in the Midland district of England, located only 85 miles from a first-class port and 105 miles from London by rail, declares that he has not only been beaten in the markets of the world, which he once dominated in his line, but actually driven from the capital of his own country by manufacturers in Frankfort and Mannheim, in the heart of Germany, 500 miles farther away—but with water transportation available all the way.

"Improved waterways tend to develop resources and industry widely throughout a country, while sole dependence upon a costlier form of transportation tends to concentrate manufacturing upon and near the seaboard. Manchester, England, in the early eighties, was a dying city. Five thousand dwelling houses were tenantless, hundreds of warehouses were vacant, and factories by the score were closing their doors or moving to the coast. A dozen years later a marvelous transformation had been wrought. The 5,000 dwelling houses had been reoccupied and 20,000 new ones had been built and were occupied; all the vacant warehouses and hundreds of new ones were teeming with business; and factories, both old and new, some of the latter being among the largest in England, were humming with industry. The disease which was threatening to destroy the life of the city was costly transportation, and the remedy, which wrought the wonderful change that has been outlined, was the building of a ship canal.

"Liverpool and the railroads leading from that city to Manchester fought with the energy of despair against the building of this canal, thinking that their business would be destroyed.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Michigan, in the nature of a substitute, on which the yeas and nays have been requested and ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. SHERMAN (when his name was called). I announce the same pair as before with the senior Senator from Kansas [Mr. THOMPSON], and transfer that pair to the senior Senator from New York [Mr. WADSWORTH], and vote "nay."

The roll call was concluded.

Mr. HALE. I have been requested to announce the unavoidable absence of my colleague [Mr. FERNALD]. If present he would vote "nay."

The result was announced—yeas 14, nays 51, as follows:

YEAS—14.

Borah	Frelinghuysen	Kenyon	Thomas
Cummins	Gronna	Norris	Townsend
Dillingham	Johnson, Cal.	Smith, Mich.	
France	Jones, Wash.	Smoot	

NAYS—51.

Ashurst	Jones, N. Mex.	Nugent	Shields
Bankhead	Kellogg	Overman	Simmons
Beckham	Kendrick	Page	Smith, Ga.
Curtis	King	Phelan	Smith, Md.
Fletcher	Knox	Pittman	Smith, S. C.
Gallinger	Lewis	Poindexter	Sutherland
Gerry	McCumber	Pomerene	Swanson
Gore	McKellar	Ransdell	Trammell
Hale	McLean	Robinson	Vardaman
Harding	McNary	Saulsbury	Warren
Hardwick	Martin	Shafroth	Watson
Henderson	Myers	Sheppard	Wolcott
Hollis	New	Sherman	

NOT VOTING—29.

Brandegee	Goff	Owen	Underwood
Broussard	Hitchcock	Penrose	Wadsworth
Calder	James	Reed	Walsh
Chamberlain	Johnson, S. Dak.	Smith, Ariz.	Weeks
Colt	Kirby	Sterling	Williams
Culberson	La Follette	Stone	
Fall	Lodge	Thompson	
Fernald	Nelson	Tillman	

So Mr. TOWNSEND's amendment was rejected.

Mr. RANSDELL. Mr. President, I send to the desk an amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to insert, after the word "waterways" in line 14, page 9, the words:

Including provisions for the interchange of traffic between water and rail carriers.

Mr. RANSDELL. Mr. President, I will continue to read this article:

"But what happened? Although Liverpool, in the effort to retain the business built up through generations of effort and the expenditure of vast sums of money, made repeated reductions in dock charges, the revenues of the Mersey Docks and Harbor Board increased five times as much during the 13 years following the opening of the canal as they had done during the same number of years before. The 7,000,000 tons of traffic developed at Manchester was not stolen from Liverpool; it was created anew. And, incidentally, every railroad leading to Manchester from Liverpool has had to increase its trackage and its terminals three and four times over in order to accommodate the enlarged traffic which the canal has produced.

"If Manchester could not compete with Liverpool when it was only 50 miles from the sea, how in heaven's name can cities in the interior of the United States, a thousand miles or more from tidewater, hope to develop a foreign trade or retain that which they may have now in competition with cities on and near the coast? And if there be anyone, here or elsewhere, who thinks it might be well for the coast cities if manufactures and population should move to them from the interior, let me ask him one question: Have New York, Boston, New Orleans, and the other cities on the coast grown rich and great in spite of the development of the interior or because of it?

"It is my conviction that unless the waterways are improved and used the opening of the Panama Canal will be one of the greatest disasters that ever happened to the Mississippi Valley. And it is impossible that dry rot should disintegrate the in-

dustry and creeping paralysis destroy the commerce of the heart of the country without working disaster to the port cities upon our seaboard.

"It is unsafe to go very far in prophesying how the present war will end or what its results will be. But one thing seems to me to be beyond all question, and that is that when peace comes again the competition for foreign trade will be far more intense than it has ever been before. It is true that many workers have been killed and disabled, but the warring countries have discovered that their women can do almost, if not quite, everything that their men have done. There will be, especially in Germany, a nationalization, perhaps even what might be called a militarization, of industry. Possibly by the impulsion of patriotism, if necessary by the compulsion of governmental power, labor will accept the lowest living wage, the manufacturer the smallest possible profit, and in every way cost of production will be reduced to the lowest possible point, until the foreign markets, which are absolutely necessary to national rehabilitation, shall have been regained.

"In view of what is to come, it is important to consider what has already come to pass. In every one of the 20 years ending with 1913, the foreign commerce of Germany has exceeded that of the United States, and the excess has been steadily growing greater. Divide the 20 years into four periods of 5 years each. In the first 5 years the foreign commerce of Germany exceeded that of the United States by an average of $207,000,000 per year. In the second 5 the excess was $221,000,000. In the third it was $400,000,000. In the fourth the average excess for each year was $712,000,000. For the single year 1912 it was $853,000,000. And for the whole 20 years it was $7,700,000,000.

"There is nothing in that record for the United States to be proud of, even if the two countries stood somewhere near on an equality. But we have an area more than seventeen times as great; we have 50 per cent more population; we have nearly three times the accumulated national wealth; and we have national resources greater by ten, possibly by twenty fold. If Mr. Farrell should ever find that a competing plant, covering only 10 acres, was doing far more business than one of the Steel Corporation, which covered 175 acres, and that the difference was getting greater every year, I feel absolutely certain that he would not wait 20 years before he found out the reason or reasons for such an astounding discrepancy.

"Now I frankly admit that I have 'water on the brain,' and I never expect to get over it, but I am not so completely a man of one idea that I attribute this startling difference solely to the transportation system of Germany, but I do attribute it mainly to that system."

I have a good deal of the same trouble myself, Mr. President, and I wish America could get water on the brain and use its waterways now, imitating the Germans to that extent.

"In 1905 Prussia passed a bill appropriating $80,500,000 for waterways. That German Kingdom had already spent $129,000,000 on waterways, and had $2,225,000,000 invested in State-owned railways.

"These figures are not insignificant, even when standing alone, but their full significance must be shown by a comparison. And if the United States had already invested nearly $60,000,000,000 in State-owned railways and had spent $3,465,000,000 on waterways, and should then pass a single rivers and harbors bill appropriating $2,160,000,000 more, it would then occupy the same position in regard to transportation that Prussia had reached 11 years ago.

The VICE PRESIDENT. The Senator's time has expired. The question is on the amendment.

Mr. GALLINGER. Mr. President, I hope we will not have any more pro-German speeches in this debate.

Mr. RANSDELL. I wish you would adopt the wise policy of Germany in respect to waterways.

Mr. TOWNSEND and others. Regular order!

The VICE PRESIDENT. The question is on the amendment.

The amendment was rejected.

Mr. RANSDELL. I send another amendment to the desk.

Mr. THOMAS. I ask unanimous consent that the Senator from Louisiana may be allowed to insert the matter he is reading in the RECORD. We are only punishing ourselves. It is very evident that under our system of rules the Senator can keep us here all night if he thinks it necessary.

Mr. RANSDELL. Five minutes more will complete what I want especially to present to the Senate.

What the Germans think of waterways, how absolutely vital they are regarded——

Mr. POMERENE. Mr. President, I rise to ask a question. This is the Senate of the United States. I question whether this amendment is offered in good faith, and I raise the parliamentary question that when an amendment is not offered in good faith it ought to be ruled out of order.

Mr. RANSDELL. No man has a right to impugn my faith. The amendment is germane, and I will proceed now to finish the speech I have been reading.

Mr. JONES of Washington. Let us have the amendment read.

Mr. RANSDELL. I beg pardon. It ought to have been read.

The SECRETARY. On page 9, at the end of line 17, insert:

Including terminal facilities and promoting the cooperation of railways and waterways.

Mr. NORRIS. I move to lay the amendment on the table.

Mr. RANSDELL. Mr. President, I have the floor.

The VICE PRESIDENT. The Senator from Louisiana has not the floor. A motion to lay the amendment on the table is in order.

Mr. RANSDELL. How can that motion be made when I have the floor?

The VICE PRESIDENT. A motion to lay the amendment on the table is in order.

Mr. MYERS. I make the point of order that the Senator from Nebraska can not make that motion while the Senator who proposed the amendment has the floor.

Mr. NORRIS. He did not have the floor.

The VICE PRESIDENT. He did not have the floor. The question is on agreeing to the motion to lay the amendment on the table.

The motion was agreed to.

The VICE PRESIDENT. If there be no further amendment as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The VICE PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole.

The amendments were concurred in.

The VICE PRESIDENT. If there be no further amendments in the Senate, the bill will be ordered to be engrossed for a third reading.

The bill was ordered to be engrossed for a third reading and was read the third time.

The VICE PRESIDENT. Shall the bill pass?

Mr. RANSDELL. Is the bill in the Senate?

The VICE PRESIDENT. It has been.

Mr. RANSDELL. I reserve the right to offer in the Senate the amendment which I offered in Committee of the Whole.

The VICE PRESIDENT. The bill has passed to a third reading and no amendment can be offered save by unanimous consent. Is there objection?

Mr. RANSDELL. I wish to discuss the bill.

The VICE PRESIDENT. The Senator has five minutes for that purpose.

Mr. RANSDELL. Mr. President—

"What the Germans think of waterways, how absolutely vital they are regarded under all conditions, is shown by the fact that even in the midst of the greatest war in all history, when the Empire is fighting for its very life, they are not only maintaining and operating the waterways they already have, but are actually building more. The great new waterway from the Oder to the Vistula, although not entirely finished, was opened to traffic in April of last year; the Rhine-Hanover Canal was finished in December; and Berlin, which had already spent $8,000,000 on a harbor in the eastern part of the city, has, since the war began, started and almost completed a harbor on its western borders, at a cost of more than $9,000,000. And yet there are people in the United States who gravely tell us that all work upon waterways must be suspended in order that we may have money to make a needed increase in our Army and Navy.

"The passage of time warns me that I must bring these remarks to a close. Improved waterways are of importance in connection with foreign trade, because they make possible the fullest development of natural resources; because they provide the cheapest form of transportation, both for the assemblage of raw materials and the shipment of finished products. I have given you an illustration of the tremendous difference in the cost of transportation by rail and by water, and it should be remembered, that, while money paid for a costly form of transportation, when a cheaper form is available or can be made available, undoubtedly benefits the transportation company to which it is paid, so far as the shipper is concerned it is just as much wasted as if it were burned up or thrown into the depths of the sea. On some of our largest rivers freight can be carried in fleets of barges at as low a cost as on the Great Lakes. It is interesting to note in passing that the greatest amount of cargo ever moved at one operation was not upon the Great Lakes, or even upon the high seas, but was on the Mississippi River, when the towboat *Sprague* brought 56,000 tons of coal to New Orleans at one time.

"While the possible saving on smaller waterways is not as great as on the Lakes or our largest rivers, it is still vast in the

aggregate. To my mind the greatest economic waste in our country to-day, and one of the greatest handicaps in the extension of our foreign trade, arises from the fact that we have failed to follow the example of Germany and develop and use our waterways. There is very little, if any, sentiment in trade; the buyer in South America, in China, or anywhere else, will always take the goods which are cheaper in price while equal in quality, and it matters little or nothing at all to him in what country they were made.

"Sometimes figures are published to show how small a percentage of the selling price is due to transportation, but such figures as I have seen count only the freight on the finished product. This is a superficial view and leads to a false conclusion, for crude materials often go through many processes in different parts of the country. The finished product goes from factory to wholesaler, from wholesaler to jobber, and from jobber to retailer, before it reaches the consumer, and every time it moves from place to place it must bear a transportation cost. Besides, transportation affects the cost of the home in which the workman lives, of the food which he eats, and of the clothes which he wears, and what it costs the workman to live affects the wage which the manufacturer must pay, so the price of the finished product, when it reaches the consumer's hands, has been increased not merely once but possibly a score of times by the cost of transportation. It is evident, therefore, that the nation which has the lowest transportation cost has a tremendous advantage in the competition for foreign trade.

"As was well said by Mr. Vanderlip last evening, this body of men and the business men of the country whom you represent can control public opinion, and every consideration, from the loftiest patriotism to enlightened self-interest, demands that the business men of the United States should put their feet down hard on the senseless and slanderous charge of "pork barrel" and see to it that the Government of the United States immediately begins and continuously prosecutes the work of improving our rivers and harbors until we have a great, connected national system of waterways working in complete harmony and cooperation with our splendid system of railways and the magnificent system of highways which is already begun.

"Much is said in these days concerning national preparedness, and improved waterways promote national preparedness either for peace or war, for sustained military efficiency and continued commercial supremacy are both founded upon industrial development; industrial development depends upon cheap transportation, and the cheapest of all transportation is water transportation."

I thank the Senators for their patience and the attention which they have given me.

Mr. OWEN. Mr. President, I am in sympathy with the Senator from Louisiana in having published these interesting remarks, but I want to direct the attention of the Senate to the fact that the rules of the Senate of the United States are ridiculous.

The VICE PRESIDENT. Shall the bill pass?

The bill was passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OWEN:

A bill (S. 3932) to provide for a determination of heirship in cases of deceased members of the Cherokee, Choctaw, Chickasaw, Creek, and Seminole Tribes of Indians in Oklahoma, and conferring authority on the courts of said States in reference thereto, and for other purposes; to the Committee on Indian Affairs.

By Mr. SUTHERLAND:

A bill (S. 3933) granting an increase of pension to Oakley Randall; and

A bill (S. 3934) granting an increase of pension to J. Forsyth Harrison; to the Committee on Pensions.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 70. Joint resolution authorizing the erection on the public grounds in the city of Washington, D. C., of a statue of James Buchanan, a former President of the United States, was read twice by its title and referred to the Committee on the Library.

WAR EXCESS-PROFITS TAX REGULATIONS.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was referred to the Committee on Printing:

House concurrent resolution 36.

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 350,000 copies of the war excess-profits tax regulations No. 41, 100,000 copies for the use of the Senate and 250,000 for the use of the House of Representatives, the same to be distributed through the folding rooms.

INCOME-TAX REGULATIONS.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was referred to the Committee on Printing:

House concurrent resolution 37.

Resolved by the House of Representatives (the Senate concurring), That there shall be printed 350,000 copies of the income-tax regulations No. 33, revised, 100,000 copies for the use of the Senate and 250,000 copies for the use of the House of Representatives, the same to be distributed through the folding rooms.

ADJOURNMENT UNTIL MONDAY.

Mr. MARTIN. I move that the Senate adjourn until 12 o'clock meridian on Monday next.

The motion was agreed to; and (at 6 o'clock and 10 minutes p. m., Friday, February 22, 1918) the Senate adjourned until Monday, February 25, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *February 22, 1918.*

The House met at 11 o'clock.

The Rev. Charles Wood, of Washington, D. C., offered the following prayer:

Let us pray. O Thou God of the loving heart and the open hand, Thou who art a living love that dost will the blessedness of others, we thank Thee to-day for Thy boundless benefactions to us as a people. Thou who hast led through countless centuries the stars and the suns across the boundless reaches of space, Thou didst graciously lead our fathers to this land. Thou didst protect and preserve them, and Thou hast guided us through all the vicissitudes of the centuries. God of our fathers, we pray that Thou wilt be our God. May we serve Thee and Thee only. Wilt Thou direct and control the deliberations of these Thy servants this day that their decisions may be not only for the welfare of this land of ours that we love, but of the whole world. Wilt Thou work so vitally through us as a people that there may come to the world now being wrecked by war a permanent peace. May the gates of cruelty be overthrown and may injustice and inhumanity be trampled under the indignant feet of men. And grant, we beseech Thee, that to-day, this anniversary day, as we look backward across the decades that have passed we may behold growing ever and ever more majestic the figure of our first President, and as millions will remember his life and services to-day may the prayer rise from their hearts that the same principles by which his life was swayed, the same purposes which he sought so determinedly, may become the principles and the purposes of all our citizens. We pray that Thou will bless our President and grant that whole-hearted and nonpartisan support may be given to him in these distressing days. And bless the officers and men of our Army and of our Navy, and grant that all who battle and all who serve here at home may know that in Thine own good time, speedily to please Thee, there shall come a victory in which the whole world shall rejoice. And to Thy name shall be the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

WASHINGTON'S FAREWELL ADDRESS.

Mr. GARRETT of Tennessee. Mr. Speaker, I believe there is a special order for to-day.

The SPEAKER. Yes; 30 minutes are to be granted to the gentleman from Ohio [Mr. FESS].

Mr. GARRETT of Tennessee. If it is agreeable to the gentleman to yield for a moment for me to make a unanimous-consent request before he begins, I desire to say it has been the custom for many years to have read upon this day from the Clerk's desk the Farewell Address of the first President of the United States, and I desire to ask unanimous consent, not to interfere with the existing order, that the gentleman from Louisiana be recognized to read Washington's Farewell Address.

The SPEAKER. Which gentleman from Louisiana?

Mr. GARRETT of Tennessee. Dr. ASWELL.

The SPEAKER. The gentleman from Tennessee asks unanimous consent, as preparatory to the address by the gentleman from Ohio [Mr. FESS], that the gentleman from Louisiana [Mr. ASWELL] read Washington's Farewell Address. Is there objection? [After a pause.] The Chair hears none.

HOUR OF MEETING ON MONDAY.

Mr. JOHNSON of Kentucky. Mr. Speaker, before that is done I wish to ask unanimous consent that the House meet next Monday at 11.30, for the reason that the gentleman from Illinois [Mr. RAINEY] has secured unanimous consent to address the House for 30 minutes upon that day.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that on next Monday the House meet at 11.30.

Mr. ESCH. I think that request was subject to the possibility that the railroad bill might still be under consideration and run into Monday.

The SPEAKER. The Chair will ask the gentleman if he does not think the prospects are good for the railroad bill to run into Monday?

Mr. ESCH. I think they are very good.

Mr. SIMS. Mr. Speaker, perhaps some others of us may have a different view, and I now desire to say that I am going to ask the Committee of the Whole House on the state of the Union to remain in session until the bill has been disposed of in the Committee of the Whole House on the state of the Union, and ask that the previous question be ordered on the committee's report, and then it can go over until Monday for a vote.

Mr. GILLETT. The gentleman does not mean that he is not going to allow the amendments Members may desire to offer to be offered?

Mr. SIMS. Certainly not; but I want the Committee of the Whole House on the state of the Union to remain in session until it disposes of all amendments.

Mr. GILLETT. There may not be time.

Mr. LENROOT. There will be 72 hours straight work if the gentleman undertakes that.

Mr. SIMS. That indicates the gentleman has a very long list of amendments.

Mr. LENROOT. Certainly we have.

The SPEAKER. Is the gentleman from Tennessee making a request or a speech?

Mr. SIMS. I am giving notice.

Mr. GILLETT. Mr. Speaker, temporarily I shall object.

The SPEAKER. To the meeting at 11.30 on Monday?

Mr. GILLETT. Yes, sir.

LEAVE OF ABSENCE.

The SPEAKER laid before the House the following personal request.

The Clerk read as follows:

Hon. CHAMP CLARK,
Speaker of the House, Washington, D. C.

HONORABLE SIR: Mr. LOUIS W. FAIRFIELD, of Indiana, begs to be excused Friday and Saturday, February 22 and 23.

Respectfully,

LOUIS W. FAIRFIELD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RATIFICATION OF CONSTITUTIONAL AMENDMENT WITH REFERENCE TO INTOXICATING LIQUORS.

The SPEAKER. The Chair lays before the House a communication from the governor of the State of South Carolina.

The Clerk read as follows:

FEBRUARY 19, 1918.

MY DEAR MR. CLARK: In accordance with the provisions of the joint resolution ratified by the South Carolina Legislature, I have the honor to transmit herewith a true copy of the said preamble and resolution. The title of the resolution is as follows:

"A joint resolution ratifying a proposed amendment to the Constitution of the United States of America prohibiting the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes, and to provide means for the enforcement thereof."

With high esteem and personal regards, I am

Cordially, yours,

RICHARD L. MANNING, *Governor.*

WASHINGTON'S FAREWELL ADDRESS.

The SPEAKER. The gentleman from Louisiana [Mr. ASWELL] will read Washington's Farewell Address.

Mr. ASWELL read the address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those out of whom a choice is to be made.

I beg you at the same time to do me the justice to be assured that this resolution has not been taken without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that in withdrawing the tender of service, which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest, no deficiency of grateful respect for your past kindness, but am supported by a full conviction that the step is compatible with both.

The acceptance of and continuance hitherto in the office to which your suffrages have twice called me have been a uniform sacrifice of inclination to the opinion of duty and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this previous to the last election had even led to the preparation of an address to declare it to you, but mature reflection on the then perplexed and critical posture of our affairs with foreign nations and the unanimous advice of persons entitled to my confidence impelled me to abandon the idea. I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed toward the organization and administration of the Government the best exertions of which a very fallible judgment was capable. Not unconscious in the outset of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and every day the increasing weight of years admonishes me more and more that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that while choice and prudence invite me to quit the political scene patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise and as an instructive example in our annals that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts and a guarantee of the plans by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave as a strong incitement to unceasing vows that Heaven may continue to you the choicest tokens of its beneficence; that your union and brotherly affection may be perpetual; that the free Constitution, which is the work of your hands, may be sacredly maintained; that its administration in every department may be stamped with wisdom and virtue; that, in fine, the happiness of the people of these States under the auspices of liberty may be made complete by so careful a preservation and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection, and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which can not end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many arti-

fices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess are the work of joint counsels, and joint efforts, of common dangers, sufferings, and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest. Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the Union of the whole.

The North, in an unrestrained intercourse with the South, protected by the equal laws of a common Government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry. The South, in the same intercourse, benefiting by the same agency of the North, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the North, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The East, in a like intercourse with the West, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The West derives from the East supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as one Nation. Any other tenure by which the West can hold this essential advantage, whether derived from its own separate strength, or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While, then, every part of our country thus feels an immediate and particular interest in union, all the parts combined can not fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the Union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? Let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern that any ground should have been furnished for characterizing parties by geographical discriminations—northern and southern—Atlantic and western; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts is to misrepresent the opinions and aims of other districts. You can not shield yourselves too much against the jealousies and heartburnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the Executive and in the unanimous ratification by the Senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the General Government and in the Atlantic States, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, toward confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? Will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This Government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power and the right of the people to establish government presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and actions of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency. They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the Nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill-concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Toward the preservation of your Government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the

pretext. One method of assault may be to effect, in the forms of the Constitution, alterations which will impair the energy of the system; and thus to undermine what can not be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions; that experience is the surest standard by which to test the real tendency of the existing constitution of a country; that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion; and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind. It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind—which nevertheless ought not to be entirely out of sight—the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils and enfeeble the public administration. It agitates the community with ill-founded jealousies and false alarms, kindles the animosity of one part against another, foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the Government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important, likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates, but let there be no change by usurpation, for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principles.

It is substantially true that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric? Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind that toward the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object—which is always a choice of difficulties—ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue which the public exigencies may at any time dictate.

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred or an habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur.

Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment,

sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty, of nations has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak toward a great and powerful nation dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens), the jealousy of a free people ought to be constantly awake; since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side and serve to veil and even second the arts of influence on the other. Real patriots who may resist the intrigues of the favorite are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements let them be fulfilled with perfect good faith. Here let us stop.

Europe has a set of primary interests which to us have none or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation; when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim not less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But, in my opinion, it is unnecessary and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments on a respectable defensive posture we may safely trust to temporary alliances for extraordinary emergencies.

Harmony and a liberal intercourse with all nations are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand, neither seeking nor granting exclusive favors or preferences; consulting the natural course of things, diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations; but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism, this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both Houses of Congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity toward other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love toward it which is so natural to a man who views in it the native soil of himself and his pro-

genitors for several generations, I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking in the midst of my fellow citizens the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors, and dangers.

GO: WASHINGTON.

UNITED STATES, *17th September, 1796.*

[Applause.]

Mr. WALSH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. WALSH. To make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. WALSH. Mr. Speaker, I will withdraw the point.

OMNIBUS PENSION BILL.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent that the omnibus pension bill, H. R. 10027, follow immediately the conclusion of the consideration of the present railroad bill now under consideration.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the pension bill follow immediately after the passage of the pending bill, if it ever passes. [Laughter.] Is there objection?

Mr. JOHNSON of Kentucky. Mr. Speaker, what is the request?

The SPEAKER. That the omnibus pension bill follow immediately the passage of the pending bill.

Mr. JOHNSON of Kentucky. Will that interfere with District day on next Monday?

The SPEAKER. If it happens to come on next Monday, it would.

Mr. JOHNSON of Kentucky. I shall be compelled to object, Mr. Speaker. I do not object if it comes up now.

The SPEAKER. He is not asking for it to come up now. Is there objection?

Mr. JOHNSON of Kentucky. If the gentleman will make his request subject to noninterference with the District of Columbia day, I will not object. I understand, Mr. Speaker, that the gentleman qualifies his request to that extent.

Mr. SHERWOOD. I will do that.

The SPEAKER. The gentleman from Ohio [Mr. SHERWOOD] requests that the pension bill, H. R. 10027, follow immediately after the conclusion of the railroad bill, not to interfere, however, with the District of Columbia business.

The Chair would like to ask the gentleman from Kentucky [Mr. JOHNSON] a question. Is that the same bill they had up here the other day?

Mr. JOHNSON of Kentucky. It is.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. SHERWOOD].

Mr. LANGLEY. Mr. Speaker, I did not catch it.

The SPEAKER. The gentleman wants to consider this pension bill as soon as this other one is out of the way.

Mr. LANGLEY. That is all right. I have no objection.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Ohio [Mr. FESS] is recognized for 30 minutes. [Applause.]

GEORGE WASHINGTON.

Mr. FESS. Mr. Speaker and Members of the House, in 1889, 100 years after the inauguration of Washington as our first President, a symposium of the leading thinkers of the world was published of the opinions concerning him.

Of the opinions that were offered I want to read three. The first is from Louis Philippe, Compte de Paris, giving the French opinion:

I admire him still more now since I have seen how republican institutions are understood and practiced in France.

I want to read a British opinion, from probably the greatest British mind of English history, W. E. Gladstone:

All I can say is that I look upon Washington among great and good men, as one peculiarly good and great, and that he has been to me for more than 40 years a light upon the path of life.

I want to read an opinion of the central powers, coming from the great fugitive, Louis Kossuth, who came to America in 1852 to find shelter from the persecution in Austria-Hungary. Writing from Turin, Italy, where at the age of 87 he was living in retirement, away from the country he loved, and referring to our Government which Washington inaugurated, he says:

That stupendous incarnation of pure democratic principle which has the providential mission to guide the future ages of mankind on the road of infinite progress.

These opinions are in keeping with that of the great English historian, Edward A. Freeman, who expressed his appreciation in this sentiment:

Washington, the expander of England.

It might seem presumptuous for a Member of this House in this year of 1918, so far removed from the days since he lived and labored, to undertake to throw a new light upon the life of this great man, but I would like to view him from at least a new angle and to have your attention to three episodes in his life from which we can study his influence in the shaping of modern government. His reputation is safe, and his place in history as a warrior is common knowledge; his rank as a citizen is as familiar as our own childhood, while his place as our first great citizen from every angle of estimate is assured. But I wish to see him now in his influence in shaping modern government as witnessed from three events in his life.

The first episode is when he saved the State of Franklin, that portion of western North Carolina now known as Tennessee, from taking the dangerous step of secession in 1784 by joining the foreign power of Spain, which then owned the Mississippi country, in order to get the free outlet of the Mississippi River; and thereby, through the influence of Washington, who prevented it, the dangerous experiment of secession was defeated even before the Nation was born.

The second episode is as the president of the Constitutional Convention, a group of men 56 in number, most of whom had served in the second Continental Congress, about which William Pitt, standing under the corridors of the House of Commons, declared that "for solidity of reasoning, wisdom of conclusion, and force of sagacity that body of men has never been excelled in the history of the world." Washington, as the presiding officer of that great body of men, exercised such supreme influence and thereby contributed to the history of modern government in the world, I think, its greatest contribution, in the form of our Federal Constitution.

The third episode in his life to which I will refer is when called by unanimous consent to inaugurate the fundamental principles as written, first, in the Declaration of Independence and, second, in the Constitution of the United States in practical government as he inaugurated them in 1789. Briefly, I must look at these episodes, in order to throw light upon Washington's far-reaching influence, and also to aid in interpreting the present time and, if possible, predicate the future, if we may.

In 1784 the people of western North Carolina, shut off from their kin on the Atlantic seaboard by the mountains, had no possible way to purchase the things they needed, that they could not produce, except to do it through the mouth of the Mississippi River. Spain held control of this outlet and laid a heavy tribute upon all who wanted to trade. The Government was appealed to for relief, and John Jay was sent to effect a treaty. The best he could do was to agree to a close of the mouth of the Mississippi for 25 years, after which it was to be opened to these people. The people of western North Carolina, resenting what appeared a total lack of regard for justice to them on the part of the Government, took steps for relief and erected a separate State, elected John Sevier as governor, proceeded to elect an independent legislature, and made overtures to Spain to join her. Here is the earliest step toward the dangerous experiment of secession employed later on in 1861, which precipitated the Civil War. Washington was the only figure that seemed to have comprehended the danger.

He saw the possibilities of the great Mississippi Valley if permitted to develop uninterruptedly and not be prevented by any portion joining a foreign power. He wrote a letter to Thomas Jefferson and another to Gov. Harrison, of Virginia, setting out the possibilities of uniting the interior of the country with the seaboard States, and to this end he recommended the appointment of a committee to report a mode of canal building, aided by a system of fordage, to carry the goods from the headwaters of the Ohio to the headwaters of the Potomac, thereby making a trade route from the Atlantic, through the Potomac, via canal to the Ohio, thence Mississippi to Gulf. Quite naturally when he recommended this possibility, objections were offered as to finance and other items of expense. Washington replied with his wonderful comprehension of what the Mississippi Valley was yet to be. His recommendations in numerous letters are most illuminating on these possibilities. And I want to say to this Membership that I believe that Washington had a clear comprehension of this undeveloped empire in the Mississippi Valley, although it was but a wild waste of country and in certain parts a trackless wilderness. While it is true that a committee was appointed and a meeting was held at Mount Vernon, adjourned to Alexandria, to recommend the construction of this inland water route; while it is true that it did not re-

sult in actual construction, yet it removed the opposition of the people of western North Carolina, who later on rescinded their action, with the important result that instead of the State of Franklin leaving to join Spain we now have the splendid sovereign State of Tennessee. And a great contribution, one of the first and most important of the first President of the country, not recognized generally, at least in its bearing upon the future of the new Republic soon to be born, was the making it impossible to set the precedent for any portion of the United States breaking off, either to join its friendly neighbors or to cast its lot with a foreign country. That was in 1784, one year after the treaty which closed the Revolutionary War and three years before the Constitutional Convention.

In 1787 Washington, by unanimous consent, presided over the Constitutional Convention. As the responsible head of the Army, he was the closest observer of lack of power and suffered most from that lack. He saw great problems. The first and greatest problem was to cure the weakness of the old confederation, which afforded neither executive nor judicial power. This at once raised the question whether the Government was to be a Government of the people of the States, without regard to State lines, or a Government of the States. In other words, was it to be a National or a Federal Government? Everyone will recognize, who is at all familiar with the critical period of the United States, that the early contest had been in favor of the States, and the Articles of Confederation were a "mere league of friendship," a group of sovereign States, each State maintaining its sovereignty. Each State could also withdraw its representation, and thus defeat all legislation from want of a quorum, since they voted by States, three-fourths of which were necessary for all important measures.

Washington, as the leader of the Revolutionary War, had recognized the need of power beyond mere recommendation, and when he came to preside over this convention, and the struggle came on as to whether it was to be a government of the people or a government of the States as States, he was clear-headed as to the danger of the latter. And yet he was equally clear-headed as to the danger of the former if unrestricted. If the new proposal was to remain a league of friendship without coercive power to operate on the individual State the weakness so apparent would not be cured. In the midst of a bitter contest on a disputed point a member, it is said, entirely disgusted with the failure to reach a conclusion after a three weeks' debate, arose and made a motion that the convention adjourn. Washington, not having spoken up to this time, saw the danger. When the member—I think it was Mr. Dayton—made the statement, "We have been here now for three weeks behind closed doors, and the thing for us to do is to adjourn and go home," Gen. Washington arose, and tradition says that he made this speech, that ought to be written in letters of gold and posted on the doorposts of every lover of representative government:

It is too probable that no plan we here propose will be adopted. Perhaps another dreadful conflict is to be sustained. If to please the people we offer what we ourselves disapprove, how can we afterwards defend our work? Let us raise the standard so high that all the good can repair to it. This is not the work of man. The hand of God is in this thing.

He requested that the motion for adjournment be withdrawn, and it was withdrawn.

And I pause long enough to ask the question, What would have been the future of the American Government if George Washington's powerful and overtowering moral greatness had not been sufficient to have settled the difficulty and thus prevented the motion for adjournment being voted upon? It was vastly more serious than when after a similar conflict a compromise was reached through the suggestion and adoption of two Houses to satisfy both States and people, the former in the Senate and the latter in the House. Mr. Speaker, during the months from May 14 to September 17 that great figure presided with deliberation and power over the most discordant group of men representing the farthest extremes of political theory in the history of government. A less powerful personality could not have held in counsel such great lights, so variant in their dogmas and so persistent in their theories. When we undertake to estimate his power it is found not in the theories of Alexander Hamilton, one of the leading figures of his day and the closest adviser of Washington as well as a leader of the Constitutional Convention, then but 30 years of age, the most original thinker in the group; nor is it found in the theories of Thomas Jefferson, who, by the way, was not in the convention, but his representative, James Madison, was there. His greatness will be found not in the theories of these men, but in the power of the presiding officer big enough to see all sides of a question and powerful enough to hold and direct the tremendous forces still in deliberation until they, through a wise spirit of counsel, were able to work out a system of government which William E. Gladstone in 1878 pronounced the greatest instrument ever stricken off by the brain or purpose of man at any one time.

That instrument, fellow Members of this House, adopted in 1789, 130 years ago, by 3,000,000 people, has gone through the fires of civil war, as well as three foreign wars, and has come to the place where now 110,000,000 people have come to look upon it as the organic law, during which time the Nation has become the most powerful in wealth, twice over, of any country in the world.

And hear me: During all these years the instrument has not been organically changed but four times, which fact beyond all others indicates the keen foresight of the body of men presided over by Washington. It is true there are 17 amendments, but the first 10, the bill of rights, were originally agreed upon by the convention, and the eleventh, to exempt a State from being made a defendant by an individual, an exemption which the fathers thought they had included until a State was actually sued, was to correct the error. The twelfth was the first modification. The thirteenth, fourteenth, and fifteenth all grew out of the Civil War, and for our purpose would stand as one modification of the organic law. The other two are changes, it is true, from the original agreement when judged according to the opinions of the members of the convention. When we think of the blessings that have flown out of that marvelous instrument we can not attribute it to any one man so greatly as to the head of the convention, who held the membership together and maintained deliberation. Out of the diversity of political acumen, attenuated and discordant, there came through this sublime figure the instrument filled with the wisest of sanction and remarkably free of dangerous dogma. [Applause.]

The next episode in the life of Gen. Washington to which I wish your attention was when as our first President he inaugurated the principles fundamental in our Government and started the Nation on the right road. Fellow Members of the House, I want sympathetic attention here. Washington knew the fundamental principles of Jefferson. Washington knew that Jefferson was the greatest exponent of liberty in government the world had ever seen. [Applause.] Washington knew that the very lifeblood of this new idea in government, expressing itself in the right of local self-government, had never such a representative in the history of the world as Thomas Jefferson.

If I wanted Jefferson's own opinion of the work he had done which he wanted to be attached to his memory, having spent 39 years in office out of his more than 60 years of public life, I would take you to his tomb and would read upon it the epitaph that he himself wrote:

Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia's religious freedom, and father of the University of Virginia.

His 39 years of public life comprehended a service in the Virginia House of Burgesses, service in the Virginia Assembly, service in the Second Continental Congress, four years' service as governor of Virginia, four years' service as Vice President of the Nation, service as Secretary of State from 1789 to 1794, and service for two terms as President of the United States, to say nothing of his service as a foreign minister. And yet in all this array of high and outstanding service in the Nation he picks out three items, only one of which would you select as a thing for which he would want to be remembered. No one among you can understand why he thus made the selection so few in number and so unexpected in choice unless you see the very passion of the man's life, the one controlling item, and that is liberty. The biggest word in the vocabulary of the great Democrat was "Liberty." He was the author of the Declaration of Independence—political liberty; he was the author of the Statute of Religious Liberty of Virginia—religious liberty, and in it is another clause that does not appear in the title to the law, namely, the repeal of the law of primogeniture and entail—personal and pecuniary liberty; and lastly, founder of the University of Virginia—educational liberty. There upon his tomb may be read his own estimate of his life, and it comprehends the gamut of liberty, his watchword in his political career.

He said nothing at all about his achievement in the purchase of Louisiana, which in my judgment was the greatest act of his life. He paid no attention to that, because it was fundamental to him that the greatest good that can come to an individual is unrestricted opportunity in the struggle of life to make the most of one's self without restriction from government. [Applause.] That is fundamental in the Jeffersonian theory of politics.

Washington understood this and fully appreciated its importance. He called Jefferson into his cabinet.

Hamilton, totally different, was sharply differentiated in his political theory and schemes of government. He was not rural, not of the country, as Jefferson, but of the city, in the heart

of industry—Hamilton was brought up in an entirely different school from Jefferson. Jefferson was in France in the revolution, submerged in the atmosphere that later produced the French revolution of 1789–1792, and we are wondering just what effect the residence in France had upon his theories.

But it was not so with Hamilton. Where at that time was Hamilton? At Valley Forge, following the lead of the great Washington, as we could see by tracking through the snow by the blood trail of the shoeless feet of the soldiers, unsheltered and unclothed; and he would read to Gen. Washington the letters that Hamilton himself had indited, calling upon the States to supply food, to supply shelter, to supply clothing; and the answer, in the language of State sovereignty was, "We will do it when we are ready." And that meant delay. To see men without clothes to cover their nakedness, without blankets upon which to lie, and often without provisions, marching through the snow, and at Christmas time, to take up their quarters within a day's march of the enemy, without a house or hut to shelter them, were some of the lessons taught Hamilton by actual experience at Valley Forge. This was but a comment upon excess of State rights and lack of central authority. Hamilton had seen and suffered all this. Hamilton saw, mark you, a straggling group of soldiers, 80 in number, marching from Lancaster, Pa., to Philadelphia and attacking the Federal Government in the Capital, which was compelled to take shelter under the guns of Trenton—the Government a fugitive from 80 straggling, mutinous soldiers who had not been paid. Hamilton saw the Shay rebellion, and heard the State of Massachusetts call upon the Federal Government to suppress it when the State was told that the Government had no power, and it had to refer it back to the State. Hamilton, reading the treaty of peace with Great Britain, saw pledges to the British Government our Government had bound itself to secure, in the face of which he saw the States violate every one with impunity, and no ability in the Federal Government to prevent it. Hamilton knew that John Adams, in 1784, had gone to Holland to borrow on the credit of the United States $300,000 to save the honor and credit of the United States; and Hamilton knew that John Adams was refused the loan to the Government unless John Adams, the Government's representative, went the Government's personal security to make good the $300,000.

Fellow Members, it is not many days ago that you and I voted, in an urgent deficiency appropriation which carried more than $1,000,000,000, an amount of money that could not have been foreseen when we passed our last bill. Yet a little over 100 years ago our young Republic was refused a loan from Holland of the miserable, miserly sum of $300,000 unless John Adams went the Nation's security. If national impotence ever could reach a lower ebb than that, I am unable to conceive it. What was the matter? The matter was too little power, probably too much liberty. The loose confederation during the most critical era of American history supplies the answer, and what we lacked specifically was power. Washington presided over the convention that followed all this, called for the specific purpose of remedying this organic defection, and he well knew the principles that were proposed and were written in the organic law, and when it came to inaugurating these principles into actual, practical government he displayed a new quality of rare leadership in his determination to utilize the country's greatest talent, divergent though it be in party policy. He chose on the one hand Thomas Jefferson, the representative of the liberty of the citizen, the rights of the States, and the principle of local self-government, all of which are absolutely essential; this in spite of some lack of sympathy for the radicalism of the great Democrat. It was ability he demanded, not docility to any preconceived opinion of his own.

By his side for the purpose of organization of the important Treasury Department he chose his former military secretary, the most constructive mind, according to Mr. Oliver, the English critic, the latest authority on Hamilton, that North America has yet seen. He chose him because he was the greatest representative of power, the veritable antonym of liberty. The words in the vocabulary of Hamilton are power, authority, order, energy, strength, vigor, administration. He looked upon the French Revolution as the most awful calamity or fatality that could overtake and overcome any country; while, on the other hand, Jefferson feared whenever the Government became so centralized that the individual would not have the right to resent what was going on. Jefferson once declared it dangerous if there were not a rebellion at least every 20 years. Now fellow Members, there is no one on either side of this House from the standpoint of a student of political science who has greater admiration than I have for Thomas Jefferson, for what he stood, namely, liberty in the individual under government and the rights of local government in the States; and there is no one on the Republican side of the House or the Democratic who has a greater admiration for Alexander Hamilton, because of the fundamental principles for which he stood, namely, the right to maintain order, the power necessary to say what must be done in the interest of order and government.

The fundamental principles of government as expressed by Hamilton were:

1. A healthful support of government.
2. The recognition of the need of government.
3. Ever-present sense of obligation to government.
4. Reliance upon force to compel obedience.
5. The influence which goes with position.

No one ever expressed in better form the purposes of government than did Hamilton in his first report as Secretary of the Treasury: "To justify and preserve the confidence of the most enlightened friends of good government; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its true value; to furnish new sources both to agriculture and commerce; to cement more closely the Union of the States; to add to their security against foreign attack; and to establish public order upon the basis of an upright and liberal policy."

As Jefferson was the greatest exponent of liberty in government, so Hamilton was the greatest exponent of power in government. His brief life is but a comment upon this fact. His was a remarkable career. At the early age of 17 he was ripe in constitutional history. At 19 he signalized himself as captain of artillery. At 20 he was made chief aid to Washington, when was begun that singular attachment which induced the great Father of his Country to lean more heavily upon Hamilton for counsel than upon any other American. At 25 he entered Congress; at 29 he became a member of the New York Legislature. At 30 he was a member of the Federal Convention, and by all but universal consent was conceded to be the most original mind in it. At 31 he wrote the Federalist, the strongest presentation of the principles of constructive government extant, and performed the inimitable feat of breaking down a great majority against the Constitution in the New York convention, which did not adjourn until it had ratified the instrument against which the majority was committed. At 32 he was called to the head of the Treasury Department, where his crowning work was accomplished. At the age of 41, on the demand of Washington, he reorganized the armies of the Government, and the next year, upon the death of Washington, he was made first in command. At the age of 47 he fell at the hand of the duelist.

While the fullness of manhood was reached before the age of his majority, the brilliancy of his career was eclipsed by a premature death. The span of his public career would measure 30 years—from 1774 to 1804. Twenty-one of these years were spent in the actual service of the Government at the time when the work of both destroying the old and building the new was done. Hamilton was stronger in building than in destroying. To him more than to any other American is due the title of master builder. But to Washington is due the honor of so directing that the Nation became the beneficiary of both Jefferson and Hamilton without adopting either extreme. And here is the peculiar attitude that is difficult for me to understand. Men accept Jefferson without hesitancy as their guide in all matters governmental but indict Hamilton. Other men accept Hamilton as a safe political prophet but instinctively indict Jefferson. It seems as if we had failed to realize that Jefferson's liberty would be anarchy if not restrained by government, and Hamilton's power and authority would have been monarchy if not restrained by the demands of liberty. [Applause.] Either one of them unrestrained would have gone too far. Why, think of the recommendation of Hamilton in the convention:

> Let the people elect Congress, Congress elect the President, and the President appoint the governors of the various States.

That is certainly centralization. It is order, and without the restraining influence of the school of Jefferson, Hamilton with all his power would have gone too far. Let me say, with all the fervor that I can command, there is no liberty without government, and there is no government without liberty. [Applause.] Liberty must not be confused with license—that is, anarchy—and power must not be confused with monarchy; that would be despotism. Translated in contemporaneous events liberty unrestrained is the Bolsheviki movement in Russia. Power unrestrained is the Hohenzollern autocracy overrunning Europe.

The thought that I wanted to put to the Members here is that in our appreciation of Jefferson in history and our appreciation of Hamilton in history we must not forget that the leading figure that held the two was Washington, and that without the

power to amalgamate the two, liberty and power, we never could have had our present American Government. [Applause.] This is the one query: How can we secure strong central government in the interest of order and still maintain local self-government in the interest of liberty? The first is Hamiltonian, the second Jeffersonian. The two combined is Washingtonian. The one thing I want to leave with you is that Washington recognized the extremes and extracted the good from both without incorporating the dangerous. Hamilton was more powerful than was Washington; Jefferson was also more powerful than was Washington when measured intellectually, but not morally. Wide apart as the poles, he took them into his councils and held them together, because he knew they represented fundamentals, and he worked out our present system. This at the very moment when political differences ripened into personal hatreds. Still they were held; one till 1794, the other till 1795. Lincoln did the same. He chose men of the greatest ability and the widest differences politically, because war and its dangers dare not risk mediocrity; and when he put into his Cabinet four old-line Democrats and only three old-line Whigs, Seward warned him and said, "Mr. President, you are unbalancing this Cabinet." Lincoln said, "How?" "Why, you have got four Democrats and only three Whigs." Lincoln smiled and said to Seward, "Well, I am a Whig, and I am going to count one." That was the attitude of Lincoln in the Nation's second crisis. It was much like the country's first President. I want now to make one observation as the lesson of the hour. We have introduced in the House this great railroad bill, which is very important and which the Congress will pass without delay. It has one or two items in it that must be thoroughly discussed, because it involves great possibilities. Here may be the introduction of governmental policies of widest reach, which must be carefully considered, because it is not the length but the direction of the step that is ominous. Another important bill is the financial corporation bill. That must be thoroughly discussed. There may be involved in that bill a fiat danger which must, if possible, be avoided. It must not be lightly looked upon. Another great bill is for the extension of the executive function, a tendency so apparent here in the Capital that one can scarcely avoid strong language in reference to it. That must be thoroughly discussed, and I appeal to the party in power in the light of the example set by the great Washington and followed by the great Lincoln. It does not lie within the mouth of any Member on either side of the aisle, if Members insist upon a thorough discussion and even an attack on some phases of these bills, to say that they are any less patriotic than were the men back in the time of Washington and Lincoln when they were discussing those great questions. There is no danger in open debate. The danger is always when you do not have it. [Applause.]

I feel sure of my ground when I assert that this Congress will pass without any unnecessary delay every measure necessary to speedily end the war. I speak for the Republican side when I say this. But the party in power must concede the right to an opinion, and it would do well if it would observe the conduct of Washington and Lincoln and realize that divided views, the result of ability, are not in themselves a danger. The great leader is the man who can use men who do not always agree with him.

Mr. Speaker, we who are charged with the responsibility of efficiently defending our national honor and safety against the world's greatest example of armed brutality should take daily council of the wisdom of such men as Washington and Lincoln, and, if possible, not only mobilize all our physical power, but especially utilize to the fullest extent the highest type of mental ability, without regard to any party bias. This is the lesson of the hour.

Mr. MASON. Mr. Speaker, in President Washington's Farewell Address, just read, he refers to a short proclamation——

The SPEAKER. I know, but the gentleman can not make a speech, because he has no time.

Mr. MASON. I ask unanimous consent to have the Clerk read the proclamation of April, 1793, referred to by President Washington in his Farewell Address.

The SPEAKER. How long is it?

Mr. MASON. About three minutes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

A PROCLAMATION.

Whereas it appears that a state of war exists between Austria, Prussia, Sardinia, Great Britain, and the United Netherlands of the one part and France on the other, and the duty and interest of the United States require that they should with sincerity and good faith adopt and pursue a conduct friendly and impartial toward the belligerent powers:

I have therefore thought fit by these presents to declare the disposition of the United States to observe the conduct aforesaid against those powers, respectively, and to exhort and warn the citizens of the United States carefully to avoid all acts and proceedings whatsoever which may in any manner tend to contravene such disposition.

And I do hereby also make known that whosoever of the citizens of the United States shall render himself liable to punishment or forfeiture under the law of nations by committing, aiding, or abetting hostilities against any of the said powers, or by carrying to any of them those articles which are deemed contraband by the modern usage of nations will not receive the protection of the United States against such punishment or forfeiture; and further, that I have given instructions to those officers to whom it belongs to cause prosecutions to be instituted against all persons who shall, within the cognizance of the courts of the United States, violate the law of nations with respect to the powers at war, or any of them.

In witness whereof I have caused the seal of the United States of America to be affixed to these presents and signed the same with my hand.

Done at the city of Philadelphia the 22d day of April, 1793, and of the Independence of the United States of America the seventeenth.

[SEAL.] GO. WASHINGTON.

By the President:

TH: JEFFERSON.

LEAVE OF ABSENCE.

Mr. GREGG (at the request of Mr. SLAYDEN) was granted leave of absence indefinitely, on account of sickness.

EXTENSION OF REMARKS.

Mr. FESS, by unanimous consent, was given leave to revise and extend his remarks.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. GARRETT of Tennessee in the chair.

Mr. ESCH. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. WINSLOW].

Mr. WINSLOW. Mr. Chairman and gentlemen of the committee, we have had the great pleasure of listening to Dr. FESS make a very eloquent address on George Washington and kindred subjects. We have heard him state with great positiveness that the country will never be injured by too much intelligent debate in Congress, but is likely to be by too little. I agree with him on that general proposition. Legislation which we pass is too frequently marked by too little concern, too little straightforward discussion, perhaps by too much of what we call "bunk," and on the whole we do not confine ourselves perhaps as carefully as we might to the merits of bills before us.

The committee which reported this bill into the House was in session for about a month with very full attendance. Great interest was taken by Members, discussion was abundant, good fellowship prevailed, differences of opinion existed, and finally conclusions were reached. At no time was any witness limited in his presentation of testimony, and at no time was any Member deprived of a full opportunity to ask questions. The result of it is the bill which is now before you.

The President of the United States by proclamation took control of the railroads. This bill became necessary. It came before the committee as an administration bill pure and simple. Nobody has denied it. The Secretary of the Treasury was named Director General of Railroads. Those who presented the bill stated frankly that they appeared in behalf of the Director General and through him the President of the United States. So it is fair for everybody to assume, I think, that the bill as it was initiated and as it was developed, discussed, and finally passed was the proposition of the administration.

When the bill was first brought up it differed in many respects from what it now appears to be, but as we went on the representatives of the administration and the members of the committee began to realize that there were shortcomings, and every effort was made to get together.

There are four leading subjects in the bill which have been and probably will continue to be matters of central interest. I shall speak of them as they occur to me in what seems to my mind to be the logical order. There was quite considerable concern as to whether or not the employees of the railroad companies were to continue to be employees of the companies or to be considered hereafter as employees of the Government. The bill was finally framed so as to leave them employees of the railroads, and the general interpretation of the bill was that the Federal Government merely took control of the railroad properties as it found them, that it was to direct the operations, but that it was not to employ or direct the men or otherwise come in close contact with the employees or the general business

transactions of the railroad companies. I think it perhaps would not be worth while to take any time now to discuss the wisdom of so framing this bill as to leave the employees within the control of the companies. That subject quite likely will be brought up under five-minute debate, and it may be that we shall want to take a hand in discussing that question if it comes up.

The amount of return was a very important question, which was considered, and finally that which is set forth in the bill was agreed upon. So far as I know, from listening to the debate here and reading the speeches that have been made on the subject, there is likely to be some difference of opinion and perhaps some variation of interpretation as to what is really the right thing to do in remunerating the roads which may be taken over. Yesterday one of the Members on this floor raised the point that some of the railroads were appearing to receive an excessive rate of interest, a too large return. That question could be elaborated, but I shall try to sum up my judgment in a few words. It is quite true that on the face of it some railroads would appear to be getting an excessive return, but that is not really the whole story. Some railroads have been skinning along, robbing their treasuries for the purpose of dividends, neglecting to put back money which they should into their own properties, and the result has been that of late years, as with any other commercial concern, they have gone downward, and they have duly had difficulty in making great earnings or in paying any kind of dividends. On the other hand, there are roads which have been well managed, which have fostered their resources, which have put in large sums of money annually for the upkeep of their property until they have brought their companies into good order, the properties in fine shape; and, as with any other commercial undertaking, when they have become established in good condition they have paid proper dividends on the value of their stock. Nobody here has seemed to raise the point as to how many years, for instance, a now prosperous railroad may have paid no dividends. The question seems to have been entirely as to what they have paid in the last three years. That is not the fair way to look at it, and the committee, I think, gave heed to the consideration that if a road by virtue of being profitable as a result of keeping up its property and, generally speaking, as a result of good, clever, and scientific management found itself during the past three years, when business has averaged fair, so that it could pay a large dividend, the owners of the stock were entitled to fair or even generous remuneration.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes, indeed.

Mr. GORDON. How does the gentleman come to determine that the stock was worth the amount for which these roads were capitalized?

Mr. WINSLOW. Capitalization is not the question. That is a misnomer which a great many people who are not thorough fall into.

Mr. GORDON. Yes; I know.

Mr. WINSLOW. I am not making a personal application.

Mr. GORDON. How did the gentleman determine it?

Mr. WINSLOW. I will tell the gentleman how I determined it. The value of a security ought to depend on two elements—first, on the property back of it, and then on the earning capacity. I would not accept the one or the other as being final.

Mr. GORDON. How did you determine the property back of it?

Mr. WINSLOW. On the valuations as they appear and are reported in various reports, and finally on the facts.

Mr. GORDON. We have spent $11,000,000 undertaking to value these railroads for the purpose of finding out what property they had.

Mr. WINSLOW. Yes.

Mr. GORDON. Did the gentleman give any consideration to that?

Mr. WINSLOW. Just what does the question mean—when it is finished? Does the gentleman mean with respect of the $11,000,000?

Mr. GORDON. No. I say we have spent $11,000,000 in the process of valuing these properties for the purpose of finding out what they are worth. What I want to know is how the committee found out so quickly a thing that we have spent these $11,000,000 for and have not yet had any report upon.

Mr. WINSLOW. I appreciate the humor of the gentleman's suggestion.

Mr. GORDON. There is no humor about it. [Laughter.] It is a question for information that I am asking. The gentleman is a member of the committee, is he not?

Mr. WINSLOW. Yes

Mr. GORDON. I would like to have the gentleman answer.

Mr. WINSLOW. I can answer the part of the gentleman's question which would seem to me to indicate a serious inquiry. We have only had those facts which are of record and we have not attempted to be mind readers and forestall the report of the inquiring board. We have taken only those returns which are of record and have accepted them at their face value.

Mr. GORDON. The gentleman means the records of the railroads?

Mr. WINSLOW. As reported to the Interstate Commerce Commission and as submitted by the various people who have given testimony.

Mr. GORDON. Did the gentleman give any consideration to the question of this information that has been collected by the expenditure of this $11,000,000?

Mr. WINSLOW. Only to realize they had not any report to turn in. I think in one or two cases Judge Prouty, if I am not mistaken, gave a fragmentary report as to the results of the findings wherever they had approached completion.

Mr. GORDON. Well, now, did the committee consider this? In the appropriation of all other private property since this war started in very many instances they were unable to determine the value of the property taken—in this case you determine the use of the property only, and in the other cases they were appropriating only part of the compensation—did the committee give any consideration to the suggestion that they should appropriate only sufficient of what the dividends actually paid in the last three years were and leave the final determination to await the finish of this appraisal by the Interstate Commerce Commission? Did the committee give that any consideration?

Mr. WINSLOW. Let us get together on this. I do not want to be answering one question when the gentleman is making a different inquiry. The gentleman is referring to the amount of dividend returns?

Mr. CORDON. Yes; the amount of dividends that should be paid. The gentleman determines that by taking the total earnings of the road for the past three years, as I understand it.

Mr. WINSLOW. No.

Mr. GORDON. The gentleman does not?

Mr. WINSLOW. No.

Mr. GORDON. Well, that is my understanding.

Mr. WINSLOW. That is only part of the question. I was fearful the gentleman was not comprehending the whole situation. [Laughter.]

Mr. GORDON. I understand it all right. If I have not made myself clear——

Mr. WINSLOW. Let me continue—the old clock is moving around. [Laughter.]

The CHAIRMAN. Does the gentleman yield?

Mr. WINSLOW. If I can have time I would like to discuss this economic proposition with my friend, but I am afraid——

Mr. STEPHENS of Nebraska. I suppose the gentleman from Wisconsin might possibly yield the gentleman some time, if I can have his attention.

Mr. GORDON. If I have not made my question clear already I can in a very few words, if the gentleman will allow me.

Mr. ESCH. The time required on this side is so largely taken that I can not make many extensions, but it may be possible to yield a few additional minutes to the gentleman.

Mr. WINSLOW. It is not my request, but yet I desire to tell anything I know that is proper.

Mr. GORDON. I would like to know how the gentleman gets at this figure.

The CHAIRMAN. Does the gentleman from Massachusetts yield?

Mr. WINSLOW. I think for the purpose, Mr. Chairman, of his inquiry, I can not yield, because it will take, I am well aware, more time to answer his question the way he has put it than the time I have at my disposal.

Mr. GORDON. I think the gentleman is right about that.

Mr. WINSLOW. The question is a difficult one, and I want to answer, in a measure but in a limited way, the inquiry of the gentleman from Ohio. There are hundreds of railroads in this country, very few of them known, apparently, to any considerable number of people. They know the great trunk lines, but they do not know the great multitude of short lines in different parts of the country which come in under the scope of this bill. We found out on the second day, if I mistake not, of the hearings that there were hundreds of roads around through the United States which would probably not mean anything to the Government for war purposes, and the truth came out that the purpose of the Director General, when he got ready—although he had taken every one over by separate order, although he had issued general orders to all of them—he proposed to drop a lot

one of these days, when he got ready. No railroad president was in the hearing who could find out when his turn was going to come. He did not know anything about it. The Director General would not tell him anything about it. Now, those roads represented all conditions of prosperity, and many of them conditions of no prosperity whatever. That feature must be considered. This bill is drawn in such a way that by an elastic provision it allows the President to treat with each road that he wants to consider or otherwise, and in that way those unhappy little roads may get out from under. It was beyond all human possibility for any committee in the time allotted, if ever, to draw a bill which would measure out accurately to each railroad exactly what was fair to it, so they have had to blanket those; and the bill, naturally, has been drawn to meet war conditions, to meet an exigency, so that when we begin to operate under this legislation, if it is passed, we will begin to get to business on the railroads immediately and allow the less consequential considerations to come up and be taken care of in due time. But some of the committee—and I believe for my own part a good many of the committee—agreed that the basis of remuneration set forth in the bill is as fair and equitable a basis as can be figured out in the short time allotted, when one considers the great interests involved and the varying conditions throughout the different roads as well as the necessity of as prompt legislation as is reasonably possible.

Mr. SMITH of Michigan. Will the gentleman yield for a short question?

Mr. WINSLOW. Gladly.

Mr. SMITH of Michigan. It is presumed there will be a considerable number of roads that will not be taken over?

Mr. WINSLOW. I think it can be fairly presumed on the statements of the gentlemen representing railroads through the hearings and from the testimony of the Director General that the number of such roads would run into the hundreds.

The next point of real interest which will have to be considered is the power of establishing the rates by the President of the United States. Herein the view of the committee members differed. The majority favored the bill as printed; a minority was in favor of putting the power to establish rates in the hands of the Interstate Commerce Commission. I represent in thought and in action the minority views in respect of this matter and I wish to give my own opinion. The Interstate Commerce Commission, I believe, represents pretty generally in this undertaking the interests of the great public of this country.

It has been a much-discussed body. It has stirred up the animosity of first one element of the community and then another. Take it far and wide, it has been exasperatingly slow at times. It has not been able always to render decisions quickly enough to suit everybody, but perhaps that has been the natural result of the condition in which it found itself. The problem is an enormous one—far beyond the comprehension of people who have not gone into it carefully. The opportunities for action on the part of the members of the Interstate Commerce Commission have been many and varied, and have constantly increased. Their ramifications have multiplied, and it has not been strange that a commission, if starting off with a little handful of employees and now having grown into a commission of thousands, they should have found the attending duties engrossing, perplexing, and frequently beyond their power for quick action.

However that may be, they have collected invaluable data, they have learned the "wiles" of the game, they know the "ins" and "outs" of the railroad problems, they have become expert as to how to get at and analyze railroad figures and statistics, and how to get information, and when and where such is to be obtained, and so forth.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ESCH. Mr. Chairman, I yield to the gentleman five minutes more.

Mr. WINSLOW. To sum up the reason for standing by the commission rather than to accept the provisions of the bill. I represent my own views, gentlemen, and possibly those of others. I hope so. There are two reasons in my mind why we should not let the President make the rates under the arrangements set forth in the bill. In the first place, we have a commission which has been set up by Congress to do this work.

They have been indorsed by Congress and by the people all this time; otherwise they would have long since been wiped out. They would not have grown from three or four men to several thousand men if there had not been a good excuse for their existence. They have been kept on and ought to know their business, and, so far as I have been able to learn, they do. That is one reason for keeping them there. They are a public institution, as much a part of the Government of this country, as things are going now, as the Congress of the United States or the President himself. I am willing to trust the commission under war exigencies to discriminate wisely and to act as promptly as good judgment and the well-being of our people demand.

Mr. COADY. Will the gentleman yield?

Mr. WINSLOW. It would be a pleasure to yield, but I can not do it now.

In the second place, I think we are going too far in the direction of throwing all the fiscal arrangements of the United States under the head of one or two men. [Applause.] They can neither conceive nor cover them. No man has ever been known in this world, I believe, or ever will be, of sufficient capacity to take over or act wisely as an advisor of all the growing elaboration and direction of the new departments as we are setting them up, to say nothing of the three or four or five or more which are already on the board and about to be skidded into us for legislative consideration and establishment. I do not believe that the President—and I will give him all the respect that he deserves—or the Secretary of the Treasury can go on indefinitely taking jobs, each one of them big enough for the biggest man that ever lived, and carry them out successfully. For such reasons I think we are better off to have this matter of legislation in reference to rates in the hands of men who have had some training in such matters, who have nothing but railroad matters to think about, than to leave them in the hands of somebody or anybody who can be no more than a figurehead in the operation, and who himself must appeal to somebody else, and then have that consideration only one of a multitude of cares which are pressing down on his brow with constantly increasing pressure every minute of the day and night. [Applause.]

The question of time of return of the railroads taken over to their owners is another point of this bill which interests everybody. The proposition is, Shall there be a time set for the return of these roads by the Government, or shall there be no time set? This question was marked and debated clearly and fairly. The committee took it up, and they voted to set a time limit. They agreed on a time to terminate two years after the signing of peace ratifications. A minority thought that two years was too long. In the testimony before the committee, if you will read it you will find that the time mentioned by witnesses to be allowed for giving back the roads varied from one day to three years.

The testimony, as it appeared to me, was given by those whose opinion I most respected, indicated six months to a year. In order to be on the safe side, a year was the time indicated by those who filed minority views. I do not feel sure that a year will be long enough; but at all events a year will be long enough to determine whether or not a further period is needed. The question can be better decided under conditions prevailing then rather than be dealt with now, say, three or four or more years ahead. If not more than a year is necessary, the roads will be automatically turned over to the owners, and this war emergency railroad legislation will be forthwith terminated. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. ESCH. Mr. Chairman, I yield one minute to the gentleman from Illinois [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I hope to have a little time under the five-minute rule in which to address the committee. I use this minute to say that I listened to the reading of the proclamation of George Washington at the request of my colleague [Mr. MASON] a short time ago. I indorse George Washington now, and if I had been living I would have indorsed him then, and what he did. I indorse that proclamation. We were neutral when the nations were at war in Europe, and in that proclamation was noted that whoever violated neutrality would be punished. I believe if either one of those nations had given notice to us and to all the world that when our ships were on the world's highway they would be blown up without notice and then proceeded to blow them up, George would have said we ought to have war and have asked Congress to declare war against the nation so acting. [Prolonged applause.]

Mr. SIMS. Mr. Chairman, I yield one hour to the gentleman from Missouri [Mr. DECKER], a member of the committee.

The CHAIRMAN. The gentleman from Missouri is recognized for one hour.

Mr. DECKER. Mr. Chairman and gentlemen of the committee, I hardly think that I shall take a full hour in talking, but I do want to take a little of your time with the hope that I may be of some help in reaching a correct solution of this important problem.

I need not remind this body of the importance of this problem. As has been said, it affects the property rights of this country to an extent estimated at from eighteen to twenty billion dollars. It affects an industry which employs 1,700,000 men, constituting some of the most skillful and most patriotic and most efficient men of this country. But the amount of money invested in this industry, the property rights involved, yea, even the large number of men employed in the industry, does not constitute the greatest element of importance in this question. Transportation is the very breath of our national prosperity and even existence. The wheat must be hauled to the market and to the mill; the cattle must be slaughtered and shipped to the consumers of this country; the cotton from the Southland must be carried to the mills and made into cloth. The question of the money invested is important. The question of the men employed is important. But let us not at the outset lose sight of the fact that the very existence of this country, in time of peace as well as in time of war, depends upon transportation, and efficient transportation. Its importance in time of war is even greater than in time of peace. Our soldiers must be clothed, they must be fed, and under our complex system of national life, with our broad expanse of territory, the products of California and the products of the South and the products of the North must be gathered together through the centers, and upon the railroads of this country they must be carried to do the people any good, and especially the soldiers that are fighting this war.

Whatever property rights may be involved, whatever employees may be affected, let us not lose sight of the fundamental fact in this struggle, as expressed by the Fuel Commissioner, Mr. Garfield; let us never lose sight of the fact that always and ever while this war is on "the ships must sail," and the ships can not sail without coal, and the ships must not sail empty of food.

The great object, then, that led to the taking over of the railroads was efficient transportation. The railroad transportation of the country had broken down. There is no use in denying it. There is no use in spending time here in going into all the reasons for it. But it became necessary in order to carry on this war to unify, to coordinate the transportation facilities of this country. Under an act of Congress passed in 1916 the President was given authority to take over the railroads. He took them over; he took them over for the purpose of perfecting the system and creating greater efficiency. Congress had the right to give him that authority. Then there was left to us an important question—the question of compensation. That was a question, I say, that was left to us. I do not mean that we have a right to fix the compensation. The fixing of compensation for the railroads or any other property that is taken by the Government for public use can not be done by Congress or any other legislative body. That is a judicial question. This is not the land of the Bolsheviki. This is the land of liberty; but it is also a land of law, a land of order, and a land where property rights are still sacred, whether it be the property rights of the humblest man following the plow or the property rights of the man who owns the bank or the railroad.

It will not do any good to say, "We will take these railroads; these men have more money than they need." The same right that protects your hearthstone and mine and the hearthstone of the humblest follower of the plow protects also the hearthstones of the men who own these railroads, and prevents the taking of their property without adequate compensation or due process of law.

We have a right to take over the railroads, but no man in this House has the right to say how much they shall be paid. Do not let us lose sight of that fact. The owners of the roads can not prevent us from taking their property for public use, neither can the public prevent them from exercising their right of going into court and demanding just compensation.

And that brings me to another question: The prime question, the impelling motive for taking over the roads, was to better the transportation facilities of the country. But along with that taking over was something almost as important as transportation efficiency itself, and that was the financial stability of this country in this awful struggle. From 18 to 20 billions of property in this country is invested in railroads, differently estimated by different people as to the amount. Do I need to remind any man in this House that that vast amount of property value forms at least an important stone in the foundation of our financial structure? Some have estimated it to be one-seventh of all the property in the United States. You and I can not trace the varying places where these securities and these stocks and bonds may be found.

It is true a few men own a large per cent of them, but it is also true that they are found in the humblest homes of widows and orphans, in insurance companies, and in the trust funds; and if justice were not done to these security rights and these property rights, do I need to remind intelligent men that it would be a blow not only to this one stone in the structure but that it might cause all of it to tumble to the ground? So in taking over these roads it is important not to shake the financial structure.

Now, how can that be done? It is easy for us to say, "We have taken your railroads." It is easy to reply to the gentleman from Ohio [Mr. GORDON]. I wish he were here. It would be easy to say in reply to his question, "How much are they worth?" "I do not know." You do not know; President Wilson does not know; Secretary McAdoo does not know. How can you know? We have spent already $11,000,000 to try to estimate the physical value of the railroads, and I think they tell us that physical valuation will be finished in 1921. That is just the physical value. That does not mean that then you have got a complete basis on which to estimate what is a reasonable compensation for the use. I might have a railroad between here and Baltimore with 10,000 bridges on it. It would cost an immense sum of money, but it would not be worth a cent more than one that did not have a single bridge. You can not fix the rate on just what the property costs. There are many and varied questions that enter into this. Now, what shall we do? Shall we say to them, "Go into court," which they have a right to do? No power in the United States, as long as that Constitution, of which the gentleman from Ohio [Mr. FESS] spoke is in existence, can keep them from going into court.

Shall we tell them to go into court and take the valuation of their railroads and bring in all the elements that go into the making up of the value of the use of them, spend six months on the trial of each single, solitary case before the court? Then there would be the right of appeal, due process of law. How long would it take? What would be the result if we told them to go into court and settle their rights there? Any man who wanted to break down this war could do it by putting the railroads of this country into litigation—a large percentage of them. So what did Congress have the right to do? We could not say, "Stay out of court." We could simply say this, "Now, you owners of the railroads, we can not tell you what you have got to take. We have a right, however, as legislators to make you an offer," and that is what we have tried to do in the bill. We have tried to make them an offer, to lay down a basis of authority for the President to make a trade with the railroads for their use during Federal control. That is all there is in the bill. Do not rail at this committee and say, "How quickly did you decide on the value?" We did not decide. We could not decide. You could not decide. It would take you and me and probably many of us here many years to understand the intricacies of the details of the railroad question; but the general principles one man can understand about as well as another. And one of those fundamental principles is this, that if we take over private property for public use we must pay reasonable compensation for that use; and in estimating the value of that use we can consider the demonstrated value of the use for a reasonable time before the taking. So we took a period of three years before our entrance into the war and divided the annual operating income of those three years by three and called that the standard return. Some would say take four years, take five, some ten. I can not go into all the reasons why, if you go back too far, it would not be just, because every year that the railroads continue in existence the money put into their property increases. So the further away you get from the time of taking the more danger there is of doing injustice to all concerned.

So we thought, and to be frank with you, as the gentleman from Massachusetts [Mr. WINSLOW] said, the men who wrote the bill, Mr. Anderson, of the Interstate Commerce Commission; Secretary McAdoo, and even the President himself in consultation no doubt—in fact, his proclamation spoke of that—took this as a fair basis of compensation during the period of Federal control.

Now, when you go back home and they say to you, "You paid the railroads too much," what are you going to say? Some fellow will say to you, "Why, what did you give the railroads that amount of money for? Why didn't you take their property the same as you took the other property of the country?" I even heard a speech in another body in this great Capitol, in which it was said, "They say if we can draft the boys of the country, why not draft the property of the railroad companies?"

We will draft the property of the railroad companies, we will draft your property and mine, and the property of the farmer, but we will do it according to law by means of taxation, and not by confiscation and the violation of the Constitution. When you get back home, what are you going to say about the way this was fixed? I will tell you what I am going to say. I am going to say that for 30 years there has been in this country, growing up and increasing in efficiency and power and intelligence, a great body called the Interstate Commerce Commission, whose duty it has been, so far as possible, to determine what is fair compensation for the railroads. That body has the confidence and respect of the people of the United States. In some places there is more confidence in it than in others, but it is the only body we have. We simply took what they had allowed these roads to receive during the last three years, and divided it by three, and said to the railroads, "We will give you that same amount during the continuance of Federal control." Can you beat that system?

Our much-esteemed colleague from Wisconsin [Mr. ESCH] did not say that this amount was too large, as I understood him, but he did say that he recommended paying them a certain per cent on their stock and on their bonds, and then dividing the surplus between them and the Government. He gave as his reason for doing this that under the system which we have adopted there is no incentive for the railroad officials, like the presidents and superintendents, to put forth their best energies to make the railroad management a success during Federal control. In other words, briefly stated, he says if we guarantee a definite sum to the owners of the railroads and the men who run them during Federal control, what incentive is there to make the railroad officials put forth their best energies and to see that the industry is a success? Well, that is a fair question. It is one that appeals to anybody. But my answer to the gentleman from Wisconsin is this: His proposition is fundamentally unworkable for the purposes for which we took over the railroads at this time. We took over the railroads at this time so that we could, if necessary, say to the Baltimore & Ohio Railroad, "Clear the tracks! Get your passenger trains off of there. We are going to ship coal over your road." But they say, "There is no money in coal. We want to ship iron or steel or passengers." "Clear the track, Baltimore & Ohio! We are going to ship coal over your road and nothing else. It is for the good of the country." We can say to the Pennsylvania, "You have been making more money than anybody else in the country. You have got the best railroad, but we want to use it for a certain business that is not as profitable as the other kinds of business in this country." We will divert the business from one railroad to another railroad if necessary in order to have efficient transportation and in order that "the ships may sail." That is the test in this war. Now, how are you going to do that?

If the plan of the gentleman from Wisconsin was put into force and the surplus divided between the Government and the railroad company, would the Pennsylvania Railroad be anxious for ships to sail, or would it want to get the business? Would the Baltimore & Ohio have the incentive to make the loaded ships sail, or would they want to make money for their company? That is the reason we could not adopt his system. That is the reason the director of the railroads and Mr. Anderson, who wrote the bill, decided that it was unworkable and that the present system was the only way to do it.

Now, I admit, gentlemen, that there will be some slackers among railroad presidents and railroad companies. I expect that there will be slackers among them, as in all other classes, but I believe most of them are patriotic enough in this hour of need to do their duty. Some men have spoken in favor of these gentlemen, and I indorse a good deal that has been said about their patriotism and their ability. But let me tell you something. The men who are presidents of the railroads, put there by the financiers and bankers of the country, do not always run the trains. You have never seen any on the engines, you have never seen any on the locomotives, you have never seen them turn a switch, you have never seen them at the ticket window. If any president of a railroad shirks, the Director General can fill his place, and the patriotic railroad men of this country will come to the rescue of our transportation system and "the ships will sail." [Applause.]

Now, I want to say a few words about the question of rates. I want to call your attention to one inconsistency in some of the men who are so eulogistic of the Interstate Commerce Commission. Some men on our committee and some who appeared before our committee claimed that this compensation, which is according to what the Interstate Commerce Commission has fixed for the last three years, was too high. Yet these same men are insisting that the Interstate Commerce Commission shall not by any circumstance be interfered with by the President of the United States. Well, they can not blow both hot and cold. If this same Interstate Commerce Commission is so vital to the welfare of transportation that you can not let the President of the United States interfere with its authority, why are you blaming us for following their findings in fixing the compensation for railroads during the time of Federal control?

But that is not what I started out to say. I want to be fair about this question of rates. The members of the committee differed, and the point of difference, I think, is this: I think we all agree that the President has got to initiate the rates if these are ever changed, unless we change the law as it is now. The President, who takes the place of the owners of the road, must initiate the rates if they are to be changed. Now, under the bill as we have it, anybody who is dissatisfied with the rate which is initiated may have the matter referred to the Interstate Commerce Commission, and the Interstate Commerce Commission is instructed by this bill to make an investigation thoroughly and carefully. Now we come to the point of diversion. Some say that their recommendations should be final and conclusive. Those of us in the majority of the committee concluded that it was better to have the President's authority final and binding.

Mr. ALEXANDER. Will the gentleman yield?

Mr. DECKER. Yes.

Mr. ALEXANDER. While the President has the power to initiate a rate, does it go into effect until it is reviewed and approved by the Interstate Commerce Commission under this bill?

Mr. DECKER. Candor compels me to say that it goes into effect immediately.

Mr. IGOE. Will the gentleman yield?

Mr. DECKER. I will yield to the gentleman.

Mr. IGOE. The rates fixed by the President are merely for the duration of control by the Government, or do they last until subsequently modified in the old way by action of the railroads and the Interstate Commerce Commission?

Mr. DECKER. Will the gentleman ask me that question when I get to the most important question—the question of turning them back to the railroad companies? Well, I will answer it now: It will take legislation to readjust that, regardless of whether the rates are fixed by the President during the war or by the Interstate Commerce Commission. That is one reason I am not for putting a stop watch on the time to turn them back, so that we may have an opportunity to work out the kind of legislation wanted.

Mr. LENROOT. Will the gentleman yield?

Mr. DECKER. I will.

Mr. LENROOT. The gentleman has stated that in the majority bill a rate fixed by the President is final. I ask him, as a lawyer, whether Congress has any power to delegate to the President the power to fix rates finally?

Mr. DECKER. I will answer the gentleman's question by asking him another. Is not the President of the United States a citizen? Is there any reason why we can not delegate the power to him as much as to five or six citizens on the Interstate Commerce Commission?

Mr. LENROOT. The Interstate Commerce Commission acts under the rule laid down, carrying out the law, and we have made their rates final except they go so far as confiscation of property. Under the power delegated to the President in this bill there is no such power conferred.

Mr. DECKER. I do not think that the gentleman has read the bill carefully, because the bill provides that the rates must be just and reasonable. It does not mean that the President can fix any rate, but he is to use reason, justice, and fairness, and avoid all discrimination. I have heard it said here that under this power he can make Chicago a desert. He can make Chicago a desert under this power if he wanted to violate his oath of office, but no intelligent man would use such discrimination against Chicago as to make it a desert without knowing that he was doing something wrong.

Mr. BARKLEY. Would not the Supreme Court have the right to pass upon the reasonable and just rates fixed by the President?

Mr. LENROOT. Would it unless the law lays down some restrictions on the President?

Mr. DECKER. The Supreme Court would, because there is one thing Congress can not do. It can not confiscate a man's property, it can not take anything away from him without due process of law. The rights of the railroads and the shippers can always be determined in court under a claim that they are discriminatory, unjust, and in violation of the law.

Mr. LENROOT. Does the gentleman contend that it is due process of law to delegate to the President or anyone else the

right to make a rate without a hearing upon the part of the shipper? That is what is done in this bill.

Mr. DECKER. Oh, we do not do that in our bill, begging the gentleman's pardon.

Mr. SIMS. The railroads, before they were turned over, absolutely made their own rates without consulting the shipper.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. LENROOT. Any shipper, as the gentleman well knows, had a right to go into court upon any rate prior to the enactment of the Interstate Commerce Commission law.

Mr. SIMS. Yes; but he does not make it.

Mr. LENROOT. I understand; but he had his remedy.

Mr. DECKER. The thing I wanted to say on this subject was this, and I do not want to take up too much of your time: I am opposed to taking away the power of the President to fix the rates in case in his wisdom as a war emergency he thinks he should do it. How is the ordinary business of the country conducted? Does the man who owns the farm and spends the money in the operation of the farm have the right to say what he shall sell his products for, so far as he can get a market? Who fixes the price of the commodity of the manufacturer of this country? In other words, the man who runs the manufactory and spends the money in operation also determines, as far as he is able, the amount of income he gets, does he not? In other words, the successful way to run a business is to let the man who handles the expenses try and fix, if he has wisdom enough, the amount of income that he can get out of the business. You say that can not be done with the railroads, because the railroads are not a private business, but are quasi public, and that while they are private in the sense that private money is being used in their operation, yet that the public has such an interest that it would not be safe to let the men who spend the money on the railroads in building them up, equipping them, and paying the labor say how much income they shall get from them, and so, after many years of experience, we established the Interstate Commerce Commission, the object of which was to stand between the public and the selfishness of the men who owned these railroads. Is not that a fair statement?

And do not you see the minute that the President of the United States steps into the shoes of the railroads the situation is changed? You do not have to protect the people of the country against the President of the United States. He has no selfish interest to serve. Not a dollar goes into his pocket. He has but one ambition, to serve his country and win the esteem and affection of his countrymen. That is the only interest he can have. There is still one danger, and I want to be fair. He may have the best intention, but you say he has not the intelligence. That is, you do not mean by that he lacks the broad mental power and acumen, but that this is such a special business, so intricate and technical, that it is impossible for him to know the details sufficiently to fix the rates. That is the very reason why we provided two things in this bill. We provided in this bill that the President of the United States in running the railroads—and this is in addition to section 11—could at any time avail himself of the services, advice, and cooperation not only of the Interstate Commerce Commission but of any other department of the Government.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. HARDY. Does the gentleman think it would ever have been necessaray to establish the Interstate Commerce Commission to regulate rates if these transportation facilities had been owned by the Government originally?

Mr. DECKER. I think not. I think that the only thing that the public had to protect itself against was not the lack of intelligence and knowledge on the part of the owners but the innate human selfishness that is in us all.

Mr. HARDY. In other words, the gentleman thinks the Interstate Commerce Commission was provided to protect the public against the greed of the private owners?

Mr. DECKER. The private owners, who were performing a governmental function, to wit, running the public highways of the country, and it was not safe to turn over to them, unrestricted, the right to set the toll or levy the tax for using the roads.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. COOPER of Ohio. The gentleman stated a few moments ago that the Interstate Commerce Commission now had power to fix the rates, and that that power was placed with them for one reason, to protect the public, and then the gentleman stated that the President had no selfish interest to serve. What I want to know is this: Has the Interstate Commerce Commission any selfish interest to serve, and why could not they take care of the rate making at this just as well as at any other time?

Mr. DECKER. That is a fair question. It is a matter of judgment. I am not going to rail against any man in this House that thinks it should be left with the Interstate Commerce Commission; I am not going to say to him that he does not believe in the patriotism of his President. I believe it should be left to the President, and I was telling the first reason. In other words, the fundamental principle of running every business is to let the man who pays out the money set the price upon the product, and thereby determine the income. Have you not heard criticism on every side that while the railroad officials have to spend the money for higher wages, for more equipment, for rails, ties, rights of way, and terminals, yet when it comes to getting the money to pay for all these things they have to go to somebody else to get it.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. ALEXANDER. The gentleman seems to think that if this power is vested in the Interstate Commerce Commission and not in the President, it would impeach the President's patriotism or intelligence.

Mr. DECKER. Oh, no; I did not say that. I say I am not accusing anybody of such a thing because he wants the power placed in the Interstate Commerce Commission.

Mr. ALEXANDER. The point I want to make is this, that nobody assumes that the President himself would exercise these powers directly. These powers must be exercised through agencies, because it is not possible for the President to do it. The question arises, and I think it is one well worthy of answer, Why not let this power be exercised by a tribunal organized according to law, charged with that duty, and presumably equipped for the duty?

Mr. DECKER. I thank the gentleman for the suggestion, and that is the gist of the question; and I hope I shall not be interrupted until at least I try to answer it.

Mr. MADDEN. Why does not the gentleman answer this question?

Mr. DECKER. It is practically the same, although I think my colleague misunderstood my answer. The reason is this: Either turn over to the Interstate Commerce Commission not only the fixing of rates, but also fixing the rate of wages, the price of steel, the cost of bridges and terminals. In other words, give the body that determines the income the right to say what the outgo will be. That is my contention; that is the business way of doing anything. And then do not you see another reason in this? I have reminded you that the President has no ulterior motive. We have said in this bill that he has the right to avail himself of the services of the Interstate Commerce Commission, and anybody in the United States who feels he is wronged by any rate fixed by the President has the right to have an investigation and then the commission makes a report. So, then, there would be little or no chance for him to make a mistake for lack of information. Many questions come up in an ordinary rate case that is brought before the Interstate Commerce Commission. The owners of the roads come in and explain what improvements they have made, how many bridges they have built, how much the steel has cost that they have put on; the Interstate Commerce Commission goes into every detail of it, and if any of that money has been unwisely or foolishly spent, it is not considered in the fixing of the rate.

Do you want the President of the United States, who has upon his shoulders the Herculean task of bettering the equipment and transportation of the railroads of this country, every time that he wants to build a new bridge or lay some new ties or construct a terminal or do some other extraordinary imperative thing which he thinks is necessary in order "that the ships may sail"—do you want him to have to ask himself the question, Will the Interstate Commerce Commission give me the money to do that work?

Mr. HARDY. Will the gentleman yield right there? In connection with the question by the gentleman from Missouri [Mr. ALEXANDER], did not the entire committee agree that it was absolutely necessary that the President should initiate the rates?

Mr. DECKER. Well, I would not say, I do not believe that question was raised in the committee directly.

Mr. HARDY. Was not the difference between you whether or not the Interstate Commerce Commission should have the power to overrule the President?

Mr. DECKER. It was the only question, I think, and if I am not stating it correctly I trust any gentleman of the committee will correct me, and there can be no other question——

Mr. RUSSELL. Will the gentleman yield?

Mr. DECKER. I will.

Mr. RUSSELL. Is not one of the chief reasons for providing in this bill that the President shall initiate the rates because war is on, that is the reason for taking possession of the roads, and there might be some emergency in which it might be necessary to act very expeditiously, and it was believed by the committee the President could initiate or change a rate more expeditiously than if it were left in a body like the Interstate Commerce Commission?

Mr. DECKER. I am not satisfied to go only that far; there is more involved in it than that. He has not only got the right to initiate the rate, but I want this understood—for it is not my intention to deceive any of my colleagues—he has got the right, even after the Interstate Commerce Commission has made its report and findings, to use his honest judgment and answer to the people of the United States who elected him. In other words, after giving this extraordinary power to the President of the United States I do not want him, if transportation facilities should break down again, or anybody who, as his friend and his advocate should come around and tell me, "Yes; it broke down, but it was because some one else did not do their part; it was because the Interstate Commerce Commission would not let him raise the rates sufficient to make money to run the railroads adequately"—I want to be able, if these transportation facilities break down in this hour of tragedy and need, to point a finger to him and say, "Mr. President, thou art the man."

Mr. STEVENSON. Mr. Chairman——

Mr. DECKER. I have just got a moment or so, and I would like to go on——

Mr. STEVENSON. Just to ask this question. The gentleman stated a minute ago he did not want the President to go to the Interstate Commerce Commission to get money if there was a shortage. Is not Congress usually in the habit of giving the President in war time all the money he wants, and he does not need——

Mr. DECKER. That is a pertinent question, and one I started to answer before the gentleman asked me. My time remaining is very short, but I will answer it. Who is the best judge of the exigency of the Treasury of the United States, and how much more strain it will bear before this war is over—who is the best judge, the President of the United States or the Interstate Commerce Commission? I understand the fact that if we reduce the rates during this war the people of the United States, if they wanted to, could vote taxes to make up the deficiency, but the honest opinion of the intelligent business men and thoughtful men of this country, I believe, is that the cost of manufacturing should be borne by manufacturing, that the cost of mining should be borne by mining, and likewise the cost of transportation should be borne by transportation throughout this struggle.

But, gentlemen of the committee, I must hurry on. I come, gentlemen, to what I consider the most important part of the bill.

That is the question as to how long Federal control shall last. And let me say at the outset now, men, this is a question that involves only a few lines in the bill, but it is very important. Do not get it into your heads what they have been telling, that if at the end of two years we are not ready to turn them back all we have to do is to pass a resolution through both Houses. That is told you here with a good deal of force, but it is not true, in my humble opinion, and I will tell you why.

What do we do in this bill? In this bill we just give the President the right to make the contract with the railroads for compensation for a certain time. And after that contract is written and signed by the President, do you think Congress could come in and extend it without the consent of the railroads? It can not be done. We can do at the end of two years just what we are doing now. We can make them an offer, and they can take it or let it alone, as they please. You can not continue this thing without their consent, because it is a solemn contract which you and I authorize the President of the United States to make. So, then, gentlemen, we are up to the proposition of how long this shall last. The majority of our committee believed that there should be a definite, specific limit set. I opposed it in the committee, and I oppose it here now. I want to give my reasons.

No man knows what the situation will be when the war is over. In the first place, how long will the war last? Can any man say? What will be the extent of our exhaustion when the war is over? Can you say? What will be the financial situation in this country when the treaty of peace is finally signed and ratified? Can you say? Can you say whether the railroad owners of this country will have the money to take the railroads back when the war is over? Can you say that they will have the money to supply the equipment and to rehabilitate the railroads so that they will come up to a standard of efficiency in this country that the people of a great Nation deserve and are entitled to? Can you say it? Can you say how much money of the people you will vote during this Federal control and put into the railroads? We put $500,000,000 in this bill. I predict, and I am no prophet, that it will be a billion and a half or two billions before the war is over. There will be money put into the railroads for rolling stock, for new engines, for new bridges, for new terminal facilities, and for new equipment, and it should be put there. It will be well spent. You know that. It will be money spent in this war in order to have victory. Gentlemen lose sight of the fact that no matter how much steel rails may cost at this time, no matter how high labor is for construction, no difference what things cost, the important thing in this struggle is "the ships must sail." Our boys are on the other side; they are in the trenches. Shall we let them go without food and without clothing? No. We will build entire new railroads if it is necessary in order that "the ships may sail." [Applause.]

Ah, my friends, you who vote to turn these back at a certain time, do you know just how much of the people's money you are turning back to the private owners? Will it be a billion or a billion and a half or two billions of dollars? What is going to become of that money? It does not sound as if it were much now, but a day will come when the sons of toil will ask you, "What did you do with that money?" And you have got to answer them in that day. Are you going to turn it back to them and let them squander it or manipulate it, and let it go as the money in the Frisco or in the New Haven went—into the pockets of profiteers; into the pockets of the men who robbed those railroads for their own private gain?

We now know of some needed reforms from our past experience. Is there a man in this House who does not know that we need a law in this country to regulate the issuance of railroad stocks and bonds? Not one that would dare stand here and say that this system of letting the railroad companies issue as many stocks and bonds as they wish, on their say-so, is just. They used to do that. The New Haven is an example. And the stockholders who have been robbed, the widows who have been made penniless, as the result of the treachery of the owners of some railroads, is a sufficient warning.

The gentleman from Illinois said that the railroad men are honest. There is Ripley, "the grand old man of the Santa Fe." I think he is honest. He will not rob his stockholders. No. But he is 70 years old. He has the confidence of the people, rich men as well as widows and the orphans who have put their money in his road. But there will be a successor to Mr. Ripley, and we ought to be sure that that successor can not do like the officials of the New Haven did when they robbed the investors. Are you going to turn the roads back to the private owners before you pass that kind of a law? That is just one of the needed laws that we know of now. Are you willing to say, gentleman, in all seriousness, that during this period of Federal control you will not learn something that ought to be done, different from what we have done in the past, in the control and management of the railroads? Do you not want to study the question? And these questions are not settled by you and me in the last analysis. Do you not want to hear from the folks at home? It is their money that we are voting into these roads. Why should you and I set the stop watch? Well, gentlemen, do not dodge it. We can not dodge it. This vote on the limitation means this: An advantage to one side or the other. You know what governmental inertia is. Why, we passed a bill through this House twice for the regulation of railroad stocks and bonds. I have been in Congress for five years, and nothing has come of it yet. Governmental inertia is hard. It takes time for the folks back home to understand and get to moving.

It means an advantage, gentlemen. Do not let them gloss it over and tell you it does not make any difference; that we can come together here in two years, and if we have not the right laws fixed up we can vote to extend the time. I have shown you why you can not do that. It can not be done. It means an advantage to one side or the other. You ask me what I mean by two sides. What is the use of dodging? I am not afraid of it, and you are not, either. The two sides are these on this question:

There are some people in this country who are so opposed to governmental ownership that they would turn the railroads back to the private owners, whether they could get the right kind of legislation to protect the people's interest or not, and trust to the future to remedy the wrong. They are here; they are just as honest and just as patriotic as I am, and I am not impugning their integrity. They may be right. Yet a vote to

keep this limitation in the bill is a vote in favor of giving the advantage to the people who think that way.

Now, on the other hand, there are many of us here and many out in the country who think that it is better to keep these roads in the hands of the Government until we can get the right kind of remedial legislation that will protect the rights and the interests of the people of this country and protect the shippers and the consumers of the country as well as the investors.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. LAZARO. How does the Secretary of the Treasury feel about this measure in connection with this limitation?

Mr. DECKER. I do not speak for the Secretary of the Treasury, but I think I am justified in saying, and saying most emphatically, that the Secretary of the Treasury and also the member of the Interstate Commerce Commission, Mr. Anderson, who wrote the bill, stated with the greatest force possible that the interests of our country demanded that there should be no limitation in this bill.

Mr. HARDY. Mr. Chairman, will the gentleman yield right there?

Mr. DECKER. Yes.

Mr. HARDY. Might not the gentleman just as well go further and say what is the fact, in my judgment, that this limitation will in a measure foreclose the right of Congress to pass upon the final question of governmental ownership?

Mr. DECKER. Yes. You always say a thing better than I do. I thank you. I would not say "final foreclosure," but it puts them at a disadvantage, because they have got to move in the matter in a limited time. They have got to overcome what we call around here the "governmental inertia," this thing that prevents the actual enactment of legislation regarding the regulation of the issuance of stocks and bonds while every man in this House believes in the regulation as to the issuance of railroad stocks and bonds. Yet, despite the fact that the bill for that purpose has been reported by our committee, and I have been here five years, it has not passed yet. That is what I mean.

Mr. SWEET. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. SWEET. Is it your thought, then, to experiment with the roads during this period?

Mr. DECKER. They are not your railroads, and they are not mine. We have taken them over. If you keep your eyes open, you have got to see an experiment.

Mr. SWEET. And that is your idea about it?

Mr. DECKER. And if you learn anything from the experiment I want you to have a chance to put it into effect after the war is over.

Mr. SWEET. And it is your thought and your argument, then, that that is one of the main things that ought not to be limited?

Mr. DECKER. I do not want you to put words in my mouth, because you are a skillful man. I know who you are. [Laughter.] I mean this: I mean you and I know and other people know the thing as well as we do. We should have done something before this to protect the investors in this country in the railroads. We knew this before the roads were taken over. I say we may learn something new during the period of Federal control; something, for instance, about whether it is better to pool the interests of the railroads, and whether there is too much competition, and whether there is too much duplication; and if we do, why limit the time for putting that knowledge into effect before you turn them back?

Mr. SWEET. You say you may learn something. That is true. Is that one of the main reasons why you are leaving off the limitation, that we may experiment during that period of Government control?

Mr. DECKER. That is a good and valid reason. That is all I need say for that reason.

Mr. SWEET. That is one of your main reasons?

Mr. DECKER. That is good enough for a main reason.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. LAZARO. The gentleman says he is in favor of taking off the limitation. Will the gentleman tell the committee how the committee voted on this proposition?

Mr. DECKER. The vote stood 15 to 6, and I think the smartest men on the committee were for the limitation. [Laughter.]

Mr. SIMS. That is good, coming from the gentleman from Missouri. [Laughter.]

Mr. DECKER. I will except the chairman. He was on our side. I will say that. The majority were against us. It may have been 15 to 6 or it may be 15 to 4. But it is a question you can understand as well as a member of the Committee on Interstate and Foreign Commerce. That question is not hard to understand. That question is an important question. You can not say "I will follow the committee on this question," for the man who follows the plow will say, "Why did you foreclose my right to pass upon this question?" You can not follow anybody on this question, because the people are going to look into it, and they are going to say, "What did you do with our money during the time of war?"

There are some people, as I said before, that will want to get these roads back to private ownership if we put $5,000,000,000 into them, and they would give them back with mighty poor security for the $5,000,000,000 in order to avoid Government ownership.

They think Government ownership is an awful danger. There is no use in dodging it. But that does not mean Government ownership if you leave the question open. Some people believe in Government ownership. Some believe that perhaps the present system of Government control would be a good thing permanently. Some people believe that we ought to own the roadbeds and lease the roads to private individuals for operation.

There are many different theories as to how this would best be done, but the point I am making is this: I want to hear from the folks at home. I want my people to have a chance to speak, and I stand here in the House of Representatives and protest against the Congress foreclosing the people's right to speak or make it difficult for them to bring about needed reforms in this country. [Applause.] There are some people in this country who believed that we should have put that railroad stock and bond regulation measure through before those men had wrecked the New York, New Haven & Hartford Railroad. There are some who believe that we should have cheaper rates in this country and a larger Interstate Commerce Commission before we turn the railroads back. Should they not have a right to think it over? It may take the folks back home a long time to understand these things. We have been five years in trying to get through Congress a bill that almost everybody in this Congress believes in.

You say two years are a long enough time in which to pass needed legislation. That depends on how many other bills you have got to pass. There will be other questions troubling the hearts and the minds of the American people. There may be the good old tariff question. The economic situation throughout the world is being changed. The boys will be coming back from Europe. It may be that they will come back maimed and halt, though I hope not. The mothers' and fathers' hearts will be sad and torn, and we will be asked to make provision for these boys which will be adequate, so far as we have the ability. There will be many other questions. Some people say when this war is over, or even before it is concluded, we should change our military system and have universal military service. That may be a question and it may not. It depends on when the war is over and how the war shall end. Can you tell what questions will be for settlement, my friends? Then why say that in spite of what may be before us, this question must be settled in a given time. We are out on the sea; it is a stormy sea; we do not even know what port we will have to make. Why say that we have got to get into the harbor at a certain date?

Mr. RUSSELL. Why bind our own hands?

Mr. DECKER. Why bind our own hands when we have a herculean task to perform? Ah, my countrymen, they have talked here about many things, but I will tell you what I am afraid will happen. I am afraid the thing will happen that has happened before in the history of the world in time of war. I am afraid it will happen that the rich and the powerful—those who own these vast interests, who speculate in the stocks and bonds of railroads and wreck them sometimes—not always—I am afraid these men will again fatten and grow richer still on governmental favoritism; not because you are not as honest as I am, but because you limit the time for the people to act in their own interest. They will fatten on the public favoritism while the people's hearts at the close of the war are torn with anguish, and while their minds are distracted with many other problems than that of the railroad question. My friends, why set a limit here; why foreclose the right of my people to speak on this question? That is all I ask. Let the people rule. You need not worry. They will rule in the end, anyway. You and I need not try to set a limit to their power. It can not be done in this land of ours. [Applause.]

I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back three minutes.

Mr. ESCH. I yield 45 minutes to the gentleman from Wisconsin [Mr. LENROOT].

By unanimous consent, Mr. LENROOT was given leave to revise and extend his remarks in the RECORD.

Mr. LENROOT. Mr. Chairman, I intend to discuss chiefly the question whether the draftsman of this bill has expressed in proper phraseology the intention that the committee and the draftsman have; and I think before I get through I will be able to show that there are so many inaccuracies and absurdities in the bill as framed that it will be difficult, if not impossible, under the five-minute rule, to correct them.

But, Mr. Chairman, before going into that I do want to make a few preliminary general observations. The Interstate Commerce Commission has been charged with being responsible for the situation which existed that made it necessary for the Government to take over the railroads. I want to devote a few minutes to denying that charge, and think I will be able to show conclusively that the Interstate Commerce Commission is in no wise responsible for that condition.

It is true that railroad stocks have been going down, down, down for a long time past, but that is not due to the action of the Interstate Commerce Commission. It is due in very large part to the reckless mismanagement of some railroads in this country, like the New Haven, the Rock Island, the Frisco, and other roads, whereby the great majority of the roads that are well managed have been compelled to suffer with them, because the investing public has become suspicious of all railroad stocks.

Secondly, it has been because in the efforts of these railroads to get the Interstate Commerce Commission to increase their rates they have for years been maintaining that they were not securing adequate rates upon which to pay a fair return upon their property. In every railroad station in the United States for the past three or four years you have seen notices posted up warning the public that the railroads were facing bankruptcy because of the inadequate rates that they were receiving. In the face of statements of that kind was it to be wondered at that the investing public of America believed what the railroads said, and therefore hesitated to invest their money in railroad stocks? Why, gentlemen, if a department store here in the city of Washington should advertise to-morrow that it was facing bankruptcy and that it was not making a fair income, and then the next day in another advertisement should ask the public of Washington to buy its stock, would it be wondered at if the public refused to buy that stock? Of course not. Now, the results show that upon every application that has been made by the railroads to the Interstate Commerce Commission, where that commission has denied the application to raise the rates, subsequent events have justified the action of the commission. To prove that, I need only to point to the fact that whereas the railroads claimed that they were facing bankruptcy because of inadequate rates, the last two fiscal years, 1916 and 1917, were the most prosperous years in the history of the railroads. So that it is not correct to state that the necessity of taking over the roads was due to the action of the Interstate Commerce Commission.

But I do not for a moment mean to say that it was all due to lack of proper management upon the part of the railroads. There was one thing that Congress ought to have done just as soon as war was declared, and if we had had any independence in Congress, if we had had the courage to assert for ourselves the right to initiate legislation relating to the war, just as soon as war was declared we would have repealed the antipooling statutes relating to railroads during the existence of the war. But we have got into such a condition in both Houses of Congress that Congress does not dare initiate or suggest any legislation, but must wait for the President to initiate everything. But the President did not ever suggest to Congress that during the war the antipooling statutes should be repealed.

Another reason for the condition that arose is this: Last year Congress passed what was known as the priority statute, permitting the President to give orders for preference upon the railroads to commodities necessary to prosecute the war. The intention of Congress was good, the intention of Congress was to expedite the war. But how was it administered? Because of the absolute incompetency in the administration of that priority statute, instead of expediting the war it actually hampered it. And the fact is that upon one railroad, one of the main railroads of this country, the administrative side of this Government issued priority orders covering 85 per cent of the entire traffic of that road. Was it to be wondered at that there was chaos on that railroad, and the proof is that the moment Mr. McAdoo assumed the control of the railroads he repealed every priority order that had been issued.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. LENROOT. Certainly.

Mr. COOPER of Ohio. Is it not a fact that there were four or five organizations here in Washington all issuing priority orders?

Mr. LENROOT. There were. I want to say in advance that there is so much ground to cover that I must decline to yield to interruptions. Another reason for the conditions that existed is that it was not because of lack of money that the railroads could not secure locomotive equipment; it was because of the inability to secure them, although they had plenty of money. The crying need in railway transportation of this country was locomotives. They gave their orders to the factories in this country for the construction of locomotives, but through the action of the Government preference was given to France, preference was given to England, and preference was given to Russia. That was justified at the time, but there was a time, months ago, when every preference order, so far as Russia was concerned, should have been repealed by the Government, and the American locomotive factories should have been permitted to go on and construct locomotives for American railroads, which they refused to do. [Applause.]

So when we come to analyze the cause for this congestion the fault is not wholly with the railroads, the fault is not wholly with Congress, the fault is not wholly with the administrative side of the Government, but the fault is with all three of these sources, and not that of the Interstate Commerce Commission.

Now, with reference to the bill I want to take a few moments on a few controverted propositions. First as to compensation: I believe that the compensation provided in this bill is extremely liberal; but, on the other hand, I am not at all certain that the compensation that is permitted in this bill is any greater than the railroads would be entitled to under the law. I can not go into that, but I do want to call attention to the fact that this bill as framed does not fix the compensation to which the railroads will be entitled; it fixes merely the maximum which the President may agree with the railroads to pay. That it is generous can easily be proven in the case of some railroads. I shall insert in my remarks a table prepared by the statistical division of the Interstate Commerce Commission, giving the returns upon capital stock of all railroads in the country paying over 5 per cent in dividends. If the President shall see fit to grant the maximum to railroads that this bill provides, he would grant to the Pennsylvania Railroad a return upon their capital stock of 8.92 per cent. To the Pennsylvania Company 11.90, to the Philadelphia & Reading 25.70, to the Delaware, Lackawanna & Western Railroad 32 per cent upon their capital stock. I shall not take the time to read the list, but I want to call attention to some of the smaller roads as to what they will be permitted to receive.

The Duluth, Missabe & Northern Railroad up in the section where I live would be entitled, if the President chooses to give the maximum which the bill permits, to receive 114 per cent on its capital stock.

Now, remember that this provision is permissive only. If the President sees fit to allow some of these railroads these exorbitant returns, that responsibility will be his and not ours. We have the right to assume that inasmuch as we will unquestionably have to pay many roads more than the returns provided, that the President in making these agreements will see to it that the maximum amount of some of these roads shall be cut down.

But some one may say, if these roads are legally entitled under the law to these great returns, ought they not to have it? In reply to that I will say that they may be legally entitled to that large return, but if they stand on their legal rights the President ought to stand on his rights, which is permitted in the bill, and say to them, "If you will not make a fair agreement with me, you can go into the Court of Claims and we will not pay you a dollar until they make an award."

Now, I want to say a few words about the power of the Interstate Commerce Commission to finally pass upon these rates or whether the President shall have the right, as is proposed in the bill as it now stands, to exercise that power. I want to read a line or two from the report of the committee. The majority report of the committee says:

> The rate fabric of the country is now based upon the competitive system.

I understand that the gentleman who drafted this bill was not a Member of this House and was not a Member of the Senate, but one Mr. George W. Anderson, a new member of the Interstate Commerce Commission, and, as I think I shall be able to demonstrate a little later, anyone who could draft a bill with the inaccuracies that are found in the bill itself—it is not to be wondered at if mistakes might be made in the

report if it was written by the same gentleman. Because I can not believe that my good friend, the chairman of the committee, who has a thorough knowledge of railways and of the interstate commerce law, would deliberately make the statement that I have read—"the rate fabric of the country is now based upon the competitive system."

Why, the gentleman knows that the very purpose of the interstate commerce law was to prevent that competitive condition that arose before regulation.

Mr. SIMS. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. SIMS. Is it not a fact that the Interstate Commerce Commission is allowed to lower the rates——

Mr. LENROOT. Oh, if the gentleman will be patient, I assure him that I will discuss that question in a few minutes. I will come to it in a moment or two, but I want to take my own time and my own way in doing so. The competitive theory that the interstate commerce law was designed to prevent and did prevent was the old system, where, for instance, the Pennsylvania Railroad would go to a man in Washington that had a shipment to make and say, "If you will give it to our road, we will carry it for so much." The Baltimore & Ohio would go to the same man and say, "We will carry it cheaper than the Pennsylvania." That was one of the things that the law was designed to prevent.

That is one of the things which it was designed to prevent, and the very purpose and scheme, instead of compelling a competition of rates, was to secure uniformity of rates, and now I come to the question that the gentleman from Tennessee [Mr. SIMS] asks. He says, Has not the Interstate Commerce Commission frequently permitted a lower rate where there is water competition? I say yes; but the gentleman does not seem to make the distinction between the Interstate Commerce Commission ordering a rate and permitting a rate, and the distinction ought to be made.

Mr. SHERLEY. But is not the gentleman making the mistake of confusing rebating with competition? They are not synonymous.

Mr. LENROOT. And I ask the gentleman, does he think that under existing circumstances the old practice can be continued? I am not speaking of rebating at all. Rebating means where they assume to charge the same rate and then pay back a portion of the rate charged.

Mr. SHERLEY. The illustration the gentleman used was certainly a rebating illustration.

Mr. LENROOT. It is not. A rebating instance is not where the Pennsylvania says, "I will carry your product for so much," and the Baltimore & Ohio says that it will do it for a lower rate. A rebating proposition is where they both on the face of it make the same charge, but one pays back a portion of the rate charged.

Mr. SHERLEY. That is not the only rebating situation. I do not want to take the gentleman's time——

Mr. LENROOT. I can not yield.

Mr. SHERLEY. Just one other suggestion, and I am through. Does not the gentleman think that most of the rates that are now in existence are rates that were initiated by the railroads, as the result of competition, but which have been in a manner modified here and there by the commission?

Mr. LENROOT. And I shall ask the gentleman—and he is one of the most distinguished men in the House—does he agree with the statement that the present railroad rates as a whole are based on competition?

Mr. SHERLEY. Yes; and no. I agree to it as much as I disagree with the gentleman's statement that they are not at all based on competition, because that statement is, in my judgment, just as far from the facts.

Mr. LENROOT. No; the Interstate Commerce Commission, in any order that it has ever made, never has made a rate saying to one railroad, "You must put into effect this rate so that you will compete with another rate."

Mr. SHERLEY. No; but it has permitted it because of competitive conditions.

Mr. LENROOT. And the gentleman then makes the distinction. The committee in this report is very clear that they contend the scheme of railroad regulation by Interstate Commerce Commission is to compel competitive rates. But there is a distinction between compelling competitive rates and permitting them.

Mr. SIMS. The gentleman does not want to insinuate that anybody has ever contended that there was a compulsory competitive rate system, but a permissive rate system—that is, one railroad may reduce its rates honestly and fairly, not simply to crush another, and it has the right to do so.

Mr. LENROOT. I may have gotten that idea from the gentleman's report, if it had not been that he stated later in the report that if we should give the Interstate Commerce Commission the right to control these matters it would be necessary to entirely rewrite the Interstate Commerce Commission law, because he says that law was based on competition, which is the thing that I deny.

Mr. SIMS. Yes; competitive agencies fighting for the freight.

Mr. LENROOT. It permits competition, but it does not in any line or sentence command it. And again, and I can only take a moment upon this, the gentleman says in his report that there should be a different basis now that the railroads are under the control of the Government. But the gentleman's bill says that the basis of the rates fixed by the President shall be such rates as are reasonable and just, and he has used exactly the same language—the same words—that are used in the interstate-commerce act that is the guiding rule for the Interstate Commerce Commission. The rule is identical in both cases.

Mr. ESCH. With one exception. The bill uses the word "fair," and that is not used in the interstate-commerce act, and I have never been able to understand why it was used in the bill.

Mr. LENROOT. Nor I; and coming now to an analysis of the bill, I want to acquit the committee of any criticism that I shall make concerning the various sections of the bill, because I realize that the committee did not go over this bill section by section with a view of determining whether its phraseology expressed the intent that they had in the bill. That is conclusively proven, because many of the same errors I shall point out existing in the House bill now before the House are also found in the Senate bill now before the Senate. I realize very well that the committee spent all of its time practically in considering the great controverted questions in the bill, and they assumed that the drafter of this bill knew what he was about in drafting the bill, and all I care to say is that in that respect the committee, greatly as I respect them, have been the victims of misplaced confidence, as I think I shall be able to show. In the very first section of the bill it recites that the President, having in time of war taken over certain railroads, "called herein carriers," is authorized to agree with and guarantee to such carriers, and so forth. This is not very important, except to show the reckless carelessness upon the part of the drafter of the bill. What is it that the President took over? Did he take over the Pennsylvania Railroad Corporation? Did he take over any railroad corporation? No. He took over certain physical property and nothing more, and the drafter of this bill says that physical property that we have taken over we shall hereafter in the bill call "the carrier," and then he goes to say that the President is authorized to agree with such carrier to pay it so much money.

Why, gentlemen, if you give me the possession of a horse and I say to you, "I will agree to pay that horse so much for the use of it," what would you think of it? And yet that is exactly what has happened in this bill. We have agreed to pay an inanimate thing, physical property, make an agreement with physical property to pay it so much money. Then we go on two or three lines further and provide that during the period of such Federal control it shall receive a just compensation not exceeding an annual sum. Now, what is the agreement the President is authorized to make in this section? That they shall receive a fixed sum? No. The language is that he is authorized to agree with the Pennsylvania Railroad, we will say, that while your road is under Federal control I will guarantee that you will not get from the Government more than so much. What do you think that agreement would be worth? How much value do you think it would be to the railroads? What railroad do you think would enter into such an agreement as that? Now, I want to say that this absurdity is due to an amendment upon the suggestion of the committee, as I find from the hearings, made by the drafter of the bill, because in the first bill which was introduced we find no such anomaly. There it was provided that they shall receive as a just income the income at an annual rate equivalent to, and so forth. That was fixed, that was certain, but they have inserted here "not exceeding," and the purpose as developed from the hearings was to authorize the President to make any agreement that he might choose below that sum. In other words, that the authority to the President is that he shall not pay them more than so much under this agreement. Then we go on, "not exceeding an annual sum (herein called standard return)." Now, what is a standard return under the bill? It is this maximum sum that the President is authorized to fix, but later on all through the bill the standard return has been treated not as a sum which the Interstate Commerce Commission fixes, but a sum which the President is authorized to agree upon, so if the

President should agree with the Pennsylvania Railroad for a less sum than this maximum sum, that provision in the bill for reduction from the standard return would have no application whatever. Then—I only touch upon a few of these things—if you will turn to page 2, line 4, with reference to including the income of railroads leased to or acquired by another road during this three-year period, we find the language, "including therein such income of lines acquired by." "Such income." What does "such" refer to? The preceding language is, "they shall be entitled to the average annual operating income," and then it says, "but there shall be included such income." What? Such average annual operating income? That is impossible, because this bracket provides that it shall apply only to roads that are acquired during this period, and no such road can have a three-year income to secure an average.

Does it mean that all incomes of these roads shall be included? It can not mean that, because the theory of this bill is that only net operating railway incomes would be included. Evidently what the framers of the bill intended was that a road making operating returns in 1915 and acquired by another road in 1916 and 1917, the revenue from that acquired road would all be reflected in the operating return of the road acquiring it; but during 1916, when it did make operating return, the rate there should be added to the revenues of the road with which we are dealing—the revenues of that road during that period of 1915, and then, adding them all together and dividing by three, we get the standard return for the road with which we are dealing. But the bracket clearly does not say that and it could not be so considered. Then there is another very little matter—lines 11 and 12—in reference to the rate per annum to be fixed by the President from the cost of any additions or betterments, where we find the words, "less retirements or road extensions." You readily see it clearly was not the intention to have him deduct the cost of road extensions, but to allow them a rate per cent upon the cost of those road extensions; but as this reads, he would be compelled to deduct the cost of road extensions, and that is an error.

Mr. ESCH. It is a typographical error, owing to the misplacing of a comma. I called attention to it in the committee and thought it had been corrected, but evidently it is still retained in the print of the bill.

Mr. LENROOT. In lines 14, 15, and 16, "that any railway operating income accruing during the period of Federal control in excess of such standard return shall remain the property of the United States." Now what does that mean? Section 1 provides that this shall be payable in annual installments, thereby clearing implying that all revenues of these roads belong to the Government, but when you say "remain the property of the United States" you clearly get another conclusion. The original bill very properly said it should be the property of the United States, and I think there ought to be in this bill a clear declaration that all operating revenues shall be the moneys of the United States, and I shall offer at the proper time an amendment to that effect. Immediately following that, "in excess of such standard return." Suppose the President makes an agreement with the road for less than the standard return, and this language says that moneys in excess of the standard return shall remain the property of the United States. Whose money is it—the difference between the standard return and the amount that the President fixed in the agreement? Then, again it says, "and that each carrier so agreeing shall thereby become subject to all the provisions of this act." Later on there are many important provisions that are clearly intended, it seems to me from reading the hearings, to apply to all roads whether they are agreeing roads or not, and yet this language very clearly implies that the carrier is not bound by any of the provisions of this act unless he enters into an agreement, because it expressly says that the carrier agreeing to do that shall be bound by the provisions of the act.

Now, I have got to hurry along. I can only touch the more important points. But upon the same page it says:

> In the computation of such income, debits and credits, arising from the accounts called in the monthly reports to the Interstate Commerce Commission, the equipment rents and joint facility rents shall be included.

Now, under the President's proclamation he has not taken over any street railway or interurban railway, and as their revenue will be included in the operating returns of these carriers the commission's duty will be to ascertain that standard return. There certainly should be a provision excluding from those operating revenues any revenue of any road that was not taken over by the Government.

And then on the same page the commission is limited in ascertaining the cost of betterments and road extensions to reports, books, and other pertinent data of such character. Will anyone tell me that if the President orders a million dollars expended on betterments why the commission should be confined to the books and data of the railroad company to ascertain the cost? Ought they not to be permitted to find and ascertain that cost wherever they can?

Then the provision on page 3 with reference to taxes—and I am very much surprised to find the matter of taxes dealt with in this form:

> Every such agreement shall provide that any Federal taxes—

And so forth. And it provides for the exclusion of war taxes, but you can not find one word in this bill relative to taxes except taxes upon agreeing roads. What about the roads that do not agree, that do not enter into an agreement? Who is to pay the taxes there? There is no prohibition in this bill. And under the classification accounts of the Interstate Commerce Commission, except for the exclusion by this bill of war taxes, every dollar will be included in the operating expenses, and under this bill the Government will pay the war taxes of any road that does not make an agreement.

And then—

> not including, however, assessments for public improvements—

And so forth. That is not to be taken out of operating revenues. Why should it not? Are you going to deprive the municipalities throughout the Nation, who have levied special taxes against a railway, from collecting in the usual way those taxes, even though they be special assessments? Can anybody give any reason why that should be done? How will they collect them if they can not be paid out of operating revenues? Where we have taken over all the physical properties, all that there may be in the taxing jurisdiction that they can reach, is that property. What, of course, should be done is to permit the paying of those taxes, but instead of being charged to operating expenses they should be charged to betterments and capital account as they are now under the Interstate Commerce Commission.

Then, in section 2, and there are many matters I have to pass over—in section 2:

> That if no such agreement is made the President may nevertheless pay to any carrier while under Federal control an annual amount, payable in reasonable installments, not exceeding 90 per cent of the estimated annual amount of just compensation.

I want to ask why there should not be the same maximum of standard return that the President is authorized to pay voluntarily in this case that there is in the case where the railroads agree? The same limitation should be placed upon the President.

And then, in section 3:

> Failing such agreement, either the United States or such carrier may file a petition in the Court of Claims for the purpose of final ascertainment of the amount of such just compensation.

I merely want to call attention here to the fact that the bill contemplates betterments and improvements being made from time to time, and it should be provided that the Court of Claims may open that award and revise it at any time where the President may be unable to agree upon the compensation that they receive.

And then in the very next section they provide:

> That the just compensation that may be determined as hereinbefore provided by agreement or that may be adjudicated by the Court of Claims shall be increased by an amount reckoned at a reasonable rate per centum to be fixed by the President upon the cost of any additions and betterments.

Is there any lawyer in the House who will say that the return the carrier is entitled to receive upon the cost of betterments and additions is not just as much a judicial question, that the President can not be given power to finally determine, as the initial question, as to the amount of compensation that the railroad should receive? Of course, we can not delegate to the President any such power as that which is attempted in this section.

And again, in section 5, here is a prohibition upon the dividends that may be paid by railroads during the period of Federal control. I would like to have some lawyer in this House tell me what authority we have to say to any carrier that it shall not pay dividends during this period of Federal control, dividends that have been earned, it may be, and to be paid out of earnings that may have been made prior to the date of taking over under Federal control. What possible power have we over it? It is their money. What right have we to deal with it? And, indeed, it is very questionable whether we have any power to deal with their right to pay dividends out of this compensation that we pay them. They are entitled under the law to a reasonable compensation for the value of the use. I very much doubt

whether we have any right to say what they shall do with the money that the law says they are entitled to receive.

I want to stop at section 9 for a moment, which relates to the short-line railroads. I asked some questions about that during the debate, and was told that that clearly did restrict the power of the President that he might otherwise have. But, then, we come in the next section to—

That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President.

What does that mean? In the very section preceding that they tell us they have restricted the powers of the President, and in the second line of the next section they say that nothing in this act shall be construed as doing that which they have in the section before tried to do.

Then, in section 11, and a most important section, it gives to injured individuals the right to sue these railroads. But on line 2 of page 12 we find that, if it is inconsistent with any order of the President they shall not have the right to sue. What does that mean? It means the President, under the language of this bill, can absolutely deny any relief to any injured party. It means more than that. It means that if the President says that under the interstate-commerce law safety-appliance laws are violated, if hours of service are violated, if injury occurs through the negligence of the Director General of the Railroads himself, there can be no remedy if the President so orders. Why, gentlemen, here is a power expressly recognized, that makes the President over and above not only this law but all laws, and it ought not to be considered for a single moment. So upon the question of interstate commerce. The committee report pleads that the President ought not to be overruled, that it would be "most unseemly"—I think that is the language—to permit the Interstate Commerce Commission to overrule him.

I want to say a word about the powers of the President. The President of the United States has no power, under this law, or under the law delegating to him the power to take over the railroads, that he exercises by virtue of his office in the sense that it is delegating to him a power that we could not delegate to anybody else. We could delegate this power to any official of the United States, and in carrying out this act the President is exercising only a delegated power, and in exercising that delegated power he is no greater by being President of the United States than the Interstate Commerce Commission. I hope we have not come to the point yet in this country where we are going to invoke the old doctrine that "the King can do no wrong." [Applause.] That seems to be the attitude of the committee.

Then they provide that no defense shall be made thereto on the ground that the carrier is the instrumentality or agency of the Federal Government. I am sure that there is not a lawyer who will say, upon reflection, that that would stand before any court in the country in a case where, except for this, they would have the right to interpose that defense.

Supposing, for instance, the Director General of the railroads orders a railroad to put defective cars in its trains, and because of that defect an employee is injured, and then he sues the carrier, and you say to the carrier, "You shall not interpose the defense that you are an instrumentality or agency of the United States." Have you not attempted to deprive the defendant of the constitutional right of proving that the fact of negligence was not that of himself, but that of his superior acting under a lawful order?

Oh, the gentleman from Tennessee [Mr. SIMS] shakes his head. But I undertake to say that the gentleman can find no case in the books that will make the agent liable for the negligence of the principal in this kind of a case so as to relieve the principal.

Now, there is only one way in which that can be cured, to my mind, and that is by adding a provision to the effect that any judgment or award that may be made as the result of such suit shall be paid either out of the operating revenue or the revolving fund, so that the railroad company will become only a nominal defendant and thereby it will not be permitted to make this defense.

Mr. SIMS. There is no controversy on that, that I know of.

Mr. LENROOT. I do not find it in the gentleman's bill, so I suppose there is some question about it.

Mr. SIMS. As to everything that we did not prohibit or that comes in the law, we did not have to detail it in all its ramifications.

Mr. LENROOT. Do you say the railroad is not liable for the enforcement of the judgment that otherwise would not be rendered against it? I will have an amendment to offer when the time comes, if I can get consideration of it.

Mr. DECKER. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. DECKER. I do not understand that it is not payable out of the operating expenses of the road.

Mr. LENROOT. For the reason that the judgment may be levied upon nonoperating revenue. If the negligence is not that of itself, but that of the Government, it can not be deprived of making that defense unless we expressly provide for the payment of the award in the manner I suggest. That is the point. [Applause.]

I am sorry that because of the expiration of my time I can not discuss other matters in the bill. I insert the table referred to in the early part of my remarks. I also insert some suggested amendments to perfect the bill.

Road.	Capital stock actually outstanding (average for the 3 years ended June 30, 1917).	Average net income for the 3 years ended June 30, 1917.	Average per cent of net income to capital stock.
EASTERN DISTRICT.			*Per cent.*
Pennsylvania R. R. Co	$499,195,567	$44,534,939	8.93
New York Central R. R. Co	249,676,128	32,367,209	12.96
Baltimore & Ohio R. R. Co	210,809,812	12,285,229	5.83
Pennsylvania Co	80,000,000	9,537,859	11.92
Philadelphia & Reading Ry. Co	42,481,700	10,916,875	25.70
Delaware, Lackawanna & Western R. R. Co	42,320,400	13,890,580	32.90
Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co	67,511,723	4,558,593	6.75
Lehigh Valley R. R. Co	60,608,000	7,169,999	11.83
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co	57,027,200	5,048,902	8.85
Michigan Central R. R. Co	18,736,400	3,463,464	18.48
Central R. R. Co. of New Jersey	27,436,800	5,558,775	20.25
Delaware & Hudson Co	42,502,600	5,437,547	12.79
Philadelphia, Baltimore & Washington R. R. Co	25,571,000	2,941,156	11.50
Pittsburgh & Lake Erie R. R. Co	31,991,200	7,537,923	23.56
Elgin, Joliet & Eastern Ry. Co	10,000,000	945,239	9.45
Maine Central Ry. Co	18,199,317	1,605,075	8.82
Buffalo, Rochester & Pittsburgh Ry. Co	16,500,000	1,560,021	9.45
Bessemer & Lake Erie R. R. Co	500,000	3,235,080	647.22
Chicago & Erie R. R. Co	100,000	70,449	70.45
Hocking Valley Ry. Co	10,999,500	1,313,129	11.94
West Jersey & Seashore R. R. Co	10,317,983	691,139	6.70
Central New England Ry. Co	8,547,200	717,566	8.40
New York, Philadelphia & Norfolk R. R. Co	2,500,000	893,508	35.74
Rutland R. R. Co	9,150,300	575,651	6.29
Bangor & Aroostook R. R. Co	4,079,067	337,803	8.28
Cumberland Valley R. R. Co	5,333,550	1,280,684	24.01
Kanawha & Michigan Ry. Co	9,000,000	991,665	11.02
Lehigh & New England R. R. Co	6,000,000	819,722	13.66
Chicago, Terre Haute & Southeastern Ry. Co	4,300,000	234,761	5.46
Lehigh & Hudson River Ry. Co	1,310,000	374,915	27.98
Monongahela Ry. Co	3,800,333	352,809	9.26
Cincinnati Northern R. R. Co	3,000,000	268,573	8.95
Port Reading R. R. Co	2,000,000	182,547	9.13
Detroit & Toledo Shore Line R. R. Co	1,428,000	348,020	24.37
Buffalo & Susquehanna R. R. Corporation	7,000,000	496,202	7.09
Staten Island Rapid Transit Co	500,000	160,119	32.02
Detroit & Mackinac Ry. Co	2,950,000	218,976	7.42
Total eastern district	1,593,322,780	182,921,748	11.48
SOUTHERN DISTRICT.			
Illinois Central R. R. Co	109,288,114	12,383,882	11.33
Louisville & Nashville R. R. Co	72,000,000	12,058,800	16.75
Norfolk & Western Ry. Co	133,580,887	17,342,810	12.51
Chesapeake & Ohio Lines	62,788,000	5,848,431	9.31
Atlantic Coast Line R. R. Co	68,734,700	7,421,004	10.80
Central of Georgia Ry. Co	20,000,000	1,878,570	9.39
Nashville, Chattanooga & St. Louis Ry	15,994,831	2,175,426	13.60
Mobile & Ohio R. R. Co	6,016,890	888,067	14.76
Cincinnati, New Orleans & Texas Pacific Ry. Co	5,443,400	2,448,928	44.99
Florida East Coast Ry. Co	10,833,333	1,099,321	10.06
Alabama Great Southern Ry. Co	11,210,353	1,364,246	12.17
New Orleans & North Eastern R. R. Co	6,000,000	646,449	10.77
Richmond, Fredericksburg & Potomac R. R. Co	4,315,067	979,486	22.70
Georgia Southern & Florida Ry. Co	3,768,000	222,186	5.90
Charleston & Western Carolina Ry. Co	1,200,000	260,036	21.67
Gulf & Ship Island R. R. Co	7,000,000	373,070	5.33
Alabama & Vicksburg R. R. Co	2,100,000	360,784	17.18
Washington & Southern Ry. Co	4,000,000	348,841	8.72
Atlanta & West Point R. R. Co	2,483,800	292,922	11.89
Western Railway of Alabama	3,000,000	251,851	8.39
Total	554,745,062	68,636,910	12.37
WESTERN DISTRICT.			
Atchison, Topeka & Santa Fe Ry. Co	332,323,877	32,239,091	9.70
Southern Pacific Co	272,725,239	17,983,726	6.60
Chicago, Milwaukee & St. Paul Ry. Co	233,235,167	14,336,613	6.15
Chicago, Burlington & Quincy R. R. Co	110,839,100	24,444,045	22.05
Chicago & North Western Ry. Co	157,591,852	16,040,315	10.18
Great Northern Ry. Co	249,361,866	24,021,687	9.63
Northern Pacific Ry. Co	247,932,000	24,287,781	9.87
Union Pacific R. R. Co	321,835,100	31,018,328	9.64
Minneapolis, St. Paul & S. Ste. Marie Ry	37,810,200	4,571,790	12.09
Oregon Short Line R. R. Co	100,000,000	9,381,016	9.38

Road.	Capital stock actually outstanding (average for the 3 years ended June 30, 1917).	Average net income for the 3 years ended June 30, 1917.	Average per cent of net income to capital stock.
WESTERN DISTRICT—continued.			Per cent.
Texas & Pacific Ry. Co. (Rec.)	$38,755,110	$2,548,330	6.58
Chicago, St. Paul, Minneapolis & Omaha Ry. Co	29,815,000	2,854,452	9.57
Duluth, Missabe & Northern Ry. Co	4,112,500	4,693,088	114.12
El Paso Southwestern Co	25,000,000	2,190,198	8.76
Houston & Texas Central R. R. Co	10,000,000	1,088,368	10.88
Duluth & Iron Range R. R. Co	5,333,333	2,040,987	38.27
Fort Worth & Denver City Ry. Co	9,243,800	1,297,029	14.03
Panhandle & Santa Fe Ry. Co	604,500	389,097	64.37
St. Louis, Brownsville & Mexico Ry. Co	500,000	263,544	52.71
Chicago, Rock Island & Gulf Ry. Co	469,000	83,685	17.84
Bingham & Garfield Ry. Co	6,171,667	1,405,681	22.78
Louisiana Western Ry. Co	3,360,000	802,684	23.89
Nevada Northern Ry. Co	2,000,000	879,907	43.99
Vicksburg, Shreveport & Pacific Ry. Co	4,999,300	299,634	5.99
Houston East & West Texas Ry. Co	1,920,000	234,199	12.20
Cripple Creek & Colorado Springs Ry. Co	757,000	171,612	22.67
Colorado & Wyoming Ry. Co	100,000	162,636	162.64
Wichita Valley Ry. Co	1,020,000	117,936	11.56
Arizona & New Mexico Ry. Co	2,770,000	237,614	8.58
Total	2,210,635,611	220,076,073	9.96

AMENDMENTS INTENDED TO BE PROPOSED.

Page 1, line 6, strike out the words "called herein carrier" and the parentheses.

Page 1, line 7, strike out the words "any such carrier" and insert "the owner of any such railroad or system."

Page 5, after line 19, insert a new paragraph, as follows:

"Wherever used in this act the word 'owner' includes any person, corporation, partnership, or association who, during any portion of the period of Federal control of a railroad or system of transportation would be entitled to the possession, use, and control of such railroad or system in the absence of Federal control thereof. Wherever in this act reference is made to the period of Federal control in connection with an owner, it shall be taken to refer to the portion of such period during which such owner, but for such Federal control, would have been entitled to the possession, use, and control of the railroad or system of transportation."

Page 1, lines 7 and 8, strike out the words "making operating returns to the Interstate Commerce Commission" and insert "for which operating returns were made to the Interstate Commerce Commission during the three years ending June 30, 1917."

Page 2, strike out all after the semicolon in line 14, through the semicolon in line 16.

Page 7, after line 21, insert a new section numbered "5" and to read as follows:

"SEC. 5. That moneys and other property derived from the operation of the railroads or systems of transportation during Federal control are hereby declared to be the property of the United States. Unless otherwise directed by the President, such moneys shall not be covered into the Treasury, but such moneys and property shall remain in the custody of the same officers and the accounting thereof shall be in the same manner and form as before Federal control. Disbursements therefrom shall, without further appropriation, be made in the same manner as before Federal control, and for such purposes as under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, are chargeable to operating expenses or to railway tax accruals, and for such other purposes in connection with Federal control as the President may direct, except that taxes under Titles I and II of the act entitled 'An act to provide revenue to defray war expenses, and for other purposes,' approved October 3, 1917, or any act in addition thereto or in amendment thereof, shall be paid by the owner out of his own funds. If Federal control begins or ends during the tax year for which any taxes so chargeable to railway tax accruals are assessed, the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control and disbursements shall be made only for that portion of such taxes as is due for the part of such tax year which falls within the period of Federal control.

"Such custody and disbursement shall, however, be subject to the direction of the President, and all officers and employees having custody or control of any of such moneys or property shall be subject to all criminal laws regarding the custody and control of public moneys or property so far as not inconsistent herewith.

"At such periods as the President may direct the books shall be closed and the balance of revenues over disbursements shall be covered into the Treasury of the United States to the credit of the revolving fund created by this act. If such revenues are insufficient to meet such disbursements, the deficit shall be paid out of such revolving fund in such manner as the President may direct."

Page 2, strike out all after the word "States," in line 16, through the word "act," in line 18, and, on page 5, after line 19, and before the paragraph inserted by a previous amendment, insert the following as a separate paragraph:

"The agreement shall also provide that the owner shall accept all the terms and conditions of this act and any regulation or order made by or through the President under authority of this act or of that portion of the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes,' approved August 29, 1916, which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation; and that in case of failure to observe such terms and conditions or such regulations or orders, any further payments under the agreement may be suspended or forfeited."

Page 2, line 21, before the period, insert a comma and the following: "but debits and credits arising from the operation of such street electric passenger railways, including railways commonly called interurbans, as are at the time of the agreement not under Federal control shall be excluded."

Page 2, line 24, to page 3, line 1, strike out "from the reports, books, and other pertinent data of such carrier."

Page 3, line 5, to page 4, line 2, strike out the whole paragraph and insert:

"Every such agreement shall provide that all taxes assessed for the period of Federal control (which but for such Federal control would under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, be deducted from 'net income from railway operations' in determining 'railway operating income') shall, except as hereinafter provided, be paid from operating revenue or, if that is insufficient for the purpose, then from the revolving fund created by this act; that if Federal control begins or ends during the tax year for which any taxes may be assessed, the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control, and the foregoing provisions shall apply only to that portion of such taxes which is due for the part of such tax year which falls within the period of Federal control; and that the owner shall pay from his own funds all other taxes, including the taxes under Titles I and II of the act entitled 'An act to provide revenue to defray war expenses, and for other purposes,' approved October 3, 1917, or any act in addition thereto or in amendment thereof."

Page 4, after line 23, insert a new paragraph to read as follows:

"Every such agreement shall also provide that each owner shall receive during the period of Federal control an annual sum equivalent to a fair percentage upon the cost of additions and betterments, less retirements and road extensions, made on or in connection with such railroad or system during the period of Federal control by the owner, with the approval or by the order of the President, plus a fair percentage upon the amount expended by the owner, during the period of Federal control for taxes chargeable under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, to investment in road and equipment and for assessments for public improvements. Such fair percentage in the case of expenditures made out of borrowed money shall be equal to the rate at which such money is borrowed, and in other cases shall be fixed by the President at the time the expenditure is made. The cost of such additions, betterments, and road extensions, the amount of such retirements, and the amounts expended for such taxes and assessments shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amounts so certified shall, for the purpose of the agreement, be conclusive."

Page 4, after line 23 (and after the paragraph already inserted), insert a new paragraph to read as follows:

"Every such agreement shall also provide that the United States will pay to the owner any loss accruing to such owner by reason of any additions, betterments, or road extensions made during the period of Federal control by the President, or made during such period at the order of or with the approval of the President by such owner or by the person, corporation, partnership or association entitled to the possession, use, and control of the railroad or system of transportation at the time such additions, betterments, or road extensions are made. The amount of such loss shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amount so certified shall, for the purpose of the agreement, be conclusive."

Page 6, line 1, after the period insert:

"The estimated annual amount of just compensation, in the case of an owner with whom the President is authorized to agree under section 1, shall not exceed the annual amount which he is authorized under that section to agree that the owner shall receive."

Page 6, line 1, strike out all after the period through the word "and" in line 3.

Page 6, line 3, strike out all beginning with the comma, through line 5, and insert a period and the following:

"The acceptance of any benefits under this section shall constitute an acceptance by the owner of all the provisions of this act and shall obligate the owner to pay to the United States, with interest at the rate of 6 per cent per annum from a date or dates fixed in proceedings under section 3, the amount by which the sums received under this section exceed the sum found due in such proceedings."

Page 6, line 18, after the period insert the following:

"In case of disobedience to a subpœna, the board may invoke the aid of any district court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpœna issued to any person, corporation, partnership, or association, issue an order requiring appearance before the board, or the production of documentary evidence if so ordered, or the giving of evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof."

Page 7, line 9, strike out the word "final" and at the end of line 12 insert the following:

"The Court of Claims shall have jurisdiction to render its award in such form as it may deem proper and to provide for the reopening of its award, and for the award of such further compensation as may be found due because of conditions arising after the making of the original award."

Page 9, lines 6–12, strike out the entire paragraph and insert the following:

"If, in proceedings under section 3, neither the award of the Court of Claims nor the agreement makes provision therefor, the President may nevertheless pay, if he deems it just, out of the revolving fund (to the owner of any railroad or system of transportation or to any person, corporation, partnership, or association, who at the termination of Federal control of such railroad or system is or will become by reason of rights existing at such time entitled to the possession, use, and control thereof) any loss accruing by reason of any additions, betterments, or road extensions on or in connection with such railroad or system of transportation made during the period of Federal control by the President or made during such period by the owner at the order or with the approval of the President."

Page 9, line 21, strike out all of the line and through the period on line 9 of page 10 and insert the following:

"SEC. —. That an owner may, during the period of Federal control, issue only such bonds, notes, equipment trust certificates, stock, and other forms of securities, secured or unsecured by mortgage, as the President may approve as consistent with the public interest. The President may, out of the revolving fund, purchase for the United States all or any part of such securities at prices not exceeding par, and thereafter any securities so purchased shall be held by the Secretary of the Treasury, who shall, under the direction of the President, represent the United States in all matters in connection therewith in the same manner as a private security holder. Any income from such

securities shall be covered into the Treasury as miscellaneous receipts. The President may direct that such securities, or any portion thereof, be sold whenever in his judgment it is desirable, at prices not less than the cost thereof, and the proceeds of such sale shall be covered into the Treasury as miscellaneous receipts."

Page 10, after line 25, insert a new paragraph, to read as follows:

"No person employed in connection with the operation of railroads or systems of transportation under Federal control (except those persons referred to in the preceding paragraph of this section) shall be deemed to be an officer or employee under the United States for the purpose of Title II of the act entitled 'An act to provide revenue to defray war expenses, and for other purposes,' approved October 3, 1917, commonly called 'war excess-profits tax,' nor shall he be deemed to be a civil employee of the United States within the meaning of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916."

Page 11, line 1, strike out the words "nothing in this act shall be construed to" and insert "the President in the exercise of the authority given to him by this act or by the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes,' approved August 29, 1916, shall not."

Page 11, section 10, strike out the first sentence.

Page 12, line 2, strike out the words "or with any order of the President."

Page 12, line 11, at the end of the line insert the following:

"The President shall by regulation provide for the payment, out of the operating revenue derived from Federal control, or if that is insufficient, out of the revolving fund, of any judgments or awards and for the enforcement of any decrees or orders that may be rendered against such owners in any suit of such a character that but for Federal control (a) could be brought against the owner of any railroad or system of transportation, and (b) any amount paid in compromise thereof or in satisfaction of a judgment or decree therein that could be charged to operating expenses or to railway tax accruals under the Interstate Commerce Commission classification of accounts in force on December 27, 1917. The President shall also provide for the payment, out of operating revenues or out of the revolving fund, of any loss accruing to any owner by reason of any process levied against any property of such owner in connection with any suit of the character above described."

Page 15, strike out all of lines 6 and 7 and insert the following: "the termination of Federal control of the railroads or systems of transportation affected by such judgment or decree."

Page 16, after line 4, insert a new section to read as follows:

"SEC. —. That if any provision of this act or the application of such provision to certain circumstances is held unconstitutional the remainder of the act and the application of such provision to circumstances other than those as to which it has been held unconstitutional shall not be affected thereby."

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SIMS. Mr. Chairman, I yield 40 minutes to the gentleman from Texas [Mr. RAYBURN], a member of the committee.

The CHAIRMAN. The gentleman from Texas is recognized for 40 minutes.

Mr. RAYBURN. Mr. Chairman and gentlemen of the committee, when this discussion started I did not intend to take any time under the general debate, preferring to use what time I did use under the five-minute rule. But on account of some statements that have been made and some arguments that have been made, especially about two controverted points in this bill, I thought I would probably want more than five minutes in which to discuss them, and I did not want to ask for an extension of time under the five-minute rule.

I am one of those, Mr. Chairman, who believe that in this time of war, when we have pledged the President of the United States every resource of the Government toward the prosecution of this war, we should grant to the President every necessary power in legislation that he asks.

I have so voted, and according to my conception of that theory I shall vote upon this bill and upon every amendment proposed to this bill. And I want to say here and now, with as much emphasis as I can command, that if this war is not carried on successfully, if there are any mistakes made, it will not be the fault of the Congress of the United States, for the simple reason that every necessary power that this administration has asked for, every necessary dollar and more that this administration has asked for since the declaration of war has been generously and with alacrity provided for. [Applause.]

I therefore am in favor, as my colleagues are in favor, of granting in this bill the necessary legislation, after we have given the President the right to take the railroads. After he has taken the railroads that question admits of no debate. The question of whether or not the President should have taken the railroads under the law passed authorizing him to take them is not a question here now. The President or the Government of the United States under our action has taken over the railroads of this country. Under this bill and under our action here it is our purpose and it is our duty to give the legislation that is necessary in order that he may carry out successfully the operation of these railroads during these war times.

And another thing that I want to emphasize in the beginning of the few remarks I shall make is that I do not want this House to forget during the consideration of this bill, either under general debate or under the five-minute rule, that this is a war measure, and that its operation should terminate as soon after the close of the war as is possible. [Applause.]

I shall vote for this bill, and I have tried to perfect it upon that theory, and upon that theory only. It is not candid for men to get up before this House and say that since we have taken over the railroads under only one power, and that is the war power, we should hold them after the war to try one nostrum after another. [Applause.] I therefore shall vote for a limitation of time.

There are three important provisions of this bill, I think. One is the question of compensation, another is the question of the power to make rates and who shall exercise that power, and the other is the time after the war at which we should turn these railroads back to their owners.

I believe, Mr. Chairman, that the compensation provided in this bill is as nearly just as we could make it. I do not believe that we are more than just to the railroads of this country at this time. I believe that the compensation provided in this bill, taking the average of the three years' earnings of the railroads, is just, as nearly as we can get it, both to the Government and to the railroads. I therefore shall support that section of this bill in its present form, unless I hear arguments more forceful against its passage than any that I have heard up to this time. We have taken the property of these people under a law passed by this Congress—not of their asking. We have taken these properties under that law, not because they asked that they be taken, but because the President of the United States believed that after all of the congestion that we had had, after all of the tying up of the roads of this country, it was absolutely the only thing that could be done. That was to take the railroads under the law that we had passed and to operate them.

For 30 years in the different States of this country and since 1887 the different State commissions and the Interstate Commerce Commission have been built up. As I said in the outset, I believe that every necessary power should be granted to the President to manage this situation. I do not believe that the power for the President to initiate rates and that the rate he initiates shall be final is a power necessary to the successful operating of the railroads by the President during this war time. It may be that the President should have the power and the right in special cases, for the movement of troops and supplies for the Army and the Navy, to make rates and to make them final for those specific cases, and I am willing to grant him that power. The amendment that I offered to this bill in the committee, which was lost on a vote of 9 to 9, a tie vote, provided that the President of the United States in special cases might finally fix the rates as to the transportation of anything that affected the movement of the Army and Navy and the supplies for the Army and Navy; but it said that as for other rates and for general rates the same powers that had controlled them in the past should control them during this war time. Men said that that amendment was a reflection upon the President of the United States; that he, representing the people, would have uppermost in his mind the best interests of all the people of the land. Nobody subscribes more fully to that doctrine than I do. Nobody has greater faith in the Director General of Railroads and in his great ability than I have. But I know that neither the Director General nor the President of the United States will have time to try this case as it should be tried before rates are to be initiated and put into effect. They will both be compelled to consult somebody, some man or set of men who are or should be experts on these matters. Who, then, would say that the Interstate Commerce Commission is not the proper body whose advice should be sought? We should give the President power to initiate rates; and who argues that when the President initiated a rate and suggested to the commission that he believed a certain rate was fair, reasonable, and just that that argument would not be very persuasive with the commission and would be adopted unless it could be proven that it was most unjust and injurious?

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. BORLAND. The gentleman, as I understand it, endeavored to get a provision into the bill giving the President the power to fix rates only as to supplies and leave the rates for all other commodities to be fixed as at present. Is that the idea?

Mr. RAYBURN. No.

Mr. BORLAND. What was the statement that the gentleman made?

Mr. RAYBURN. I said that the President's order would be final in a case like that, that he would not have to go to the Interstate Commerce Commission; but as a general proposition I want the President, having the railroads now and being in the position that the railroads have formerly been, to occupy the

same position with reference to rates that the railroads have formerly occupied with reference to rates, and leave the final passage upon the reasonableness and justice of the rates to the Interstate Commerce Commission, where it has been in the past.

Mr. BORLAND. Then I correctly understood the gentleman.

Mr. RAYBURN. I agree that the President should be allowed to initiate all rates, but I say that the Interstate Commerce Commission should have the veto power upon them the same as it has now, except as to rates for the Army and Navy and for supplies for them.

Mr. BORLAND. Then I correctly understood the gentleman that he made a distinction between rates affecting the movement of troops and supplies and general commodity rates?

Mr. RAYBURN. Yes.

Mr. BORLAND. Then where does the gentleman make that distinction, in view of the wide control that is now exercised over all industrial operations in this country? Would he include fuel? Would he include wheat? Would he include cotton? Where would he make his distinction as to what constituted supplies for the troops?

Mr. RAYBURN. I would not enumerate. I think it is pretty generally understood what supplies are necessary for the Army and the Navy. I think that is pretty generally understood among the people.

Mr. BORLAND. I have not been able to distinguish what was necessary as supplies for the Army and Navy. They embrace pretty nearly everything that this country produces.

Mr. RAYBURN. Oh, well, by the same course of reasoning you could broaden anything to cover everything upon the earth. That provision in this bill ought to be amended, or ought to be stricken out of the bill. This provision in the bill with reference to rates provides that the President can initiate the rates, that they go into effect, but if anybody within 30 days files a complaint the Interstate Commerce Commission can give a full hearing and make a report, but that that report will have no effect except to be persuasive, probably. I do not believe that two departments of this Government should be set in that position toward each other, or that when the President initiates a rate and puts it into effect the Interstate Commerce Commission should come along, without any power to set that rate aside, but simply to hear the case and to report a criticism upon the action of the President of the United States. If somebody besides the movers of this bill had proposed an amendment like that, the men who support this bill in its present form would have said, "You are reflecting upon the President of the United States, and you are giving a branch of the Government the power and the facility and the right to set up a criticism of the President of the United States."

Just one thing further. My friend from Missouri [Mr. DECKER], after complimenting the Interstate Commerce Commission in the fullest terms, when he was talking about this question of compensation, whether it was reasonable and just, said, "What are you going to say to the people about this compensation when you go back home? I am going to tell them that for 30 years we have built up the great Interstate Commerce Commission, in whom all the people have all faith and all confidence. They set these rates under which the railroad companies made these millions of dollars. I believe that they were just and reasonable." I am going to say, further, when I go back home to my people, that I have faith in this commission, that I have faith in its honesty and integrity when it set these rates, and I am going to say further to them that I voted to leave the power to set the rates in the future in the hands of the Interstate Commerce Commission. [Applause.]

Mr. McKENZIE. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman.

Mr. McKENZIE. I do not like to take up the gentleman's time, but in the case he has stated of the President fixing the rates, the shipper takes an appeal to the Interstate Commerce Commission and the Interstate Commerce Commission finds it is unreasonably high, what recourse has the shipper under this bill?

Mr. RAYBURN. Not any. Perhaps he might go into the court at a great deal of expense, and if he won out it would cost him more than the difference in the rate. I do not say what I have said about the rate-making proposition in criticism of anybody, because my confidence and faith in the Director General and the President is as high as that of anyone.

Mr. HARDY. Will the gentleman yield for a question?

Mr. RAYBURN. I will.

Mr. HARDY. Does not the gentleman think that under the amendment he proposed in the committee, if it had been adopted, that it would have raised a great number of questions as to whether the President had final authority in particular instances or not?

Mr. RAYBURN. That is the same question asked before by the gentleman from Missouri [Mr. BORLAND]. It would raise a question, but not as serious as it would to this system which has grown up through a great administration to be wiped out at one fell swoop.

Mr. HARDY. The gentleman does not quite get my question. Would you not have questions arising as to what were war commodities and supplies, and would you not have infinite controversy between those who contended that certain things were war supplies and others were not, and would you not have confusion worse confounded?

Mr. RAYBURN. I thought if I offered that amendment I might preserve a little of what I wanted to preserve so much, and that was the power of the Interstate Commerce Commission to fix these rates.

Mr. DEWALT. Will the gentleman yield?

Mr. RAYBURN. I will yield to the gentleman from Pennsylvania.

Mr. DEWALT. Has the gentleman in proposing his amendment taken into consideration the powers conferred upon the President by the act of 1916?

Mr. RAYBURN. As to taking over the railroads?

Mr. DEWALT. The wording of the act of 1916—and I say this to elucidate the gentleman's argument—is that he shall take over possession and control of any system of transportation not only for the purpose of transporting the troops, war material, and equipment, but for such other purposes connected with the emergency as may be needful and desirable.

In that connection, has the gentleman in considering his amendment taken into view what the word "control" means in law? The word "control" in law is a synonymous with management, and management is defined to mean direct control, governmental administration, or overseeing. Manage means direction, control, Government administration, and overseeing. Webster defines it as meaning to have under control and direction, to conduct, to guide, to administer, to handle. Now, the act of 1916 which stands upon the statute books gives the President the power to control, to take possession of the road. Control means to administer, and control is not confined to the transportation of troops, munitions of war, but to other things involved in the prosecution of the war. If control means to administer, I take it that under the act of 1916 he has the right to fix the rate.

Mr. RAYBURN. I do not care what the act of 1916 gives the President the power to do after he takes the railroads. We are passing another law now. I would not be willing to say that under that act if we did not pass any other legislation that the President would not have the power, but I am talking about the legislation that we have before us and the amendment which I wanted to get on this legislation to make certain language mean a certain thing.

Mr. DEWALT. The gentleman's amendment would be in effect repealing the act of 1916.

Mr. RAYBURN. I am not willing to admit that. I am not saying that he does or does not have the power under that act. I am not committing myself one way or the other, but I am saying that I would like to see in this bill as far as rates are concerned the provision in my amendment.

Mr. DEWALT. Will the gentleman yield further?

Mr. RAYBURN. Yes.

Mr. TOWNER. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. TOWNER. In connection with that, may it not be considered as worthy to be taken into account at least that when the Government took over and assumed control of the railroads it not only did so for war purposes but it necessarily had to control the railroads for other than war purposes, and that the rate-making power which existed before the taking over between the railroads and the people is now transferred to the Government and the people, and that it is proper for Congress to say on what terms that relationship shall exist and what the rates and fares shall be?

Mr. RAYBURN. That was my answer to the gentleman from Pennsylvania—that we are now passing a law to govern the operation of these railroads and fixing the compensation.

Mr. Chairman, I had hoped after the vote in the committee, which stood 15 to 6 for the time limit in this bill, that the advocates of the unlimited time would cease their efforts along that line. I could not vote in committee, neither could I vote in this House, for a provision that would read like the provision in the original draft of this bill, and that was that this control should last during the war and thereafter until Congress should

otherwise order. I do not believe that that provision in this bill would stand in the courts for a moment. I do not believe that under the war power we have any right whatever to take the railroads of this country for a longer period than the duration of this war and a reasonable time thereafter.

Mr. DECKER. Will the gentleman yield?

Mr. RAYBURN. I will.

Mr. DECKER. I would like to ask the gentleman two questions. In the first place, the President is authorized to make a contract for compensation, and, of course, in that contract for compensation the railroads will take into consideration the length and condition of the tenure. Does the gentleman mean to say that after the railroads have agreed with the President to the compensation under the terms and provisions of this bill, after they have taken the money from the Government, that they can come around afterwards and refuse to accept the conditions of the tenure?

Mr. RAYBURN. I say that an indefinite tenure in law is equivalent to ownership, and after the war is over if no time limit is set in this bill the railroads would have the right to come into court and say to the Government, "You must give me back my property or give me the value of it."

Mr. DECKER. After they have agreed to take so much for the property?

Mr. RAYBURN I deny that the President has the authority to make a contract with the railroads for compensation for a longer time than the period of the war and a reasonable time thereafter. We must not forget that the President has taken these roads under the war power and none other, and that the control ceases or should cease when the war or the emergency is over.

Mr. SHERLEY. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. SHERLEY. If you give the President power—or, rather, try to do so—and it be ultra vires, the fact that he exercises the power which you have no right to confer upon him would not make it lawful.

Mr. DECKER. Who was acting ultra vires?

Mr. SHERLEY. Assuming the premises of the gentleman from Texas [Mr. RAYBURN], that Congress could not confer upon the President the right to hold these roads indefinitely, then the suggestion of the gentleman from Missouri is without value.

Mr. RAYBURN. I think that is quite true.

Mr. DECKER. I do not agree with the gentleman on that proposition. The only thing that he would not have the right to do, if his contention is correct, would be to compel the railroads to give it up; but as they agreed in the contract to let the Government use them under the tenure provided in the bill, I do not think, after taking the money, they could be heard to complain. But I will ask the gentleman another question. Is the gentleman one of those who believe that the Government has the right to take over the roads under the commerce clause?

Mr. RAYBURN. I do.

Mr. DECKER. Then if it has the right to take them over under the commerce clause, and we say in this bill, regardless of how they happen to have been taken over under the law of 1916 that they shall stay under the Government control until Congress shall act, would not that be bottomed on the commerce clause?

Mr. RAYBURN. It would not.

Mr. DECKER. Why not?

Mr. RAYBURN. Because the only power on this earth under which the President had the right to take these roads was under the war power expressly given.

Mr. DECKER. That is not the question I asked. The question I asked is this: Regardless of the power or under what power the President took them over, the part to which we are addressing ourselves is as to the power of the President to hold them after the war is over; and would not that right which we give him be bottomed on the commerce clause?

Mr. RAYBURN. It would not, because we have taken the railroads under the war power only——

Mr. PARKER of New Jersey. Pardon me, but is the gentleman arguing now in respect to interstate roads only—not as to roads entirely within a State?

Mr. DECKER. Yes; interstate roads.

Mr. RAYBURN. I am arguing as to roads over which Congress has the power to legislate.

Mr SHERLEY. Laying aside the question of power, why should we, unless we favor Government ownership of railroads, provide for it, while authorizing the President to take care of a war emergency?

Mr. RAYBURN. That is what I was just coming to, and my colleague [Mr. HARDY] asked a question which suggested that. I believe he asked the gentleman from Missouri [Mr. DECKER] a question like that. Why should we set a time limit and foreclose the argument on the proposition of Government ownership?

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. STEVENSON. I have been bothered to know upon what basis the President would fix the length of the term of the control with the railroads, if there is no provision made in this bill as to the length of time that he is to be authorized to hold them. If it is to be indefinite, is he to make an indefinite contract with the railroads? That is what would bother me.

Mr. RAYBURN. That would have bothered me a great deal, but I have trusted from the beginning in the wisdom of Congress, and in its fairness and candor to say that this is a war measure, and that at a reasonable time after this war is over this property shall be turned back to its owners. My friend from Missouri [Mr. DECKER] a while ago talked about the fact that in 1914 we passed a bill for the control of the issue of securities of railroad companies, and called attention to the fact that that bill, even though it passed the House of Representatives in 1914, had never yet been enacted into law; and he used that as an argument that we should set an indefinite time in order that we may undertake all of this remedial legislation that is necessary before the railroads are turned back to their owners. If that argument be good, that this is a slow body, that Congress is a slow organization, then I think it would be very well to have a time limit set upon this control as a spur to Congress to know that by a certain time it must do a certain piece of work.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Mr. Chairman, I do not want to interrupt the gentleman, except to make an appeal to the membership of the House to let the gentleman from Texas [Mr. RAYBURN] proceed without interruption, if they are satisfied to do so, and I will give the reason.

Mr. RAYBURN. How much time have I remaining?

The CHAIRMAN. The gentleman has six minutes remaining.

Mr. SIMS. If the gentleman from Texas wants more time, I want him to have it.

Mr. RAYBURN. I certainly did not think my time lacked only six minutes of expiring.

Mr. SIMS. What I want to ask is whether the gentleman wants more time, inasmuch as so much of his time has been taken up? A situation arose this morning that none of us could prevent. When I rose last night and asked that the House meet at 11 o'clock this morning, it was with a view of having that time consumed in general debate. One hour of the time was taken up in the reading of the Farewell Address of Washington, which was entirely proper, but it got me into this trouble. I had promised a lot of gentlemen time who are not members of the committee, and the gentleman from Texas [Mr. RAYBURN] kindly consented to make his time as short as he could, but I think so distinguished a member of the committee should have opportunity to address the committee.

Mr. RAYBURN. If I am not interrupted, if the gentleman will yield me five additional minutes, I think I can finish.

Mr. SIMS. Then I yield now the five additional minutes.

Mr. RAYBURN. Did the gentleman from Illinois wish to ask me a question?

Mr. MASON No; let it go. I knew the gentleman was a member of the committee——

Mr. RAYBURN. Does the gentleman want to ask me a question on the matter of tenure?

Mr. MASON. No; it was in respect to another branch, but I shall let it go and ask some other Member. It was in regard to the purchase of the canal, and I had not heard any member of the committee explain that.

Mr. RAYBURN. I am not willing, Mr. Chairman, in time of war in taking over the railroads of this country as a war measure, in the hysteria created by that war condition, to saddle on this Government a great economic policy. I believe when the discussion of Government ownership comes up in this country that it should come not in a time of war or stress and dissension, when men in the passion of the hour are carried off their feet, but I believe it should come in a time when it can be stripped of every other issue, and I also believe that it is nothing but fair to us who do not believe in Government ownership of railroads and other socialistic doctrines like that that when this argument comes that we who oppose it should not be made the proponents of a bill to throw off a system of Government ownership that we did not intend to take on when

we voted to give the President the power to use all the resources of this Government to try to win this war. When this proposition of Government ownership comes up I want the men who are the advocates of that doctrine to be the proponents of the bill and to come before this Congress and give the reason. There are many reasons why I would like to see this war close. There are many reasons why all of us would like to see this war close. One of the main reasons, outside of the reason that we want to stop the spilling of blood, is that I hope to see the time return when the necessity for such legislation as this, the voting away of these unheard-of powers, will cease. [Applause.]

I oppose Government ownership of railroads. I oppose an indefinite tenure. We do not know how long this war is going on. It may go on a year or two years or three years or five years. We do not know whether the great man who sits in the White House now will sit there when this war closes. We do not know whether the same Secretary of the Treasury and the Director of Railroads will be the Director of Railroads during all of this war, and I want to call your attention to the fact that I would fear to put the destiny of 1,700,000 railroad employees and $18,000,000,000 worth of property in the hands of a man who may some time occupy one of those positions and who may be over ambitious. [Applause.] A man who is overambitious, with the wages and the hours of labor of 1,700,000 employees in the hollow of his hand, a man who is overambitious with the property of hundreds of thousands of people amounting, variously estimated, to from $18,000,000,000 to $20,000,000,000 in his hands, could not only put himself in office, but he could perpetuate himself in office if he desired. [Applause.] And I hope, therefore, that we will say now that we will be candid with ourselves and candid with the country and say that we are not going into the proposition of the control of railroads of this country for any other reason except to try to marshal all the resources of this mighty Republic and try to do the one thing, and that is to win this war, and to win it as speedily as possible. [Applause.]

Mr. ESCH. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. GORDON]. [Applause.]

Mr. GORDON. Mr. Chairman and gentlemen of the committee, I do not know that I can assist you gentlemen in determining these important questions that are involved in this bill. As far as my public duties will permit, I have been trying to get information upon this bill since it has been pending both on and off the floor, and I confess those efforts have been sadly disappointed. The gentleman who just took his seat said that the railroads were worth $18,000,000,000. I do not know where he got his authority for that. I have been trying to get some idea from some source——

Mr. RAYBURN. I said variously estimated.

Mr. GORDON. Estimated by whom?

Mr. RAYBURN. Well, by various writers in this country.

Mr. GORDON. Yes; "the widows and orphans" talked about so much here on the floor, of course they estimate it at that. The fact is they are only capitalized at $10,000,000,000, and the best authorities in the American Congress say that 50 per cent of that is water. I do not think that anybody will seriously question that Senator JOHNSON of California, who has been governor of his State for two terms, and Senator CUMMINS, of Iowa, who has been governor of his State for two terms, know something about the railroad question. Now, what is the layman to do in reference to this bill? Unless I can get some light on it I propose to vote against it myself and wash my hands of responsibility for it. We have listened here for three days to members of the committee almost exclusively. Have they given you any information as to the value of these properties for the use of which we propose to fix the compensation at nearly a thousand million dollars a year? Has a member of the committee given any information to this House upon this subject? I have not been here all the time during the entire debate, but I have listened to them or read them, and if there has been anything adduced here to throw any light upon this question it has entirely escaped me.

Now, a gentleman who has been a Member of this House a great many years and is considered an expert upon this question discussed it here a while ago, the gentleman from Wisconsin [Mr. LENROOT], and he observed in the course of his remarks that the New York, New Haven & Hartford Railroad and the Rock Island had been mismanaged, referring, I suppose, to the looting of those great properties, the stealing, and taking and the carrying away of all of their visible assets. [Laughter.] Now, what is the use, what assistance does that give to stand up here and pat those people on the wrist in discussing such transactions as that? So far as conferring the rate-making power on the President, of course I would not vote for that. [Laughter and applause.] I think that is an impudent abandonment by Congress of all the legislation on this subject for 30 years. [Applause.] Now, this is not a partisan question, but it looks to me as though there had been a bipartisan agreement here for the withholding of any real information upon which any man could cast an intelligent vote. [Laughter and applause.]

Mr. MASON. Will the gentleman yield for a question?

Mr. GORDON. Yes.

Mr. MASON. The gentleman is not a member of the committee?

Mr. GORDON. Not of the Committee on Interstate and Foreign Commerce; no.

Mr. MASON. Perhaps, then, the gentleman can answer this question. [Laughter and applause.] This section 6 provides, as I read it, the authority to the President to purchase canals. Do you so construe it?

Mr. GORDON. I will ask the gentleman to excuse me from construing it. I have not time to undertake to construe the provisions of this section. I am calling the attention of the Members of the House to some of my difficulties in the hope that somebody may furnish some information to assist me in forming an intelligent judgment upon this bill.

I want to say this for the aid and assistance of Members here who may feel that they want some light on the principles of the railroad question, that on the 8th of January last I inserted in the CONGRESSIONAL RECORD for the second time a speech delivered by the late Jeremiah S. Black, of Pennsylvania, formerly Attorney General of the United States, upon the question of the legal relations of the public to the railroads, or the railroads to the public, which I commend to the consideration of every Member of the Congress and every other intelligent citizen who really desires to understand the question.

It is a great problem, of course. That speech led to the enactment of the interstate-commerce law 31 years ago. Since that time Congress has been attempting to confer power to regulate rates upon that commission. The progress has been exceedingly slow. There seems to be a mysterious influence that palsies men's minds and hands when they approach the consideration of this question. The attitude of many men seems to be to withhold such information as they really have upon the question.

Of course, the fixing of rates is a legislative function, and Congress, having other things to attend to, created this great tribunal, the Interstate Commerce Commission, and invested it with authority to hear and determine these questions. Now, just what has happened since this war started to disqualify the Interstate Commerce Commission and to qualify the President, with all his multitudinous duties as Commander in Chief of the Army and Navy, to perform this function, nobody has undertaken to explain. We are told by the chairman of the committee that we are at war, which is true, but what is there about that fact that equips the President to hear and determine so intricate and involved a question as that?

And then, to add to the irony of it, they insert right in the bill itself that we are asked to vote for a provision that binds the President in his determination of that question by exactly the law that binds the Interstate Commerce Commission in its consideration of it. Now, if the President is supposed to obey the law, although we are at war, how is he going to determine these questions without any investigation? Is there something about the President that enables him to determine such an involved and intricate question as that without information? Why was the Interstate Commerce Commission created and clothed with this authority? Of course, it is said and provided in the bill that if after the President has fixed this rate it should happen to injure some individual, community, or State, and they took an appeal to the Interstate Commerce Commission, the Interstate Commerce Commission could hear them, and then it could recommend to the President or could express the opinion to the President, that they thought he made a mistake about it. But the law carefully guards any interference by the commission in the way of correcting that mistake. I can not understand the reason for such legislation as that.

Pursuant to legislation by Congress, enacted before I became a Member of this body, the Interstate Commerce Commission is now engaged in making an appraisal of these railroad properties for the purpose of enabling it to determine their value and thus fix just and reasonable rates for the service which they render. Eleven million dollars have been expended on that work, and it is not yet completed. Heretofore, since war was declared, when we have authorized the appropriation of private property and were unable to determine the value of the property taken, or the use appropriated, we have authorized the payment to the owner of so much of the value of such property or use as could

be readily agreed upon, and deferred the payment or tender of the remainder claimed until competent and reliable evidence could be secured upon which to base an intelligent judgment of the real value of such property or its use.

What is there about railroad property which renders it more sacred than other kinds of private property? Do the owners of these railroads fear that when the appraisal of these properties has been completed it will be found that their total value is much less than the stocks and bonds outstanding, upon which interest and dividends have been paid and upon which this enormous rental is in large part based? Are we being hurried into fixing this enormous rental in order to forestall any use of the appraisal now being made by the Interstate Commerce Commission and to establish the fact that Congress has wasted this eleven millions of dollars and such other sums as may be spent in completing the appraisal?

What competent evidence has been adduced to support this enormous annual payment for the use of these properties?

Mr. MADDEN. Does the gentleman think the Interstate Commerce Commission would have the temerity to suggest that the President made a mistake?

The CHAIRMAN. The gentleman's time has expired.

Mr. SIMS. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman, I intended to answer the argument of the gentleman from Michigan [Mr. FORDNEY], who is opposed to Government ownership, but it is impossible to do so successfully in 15 minutes or even to attempt it.

I am opposed to the limitation contained in this bill upon the time for holding the railroads after the conclusion of the war. There are men who will not be moved by an earthquake. There are men who will continue to cling to the past in the midst of a world revolution, in the midst of war, in the midst of the greatest catastrophe that ever befell mankind. They are standpatters all the time, no matter what happens. They fail to realize that the entire world is undergoing the greatest change in the history of the race.

When you repudiate the idea that public utilities are ultimately to be owned and controlled and managed by the people in their collective capacity you deny the very essence of democracy.

What does private ownership of railroads mean? It means that an aggregation of capital, controlling one-seventh of the wealth of the country in a democracy, can give employment or refuse employment, can give life or refuse to the people the right to live. It means that within the limits of a country priding itself on its democratic ideals organized wealth establishes an empire of its own, a dominion of its own. And as you study the history of railroad legislation in the United States you will find that no power has exercised a more corrupting and more polluting influence than the railroads of the United States. Even such a sympathetic writer concerning America as Bryce was compelled to say, in his "American Commonwealth," that the most corrupt factor in American political life was the railroad interests. You speak of control. If you carry control to its logical conclusion, is it not a negation of private ownership? What does ownership amount to if you deny the control of the thing to the owner of it? Then it becomes a question of the measure of control, of the degree of control, of the extent of control, and instead of saying to the people that we repudiate the theory or the very possibility of national ownership of railroads to-day, you may, perhaps, say that the people are not ready to-day for national ownership; that they should be prepared for it; that a body of thought should grow up which would make it possible that the great masses of railroad workers now employed by the transportation companies should cooperate with the rest of the community; that democracy should train itself to become the owner of its public utilities and its public necessities. But to say that you are opposed to public ownership of railroads means to deny the essential principle of democracy, which means self-rule, self-rule industrially, self-rule in economic relations. What good is it if a man has the right to vote if there are within his own country powers which determine how much of his wages shall be taken away from him for bread, how much for meat, how much for sugar, how much for transportation, so that at the end of a day's work or at the end of a year's work he finds the result of his labor taken away from him by some power outside of himself?

The value of political democracy lies in the opportunity it offers to the people to evolute into an industrial democracy.

Otherwise democracy would be a mere myth. Is not self-rule the very essence of democracy? Henry Ward Beecher, in defining slavery, said: "Slavery is a state of affairs where the individual's life is controlled by powers outside of himself." When one-third of one's earnings goes to the landlord, when one-twentieth is taken by the Sugar Trust, when one-eighteenth is taken by the Bread Trust, when the railroad and the telegraph and the telephone companies take away the rest of the product of one's service, how much of freedom is left to the individual?

Private ownership of the means of transportation, of the arteries of commerce, means the establishment of a dominion within a dominion, of a nation superior to the nation, of a minority ruling and controlling the people and the functions of their agents. That is why railroads have been a corrupting influence.

When the agitation for public ownership began the railroads began to manufacture statistics. Now, it is an old story, the old joke, that "thee are liars, and liars with a strong adjective preceding it, and experts," and when experts begin to pile up statistics one loses all faith in economic science. [Laughter.]

You hear frequently that public ownership of railroads is a failure in every country of the world, and the gentleman from Michigan [Mr. FORDNEY] went to the extent of saying that in the two democratic countries of England and the United States the very idea of public ownership is repudiated. For the purposes of his argument he denies that France is a democracy. Of course, France owns her railroads, so France was not democratic for the purposes of that argument.

It is impossible to compare the rates charged in the United States with the rates charged by the railroads of other countries, for the very simple reason that railroads in other countries include within the term "rate" the charge for storage, the charge for insurance, and a number of items that are not included in the word "rate" in the United States. When it comes to the question of wages in other countries——

Mr. MONTAGUE. Mr. Chairman, will the gentleman permit me to ask him a question?

Mr. LONDON. Yes.

Mr. MONTAGUE. You said that France owned her railroads. Are you certain of that fact?

Mr. LONDON. France owns the greater part of her railroads.

Mr. MONTAGUE. The statistics that were submitted to the committee, of which I am a member, showed that France owns only 20 per cent of the railroads in her territory.

Mr. LONDON. Well, France owns 20 per cent of her railroads, and Italy owns all of her railroads. This fact is true, that there has been no immigration of railroad workers from any European country to this country. That is absolutely true. Evidently the railroad worker finds that whatever wage he gets there, no matter how small it appears in dollars and cents, is satisfactory, the real value of the wage being the ability to exchange it for useful articles. Measured by that standard, by the ability to supply himself with the needs of life, it seems that the workers on railroads in the European countries are not forced to leave their countries. They have the assurance of steadiness and security of employment, which makes them prefer the work that they have.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Illinois?

Mr. LONDON. I am sorry I have so little time.

Mr. DENISON. Just a question.

Mr. LONDON. Unless I can get my time extended I can not yield.

Mr. DENISON. It is just one question.

Mr. LONDON. Well, what was the question?

Mr. DENISON. I was going to ask where our Irish railroad employees come in, in the light of the gentleman's statement?

Mr. LONDON. Oh, the people of a country such as Ireland are governed by considerations other than economic considerations. The gentleman ought to know enough of the history of Ireland to understand that. There are more reasons than economic reasons for that.

In addition to that, the railroad worker in Germany and in Italy and in Belgium receives unemployment insurance, old-age pensions, security against accidents, the benefit of every safety appliance to protect him, and that is a part of the wage. I want to call your attention to the statistics relating to accidents resulting in the death of passengers and railroad men, and you will find that four times as many railroad workers are killed on American railroads as are killed on the railroads of any other country in the world; four times as many. The railroad companies with their hired statisticians attempted to compare the number of railroad accidents by the amount of freight carried, and they figured out that, according to the amount of freight carried, the percentage was not so disadvantageous to the United States.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield for a question? I want to ask a question for information?

Mr. LONDON. Yes.

Mr. CARTER of Oklahoma. The gentleman states that four times as many railroad workers are killed on American railroads as on the railroads of any other country. Does the gentleman take into consideration with that the number of railroads the United States has?

Mr. LONDON. I do, judging by the number of men employed.

Mr. CARTER of Oklahoma. You mean by the percentage?

Mr. LONDON. I am not speaking of the relative proportion of mileage, but the absolute proportion of employees. Judging by the number of men employed by the American railroads as compared with the number of men employed on European railroads, the ratio is four to one. In other words, for every one employee or railroad worker killed in Europe four railroad employees are killed in the United States.

Mr. CARTER of Oklahoma. The percentage is four times as great?

Mr. LONDON. Yes; the percentage is four times as great.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. COOPER of Ohio. Can the gentleman give us any information in regard to government-owned roads in Italy? A few days ago I read an article in a paper stating that——

Mr. LONDON. Oh, well, I have no time for the gentleman to tell about an article he read four days ago. I want direct information, not information from a casual article read four days ago. [Laughter.]

Mr. COOPER of Ohio. I read a statement in a paper to the effect that the Government of Italy had fallen down in the management of its Government-owned railroads and had to issue bonds to get money to operate them.

Mr. LONDON. I do not know what paper that was from, or who the man responsible for the fiction in that paper was. [Laughter.]

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. LENROOT. I want to know what the gentleman means when he says that to every 100 employed in Europe and in the United States four times as many are killed in the United States than in Europe?

Mr. LONDON. That is exactly what I mean. The figures I have are for the year 1910 or the year 1908.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. MADDEN. Does the gentleman mean four times as many as compared with the number employed?

Mr. LONDON. Four times as many.

Now, when you consider the fact that the railroad companies opposed every measure calculated to improve the condition of the workers, that they opposed the enactment of the employers' liability legislation, that they opposed the most elementary provisions for safety appliances, you must realize what a tremendous danger is involved in private ownership of the public utilities, of the public arteries, of the arteries of commerce.

What is the difference between our past civilization and the present? What has made the United States possible? It is the facility of intercommunication between one section and another. Why, the arteries of commerce, the railroads, and the means of transportation are the most vital part of the organism of the country; and to permit these public utilities to be forever the private property of a group of capitalists is a destruction of the elementary basis of democracy.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONDON. May I have two minutes?

Mr. SIMS. I yield to the gentleman two minutes, and hope he will not be interrupted, because I have not got the time.

Mr. LONDON. Just see this diagram which I have here of interlocking directorates. Here is a chart of the interlocking directorates held by the Chesapeake & Ohio directors in financial, transportation, and industrial companies. I will give only a partial list. In financial companies they have directorates in the American Security & Trust Co., of Washington; the American Trust & Savings Co., of Chicago; the Equitable Trust, of New York; the Farmers' Loan & Trust, of New York; the Fourth National Bank of New York; the Mercantile Safe Deposit, of New York; the Mercantile Trust & Savings, of Chicago; the Merchants' National, of Richmond, Va.; the National Bank of Commerce of New York; the National City Bank, of New York; the National Surety of New York; the Old Dominion Trust, of Richmond, Va.; the Realty Trust, of Atlanta, Ga.; the Riggs National, of Washington; the Standard Safe Deposit, of New York; the Union Trust, of Chicago; the Union Trust, of New York; and the Title Guarantee & Trust, of New York.

Then comes the list of industrial companies: Consolidated Gas of New York—there is plenty of gas in our railroad stocks—then there is the Covina Land & Water Co., the Hammond Lumber Co., the Huntington Beach Co., the Los Angeles Land Co., the Maringo Water Co., the Mercantile Burglar Alarm, the Newport Beach Co., the Newport News Shipbuilding & Dry Dock Co., the New York Transportation Co., the Northern Westchester Lighting Co., the Old Dominion Land Co., and many others. It is a veritable octopus, a complete spider web, with the people as the flies. And this picture is not complete. It gives a diagram in connection with financial and industrial institutions. In order that it should be complete, they would have to give you the ownership of the big newspapers of the country and to what extent these interests dictate the editorials of the newspapers. And they would have to give you one more item—how many men who were formerly directors of these corporations are now adorning the bench. I do not mean that these companies send agents to the bench, but there are men there who have the psychology of the corporation lawyer.

And then, in order to make it altogether complete, it would be necessary to show how many prominent attorneys for railroad companies vote on matters of legislation in the legislatures of the country, on matters affecting the interests of the people and the interests of the railroad companies. And to be an attorney of a railroad company is the dream of every lawyer to-day. If I had the time I believe I could convince even you Republicans and Democrats that there is no salvation for a democracy except in national ownership of public utilities, and that it is our duty now to prepare for that inevitable event.

Mr. GORDON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. DIES. Mr. Chairman, the Bolsheviki argument to which we have just listened is so interesting that I make the point of no quorum, in order to have a greater attendance.

The CHAIRMAN. The gentleman makes the point of order that there is no quorum present. The Chair will count. [After counting.] Eighty-eight Members present, not a quorum.

Mr. GARNER. Mr. Chairman, I move that the committee do now rise. We can vote that motion down and get tellers on the motion and get a hundred here.

Mr. DIES. Mr. Chairman, the gentleman's side-bar remarks are out of order.

The CHAIRMAN. The gentleman from Texas moves that the committee do now rise.

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. GARNER. Tellers, Mr. Chairman.

Mr. DIES. I make the point of order that tellers are not in order until a division has been had.

The CHAIRMAN. The Chair understands the gentleman has a right to call for tellers without having called for a division.

Mr. DIES. I do not think so, Mr. Chairman.

The CHAIRMAN. There is no doubt about it. The gentleman from Texas [Mr. GARNER] asks for tellers.

Tellers were ordered; and the Chairman appointed Mr. DIES and Mr. GARNER.

Mr. DIES. Mr. Chairman, what is the pending question?

The CHAIRMAN. Whether the committee shall rise or not. The tellers will take their places.

The committee divided; and the tellers reported—ayes 5, noes 85.

The CHAIRMAN. The committee determines not to rise. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Anthony	Crago	Fairchild, B. L.	Heintz
Bacharach	Curry, Cal.	Fairchild, G. W.	Hollingsworth
Baer	Dale, N. Y.	Fairfield	Hood
Beakes	Dale, Vt.	Ferris	Houston
Blackmon	Dallinger	Flood	Howard
Blanton	Davidson	Flynn	Hull, Iowa
Britten	Dent	Fuller, Mass.	Husted
Brodbeck	Denton	Garland	James
Browning	Dill	Goodall	Johnson, S. Dak.
Buchanan	Dooling	Gould	Johnson, Wash.
Campbell, Kans.	Drane	Graham, Pa.	Jones, Tex.
Candler, Miss.	Drukker	Gray, N. J.	Kahn
Capstick	Dupré	Greene, Vt.	Kearns
Carew	Dyer	Gregg	Kelley, Mich.
Carter, Mass.	Eagle	Griest	Kelly, Pa.
Chandler, Okla.	Edmonds	Hamill	Kennedy, R. I.
Church	Elston	Hamlin	Kettner
Copley	Emerson	Haskell	Kiess, Pa.
Costello	Estopinal	Heflin	Knutson

Kraus	Nicholls, S. C.	Rose	Tague
Kreider	Oliver, Ala.	Rowland	Talbott
LaGuardia	O'Shaunessy	Rucker	Templeton
Lazaro	Paige	Scott, Iowa	Timberlake
Linthicum	Peters	Scott, Mich.	Tinkham
Longworth	Phelan	Scott, Pa.	Van Dyke
Lundeen	Polk	Scully	Vare
Lunn	Porter	Sells	Walker
McCormick	Pou	Shallenberger	Walton
McCulloch	Powers	Sherley	Watson, Pa.
McFadden	Price	Shouse	White, Me.
McLaughlin, Pa.	Purnell	Siegel	White, Ohio
Magee	Ragsdale	Smith, T. F.	Williams
Maher	Rainey	Stafford	Wilson, Ill.
Mann	Rankin	Stedman	Wilson, La.
Meeker	Reavis	Stephens, Nebr.	Wilson, Tex.
Miller, Minn.	Robbins	Sterling, Pa.	Woodyard
Miller, Wash.	Roberts	Sullivan	Young, Tex.
Mondell	Rodenberg	Sumners	Zihlman

The committee accordingly rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill H. R. 9685, finding itself without a quorum, the Chair had caused the roll to be called, when 276 Members answered to their names, and he reported a list of the absentees.

The committee resumed its sitting.

Mr. ESCH. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. WASON].

Mr. WASON. Mr. Chairman, I ask the indulgence of this committee for a few minutes on a subject that is of interest to myself, to my colleague from New Hampshire, and I know it is of interest to nearly every man on the floor of this House. It is likewise of interest to every citizen of this broad land. I do not wish to be understood in what I shall say as particularly finding fault or criticizing. I wish to be understood as approaching this subject in a spirit of improving the general conditions that affect the young men of the Nation who are our patriotic defenders now in cantonments, preparing for over-seas service. With that in mind and with the purpose to help rather than hinder, and improve rather than retard, camp conditions furnished, equipped, and controlled by the War Department.

Last July my attention was called to an order issued by the Secretary of War relating to the mobilization of the National Guard, so called, then a part of the Army, wherein those volunteers were to be transferred from New Hampshire and the other New England States to some point in the South for encampment and training, and the following letter expresses the views of the members of Congress from New Hampshire, to which the following reply was made:

WASHINGTON, D. C., *July 13, 1917.*

Hon. NEWTON D. BAKER,
Secretary of War, Washington, D. C.

RESPECTED SIR: We, the undersigned, Members of Congress from New Hampshire, have just learned of the proposed action of the War Department to transfer, as soon as mobilized, the New England division of the National Guard to North Carolina or some other point farther south.

We respectfully submit for your consideration our belief that it will be for the best interests of the service if this division when mobilized is sent to a camp or camps in the New England States for the following reasons:

1. The climate of New England is more like the climate of northern France than is that of any section of the South.

2. It is more economical to the Government getting these troops to the front, viz, it will save the cost of transportation to the southern cantonment and probably more than such cost of transportation.

3. We believe that when the citizens of New England become aware of this proposed action of sending these troops South during the summer months there will be a vigorous protest against such action. We submit that public sentiment in a matter of that kind should be given serious consideration.

4. Whatever may be the conditions surrounding the places where these troops can be located in the South, we submit that for the summer and fall months, being acclimated to the New England climate, the health of the organization will be better if these troops are not transported to a new section and a very different climate.

5. This statement is based upon the supposition that the National Guard is to be sent to the front within a reasonable time, but if it is the purpose of the department to take such action later in the year or early next year, and for that reason it is considered desirable that these troops be transported to a warmer climate previous to their transfer to the front, we maintain that this action can be taken as well and better late in the fall than at this time.

We do not intend by this letter to attempt to in any way interfere with any military action which will further the prosecution of the war, but we believe that the considerations submitted are of sufficient importance to demand the very careful attention of the Department of War.

Respectfully submitted.

(Signed) EDWARD H. WASON.
SHERMAN E. BURROUGHS.

WAR DEPARTMENT,
Washington, July 16, 1917.

MY DEAR MR. WASON: I have your letter of July 13, signed jointly by you and Hon. SHERMAN E. BURROUGHS. This department, of course, realizes the strength of the desire of the State to have their National Guard mobilized at home and also the importance of the consideration set forth in your letter. The subject was, however, carefully considered from every point of view, and the plan of the military situation dictated the course chosen. It is now too late to restudy the question of distribution of the guard during their course of preparation.

Cordially, yours,

(Signed) NEWTON D. BAKER,
Secretary of War.

Hon. EDWARD H. WASON,
House of Representatives.

The New Hampshire National Guard left in August, many being transferred to Camp Greene, Charlotte, N. C., where they have been in camp since the 1st of November. Saturday, February 16, my colleague, Mr. BURROUGHS, and I spent the day at Camp Greene with brave sons of our State and with other brave sons of the other States in this Union, where they are being prepared for an early transfer for service in the battle lines of Europe. On arriving at the camp grounds we were met at the end of the street car line by our friends, who furnished us with two pairs of good rubber boots, which we soon found were absolutely necessary for our protection and comfort, and wore them until we left camp that night. It was mud, mud, mud everywhere. We found the soldiers quartered on a tract of land consisting of 6,000 acres, on a beautiful elevation, pleasantly located, and a reasonable distance from the city of Charlotte, N. C. The camp was adequately provided with electric lights, supplied with good water from an extension of the water system used by the citizens of Charlotte. Two lines of street cars extend from the city to the camp, one adjacent on the south side of the camp, the other on the north side. The land is reasonably level, good elevation. On the east is plenty of shade and adjacent to the woods is a small, pretty lake. The soil is a reddish clay. The men expressed satisfaction in regard to their food, and inspection of kitchens and supplies confirmed their statement. Having heard some criticism of the sanitary conditions at the camp, we paid close attention to that, for the purpose of discovering what the real facts were.

I had naturally supposed that the War Department, after the selection of this site had been made, would provide means for properly equipping the camp, as it should do in every case, having particularly in mind the health and comfort of those who are sent there for training. I had expected to find suitable highways that were passable for trucking, suitable streets for the companies, suitable barracks, adequate and suitable system of sewage and drainage, suitable provision for heat, and quarters for bathing purposes. We were informed that the wet, muddy condition about the camp was less than it had been two weeks previously. I saw automobiles helpless in the mud in some of the main roadways; I saw teams of four mules on these same roadways, with a light load, where the wheels left ruts from 12 to 18 inches deep. The Government has done nothing toward road making and done nothing toward fixing company streets. Not a rod of sewage system has been installed by the Government or anybody else. Water stands on the surface of the ground where the ground is level, and where it is rolling runs into pools or, in some instances, down to a very small brook which extends through a part of the grounds. Discarded latrines exist in large numbers, unprotected, filled to the surface of the ground, with filth waiting for the hot rays of sun to fester and produce germs of malignant and dangerous diseases. These latrines are in close proximity to the tents occupied by the soldiers. Very soon, when the climate becomes warmer, this camp must be very insanitary.

Our Government has no moral right to expose our soldiers to such dangers. The soldiers' barracks are all tents and should not house over five men. There were seven, eight, and nine men in a tent, and these tents had been without board floors prior to about the 10th of February, or a week or 10 days prior to our visit.

Mr. FORDNEY. In the tents?

Mr. WASON. Yes; there were no floors in the tents. One company of 250 men had been furnished with 18 rifles, another company with 256 men had 21 rifles, making a total of 39 rifles for two companies of 506 men. Not one of those rifles fit for a man to discharge with accuracy.

Mr. LITTLE. When was that?

Mr. WASON. Last Saturday, February 16. My colleague will furnish additional details of conditions at this camp.

Mr. Chairman, it is almost unbelievable for me to realize that the War Department would transport men past camps well equipped to a camp like Camp Greene without equipment. The War Department should never mass thirty or forty thousand soldiers in a cantonment or camp without a suitable sewage system and suitably constructed roadways for truckage to and from the camp. One of the first things the War Department should provide for is healthful conditions. Observing the conditions there, I am frank to say that I can not excuse and feel

that the man or men who have neglected this site since it was selected last summer are blameless of culpable neglect and wanton disregard in failing to install a suitable system of sewage at this camp before its occupancy by our young men transferred there for training from all parts of the country.

The War Department should immediately construct a suitable system of sewerage and drainage, and I am glad to say that the Surgeon General within a few days has inspected this camp and made the following observations and recommendations, and it is reported that immediate action is being taken on the points raised in his report:

FEBRUARY 12, 1918.

Memorandum for the Secretary of War:

The wet weather and character of the soil at Camp Greene, Charlotte, N. C., together with the temporary nature of the camp, have brought about conditions which I wish to call to your attention and which may be summarized as follows from the last two reports of sanitary inspections of the camp:

GARBAGE REMOVAL STOPPED BY MUD.

Knee-deep mud has interfered with garbage removal by contractors, and quantities have been dumped or buried because of shortage of fuel for burning it.

Limited facilities for heating water for bathing over a period of several months has resulted in the men becoming dirty.

Water from the kitchens, baths, and overflowed latrines is removed by ditches, surface drainage, or stands in pools. The character of the soil will make it slow to dry out, and with the advent of warm weather flies and other insanitary conditions may be anticipated.

The dirt floors of the kitchens will breed flies. The field ranges in use are uneconomical and smoke indoors with any wood fuel.

Shortage of supplies has held back the work on the detention camp for contacts until its overcrowded condition has led to the establishment of quarantine areas in the regiments, but reports upon this indicate that completion of the detention camp is preferable to continuation of the latter plan, especially since sufficient tent space and separate latrines and mess halls have not been available to make the regimental quarantine absolute in the areas set aside.

Work has been held up on the additional quarters for nurses by failure of material to arrive, and the same has affected progress on reconstruction of the operating and laboratory buildings of the base hospital, which were recently destroyed by fire.

Overcrowding, to the extent of eight men to a tent, and occasionally more, is reported.

SICK RATES NOT NOTABLY HIGH.

Sick rates at Camp Greene are not notably high, and measles and pneumonia cases appeared on the decline at the last report, but the insanitary conditions mentioned should be corrected without delay to prevent increased sickness and mortality, which may result from their continuance.

It has been recommended that additional tentage be supplied the commanding general, Camp Greene, to enable him to quarter all men on the basis of five to a tent instead of eight. It is understood that this recommendation has been approved.

The immediate necessity, Camp Greene, is the installation of a sewer system for the entire camp, which is again urgently recommended.

W. C. GORGAS,
Surgeon General United States Army.

Seven or eight months has passed since the selection of this site, and I am wondering what immediate action means. My inquiry is: When is it going to be done? My answer must be: It should be attended to now without delay. The War Department can not act too quickly in this matter. The country can not urge too strongly the department to attend to that drainage and sewerage forthwith. It should have been attended to before a single boy from any State had been sent there.

Mr. WEBB. Mr. Chairman, does the gentleman mean drainage or sewerage?

Mr. WASON. Both drainage and sewerage and suitable highways or roadways.

Under these conditions that I have briefly outlined I was impressed as I talked with the soldiers of the indisposition to find fault or complain. They were in good spirits, eager, and enthusiastic to actively engage in the great work before them; they were restive for actual, active service; their morale was excellent, and I wondered what influence had kept them so enthusiastic and happy under conditions there. It is an old saying that man is influenced by his surroundings, and from these men I learned that the most cordial relations and friendship existed between the camp and the citizens of Charlotte. The clubs, the Young Men's Christian Association, and kindred activities extended a cordial welcome to them. Entertainments on a large scale were often provided for these boys. Everything was done to make their camp life pleasant and cheerful. In fact it would almost seem that the home life of that city was influential in maintaining the spirit, the buoyancy, and the morale of each and every soldier there stationed.

As we left this camp and as I have reflected upon the conditions of my friends and constituents and the friends and constituents of other Members of Congress there it has caused me to have feelings of sadness and pain to realize that all the money so willingly provided for the establishment, equipment, and maintenance of these training camps in this land that somewhere in the machinery of the War Department some person or persons have failed to perform their official duty in reference to equipment at this location. I hope that this is the only instance of neglect of this kind with reference to cantonments selected by the Government.

Mr. Chairman, as our Army, either at home or on foreign soil, with calm courage and patriotic impulses, discharges the great task that we are engaged in, as our beloved warriors their names are to be enrolled on the pages of history with reverence and honor for their sacrifices, sufferings, and efforts to extend those beloved principles of liberty and justice, let us hope and believe that they and the soldiers of England and France may be successful in the great and far-reaching task; let us stand loyally behind them and give them every encouragement and help that we can to fortify them stronger, if possible, as they fight for us and for those principles; let us remember what the story of the service flag in the window at home means which J. E. Evans, of Washington, D. C., has so fittingly expressed in rhyme:

THE SERVICE FLAG.

Say, Pa! What is a service flag?
I see them everywhere.
There's little stars sewed on them;
What are they doing there?
Sometimes there's lots of little stars,
And sometimes just a few.
Poor Widow Jones has only one—
I saw her crying, too.

My darling boy, those little stars,
Upon a field of white,
Are emblems of our glorious boys
Enrolling for the right.
The border, as you see, is red,
Which represents their blood;
The stars are blue, the heavenly hue;
The white is always good.
Each star you see means some brave boy
Has left his hearth and home
And gone to fight for Freedom's cause
Wherever he may roam.
So when you see a lot of stars
Lift up your heart with joy,
And when you see a single one
Pray for some mother's boy.
They go away, those gallant lads,
Across the wreck-strewn sea;
They go to pledge their country's faith
For God and liberty.
The Stars and Stripes they bear aloft
To join the British flag,
And, with the colors of brave France,
They mean to end "Der Tag."
And soon, my boy, that service flag,
Born in the Nation's heart,
Will show the world that, when unfurled,
We proudly take our part.

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. WEBB].

Mr. WEBB. Mr. Chairman, I must beg the indulgence of the House while I say a few words about Camp Greene, which happens to be located in my district and in the midst of as brave, loyal, and hospitable people as can be found on earth. The camp consists of 3,000 acres of land, leased and paid for by the citizens of that county and given to the Government free of charge for five years. Sixty-five acres of that territory are covered by a hospital. Since this cantonment was located there two double-track electric street railways have been built to the camp, 2 miles distant from Charlotte. It is the only camp in the South that I know anything about where the street-car fare is only 5 cents, with universal transfers in the city. Water mains were laid to and throughout this camp at no expense to the Government of the United States, furnishing the finest filtered water. The Government did not pay a cent for carrying the water to the camp and into the camp, and the water is now furnished to the Government for the camp at 7 cents per 1,000 gallons. In my home town we pay 25 cents, I believe, as a basis for the first 1,000 gallons. The Government gets it for 7 cents.

An electric light and power plant was built at no expense to the Government, leading to and into the camp, and the electric light and power are being sold to the Government and the soldiers at 1½ cents per kilowatt hour. I believe the people in Washington pay 10 cents per kilowatt hour, and I think they pay more than that in all of the camps and cities and in Charlotte. I know that it is the cheapest rate that any cantonment has in the South, unless it is at Greenville, S. C., which, I believe, has the same rate. The authorities in Charlotte township have appropriated $90,000 to build two magnificent concrete highways—not roads, but magnificent streets of concrete—from the city of Charlotte to the camp.

They have had from the beginning a macadam road to the camp which has never been impassable, which can not be said of a number of other roads leading to camps throughout the country. I am glad my friend from New Hampshire mentioned the cordial spirit that existed between the people of Charlotte and the soldiers. I do not think a community can be pointed out in

America where a finer feeling and spirit exists between the soldiers and the citizens. Last Christmas $5,000 were raised by voluntary donation for a Christmas tree, so that every boy in the camp of 35,000 soldiers received a Christmas present from that donation and every child in Camp Greene received a present from the children of Charlotte and each present was marked, "From the children of Charlotte to the children of Camp Greene." Another thing, the best homes in that great city have been thrown open from the first day the soldiers arrived in that camp to the soldiers, and especially the privates. In fact, on Sundays and holidays it is estimated that 3,000 boys are taken into the best homes in that city and given the best food that those citizens can procure for them. [Applause.] And the same is true of every holiday——

Mr. SHERWOOD. What is the population?

Mr. WEBB. Forty-two thousand. Now, there was great congestion, of course, in the city of Charlotte, like there is now in the city of Washington, because the soldiers' families and friends were coming, and the good homes of Charlotte did that which they never before had done—that is, threw open their splendid homes to the officers and their families at absolutely reasonable rates. A number of well-equipped clubs have been established in the city for the officers and privates, and just now one of the prettiest pieces of property in the city of Charlotte has been donated and completed and equipped for a private soldiers' club. Whenever an officer or private wants a bath or resting place, he can find it to his heart's content in that hospitable town, and the boys use them just the same as the citizens of the town use them. All the churches and all the church receptions of that city are thrown open every Sunday and Sunday night and prayer meeting nights, and at all other times when the churches are open the boys can enter them and are invited to enter them ad libitum, without even a card.

I am pleased to tell you that the boys take advantage of it, and I do not know of a similar camp in this country where a larger proportion of the boys in camp attend the churches and religious exercises than they do there. For about three months a division of northwestern soldiers—as strong, healthy, and magnificent body of men as I ever saw march in parade—were located at Camp Greene, and the affection existing between the people and those soldiers was simply delightful to behold, and since they have left and gone to France the mails and newspapers have been filled with veritable love letters from the soldiers, and they wanted to name their splendid division the "Charlotte" division out of pure affection for the people on account of their kindly treatment of them. It can not be said that there is a camp in the United States with a finer health record than Camp Greene. The reports of Surg. Gen. Gorgas show that, and to-day or last Monday a week ago there were only 17 men in that camp who had the disease peculiar to camp life and which all good men are trying hard to fight.

I do not know of a place anywhere where the morals as well as the health of the soldiers are more carefully and painstakingly guarded than they are in Camp Greene. The fact is Secretary of War Baker some time ago made a speech in Washington to the Fosdick Commission and pointed to the feeling and spirit existing between Charlotte and its boys as most ideal and commended it to other camps as one that they might well emulate. This camp, as you may or may not know, like many other camps, was established as a cantonment, as a resting place not necessarily to be made a permanent institution, and therefore the Government has not yet built these sewerage systems and concrete streets, and I believe the camps at Spartanburg and Greenville and other southern camps, Camp Gordon, possibly, where they have not put in concrete streets, would come under the same condemnation as my friend from Massachusetts has leveled against this camp, as to mud and lack of sewerage.

Mr. ROGERS. Will the gentleman yield?

Mr. WEBB. I will.

Mr. ROGERS. This is absolutely for information. I have heard it stated that when the location was still under consideration of a camp at Charlotte, N. C., the city agreed to build roads provided the camp was located there, and that the roads which the city had agreed to build had not, in fact, been built. Can the gentleman inform us upon that point?

Mr. WEBB. When the camp was located there, it was located on a fine macadam public highway between Charlotte and the city of Gastonia, and that road has been used up to this time. But now the local authorities are ready to build two great concrete roads between Charlotte and the camp, at a cost of $90,000. I never before heard that the city had failed to carry out any agreement about roads, and do not think it so. The complaint about mud, gentlemen, can be leveled against any camp in the South. I do not know how it is in the North, but we have had the most severe weather in our country that we have had in 37 years. And where you have only earth roads 10 or 15 feet wide through a camp, you can expect, with the heavy Army trucks running over them, that they will be cut up and become muddy at times of heavy rains or snows. If the Government will put in roads and streets and sidewalks of concrete inside the camp and put in a sewerage system, Camp Greene will be the banner camp of that entire section of the United States.

And I am happy to say that the War Department has informed me that they have now had drawn up by the engineers a system of sewerage in that great camp; they are already putting in sewerage in the hospital, which, as I have said, occupies 65 acres of ground. We all hope that sewerage and streets will be put in this camp soon. And when that is done I assure this House you will not only have the best camp in the United States, where the feeling between the citizens and the soldiers is as fine as anywhere in the world, but you will have as beautiful and healthful a camp as any on the face of the earth. [Applause.]

Mr. ESCH. Mr. Chairman, according to my reckoning I have an hour and 10 minutes remaining. I would like to use the hour from now on, and I yield to the gentleman from Kentucky [Mr. LANGLEY].

The CHAIRMAN. Of course the debate closes at 6 o'clock.

Mr. SIMS. I want to say that the gentleman is entitled to use all the rest of the time, whatever it is.

Mr. ESCH. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. BURROUGHS].

The CHAIRMAN. The gentleman from New Hampshire is recognized for 10 minutes.

Mr. BURROUGHS. Mr. Chairman, I have no apology to make for taking 10 minutes of the time of this committee.

Mr. DIES rose.

The CHAIRMAN. Does the gentleman yield?

Mr. DIES. I make the point of no quorum, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas makes the point of no quorum.

Mr. WASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WASON. The gentleman from New Hampshire [Mr. BURROUGHS] did not yield to the gentleman from Texas. Can he take him off the floor by making the point of no quorum?

The CHAIRMAN. The gentleman from New Hampshire will have his time. The point of no quorum has been made. The Chair will count. [After counting.] One hundred and two gentlemen are present, a quorum. The gentleman from New Hampshire [Mr. BURROUGHS] will proceed.

Mr. BURROUGHS. Mr. Chairman, I make no apology for taking 10 minutes of the time of the committee to call attention to some matters relating to Camp Greene, near Charlotte, N. C., the condition of which has already been adverted to by my colleague, Mr. WASON.

It is easier for me and much pleasanter to praise than to blame. I realize how easy it is to criticize those in positions of heavy responsibility. It is always easier to find fault than to take hold and do the job yourself. But I feel very strongly that it is due to the Members of the House that I should now state as accurately and precisely as I am able what my colleague and I actually saw at the camp at Charlotte on the occasion of our visit there on Saturday, February 16, 1918.

Camp Greene is located about 3 miles from the city of Charlotte, N. C., on somewhat rolling ground of slight elevation and having a surface soil of clay formation. This soil is almost completely impervious to water, and the effect of melting snow and recent rains there has been to make it a veritable bog. Mud is knee-deep in all the roads throughout the camp. As my colleague has stated, we had to wear rubber boots in order to get around at all. Water is standing in large pools and ponds all over the surface of the camp. No carriage or automobile could possibly get into the camp, much less make its way through it. I was informed by an officer that a few days before he had seen three mules so badly stuck in the mud that they had broken their legs trying to get out and had to be shot.

The gentleman from North Carolina [Mr. WEBB] has just spoken of the many things done by the city and people of Charlotte for this camp. I want to say in reply that what I am stating is not intended in the slightest degree to be any criticism of the city of Charlotte or of the good people who live there. I have no doubt all the gentleman stated concerning Charlotte and its inhabitants is perfectly true. What I say by way of criticism of conditions at Camp Greene goes to those who were directly and immediately responsible for locating and maintaining the camp there. I say that the great War Department of this Government is greviously at fault for its failure to provide adequate and proper sewerage facilities in a camp where

upward of 40,000 young men, the pick and pride of this country, are quartered to-day. That is what I find fault with. That is what I criticize.

There is not now and there has never been since the camp was established last summer any sewerage system whatever at Camp Greene. Dirty water from the kitchens and refuse of all kinds are thrown into ditches, and a good part of it remains there, because it can not get away and the clay soil will not absorb it. We were told that the garbage and refuse had been burned as long as they had sufficient wood for this purpose, but that for some time the supply of fuel had been short and that for this reason, as well as on account of the knee-deep mud in the roads, which had prevented garbage removal by the contractors, there had seemed to be no other method of disposition of the refuse, garbage, and kitchen water than the method adopted. We saw a number of old discarded latrines. They are still open and exposed and are filled with 6 or 8 feet of decaying, putrid, festering animal matter. When the warm weather comes, as it is likely to come any time in this southern climate, it takes no sanitary engineer or expert to predict what is going to happen. Flies are going to breed there in enormous quantities, and typhoid fever and diphtheria are likely to break out at any time.

Now, the gentleman from North Carolina [Mr. WEBB] tells us that the War Department is talking about putting in a sewerage system. That is all right, but it ought to have been done months ago. It ought to have been done, as it was done, at the northern cantonments, before the men were taken there at all. This work can not be done in a day, or a week, or a month. It is going to take a considerable length of time to install any kind of sewerage system at this camp. Meantime the warm weather will be on us, and everyone of those 40,000 men quartered in that camp will be in imminent peril of his life. I say it is up to the War Department to do something, and to do it now. If they can not install a proper sewerage system before the warm weather comes—and I am frank to say I do not see how this possibly can be done—I see nothing else to do than to remove these boys to some other camp. Certainly they must not be left there under conditions such as I have described.

What I am stating is of direct interest to pretty nearly every Member of this House, because, as I understand it, there are men at this camp from practically every State in this Union. I personally saw and talked with men from my own State, New Hampshire, from Maine, Vermont, and Massachusetts, as well as from Louisiana and many Central and Western States. They all told the same story. They are not complaining. I never saw a finer spirit amongst any body of men in all my life than I saw amongst all the men who are now living in the mud and water at Camp Greene. In this body of men there are, as I am informed, between 400 and 500 New Hampshire boys. They form the nucleus around which has been organized and built up what is now known as the First Headquarters Guard Regiment, consisting of approximately 3,300 men. They are as fine a body of men as were ever organized for military purposes. I was told by one of the officers of this regiment that about 80 per cent of them were either college graduates or came into the service from some college.

This New Hampshire regiment is located in what is obviously the most undesirable and dangerous site in the whole camp. They are on low land in close proximity to the ditches and latrines, which I have already referred to. No regiment ever ought to have been placed there, and there was no necessity for locating them there. I was informed that before the New Hampshire regiment was placed on this site other regiments protested against being located there and had been placed elsewhere. Certainly the New Hampshire regiment should be moved from this location without any delay. Neither they nor any other body of men ought to be compelled to live under such conditions another day, and I propose to immediately call the attention of this matter to the Secretary of War and ask for their removal.

The gentleman from North Carolina [Mr. WEBB] spoke about this camp being intended to be a temporary camp. That may be so, but what of it? I do not care whether it was intended to be temporary or permanent, I know that what I am telling you is an accurate statement of what I saw there last Saturday, and I was reliably informed by officers and men that the conditions for weeks before had been much worse than they were the day my colleague and I were there. Temporary or not, the camp has been there since last summer and bids fair to continue for some considerable time to come, and the fact is that, according to the statements of the gentleman from North Carolina [Mr. WEBB], the War Department is just now beginning to talk about putting in some sort of a sewer system. Suppose it was intended to be temporary, what provision, if any, did they make for disposing of their garbage and sewage? I answer, none whatever at all adequate to the conditions which they knew existed there. They knew it was not a sandy soil that would easily absorb water. On the contrary, they knew that it was a clay soil on which water would stand for days and weeks. I say that under such circumstances it was inexcusable to provide no sanitary system for disposing of this dirty water and refuse. It was certainly incumbent upon the War Department before they took those boys away from their homes and brought them to this southern camp to provide all reasonably adequate means for protecting them after they arrived there.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. BURROUGHS. Yes.

Mr. SNYDER. I want to say that a month ago the father of a young man, a constituent of mine, went down there, and he told me that after he had visited the camp he had to go to a hotel and stay five hours while he had his overcoat and trousers cleaned.

Mr. BURROUGHS. I have no doubt of it, and I should probably have had the same experience if I had not worn rubber boots, which the officers had kindly provided me. As I have already stated, I was told again and again that conditions were much worse there three or four weeks ago than the day I was there.

Mr. GILLETT. If the gentleman will allow me, when was that camp established?

Mr. BURROUGHS. Some time in the summer; I can not tell exactly when. I know that the New Hampshire boys have been there since November.

Now, let me tell you another thing. We were told, not only once, but several times, that until a few days before we were there these boys in the New Hampshire regiment had been sleeping on their cots, without any wooden flooring in their tents. In other words, until within a few days before we went down there they were sleeping on their cots, which stood in mud 3 to 6 inches deep. More than that, we were also told that no bathing facilities whatever had been furnished them by the Government since they came to this camp last November. I ask leave to extend my remarks in the RECORD by printing a report of the Surgeon General of the United States, which report will verify what I am saying.

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LUFKIN. Will the gentleman yield?

Mr. BURROUGHS. I yield to the gentleman.

Mr. LUFKIN. Are any shower baths installed there?

Mr. BURROUGHS. Absolutely no shower baths, as I am informed. Certainly the New Hampshire boys had none, and I understand there are no facilities for shower baths, or, in fact, any kind of a bath, furnished by the Government. I understood that the Maine regiment had rigged up some sort of arrangement for themselves, where they had four little pipes that they could go under and get something like a shower bath. Others may have adopted similar expedients; I do not know about that. What I mean to say is that, at least so far as the New Hampshire regiment is concerned, the Government of the United States has furnished them no bathing facilities whatever since they came to Camp Greene last November.

Mr. LUFKIN. If a man wants to get a bath, what does he do?

Mr. BURROUGHS. He goes either to the Young Men's Christian Association building at Charlotte, 3 miles away, or to some private house in the city. I want to say that my information is all to the effect that the townspeople generally have been most cordial and kind to these boys.

Mr. GANDY. Where do they get the drinking water for that camp?

Mr. BURROUGHS. Drinking water is obtained from the city of Charlotte. I understand there is no criticism whatever in regard to the drinking water or in regard to the food. So far as I can I want to praise conditions at the camp. The drinking water is all right and the food is all right. The men have plenty of it, and it seems to be good.

I found that the New Hampshire boys had not sufficient equipment. They seemed to have had sufficient clothing, including uniforms, shirts, shoes, overcoats, and other wearing apparel, but they were short in the so-called ordnance equipment, by which I mean rifles, belts, packs, pack carriers, and so forth. This regiment is organized for headquarters guard duties, and there might be some excuse for not equipping it with machine guns and other implements of modern trench warfare.

There can, however, be no excuse for not furnishing them with full equipment of rifles and the other ordnance equipment referred to. This has not been done. The men of this regiment

have substantially no rifles. The captain of one company, when I asked him how many rifles he had, replied: "I have four men now doing guard duty. Each of those has a rifle, and there in the rear of the tent you see all the rest we have." I looked where he pointed and counted the rifles, and there were just 14. Another captain told me he had 35 rifles for 242 men. I was informed that one battalion, consisting of about 1,000 men, had just 115 rifles. These rifles which the men have are not the modern rifles used at the front but are the old discarded and condemned Springfield rifles. They may be all right for the manual but can not be used at all for range practice. As I understand, they are not available for rifle practice. Gen. Pershing has recommended that before these men go to France they shall be instructed in range firing, and it is an utter impossibility for them to have this practice with the rifles they now have. Right here, let me say, that I feel considerable anxiety for the company commanders of this regiment, and, in fact, all regiments not suitably equipped. My understanding is that present Army regulations place entire responsibility for the training of the men upon the company commander. Also, I understand that when called to account for the lack of training of their men, it is no answer or excuse for the commander to say that he has not been supplied with adequate equipment. Especially is this likely to be the fact in view of the impression given by the Secretary of War that there are rifles enough. Whatever may be the condition with other regiments at Camp Greene, with respect to rifles, and whatever may be the condition at other camps in this regard, I state here and now, upon my own responsibility, that the men who compose the First Headquarters Regiment at Camp Greene have no adequate supply of rifles. I further state that the officers of this regiment made requisition months ago for rifles and other ordnance equipment and were informed that such equipment was already on the way and would soon be received. This was in December last. Shortly thereafter some equipment was received, but when the officials came to check it up with what they had requisitioned they found that instead the rifles, belts, packs, pack carriers, and other supplies and equipment they needed, and which had been asked for, all that had been actually sent them were mess pans and currycombs. [Laughter and applause.]

We also learned that men constituting the First Headquarters Guard Regiment at Camp Greene had had no opportunity for drill since sometime in December. I can not see how it would be possible for any man to drill under such conditions as I saw them at the camp last Saturday. Personally I had to have assistance in order to walk over the roads and paths of the camp, in order to maintain my footing in the mud and water.

Another matter that was forcibly brought to our attention on this visit was the overcrowding in the tents. The men all live in canvas tents about 16 feet square. Gen. Gorgas, the Surgeon General of the Army, has from the beginning repeatedly, and with great emphasis, urged and recommended in his official reports to the War Department that not more than five men be quartered in a tent. This would give them 50 square feet of floor space to each man, which he says is essential for the health and well-being of the men. Instead of that we found eight, and in one instance I counted nine cots in a single tent. My information was that this is the general condition throughout the camp, and I find this is confirmed by the official report made by the Surgeon General to the War Department on February 12.

I am glad to be able to state that in spite of the insanitary conditions referred to the sick rate at this camp has not been unusual. The hospitals are not overcrowded at the present time. We were informed, however, that there was a lack of medical supplies at the regimental hospital of the First Headquarters Guard Regiment. I did not, however, understand that this had been a matter of long continuance.

The only method of heating the tent is through the small field ranges, which are conical-shaped stoves about 2 feet high, and standing on a base about a foot in diameter. In these the men have been obliged to burn green wood which they have had to cut themselves, and my information is that there is a shortage even of this fuel at the present time. These ranges, as the Surgeon General states, are uneconomical and smoke indoors with any sort of wood fuel.

The great thing that I complain about at Camp Greene is the insanitary condition throughout the camp, due, in large measure, to the utter lack of any system for the disposal of sewage. This, I say, is without excuse. It is shameful. It is a disgrace to this great Government. Here are more than 40,000 men, the pick and flower of the young manhood of this country, ready to lay down their lives, if necessary, in defense of their country. All they ask is, if they have to lay down their lives, they may be allowed to do it on the field of battle under their country's flag and fronting their country's foes. [Applause.] They do not want and the Government of the United States has no right to ask the boys to die ignominiously like rats in a mud pen. I can not too strongly emphasize my conviction that the conditions at Camp Greene, as my colleague and I saw them last Saturday, call loudly for instant and radical remedy. Whatever may be necessary or advisable elsewhere, there should be no further "watchful waiting" at Camp Greene.

In further substantiation of the statements I have made I present the official report of W. C. Gorgas, Surgeon General, United States Army, to the Secretary of War, dated February 12, 1918, four days before our visit to this camp. This report is taken from the Official Bulletin of February 14, 1918, and reads as follows:

REPORT OF GEN. GORGAS.

FEBRUARY 12, 1918.

Memorandum for the Secretary of War.

The wet weather and character of the soil at Camp Greene, Charlotte, N. C., together with the temporary nature of the camp, have brought about conditions which I wish to call to your attention and which may be summarized as follows from the last two reports of sanitary inspections of the camp:

GARBAGE REMOVAL STOPPED BY MUD.

Knee-deep mud has interfered with garbage removal by contractors, and quantities have been dumped or buried because of shortage of fuel for burning it.

Limited facilities for heating water for bathing over a period of several months has resulted in the men becoming dirty.

Water from the kitchens, baths, and overflowed latrines is removed by ditches, surface drainage, or stands in pools. The character of the soil will make it slow to dry out and, with the advent of warm weather, flies and other insanitary conditions may be anticipated.

The dirt floors of the kitchens will breed flies; the field ranges in use are uneconomical and smoke indoors with any wood fuel.

Shortage of supplies has held back the work on the detention camp for contacts until its overcrowded condition has led to the establishment of quarantine areas in the regiments; but reports upon this indicate that completion of the detention camp is preferable to continuation of the latter plan, especially since sufficient tent space and separate latrines and mess halls have not been available to make the regimental quarantine absolute in the areas set aside.

Work has been held up on the additional quarters for nurses by failure of material to arrive, and the same has affected progress on reconstruction of the operating and laboratory buildings of the base hospital, which were recently destroyed by fire.

Overcrowding to the extent of eight men to a tent, and occasionally more, is reported.

SICK RATES NOT NOTABLY HIGH.

Sick rates at Camp Greene are not notably high, and measles and pneumonia cases appeared on the decline at the last report; but the unsanitary conditions mentioned should be corrected without delay to prevent increased sickness and mortality which may result from their continuance.

It has been recommended that additional tentage be supplied the commanding general, Camp Greene, to enable him to quarter all men on the basis of five to a tent instead of eight. It is understood that this recommendation has been approved.

The immediate necessity, Camp Greene, is the installation of a sewer system for the entire camp, which is again urgently recommended.

W. C. GORGAS,
Surgeon General, United States Army.

Mr. ESCH. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. HAYES].

Mr. DIES. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point that no quorum is present. The Chair will count. [After counting.] Eighty Members present, not a quorum, and the Clerk will call the roll.

Mr. BARKLEY. Mr. Chairman, I move that the committee do now rise.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. MAPES. Mr. Chairman, I demand a division.

Mr. GARRETT of Texas. Mr. Chairman, I make the point that the demand for a division is dilatory. The Chairman had announced the result.

The CHAIRMAN. The Chair thinks that the gentleman is within his rights. The question is, Shall the committee rise? A division is demanded.

Mr. SIMS. Mr. Chairman, I move in all good faith that the committee rise.

The CHAIRMAN. That is the very proposition on which the committee is dividing.

The committee divided; and there were 56 ayes and 5 noes.

So the committee determined to rise.

Accordingly the committee rose; and Mr. CRISP having taken the chair as Speaker pro tempore, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9685) for the operation of transportation systems under Federal control, and had come to no resolution thereon.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock a. m. to-morrow. Is there objection?

Mr. DIES. I object.

Mr. SIMS. Mr. Speaker, I move that when the House adjourns to-night it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER pro tempore. That motion is not in order.

Mr. SIMS. I thought so myself when I made it.

Mr. DIES. Mr. Speaker, I make the point that no quorum is present.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.) the House adjourned until to-morrow, Saturday, February 23, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Navy, transmitting a tentative draft of bill "To amend section 13 of article 8 of section 1624 of the Revised Statutes of the United States, relative to the receipt on board a vessel of the Navy of goods, merchandise, or treasure, for freight or safe-keeping" (H. Doc. No. 954); to the Committee on Naval Affairs and ordered to be printed.

2. A letter from the Secretary of the Navy, transmitting tentative provisions of legislation relating to pay and indemnity of naval aviators (H. Doc. No. 957); to the Committee on Naval Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (S. 1546) "To permit the use of certain refined products of petroleum as stores on steam vessels carrying passengers," reported the same without amendment, accompanied by a report (No. 335), which said bill and report were referred to the House calendar.

Mr. MAHER, from the Committee on Labor, to which was referred the bill (H. R. 9683) "To employ prison labor for the production of war supplies and to authorize their purchase by the Federal Government; to regulate the compensation and hours of prison labor and fix standards; to prohibit the purchase of war supplies manufactured by prison labor under private contract; to limit the effect of interstate commerce between the States in goods, wares, and merchandise wholly or in part manufactured, mined, or produced by prison labor or in any prison or reformatory; and to equip the United States penitentiaries and the United States Army prisons and disciplinary barracks and the United States naval prisons for the manufacture of supplies for the use of the Government; for the compensation of the prisoners for their labor; and for other purposes," reported the same without amendment, accompanied by a report (No. 336), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. McKEOWN: A bill (H. R. 10159) to discharge from military service soldiers having dependents requiring their support; to the Committee on Military Affairs.

By Mr. STEELE: A bill (H. R. 10160) authorizing the several district courts of the United States to appoint official stenographers and prescribing their duties and compensation; to the Committee on the Judiciary.

By Mr. ANTHONY: A bill (H. R. 10161) granting pensions to certain enlisted men, soldiers, and officers who served in the Civil War; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 10162) to provide further for the national security and defense by regulating rents of real estate in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McCLINTIC: A bill (H. R. 10163) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to proyide for the deferred classification of such labor; to the Committee on Military Affairs.

By Mr. RIORDAN: A bill (H. R. 10164) making an appropriation for the improvement of the Arthur Kill River, N. Y.; to the Committee on Rivers and Harbors.

By Mr. PARK: A bill (H. R. 10165) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to provide for the deferred classification of such labor; to the Committee on Military Affairs.

By Mr. MASON: A bill (H. R. 10166) to grant the survivors of the Civil War and the War with Spain, or the widows or minor children of such soldiers, a land warrant in lieu of the homestead grant; to the Committee on Pensions.

By Mr. STEENERSON: Resolution (H. Res. 256) directing that there shall be printed 1,600 copies of the hearings before the Director of the Bureau of Markets, December 27, 1917, relating to the official grain standards of the United States; to the Committee on Printing.

By Mr. CLARK of Missouri: Memorial of the Legislature of the State of Montana favoring the appropriation of $750,000 for the Flathead irrigation project for the ensuing year; to the Committee on Indian Affairs.

By Mr. GALLIVAN: Memorial of the Legislature of the State of Massachusetts, favoring the creation of a league of nations to safeguard permanent peace upon the termination of the present war; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Massachusetts, favoring the ratification of regulations establishing a closed season on water fowl; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10167) granting an increase of pension to Eli Pealer; to the Committee on Invalid Pensions.

By Mr. CARAWAY: A bill (H. R. 10168) granting a pension to J. P. Dooley; to the Committee on Pensions.

By Mr. DENTON: A bill (H. R. 10169) granting an increase of pension to Garrison J. Jaques; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 10170) granting a pension to James W. Hall; to the Committee on Invalid Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 10171) for the relief of Alonzo Hannis, alias Albert Webb; to the Committee on Military Affairs.

By Mr. KAHN: A bill (H. R. 10172) granting a pension to Mary Morgan; to the Committee on Pensions.

By Mr. KREIDER: A bill (H. R. 10173) granting a pension to Sarah L. Seltzer; to the Committee on Invalid Pensions.

By Mr. LESHER: A bill (H. R. 10174) granting an increase of pension to Charles G. Mack; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 10175) for the relief of John Berrin; to the Committee on Military Affairs.

By Mr. NOLAN: A bill (H. R. 10176) granting a pension to Mary L. Greenwood; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 10177) granting an increase of pension to George Barrows; to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 10178) granting a pension to John Osborn; to the Committee on Invalid Pensions.

By Mr. SANFORD: A bill (H. R. 10179) granting an increase of pension to James C. Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10180) for the relief of Charles Springer; to the Committee on Military Affairs.

By Mr. SNOOK: A bill (H. R. 10181) granting an increase of pension to James I. Sherwood; to the Committee on Pensions.

By Mr. ZIHLMAN: A bill (H. R. 10182) granting an increase of pension to Charles E. Welker; to the Committee on Pensions.

By Mr. TOWNER: A bill (H. R. 10183) granting a pension to Clara S. Ickis; to the Committee on Pensions.

By Mr. WELTY: A bill (H. R. 10184) granting an increase of pension to William W. Counts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10185) granting a pension to Hattie E. Kerst; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of 20 women students of the University of Michigan; also resolutions of the Browning Club, Athens, Tenn.; the Arkansas Press Association; Abingdon (Ill.) Woman's Club; and the West Pullman Woman's Club, Chicago, Ill., asking for the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. CLARK of Pennsylvania: Petition of A. F. Young Burgess, president of the council; H. D. Johnson, clerk of the council; F. W. Casler, and 18 other residents of Union City, Pa., praying for the passage of House bill 7995, for the preservation of the *Niagara*, Commodore Perry's flagship in the Battle of Lake Erie; to the Committee on Naval Affairs.

By Mr. DALE of New York: Petition of 20 women students of the University of Michigan; also resolutions of the West Pullman Woman's Club, Chicago, Ill.; the Abingdon Woman's Club, Abingdon, Ill.; the Browning Circle, Athens, Tenn.; and the Elective Study Club, Minneapolis, Minn., asking for the repeal of the periodical postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. DALE of Vermont: Petition of the First Division, Vermont Branch, Railway Mail Association, favoring the increase of compensation of railway-mail clerks, as provided in House bill 9414; to the Committee on the Post Office and Post Roads.

By Mr. FULLER of Illinois: Petition of the Westminister Association of the University of Michigan, for repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. HILLIARD: Resolutions adopted by Mount Garfield Lodge, No. 349, Brotherhood of Railroad Trainmen, protesting against legislation designed to place transportation employees under Federal workmen's compensation; to the Committee on Labor.

Also, resolutions adopted by the Farmers' Cooperative Grain Dealers' Association of Iowa, protesting against any legislation designed to guarantee dividends to railroads during the period of Federal control; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. Horwitz and M. Ball, of Denver, Colo., praying for the repeal of that section of the war-revenue act providing for increased postage rates on periodicals; to the Committee on Ways and Means.

By Mr. LOBECK: Petition of the Nebraska Improved Live Stock Breeders' Association, recommending the provision in the Agricultural appropriation bill for the prevention of tuberculosis among live stock; to the Committee on Agriculture.

By Mr. MAHER: Resolution of the Brooklyn Surgical Society, favoring House bill 9563, advancing the rank of medical officers in the Army; to the Committee on Military Affairs.

Also, memorial of the heads of the various organizations of railroad employees asking that no definite time be set for the return of the railroads to their owners; to the Committee on Interstate and Foreign Commerce.

Also, resolution of the New York State Forestry Association, favoring Senate bill 3344, establishing a plant quarantine on imported plants; to the Committee on Agriculture.

By Mr. STINESS: Petition of the League of Improvement Societies of Rhode Island, favoring the passage of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

Also, resolutions offered at a mass meeting, held at Pawtucket, R. I., under the joint auspices of the Young Men's Christian Association and the Rhode Island Anti-Saloon League, favoring the complete suppression of the liquor traffic, either by the President under the power granted to him by Congress or by further legislation; to the Committee on Agriculture.

By Mr. TEMPLE: Petition of the Chartiers Presbyterian Church, Canonsburg, Pa., favoring an amendment to the Constitution of the United States, prohibiting polygamy; to the Committee on the Judiciary.

Also, petition of the council of the city of Pittsburgh, Pa., favoring the further improvement of the Ohio River and the passage of a bill providing for the construction of the Lake Erie-Ohio River Canal; to the Committee on Rivers and Harbors.

By Mr. TILSON: Petition of the New England Tobacco Growers' Association, concerning the limitation of tobacco growing; to the Committee on Agriculture.

By Mr. VARE: Petition of the Women's Trade-Union League of Philadelphia, protesting against insanitary conditions at the Frankford Arsenal; to the Committee on Military Affairs.

HOUSE OF REPRESENTATIVES.

SATURDAY, *February 23, 1918.*

The House met at 12 o'clock noon.

Rev. Earle Wilfley, pastor of Vermont Avenue Christian Church, Washington, D. C., delivered the following prayer:

Almighty and most merciful God, our Heavenly Father, whose we are and whom we serve, we would begin each day's duties rightly, and therefore do we plead for Thy divine guidance upon the session of this day. We pray, Heavenly Father, that into our minds may be put the truth that makes men free, into our hearts the human kindness that makes men loving, and the justice that is over all. We pray, Heavenly Father, that as we go on the journey we may have the guidance of Thine eye, the strength of Thine Almighty arm. Bless this distressed globe; especially bless our own beloved land. Put wisdom into the hearts and minds of those in power in the halls of legislation, in the marts of trade, and in the great thought of the people. We pray, Almighty God, that each man in his own way and in his own time may deal justly with his fellow man, so that to-day, Heavenly Father, we do pray that justice and right may prevail; that from the session of this day good may follow; from the minds of these men, Thy servants, the leaders of our people, may go that which will strengthen us in the eyes of the world, and win Thy approval. Bless all that may be dear to us as individuals and as representatives of a great free people, and in our relation to our brother man, in our relation to the nations of the world, may there be such exact and even justice, such cordial and sympathetic friendship, as that in the ages to come generations unborn may look back and say, The deeds of those great days were well done. God hear us, answer us in Thy wisdom, and to Thine own Divine end we ask, for Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

QUESTION OF PRIVILEGE.

Mr. WALSH. Mr. Speaker, I rise to a question of the privileges of the House.

The SPEAKER. The gentleman will state it.

Mr. WALSH. Mr. Speaker, in the RECORD of February 19, 1918, under permission granted to the gentleman from Kentucky [Mr. POWERS] on February 6, appears an extension of remarks, a part of which are the remarks made by the gentleman from Kentucky [Mr. POWERS] upon the alien-slacker bill, so called. The greater part of the extension consists in——

Mr. LANGLEY rose.

The SPEAKER. For what purpose does the gentleman from Kentucky rise?

Mr. LANGLEY. I desire to make a suggestion to the gentleman from Massachusetts.

The SPEAKER. Does the gentleman from Massachusetts yield?

Mr. WALSH. Yes.

Mr. LANGLEY. I want to call the gentleman's attention to the fact that my colleague, Mr. POWERS, is not here this morning. I do not know whether he will be here to-day or not, but I suggest to the gentleman that it would seem better, and especially in view of the fact that there is no need of action on this matter immediately, that he wait until Mr. POWERS can have an opportunity to be present, so that he may say whatever he desires to say in answer to the comments of the gentleman from Massachusetts or of anyone else who may discuss the proposition the gentleman is raising.

Mr. WALSH. Mr. Speaker, if the colleague of the gentleman from Kentucky, Mr. POWERS, can give me any information as to when he thinks he will be here, I will be glad to have him do so.

Mr. LANGLEY. I can not. I have not seen my colleague from Kentucky to-day. I do not suppose he knows that this matter is to be brought up. I am acting entirely on my own initiative and on what seems to me to be the proper course. I feel it my duty to make the suggestion I have, and that is as far as I can go.

Mr. WALSH. Mr. Speaker, I have no desire to seem to be taking advantage of the gentleman from Kentucky in any way, and at the suggestion of his colleague I desire to say that I am willing to forego raising this question at this time, but I wish to give notice that I shall bring it up on Monday or Tuesday of next week.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bill of the follow-

ing title, in which the concurrence of the House of Representatives was requested:

S. 3752. An act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

EXTENSION OF REMARKS.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a letter from J. J. Saunders, parole clerk of the Arizona prison, in regard to the enlistment of convicts in the Army.

The SPEAKER. The gentleman from Arizona asks unanimous consent to extend his remarks in the RECORD by printing a letter touching the enlisting of convicts in the Army. Is there objection?

There was no objection.

Mr. KINKAID. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the railway-control bill.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD on the railway bill. Is there objection?

There was no objection.

Mr. VOIGT. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Wisconsin makes the same request.

Mr. SIMS. Mr. Speaker, I desire to make a request to cover all—that all gentlemen who have spoken on this bill or who may speak on it may have five legislative days in which to extend their remarks.

Mr. GARNER. On the bill?

Mr. SIMS. Of course.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that all gentlemen who have spoken on this bill or who may speak on it shall have five legislative days from the time the bill is disposed of in the House within which to extend their remarks in the RECORD.

Mr. SIMS. On the bill.

The SPEAKER. On the bill.

Mr. WALSH. Mr. Speaker, reserving the right to object, unless the request is made so as to comprehend only gentlemen's own remarks and pertinent citations, excluding telegrams, letters, and editorials, I shall object.

Mr. SIMS. I think that is proper, and I adopt that suggestion.

The SPEAKER. The gentleman from Tennessee modifies his request so as to exclude letters, telegrams, editorials, and extraneous matter generally, that the speeches printed shall be on the bill, to be the gentlemen's own remarks or such citations and quotations as are absolutely pertinent. Is there objection? There was no objection.

WITHDRAWAL OF PAPERS.

By unanimous consent, Mr. LEHLBACH was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Michael Friel (H. R. 16666, 63d Cong., 2d sess.), no adverse report having been made thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. POLK, for to-day, February 23, and Monday and Tuesday, the 25th and 26th, on account of important business;

To Mr. HAMLIN, for three days, on account of illness; and

To Mr. OLIVER (at the request of Mr. SMALL), for two days, on account of important official business.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes. Pending that, how much time does the gentleman from Wisconsin lack of having consumed his entire time?

Mr. ESCH. I think 35 or 37 minutes.

The SPEAKER. Thirty-seven minutes.

Mr. SIMS. Then I ask unanimous consent that general debate shall continue for 37 minutes more, the entire time to be used by the gentleman from Wisconsin [Mr. ESCH].

The SPEAKER. The gentleman from Tennessee moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the railroad bill and, pending that, asks unanimous consent that general debate be extended for 37 minutes, and that the whole of that time may be used by the gentleman from Wisconsin [Mr. ESCH]. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, I would like to inquire if the gentleman from Wisconsin intends to discuss this bill?

Mr. ESCH. As far as I know those to whom I will concede time will speak on the bill; yes.

Mr. WINGO. I have no objection to the extension of time for general debate if the discussion is confined to the bill, but I do not care to be held here to hear political speeches such as we heard on yesterday.

The SPEAKER. Is there objection?

Mr. WINGO. And with the assurance it will be confined to the bill——

The SPEAKER. The Chair can not give any assurance about what anybody is going to say at any time or place or about anything.

Mr. WINGO. I am not asking the Chair, if the Chair will permit, but I am asking the gentleman from Wisconsin for that assurance.

Mr. ESCH. As far as I am assured by the three or four gentlemen to whom I will yield time, they are to speak on the bill.

Mr. WINGO. With that assurance I shall not object.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. ESCH. Mr. Chairman, I yield 12 minutes to the gentleman from California [Mr. HAYES]. [Applause.]

Mr. HAYES. Mr. Chairman, of course no man can adequately discuss this great proposition in the time allotted to me, so I shall only undertake to deal with one or two of the things which I think are important in the consideration of this bill. Having taken the step that has been taken, the Government having already taken over the management and operation of a large percentage of the railroads of the United States, it would be futile for me to discuss the wisdom of that step.

Indeed, if the question now under consideration was whether or not the Government of the United States should at once relinquish the control of these carriers I doubt if I should care to assume the responsibility of taking the affirmative of the question, fearing that such a step would produce confusion worse confounded than we now have. While I desire in every way to support the Government in the prosecution of the war, it seems to me proper to discuss what shall happen after the war necessity for this operation by the Government has passed. In other words, how long after the close of the present war is it desirable for the Government of the United States to retain control and continue the operation of the railroads of the United States?

The gentleman from Michigan [Mr. FORDNEY] discussed very fully the other day the subject of Government ownership in other countries of the world as well as in this. I had intended to supplement what he said by other facts that could be cited to show the disastrous results of Government ownership where it has been tried, but my limited time forbids. I will, however, say that I have made a comparison of the operation of the privately owned railroads of the United States and the Government-owned railroads of Germany and Japan for the year 1913, the last year before the war. Although the railroads of Germany were then conceded to be the best example of Government ownership and operation in the world, and although Japan paid its railroad employees the lowest wages paid for similar service in the world, the comparison is all to the advantage of the roads of the United States. I have put the results of this comparison in the following table. The figures, which are taken from official documents, speak for themselves:

Comparative statistics of the railways of the United States, Germany, and Japan for the year 1913.

Item.	United States of America.	Germany.	Japan.
Miles of line	244,418	38,154	5,473
Miles of all tracks	369,580	78,382	8,201
Miles of all tracks to mile of line	1.51	2.06	1.50
Capital per mile of line	$68,861	$120,049	$88,633
Number of employees	1,815,239	786,466	112,087
Number of employees per mile of line	7.43	20.61	24.80
Yearly wages of employees	$756.83	$408.97	$112.56

Comparative statistics of the railways of the United States, Germany, and Japan for the year 1913—Continued.

Item.	United States of America.	Germany.	Japan.
Number of locomotives	63,178	29,520	2,500
Number of locomotives per mile of line	0.26	0.77	0.46
Number of passenger cars	51,700	86,098	6,453
Number of passenger cars per mile of line	0.21	2.26	1.18
Number of freight cars	2,273,564	671,096	42,705
Number of freight cars per mile of line	9.30	17.59	7.96
Average capacity of freight cars.....tons	38.0	15.9	9.6
Number of passengers carried	1,033,679,680	1,797,188,599	167,773,143
Number of passengers carried 1 mile	34,575,872,980	25,592,777,187	3,690,964,619
Receipts per passenger carried 1 mile	$0.02008	$0.00908	$0.00693
Passengers carried 1 mile per employee	19,100	32,540	32,930
Passengers carried 1 mile per passenger car	668,780	297,250	571,975
Number of tons freight carried	2,058,035,487	745,852,206	40,710,165
Number of tons freight carried 1 mile	301,398,752,108	46,243,983,919	3,420,314,955
Receipts per ton freight carried 1 mile	$0.00729	$0.01244	$0.00774
Number tons freight carried 1 mile per employee	166,040	58,800	30,425
Number tons freight carried 1 mile per freight car	132,570	68,910	80,010
Number passengers and tons freight carried	3,091,715,167	2,543,040,805	208,483,308
Number passengers and tons freight carried 1 mile	335,974,625,088	71,836,761,106	7,111,281,574
Number passengers and tons freight carried 1 mile per car	144,490	94,870	168,120
Number passengers and tons freight carried 1 mile per employee	185,140	91,340	63,355

The reason for the failure of Government ownership is not far to seek. The reason exists entirely in the nature of the ordinary human being. Few men are dominated, though some I hope are, by altruistic motives. The ordinary man is dominated by selfishness, and if he is employed in an occupation that does not conduce directly to his benefit or to his comfort or to his wealth, he is very little interested in the occupation. As soon as Government ownership comes in this element of self-interest is largely eliminated. The employee has then to work not for himself primarily, but for the benefit of all the people of the country in which he lives. The result is a great falling down in efficiency, in energy, and in capacity. As a result of this recognized human characteristic I think any dispassionate man who will examine the history of the world since Government ownership has been tried will come to the conclusion that the privately owned railroad corporation can pay the taxes that are imposed by the Government, can pay interest on investment of private capital, can pay higher wages to labor, and at the same time can furnish to the people of the country served better and cheaper service than Government-owned railroads can furnish when relieved from all taxation and all responsibility for interest on the investment. It seems to me that anybody who will look at it deeply and dispassionately, and who is not hypnotized by some alluring theory, must come to this conclusion.

I am quite well aware that a fine case can be made out for Government ownership in theory, but facts are stubborn things, and a few facts of experience will answer all the theoretical arguments in the world. All that is necessary for an ordinary man to do to be thoroughly satisfied of the results of Government ownership of railroads is to go to Europe and travel upon the Western Road of France, for example, which is the only road in France owned by the Government, and then upon the other roads of France, which are owned privately. Cross the line and travel on the railroad lines of Prussia, for example, which before the war were concededly the best managed and operated Government roads in the world, and then go to England and travel on the privately owned roads of England.

Just let him keep his eyes open and his mind in an open attitude so as to take in and pass upon the facts that will come to his attention and he will come to the conclusion that private operation is vastly superior in every way to operation by the Government.

You do not need to go so far away as France or Prussia or England or any other foreign country to get this object lesson. All you need do is to do as I did a few weeks ago, take a trip from Pittsburgh to Washington on the great Pennsylvania Railroad and see the transformation that has taken place in the conditions of the service even since last December as the result very largely of the operation of this line by the Government. To be sure, some of this disorganization and inefficiency may be laid to the jar that has come about by changing the status not only of the Pennsylvania Railroad but of many of the great roads of the United States east of the Mississippi River. Any man who is connected with large business affairs or who knows much about business would know that this great change could not be made without a great shock coming not only to the property and the business directly affected, but to all the business and industries of the country that are at all depending upon it. So I do not claim that all that I saw of inefficiency and disorganization is to be laid to the fact that the Government was operating this road.

But this is what happened: I rode on one of the limited trains. In the first place, the train did not start for three-quarters of an hour after it should have started, apparently not being in a hurry to get away. When it got under way we were several hours late into Harrisburg. We should have made the trip from Harrisburg to Washington in three and one-half hours. As a matter of fact it took us nine hours to make the trip. All the way we had no heat in the train, though the temperature was down to about zero. We landed in Washington at 2 o'clock in the morning, instead of the day before. On the way we had plenty of opportunity to observe the condition of things on the main line. I saw many hundreds of carloads of coal standing on the sidetracks, and this was at the time we had the coal famine in Washington and generally throughout the country. These hundreds and hundreds of cars standing on the sidetracks had a foot of snow, at least, on them, indicating that they had been there for some time. I saw many cars marked "Out of order," standing on the sidetracks, some loaded and some empty, but more of them empty, and on examination it was apparent that the needed repairs were not serious in most cases. Many of them only needed a bolt put in a drawbar in order to make them serviceable, but no bolt had been put in. Everything you looked at and every part of the service with which you came in contact caused you to become conscious that inefficiency and disorganization were rampant everywhere.

The manager, superintendents, foremen, and others charged with the responsibility for the operation of this great system are in a state of perturbation and uncertainty. They do not know where they stand and fear that at any time they may be superseded or removed. As a result the heart and energy are taken out of them. The same is true of the subordinates under them. They are uncertain of their positions and, besides, they feel—many of them—that they are working for Uncle Sam, and it makes little difference whether they lose time, get the freight through, or how they perform their duties—Uncle Sam is rich, and their wages will be coming through on pay day just the same. There is only an impersonal interest in their occupation, and the spur of self-interest is very largely removed. They expect that politics or political considerations are to take the place of the demand that has constantly come from their superiors for their efficiency and good work. Their hope for promotion according to the rules and length of faithful service and the usages and practices established by those charged under private ownership with the responsibility for these things has been disturbed and, in their mind, probably destroyed.

As a result of all this there is no discipline among the employees. The employees of the Pennsylvania system, heretofore courteous, obliging, and accommodating, were quite the reverse upon the occasion of my last trip. And I understand from those who have taken trips similarly that the same conditions can be found upon other railroads that are now operated by the Government of the United States.

And the same conditions, showing the same results, exist in the shipbuilding industry. I happen to be connected with the iron business in a small way, and so am somewhat informed in regard to the various lines of the iron and the steel industry. And I am advised from reliable sources that last June and July, before the United States took hold of shipbuilding actively, 350 rivets per day per man was an ordinary average day's work, but that now, or when I got my advices a week or 10 days ago, this had decreased until 180 to 130 rivets per man per day was the average day's work.

On the 22d of February Herbert Hoover, the National Food Administrator, gave a statement to the public asserting that, owing to the fact that the freight transportation of the railroads was so inefficient and demoralized, there was danger of a food shortage in all the districts of the East for the next two months. The whole blame is put by Mr. Hoover on the

railroad congestion, which has continued for three months, two of which have been under the control and management of the National Director General of Railroads.

Mr. C. R. Wilson, our Federal food administrator for the District of Columbia, puts the situation locally in the following words:

Many weeks ago, when it became apparent that a more stringent program of wheat conservation would probably have to be adopted, I made an informal survey of the supplies of wheat, rye, barley, oats, etc. then in the hands of the bakers and wholesalers of the District, inquiring of them what they had on hand, what they had rolling to Washington, and what they had ordered I was then principally concerned with getting into our markets an abundant supply of the substitutes for wheat, and to this end I furnished to some of them—all who showed a desire to cooperate—lists of mills throughout the country at which the substitutes could be had

Our bakers and merchants generally gave loyal support, but because of bad weather, freight congestion, and embargoes they could not get their orders accepted, or, if accepted, could not get shipments through. Later special arrangements were made with the proper railroad officials for expediting carloads of foodstuffs upon notice to them of delayed transportation.

A notice was at once sent out from my office to every possible consignee of foodstuffs in Washington that if he would report delayed shipments to my office, giving car initials and numbers, nature of shipment, names of shipper and consignee, and route over which shipped, every effort would be made to have the shipment expedited.

From that day to this a clerk in my office has done little else than sit at the telephone and receive complaints from consignees and forward them at once over the telephone to the proper designated railroad officials, giving complete information covering delayed shipments and refusals by railroads to accept shipment on account of embargoes.

We have splendid cooperation from our merchants and from the railroad officials with whom we have been in touch, but there have been delays of weeks, even months, in transportation from points both far and near. There are many instances of delays of weeks even from points in Virginia and Maryland.

Now, what is the cause of all this? It is the same cause exactly as produces inefficiency and lack of energy in every industry that the Government undertakes. It is the same trait in human nature operating that makes it impossible for any socialistic effort or experiment to be a success. It is because the man who feels as though he was to draw his wages or that he would eat or that he would have his desires satisfied just the same, whether he took any interest in his work or not, or whether he worked half his capacity or his full capacity; such a man will not work with the same energy and the same interest or the same efficiency that he would use if he understood that he must produce something in order that his employer may be able to pay him his wages and that some one knows what he is doing who has power to raise his wages, to promote or discharge, according to his real deserts. [Applause.]

It seems apparent to me that the sooner the exigencies of the war will permit the Government to relinquish control of the railroads of the country, the better it will be, not only for the railroads and their owners but for all the people of the United States. I can see no reason for continuing this Government control and operation for any considerable length of time after the close of the war. If the Director General spends any of the public moneys for betterments or rolling stock or for dividends or for anything else that he is authorized by law, that he can not recover for the Treasury out of the operation of the lines, he will certainly have taken bonds or other securities—or if not securities, at least the notes of the company to whose benefit the expenditures will inure. Therefore, when the time comes for the relinquishment of his control, the whole matter will be a matter only of accounting. Thirty or sixty days will be ample time in which to adjust the financial relations of the Government to the railroads. I can see no necessity for any extended legislation, but if such necessity should exist, or if it should be apparent before the formal declaration of peace that some legislation would be necessary, Congress will still be on the job, and by a joint resolution could extend the time until such time as legislation to meet the situation could be formulated and passed.

Under the conditions existing in the country, as I have briefly outlined them and as I think they are known to nearly all the people of the country, is it not for the interest of the people of the United States that these roads should not remain under this governmental control longer than necessary?

And what interest have the roads in continuing this operation? It is to be expected that the hundreds of thousands of owners of the bonds and stocks of the railroads of the country will be perfectly satisfied to shoulder all their responsibilities upon the Federal Government during the uncertain and strenuous times of the war if the Government guarantees, as it does in this bill, to return the various properties in as good repair as they are at present, to keep up the supply of motive power and rolling stock, and to pay the dividends that the roads have been able to earn during the last three years.

I am finding no fault with these provisions of the bill. Having taken their property away from them, I do not see how we could do much less and be just; but if the railroads are to be returned to their owners, is there any advantage to them which the legislator should consider in having the present relation continue beyond the war?

The study of the subject has convinced me that there is not, and I have supplemented my opinion by the opinion of some of the best railroad operators in the land. One of the men connected with the management and operation of the great Chicago & North Western Railway system, in answer to my request for his opinion in this matter, writes me as follows:

I know of no reason whatever why the railroads should be held a moment after the war ceased, and there will be no better time for the Government to drop control than immediately with the close of the war; and the railroads, as well as other peoples, can readjust themselves at the same time.

I also quote a few words from page 179 of the hearings before the House Committee on Interstate and Foreign Commerce, where Julius Kruttschnitt, formerly of the National Railway Board and chairman of the board of directors of the Southern Pacific Co., makes the following statement:

I think the bill should prescribe definitely when the roads are to be returned to their owners. If the conditions during the time that the Government operates the roads are thoroughly met by the officers of the Government, such as providing revenue to the railroads to pay increases in wages, to meet large increases in expenses—increases in expenses larger than those that prevailed at the time that the Government took the roads over—I don't see any reason why the roads should not be returned to the owners substantially at the time of the declaration of peace.

If the Government advanced money by taking securities to roads that wanted to make betterments in the way of second tracks or terminals, I assume the Government would receive some kind of security for these loans or advances; and I can't conceive why it would be necessary to wait six months or a year or two years after the declaration of peace simply because these advances had been made. I really don't see—I can't conceive of conditions that would require holding these roads indefinitely, as the bill seems to provide, after the close of the war. It seems to me that they should be returned to the owners within a reasonable time put in the bill, "not exceeding blank months," I should say—six months.

Both of these men are among the brightest railroad operators of the country, men who have come up from the ranks and know the railroad business from the bottom to the top, by experience, and their opinion in this matter is entitled to great weight.

There are two reasons why justice to the railroads requires that we release to them their property at the earliest possible moment. The first has been alluded to by the above gentlemen I have quoted, and is briefly this: At the close of the war all kinds of business in the country must pass through a more or less extended stage of readjustment to new conditions. The railroads of the country should be put into the hands of their owners so that they may pass through this adjustment with the other business interests of the country. This adjustment must take some time, even if there were no change to be made from the Government to private operation; but this adjustment must include an organization on a different basis and in many respects on very different lines than were required under Government operation.

The second reason is that already many of the employees of the railroads while in private hands have been discharged, others, no doubt, will be by the Director General, and the longer the railroads stay in Government hands the more of these employees will be discharged, and the more the organization of the railroads will be disorganized and disrupted.

The railroad tracks, locomotives, cars, buildings, and real estate are not the only valuable possessions of the railroads. Almost as valuable are the skilled, trained, and organized forces of employees that make up the operating organizations of the various lines. At the best that can be done the railroads are going to suffer a great loss as a result of the partial disruption of these organizations, and, as I have said, the longer the Government operation continues the greater will this loss be.

For the above reasons I hope that when the time comes to amend the bill which we have before us the House will adopt the view of the minority report of the Committee on Interstate and Foreign Commerce, and will reduce the time when the Government may maintain its control of these great properties from two years to one, or, preferably, to six months, after the close of the present conflict.

Mr. ESCH. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. HERSEY].

Mr. HERSEY. Mr. Chairman, as I have only 10 minutes, I desire not to be interrupted.

Mr. Chairman, the pending bill attempts to provide for the control and operation of the railroad systems of this country by the President for a period not exceeding two years after the close of the present war and to fix a compensation to be paid to the owners of these railroad systems—to fix rates and wages, and to appropriate the sum of $500,000,000 to inaugurate such operation.

At the present time these railroad systems have been taken over and are under the control of the President by virtue of the act of Congress approved August 29, 1916, which says:

The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same to the exclusion, as far as may be necessary, of all other traffic thereon, for the transfer or transportation of troops, war material, and equipment, or for such other purposes connected with the emergency as may be needful or desirable.

It will be noted that the bill under consideration is not limited to the control of the railroads, but extends to the operation of the same. While it is not directly a bill for Government ownership of these roads, if enacted into law this legislation will necessarily give in the conduct of these great lines of transportation conflicting authority, uncertainty, and confusion, and must result in the demoralization of business and of the railroad service.

The Hearst newspapers, which assume to speak for the administration, claim that the enactment of this bill into law will assure Government ownership of public utilities, and Thursday in the Senate Senator LEWIS, spokesman of the administration, said:

Mr. President, I may shock those who may know me with some intimacy when I wish it understood that I view this bill as the beginning of the Government ownership of the railroads. More than that, sir, from my viewpoint this bill initiates the policy of this Government into the ownership not only of the railroads but into that era of the ownership of the telegraph and the telephone in America, to be followed by the ownership or the control of the agencies of fuel, those natural agencies—coal and oil.

I shall not discuss the question of Government ownership of railroads. Last Tuesday in this House the gentleman from Michigan [Mr. FORDNEY] made a notable speech against Government ownership of railroads. He brought to that discussion a wealth of information and research that was very valuable to the Congress. By an array of the highest authorities he showed conclusively that wherever public ownership of railroads has been tried the world over it has inevitably resulted in complete failure and a return to private ownership.

This speech appears in the RECORD of yesterday and should be read by everyone who thoughtlessly favors Government ownership. It ought to settle forever the question in the minds of those who impartially examine the subject, and I am pleased to know that despite the hysterical declamations of a few in both Houses of the Congress who favor Government ownership and who denounce imaginary plutocrats that the Congress will not commit the country at this time to the Government ownership of railroads.

When the war is over the question of Government ownership will have been settled forever, for I am sure that the future operation of the railroads by the Government during the war will result in such a failure to better our conditions that we shall be only too glad to return these roads to the rightful owners.

The history of railroad progress in this country reads like a romance. In the dark days of '61 the loyal Government under Lincoln conducted a mighty war and at the same time built a great railroad across the continent. This was followed by the extension of railroad lines over the United States, by the granting of public lands by Federal systems, by the help of States, by the relief from taxation, by the assistance of counties and even townships, until our railroad system has grown to be the wonder of the world. It is the largest and richest system of any nation, while its rates and fares are much less than those of any other country in the world.

In the building up of these great railroad systems it necessarily followed that many promoters made themselves rich, and successful attempts were here and there made to wreck a railroad for the benefit of certain promoters.

But during the last 10 years much has been accomplished to place the railroad systems of the United States upon a sound financial basis, to prevent dishonesty in the conduct of the roads, and to place the supervision of the State and Nation over all these branches. This has been done by the establishment of the Interstate Commerce Commission, whose duty it is to regulate the fares, charges, and conduct of interstate roads. Also, many States have through their legislatures established public-utilities commissions, having authority in connection with the Interstate Commerce Commission to regulate the charges and supervise the conduct of their railroads until to-day it is almost impossible, under these laws and regulations, for a railroad company to water its stock, to issue stock and bonds, to establish unjust tolls and charges, or dispose of its franchises and property or to encumber the same without the consent of these Federal and State commissions, and it is no argument against the private ownership and operation of railroads that in the past there have been dishonest men in control of these lines of transportation. The great railroad heads to-day are men of ability and honor; their efficiency and fitness are vouched for by the President of the United States in his address to Congress January 4 last when he said:

It was in the true spirit of America, and it was right, that we should first try to effect the necessary unification under the voluntary action of those who were in charge of the great railway properties; and we did try it. The directors of the railways responded to the need promptly and generously. The group of railway executives who were charged with the task of actual coordination and general direction performed their difficult duties with patriotic zeal and marked ability, as was to have been expected, and did, I believe, everything it was possible for them to do in the circumstances. If I have taken the task out of their hands, it has not been because of any dereliction or failure on their part but only because there were some things which the Government can do and private management can not. We shall continue to value most highly the advice and assistance of these gentlemen, and I am sure we shall not find them withholding it.

But it is said by the advocates of Government ownership that at the present time we are in a great world war; that there has come a crisis in this Nation in its transportation facilities, and that it has become necessary for the President to appoint his son-in-law as Director General of the railroad systems for the purpose of making more efficient these lines of transportation for the purpose of the war.

It is true that the great railway systems of this country have been placed in a position where they were unable to fully perform the most efficient work. While the expense of operating railroads has increased to an alarming extent the Interstate Commerce Commission during the last three years has persistently refused to raise the rates of these transportation companies. This commission has not had the courage to do justice to the railroads. The expenses of these railroads have more than doubled. They have been obliged to husband every resource to move their trains. Strikes have forced them to raise the pay of their employees, while freight rates have remained practically the same. Of necessity they have been obliged to abandon many crippled freight cars because they have been unable from their returns to give the needed repairs, and during the past year there has been thereby a loss to these roads of 57,000 freight cars.

The Detroit Free Press of January 18 last expressed this thought in an article, in which it said:

While production of coal in the United States, notwithstanding the shortage of men, has been increased, due to the use of mining machines and other labor-saving devices, there is considerably more coal consumed than formerly, due to the increased consumption of munition plants and manufacturing establishments, the increased use of coal on ships, and at the training camps. In this connection there is naturally more coal being burned, due to the severity of the winter.

At many mines there is a shortage of railroad cars, due to the fact that the railroads have not sufficient equipment to handle the enormous volume of business now thrust upon them. The policy of the Government has been one of strangulation toward the railroads for many years. Railroad credit has been destroyed and bonds and stocks could not be sold in order to purchase more equipment.

Yet, in spite of all these handicaps and unjust treatment of the railroads by the Government, we find that during last year these great railroad systems increased their traffic by 135,000,000,000 tons. This is not a failure of transportation, as has been charged, but a wonderful success.

It was not necessary that the President should take charge of the operation of these railroad systems at the present time or ask for the enactment of this bill. Had the Interstate Commerce Commission given the necessary assistance by an increase in rates those who use the railroads would pay the charges and this extra income would keep up this rolling stock and make the roads efficient.

The President under his war powers, which he has now by law, could have directed the transfer and preference of any freight necessary for the conduct of the war. As it is now contemplated by this legislation, the President shall go further and not only raise the rates on these lines, which he has already done, but raise the wages of railroad employees. This bill will place in the hands of the President $500,000,000 to be spent as he directs, which money must be paid by taxes on all the people, even on those who do not use the railroads.

The Detroit Free Press, above mentioned, in the same article from which I have quoted, further says:

During the summer of 1917 newspapers throughout the country came out with flaring headlines advising people not to buy coal, stating that the price would be less later in the year. These statements were exceedingly misleading, and instead of the dealers throughout the country buying coal and beginning to store July 1, as has usually been the custom they procrastinated and did not begin to lay in their winter's supply until the middle of October.

In other words, the purchasing of winter fuel was postponed until at least three months and a half after the ordinary time when dealers begin to lay in stock.

Thus we find that it was not the fault of the railroads that during this present winter traffic has been congested and coal could not be more promptly delivered to distant sections of the country from the mines.

The individual had been soothed by the Government into a delusion that the Food and Fuel Commissions would lower to him the price of coal if he would only wait and be patient, and he waited. The coal dealer had been convinced by the Government that if he stored coal it would be commandeered and taken from him, and he could see nothing in the business, and thereby did not order from the mines. So a situation had been forced upon the people which was not the fault of the railroads and has not been remedied by "workless" and "heatless" days.

This bill will doubtless pass, giving to the President and his son-in-law supreme authority over these great lines of transportation. To my mind this means endless trouble and disaster to the business of the country. The Washington Times, the home organ of the administration, one of the Hearst progeny, says that there is to be a reorganization under McAdoo of the directors, managers, and officials of all these lines. Men who have spent their lives in this work and have come up from the section man and brakeman to president and general manager will find themselves displaced by place hunters, politicians, and officeholders, who know nothing about railroading and who care less, satisfied and contented to occupy an office and draw fat salaries from the Government while the people make large appropriations to take care of the deficits that are sure to come.

The late issue of the Railway Age says editorially:

"LEST WE FORGET."

Almost exactly 12 years ago one of the wisest and farthest-seeing Americans that ever lived made a prediction. The prophet was James J. Hill. The prophecy was that continuance of the policy of railroad regulation then being adopted by the State and National Governments would bring national disaster.

The policy was continued. The prophecy has been fulfilled. The disaster has come. It has come in the midst of the Nation's participation in the greatest of all wars. The Government last week ordered the industries of the busiest and most populous part of the United States shut down for five days. It has made each Monday in the same territory an enforced holiday for 10 weeks.

Those responsible for the order say it was necessary because the railways could not haul all the coal that the mines could produce and other industries could consume—that this was the only way to relieve the transportation congestion and increase the movement of fuel.

This is but a partial explanation. Last summer the Government created a Fuel Administration and put at its head a college professor, who knows little about fuel and less about administration. The great need of the country as regards fuel was a vast increase in production. No possible amount of conservation would make the supply sufficient. To get the needed increase of production the prompt adoption of large constructive measures was essential. Prices must be so fixed as to encourage the operation of mines which under ordinary conditions would be unprofitable. Production must be raised and kept to the very maximum possible during the summer and fall months when transportation conditions were favorable. It was desirable to divide the country into zones, as was long ago done in England, so that coal would be consumed near where it was produced and cross hauling and waste of transportation be eliminated.

The large constructive measures needed were not adopted. Instead of cooperating with the railways as was necessary, the Fuel Administration spent its energies in "passing the buck" to them. With a Fuel Administration which knew anything about the fuel business, there would have been a larger amount of coal produced and transported.

The rest of the explanation of the existing situation is that James J. Hill's prediction has been fulfilled. For 12 years the State and National Governments have followed a policy of regulation intended to compel unrestricted competition between railroads and to reduce their net return to the lowest basis which the courts would not hold confiscatory. In consequence, while the productive capacity of our industries has been rapidly increasing, the expansion of the facilites of our railways has been rapidly decreasing. The final outcome was clear to every intelligent and sane railroad man or business man. It was as certain that under this policy the railways in time would become unable to handle all the country's commerce as that the law of gravitation would continue to operate or the sun to rise in the morning and set in the evening.

This Nation is now passing through its supreme crisis. The voice of the political demagogue appeals to the elements of unrest and the logic of the mob. The wild socialism that has destroyed unhappy Russia attempts here in America to clothe in darkness the lighthouse of the Constitution and by the false fires of Government ownership to lure on the rocks and the breakers of socialism the ship of state that these wreckers may share in the plunder and spoils.

In this hour of destiny the Congress of the United States should stand like a mountain wall against the delegation of unlimited power to any one man. We should also have the political courage to defy the unthinking and frenzied mob, so that at the end of this terrible war we shall return again to our old-time prosperity and to "a Government of laws and not of men."

Mr. ESCH. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. WALDOW]. [Applause.]

Mr. WALDOW. Mr. Chairman, every phase of the subject matter under consideration has been so completely and exhaustively discussed by Members who have preceded me that I deem it unnecessary to attempt, in the few moments I have at my disposal, to discuss this bill except in a general way. Mr. Chairman and fellow colleagues, this world is passing through a period of change, mutations follow in rapid succession. Things are happening to-day with a suddenness and passing on with such velocity many of the people of this Nation can only stand and wonder what is coming next; we have altered our relations and changed our attitude to the nations of the world, and we have undertaken to reverse every process of thought and action, every rule, established by business, capital, and labor under which our national life has developed into the rich and mighty among the nations of the world, and we are attempting to change the natural law of supply and demand and to regulate and control the habits of human beings by acts of legislation.

I have infinite faith in the patriotism of the American people, and as their Representative in Congress I intend to support any legislation necessary, no matter how radical in character, to assist in winning this war, and will in the future, as in the past, support many measures and grant unlimited and unheard of powers to our President to enable him to act unhampered at all times in its prosecution to a successful end. It should be superfluous for me to state that 90 per cent of the legislation I have voted for during this Congress would not have had my support under normal conditions.

The importance and gravity of this legislation are second only in importance to our declaration of war and our selective-conscription act. In it we assume the property rights of the railroads, estimated at $18,000,000,000. We also assume the liability of compensating the owners for the use of their property, which amounts to about $1,000,000,000 a year, if we compare an average of their earnings for the past three years, as contemplated by this bill. We also assume the responsibility for the personal welfare of almost 2,000,000 railroad employees and their families.

Mr. Chairman, when the President assumed control and took possession of the railroads he was taking private property, and this Congress and Nation is ready to pay for the use thereof; the question that remains is one of fair and just remuneration and what means or method can be best devised to secure this result.

The President took possession of the railway systems of the country under the act of August 29, 1916. This act limits his possession to the duration of the war, when, unless we otherwise provide, the control of these systems will automatically be restored to their owners. Legislation now being enacted should, in my judgment, confine itself to this emergency, therefore that section of the bill designed to extend Government control to 12 months after the war should, in my judgment, be adopted, for it is in harmony with the general purpose of the bill.

Another feature of this bill, to which I will briefly refer, relates to rates of transportation. We have the right or authority to give to the President or any other individual or official the power to initiate rates. I should hesitate before voting to place such a power in other than the hands of the Interstate Commerce Commission, where it has rested for years, but for the fact that the railway systems are now under a new management and will be for the period of the war, and I intend to hold the President responsible for the operations of our railroads, the personal welfare of our 2,000,000 railroad employees and their families, and the $500,000,000 we have appropriated in this bill. I expect the President to use his own judgment in the matter of new equipment, in increasing the wages of the railroad employees, and in perfecting the railroad system to such a degree of efficiency that congestion of freight, such as we have had in the past six months, and a repetition of fuelless days for our factories and homes and fuelless ships loaded with supplies for our Army and our allies will be impossible; and holding the President personally responsible for the successful operation of and for all the expense incurred by the railroads, I am not going to grant to the Interstate Commerce Commission the right and the power to initiate rates for securing the money to pay for expenditures that they have not incurred. The President being responsible for the management of the railway systems is entitled to devise ways and means of obtaining revenue for their maintenance. I believe, however, that Congress should insist that the Interstate Commerce Commission continue to perform all of its former functions—except those to initiate rates—and particularly to continue to perform those with reference to the many safety-appliance acts so necessary to the safety of life and limb of the railroad employee and the general public.

Mr. Chairman, at the time the President took possession of the railroads it was apparent to everyone who was at all familiar with the real condition of affairs that the military operations of the Government were being seriously hampered. Troops, supplies, and munitions of all kinds were being delayed both in transit and upon their arrival at the place of destination. It was also apparent that the congestion of freight of all kinds was increasing day by day and some radical step was necessary if we were going to have an efficient dependable system of transportation.

I have heard much comment relative to the congestion of our great railroad systems, and I believe this breakdown should not and can not be credited to any single circumstance or any indi-

vidual fault of any individual railroad or their system. Many things must be taken into consideration when seeking for the cause of this unfortunate event. In the first place, we have the unprecedented business activities of this war confined almost entirely to one section of this country. In fact, the New England States, the State of New York, and the State of Pennsylvania have seen many of their towns grow into cities within the period of a few weeks. This vast increase in transportation, made necessary by virtue of the largely expanded munition manufactories, steel plants, shipyards, garment manufactories, and so forth, and the added burden of carrying fuel, feed, and the other necessities of life to the many new inhabitants in that section has been a handicap which the railroads were struggling to overcome two years ago, and it was natural, I suppose, to place over 80 per cent of our war contracts with the large manufacturers of our Eastern States and quite natural for those manufacturers to increase the size of their plant in their old location rather than seek new sites in some other section of the country, but I believe time and money would have been saved if a larger percentage of our war contracts were given to the manufacturers of the Middle West or if the manufacturers in the eastern section of our country had utilized the manufacturing establishments in the Middle West, thereby spreading our war activities and permitting the machinists, the molders, and the men of the building trades to remain in their old homes, working in their old factories, thereby saving expense, time, and material necessary for the building of new homes and new factories; and last, but not least, segregating for transportation our millions of tons of finished war products to the seaports. It is a question in my mind if the railroads, although under Government control and a cooperative system of operation, will be able to handle efficiently the millions of tons of raw material and finished product that will have to be transported to and away from the New England section of the country. It may be more advantageous, even at this late day, to utilize the manufacturing establishments in the Middle West than to erect thousands of new homes in the New England States, and if my suggestion is acted upon I believe we will find it to be a permanent remedy for the freight congestion of that section of the country. No human being can do more than estimate the increased tonnage of all commodities to and from New England during the past year, but the increase in fuel alone that the railroads transported was 2,817,000 tons, and this coal was used in furnaces that were working night and day turning out munitions of all kinds. The experience of my people in the city of Buffalo and the county of Erie with fuel, or, rather, the lack of fuel, during the past few months has led me to try and suggest something that will prevent a repetition of those fuelless workdays. Another cause that assisted this congestion was the deplorable lack of sufficient storage or freight-house facilities at our manufacturing points, our ports, or any place between the points of departure and the destination of our immense tonnage of freight.

The men of this Congress can not realize what two and one-half million tons of freight for our allies and our own Army laying in the open upon the commons and docks of the city of New York represent in cost of human life to the cause of the allies. I hope the powers granted in section 6 of this act will be immediately taken advantage of. Our Barge Canal in the State of New York can and should be utilized at once. Thousands of tons of coal, wheat, lumber, steel, and so forth, can be transported upon its waters.

Mr. Chairman, I have the honor to represent a constituency of over 200,000 people; one-fifth, or about 40,000 of them, are employed by or identified with the railroads of this country, and I think the most important part in securing efficiency for the railroads is to have a contented body of satisfied employees; and I believe this is the proper time and place for me to brand as a malicious falsehood the story that is being circulated that the railroad employees are assisting in every way possible toward a complete breakdown of our railroad system. I know that the cost of living has advanced so rapidly during the past few years that it has been impossible for many of the really efficient and capable men—some of whom have large families to provide for—to remain in the service of the railroads; and I have talked with hundreds of railroad men from my district, and they are going to remain in the employ of the railroads as long as they can eke out an existence for themselves and their families if it will help to win the war. Mr. Chairman, I am personally acquainted with hundreds of men who are receiving less than $3 a day, when they could double their income by seeking employment in some factory; and they are really depriving themselves and their families of the real necessities of life so as to be able to assist their Government in a position in which they are most competent to fill, and the Government should at the earliest possible moment grant a substantial increase in wages to all of the men employed in any department of the railroad. I hope the committee appointed by the Director General that has that subject matter under consideration will be able to make a report in the very near future, and that report should grant an immediate, just, and substantial increase in wage for the railroad employees. Mr. Chairman, under normal conditions I doubt if I would be in favor of the radical legislation contemplated in this bill, but I believe the Members of Congress are personally responsible for the welfare of our boys across the sea, and I am ready to go to the very extreme in securing a positive line of communication for the transportation of munitions and supplies of all kinds to them. And I believe the time has arrived for the Government, through action of Congress, to assume the responsibility for the personal welfare of the families of the 2,000,000 employees of the railroads. And to coordinate operation and unify under Government control the great railroad systems, at least during the period of the war, is the only solution that will solve our present problems.

In conclusion, gentlemen of the Congress, allow me to call to your attention this fact: In our urgent deficiency bill we appropriated $3,000,000 for the transportation of soldiers. We will be able to save considerable bookkeeping and would be rendering an act of justice to our soldier boys if they were permitted to use the railroads gratis when upon Government business or when enjoying a furlough to their homes. I hope Mr. McAdoo will give this suggestion his serious consideration. [Applause.]

The CHAIRMAN. The gentleman from New York yields back the remainder of his time. The gentleman has permission to extend his remarks under the general order.

Mr. ESCH. Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has seven minutes. Does the gentleman from Wisconsin desire to use the remainder of his time?

Mr. ESCH. Yes. I yield to the gentleman from New York [Mr. SNYDER].

The CHAIRMAN. The gentleman from New York is recognized for seven minutes.

Mr. SNYDER. Mr. Chairman, were I in favor of a deliberate and carefully planned movement to curtail efficiency and retard the efforts for a satisfactory rearrangement of the transportation systems of the country, I would vote to place in the hands of the Interstate Commerce Commission the sole power to regulate railroad rates, so long as those roads are under the supervision of the Government. If I desired to place upon the people, by direct taxation, the burden of paying for any deficit which may and which probably will accrue, not because of the management of the roads under Government control, but because of the condition surrounding them which affects and disturbs not only the business world but the entire population of the country, I would be willing to vote for delay and argument. I would be satisfied to await the result of that difference of opinion as between the active management of the roads and the only body which would thus have the power to say whether or not the shippers or the people must make good the deficiency. If I desired to belittle our Executive and to tie his hands at a moment when, perhaps, rapidity of action and quick perception might save not only time but embarrassment, I would vote for the proposition of dividing responsibility, though I agree that divided responsibility is an almost sure antidote for efficiency.

However, I believe that in times such as these the President of the United States must be sustained, and I have heretofore shown this belief in my votes on this floor. Further, I believe that the President, as the directing power of the railroads, stands as the president of every line which has been taken over and therefore his orders are to be obeyed and his policies in relation to transportation and rates carried out as if that order came from a railroad president in the course of the operation of his individual line, with power over every factor and policy.

I have no quarrel with the Interstate Commerce Commission. It has done a great work; it has proved equal to all emergencies in normal times. These times are not normal. We can not afford to procrastinate or to wait for argument in cases which will not admit of delay. We can not afford to saddle any tax upon the people which is not necessary, nor can we refuse to give them the alternative of not patronizing the men or class of men who will ultimately seek to take from the people the added cost of transportation should the railroad rates be raised.

There is no question that should the Interstate Commerce Commission be clothed with the power of rate fixing in this emergency, it would resolve itself into a judicial tribunal to adjust differences and gather information, while the President would be compelled to await that action in the face of a situation urgent and imperative. During this interim the shipper

would be favored and that favor would necessarily, without alternative, be paid for from the pockets of the people.

We have now conferred upon the President the power to raise wages, to increase the facilities and the upkeep of the roads; given him the responsibility of guaranteeing the roads a vast income, such as they have been making in the prior war years, and shall we now seek to take from him the only possibility he has to carry out these guaranties, except the possibility and probability of handling and operating the roads on a more efficient basis, thereby increasing their earnings sufficiently to make it unnecessary to raise the rates? Being the representative of the people, the President will have no incentive to do anything save to operate the roads in the interest of all the people, his sole thought being to so manage them as to bring about a successful conclusion of the war at the earliest possible moment.

Some time ago my judgment and experience showed me that the manufacturing interests and businesses of the country were outstripping and going ahead of our railroad facilities. I thought I could see the situation approaching us which has finally developed. A few weeks ago on this floor I made the statement that the railroads had fallen down. I further stated that the Garfield order was a fatal error. I believe to-day almost everyone agrees with this statement, and it is well known by shippers the country over that the same embargoes exist to-day that existed on the day that the Garfield order was promulgated. This is borne out in the papers this morning by Mr. Hoover. Cereal exports to the allies, he says, will be 45,000,000 bushels short by the end of February. The meat shipments are also short and far below the amounts promised. The corn crop is in danger because of lack of transportation; potatoes are spoiling in the producers' hands, and a menacing situation in all foodstuffs is before us, only because the railroads have fallen down.

Are we now to add to these difficulties by dividing the responsibility and take power from the Chief Executive, who has the matter in his hands, because of a sentimental or an individual business reason?

I am frank to say I believe the rates will be increased, whether by the Interstate Commerce Commission or by the President. I believe, too, that the President should be unhampered in his control and upheld in his efforts, the sincerity of which no one questions, to carry forward in unison the mighty and necessary volume of business the war has put upon us, in order that victory may not be unnecessarily delayed. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier making operating returns to the Interstate Commerce Commission, that during the period of such Federal control it shall receive as just compensation not exceeding an annual sum (herein called standard return) payable from time to time in reasonable installments, for each year and pro rata for any fractional year of such Federal control, equivalent as nearly as may be to its average annual railway operating income (including therein such income of lines acquired by, leased to, or consolidated with such carrier between July 1, 1914, and December 31, 1917) for the three years ended June 30, 1917, and in addition thereto an annual sum payable, likewise in reasonable installments reckoned at a rate per cent to be fixed by the President upon the cost of any additions or betterments, less retirements or road extensions, made during the six months ended December 31, 1917; that any railway operating income accruing during the period of Federal control in excess of such standard return shall remain the property of the United States; and that each carrier so agreeing shall thereby become subject to all the provisions of this act. In the computation of such income, debits and credits arising from the accounts called in the monthly reports to the Interstate Commerce Commission equipment rents and joint facility rents shall be included. The standard return and the cost of such additions, betterments, or road extensions are to be ascertained by the Interstate Commerce Commission from the reports, books, and other pertinent data of such carrier and certified by it to the President. Its certificate shall, for the purpose of such agreement, be taken as conclusive of the amount of such average annual railway operating income and of such cost.

Every such agreement shall provide that any Federal taxes under the act of October 3, 1917, or acts in addition thereto or in amendment thereof, commonly called war taxes, assessed for the period of Federal control beginning January 1, 1918, or any part of such period, shall be paid by the carrier out of its own funds, or shall be charged against or deducted from the standard return; that other taxes assessed under Federal or any other governmental authority for the period of Federal control or any part thereof, either on the property used under such Federal control or on the right to operate as a carrier, or on the revenues or any part thereof derived from operation (not including, however, assessments for public improvements or taxes assessed on property under construction, and chargeable under the classification of the Interstate Commerce Commission to investment in road and equipment), shall be paid out of revenues derived from railway operations while under Federal control; that all taxes assessed under Federal or any other governmental authority for the period prior to January 1, 1918, whenever levied or payable, shall be paid by the carrier out of its own funds, or shall be charged against or deducted from the standard return.

Every such agreement shall also contain adequate and appropriate provisions for the maintenance, repair, renewals, and depreciation of the property, for the creation of any reserves or reserve funds found necessary in connection therewith, and for such accounting and adjustments of charges and payments, both during and at the end of Federal control, as may be requisite in order that the property of each carrier may be returned to it in substantially as good repair and in substantially as complete equipment as it was in at the beginning of Federal control, and also that the United States may, by deductions from the standard return or by other proper means and charges, be reimbursed for the cost of any additions, repairs, renewals, and betterments to such property not justly chargeable to the United States; in making such accounting and adjustments due consideration shall be given to the amounts expended or reserved by each carrier for maintenance, repairs, renewals, and depreciation during the three years ended June 30, 1917, to the condition of the property at the beginning and at the end of Federal control and to any other pertinent facts and circumstances.

The President is further authorized in such agreement to make all other reasonable provisions not inconsistent with the provisions of this act or of the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, that he may deem necessary or proper for such Federal control or for the determination of the mutual rights and obligations of the parties to the agreement arising from or out of such Federal control.

If the President shall find that the condition of any carrier was during all or a substantial portion of the period of three years ended June 30, 1917, because of nonoperation, receivership, or any undeveloped or abnormal conditions, so exceptional as to make the basis of earnings hereinabove provided for plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

Mr. LONGWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONGWORTH. Is this bill being read by paragraphs or by sections?

The CHAIRMAN. By sections.

Mr. ESCH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ESCH: Amend section 1 by adding thereto, page 5, line 19, the following:

"*Provided further*, That every railroad not under control or operated by another carrier company and which has heretofore competed for traffic with a railroad or railroads of which the President has taken possession, use, and control shall be held and considered as within Federal control as herein defined, and shall be entitled to the benefit of all the provisions of this act."

Mr. ESCH. Mr. Chairman, I think this might be made a separate paragraph and the words "*Provided further*" might be stricken out. I will ask for that later.

The Committee on Interstate and Foreign Commerce believed that some consideration should be given to the short-line carriers. We were persuaded, as a result of two days of testimony by the representatives of such carriers, that some protection should be given to them during the period of Federal control. Therefore we inserted paragraph 9 of the bill, which gives them this degree of protection, namely, that their routing instructions and their traffic arrangements shall continue to be recognized during the period of Federal control, subject, however, to the superior rights of the Government in the shipment of war supplies and materials.

Mr. SNOOK. Mr. Chairman, will the gentleman yield?

Mr. ESCH. Certainly.

Mr. SNOOK. Is this the same amendment as that adopted by the Senate?

Mr. ESCH. Yes; identically. And the compensation which the Government is to make to the short-line carrier because of routing war materials and supplies is provided by the Government, so far as possible, distributing to these short-line carriers so much of unrouted freight as possible.

After more careful consideration of our House bill section 9, I have come to the conclusion that it does not give any substantial relief to the short-line carriers, and that if we would do exact justice to them we should put them in the same position as trunk-line carriers.

It is stated in the newspapers that—

With the approval of President Wilson the Federal Railroad Administration is about to interest itself in street railway, light and heat, and power companies throughout the country, whose finances may be threatened by mounting costs of operation. Where it appears necessary increase in fares or rates may be suggested.

It is essential that these utilities should be maintained at their maximum efficiency and that everything reasonably possible should be done with that end in view.

If it is intended that the Federal Government shall interest itself in all these public utilities, street cars, gas companies, and electric light companies, in order to stabilize the financial standing thereof, is it not equally necessary that he should also stabilize the financial standing of the short-line carriers? They can not operate under war control with the powers exercised by the Director General and live, because the Director General claims the right of routing the freight, and if he routes the freight, the short-line carrier, being deprived of its freight, can not for the action of the Government of the United States, by

must live upon the traffic it receives from the trunk line or the traffic it ships out on its own line to the trunk-line carrier, and on that account our provision of section 9 will not be a sufficient safeguard to these small carriers. They would doubtless live as they have lived heretofore had it not been for the war emergency.

The Secretary of the Treasury, in his testimony before our committee, when he was asked whether he would take over the short-line carriers, said that he did not wish to take cripples any more than the War Department would enlist cripples for the conduct of the war. By "cripples" he meant that many of these short-line carriers were in financial straits or not paying dividends. But I wish to call attention to this pertinent fact: We would not make the short-line carrier a cripple if it were not, for the action of the Government of the United States, by reason of routing the freight over the trunk-line carriers.

Mr. LENROOT. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LENROOT. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes.

Mr. RAYBURN. I wanted to ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin [Mr. ESCH] is recognized for four minutes more. Does he yield to the gentleman from Texas?

Mr. ESCH. Yes.

Mr. RAYBURN. In the consideration of this short-line question two things have been in my mind all the time, and two fears have come up with reference to it. One has been that if we take all of the short lines of the country it would probably make a charge upon us that would be staggering. The other has been that if we did not take them it would mean practical murder to them. Now, some Senator told me that an argument was made at the other end of the Capitol yesterday in which it was claimed that the short lines, taken all in all—not the little logging roads and things of that kind that in all probability would not be taken under the gentleman's amendment—were as self-sustaining and probably more so than the trunk lines. Does the gentleman have any facts on that, or any opinion as to that?

Mr. ESCH. If they are taken over they will be in no worse condition than they were prior to the taking over. So it would not be a burden on the Treasury of the United States. The fact is that we are putting them in a worse state than they were before war control began, and they are put in that condition through no cause of their own, but because of the exigencies of war. But I wish to say this, that if we are to stabilize the securities of carriers, we may well look to the stabilizing of the securities of the short lines, covering 30,000 miles in length, with $1,200,000,000 of capitalization and $800,000,000 bonds outstanding. Unless we stabilize them, their securities will depreciate in the market, and if they do we might have some bankruptcies and some receiverships, all of which would still further embarrass the credit of the Government.

Mr. RAYBURN. That has been my idea, about what would probably be the fate of the short lines if something more was not done to them than we have done by section 9 in this bill.

Mr. ESCH. Is the gentleman convinced——

Mr. RAYBURN. But what I wanted the gentleman's opinion on, and the facts in his possession if any, was as to what are we going to do for the short lines except take them over if his amendment is adopted? Are we going to insure them something, or do we intend to take them over and insure them only what they have been getting?

Mr. ESCH. I think that would be entirely within the discretion of the President under the agreement provided in section 1.

Mr. LENROOT. Will the gentleman yield?

Mr. ESCH. I yield to my colleague.

Mr. LENROOT. I should like to ask the gentleman with reference to the form in which the amendment is phrased. We have taken over the railroads under the war power declared by Congress; and does not the gentleman think it necessary to express that same purpose in this amendment? As the amendment now reads, the only purpose in taking them over is not to carry on the war but because they are competing with railroads that the Government has taken over; and I suggest to the gentleman that if he would consent to an amendment declaring that these roads are necessary for the prosecution of the war, it would bring these too within the war power.

Mr. ESCH. I certainly know that that is our intent. I had supposed, however, that putting this amendment at the close of section 1, it would be interpreted in the light of what is stated within section 1. However, if my colleague thinks that his suggestion would clarify and perfect the amendment, I have no objection to it.

Mr. LENROOT. I will offer such an amendment.

Mr. GARRETT of Texas. Before the gentleman offers that, will he let me ask him one question?

Mr. ESCH. Yes.

Mr. GARRETT of Texas. I want the gentleman to enlarge on that phase of his amendment where it refers to the short lines as competing lines, and to define the limitation of the word "competing," as to how many that would perhaps take in.

Mr. ESCH. No doubt the short-line roads must be competing roads under the interpretation of my amendment; and if the Federal Government assumes the supreme right and power of routing freight, it practically takes from them the power of competition, because they will not get the freight.

Mr. GARRETT of Texas. Does the gentleman understand that the short lines that are to be taken over under his amendment are practically all considered as competing lines?

Mr. ESCH. Practically so.

Mr. GARRETT of Texas. So that they would not be excluded by some executive order stating that they were not competing?

Mr. ESCH. No.

Mr. BANKHEAD and Mr. FRENCH rose.

The CHAIRMAN. Does the gentleman from Wisconsin yield; and if so, to whom?

Mr. ESCH. I yield to the gentleman from Idaho.

Mr. FRENCH. Is "competing line" so defined that it will not admit of some interpretation or construction that would rule out a good many lines that we are seeking now to relieve by the amendment?

Mr. ESCH. I think those words are well defined by the Interstate Commerce Commission, and that that is a well-understood expression.

Mr. GREEN of Iowa. Will the gentleman yield to me for a question?

Mr. ESCH. Yes.

Mr. GREEN of Iowa. I would like to inquire if a short-line railroad such as I have in mind, that is simply a feeder to another line, would be included in this amendment?

Mr. ESCH. Is it an independent line?

Mr. GREEN of Iowa. It is owned separately and operated entirely separately.

Mr. ESCH. Yes; it would be included.

Mr. MONTAGUE. Mr. Chairman, I desire to ask the gentleman from Wisconsin a question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONTAGUE. I ask unanimous consent that his time be extended two minutes, in order to enable him to answer an inquiry that I desire to propound to him.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the time of the gentleman from Wisconsin be extended two minutes. Is there objection?

There was no objection.

Mr. MONTAGUE. I will ask the gentleman, my colleague on the committee, whether or not the section in the bill known as section 9, dealing with these short-line carriers, was not prepared and submitted to the Committee on Interstate and Foreign Commerce as being satisfactory to the short-line carriers?

Mr. ESCH. I do not know the origin of section 9. I only know that some very distinguished Members of the House presented it to the committee, and the committee indorsed it understanding that some of the short-line carriers approved of it. But since that date we have been getting communications from short lines throughout the United States to the effect that it would not meet their situation. So I have felt that we can well afford to incorporate the short-line roads in the general system.

Mr. MONTAGUE. My own memory was that a committee of the short lines drafted this amendment, and that it was submitted to the distinguished gentlemen whom you mention, as well as to our committee, as satisfactory to them.

Mr. ESCH. I do not know that; but I do know this, Mr. Chairman, that in the hearings the representative of the short-line roads, Mr. Robinson, offered a proposed amendment to the effect that the Federal Government should guarantee the indebtedness of the short-line carriers; but that did not meet with the approval of the committee.

Mr. NORTON. Will the gentleman yield?

Mr. ESCH. I will.

Mr. NORTON. I will say that I know from talking with several owners of short-line railroads that section 9 does not meet with their needs or demands at all. There is nothing in section 9 that would make certain that the Government would take over the short lines. Section 9 provides that the Government may send additional freight over these lines to compensate them for that which might be taken from them and sent over more direct lines in case of need, but in case the short line runs into a section of the country where the Government does not use the other lines at all in general transportation there is no provision for taking over the short line, and it may be injured very much by taking over the other lines by the Government.

The CHAIRMAN. Does the gentleman from Tennessee desire recognition?

Mr. SIMS. I did, but I want to wait until the arguments have been developed.

The CHAIRMAN. Does anyone desire to speak in opposition to the amendment?

Mr. MADDEN. I would like to be recognized.

The CHAIRMAN. In opposition to the amendment?

Mr. MADDEN. No.

Mr. BARKLEY. I desire some time, but I do not care to use it just now.

The CHAIRMAN. If no Member desires time in opposition, the Chair will recognize some other Member.

Mr. BARKLEY. Then, Mr. Chairman, I will take the time now. Mr. Chairman, I hope the amendment will not be agreed to. I do not know whether I can in five minutes' time give the reasons why it ought not to be adopted, but in the first place the President took over these railroads by reason of the act of August 29, 1916, which gave him discretion as to taking over certain systems of transportation or any part thereof. That law left it in his discretion to determine whether all the roads were needed for Government purposes, and the presumption is that they were taken over to aid the Government in winning the war.

Now, whether he has taken them all over or a part of them only is a question of fact. Whether he has taken over some that will not be needed and will turn them back to the owners, as provided in the bill, and also in the bill adopted by the Senate, is left to his discretion until the 1st of July. He is given that much time to determine whether any railroad system and how many are needed by the Government for war purposes.

Mr. QUIN. Is it not apparent that the Director General of Railroads will not take these short lines over?

Mr. BARKLEY. I do not know whether it is apparent or not, but if they are not needed by the Government of the United States they ought not to be taken over, and Congress ought not to force the President to take over the short lines or any other railroad not needed by the Government to carry on the war.

The representatives of the short lines came before the committee; they came rather in opposition to being taken over, though willing to be taken if necessary. They thought they had been taken over and they were opposed to the terms upon which they thought they were taken over.

Mr. DILLON. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DILLON. Do I understand the gentleman to say that the short-line people were before the committee opposed to being taken over?

Mr. BARKLEY. They thought when they came here that they had been taken over, and they came to protest against the terms of the bill or the compensation that they were to have if taken over.

Mr. DILLON. As a matter of fact, were they not in favor of being taken over?

Mr. BARKLEY. I think after they found that they were not taken over they immediately concluded that they wanted to be taken over. But, be that as it may, it is an unwise policy to load the Treasury with the burden of taking over a lot of short-line railroads that will not be needed by the Government in the transportation of war material or in the conduct of the war.

I have in view a little short-line railroad of 12 miles in length. There is no use that it could be put to in the conduct of this war, and yet under the terms of the gentleman's amendment the Government will be compelled to take it over, and if it does not come within the terms of section 1 it can go into the Court of Claims and set up a claim for compensation. It seems to me that we ought not to compel the President to take over some insignificant railroad that wants to be taken over because we have provided a method of compensating them.

Mr. LENROOT. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. LENROOT. Is the gentleman in favor of the provision that authorizes the President to purchase securities of railroads?

Mr. BARKLEY. Yes.

Mr. LENROOT. Does the gentleman think that the purchase of securities is necessary to the prosecution of the war?

Mr. BARKLEY. It may not be necessary now, but it may become necessary when the railroads attempt to compete with the Government in the money markets of the world.

Mr. WINSLOW. Will the gentleman yield?

Mr. BARKLEY. I will.

Mr. WINSLOW. Is it the gentleman's judgment that many financial institutions in certain parts of the country are carrying the securities of many of these short-line roads?

Mr. BARKLEY. I do not know in what proportion, but I presume that some financial institutions are carrying securities of these lines.

Mr. WINSLOW. Am I not right in stating that the evidence before the committee was largely to the effect that a majority of the short lines had securities pledged to the banks in their district?

Mr. BARKLEY. It is true, and equally true that a great number of short lines, from a business standpoint, ought never to have been constructed. They were constructed to reach out into sections of the country where it was hoped that they would be money-making institutions, but they were not. These will be taken over under the gentleman's amendment the same as those that have been more prosperous. There are many institutions going to be affected by the war that the Government can not take over or guarantee because they may be affected in some disadvantageous way by the operation of the trunk-line railroads or as a result of the war.

Mr. WINSLOW. I want to ask the gentleman if in his judgment it would not be a great calamity to have a large number of institutions embarrassed by virtue of the omission to take over these roads?

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

Mr. SIMS. Mr. Chairman, before we go any further, I want to ask the gentleman from Wisconsin [Mr. ESCH] if we can not agree on some time to debate this amendment, which is entirely new both to the committee and the House, and that the time be divided equally.

Mr. ESCH. Mr. Chairman, I am willing to make such an arrangement. I have requests now for 30 minutes.

Mr. SIMS. Then, I ask unanimous consent that further debate on this amendment and all amendments to the amendment shall be concluded in one hour, the gentleman from Wisconsin to control one-half of it and I to control one-half.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield to the gentleman from Minnesota [Mr. SCHALL], who desires to be heard?

Mr. SIMS. On this amendment?

Mr. FORDNEY. Yes.

Mr. SIMS. It is according to whether he favors it or is against it.

Mr. FORDNEY. He desires to offer a letter that he received from a railroad man and he would like to have time to insert it at this time.

Mr. SIMS. If he is for the amendment he can get time from the gentleman from Wisconsin [Mr. ESCH].

Mr. CANNON. Mr. Chairman, I desire to make a suggestion. I have no objection now to proceeding for an hour with the consideration of this amendment or such amendments as may be offered to it, and then at the end of the hour, if it seems to be that the question has been fairly discussed, debate could be closed. I suggest to the gentleman that he let it run along for an hour.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate upon this amendment and all amendments thereto shall close in one hour, one-half of that time to be controlled by himself and one-half by the gentleman from Wisconsin [Mr. ESCH]. Is there objection?

Mr. ESCH. Mr. Chairman, I suggest to the gentleman from Tennessee that we make it an hour and 20 minutes.

Mr. SIMS. Very well, I accept that amendment.

Mr. CANNON. Mr. Chairman, I suggest again to the gentleman now that he proposes an hour and twenty minutes, that this question has not received much consideration by the tenderfeet—neither has the bill; and by the tenderfeet I do not mean the white-button mandarins, with great respect to the gentleman and his committee who have reported this bill; but there

are 420 of us here who are not on that committee. The reason I ask the gentleman to extend the time is this: If it be true that a billion of dollars plus is invested in these short-line roads, and if they are taken, the presumption is that in whole or in part they will be thrown into the scrap. If the Government takes over the roads that are not short lines, and thereby throws a billion of dollars of property into the scrap heap, is it at all just that something of compensation should not be made?

Mr. SIMS. The gentleman is arguing the merits of the proposition.

Mr. CANNON. I am not asking the gentleman in respect to the merits of the proposition, but suggesting to him its importance. I hope he will let it run along for a time.

Mr. SIMS. Oh, an hour and twenty minutes' time is all that is asked for by the leader on that side, and I have consented to that. That seems to be fair.

Mr. CANNON. The gentleman who is the chairman and the leader of the committee on this side can not agree without consulting the remainder of us.

Mr. SIMS. I submit the request, and that is all I can do; that debate upon this amendment and all amendments thereto close in an hour and twenty minutes, one half to be controlled by the gentleman from Wisconsin [Mr. ESCH] and the other half by myself.

Mr. CANNON. And the gentleman declines——

Mr. TOWNER. Mr. Chairman, if the gentleman from Illinois will pardon me, I think it will not be necessary for a limitation to be made in the division as to the affirmative and negative. I think perhaps there are two or three times as many who desire to speak for the amendment as against it, so that if the time be divided by the gentleman on this side and on his side I think very likely that all who desire to speak upon the question can be taken care of.

Mr. SIMS. I have suggested that the time be divided equally between the gentleman from Wisconsin [Mr. ESCH] and myself, to be yielded by us.

Mr. TOWNER. But the gentleman suggested that it be divided in respect to the affirmative and the negative of the question, and I suggest that he control the time, granting to those upon that side, whatever their position might be upon the amendment, and the time here to be granted to those on this side that desire to speak, that all might be taken care of.

Mr. SIMS. But it is more logical to control with respect to the affirmative and the negative of a proposition.

Mr. TOWNER. I agree to that, but I think the other would save time in this instance.

Mr. SIMS. Mr. Chairman, my request has been submitted. We do not know how many amendments are to be offered to this section. Now, after debate has run along upon this amendment for half an hour, I am suggesting 1 hour and 20 minutes more under this rule, and it seems to me that that is extremely liberal for one amendment.

Mr. GREEN of Iowa. If the gentleman does not propose to give any further opportunity for amendment, I shall have to object.

Mr. KINCHELOE. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from Tennessee that debate continue for an hour and twenty minutes on this amendment and all amendments thereto, one-half to be controlled by himself and one-half by the gentleman from Wisconsin [Mr. ESCH]?

Mr. GREEN of Iowa. Mr. Chairman, I object.

Mr. SIMS. Mr. Chairman, I move that all debate upon this amendment and all amendments thereto close in 1 hour and 20 minutes.

Mr. CANNON. And to that motion I offer an amendment striking out "1 hour and 20 minutes" and inserting "2 hours."

The CHAIRMAN. The gentleman from Tennessee moves that all debate upon this amendment and all amendments thereto close in 1 hour and 20 minutes. To that the gentleman from Illinois offers an amendment that all debate close in two hours. The question is on the amendment of the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question now is on the motion as amended, that all debate on this amendment and all amendments thereto close in two hours.

The question was taken, and the motion was agreed to.

Mr. SIMS. Now, I did not notice whether the gentleman from Illinois included in his motion that one-half of the time should be controlled by the gentleman from Wisconsin and the other half by myself.

Mr. CANNON. I think it had better be left with the Chair. Evidently the gentleman does not need as much time in opposition to this amendment as those who are for the amendment.

Mr. SIMS. The Chair will recognize the gentlemen alternately, and then only for five minutes, and certainly the gentleman from Wisconsin and myself can serve the membership better than the Chair.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that one-half of the time be controlled by himself and one-half of the time be controlled by the gentleman from Wisconsin. Is there objection? [After a pause.] The Chair hears none. The gentleman from Tennessee is recognized for one hour.

Mr. SIMS. I yield five minutes additional to the gentleman from Kentucky.

Mr. BARKLEY. Mr. Chairman, under the terms of the law under which the President took over these roads it was provided that he might take possession or assume control of any transportation system or systems or any part thereof. Now, it does not follow, and I do not think the Members of the House ought to presume, that merely because a railroad is a short-line railroad that it is not taken over. There are many short-line railroads that are taken over. There are many short-line railroads that will be taken over if they have not been already taken. The question that governs the President of the United States and which he must consider in determining whether a particular line of railroad is taken over is the question within the meaning of the act of August 29, 1916, as to whether it is a system of transportation or a part of a system of transportation.

Mr. SNYDER. Will the gentleman yield?

Mr. BARKLEY. I yield to the gentleman from New York.

Mr. SNYDER. With reference to the Government's responsibility in taking over a short-line railroad the Government will have no further obligation than to keep the road in the condition it received it and hand it back in as good a condition. Is that right?

Mr. BARKLEY. That is not all.

Mr. SNYDER. The Government takes no responsibility in paying larger earnings to the short-line roads than they are now making or were making in the three prewar years?

Mr. BARKLEY. If the Government is compelled to take over all short lines in fixing compensation, they will be entitled either to have a contract with the Government for the period of Government control or they will be entitled to go to the Court of Claims under the provisions of the bill and establish what they are entitled to for the use of the road while the Government has it.

Mr. SNYDER. But that could not be more than it was in the three prewar years?

Mr. BARKLEY. It could not be more if they come within the provision of the standard return and they enter into a contract with the President based upon the standard return; but suppose these short-line railroads have made no earnings during the period of three years?

Mr. SNYDER. That is what I am trying to get at.

Mr. BARKLEY. Suppose they have no standard return in that period. Then they do not come under the standard return, but there must be a contract on the basis of the standard return or come under special abnormal circumstances that entitle them to a more liberal consideration than they would have been entitled to under the standard return; and the standard return, of course, being averaged on the net operating income for the three-year period, and having no net operating income on which to base a standard return, they will have the right to demand of the Government a special contract with them covering the period of Federal control or go to the Court of Claims and establish a claim against the Government for their use. It may not be necessary to haul more than one freight train over one of these short lines to bring it within the terms of the bill, and they could either demand a contract of the President or go to the Court of Claims to ascertain their claim against the Government.

Mr. SNYDER. After all, I can not see wherein the President, or whoever would make this contract with the railroads, would get any authority from this bill to give the short lines more than they are now getting.

Mr. BARKLEY. It would give no authority to give more than the standard return, but you understand there are many of these short lines that have no standard return because they have no net operating income during the three-year period, and therefore are put in the class of special, unusual circumstances or abnormal conditions that the President must take into consideration in entering into separate contracts with those railroads, and which will be extremely unwise with such obligations upon the Treasury.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ESCH. Mr. Chairman, I yield four minutes to the gentleman from Missouri [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, I do not assume to be an expert on the railroad question, neither do I believe I am well versed in all the intricacies that are involved in this important bill, but I do believe I have a few practical ideas about the result that will follow if this bill is passed as it now is and without this amendment. We propose by this amendment to take in short lines as well as long and more important lines. I have no doubt that it was important to the Government during this war to take the railroads over as has been done as a war measure, and as such I am for it. No Member in this House will go further than I will go to sustain the President in his efforts to win the war. The gentleman from Kentucky [Mr. BARKLEY] says it may not have been necessary for the Government to take these short lines for its purposes, but I submit that if the Government takes the large and important railway systems of this country to the exclusion of the others, that it will have left them out in the cold and will, as the gentleman from Illinois [Mr. CANNON] said, simply put them in the scrap heap. There are seven of these railroads in my district. I know how very important they have been to that section of the State: First, they have developed the country. There have been built along these lines a number of important and progressive cities, and if these railroads are left out of this bill, and they are not taken over by the Government with the others at this time, they will lose their credit; you will destroy the capital invested in them, you will hurt the towns that have been built along these lines, you will take from the people adjacent to these roads their present mail and transportation facilities or greatly lessen their efficiency.

Some one in this discussion has said the Government did not take cripples in the draft, and should not take small crippled railroads. The illustration was both unfair and unfortunate as an argument. True, the Government did not take the boy who was weak and crippled, but it did not add to his infirmities. If he had lost one leg, the Government did not cut off the other. This proposition is to take large competing railway systems, throw the strong arm of the Government around them, but leave the small roads to "root, hog, or die," with the powerful support of the Government extended to their competitors. By such legislation you will lessen the business of the short roads, you will destroy their credit, you will do them an injury that is vast and will be irreparable.

Mr. BARKLEY. Will the gentleman yield?

Mr. RUSSELL. I have but a moment's time. If I had I would be glad to yield. I will yield if you will give me the time.

Mr. BARKLEY. I have not got it.

Mr. RUSSELL. I know that these railroads have been very important to the country, and they have usually been built by local capital. The gentleman from Texas [Mr. HARDY]—I do not know whether he is present to-day or not—told me yesterday that he knows of one instance where a lady has her all invested in stocks or bonds of a short-line railroad. She had made arrangements to sell her holdings and believed she was going to be able to sell to good advantage; but when this action by the Government was taken the contract fell through, and that lady now seems likely to be pauperized unless these small railroads are included in this order or in the benefits of this bill.

I submit that this Government is too big, it is too magnanimous, to do an injustice of that sort; that is, to pauperize thousands of people in this country by such a discrimination. I was impressed with the splendid speech made by the gentleman from Pennsylvania [Mr. DEWALT] when he was talking about the large interests involved in this proposition—first, he said, the millions invested in railroad property; then the 1,750,000 employees that do the work. The distinguished gentleman from Illinois [Mr. CANNON] then reminded him that there were 110,000,000 people in the United States also interested. We can not say how many, but I doubt not that there are thousands of people to-day interested in the stocks and bonds of these little short-line railroads, and oftentimes women and children in our home communities. I do not care whether the Government needs them or not; it can not afford by affirmative action of this sort to do that which will certainly result in great injustice to a large number of the people of this country, not only the stockholders but the shippers and citizens along these lines.

This amendment should be passed. You ought to carry out by your vote to-day the Democratic and Thomas Jefferson idea of "equal rights to all, special privileges to none." [Applause.] I submit that this amendment ought to be carried as a matter of justice, even if it does not prove to be a good financial investment on the part of the Government. I know of post offices in my district that are run at a loss to the Government, and I know of rural routes that are so run, but they are conducted for the convenience and for the benefit of the people. The rights and the interests of the people should be considered now. Is the Government going by this act to pauperize thousands of people in this country that have by their courage and enterprise built up and developed our country and towns along these lines? I hope not. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. WEBB].

Mr. WEBB. Mr. Chairman, I do not care to be personal, but it is necessary in order to make this statement. I am interested in the short-line railroads, as there are something like 43 in North Carolina. After a conference with a number of gentlemen who are vice presidents and secretaries and treasurers of these short lines, they wanted something done to protect them in case this railroad bill passed. They told me they were not asking that the Government take them over, though they were perfectly willing to be taken over, but their chief concern was that if they were not taken over by the President's order nothing should be done that would injure them so as to destroy their securities, $800,000,000 of which are outstanding. A number of us got together, among them the gentleman from North Carolina [Mr. KITCHIN], and we drew the main features of this section 9 of the bill, which seemed to be satisfactory to the short-line railroad representatives who were here at that time.

One of them who was present was Mr. Robinson, president of the Short Line Roads of the United States, who had just gotten out of the hospital after 10 days' illness, and was in my office.

Mr. SIMS. Mr. Bird Robinson, a representative of the Short Line Association.

Mr. WEBB. He struck me as being an intelligent man. I do not know where he lives. I read this section 9 to him, and he said that it was satisfactory. He realized that they could not get all they wanted, and that that was the best they could hope to do under the circumstances. This section simply takes care of them and leaves them in statu quo, as we say, in case the President does not take over a short-line road which he conceives not to be useful to the Government in time of war.

The main thing the little roads wanted, it seemed to me, was that routing instructions over these small roads should not be interfered with by the Government. In other words, that if a man wanted to ship a car of freight to Ohio by way of a short line, the freight each way being the same, he ought to have the right to select the road over which he ships. That is where the competition in securing freight comes in. That is why agents go out and solicit freight for their roads. They wanted, if a shipper should route freight over their short-line roads that were not taken over by the Government, to let that routing stand, and not permit the Government to do anything to deny the shipper the right to direct the freight over a short-line road.

Now, that is the first thing we covered in the section. The next thing, they ought to be protected in their traffic arrangements and agreements with the big roads; that the taking over of a trunk line by the Government ought not to permit the Director General or anybody else to uproot and destroy their reasonable traffic arrangements which were permitted under the interstate-commerce law; and therefore we added that nothing in this act should be construed to change routing instructions and traffic arrangements on such lines as may not be taken over by the President.

Mr. GREEN of Iowa. Will the gentleman yield there?

Mr. WEBB. Yes.

Mr. GREEN of Iowa. The gentleman realizes, of course, that there are a large number of these short lines which are merely feeders to the other lines. Now, I think that the provision that the gentleman has just referred to would not protect these roads if the main lines were to continue to be operated in the same manner as they were operated before, but does not the gentleman think that when the Government orders certain routings over these roads that that will interfere with all the freight over the roads and interfere with these short lines?

Mr. WEBB. Not if section 9 is obeyed. We provide that nothing in this act shall affect the routing instructions over or traffic arrangements of such roads as are not taken over by the Government unless the routing instructions prejudice the movement of Government supplies or war materials. If that is done, nobody would object. We thought further that there might be a case of a jam or a blockade at some point, when it would be to the public interest to route freight temporarily away from a small line, which would ultimately relieve the jam, and at the same time take away some of the routing over the small roads. Therefore in case that is done, then a sufficient amount

of unrouted freight after the emergency is passed may be routed over the short-line road to compensate the short-line road for its temporary loss in revenue.

Mr. GREEN of Iowa. Such lines as I refer to are merely feeders, and the routing has nothing to do with it, because it all has to go over that route anyway. Then if the interline arrangements are interfered with by reason of military necessity on the main line, what is to compensate the short line or the feeding lines?

Mr. WEBB. I can not very well conceive how a short feeder line would be very material in transporting war material. If it is, it is the duty of the President to take it over.

Mr. GREEN of Iowa. Corn is a war material, and wheat and cattle and hogs are war materials. We could not conduct the war without them.

Mr. WEBB. I do not care to define what "war material" is. Therefore if you leave it to the President's judgment to take over any railroad that is of advantage in the conduct of the war, he will take over such line—the big lines and the small lines also. Why should we give him the discretion to take over such through lines as he thinks are necessary to the conduct of the war and compel him to take over the little lines, whether they are useful in the war or not?

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. WEBB. Yes.

Mr. GREENE of Vermont. Is it not the conclusion that the diversion of traffic made necessary for war purposes might act in the nature of a tying up, as an artery is sometimes tied up, for instance? That would prevent their having any circulation of traffic at all.

Mr. WEBB. In that event the President could take over the short-line railroads. If it hauls a sufficient amount of war material to make important the movement of its freight for war purposes, it ought to be taken over.

Mr. GREENE of Vermont. No. On the contrary, if it were permitted to continue its existing traffic arrangements with a through system it would support itself, but if that traffic is diverted it would have little or no freight. Many of these short lines do not originate much traffic and do not themselves deliver traffic at the terminals. They are little links or little parts not yet swallowed up in the larger systems. Now, if the traffic on the main line is diverted by military necessity, it amounts to a tying up of this artery and thus stopping the circulation. There are many lines that are not a part of a main system. They do not lead to a terminal.

Mr. WEBB. The gentleman would not want to starve out a whole community by not running the trains.

Mr. GREENE of Vermont. They might be deprived of earning their fair share of transportation income, because perhaps there would be no traffic of importance subsequently that could be sent over their line for reasons of geography. You can not force any or all traffic over them regardless of its destination.

Mr. WEBB. When a diversion of freight from a short-line road will relieve the emergency, then it is the duty of the Director General when the emergency is over to route freight over that short-line railroad in sufficient amount to compensate it for the loss of business while relieving the emergency.

Mr. GREENE of Vermont. But there are roads that are feeders, as has been said, and there are people who have their money invested in them, and they do not want to see them go out of business.

Mr. WEBB. After the emergency is over enough freight will be routed over that little road to pay it back for the loss it has incurred on account of the emergency.

Mr. GREENE of Vermont. But there may not be enough traffic that must or can go over that road in order to reach the destination.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WEBB. Yes.

Mr. SNYDER. Referring to the gentleman's statement, to the effect that some short lines operate only a part of the year and therefore can be put out of business, we might just as well put out of business the Erie Canal, for example, because it runs only seven months in the year.

Mr. WEBB. I do not look for emergencies lasting seven months. If the emergency arises by which the public must be relieved by the rerouting of freight, nobody would stand in the way of the rerouting in the emergency; but I can not see an emergency lasting more than a few days or a few weeks, and if the Director General is directed to reroute enough traffic over that little road to compensate it for the loss I do not see how that road will be damaged.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. ESCH. Mr. Chairman, I yield three minutes to the gentleman from North Dakota [Mr. NORTON].

Mr. NORTON. Mr. Chairman, the provisions of this bill should be fair to all the railroads, to the short-line roads as well as to the trunk lines and transcontinental lines. This amendment should receive the approval of the committee for the reason that section 9, which attempts to provide for the short-line railroads, does not make definite or certain what short-line railroads will or may be taken over by the Government. Section 9 does not at all provide adequately or fairly for short-line roads.

The short-line railroads are the ones that for the most part have been promoted by local capital. They are the pioneers in railroad building. They are the ones that reach out into sparcely settled regions and develop new sections of the country. I do not believe that anything should be placed in this bill or that anything should be left out of the bill that would tend to destroy short-line railroads. The taking over of the large trunk-line systems of the country will as a matter of fact disarrange the money market and make it impossible for many of these short-line railroads to finance themselves. If they are not taken over by the Government on an equal basis with the other lines, a great injury and injustice will be done to most of them. The provision in section 9 of this bill does not at all take care of the situation that these short lines will have to meet.

Mr. DECKER. Mr. Chairman, will the gentleman yield?

Mr. NORTON. Certainly.

Mr. DECKER. I want to ask the gentleman a question, if he has the time to spare?

Mr. NORTON. All right if the gentleman will make it brief.

Mr. DECKER. Well, I wish you would point out how by taking them under Federal control you give them a chance to finance themselves?

Mr. NORTON. It will do that in the same way that the taking over of the trunk line roads by the Government will stabilize and strengthen their financial condition. It will insure at least a fixed and definite minimum operating income for these short lines.

Mr. DECKER. What part of the bill, if you take them over, will give them a fixed income?

Mr. NORTON. What part of the bill?

Mr. DECKER. Yes.

Mr. NORTON. The bill provides that the railroads shall be guaranteed by the Government an annual operating income equal to the average annual income for the years 1915, 1916, and 1917. All I want to do is to put the short-line railroads on at least as favorable a basis as the trunk lines. This in justice should be done for them. If we are going to take over the railroads of the country, I believe we ought to take over these short lines. Further than this, I am not only in favor of the taking over of the railroads by the Government during the war, but I am also in favor of the Government taking over the permanent ownership and control of all the railroads of the country.

I have carefully studied the provisions of section 9 of the bill, and I know they are not fair to the short-line railroads owned by farmers in many sections of the country. The amendment that has been offered by the gentleman from Wisconsin [Mr. ESCH] that these lines be taken over is a fair, reasonable, and just provision.

Mr. ROMJUE. Will the gentleman yield?

Mr. NORTON. Certainly.

Mr. ROMJUE. Does not the gentleman think that if the short lines were not taken over, and at the conclusion of the war the railroads were released and turned back to their private operations, a great injustice would result to the short-line roads, and that they would be put practically at the mercy of the larger railroads of the country?

Mr. NORTON. Many of the short-line roads in that event would be completely bankrupted. We would likely have few short-line roads left at the conclusion of the war. The country would not have the benefit of the competition these short lines give us to-day. It would lose the benefit of many lower rates of transportation brought about by the operation of the short lines.

Mr. ROMJUE. And will they not be placed at the mercy of the larger railroads of the country?

Mr. NORTON. Certainly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ESCH. I yield five minutes to Gov. SANDERS, of Louisiana, a member of the committee.

Mr. SANDERS of Louisiana. Mr. Chairman, there are 30,000 miles of short-line railroads in America. Those 30,000 miles have outstanding in the neighborhood of $2,000,000,000 of securi-

ties. If these lines are not taken over under this bill it practically means bankruptcy for them. The amendment that has been spoken of by the gentleman from North Carolina was put into the bill at the suggestion of the short lines, but it was in no way agreeable to them. It was considered to be the best that could be gotten from the committee. Every representative of the short lines who appeared before our committee was in favor of those lines being taken over by the Government. It is true that they objected to the remuneration offered, but every one of them stated that unless they were taken over by the Government and were treated fairly it meant bankruptcy for them. And that is easily understood, gentlemen of the committee, because if we have in this Nation two systems of roads, one controlled and run by the Government, the great trunk lines, and the other, the short lines, controlled and run by private individuals, it simply means that there will be no freight routed over the short lines, and it means that the Government in taking over the trunk lines will have taken from the short lines their means of sustenance. To-day all the freight that the short lines get is obtained through solicitation. If the Government controls and operates the trunk lines, the Government will route the freight as the Government sees fit, irrespective of any solicitation. There is not a trunk line to-day in America but what has been made up of short lines. The short line is the pioneer. The men who build the short line gamble with the future. They risk their money, and often, in fact, almost universally lose their money, but it goes to the upbuilding of the community, and the short lines joined together ultimately become the trunk line. It is therefore absolutely essential for the future development of transportation in this country that the short line be not starved to death, but that that line be fostered and taken care of by the people. Now, if the Government is taking the place of railroad management, the Government itself ought to take over the short lines, just the same as the Government is taking over the trunk lines. There can be no question but what if this Government takes over the short lines as it has taken over the trunk lines it will not only save the short lines from bankruptcy, but it will benefit the country. I wish to call your attention to the fact that when the Government took over the great lines by the same order it took over every short line; and when these gentlemen appeared before our committee they stated that they were in the position of Mahomed's coffin, being neither in the heavens nor on the earth, that they were suspended in midair. They had been taken over by the order of the Director General. They exhibited their orders to the committee, and yet they stated that they did not know whether they were a component part of the national system or whether they would be put into the discard.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr. Chairman, in view of the time occupied by the gentleman from Wisconsin [Mr. ESCH], and in view of the fact that Gov. SANDERS, a member of the committee, used no time in the general debate, I feel that I ought to yield to him five minutes, which I accordingly do.

Mr. SANDERS of Louisiana. If we have this double-barreled system of roads in this country, and then if we go further in the bill and adopt a double-barreled system of rate making, we will then have this condition confronting us: The great lines will be controlled by the Government, the rates will be fixed by the President, the little lines will be controlled by their owners, and their freight rates will be fixed by the Interstate Commerce Commission.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Louisiana. Certainly.

Mr. TOWNER. The gentleman is making a most illuminating statement; but I want to make this suggestion to him, that what he says may occur will absolutely occur if the provisions of this bill are carried out, because the provisions of this bill give the power to the President to make rates in reference to those roads that are taken over.

Mr. SANDERS of Louisiana. No one knows that better than myself, and no one has fought harder against that in the committee than myself.

Mr. TOWNER. So there will be two systems.

Mr. SANDERS of Louisiana. There is bound to be what I designate as a double-barreled system of roads and of rate making. I contend, gentlemen of the committee, that every single, solitary mile of rail in the United States is a component part of our transportation system. [Applause.] And every little road, no matter where that road is situated, no matter what it hauls, every road in America is to-day hauling war material, for this reason: Wars are no longer fought by armies. Wars are fought by a people, organized and efficient for that purpose; and the little road that hauls wheat hauls war material, and the little road that hauls lumber hauls war material, and every one of these short lines to-day are transporting war material that goes to make up the efficiency of this Nation; and every single, solitary mile of railroad in America ought to be taken over under this bill, ought to be administered as a whole, ought to have the Government's arm around it; and I call your particular attention to this, that no harm can come to the Treasury of the United States by taking over these short lines, for the reason that their remuneration is fixed in the bill.

The trunk line, if you please, has a handsome return under this bill. The short line will get practically nothing except the strong arm of the Government around it, to see it through this crisis, and see that it is not robbed of its means of sustenance during this time of war.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. SANDERS of Louisiana. I will.

Mr. GREEN of Iowa. I concur with what the gentleman has so forcibly stated, but I wish to call his attention to the fact that as the amendment is drawn the feeders which constitute the largest portion of the short lines would not be included.

Mr. SANDERS of Louisiana. I can not agree with that construction, and if it does not, then it ought to be because my contention is that every mile of railroad in this country constitutes the transportation system by rail of this country. It ought to be coordinated, each mile with the other, and then it ought to go further than that, every mile of navigable waters in this Nation ought to be coordinated with every mile of railway transportation. [Applause.] Then when the rail and the water lines shall have been coordinated, and not until then, will we have a transportation system worthy of the name in America. [Applause.]

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. DECKER].

Mr. DECKER. Mr. Chairman and gentlemen of the committee, I wish to say that I most heartily indorse the sentiments and expressions of the gentleman from Louisiana [Mr. SANDERS] than whom there is no abler man on the Committee on Interstate and Foreign Commerce, and, in my judgment, it will not be long before he will be recognized as one of the ablest in this legislative body. [Applause.]

But I hope the distinguished gentleman will not call it presumption on my part if I point out to him in a brief way that this amendment which is proposed here in no way reaches the object which he seeks. What he said relative to the short-line railroad owners coming before our committee is true, but I think the distinguished gentleman will bear me out that I was one of the first members of the committee who, in defense, took up the cudgel in their behalf. I did it for the very reason stated by the distinguished gentleman from Louisiana, because I felt that every means of transportation in this country should be coordinated and, as far as possible, utilized, and I thought that the Treasury of the United States and the people of the United States were strong enough to bear the burden, if burden there be.

In opposing this amendment I want it understood that I do not oppose it on the ground that we owe nothing to these short-line railroads. I do not indorse the sentiment of the distinguished Secretary of the Treasury, to wit, that in time of war we take only the stalwart men and leave the cripples, and therefore in time of war we take the strong railroads and leave the weak ones. The difference in that argument is that we take the strong men and leave the cripples, but we do not injure the cripples when we leave them. All we want in this bill is some method, if it can be devised, to not injure the railroads that are left and not taken over.

I want to point out that this amendment does not better their condition very materially, and, in fact, I have some grave doubts if it benefits them at all. True, the amendment is worded so that they can be taken over and shall receive all the "benefits under the bill," but I have not heard anybody yet state what specific benefits they will get under the bill as now drawn.

The reason I voted for the amendment we put in the bill, section 9, to leave them as they are, but not to interfere with the traffic arrangements, was because it was agreed to by the presidents of the short-line railroads, whose representative, a very able man and who seemed to be a fair man, came before our committee at the time they thought they were being taken over, as has been stated, and what he objected to was that under the provisions of the bill as then written, and as it is now written, there was no method to pay them what they thought they were entitled to, or a sufficient amount even to keep them out of bankruptcy.

Now, you gentlemen who are interested in the short-line railroads, I want you to listen to me a minute, because although I may not be as able as these men, I think I have a point that you

should consider and perhaps can work out better than I can. They came before our committee and said: "Your standard return provides only for railroads that have been getting an income during the last three years. Almost every short-line road that came before our committee by representatives stated that—that for one reason or another they had not been making anything, or, at the most, very little, during the last three years, and what they objected to was that there was no provision in the bill to give them anything except at the end of a very expensive and tedious lawsuit.

Mr. TOWNER. Will the gentleman yield?

Mr. DECKER. I will.

Mr. TOWNER. I was going to suggest to the gentleman that at that time they were not aware of the provision in the bill that was afterwards inserted, as I understand it, giving the President the power to take care of exceptional cases.

Mr. DECKER. I was just coming to that, and I am glad the gentleman mentioned it. It is a very pertinent question. In my opinion that in nowise betters conditions.

This is the section to which the gentleman from Iowa referred, and I want you to pay particular attention to it:

> If the President shall find that the condition of any carrier was during all or a substantial portion of the period of three years ended June 30, 1917, because of nonoperation, receivership, or any undeveloped or abnormal conditions, so exceptional as to make the basis of earnings hereinabove provided for plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

But the man who wrote the bill, Mr. ANDERSON, pointed out to us that it in no way, according to his judgment, changed the situation, because let no man deceive himself, neither the President of the United States nor the Director General is going to say to a railroad that has not been receiving anything for the last three years, "I will give you 6 per cent or 3 per cent or 10 per cent" without some careful and painstaking investigation to find some reason why they should be paid anything; and the investigation that will be required under this paragraph of section 1 will be just as tedious, just as painstaking, just as productive of delay as is provided in section 3, that gives them the right to have the referees, and so forth; and, in my humble opinion, your amendment holds forth a promise to the short-line railroads, but it will do them no good in the end, because the benefits of this bill, which you promise to them when you say, "We will take you over," simply means to give them the right to go into court and show that the Government of the United States should pay them for railroads that have not been making any money. That is all that is in the bill. I am the friend of the short lines and I have fought their fight since the beginning of this discussion in the committee, and unless you do something along the line of what the men who came before our committee wanted, I do not think that you will do them any good. They said this, in substance, "We have only been running two years," and another would come in and say that they had just gotten out of the hands of a receiver; another would come in and say they had been running a long time, but that they had just been reorganized two years ago, and they said, "You have taken us over"—they thought they had been taken over—and they said, "Pay over a certain per cent on our indebtedness, and that is all that we will ask." In other words, they said, "If we owe $500,000,000 or $1,000,000 of bonds, or if we have bonds out to that amount, pay the interest on the bonds until the war is over, and that is all we ask."

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. DECKER. I will ask the gentleman to yield me a little more time. I just want to finish this thought.

Mr. SIMS. I yield the gentleman five minutes more.

Mr. DECKER. So now, do not deceive yourselves, and, for Heaven's sake, do not deceive the short-line people; do not say to them, "We are going to give you the benefits of the bill" when there are no benefits in it for them. You say that it will stabilize their finances and allow them to issue more securities. Do you mean by that that you want the President of the United States to buy the securities of these short-line railroads that have not been making any money under their own management? If you do, say so, and do not put the burden upon the President of the United States and then whine about it afterwards and say that he has extravagantly managed the railroads of the country. Say what you mean. If during this crisis you mean to pay the short-line railroads of this country a certain per cent on their indebtedness, if you authorize the President of the United States to purchase securities which they feel that they have to issue during the struggle, then say so, but do not put the burden on the President of the United States and then say, "You squandered the people's money and Government control is a failure."

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. MADDEN. The gentleman, of course, knows that there is a war-finance corporation being organized, and the report upon that bill will soon be in the House from the Committee on Ways and Means, which authorizes the Secretary of the Treasury, as the Pooh Bah of the Nation, to spend $500,000,000 and create $4,000,000,000 more of indebtedness for the purpose of buying securities of the railroads, maintaining the standard of all corporations that he may see fit to favor, and it will include these railroads, and it ought to include the short lines as well as the trunk lines.

Mr. DECKER. If it includes them, it would include them as much out of Government control as under Government control, so there is nothing to that. The point I make is this: Decide for yourselves what is best for them, because this amendment we put in the bill was written by the head of the short-line organizations, and they simply say, "If you can not pay us a stipulated interest upon our indebtedness, then, for Heaven's sake, during the war do not interfere with our traffic arrangements," and we have put into the bill that their traffic arrangements shall not be interfered with except by war materials; and let me call your attention to the fact that if the President of the United States wants to ship war materials over these roads he will undoubtedly take them over of his own initiative. The question you have got to decide is whether it is not better to let these railroads struggle along as they have in the last three years without making any money under their own management, and fight through themselves, than to put them under the Government control, put them into the courts of the country, which you will do unless you put a provision in the bill that the Government will pay the interest upon their indebtedness while the war is going on.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. DECKER. Yes.

Mr. NORTON. The amendment provides that their average income for the last three years shall be guaranteed by the Government.

Mr. DECKER. What amendment?

Mr. NORTON. The amendment that the gentleman from Wisconsin [Mr. ESCH] offered. It puts them upon the same basis. The amendment itself does not contain those words, but if debated and made a part of the bill, it puts those roads on the same basis as the trunk lines.

Mr. DECKER. That is very true, but they are not in the same position as the trunk lines, because they can not get the benefit of the standard return which they have not been making themselves.

Mr. NORTON. If they made a return it guarantees that that return will be made by the Government to them.

Mr. DECKER. If they have been making returns during the last three years, then they are not in a very bad fix if you let them alone and guarantee that the traffic arrangements will not be interfered with.

Mr. NORTON. That is the point. They are not in a bad fix, but they are very likely to be if the Government takes over every trunk line and leaves them out and that is just what the short lines are complaining of.

Mr. DECKER. I am pointing out——

Mr. NORTON. The gentleman does not seem to get the point.

Mr. DECKER. The gentleman does not seem to get this point—and I wish to speak respectfully—the gentleman does not get the point that to put these short-line railroads under Government control and before they can get compensation from the Government require them to go into court and submit to a tedious lawsuit is not better for them than leaving them as they are now.

Mr. NORTON. I do not think that presumption will be taken at all.

The time of the gentleman has expired.

Mr. ESCH. Mr. Chairman, I yield four minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, all of us are pleased, I am sure, when the gentleman from Missouri addresses the House, and I think he has offered some suggestions that show that he is very nearly in accordance with those in favor of taking care of the short lines. Now, I agree with the gentleman from Missouri that as this amendment stands it is not sufficient, and I hope and understand an amendment will be offered that will not only include all competing short lines, but also include all of those short lines that are engaged in general transportation, and that ought to be done. Of course there are some short-line railroads built for special purposes that are not engaged in general transportation, and these should not be taken over. But if they are engaged in general transportation, in my judgment they ought to be included under the President's order.

I agree also with the gentleman that in all probability, if this amendment be adopted, some amendment ought to be made to the provision of the bill which allows the President to take care of any exceptional case of railroads that are not otherwise provided for in the way of remuneration. Of course, gentlemen, this is temporary, but it is a question that involves not only the needs and the necessities of the Government, but also the most important economical interest of the people of the United States. The Government can not take over the railroads of the United States exclusively for war purposes. Gentlemen say, why should the Government take over any road that is not to be used for war purposes? No railroad can be taken over for war purposes only. The general transportation business of the country must be carried on, and it must be carried on principally on the railways which the Government will take over. Every railroad that the Government takes over is a part of the general system of transportation in this country.

Gentlemen have talked as if a system of transportation was something that must be limited to two or more roads. Why, no. The words "system of transportation" means even a 10-mile short-line railroad, because that is a system of transportation. You can speak of the entire railway system of the United States and say it is a system of transportation, and that is proper. The words "systems of transportation" used in the act were not limited and were not intended to be limited to railroads alone. The phrase includes all the systems of transportation, by water as well as land. And so when the President takes over these roads in order to do justice to the people he should be regardful not only of war interests and necessities—which are supreme, and when they are called into exercise all other powers must yield and all other interests—but he must regard also the rights and the interests of 100,000,000 of the people who are interested in every system of transportation in this country. They are all locked together. The short-line railroad, as we call it, only means that a particular section of track and the particular cars and equipment are under the control and management of a corporation operating a single-unit system. You will find, however, at some place that it is interlocked in some other system of transportation. At some place their cars are switched onto other tracks and connection is made that takes the commodities from the short lines to the trunk lines and so to the great marts of trade all over the land. [Applause.]

Mr. SIMS. Mr. Chairman, I ask the gentleman from Wisconsin to use the time to which he is entitled so as to make it even.

Mr. ESCH. Mr. Chairman, I yield four minutes to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Chairman and gentlemen, I favor this bill, and I am heartily in favor of this amendment, the Esch amendment, the same as the amendment put on in the Senate. It is true, as stated by the gentleman from North Carolina [Mr. WEBB], that the short-line railroads did ask for the little pittance that is shown here in section 9, but it is further true that they asked more than that, which the committee that considered this bill could not put in. What will be the result if this war lasts three years and the short-line railroads are not cared for under the terms of this bill? When this war is over, according to my conception, the short-line railways would be in a state of bankruptcy. If they are not cared for in this bill, they can not go to the banking institutions and trust companies and borrow money either on their notes or on their bonds. If they are not properly guarded under this bill, these roads will all be in the hands of receivers, and these 30,000 miles of railways, made up of short lines, that owe $2,000,000,000 would be in a state of bankruptcy, and the communities through which they travel would suffer in like proportion. The farmers and little industrial enterprises along the lines would be greatly injured and hampered. My contention is that the Government of the United States should do the same to the weak as it does to the strong. Is it possible that this Congress proposes to take care of the great trunk lines of this country and allow the short lines to perish and dwindle for the lack of sustenance?

Mr. LAZARO. Will the gentleman yield?

Mr. QUIN. I will yield.

Mr. LAZARO. Is it not true that a perfect transportation system of this kind could be compared with the circulatory system of the human body, and would it not be ridiculous to attempt to have a perfect system of circulation to take care of the large arteries and large veins without taking care of the small arteries, the small veins, and the capillaries of the body?

Mr. QUIN. Why, it would be considered nonsense to take care of the large arteries and large veins and neglect the small arteries and small veins; and yet certain people believe that you ought to allow all of the lesser portions of the body of American railways to perish and starve. Under this bill as it is drawn, the short-line railways, when this war comes to a termination, will be in a condition of bankruptcy and the communities that they serve will have suffered in like proportion. Who is there here that would like to see the little short railroads—the feeders to the main arteries of commerce—destroyed, and the rails removed, and the stockholders left penniless, and the patrons left destitute of transportation facilities? The weak and humble should be guaranteed the same protection as the strong and powerful.

According to my contention, this Government ought to so conduct its transportation facilities during this war, and all its other business, so that when it comes out of the war we will have a great, strong, athletic commercial giant with which we will be ready to meet the exigencies of the Nation. You can not do that unless all of these short lines are properly cared for the same as the main trunk lines of this country are cared for. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ESCH. Mr. Chairman, I yield four minutes to the gentleman from Michigan [Mr. MCLAUGHLIN].

Mr. MCLAUGHLIN of Michigan. Mr. Chairman, I am in favor of the amendment proposed by the gentleman from Wisconsin [Mr. ESCH], and I trust it will be adopted. If it is necessary to modify the amendment, I trust the change will be in the spirit in which the original amendment is drawn.

The Senate has just concluded consideration of this bill, practically the same as the bill now before the House, and in reading the debates in the Senate one is assisted in understanding the bill, what it is intended to do, and what it will do, and assisted also in arriving at the proper construction of some of its principal features.

The gentleman from North Carolina [Mr. WEBB] a few moments ago spoke of a meeting he had with gentlemen from his State who are interested in short-line roads and of the draft of an amendment which was incorporated in the bill and now appears in it, which he said was quite——

The CHAIRMAN. Will the gentleman permit the Chair to call his attention to the rule, and it is probably the duty of the Chair to do so—although I do not know that any harm will be done in this particular case—that it is in violation of the rules of the House to refer to statements actually made on the floor of the Senate by Senators?

Mr. MCLAUGHLIN of Michigan. I simply wish to call attention to the actual situation as it developed in the other body, and to a statement made by the distinguished Senator upon this particular point. I was making no reflection upon him, nothing that could cause any controversy or ill feeling. I certainly was not criticizing. I did not know that I was transgressing the rules and certainly had no intention of doing so.

The CHAIRMAN. The Chair understood, of course, that the gentleman was not speaking in any criticism, but it seems it is the duty of the Chair to take the initiative in calling attention to the fact that references can not be made in debate to statements actually made on the floor of the Senate by Senators without reference as to whether it is controversial or not.

Mr. MCLAUGHLIN of Michigan. I was referring to something that appeared in the RECORD, and practically quoting a statement by a Member of another body. I regret that I have transgressed the rules.

Mr. ROBINSON. Will the gentleman yield for a moment?

Mr. MCLAUGHLIN of Michigan. Yes.

Mr. ROBINSON. I just asked permission to interrupt you in order to state that the representatives of the short-line railroads in the State from which the gentleman from North Carolina [Mr. WEBB] comes and in part represents were not satisfied with section 9, but considered it was the best they could get from that committee; and they are heartily in favor of this amendment.

Mr. MCLAUGHLIN of Michigan. That is what I wished to bring out. In answer to what the distinguished gentleman says now and in answer to what the gentleman from North Carolina [Mr. WEBB] said, and that this amendment was urged in another body, because of what had been incorporated in this bill and thought at the time it was framed was sufficient, it seemed to me that the deliberations of the body, the conclusions they had reached, their arguments and reasons, would be helpful to the House in considering this amendment. The amendment now pending, offered by the gentleman from Wisconsin [Mr. ESCH], is in the same words as the Cummins amendment, adopted yesterday by the Senate; adopted because section 9 of the House bill was not considered as sufficient protection to small roads.

Now, the taking over of the railroads by the Government of the United States is not to be entirely in the interest or for the benefit of the Government alone, and, as has been well said by the gentleman from Iowa [Mr. TOWNER], they can not be taken

over entirely for war purposes and all other considerations eliminated. It seems to me that we can get help in the consideration of matters of this kind by knowing and keeping in mind some of the things that have been done in England respecting the general manufacturing situation in that country. There has been an effort, which has met with marked success, to keep general business going, to keep it prosperous and successful, as is shown, in one way, by the very large imports from that country, larger than ever before, indicating that the general business of the country is in good shape. So in this country, as far as possible, business should be protected and encouraged even if it is not directly a part of war preparation or absolutely necessary to enable us to prosecute the war. Certainly, the general business of the country ought not to be deliberately injured or sacrificed as would inevitably be the result of excluding small railroads from such benefits as may result from this act. If not included, the small roads will be discriminated against and embarrassed and many of them will be ruined.

Mr. ESCH. Mr. Chairman, will the gentleman from Tennessee [Mr. SIMS] use any of his time?

Mr. SIMS. I yield to the gentleman from Alabama [Mr. BANKHEAD] five minutes.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. SIMS. I have just been informed that he has been called out of the Chamber, and I ask that the gentleman from Wisconsin use more of his time.

Mr. ESCH. I yield four minutes to the gentleman from Ohio [Mr. SNOOK], a member of the committee.

Mr. SNOOK. Mr. Chairman and gentlemen of the committee, I will ask not to be interrupted in the time that I have allotted me.

I regret very much to be compelled to take the position of opposing the position of the distinguished chairman of our committee, because I respect his judgment very much, as much as any man in the House, but I feel it my duty to support this amendment. And I want to give briefly the reasons. This question was before our committee and was gone into quite fully at the hearings. I have never heard but one argument, and there has been but one argument before the committee, why the short-line railroads should not be taken over, and the only argument offered was that it would entail a very large expenditure on the part of the Government, larger than the Government could afford to make.

Now, I am convinced, after giving the question thorough and careful study, that this would not be the result of the adoption of this amendment. I was asked a great many questions upon this very point when I had the honor of addressing the House during general debate, and I propounded the query then as to whether or not the Government could afford to do it. Since then, after giving the subject careful thought, I am convinced that the good to be obtained from following this course will outweigh the cost. There are many short-line railroads that have built up towns along their lines and that serve large communities. To discontinue those lines or to cripple their use would mean disaster to the towns and communities they serve.

There are three ways under this bill by which the railroads taken over can be compensated. The first is under the standard return, which is equivalent to what the railroads have earned in the last three years. If any of these roads is compensated under that provision it certainly can not hurt the Government, as the pay will be on the same basis with a majority of the roads.

The other provision is that they can go into the courts and have the amount of the compensation they should receive determined, and of course that would be the fair rental value of the road; and certainly the Government would not be harmed if that theory were put into effect.

The other method, to which the gentleman from Iowa [Mr. TOWNER] alluded, is that allowing the President or the Director General to censor the case and fix the compensation. That is the exceptional one, and of course it goes without saying that the President would not give compensation to any of these roads if they were taken over that would materially embarrass the Government. So I think that it may well be said that the expenditure on the part of the Government would not be such as to embarrass the Government; and this meets the only argument that was brought before the committee as to why these railroads should not be taken over.

It is said that this amendment does not go far enough, that it does not reach the railroads. I am inclined to think that it goes far enough, because under the language of this amendment there is not a railroad, however short, but has a junction with some other railroad, and in one way or another competes with some other railroad for business, and therefore it would reach all these railroads.

Another argument is that the taking over of these railroads under this provision would not do them any good. I can not see anything in that argument. When the railroads were taken over by the President, immediately the stock market and the values of the securities of those railroads reflected that action, and if these railroads are taken over with the others it will have the same effect on the short lines, on the small railroads, that it has had on all the other railroads of the country.

It will have a tendency to stabilize their securities and give them an opportunity in this way to meet their obligations as they accrue. For this reason I think the amendment should prevail.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SIMS. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, it seems to me that the primary consideration for a proper understanding and vote upon this amendment is to look into the elemental purposes of this bill. As stated in the caption of the bill, the purposes are "to provide for the operation of the transportation systems while under Federal control, for the just compensation of their owners, and for other purposes."

Now, admittedly there would have been no necessity for legislation of this drastic character except for the reason that the developments of the transportation system under war conditions under private ownership apparently, to a large extent, broke down, so to speak, and as I understand the purposes of this bill from the standpoint of the Government interests it is to unify and coordinate for Government needs and necessities such elements of our transportation system as are necessary to the successful and speedy carrying out of the war purposes of the country. I realize, of course, that there are a great many short-line railroads in the United States that have, according to the arguments that have been made here, a direct interest in the result of this legislation.

But, gentlemen, it seems to me that in order to arrive at the correct conclusion regarding the equity and merits of this proposition the status of these short-line railroads should be considered on the basis of their real earning capacity and carrying capacity as common carriers. You take an ordinary short-line railroad, used for the purpose of developing a certain limited section of the country, and necessarily it has some trunk-line terminal—that is, most of them have—and you take the lumber and wheat and iron ore or any other of the other necessary commodities that are required for the use of the public and the Government at this time, produced upon the territory covered by any short-line carrier, and they necessarily have to be transported by some route to their legitimate market, and therefore they would have to be carried, in its last analysis, to the larger consuming market by trunk lines, and these trunk-line railroads will inevitably be taken over under the provisions of this bill. On the other hand, in taking short-line railroads that do not furnish any product for foreign markets or a distant market there is no requirement from the standpoint of governmental necessity for taking over short-line roads of that character. Therefore it will be remitted, as under ordinary circumstances, to its actual earning capacity as a short-line carrier.

It seems to me, gentlemen of the committee, that the elemental considerations of the bill that is before us, as presented in this section and in other sections of the bill, are to conserve to the utmost all the necessities of the Government and not to give attention to the stabilizing and guaranteeing of the securities of short-line railroads. The purposes of the bill, as it was conceived and in the arguments made in favor of its passage in the first instance, were based on the developments and the facts which tended to show that it was necessary to coordinate or take over under Government control the really needed transportation facilities of the country, and not every element of the railroad systems of the country that might not be needed for that purpose.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MADDEN. The necessities, of course, were first considered on account of the war needs?

Mr. BANKHEAD. Yes.

Mr. MADDEN. And it can not be said that the short lines are not hauling war material, because everything we use is in a sense war material.

Mr. BANKHEAD. It has to go to some fixed market. It is not to be conceived that the Director General would delay the shipment of war material over that short line, and therefore I do not think it will be necessary for the real purposes of this bill to take over all the short-line carriers and thereby tremon-

dously and unnecessarily increase the burdens of the Government.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BANKHEAD. I am sorry that I can not further answer the gentleman from Illinois.

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from Alabama.

The CHAIRMAN. The gentleman from Alabama is recognized.

Mr. HEFLIN. Mr. Chairman and gentlemen of the committee, I am heartily in favor of this amendment. This is war legislation, and the communities dependent on short-line railroads are entitled to the protection that people on the longer roads are to have under the provisions of this bill.

There is a short-line railroad in Lowndes County, in my district, about 20 miles long. It joins the Louisville & Nashville Railroad leading into Montgomery, Ala. This short road is located in one of the greatest agricultural counties in the country, and over the protest of the people of the county, people who gave the right of way and timber for making crossties, this short-line road has been sold for junk and is being torn up and shipped away.

Those who owned the road have disregarded the interests of the public and they are depriving that territory of the services of this road, which were very useful in carrying farm produce to Montgomery and to Camp Sheridan. I think it is right and just that the Government should cover these roads into this bill, so that the communities that have these short-line roads will be assured that these roads, so useful and necessary to them, will not be put out of business and torn up and sold for junk during this war

The stockholder in the short-line road is entitled to the same character of protection that the stockholder in the big railroad is to have under the provisions of this bill; and as a matter of right the people living in communities served by the short-line railroads are entitled to the same character of consideration and protection that the people living on the long lines are to have under this bill. It is unfair to aid and safeguard the big railroads in these strenuous times of war and leave the little roads unaided and helpless in the hands of those who want to put them out of business. [Applause.]

Mr. ESCH. I yield three minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, I favor this amendment for the fundamental reason that it avoids the perpetration of an injustice. I regret the necessity for the taking over of the railroads in this emergency, but if it was necessary to take over any, it is equally necessary to take over all. The gentleman from Louisiana [Mr. SANDERS] is undoubtedly correct in that proposition. Within this limited time I can give only two reasons: First, there is not a short-line railroad in the United States which in the carrying of freight and passengers does not prorate with railroads of greater length. It is absolutely necessary for their existence that they should give through bills of lading for the movement of traffic initiated over their own lines, and thence over other railroad systems, which under this act will be under the jurisdiction of the President of the United States, and it is unfair that the President should have the control of rates over the long systems of railway and these short-line railroads deprived of whatever benefit may accrue from the operation of this law.

In addition they ought to be included for their financial preservation. Many of them have bonds maturing during the existence of this law. They are deprived of credit by reason of the conditions of war, emphasized by the existence of this law which we are considering, and they ought to be protected.

Then there is another reason. While the Government in the exercise of certain prerogatives as a sovereign may do certain things such as we are proposing to enable it to do under this law, it is not in consonance with our institutions that the doing of anything by the sovereign should work an injustice to any other person or property, and we are doing a thing here by the passage of this law which will work that injustice, and therefore is fundamentally wrong.

Mr. WEBB. Will the gentleman yield?

Mr. SMALL. I yield to the gentleman if I have the time.

Mr. WEBB. Referring to the gentleman's last statement, will he tell us how an injustice is going to be done these short-line railroads in view of section 9 of the bill?

Mr. SMALL. Section 9 of the bill simply places it in the power of the President to let shippers route their shipments, provided the exigencies of the Government do not require the President or the Director General himself to do so. That does not protect these short railroads from the injustice which will be done them unless this amendment is adopted.

Mr. ESCH. I yield three minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, a parliamentary inquiry before I begin.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN of Iowa. Is this the proper time to offer an amendment to the amendment?

The CHAIRMAN. The gentleman can offer an amendment to the amendment.

Mr. GREEN of Iowa. I offer the following amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment to the amendment. The Chair requests the attention of the gentleman from Wisconsin [Mr. LENROOT]. Did the gentleman from Wisconsin send his amendment to the desk to be offered?

Mr. LENROOT. That was my intention.

The CHAIRMAN. If that is the case, of course the amendment of the gentleman from Wisconsin [Mr. LENROOT] would take precedence in being offered before the amendment to the amendment proposed by the gentleman from Iowa [Mr. GREEN].

Mr. ESCH. Mr. Chairman, I accept the amendment offered by my colleague [Mr. LENROOT].

The CHAIRMAN. It will have to be reported and acted upon by the committee, of course.

Mr. LENROOT. On the statement of the gentleman from Wisconsin [Mr. ESCH], I am willing to withdraw my amendment for the present and to offer it later.

The CHAIRMAN. It has not been offered yet. The gentleman from Iowa is recognized to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. GREEN of Iowa offers the following amendment to the amendment: After the words "possession, use, and control," insert the words "or which is engaged as a common carrier in the transportation of material, food, fuel, or supplies used in or necessary for carrying on the war."

Mr. GREEN of Iowa. Mr. Chairman, I desire to call the attention of the committee very particularly to the fact that the original amendment offered by the gentleman from Wisconsin [Mr. ESCH] would not include to exceed one-third of the short lines, if it took in that many. I have not made any computation, but I believe I am safe in saying that fully two-thirds, and I think probably four-fifths, of the short lines are merely feeders. They do not compete with any line, but simply supply the road into which all of their shipments are eventually turned. It has been said in argument that the amendment offered by the gentleman from Wisconsin [Mr. ESCH], which applies simply to roads that compete with the roads which the President shall take over under the provisions of this bill, would include all of these short lines, for the reason that these feeders to which I now refer always take freight which would have otherwise gone somewhere or somehow to some other line.

Perhaps that is true, but that is not the sense in which the word "competition" is ordinarily used, and I do not think it is the sense in which it would be applied if this amendment is added. So that as the amendment now stands, in my judgment it will take over only a very small portion of the short lines. The amendment which I have offered, which, if adopted, would make the amendment apply to all roads that carry food, fuel, material, or supplies for carrying on the war, would include practically every road, at least every road that ought to be included, because there are none of these short lines that I know anything about which act as common carriers that are not carrying some food, fuel, material, or supplies necessary for carrying on the war. Moreover, I do not think it was the intention when this amendment was originally prepared and adopted that it should include anything but those lines competing in the ordinary sense of the word.

Another reason why I think it would be construed in that manner is that all through the bill there runs this idea, which is further expressed in section 9, that the short lines which are to be considered in the bill are those which are affected by routing arrangements, where the freight might be routed over some other line. In such a case as that, of course, they would compete with the main line. I think this amendment must be adopted if we are to take over all the short lines.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment to the amendment was rejected.

Mr. ESCH. Mr. Chairman, I yield three minutes to the gentleman from Indiana [Mr. FAIRFIELD].

Mr. FAIRFIELD. Mr. Chairman, as I see this program, there are three elements in it: The Government, the holders of the securities of the short lines, and beyond them the people who live along these lines. I think this amendment is a simple

act of justice, for finally the Government is the people of this country.

I do not believe that we are prepared here to say that the exigencies of the war are so great that the Government can afford to take the chance of doing a great injustice. Some of these lines are barely able to subsist; some of them are already on the verge of bankruptcy. If they are not taken over, they will be destroyed and possibly junked.

A concrete example is a road 75 miles in length projected by a man and assisted by every community through which the road runs. It crosses two intersecting lines and has not yet reached its objective. That road is in danger to-day of being sold and junked. I suppose that a wise railroad financier might say let it be "junked" if it can not support itself. But remember that there are 800 such lines. There are 800 communities through which those lines run, and to do a thing now that would injure the life of these lines after the sacrifices that the people have made in their interest would be an injustice that I think the Government can not afford at this time. The farmers along the line of the road in many instances gave the right of way. Every town and township voted to tax itself that this road might be built. In every case the help rendered was absolutely gratuitous. No stock was issued to these farmers or towns or townships. The aid was not given for the purpose of realizing dividends on the stock, it was given that the road might be secured. Conditions are such now that the road can not be financed except by the Government. My only contention is that the property of the people should not be taken away from them, without hope of return, by any action of this Government; rather should it be the policy to conserve every mile of track and every bit of rolling stock on all the roads. The people along these short lines are helpless. They have sacrificed to build these roads; they need them. Business conditions are such that they can not organize a company now to protect themselves. All their money not immediately demanded in their own private business is being used for the purchase of liberty bonds and for subscriptions for Red Cross and Y. M. C. A. work. The Government ought to protect these roads by taking them over, operating them, and thus preventing a signal wrong to the communities through which the roads pass. [Applause.]

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from Minnesota [Mr. SCHALL].

Mr. SCHALL. Mr. Chairman, I shall vote for the bill with some amendments which I hope may be attached. America's contribution to the war is reduced to-day to a question of transportation. We must keep the vast supply arteries open, and through them must flow a steady stream of men and war material to the sea and across that unwilling conscript. Nothing must stand as an obstruction. If we as a nation at war find a time-honored institution too cumbersome for our present urgent necessity, supplant it with one more mobile to our needs.

Had the catastrophe of war not come to us we might have struggled through the growing pains of adaptation of an ill-fitting transportation system without so radical a remedy. But crises precipitate discontent that is in solution. The enormous burdens of mobilizing a nation for war brought into high light the inherent defects of our system. The roads were hampered by a division of authority. Pooling, a thing desirable when the needs of the Nation and not private gain are the aim, had been interdicted because of its abuse by the roads in times past. With their future uncertain the credit of the railroads did not warrant investment in new equipment. The rapacious vortex of war preparation was draining the world of finance of its wealth and the strain of the useless cost of competing organizations was too much for the country to stand. So that, while the railroads in the past have not unjustly been considered sinners above all Israel, because managers were unable to view transportation as a whole and persisted in seeing only their own lines; because they opposed water transportation on lake, river, and canal, and jealously planted terminals without regard to public need; because of stock manipulations, secret rebates, and railroad wreckers, the present condition is not one for which they are to be punished. This bill is not a retaliatory measure. The railroads need the Government as much as the Government needs to control the railroads. Waste must be eliminated, expense curtailed, and congestion relieved. Only under one head can the whole system coordinate and function with benefit to every part.

There is a remarkable unanimity throughout the Nation in following the President in his most radical departure from precedent. The rail heads, labor, the investors, and the people generally welcome it as a necessary war measure, that will quicken our Nation's efficiency for winning the war and make our resources mobile. Charles S. Mellen, formerly of the New York, New Haven & Hartford Railroad, says:

> A single directing head will cut out the handling of thousands of empties one way, due to past competitive warfare. Freight will be shipped by the shortest route, without regard to which railroad benefits.

Theodore Shonts says that 60 per cent of labor and fuel in New York terminals will be saved by pooling. Already the Director General, by virtue of authority being lodged in a single head, has instituted direct routing regardless of earnings of railroads, suspended priority orders, and increased demurrage rates, thus hastening loading and unloading, none of which the railroads could do without permission of the War Board or the Interstate Commerce Commission, but which the Government under press of war necessity could instantly do. The success of the Government's war-time railroad policy will depend upon teamwork. Unless the present machinery, both labor and managers, cooperate, efficiency will be lost. We must employ and conserve, not antagonize and reject, the training and ability of the scientists in the railroad business. Their years of education are a Government asset. Every ounce of our financial strength must be applied. The Senate, ever generous at the taxpayers' expense, has taken good care that the railroads be well and sufficiently protected. It only remains that we should look equally well after the interests of the people who must pay the tremendous compensation suggested. The railroads are a part of the people; no longer are they a thing apart.

The people of this country are the ones who are making the supreme sacrifice. They have a right to safeguard. In the matter of compensation the railroads should receive fair and just return, but their service has not been so eminently satisfactory that they need a premium. If 4 per cent is enough for the poor who are patriotically handing over their little hoardings for the Government's liberty bonds, the railroads should be patriotically content to receive 8 per cent. And why pick out 1915, 1916, and 1917, when the last two were notably banner years, as a basis for compensation? Why the fattest years? Why not strike a middle course?

But at the same time we must avoid an unjust and arbitrary course. Who knows how Government control will work out after the war? As a permanent institution labor fears it might hamper their freedom; fears, too, lest the vicious workmen's so-called "compensation act" shall supplant the interstate-commerce act. Railroad heads regard it with disfavor. How the people will look upon it depends upon whether it shall degenerate into a dangerous, grafting, political, wasteful machine, a Scylla as much to be avoided as the Charybdis of selfish, narrow-visioned private ownership.

The question of how long the Government shall continue to operate the roads should be left open. The conditions of demobilizing will create just such difficulties as we are now experiencing. Reconstruction will face we can not conceive now what new problems. No one can say what definite period, if ever, will see the Nation restored to prewar conditions. It is essential that the period of control be sufficient to establish a permanent, far-reaching change adapted to the growing needs of our tremendous transportation problems. We should neither cut ourselves off permanently from the benefits of Government control, should that prove the consummation devoutly to be wished, nor should we so tie ourselves up that we can not substitute Government regulation, should that prove to be the better way. There is no vital necessity that this question should be settled at this time. The railroads are amply protected, the stock and bond holders equally so.

There is but one task before the least and greatest of this land, but one thought to hold, and that is win the war. Do your all to win the war; the administration says this is the way. If criticism helps, what difference whom it hurts; let it come. Perform the major operation and get on. If it will harm our cause, then the cure is worse than the disease.

The enemy we have to face is relentless, resourceful, rapacious, and united with a coherence that can only be overcome by an equal unity. That is the one terrific call to every one of us to-day. We can not in safety delegate our responsibility in this grave—this terrible crisis.

The American spirit has changed tremendously. It is back of any movement necessary to win. We are breaking, Gulliver like, the tiny fretting threads that well-meaning pacifists have wound about the giant limbs of the Nation. Our blunders, our failures are part of the cross that we must learn to bear. Cut red tape, the people back home are demanding, and forget politics and party. What do they care about political capital when the safety and well-being and lives of their best and dearest are at stake "over there"? What do they care which

party wins the next presidential election when their hearts are set with the grim purpose to go over the top in our fight for the rights of humanity? We can't evade, we can't go round; we must go straight through. The poignant days of the war are just beginning. What we have irked at is but the sting of the gadfly. We are in war. That is the one tremendous fact. We must win it; every other consideration is subordinate. Now is the one time in all our history, if we are to persist as a nation, that we must merge personal ambition. We must forego political advantage. We must abandon our local squint and try to see with the larger vision of the Nation.

I am heartily in favor of the Esch amendment, which I believe necessary to do justice, and in connection with that point I wish to have read in my time a letter written to me by my friend and constituent, Col. Luce, who is now serving his country with his regiment in Texas and who is interested in a short-line railroad running from Minneapolis to Hutchinson.

The CHAIRMAN. Without objection, the Clerk will read the letter.

There was no objection.

The Clerk read as follows:

FORT SAM HOUSTON, TEX., *February 12, 1918.*

Congressman THOMAS D. SCHALL,
Washington, D. C.

DEAR CONGRESSMAN: I notice in the paper that Congress will bring up the railroad bill this week. There is no question as to the advisability of the Government taking over the railroads. If it had not, in all probability they would all be forced into bankruptcy. By congressional action salaries were greatly increased, cost of all labor doubled, fuel doubled, and all this without any material increase in rates. Evidently, with this given situation, it appears best to those in power in order to prevent financial disaster to the country's railroads and also those holding their securities to take them over with certain guaranties under present conditions. This is true of all railroads, big and small. The large railroad heads have been crying for relief, asking that something be done. Their prayer has been answered. If the big, strong railroads are in this condition financially, what shape do you expect to find the small ones in, especially those who are not fortunate enough to secure a partial handling of the immense Government business incident to the war. I do not think it is necessary for me to go further into detail as to the necessity of treating the large and small railroads alike.

I will bring to your attention a sample of the injustice if the small railroads are discriminated against. Between Minneapolis, Minn., and Hutchinson, Minn., the Great Northern, the Chicago, Milwaukee & St. Paul, and the Electric Short Line each operate a line of railway. Under the proposed bill the Great Northern and Milwaukee roads will each be guaranteed a living by the Government, while the Short Line, because it is a small road, must be forced into bankruptcy. The small road serving its proportionate territory means just as much to the successful conclusion of the war as the large. The small investors in small roads have a right to ask for the same relief as the large ones. If more taxes are to be assessed to make up the loss in railroad operation under present conditions, the least the country can expect from Congress is that the laws shall be equitable to all railroads, both big and small.

As far as the undersigned is concerned, I am only too willing to serve my country in any capacity that I am asked in order to win this war. But in return, while I am deprived of attending to my personal business, I feel that it is only fair and just of Congress that in passing its law it shall treat the railroads alike and not discriminate against the small.

If the Government should protect the large and not the small roads, it will bring this state of affairs about: When the roads are turned back to the owners the large roads, all protected by the Government, will be in excellent shape physically as well as financially. The small roads, in the meantime, will be forced into bankruptcy and be on the market, so that the guaranteed roads will get them at a small per cent of their value.

Knowing that you will see the fairness of my argument and will do all you are able to see that all railroads are treated alike, I beg to remain,

Sincerely, yours,

ELECTRIC SHORT LINE RAILWAY,
E. D. LUCE, *Vice President.*

P. S.—I am speaking as a representative of 4,000 stockholders of the Electric Short Line Railway, all local people, 3,000 of them farmers.

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Chairman, there is but little a man can say in two minutes. I can say this, however, that war is not the normal condition of mankind. It is an abnormal condition and we expect, as a normal people, after the war is over, to resume our ordinary occupations in the ordinary way. It is a very poor way to go about it if as one of the first steps of war we necessarily destroy $2,000,000,000 worth of wealth in our country. We ought to be able after the war is over to go back and set out with institutions practically the same as they were before we started the war, if we can. If it costs us $2,000,000,000 to keep the short-line railroads, at the end of the war, if we have the short-line railroads at a cost of $2,000,000,000, we would at least have the railroads. If we go ahead under this bill without the amendment, at the end of the war we will have lost $2,000,000,000 worth of wealth and have nothing to show for it.

I know something about the practical effect of the situation in my district. There is a short-line railroad 60 miles long running through my territory, built up with little towns along the way. There are no other railroad lines by which the people can ship. It runs through farming communities and to coal mines. At present it is so situated that it can not get a single car through the trunk lines of the Chicago, Burlington & Quincy or the Rock Island. The people have had a hard struggle to get these roads. Many of these communities served by these little roads have labored for years to get these roads built as outlets for their products; they have invested their money in them. These roads ought not to be industrially destroyed. As my time is so short I can not now give my reason in greater detail. I am heartily in favor of this amendment. [Applause.]

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS of Virginia. Mr. Chairman, I listened to the argument of the gentleman from Missouri [Mr. DECKER], in the course of which he advanced the proposition that the short lines proposed to be taken over by this amendment, would not be benefited by that action. I failed to catch the force of his reasoning. The amendment provides that the short lines to which it relates shall be "held, and considered as within Federal control, as therein defined, and shall be entitled to the benefit of all the provisions of the act." Will the act be of any benefit to the trunk lines? If so, then the same benefits that will accrue to them, by virtue of its provisions, is secured for the short lines. The report which accompanies this bill declares that one of the purposes of this legislation is to provide for the operation of the trunk lines. It is a matter of great concern to many communities that the short lines shall be operated. This result is secured by the amendment.

Some of the gentlemen who oppose this amendment seem to be in a somewhat inconsistent position. Reading the argument of one Senator I find that although he believed and hoped that most of the short lines would be taken care of by the Government, he concluded his remarks with the declaration that he intended to vote against this amendment. Later he did vote against it. This gentleman, and all other gentlemen who hope and believe that these short lines will be taken over, ought to square their action with their hopes. A thing that I hope will be done, is a thing that I believe ought to be done. A thing that I believe ought to be done, is a thing worthy of my vote and support.

If there is anybody in this House who believes that these short lines ought to be taken over, presumably he holds to that view on the ground that such action will be in the public interests. Assuredly any action that the public interests require, is action that ought to be secured by appropriate legislation. There are a number of short lines in the country that serve a very useful purpose. They afford transportation facilities to many communities that are not reached by the great trunk lines. Their operation is as essential to the comfort, the convenience, and the prosperity of the communities which they serve, as are the great transportation systems to the country generally. Under the interstate commerce law the shipper enjoys the right to route the freight which he offers for transportation. This right has been taken from him, and the authority to divert the flow of traffic is now exercised by the Director General of Railroads. This bill proposes to finance the roads taken over, and furnishes a prodigious revolving fund to be used for maintenance, betterments and operating expenses of the vast trunk systems proposed to be taken over, but the trunk lines by no means constitute the entire railroad mileage of the country. There are over 30,000 miles of short lines, with an aggregate value of $1,000,000,000.

Many of these roads are owned by small companies, some by counties, others by individuals. They were constructed in most instances either to serve communities that were totally lacking in transportation facilities, or to afford relief against the exactions and oppressions of the trunk lines. It would be a national calamity for these lines either to be forced out of business entirely or to be turned over to receivers. These smaller lines may not be making money. In most instances they are not, but they are of incalculable value to the communities which they penetrate. Many small towns owe their existence to short-line roads. Withdraw their activities, and these towns will disappear. Take them from the agricultural communities which they now serve, and the shrinkage of values, and reduction of industries that will follow will be appalling. Are the people of these communities, are the busy workers in these little towns; less entitled to consideration than the men who live along the great transportation systems, or who rejoice in the opportunities of the great cities? If this is a question of Government ownership, the Government should take all the roads, great and small alike. If it is a question of Government operation in the general interests, then the Government should operate the great lines and the small lines alike, as one compendious whole, in the interest of the general public.

The needs of the country can not be adequately served by the trunk lines alone. The small feeders to these lines, so essential to the prosperity of the small towns, and country communities, should be maintained and operated as an integral part of a unified system. It is manifest that if the Government lavishes its benefits upon the trunk lines, and by routing orders, and traffic arrangements, maintains them at the highest level of activity and prosperity, in disregard of the needs of the short lines, the latter will languish and die. This may be a matter of small concern to the great centers of industry, to the mighty cities of our land fed by the great roads which deliver within their gates in unending stream the precious freights that come from the four quarters of the earth, but it is a matter of life and death, to the small towns, and country communities that are dependent in many cases upon these little roads to reach the markets of their choice. What is the controlling reason suggested by the administration for taking over the railroads at the present time?

It is to unify the system, to weld the competing roads into an efficient and harmonious whole, and thus fashion a more effective weapon with which to win the war. But this result will not be attained if the smaller lines are disregarded and administrative direction is confined exclusively to the great systems. The prosperity of the country rests upon an efficient coordinated system which will comprehend all of the roads, great and small alike, and afford the largest measure of transportation facilities to the entire country. The interests, the wants, the needs of the small communities, and of the little towns, must not be overlooked. To win the war, we need on the largest and most universal scale, solidarity of national sentiment. That solidarity will not be secured if the interests of the small communities are disregarded in this bill, and the gigantic funds which it appropriates, and the immense powers which it confers, are expended and exercised, solely in the interest of the great trunk lines. It is not enough to develop these lines for the transportation of coal, and steel, and guns, and munitions of war. There is a vast body of freight which is not distinctively war freight, but which must be moved in the interest of the general welfare and nation-wide prosperity. Our ability to wage this war depends upon that prosperity, a prosperity which can not be maintained unless every community is afforded the facilities which unified administration of existing agencies will supply. Take over the trunk lines, if need requires, but take over the short lines at the same time.

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, I would like to read to the House an order sent out by the Director General on January 9, 1918, to all railroad officers and employees of the railroads of our country:

DIRECTOR GENERAL OF RAILROADS,
INTERSTATE COMMERCE COMMISSION,
Washington, January 8, 1918.

To all railroad officers and employees:

The Government of the United States, having assumed possession and control of the railroads for the period of the present war with Germany, it becomes more than ever obligatory upon every officer and employee of the railroads to apply himself with unreserved energy and unquestioned loyalty to his work.

Every railroad officer and employee is now in effect in the service of the United States, and every officer and employee is just as important a factor in the winning of the war as the men in uniforms who are fighting in the trenches.

Through this order the Director General appeals to the railroad men of the United States to be patriotic, but at the same time he is going to discriminate against the short-line roads by saying to them, "You look after yourselves, but the Government will take care of the big fellows."

Mr. MOORE of Pennsylvania. Did that letter go to the short-line presidents?

Mr. COOPER of Ohio. I understand it went to every railroad president in the United States.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ESCH. Mr. Chairman, I yield three minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, I shall support the amendment of the gentleman from Wisconsin [Mr. ESCH], although it is true that under a hostile interpretation it would not perhaps take in some of the feeder lines, and under a too favorable interpretation it might take under Federal control lines that are not in any way necessary or essential or useful in the winning of the war but are in a bad way financially and anxious to be pulled out of the hole. If I were to approach this matter in the way of legislation I should suggest something of this kind. As evidenced by the President's order just read by the gentleman from Ohio [Mr. COOPER], all of the railroads, big and little, are now under Federal control, and I should propose the following amendment:

That no railway lines shall be excluded from Federal control solely on the ground that the operation of such lines is not essential to the successful operation of the railways by the Federal Government, but any line which competes or connects with lines under Federal control and whose business will be seriously and disadvantageously affected by remaining under private control shall be taken under Federal control if such action is necessary to prevent loss or hardship through the taking over of connecting lines.

An amendment of that kind would clearly take in all going connecting, feeding, and competing lines, but it would exclude a line which was merely a strip of rust not affected by the general taking over of lines and of no value as a part of the railway systems of the country. It would accomplish, I think, rather better than the amendment proposed the object sought; but I shall support the amendment offered because I assume that in any event the bill will go to conference in a form that will make it possible to modify all of these provisions, and when we shall finally reach the point of handling the short lines I think they should be considered on the theory that I have suggested.

Mr. ESCH. Mr. Chairman, I yield three minutes to the gentleman from Arkansas [Mr. GOODWIN].

Mr. GOODWIN of Arkansas. Mr. Chairman, the hearings disclose, as I recall, that there are over 800 short-line railroads in this country, with a capitalization of over $1,200,000,000 and with a bonded indebtedness of over $800,000,000, embracing over 30,000 miles of short-line roads. These roads eventuate into trunk lines, many of them. I do not care to speak locally upon a great national question, but others have spoken in that way; and where many have spoken in a local way, then largely what they say represents the attitude of the Nation at large; and if I may be permitted to speak locally, I will say that not only in my immediate section but throughout the great Southwest there are many scores of short-line railroads which not only have become permanent trunk lines, but many of them to-day are in process of being converted and merged into permanent trunk lines. This, of course, is an extraordinary measure—a war measure, pure and simple. We have tried to put forth all of the energies and activities at our command to win the war. It is better to have one general management than many dozens in time of war; and under the authority of the Director General, he may divert traffic from these short-line roads which they in the past have enjoyed to the larger roads; and the small roads have had an uphill business to make tongue and buckle meet, to make a living; and now if, under the authority vested in the Director General to divert traffic from the short-line roads in order to make traffic as expeditious as possible, these roads which have enjoyed tonnage in the past may be deprived of a large part of that tonnage as long as the war lasts, and for the length of time that the roads are to be controlled by the Government after the war is over, then, as a matter of right, they should not be forced into insolvency, but should be put on an equal footing with the larger roads.

Therefore it follows, as night follows the day, if the short lines are discriminated against, if the traffic to which they would be justly entitled is diverted to the larger lines, that bankruptcy stares them in the face, and as a result, of course, in time they will have eventually been absorbed by the large trunk lines at their own price.

No one thing possibly has done more to develop many parts of the country than the short-line railroads, and in their wake towns have sprung up, markets have been opened, farming communities settled, and great sections that were once a wilderness, have become habitations prosperous with the thrift and energy of many thousands of people. To discriminate against these small roads, diverting much freight to the larger trunk lines, means bankruptcy for thousands of investors, insolvency for the short lines, and either their complete abandonment as carriers or their absorption by the large railroads at a nominal consideration.

Not only this, Mr. Chairman, but the operation of these short-line roads is indispensable not only to the communities through which they operate, but likewise to the country at large, if America is to put forth her full energies in transportation and otherwise in a successful prosecution of the war. For these roads are as veins to the larger arteries of the body; they are feeders to the transportation system of the whole country, and absolutely essential as carriers of traffic from thousands of farms and communities to the great commercial centers of the country. Take the sawmill roads alone; these in many cases are the only rail transportation that hundreds of communities have. Destroy them and you not only largely uproot the milling interests properly but you also put out of business many

thousands of sawmill employees, who have never known any other business in life, who are wholly dependent on this character of work for a livelihood.

Again, Mr. Chairman, we are spending and charging up to the war many millions of dollars that ordinarily would not be considered as a war charge. Congress recently passed a bill carrying $50 000,000 to house the shipbuilders of the country. This was a charge on the war. Our policy as legislators should be to so conserve our resources that when the war is over we may again return as nearly as possible to our normal life and find conditions as nearly normal as possible, and with the thought always that we will not discriminate in favor of the strong and against the weak—not in favor of the great transportation systems of the country and unmindful of the small, struggling roads, that even now are barely able to breathe an existence, giving always equal and exact justice to all whom we call upon to serve or make a sacrifice. I am heartily in favor of the amendment, believing as I do that no injustice should be visited upon anyone and that upon the close of the war we may once more enter as nearly as possible upon our normal life, having always in mind the progress and evolution of our economic and social life.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER of Wisconsin. Mr. Chairman, the pending amendment—it perhaps ought itself first to be amended—will receive my support. I am in favor of having the Government take over the short-line roads. I say this because of my belief, long entertained, that the railroads of the United States, the trunk lines, and all the other roads should be combined into one great transportation system. And in keeping with this belief, and as a consequence of it, I have for many years maintained that the antipooling law ought to be repealed. On this important subject I do not know that I can more clearly express my views than I did on November 19, 1902, in an interview of some length, published in the Milwaukee Free Press, and to a brief excerpt from which I beg to invite the attention of the committee:

"We have by law prohibited railroads from consolidating. We have also prohibited them from pooling. In other words, we have practically endeavored to compel them to be competitors. But yet, just as soon as they begin to practice the ordinary methods of competition and to sell transportation at cut prices they give the favored ones an enormous power which in turn enables them to monopolize the market and crush competitors.

"Now, as to the remedy, I am inclined to the opinion that, under present conditions, a pooling law, carefully, strongly guarded with ample authority of Government supervision, is the most immediately feasible, practicable remedy. Honestly enforced, as it could be, it would afford reasonable rates, stability in rates, something greatly to be desired, and best of all, equality in rates. Moreover, it would do entire justice to the railroads and also to the people. This would give the smaller shipper an equal chance with the trust to transport his products and in this respect tend to preserve the great principle of equality before the law.

"Under the old pooling system, the railroads fixed the rates in secret and the public knew nothing about them and had no supervision over them. Under a proper pooling law the rate would be fixed by strict Government authority and under the supervision of the Interstate Commerce Commission, with privileges of appeal to the United States Supreme Court. The agreement would be public and its provisions known to all the people. If it were unjust in any particular, public opinion would soon find and enforce a remedy. This publicity in and of itself would prove one of the best correctives.

"I know that there are some objections which can be urged to a pooling law, but so there can be to almost any law. But from my study of the problem I see no alternative for this remedy other than Government ownership."

During the years since that interview I have not changed the views then expressed. On the contrary, experience has served to strengthen them.

I am in favor of further amending the present bill by doing away with the provision to fix a time limit. It is absolutely impossible now to tell what conditions will be when this terrific war shall end, how much money the Government of the United States will have to put into the roads, or what complications will then exist. An arbitrary fixing now of a time limit might be a source of great embarrassment to the Government and to the roads. No harm can come by striking it out. Let Congress have the right when the war ends to consider the whole subject thoroughly and to say what ought to be done, in view of the then existing situation—it may be emergency. [Applause.]

Mr. ESCH. I yield the balance of my time——

The CHAIRMAN. The Chair will state that the time has been checked up since the statement was made before the gentleman from Wisconsin [Mr. COOPER] began to speak, and the Chair finds that the gentleman from Wisconsin has only two minutes left.

Mr. ESCH. I yield that time to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Chairman, I wish to occupy these two minutes merely in discussing the amendment I have offered and which I understand my colleague, who offered the original amendment, will accept. As the amendment now reads, it seems very clear to me that taking over the short-line competing roads would not be in the exercise of a war power at all. All of the roads that have been taken over under the act of August, 1916, are under the war power and are taken over for war purposes, and clearly, under the method of compensation which we provided, we have no right to take over any road simply upon the ground that it is competing with a road that has been taken over. In other words, to justify the taking over of any road under these circumstances it must be an exercise of the war power. Now, we have a right to say, as the fact is, that every railroad in this country that is a feeder of a system of railroads is a competitor and that it is necessary to carry on the war, and my amendment merely provides for a declaration in the bill itself that these roads that will be taken over under the amendment are necessary for the prosecution of the war, and therefore bring them within the war power of Congress in exactly the same way that the roads are brought in that have been heretofore taken over. I hope there will be no objection to perfecting the amendment so as to make that certain.

The CHAIRMAN. The gentleman from Tennessee is recognized for 20 minutes.

Mr. SIMS. Mr. Chairman and gentleman of the committee, it was evident from the beginning that the standard return as provided in the bill, or as might be provided in any other way, could not apply equitably and justly to all railroad companies that it might be necessary to take over for the better prosecution of the war and for such other purposes connected with the emergency as might be needful or desirable. Now, in order that injustice might be done to none of the short lines, weak lines, or lines in receivership—it made no difference about the length of the lines as far as the principle was concerned; we got to calling them "short lines"—the committee amended the bill from its original form and provided the language found on page 5, the last part of section 1:

> If the President shall find that the condition of any carrier was during all or a substantial portion of the period of three years ended June 30, 1917, because of nonoperation, receivership, or any undeveloped or abnormal conditions, so exceptional as to make the basis of earnings hereinabove provided for plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

Now, that was to cover all railroads taken over by the President where it would be inequitable and unjust to apply the standard return, and practically provides that each road so taken over shall be given such just compensation as the particular circumstances and facts relating to the particular road may require. Many short lines, so called, in the course of construction have not paid dividends. They have built a few miles and bonded them and built a few more and bonded those, and these roads were not sufficiently complete for the traffic to be profitable, yet if that particular road was taken over and used by the Government for Government purposes, of course, it was equitable, right, and just that such payment should be paid for such use as the Government made of it while the road itself was earning nothing in the way of net returns or profits before being taken over. Now, that seems to meet the case of all such railroads so taken over. I have heard no complaint of it.

But there are other railroads, short lines they are usually called, though, in fact, whether short or long lines, that will not be taken over by the President. They seriously complain that if we take over the trunk lines or large systems on which through business is done, and leave them without the benefits which they enjoyed before of soliciting freight and of soliciting shippers to route their freight so as to go over their particular lines, they ought to be relieved from any incidental injury that would come by routing freight over trunk lines that they otherwise would get if they were left with the power to do just what they had been doing, namely, soliciting freight, and have all the benefits they had before. We left it where if the President might find it necessary as a war measure to divert freight that they

otherwise would get, that then he might do it; but that he should divert such other unrouted freight from this particular line to this short line, which it would not otherwise have received, sufficient to indemnify it from the injuries that might otherwise come from diverting such traffic from it.

A proposition of that kind was brought to me by the gentlemen from North Carolina, Messrs. WEBB and KITCHIN, and with some of the presidents of the short-line railroads that did not anticipate their being taken over accompanying them.

Mr. BARKLEY. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. BARKLEY. Was not he also the president of the Short-Line Railroad Association?

Mr. SIMS. One of them was. But Mr. Byrd Robinson was not with them at the time they came to me. They insisted with the committee and with the Director General—if not in person, through others—that this proposition be accepted, to hold them harmless against other roads being taken over that might interfere with the business they could do if the other roads had not been taken over. And it was put in the bill just as it was written and delivered, without the crossing of a "t" or the dotting of an "i."

Now, I do not know what was in the minds of the short-line men. Some of them, as being represented here now, are coming in and saying that they thought that was all they could get, and they accepted it. Now there is a chance, they think, to get more, and therefore they do not want to be estopped or bound by their acceptance of this provision.

Now, I am just like other gentlemen who have spoken here. I have short lines, so called, in my district, and they are all over Tennessee, and Mr. Byrd Robinson is interested in one of the roads of that kind in Tennessee. There are a number of them, and I have every reason, so far as wanting to court the influence and support of the gentlemen who are interested in these short lines is concerned, to be in favor of them. And I am, just as far as I can be without it being at the expense of the taxpayer and the public.

Mr. LEVER. Will the gentleman from Tennessee let me ask him a question?

Mr. SIMS. Yes, sir.

Mr. LEVER. What is the objection to the amendment of the gentleman from Wisconsin [Mr. ESCH], as amended by his colleague, the gentleman from Wisconsin [Mr. LENROOT], where the President must make a finding of fact if it is necessary for these roads to be taken over in prosecution of the war?

Mr. SIMS. It has not been so amended. It has only been proposed to amend it.

Mr. LEVER. What is the objection to the proposition?

Mr. SIMS. I am going to try to give you the objection if I can.

Now, what is the amendment of the gentleman from Wisconsin [Mr. ESCH]? It is an amendment, as I understand and as he admitted, that was adopted in the Senate yesterday, and its language is:

That every railroad not owned, controlled, or operated by another carrier company, and which has heretofore competed for traffic with a railroad or railroads of which the President has taken the possession, use, and control, shall be held and considered as within "Federal control," as herein defined, and shall be entitled to the benefit of all the provisions of this act.

How many of these short-line railroads that at one end go nowhere, so far as any other railroad is concerned, and unite with a trunk line at the other end? Have they been competing with the trunk line? How could they be competing with it? They can solicit freight from shippers to be sent over their road. Now, where one of these so-called short lines might reach from one trunk line railroad to another trunk line railroad, and the freight might be routed over the trunk line one way and then diverted over on the short line, say, a 50-mile road, and on one of the lines it connects with it might get 40 miles of the haul and on the other 10 miles, it would be to the interest of the short-line men to get shipments from the trunk lines on which it would get the greatest division of the through rate. That is the only competition that I can imagine between any of these so-called short lines with a trunk line railroad that would be taken over.

Now, this amendment only applies to roads not taken over but that do compete with some road that is taken over. Look to what you are creating here. How many such roads are there in the United States?

Mr. HARDY. Will the gentleman yield?

Mr. SIMS. I will.

Mr. HARDY. Does not this bill take care of those short-line roads that are leased to trunk line roads, providing that the lease-contract arrangement shall be continued?

Mr. SIMS. It does not abrogate any lease contracts.

Mr. HARDY. In that way, then, the bill takes care of these leased short lines, and only leaves the unleased lines?

Mr. SIMS. The bill takes care of affirmatively only the short lines taken over, and endeavors to avoid harm coming to those not taken over. That is, the bill as it stands is exactly what the gentlemen who are interested in these roads represented to us they wanted.

Let us look this matter squarely in the face. What is the object and purpose of this amendment? It is to force the President to take over a road that he has no use for as a war measure or any other purpose incidental or connected with the emergency that may be needful and desirable. Now, you gentlemen who have raised the red flag against Government control and Government ownership are now voting for it in principle, because in taking over these roads, according to your own showing, you are not taking them over as a war measure or for any other purpose incident to or growing out of it.

You are taking them over in order that the Government may pay out of the pockets of the taxpayers any incidental injury that they may receive during this war. Now, on the theory of that, if you take over one factory for the purpose of manufacturing war material, clothes for uniforms, or anything of that sort, and some other factory somewhere else is manufacturing those things, and it comes and says, "Here, Mr. Government, you have taken over that factory and you are damaging my business by doing so, and now you must take mine over, too."

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield right there?

Mr. SIMS. Yes.

Mr. KINCHELOE. Is it not a fact that if we support the amendment offered by the gentleman from Wisconsin it is looking solely to the interest of the stockholders in the matter rather than to the prosecution of the war?

Mr. SIMS. Yes; and the bondholders. Now, let us see how far that will go.

Mr. GOODWIN of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. GOODWIN of Arkansas. The stock of many of the railroads of this country, the large trunk lines, is quoted at 3 or 4 per cent. They will be taken over.

Mr. SIMS. Yes; and why? To help them?

Mr. GOODWIN of Arkansas. Why not, then, take over the others?

Mr. SIMS. Are they taken over to help the country or to help the roads? Which side are you on—to help the country or the roads?

Mr. GOODWIN of Arkansas. The law provides for taking some of them over and discriminates against others by not taking them over.

Mr. SIMS. The law provides for taking them over, long or short, for any purpose the Government wants.

Now, the following Senate amendment follows immediately in the same bill:

Provided further, That the President may relinquish all railroads under Federal control at any time he shall deem such action needful or desirable. No right to compensation shall accrue to any owner from and after the date of relinquishment for property relinquished under authority of this section.

You give the President the power to do that, which is for the protection of the country. You provide that if he should take over a railroad, thinking it was needed under the law and under the facts by the Government, and he discovers by July 1 that it is not needed, he can reliquish it or any part of it, or by agreement relinquish any other railroad.

Now, what are you doing? You are voting here by law to place every railroad in the United States, whether it is needed for war purposes or incidental to or growing out of it, or for ordinary commerce, in the hands of the President simply in order that he may have an opportunity between now and June 30 to relinquish every one of them? Now, are you going to put this amendment in and have the Senate provision that immediately follows it authorize the President to immediately relinquish every road thus taken over?

If I were advocating Government ownership, I would howl for this amendment forcing the Government to take over a carrier without any excuse under heaven for taking it over except that the railroad companies may be injured if you do not do it. Unification is desirable, and yet you are getting unification at the expense of the taxpayer if we are to take over every railroad in the United States, whether it is needed or not for war or related purposes.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. OLIVER of Alabama. Suppose the bill, as drawn by the committee, should take over a trunk line? Would that force it to take over all the subsidiary lines in connection with that trunk line?

Mr. SIMS. It could take over all the lines belonging to that road constituting a system of transportation.

Mr. OLIVER of Alabama. The Government has not the right to exclude the short lines belonging to that road?

Mr. SIMS. It may take over a system, a railroad, or any part of it.

Mr. OLIVER of Alabama. You understand it can take over a part of a system to the exclusion of the other part?

Mr. SIMS. Yes. That is the law. Here is the law.

Mr. REAVIS. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. REAVIS. I would like to understand the gentleman's position. Do I understand the gentleman to advocate that, through the exercise of the war power conferred by this bill in the rerouting of freight or otherwise, the sole source of revenue on a short-line road should be taken away from it, and it is not entitled to compensation by the Government?

Mr. SIMS. It will not be taken over unless it is necessary as a war measure, and if traffic is diverted from a road not taken over the President is authorized to reroute other freight over that road in order to compensate it and make it whole, as to the loss of traffic to other roads taken over.

Mr. REAVIS. If in the exercise of the power granted by this bill the source of revenue were taken away from the short line, or otherwise, should not the Government compensate that road for the injury?

Mr. SIMS. Yes; in the way I have stated the President may compensate it. But I do not think it is right to take a railroad over just for the luxury of having done so, when nothing grows out of it in the way of benefits to the Government either as a war measure or otherwise.

The CHAIRMAN. The time of the gentleman from Tennessee has expired. Under the order of the House all debate on this amendment and all amendments thereto has expired. The gentleman from Wisconsin [Mr. LENROOT] offers an amendment to the amendment.

Mr. ALEXANDER. Mr. Chairman, can we have the original amendment reported first, and then the amendment offered to the original amendment?

The CHAIRMAN. Without objection, the original amendment will again be read.

The Clerk read as follows:

Amendment offered by Mr. ESCH: Amend section 1 by adding thereto, page 5, line 19, the following as a new paragraph:

"That every railroad not owned or controlled or operated by another carrier company and which has heretofore competed for traffic with a railroad or railroads of which the President has taken the possession, use, and control, shall be held and considered as within Federal control, as herein defined, and shall be entitled to the benefit of all the provisions of this act."

Amendment offered by Mr. LENROOT to the Esch amendment: After the word "defined," in the Esch amendment, insert the following: "and necessary for the prosecution of the war," so that the amendment as amended will read as follows:

"That every railroad not owned or controlled or operated by another carrier company and which has heretofore competed for traffic with a railroad or railroads of which the President has taken the possession, use, and control, shall be held and considered as within Federal control, as herein defined and necessary for the prosecution of the war, and shall be entitled to all the benefits of the provisions of this act."

Mr. ESCH. I ask unanimous consent to offer a verbal amendment, to change the word "nor," in the first line of the amendment, to "or."

The CHAIRMAN. The Clerk has already modified that. The question is upon the amendment to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

Mr. GREEN of Iowa. Mr. Chairman, a parliamentary inquiry. Is a further amendment to the amendment in order?

The CHAIRMAN. The question will first be taken on the amendment to the amendment proposed by the gentleman from Wisconsin [Mr. LENROOT].

The question being taken, on a division there were—ayes 96, noes 30.

Accordingly the amendment to the amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I desire to offer another amendment to the amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa to the amendment offered by Mr. ESCH: After the words "possession, use, and control" insert the following: "or which connects with such railroads and is engaged as a common carrier in general transportation."

The CHAIRMAN. The question is upon the amendment to the amendment offered by the gentleman from Iowa [Mr. GREEN].

The question being taken, on a division (demanded by Mr. ESCH and Mr. DOREMUS) there were—ayes 73, noes 37.

Accordingly the amendment to the amendment was agreed to.

The CHAIRMAN. The question is upon the amendment as amended.

Mr. LANGLEY. Mr. Chairman, I ask that the amendment as amended be read again. I did not quite catch it.

SEVERAL MEMBERS. Oh, no!

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the amendment as amended be again reported. Is there objection?

Mr. FOSTER. I object.

The CHAIRMAN. The gentleman from Illinois objects. The question is on the amendment as amended.

The amendment as amended was agreed to.

Mr. DOWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is the gentleman a member of the committee?

Mr. DOWELL. No.

The CHAIRMAN. The Chair will first recognize the gentleman from Virginia [Mr. MONTAGUE], a member of the committee, to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MONTAGUE: Page 5, line 13, after the word "receivership" insert the following: "or where recent expenditures for additions or improvements or equipment were not fully reflected in the net operating railway income of said three years, or a substantial portion thereof."

Mr. MONTAGUE. Mr. Chairman, I will say this is the provision contained in the Senate bill and reported by the Senate Interstate Commerce Committee to the Senate bill. It simply undertakes to make more certain the language used in the paragraph and to make it clear that the discretionary power in dealing with roads that have not had time, by reason of extraordinary circumstances or the opportunity, to reflect their income in the operating revenue as such shall be included. I imagine that there will be no objection to it. The Committee on Interstate and Foreign Commerce have not formally passed upon it, but I have shown it to several members of the committee, among them the chairman and the gentleman from Wisconsin [Mr. ESCH], and others.

Mr. LENROOT. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. LENROOT. I should like to ask the gentleman whether it is not the claim of every railroad company that their net earnings do not and have not during the past three years fully reflected the earnings that they were entitled to by reason of betterments and improvements?

Mr. MONTAGUE. That may or may not be. The gentleman knows as much about that as I do. I am simply trying to make the paragraph mean what it is intended to mean; that is all.

Mr. LENROOT. If it is true that every railroad makes that claim, does it not leave the discretion of the President unlimited, so far as any railroad is concerned, and leave him without any limitation as to the amount which he may agree upon?

Mr. MONTAGUE. If it does, I will say to the gentleman that it is already in the section.

Mr. LENROOT. No; certainly not.

Mr. BORLAND. Mr. Chairman, I move to strike out the last word of the gentleman's amendment. If I correctly understood the purport of the last amendment just adopted by the committee, this amendment of the gentleman from Virginia is more necessary than ever. Apparently by the last amendment we have decided to take over all of the lines, whether the President considers them necessary or not, that happen to be competing with any of the lines that are taken over. Now, when the order was issued to take over these transportation companies, it is my understanding that only such as were absolutely essential as a war activity were going to be taken over, and very wisely, I think, a great many railroads were excluded from the operation of the order taking over the railroads. But apparently we have decided that these railroads are to be taken over if they compete with the roads in the hands of the Director General.

Mr. MONDELL. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MONDELL. When were any of the roads excluded? They were certainly all included in the order, and my recollection is that Secretary McAdoo in his statement before the committee said that all of the roads were notified and all were included in the order, and that none had been excluded up to this time.

Mr. BORLAND. I am not able to quote any of the orders, but my understanding is that from time to time the Secretary has released certain roads that were included in the original

blanket order. I think I am correct about that, and that he purposes to release some other roads that prove not to be necessary in the operation of the systems for military purposes. Now, it does seem to me that he would naturally release a great many of these roads that were not completed or not being operated during the last three years.

That would be the class of roads that he would naturally release, because it would be hardly necessary to burden the Government with the management of those roads and with the use of property whose owners themselves are not able to make use of it. But here we adopted an amendment a few minutes ago that will take over these roads notwithstanding the wishes of the Director General or the President. I understand the claim is made that the whole matter will go to conference. On the contrary, I understand that the whole matter will not go to conference. The Senate having adopted one amendment, and we having adopted that amendment with certain amendments, the only thing in conference will be the amendments that we have added to the Senate amendment. So practically we have decided in both Houses in favor of the railroads.

Mr. ESCH. Will the gentleman yield?

Mr. BORLAND. Certainly.

Mr. ESCH. It is likely when we consider the House bill that we will move to substitute it for the Senate bill, and where we substitute it for the entire Senate measure the conferees are not bound.

Mr. BORLAND. That would put the matter in better shape.

Mr. LENROOT. Will the gentleman yield on that point?

Mr. BORLAND. Yes.

Mr. LENROOT. It may not be proper to talk about another body, but the Senate has held that in any substitute bill where language is identical in both bills, the conferees are not free to change the language.

Mr. BORLAND. That is my understanding. The whole matter is one of policy, and that policy being whether we are going to take over a lot of railroads for the benefit of the railroads, or take them over exclusively as a war policy, as a necessary preparation for war. If we are following the latter policy, taking only the roads that are necessary to strike the enemy, we are taking over a different class of roads from what is contemplated by the last amendment. We ought to take over roads absolutely essential and leave out all roads that have not been successfully operated, and which do not seem to be an economical necessity according to the record of the last three years. So it seems that the amendment offered by the gentleman from Virginia [Mr. MONTAGUE] is more necessary than before. It will give the President authority to make contracts with all roads whose expenses during the last three years have been abnormal.

Mr. SLAYDEN. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. SLAYDEN. Does not the gentleman think that if we take over the roads generally as a war measure that where it operates disastrously on some roads, going business concerns, short lines, that they are entitled to some consideration because of that fact, if the taking over will bring them disaster?

Mr. BORLAND. Yes; I have seen that standpoint. These small lines claim that now they are competing with the larger lines, soliciting business, making traffic arrangements, and getting a share, possibly, of the Government business; but after the larger lines are taken over by the Government the Government business will all go to the roads under Government management and that the smaller roads will be somewhat crippled in the opportunity of obtaining traffic.

Mr. SLAYDEN. Very seriously crippled and perhaps destroyed.

Mr. BORLAND. Under section 9 we have attempted to take care of it as far as we can by legislation. We have said that the Director General must not disturb the traffic arrangements of the roads not taken over, except so far as the transportation of war materials is concerned, and then in case such change does reduce the tonnage to divert other tonnage over the line as far as possible to make up the loss. As far as I know, the short lines are agreed to that proposition.

Mr. SIMS. I yield five minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Chairman and gentleman of the Congress, on last evening the gentleman from New York [Mr. LONDON] received 17 minutes of the time of this Congress to make a Bolsheviki speech. Some days before he was designated by the Speaker of this House to occupy the chair under the flag and near the likeness or painting of the Father of our Country, a very incongruous thing, I thought, in view of the fact that he thinks Washington one of the worst enemies that democracy ever had. I wondered that this man, who believed our experiment has been a failure, should ever have been allowed to occupy the Speaker's chair [applause] under the flag of our country.

Now, I have only 10 minutes, but I am going to get an hour of time in a few days, and I am going to make a Democratic speech. It is not going to sound anything like the London brand of democracy that he has talked about.

This is what he said in his speech:

The value of a political democracy lies in the opportunity of the people to evolute into an industrial democracy.

Ours has been a political democracy under Washington and Jefferson and Madison and Hamilton, a democracy that guarantees property rights and the rights of life and liberty and the pursuit of happiness. He says that it is a right to evolute into a Bolsheviki industrial democracy, the like of which is now seen in Russia, where we have a demonstration of the efficacy of the Bolsheviki democracy. Nowhere, my friends, under the canopy of heaven has mankind been vouchsafed so great a Government as this which our fathers instituted and perpetuated up to this time. [Applause.] Wherever in all the annals of history has religion been so free to worship God under the dictates of his own conscience as America? Wherever have the portals of hope and opportunity been so wide open as in this our free land of liberty in America? And yet this man comes and says he wants it to evolute, "evolute" into an industrial democracy, the like that Lenine and Trotsky are practicing in Russia to-day.

What is that democracy? It is to go into the stable of your neighbor and take his horse, to go into the fields and take his plow, to go into the highway and, as you go, take his property, and he calls that industrial democracy. And when the great German Empire approaches the Bolsheviki socialism of the gentleman from New York [Mr. LONDON], what does that socialism say in response to the edict of the Kaiser? "Well, now, do not come any further, because we will make a speech on you if you do." [Laughter.] You stop raping the women and burning the houses and killing the stock, because if you do not we will pass a resolution on you." [Laughter.] And in the meantime the Bolsheviki socialism of evolution stops and cringes beneath the iron hand of German imperialism. In the name of God, democracy, Washington, Jefferson, and Hamilton, we shall have none of that in our country. [Applause.]

Do you know, I have heard so much of that, and it is so weak and impotent, that I have become thoroughly disgusted with it. Let the gentleman from New York [Mr. LONDON] rise before this majestic Congress, the greatest representative body on earth, and let him tell—or anyone who ever lived on this earth—of any country that has had as much in its life of hope and liberty and justice as the American Republic has had for the last hundred years. And yet he says we can make it better. Well, you have got a Swiss watch, we will say, in your pocket. None was ever made better. No man can rise and say that watches were ever made better; but yet some watchmaker comes along and he says, "Let me have it; I can take the works out of it and make it better"; and will you turn it over to him? No, no. My friends, this question needs to be aired before the American people. This is the greatest Republic that the genius and the patriotism of man ever instituted, and under our great Constitution there has been afforded to the people more hope, more courage, more pride than was ever vouchsafed in any Government before; and are you going to let a lot of ignorant-headed Socialists try an experiment on you? You have had your rail-splitting Lincoln, you have had your Grover Cleveland sweeping the office, you have the greatest railroad system in the world and the greatest system of Government in the world, and yet you have let a Socialist from New York stand up there under the flag of our country, and in the very presence of the portrait of the Father of our Country, and say that this country has been the greatest failure in the world! In the name of God, it has been the greatest Republic in the world, and men have been afforded the privilege of pursuing their inspirations and their religion more freely than anywhere else in the world.

A man in the ditches digging can become its president; a man who split rails on the farm in Illinois could become the great leader of freedom in the world. [Applause.] He has been, and yet the gentleman from New York comes and says: "We will make it a Russian Bolsheviki, an evolution of democracy." Without honesty in the state there can be no liberty; without property rights and the respect of property rights there can be no liberty. Your peasant to-day who takes his master's farm is not only a patrician in point of land owner-

ship, but a thief from the soil as well. If you could break down this great democracy to-day, if you could steal the land from the landed man, take his horse and his mule and his cow and his cultivators and his tools from him, still the same problem of life exists. You have got to cultivate the soil, you have got to have morality in the people. It has got to be a citizenship of democracy to produce the food of life and the raiment of life. Suppose you steal the railroads; suppose you take them, and if you take the farms and the banks and the factories from those who toil and who by thrift and self-denial have accumulated the property of the country, you will have a national dishonesty in feeling; and, in addition to that, the old earth will never give her fruit except to those who toil. No more corn shall ever grow; no more wheat shall ever bud and bloom and make the bread of the world, except that labor go into the fields and strive and struggle for it; and I commend to socialism these words—honesty, liberty, thrift, and toil. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 10 minutes more.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the gentleman from Texas be permitted to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. DIES. Mr. Chairman, without immodesty I may say I have read something of the history of the world. I know something of the struggle of roving bands before the Greeks formed themselves into little bits of republics. I have followed down through the great Roman Empire, through Charlemagne's aggregation of power. I have studied the attempt of mankind to have free government, and this effort upon this hemisphere has been the most nearly complete and successful that the children of men have ever made. [Applause.] The gentleman from New York [Mr. LONDON], my Socialist friend, can not find in all the history of the world a government he would prefer to this. Where would you go to seek it? Would you go to Sparta, with its iron money and its iron rule, or to Athens, with its failures of a pure democracy? Would you go to Rome or to the Dutch Republics or to the Amphictyonic League? No! Even the gentleman from New York is advised sufficiently to tell you, if you ask him the question, that this is the greatest republic, the most complete democracy the world has ever seen; and so it has been; and he could not prefer another over it. Then, I ask you a question. If our fathers had builded a bulwark of liberty here, if here they have raised a government of liberty that surpasses all that our forebears were ever able to do in the history of the world before, when did it come to pass that you and I should sit under the drippings of the fountain of the gentleman from New York [Mr. LONDON], who follows Lenine and Trotzky, who backed off before the German machine to-day? You have got to meet power with power. To-day we are taking over the railroads, or the President has already taken them over and we are ratifying what he did—not that we believe in government ownership of railroads, but we believe, as the Roman people believed, that in a national emergency you must have concentration of power.

They said in the midst of war the laws are silent. They established a dictatorship. You must meet German imperialism to-day with concentration of power, and we are going to give the President, whoever he is, whether it were Roosevelt I would say the same, whether it were Champ Clark I would say the same, whoever would be in the White House to-day I would say the same thing—give him the power that he may focus in his own will all the strength and resources of the American Republic to do our bidding. [Applause.] And do not you ever think that we will tolerate socialism and the arguments of socialism in this national emergency. We mean to get back all the power of the people when this war is over. [Applause.] We mean to get back all the principles our fathers won and exercised when this war is over, and we are not going to have any of your socialism, your Lenines and Trotzkys, men who want to put women in the trenches to dig, your miserable socialism that interposes debate in your army and speeches and skulking cowardice to the enemies of one's country as they come with fire and sword, and you back off and say, "Don't you do it; if you do we will make trouble with you." [Applause.] Not that. We mean to interpose the breasts of our valiant youths; we mean to interpose the wealth of America, the solidarity of America, the Republic of America, against the concentrated aggression of German imperialism. I have not any sympathy with your Lenines and Trotzkys. I have no sympathy with Russian socialism that is ground in the dust. They are getting what is coming to them. They imagine it is Russian socialism if you steal land or steal a plow or steal the fodder or steal a mule or steal horses. You think that means democracy? Democracy means law and order; democracy means property rights guaranteed to those who sow the seed that they shall reap the harvest; it guarantees to those who build that they shall live in the houses they have built. Liberty without property rights is nothing, worthless, and you find it so now.

One time I saw in Haiti among the negroes who overthrew their masters a lot of old, rotten, standpipes of the sugar factories. They wanted land, but when they got it they would not work it, and I know that if you gave my friend from New York [Mr. LONDON] 160 acres of land and four mules he would not work it. [Laughter and applause.] There is not going to be any socialism here; no socialism. We are honest. My dollar is my dollar, and when a man works a day and gets $2 and saves a dollar that he puts aside that is his money; that belongs to him to shelter him in his old age; it is his home, his bulwalk, his place of refuge. We are not going to have socialism here, my friends. And listen. Let me tell you something. Your dream of socialism is a nightmare in Russia to-day. Go get your Lenines and Trotzkys behind their defeated lines and falling empire. Do not ask a Republic, the democracy of Hamilton and Jefferson, of Lee and Grant and Lincoln, to subscribe to your theory of demoralized socialism because the laborer is worthy of his hire and the man who struggles to win property, sweats for it and denies himself to be something, he is not entitled to be shattered by the dream of socialism. And it will not occur in this country. Gentlemen, this speech is provoked by seeing the gentleman from New York [Mr. LONDON] sitting under the flag that he says was a failure [applause], near the picture of the Father of his Country who gave us the Republic. The gentleman says he could have done much better if he had been President at the time. I wonder, my friends, how many of you in this audience to-day think a greater constellation of States could be formed than that our forefathers erected?

SEVERAL MEMBERS. Only one.

Mr. DIES. Only one! Now, listen, I will tell you this; I want to compliment you, but I can not do it. You know we are dreaming away a great heritage. A great Republic has been builded for us; the great heritage of democracy, the like of which the world never saw in all the annals of history, has been handed down to us. Here is liberty; here is the right to worship; here is security of property and life; here is a great Republic, the like of which the world never saw, and men sit down and doze while men like the gentleman from New York fiddle while republics disintegrate. [Applause.] I bid you, I bid you, my friends, give the President all the power he seeks. In the name of God, when the war is over, take it away from him; take it back to yourselves and your country. [Applause.] And let this be a free Republic, secure in property rights and secure in individual rights, where in the name of God the blighting shadow of Bolsheviki socialism may come to haunt our dreams no more. [Applause.]

Mr. LONDON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman moves to strike out the last word.

Mr. LONDON. Mr. Chairman, may I ask unanimous consent to proceed for 10 minutes?

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LONDON. Mr. Chairman, I shall endeavor to answer soberly and in a spirit of kindness the remarks of the eloquent gentleman from Texas.

I addressed my remarks yesterday to the distinct proposition of the public and national ownership of railroads. The gentleman from Texas [Mr. DIES] is probably not familiar with the American literature that has grown up on this subject, and I would recommend to him that, in addition to the information he has received about the fathers of this Republic, whom I revere as much as he, that he should enlighten himself on the literature of political economists who advocate national ownership of public utilities. I would recommend, among other books, the book "The Railways, Trusts, and the People," by Prof. Frank Parsons, the author of a number of books, and one of the best-known scholars in the science of political economy.

When the gentleman talks about socialism, I can not take him seriously at all; he does not know what he is talking about. When he talks about the greatness of this country, I

agree with him. No man in the world loves this country with a deeper love than I do, but to me democracy is not a static condition. To me democracy is force in action. Democracy must necessarily be dynamic. Lincoln, Washington, Jefferson were great because they met the problems of their day and hour. They did not point to the great men who preceded them centuries before. The gentleman looks to the grave all the time from his little village in Texas. He studies the past and points backward all the time. I have my face toward the sun. [Applause.]

This Republic is a glorious country. It has made inestimable contributions to the progress of the world. It has established the principle of religious freedom. It has welcomed the oppressed of the entire world. It has opened opportunities for all. It has done away with the religious prejudices of the hypocrite, of the narrow-minded, of the fool, and of the vulgar. It has done away with them. Here and there in some obscurantist mind religious prejudice may still linger for a while, but it is bound to be dispelled in the sunshine of genuine Americanism.

Socialism is a legitimate doctrine, a doctrine which seeks to preserve property to the man who produces it. When millions of men toil away their lives and find the result of their labor accumulated in Wall Street, they seek a way of giving to the people the product of their toil. Is it wrong to suggest industrial democracy as the way? The gentleman does not believe in the socialism of democracy; he believes in what a Democratic President, Cleveland, called the "communism of pelf."

The statesman from Texas treats with contempt those poor unfortunate men in Russia who have gone through centuries of oppression and through pain and martyrdom, who have been led by an unspeakable tyrant into a war not of their making. These poor men are trying to build a republic, build a free nation for 180,000,000 men; and you treat them with contempt, you flout them, you ridicule them. Is that American? I deny it. Every American heart is filled with sympathy for that long-suffering people. [Applause.]

Have not all statesmen, all Republican and Democratic Presidents, the right to make mistakes? Then, give the same right to the representatives of the poor people. In the year 1066 a band of pirates seized England and divided the land among their pals; and their division of 1066, sanctified in 1085, is the basis of England's economic, juridical, and political institutions up to date, and the great-great-grandchildren of those pirates are the aristocracy of that land to-day.

If it was right in 1066 to lay the foundation for land ownership and for the law and for the political and economic institutions for one country, why is it wrong for the 180,000,000 men who till the soil and who work and who labor—why is it wrong for that 180,000,000 people to try to establish an economic system which shall secure to every one of those 180,000,000 men access to the soil and the right to live the life of free men?

Just recall the long struggle of this little Republic to establish a Government. Do you realize what these men had to live through. Is it fair to talk of Russia's experiment to-day as a socialistic experiment? Can you make an experiment in socialism under the conditions which surround her? Can you improve a ship when it is struggling not to be wrecked? That is Russia's condition to-day. Socialism is not being experimented upon there. The land is in agony; everything there is abnormal. War and revolution combined flow terrible. We all hope that Russia will not rest until every feudal landowner is driven not only from the soil of Russia but from the soil of Europe forever. We all hope that, and that is one of the aspirations of the socialist movement. No matter what happens, we must treat Russia with love and tenderness.

Please do not talk of the socialist movement as if you knew something about it. The gentleman from Texas is a very brilliant man and I am very sorry to see his brilliancy going to waste in the choking atmosphere of the cloakroom. He has not been much on the floor. When he talks to me about socialists refusing to work, he is wrong. It is true that I would not work with mules. My work is against mules. I have tried to do my duty as I saw it, inviting the attack of the uninformed, of the prejudiced, and of the vulgar, and I must say there has been but very little of it on the floor of the House. Although only five hours from New York, I have not been going home very often. I am always here, studying men, studying legislation, watching and observing, striving to know more, so as to be more useful.

I am doing my duty as well as any other Member of Congress, and I am working as hard as any Member of Congress ever did. [Applause.] I refuse to accept either the wisdom or the methods of the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONDON. Just half a minute more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. LONDON. I hope our discussion has not degenerated into a personal squabble. I really do not want to be mean to the gentleman from Texas. I do not think he intended to be mean with me. He simply disagreed with my views. I beg to assure him that, so far as the high ideals of American democracy are concerned, I do not yield to any man or woman in love and admiration for the fundamental spiritual ideals of America—the love of liberty for every human being. We differ as to how best to secure that liberty. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MONTAGUE].

The amendment was agreed to.

Mr. SIMS. Mr. Chairman, there is nothing pending before the committee. I ask that the Clerk read.

Mr. DOWELL. Mr. Chairman, I offer an amendment and ask to have it read.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Amendment offered by Mr. DOWELL: Add to section 1 the following: "*Provided*, That in no case the income—that is, the sum remaining after deducting for operation, maintenance, taxes, fixed charges, interest on funded and unfunded debt, and all other items of expense according to the system of accounting established by the Interstate Commerce Commission, of any such carrier—shall exceed 7 per cent on the par value of its stock outstanding on the 31st day of December, 1917."

Mr. DOWELL. The taking over of the railroads by the Government necessarily involves the payment of a reasonable compensation for their use. Every fair-minded person, of course, believes that these companies should receive a fair and just compensation. Under the plan proposed in the bill the President is authorized to pay a sum equal to the average net income the road received for the three years prior to June 30, 1917. It is apparent to everyone that these railroads have not all been earning the same profits. While many of the roads have been exceedingly profitable, others have received but small incomes. If the railroad has not received a reasonably fair income during the three-year period referred to, then the President is authorized to make such agreement for compensation as, under the circumstances, he shall find just. In other words, to the company receiving the large income during the three-year period the President is authorized to continue the payment of this large income. To the company not receiving what is deemed by him reasonable he is authorized to increase the income to a reasonable and just compensation.

I am advised that many of these roads during the period referred to have been receiving very large incomes, while others, of course, do not receive so much.

I want to call your attention to the further fact that under the provisions of the bill the Government must keep these roads in good repair. The Government is responsible for all of the upkeep of the roads. The stockholders assume no responsibility whatever. The Government assumes all of the risk and it agrees that these roads will be kept in as good condition as they were in when taken over by the Government. I assume that the Government will keep both the letter and spirit of this agreement. Above these expenses, I believe everyone desires to pay to these roads what is reasonable and right; but under the circumstances, it seems to me, we should pay no more. This amendment leaves abundance of latitude.

The Government is calling upon our citizens to make sacrifices they have never known before. It has called upon them in the past and they have patriotically responded to every call. It must call upon them again and again, until this war is ended in a great victory. I know and you know that the people of America will respond to this call until victory is won. But it does seem to me that all should sacrifice in the same way. We should not take from one and give it to the other. Every citizen owes exactly the same obligation to his country in this crisis.

I submit that the average net income of many of the large railroad companies for the three years prior to June 30, 1917, according to the reports from the Interstate Commerce Commission, is much more than the Government should pay for the use of these roads, and this amendment is for the purpose of limiting the compensation of all roads receiving larger incomes than are reasonable and just. [Applause.]

Mr. VENABLE. Mr. Chairman, I think this amendment should be voted down, for the following reasons: Of course, Congress can not exercise the power of taking private property for a public use without just compensation, which is a sound principle upon which we are all agreed; neither is the saying of

what is just compensation a part of the function of the legislature. It is necessarily and essentially the exercise of a judicial function, or a function of the judiciary, to determine what is reasonable, and it has been so decided in numerous decisions. Otherwise you would have the agency which was taking away the property of the citizen by legislation deciding what that citizen would receive, instead of invoking the impartial tribunalship of the courts.

Now, unless your bill, which takes private property for public use, provides some method by which the citizen can go into the courts and get a determination of what is just compensation, it is unconstitutional, as I understand it. So this Congress can not say that 7 per cent is a reasonable amount, because that does not lie within our function, if we are undertaking to determine what the citizen shall receive at all events. If, however, it is sought to put this in simply as a limitation upon the discretion which the President shall exercise in his negotiations with the owners of these roads in the effort to reach an agreement, we are possibly interfering very seriously with the accomplishment of one of the main purposes of the bill, which is to see if an agreement can not be reached, and, by so doing, avoid the flood of litigation which will come if you do not provide some reasonable way by which the claims of the owners of the roads can be settled out of court.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. VENABLE. Yes.

Mr. RAMSEYER. The gentleman understands that the amendment offered by the gentleman from Iowa [Mr. DOWELL] limits the compensation or limits the power of the President in making this agreement. I think it was the last.

Mr. VENABLE. I understood it was the last.

Mr. RAMSEYER. It is a proviso.

Mr. VENABLE. Yes; it was the last, because it would be a nullity if you gave it the first construction. It would be clearly unconstitutional.

Mr. RAMSEYER. It is the last.

Mr. VENABLE. I am assuming that it could be one or both, according as I understood the language. Now, then, this Congress——

Mr. LITTLE. Do I understand the gentleman to suggest it is unconstitutional to limit the rate of interest?

Mr. VENABLE. Yes.

Mr. LITTLE. You have another guess coming.

Mr. VENABLE. That is a difference of opinion. Otherwise we would not have debates. I say that if this Congress would undertake to take the property of the citizen and at the same time fix what the citizen should receive from the property, your act would be unconstitutional, because it has been held time and time again that the determination of what is just compensation is not a legislative but a judicial function, and by fixing compensation by legislative enactment, without giving opportunity for judicial determination, you deny due process of law.

Mr. LITTLE. Does not the law limit the rate of interest that a man may receive on the money that he loans?

Mr. VENABLE. As I understood the amendment, it was to fix the compensation which should be paid to these railroads for the use of their property.

Mr. LITTLE. What is the difference between fixing the maximum compensation that railroads shall receive and fixing the maximum interest which a loan broker shall receive?

Mr. VENABLE. Oh, the greatest difference in the world. In one case you are taking a man's property against his will. The legislation of your State fixing the rate of interest on money loaned simply provides what shall be lawful for the parties to agree upon between themselves, fixing the outside limit. There is no deprivation of property under your interest-fixing statutes in the various States.

Mr. LITTLE. There is no deprivation here. Is not this a guarantee of the preservation of property?

Mr. VENABLE. We are not asking these railroads whether they want to be taken over or not. We are taking them over.

Mr. LITTLE. We have got them.

Mr. VENABLE. We have already got them. We would have taken them over whether they agreed to it or not, and we can not take them over under the Constitution without providing just compensation.

Mr. DILLON. Mr. Chairman, I have a substitute which I desire to offer.

The CHAIRMAN. An amendment to the amendment?

Mr. DILLON. A substitute.

The CHAIRMAN. A substitute for the amendment?

Mr. DILLON. Yes.

The CHAIRMAN. The gentleman from South Dakota will send his amendment to the desk.

The Clerk read as follows:

Amendment offered by Mr. DILLON as a substitute for the amendment offered by Mr. DOWELL: Add to section 1 the following:

"*Provided*, That the Government guaranty to the carrier provided herein shall not in any case exceed 7 per cent of its capital stock outstanding on December 31, 1917, to be ascertained according to the system of accounting established by the Interstate Commerce Commission."

Mr. PARKER of New Jersey. Does the gentleman by his amendment mean 7 per cent on the par value or on the market value of the stock?

Mr. DILLON. The par value.

Mr. PARKER of New Jersey. When certain stock has been selling at 200 or 300, and people have bought and sold it for 20 or 30 years, do you expect to give them only 7 per cent on the par value?

Mr. DILLON. On the par value of the stock, so far as the guaranty is concerned; yet I would allow the carrier the full net value of the use of the property.

Mr. CALDWELL rose.

Mr. DILLON. If the gentleman will permit me, I want to explain my substitute, and do not want all of my time taken up. The substitute I offer is, in effect, the same as that of the gentleman from Iowa [Mr. DOWELL], except that my substitute goes to the question of the guaranty. It allows the carrier to have all that is coming to it. We should limit the responsibility of the Government as to the guaranty but pay the full value of the use, and my substitute seeks to limit the guaranty of the Government to 7 per cent. These carriers are engaged in a public service, and the Government could require them to turn back all sums above a fair and reasonable return on the money invested in a public service. Some of these companies are earning large sums of money. About 66 per cent of the mileage are earning good profits, and a great number of the carriers are earning excessive profits. I see no good reason why the Government in time of war should guarantee to them more than 7 per cent. The other third of the mileage of the railroads of this country are earning but little, and many of them earn nothing. These short lines that have been brought in under the terms of the bill will earn but little, if anything. The Government ought not to be mulcted in $175,000,000 annually upon a guaranty. It does not guarantee your business; it does not guarantee my business. Then why should the Government guarantee these roads that are making excessive profits more than 7 per cent? It seems to me my amendment ought to have the support of everyone present. The Government ought not to extend its guaranty beyond 7 per cent, yet it ought to pay the full net value of the use of the property it has taken. No good argument can be offered here to show that the Government ought in its guaranty to go above 7 per cent. If the companies earn 30 per cent or 50 per cent, let them have the money; but from 7 per cent up to the earning capacity let them bear the perils and losses of war, the same as the balance of the people are doing. I trust my substitute will be adopted, that we may thus limit the responsibility of the Government as against the carriers that are making excessive profits. [Applause.]

Mr. CALDWELL. Mr. Chairman, this substitute sounds well for political campaign talk, but we do not want to lose sight of the fact that when you take a piece of property, and that property consists of a going business, that the man who surrendered his property to the Government is entitled to compensation for it. If you are going to use it pending that time, he is entitled to compensation for the use of it. The Supreme Court of the United States has held, not only once but a dozen times, that in taking into consideration what the value of the property is that is taken, we must not consider the value of the stock of the corporation; we are not to consider the par value of it nor the market value of it, but we must consider the value of the property itself, the value of the business, and in determining what is the value of the business the Supreme Court of the United States has repeatedly held that there must be taken into consideration together the going value as distinct from the good will, and also the good will, and in determining the value of the property aside from these intangible assets we must consider what the cost of reproduction under the conditions at the time it was taken were.

The gentleman's proposition might do very well if the Supreme Court had not decided what we can do and what we can not do under the Constitution. I take it that we should not pass a bill that the Supreme Court has said they would not sustain under the Constitution.

Mr. LITTLE. Will the gentleman yield?

Mr. CALDWELL. Yes.

Mr. LITTLE. Does the gentleman have in mind the case where the United States took over some railroad and the point was settled that it was the going value of the railroad?

Mr. CALDWELL. I have in mind the Consolidated Gas Co. case, where the whole matter was reviewed by the Supreme Court of the United States.

Mr. LITTLE. Can the gentleman give the number of the volume containing the decision?

Mr. CALDWELL. No; I can not give it now, but I will put it in the RECORD. I also have in mind the waterworks cases in San Diego, and I think I recall one case that arose in the gentleman's own State of Kansas.

Mr. SHALLENBERGER. It was in Nebraska.

Mr. CALDWELL. The gentleman from Nebraska says it was in Nebraska.

Mr. LITTLE. Does not the gentleman think that he confuses the necessities of the Government in a war like this with conditions in times of peace, where some property is taken for some other purpose?

Mr. CALDWELL. Not at all. Of course where they take property of the enemy, as they did in the Civil War, that is a different thing, but we are taking the property of our own people, and the Constitution of the United States says that we have to pay a fair value for it and has said what must be taken into consideration when we cast up the account.

Mr. LITTLE. But the gentleman will concede that there is another point involved in the use of property as a war measure.

Mr. CALDWELL. Oh, yes.

Mr. FRENCH. Mr. Chairman, in a general way I am in favor of the bill reported and of the Government taking over the control of the railroads of the United States. It seems to me, however, that there is merit in the amendments that have been proposed. They strike at the question of the compensation that the railroads shall receive. That compensation, under the language of the bill, is based on the earnings that the roads received for the last three years, probably the three most prosperous years in the history of the railroads in this country. Why, under the bill as it now is we may guarantee to one railroad profits of 25 per cent on the capital stock, to another 35 per cent, to another 44 per cent, and to numerous others amounts of returns nearly equal to those I have indicated, and in some instances even more.

In taking over these roads, shall we guarantee to a railroad profits sufficient to pay for the entire railroad capital stock in two years, in three years, or in four years? We do not treat other lines of business this way.

I realize that capital stock is not necessarily a true measure of value, but for determining the reasonable profits due the railroads other matters must be considered. But here we are too generous. Every Member of this House knows that as soon as the President issued his proclamation taking over the railroads, the market value of these securities jumped many per cent in the markets of our country. Why? Because the Government was proposing to underwrite for the period of the war profits for the railroads measured by the three prosperous railroad years through which we have just passed.

Gentlemen, I have read extensively on this subject. I have studied this question earnestly. I have listened to the able arguments by members of the committee, but as one Member of the House I am not satisfied with the compensation section of the bill.

It seems to me it is the duty of Congress to fix a compensation that would be, in the judgment of Congress, fair and equitable, and unless it is it will not be accepted. Then there is an opportunity under the terms of the bill for the matter to be determined in the courts. I remember in the fall I was, as we all were, in the liberty-loan campaign.

The argument that I met frequently was "I can earn more money than 4 per cent in loaning it to my neighbor who wants to borrow it." I replied immediately that the boys who are in the trenches could earn more than they drew from the Government if they were permitted to remain in this country and continue their normal occupations. It seems to me that we ought not to guarantee to the roads the highest compensation during this awful period of our country's crisis, the highest compensation they have earned during three most profitable years in the history of the railroad business, while we can not guarantee a profit at all to the hundreds of businesses throughout our country, and when in addition to that we are calling for the sacrifice of even life itself upon the part of a large number of our citizens.

I think that this Congress ought to consider legislation along the line suggested by the amendments that are now pending. They have just been offered. I am not sufficiently familiar with them in detail to know whether or not they ought to be approved by the Congress. That will be disclosed by further debate. It does seem to me, however, that they sound a note along the right line, and that we ought to consider seriously the proposition they suggest. [Applause.]

Mr. SIMS. Mr. Chairman, I hope that these amendments will both be defeated, both the amendment and the substitute.

Mr. FRENCH. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMS. Yes.

Mr. FRENCH. I notice in the report of the net earnings, as furnished by the Interstate Commerce Commission, some of the railroads of the country are reported as earning as much as 20 and 25 and even 70 per cent on their capital stock. According to that basis if we were to enter into a contract with them we would be paying for the entire valuation of the railroad in the course of two, three, or four years, and I would like to hear the gentleman discuss that.

Mr. SIMS. I thought the gentleman was going to ask me a question. I did not know that he was going to make a speech.

Mr. FRENCH. I would like to hear the gentleman on that proposition.

Mr. SIMS. Evidently the gentleman needs to hear somebody, because evidently he has not read up on the question.

Mr. FRENCH. I have read a great deal on the subject, and that is why I raise the question; and I listened to the gentleman in his able discussion on the general subject. He spent a great deal of time on other points, but not any on this. I must confess I am not satisfied.

Mr. SIMS. Take the Bessemer road. The mileage on the Bessemer road is only 8.81 miles, and its capital stock is only $500,000. The average earnings, net operating income, of that short road for the past three years amounted to over $4,000,000 a year, and therefore by reason of $500,000 capital only, the percentage would be enormous.

Mr. FRENCH. Six hundred per cent.

Mr. SIMS. Yes; but when you go into the facts you find that it controlled and operated 205 miles and that the actual property value of the road was over $45,000,000, and you find that the standard return would be a little over 10 per cent per annum for the three years upon the actual property investment, as shown by the reports of the Interstate Commerce Commission. It is not a question of capital stock. Ten shares could own the whole Pennsylvania road. Capital stock is nothing but a certificate of ownership. It is not a certificate of value at all. It is not even a fair estimate of what the value is; but the property used by the railroad in the discharge of its duties to the public is what you take upon which to calculate the percentage of return, and that value, that use for the three years on the property of more than $45,000,000, instead of being more than 600 per cent per annum, was a little over 10 per cent. What is the object of this provision? It is to authorize the President to make a contract with the railroads pending war control, to pay them for the use during the time the Government so uses them a return equal to the average net operating income of the roads for the three preceding years. One of those years was a very bad year, embracing 1914 and 1915. The other two were very good in the volume of business, and the net returns on the last two in gross were the largest they ever had, but the average of the three is very good. But you must remember that we are authorizing the President to make a contract not to exceed that return, and what is the use of authorizing him to make a contract that none of these good roads will make at all, when they can go into the courts and get just compensation by the decision of the court? What is the use of making a proposition that you know will be rejected?

We could put in a proposition here authorizing the President to make a contract for not to exceed 2 per cent on the capital stock, but it would be absurd to do that. It would be no less foolish to authorize him to make one for 10 per cent when you know in advance the railroad would not take it because they had been making 20. In the case of all these high returns on capital stock, it will be found in almost every instance that the outstanding stock is below the property value. There are bonds outstanding and all that sort of thing, and it is absurd, ridiculous, to authorize the President to make a contract which we know beforehand nobody who had any sense would enter into. It is absurd to authorize him to make contracts that can not and will not be entered into by the railroads. To turn over the use of these railroads for an unknown length of time to the Government with no agreement, and force the railroads to bring suit and litigate it to the end, what sort of shape would the country be in for the next—nobody knows how many years? It is to the interest of the people to get contracts, even if they pay more than the earnings may turn out to be, because it is a guess at best, and we must make the best guess that we can. Now, I want to plead with my friends on both sides, the friends

of our country, not to force such a condition upon the country. You know that a short-time use of any property is always higher per diem or per annum than it is for a long period. The same is true about the borrowing of money.

Mr. LITTLE. Will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. I ask for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LITTLE. Will the gentleman yield?

Mr. SIMS. In one moment. If you go down here to a hotel and ask for a room for a day, you pay so much for it, for a week you pay less, for a month still less, and for a year much less. If you lease a piece of property for a long period of years, you get it for a less amount per annum than for a short time. When you borrow money on bonds for a long period of time the rate of interest is always less than for a short time. So I insist there is nothing inequitable and unjust in paying even more than the average would be for a long period of years in order to bring about an agreement, in order to prevent suits that would follow, and, furthermore, as has been often stated, to stabilize the value of railroad securities. I do not mean stocks, but bonds that are held by every bank, trust company, and insurance company in the United States—to keep the value from shrinking to an extent that a panic would come upon the country. Remember, these companies can not hold these bonds under the laws of the States whenever the value, in proportion to the debt secured, falls below a certain per cent of face value; and the holders would be forced to put those bonds upon the market and sell them out under the hammer for whatever they would bring. What is the use of fooling along here with a proposition trying to save money to the public that will result in nothing but further burdens and possible panic upon the country, that will wreck and ruin it at a time when we need the lowest possible rate of interest by which money can be obtained?

Mr. LITTLE. What about compensation to people whose trade and business were shut down during the late heatless-day order?

Mr. SIMS. The gentleman's question is not relevant. I do not mean to be anything but respectful, but it is not relevant.

Mr. LITTLE. I just state it is relevant.

Mr. SIMS. Well, the Government did not take over those plants and operate the property itself. The results did not go to the use of the Government.

Mr. LITTLE. If the Government would stop the railroads from running——

Mr. SIMS. But the Government did not take the property and use it, and there is no relevancy in that and where you take a piece of property for which under the circumstances you must make a just return. The people were simply told, "Do not burn coal." The Government got no benefit out of the heatless day or the meatless day.

Mr. LITTLE. Do I understand that if the Government just stopped the railroads from running it would not owe them anything?

Mr. SIMS. Why, if in the public interest they ordered a train not to go, which would be temporary and for the benefit of everybody, that would be a different question; but we are laying a foundation to make contracts, and the gentleman brings in the question of heatless day or meatless day when we are trying to get men——

Mr. LITTLE. That is the idea.

Mr. SIMS. To accept a contract for compensation——

Mr. LITTLE. That is right; that is the idea exactly; the gentleman has got my idea.

Mr. RAMSEYER. Will the gentleman yield for a relevant question? In the table prepared by the Interstate Commerce Commission and printed with the remarks of the gentleman from Wisconsin [Mr. LENROOT] yesterday he gives the percentage of net income on these various roads.

Mr. SIMS. On what?

Mr. RAMSEYER. On capitalization.

Mr. SIMS. On stock?

Mr. RAMSEYER. Yes, sir.

Mr. SIMS. All right; go ahead.

Mr. RAMSEYER. Now, here is the Lehigh road, 27.98.

Mr. SIMS. On the stock?

Mr. RAMSEYER. That means that the stockholders are getting that much upon the face value of their stock, does it not?

Mr. SIMS. Yes.

Mr. RAMSEYER. Now, in regard to Bessemer, that means that the fellows who own the stock, not the bonds, will get 647 per cent?

Mr. SIMS. I told you that.

Mr. RAMSEYER. I understood in the gentleman's answer to the gentleman from Idaho that this Bessemer business in fact only got 10 per cent.

Mr. SIMS. On the value of the property used in making those earnings.

Mr. RAMSEYER. But the fellows who own the bonds only get 4 per cent.

Mr. SIMS. That is a liability and not capital.

Mr. RAMSEYER. But there is somebody getting these high rates of income on dividends or capital stock, and if the President compels the return, which he is entitled to make under this bill, then we will have the Burlington Road stockholders getting 22 per cent.

Mr. SIMS. I have read over all of that and know what it is, but the return is based in these reports on the stock value and not the value of the property devoted to the public use.

Mr. RAMSEYER. I know that.

Mr. SIMS. That is the standard return, and not on stock issued. It is on the value of the property used in the service.

Mr. RAMSEYER. You are not increasing the interest rate of the bondholders?

Mr. SIMS. That has nothing to do with it.

Mr. RAMSEYER. Certainly not, but you are giving these stockholders the percentages they have been receiving.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment by way of substitute.

Mr. HUDDLESTON. Mr. Chairman, may I ask that the substitute be read?

The CHAIRMAN. Without objection, the substitute will be again read.

The substitute was again reported.

The CHAIRMAN. The question is on the amendment by way of a substitute.

The amendment by way of a substitute was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Iowa [Mr. DOWELL].

Mr. HUDDLESTON. I ask that the amendment be reported.

The CHAIRMAN. Without objection, it will be again reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. RAMSEYER. Division, Mr. Chairman.

The committee divided; and there were—ayes 15, noes 40.

So the amendment was rejected.

Mr. PARKER of New Jersey. Mr. Chairman, I offer an amendment.

Mr. GRAHAM of Illinois. Mr. Chairman——

The CHAIRMAN. The gentleman from New Jersey [Mr. PARKER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Insert after the paragraph as to taxes, ending with line 2, on page 4, the following:

"*Provided*, That nothing herein contained shall be construed to admit the right of the several States, directly or indirectly, to tax war business conducted by the United States, or increased values of property, or franchises, or increased operating revenue resulting from such war business, and in order to prevent increase or diminution of taxes payable to the several States or under the several State laws by reason of the said war business and Federal control during the period of Federal control such taxes shall be standardized at the sums which were assessed and payable by said carriers, respectively, in the calendar year 1917, to be payable in each year at the same time and in the same amount as they were in 1917, adding thereto any taxes which were assessed in the year 1917 upon real estate that shall have been acquired by such carrier while under Federal control or by the United States for the purposes of this act."

Mr. SIMS. Mr. Chairman, I reserve a point of order on that.

Mr. PARKER of New Jersey. I thank the gentleman for reserving it. I wanted to bring the matter before the House. I think it is not subject to a point of order; but, nevertheless, it is a very important matter that ought to be considered. I think myself, Mr. Chairman, that this amendment ought to be divided. I have had it read all at once, so that it should be understood. The first part of it states a general principle:

That nothing herein contained shall be construed to admit the right of the several States, directly or indirectly, to tax war business conducted by the United States, or increased values of property, or franchises, or increased operating revenue resulting from such war business.

I think everybody will admit that to be right on the decisions of the courts. There was a brief put in on this matter. On page 885 Mr. Anderson said that if the States undertook to increase taxation disproportionately or to levy new taxes, that

they would not have levied if the money were not coming from the Federal Treasury, the Government would not be helpless. It can protect itself by litigating and testing its constitutionality.

Mr. Folk, at Mr. Anderson's suggestion, I think, put in a brief on this subject, which is on page 913. It goes over this matter very thoroughly. It says that operations of the United States can not be taxed at all. It shows that, for instance, national banks were exempted from certain State taxation because they were agencies of the United States. The brief on that subject is very full. I think that there ought to be no one in this House that would not vote for that statement that we did not intend to have the war business performed by the Government taxed by anybody. I have already put before the committee in the general debate the fact that the increase of business of the railroads during the time of the Civil War was to two and one-half fold. It is likely to be the same now.

There are States that, without changing any law, as they tax gross receipts, would get two and one-half times as much taxes as they do now because of the Government running those railroads. If rates are raised they will get more yet. If some of the States choose to increase their rate of taxation or increase their valuation of the railroads they will get more yet.

Now, the remedy proposed by Mr. Anderson is that we should go into litigation about all this. Nothing more awful could happen than if the United States and the States were to become involved in litigation about the taxes imposed on the railroads. The States, or some of them, may be quite patriotic and may not raise the valuation; but even if the States should be patriotic, the custom is in some of the States to put a tax on gross receipts, and in that case their revenues would increase, while that patriotic States which only value the railroads would have the same amount paid as heretofore.

Now, I say that the principle, down to the end of what I read, ought to be admitted by every one. The rest of the amendment is a remedy. Whether the remedy is the right one or not I do not know. But I do think that if we can standardize against the railroads their rental value and say, "We do not care how much you are going to take in during the war or what profits you make, we will pay you exactly what you made before the war for the use of your property," I think we can likewise standardize the peace taxes collected by the States and municipalities and say, as I do in the second part of this amendment, "The United States will pay exactly what you were assessed in 1917, whether you do less business or more."

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. PARKER of New Jersey. I ask, Mr. Chairman, that the matter be considered and voted on in two halves, as I mentioned, the first down to the words "war business," in the fourth line. Consider that as one amendment and the rest of it as a separate remedy. I think they ought to be considered separately. One is the principle and the other is the remedy.

The CHAIRMAN. A point of order has been reserved on the amendment as offered.

Mr. PARKER of New Jersey. No point of order has been made as to the first part of the amendment.

Mr. SIMS. It was read as one amendment, Mr. Chairman.

The CHAIRMAN. The amendment was offered as one amendment.

Mr. PARKER of New Jersey. I offer it as two. The first part reads:

Provided, That nothing herein contained shall be construed to admit the right of the several States directly or indirectly to tax war business conducted by the United States, or increased values of property, or franchises, or increased operating revenue resulting from such a war business.

That is all.

Mr. SIMS. Mr. Chairman, I do not think that is germane to the bill.

The CHAIRMAN. Does the gentleman from Tennessee make a point of order on the amendment?

Mr. SIMS. I do.

The CHAIRMAN. The Chair sustains the point of order.

Mr. SIMS. Mr. Chairman, is the other portion offered now?

Mr. PARKER of New Jersey. This is a section about taxes. There is on page 3, at the end of the paragraph, a passage which says:

that other taxes assessed under Federal or any other governmental authority for the period of Federal control or any part thereof, either on the property used under such Federal control or on the right to operate as a carrier, or on the revenues or any part thereof derived from operation (not including, however, assessments for public improvements or taxes assessed on property under construction and chargeable under the classification of the Interstate Commerce Commission to investment in road and equipment), shall be paid out of revenues derived from railway operations while under Federal control.

"Other governmental authority" means the States. I therefore add at the end a proviso to the effect that "Nothing herein contained shall be construed to admit the right of the several States directly or indirectly to tax war business conducted by the United States, or increased values of property, or franchises, or increased operating revenue resulting from such war business" conducted by the Federal Government. I think it is germane.

The CHAIRMAN. The Chair would state to the gentleman from New Jersey that the amendment which was proposed was offered as a whole. Of course the gentleman from New Jersey is perfectly familiar with the rule that if any part of an amendment be subject to a point of order, that makes the entire amendment subject to the point of order.

Mr. PARKER of New Jersey. I offered the first part myself.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New Jersey.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Insert, after the paragraph as to taxes, ending with line 2, on page 4, the following: "*Provided*, That nothing herein contained shall be construed to admit the right of the several States, directly or indirectly, to tax war business conducted by the United States, or increased values of property, or franchises, or increased operating revenue resulting from such war business."

Mr. SIMS. Mr. Chairman, I make the same point of order against that amendment. It is not germane to the bill or to any provision in the bill. That is putting a provision in with reference to State taxes. There is nothing in the bill attempting to control or regulate State taxation. The provision in the bill for taxing has reference to what may or may not be paid out of the standard return or out of the net operating revenue of the road.

Mr. PARKER of New Jersey. The gentleman understands that "other governmental authority" means the State. It was so stated in the evidence.

Mr. SIMS. But that has reference alone to the disposition to be made as to the earnings of the railroad, not as to the power to tax or not to tax.

Mr. PARKER of New Jersey. It is only a proviso, which can not be misunderstood.

Mr. LENROOT. Later on in the bill there is an express provision that this shall not impair the right of the State to levy taxes.

Mr. SIMS. Why, certainly. That was put in on account of the demand of the States, because they were afraid.

Mr. BARKLEY. Just one suggestion, if the Chair will accept it.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. BARKLEY. This section 1 simply provides a method by which taxes levied by the States shall be paid, how the tax shall be deducted. It makes no attempt whatever to limit or extend the authority of the States in levying taxes. The gentleman's amendment, though, is not germane, because it seeks to limit the power of the States to levy taxes, whereas the section simply states how these taxes are to be paid and out of what fund they are to be paid.

The CHAIRMAN (Mr. GARRETT of Tennessee). The Chair thinks the statement of the gentleman from Kentucky [Mr. BARKLEY] very clearly puts the situation, and the Chair sustains the point of order.

Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the last word. I do this for the purpose of addressing an inquiry to the chairman of the committee. I note on page 2 of this bill language that perhaps is plain to the committee but is ambiguous to me. The statement is made that—

For each year, and pro rata for any fractional year of such Federal control, equivalent as nearly as may be to its average annual railway operating income—

What is that, gross or net?

Mr. SIMS. Net.

Mr. GRAHAM of Illinois. Does not the gentleman think that as a safety provision he ought so to state; that instead of leaving this to the construction of some court, he had better insert the word "net" by way of amendment? This language is capable of a double construction, and possibly some court somewhere might contend that this was gross.

Mr. SIMS. Undoubtedly the courts would hold that that had reference to net income. A court that would hold that the Government should pay to the railroad company the entire gross income of the railroad company as compensation for its use for three years ought to be relieved of its judicial duties.

Mr. GRAHAM of Illinois. It will not hurt the gentleman's bill, and it might make the meaning clear.

Mr. SIMS. It can not possibly refer to gross income, by construction or otherwise.

Mr. STEVENSON. If the gentleman will look, he will find that they have used there exactly the term that the Interstate Commerce Commission uses in all of its reports and deliverances, and in the reports that it requires of net operating income. The exact term that the Interstate Commerce Commission has crystalized into that expression is used here to denote the net operating income.

Mr. GRAHAM of Illinois. In other words, the term "operating income" means net income, does it?

Mr. STEVENSON. Yes; that is what it means. You will find that there is a certain report required of every railroad of its income, and the part designated as operating income is the thing which they refer to here, the net operating income.

Mr. GRAHAM of Illinois. If it has a well-known meaning, the amendment is not necessary, but it was not clear to my mind.

Mr. ESCH. Mr. Chairman, I wish to offer an amendment to correct an error of punctuation.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

Mr. ESCH. After the word "retirements," in line 12, page 2, I move to insert a comma; and after the word "betterments," in line 11, omit the comma.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ESCH: Page 2, line 11, after the word "betterments," strike out the comma; and, in line 12, after the word "retirements," insert a comma.

The amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I understand the gentleman from Wisconsin is going to offer some amendments to perfect the section, and especially the first paragraph of the section. I will ask the gentleman from Wisconsin to be kind enough to notify me when he exhausts his amendments to the first section, because I have an amendment to offer.

Mr. SIMS. Let me ask the gentleman from Wisconsin [Mr. LENROOT] if the amendments are the ones he stated that he would offer yesterday.

Mr. LENROOT. This is not one inserted in the RECORD, but one that I said I would offer.

Mr. SIMS. As to these amendments I would like to have them offered, because the committee wants tomorrow to study these matters.

Mr. LENROOT. I would be glad to have an agreement that as to these perfecting amendments we have unanimous consent to return to the first section of the bill.

Mr. SIMS. Mr. Chairman, I will ask unanimous consent that we may return to section 1 of the bill for the purpose of giving the gentleman from Wisconsin an opportunity to offer amendments and discuss them as though they were offered now.

Mr. TOWNER. Mr. Chairman, I have a motion to strike out the first paragraph of the section and insert a substitute therefor, and I could not offer it until after the section is perfected and the amendments disposed of.

Mr. SIMS. Let me inquire of the gentleman from Wisconsin how many amendments he has to offer to the first section.

Mr. LENROOT. Four.

Mr. SIMS. The gentleman might offer his substitute now, because the amendments, as I understand, do not change the scope of the section. If the substitute is adopted gentlemen might want to offer some amendments to it.

The CHAIRMAN. The gentleman from Tennessee asks unanimouse consent that at any time before the conclusion of the consideration of the bill in Committee of the Whole the committee may return to section 1 of the bill in order to permit the gentleman from Wisconsin [Mr. LENROOT] to offer and debate amendments under the general rules of the House for the perfecting of the section. Is there objection?

Mr. CALDWELL. Reserving the right to object, does the request confine amendments to be offered by the gentleman from Wisconsin [Mr. LENROOT] and no one else?

Mr. SIMS. Not if anyone else wants to offer amendments to perfect the section.

Mr. LENROOT. I have inserted nearly all my amendments in the RECORD. The purpose of this was to give the committee time for the consideration of those amendments, and they have already had notice of the amendments.

Mr. CALDWELL. I shall have to insist on an objection unless the unanimous-consent agreement provides that anyone can offer an amendment. Suppose an amendment is offered and some one wants to offer another amendment to it?

Mr. LENROOT. They can go on and do that.

Mr. CALDWELL. I will object.

Mr. LENROOT. Then, Mr. Chairman, I will offer the following amendment.

The Clerk read as follows:

Page 1, line 10, strike out the words "not exceeding." Page 2, lines 2 and 3, strike out the words "equivalent as nearly as may be to" and insert the words "not exceeding."

Mr. LENROOT. Mr. Chairman, that is one amendment that I gave notice yesterday that I would offer at this time. As the language now stands it clearly does not express the intention of the committee. As the language now stands it could not possibly accomplish the purpose of the committee. Of course, the purpose of the committee in this first paragraph, section 1, was to authorize the President to agree with the railroads to pay them a certain annual sum in compensation for the use of their roads by the Government during the time the Government shall hold them.

Mr. CALDWELL. Will the gentleman yield for me to withdraw my objection?

Mr. LENROOT. I will.

Mr. SIMS. Then, Mr. Chairman, I renew my request.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that at any time during the consideration of the bill the Committee of the Whole may return to section 1 for the purpose of permitting the gentleman from Wisconsin [Mr LENROOT] to offer and debate any amendment intending to perfect the verbiage of the bill. Is there objection?

Mr. GARNER. Mr. Chairman is it the exclusive privilege of the gentleman from Wisconsin to offer an amendment, or any member of the committee?

Mr. SIMS. Any amendment can be offered to his amendment.

Mr. GARNER. I understand, but I do not grasp the idea of returning for one member of the committee only to offer an amendment; why not leave it open to all?

Mr. SIMS. Was the gentleman present when I stated my reason for this?

Mr. GARNER. No; I was not.

Mr. SIMS. The gentleman from Wisconsin [Mr. LENROOT] made a speech of 40 minutes on yesterday and submitted a number of amendments, many of which are to noncontroverted portions of the bill, to perfect the bill and clarify it, but not in opposition to the bill.

They are printed in the RECORD. The committee has had no opportunity at all to consider these amendments, and I suggest that if he would withhold offering the amendment it would give an opportunity to the committee to-morrow and on Monday morning to take them and consider them, and it would very greatly expedite the passage of the bill.

Mr. LENROOT. And save time.

The CHAIRMAN. The Chair would hold, of course, that an amendment to any amendment that was offered would be in order.

Mr. SAUNDERS of Virginia. Mr. Chairman, ought not that request to include in it that the return shall be upon the motion of some particular Member?

Mr. SIMS. It says "before the conclusion of the bill."

Mr. LENROOT. I think it would amount to the same thing if the gentleman would make his request that we return to section 1 later for the purpose only of offering perfecting amendments, and that would leave it open to any gentleman to offer amendments.

Mr. SIMS. I will put the request exactly in that shape, that the committee may return to section 1 at any time upon the request of any member of the Committee of the Whole to offer perfecting amendments to section 1.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that at any time during the consideration of the bill in Committee of the Whole, upon the request of any member of the Committee of the Whole, the committee shall return to section 1 of the bill for the purpose of permitting the offering of amendments to perfect the text of the bill. Is there objection?

Mr. WALSH. Mr. Chairman, reserving the right to object, I understand the only purpose of this is to permit the committee to consider these amendments so that when we convene on Monday they may have them better in mind. Therefore to give them an opportunity to do that, without any further agreement or arrangement, I make the point of order that there is no quorum present.

Mr. SIMS. Mr. Chairman, if the gentleman desires to make the point of no quorum, he may do so. I do not know whether there is a quorum here or not, but the point will be made again in a few moments, and under compulsion of that kind I move that the committee do now rise, and for no other reason.

The motion was agreed to.

Accordingly the committee rose; and Mr. SAUNDERS of Virginia having assumed the chair as Speaker pro tempore, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9685, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. SABATH, for three days, on account of important business.

EXTENSION OF REMARKS.

Mr. McKEOWN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing therein a letter directed to the President, calling his attention to the unsettled condition of the farmers under the present draft and the reply of the Provost Marshal General thereto, giving their status.

The SPEAKER pro tempore. Is there objection?

Mr. CAMPBELL of Kansas. Mr. Chairman, reserving the right to object, is the letter from a farmer or an association of farmers?

Mr. McKEOWN. The letter is addressed by myself to the President, and he has turned it over to the Provost Marshal General, who answered it.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HOUR OF MEETING MONDAY.

Mr. SIMS. Mr. Chairman, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock Monday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. SIMS. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.) the House, in accordance with the order heretofore made, adjourned until Monday, February 25, 1918, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. LEVER, from the Committee on Agriculture, to which was referred the bill (H. R. 9971) to provide further for the national security and common defense by the conservation of foodstuffs, feeds, and materials necessary for the production, manufacture, and preservation of foodstuffs and feeds, reported the same with amendment, accompanied by a report (No. 337), which said bill and report were referred to the House Calendar.

Mr. FIELDS, from the Committee on Military Affairs, to which was referred the bill (H. R. 9352) to amend an act entitled "An act providing for an Assistant Secretary of War," approved March 5, 1890, and for other purposes, reported the same without amendment, accompanied by a report (No. 338), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ROWE, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 9908) to amend sections 4402, 4404, and 4414 of the Revised Statutes of the United States, reported the same without amendment, accompanied by a report (No. 339), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 9552) granting a pension to Edyth C. Dideon, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LOBECK: A bill (H. R. 10186) to amend the act approved June 25, 1910, establishing postal-savings depositories, and acts amendatory thereof, and for other purposes, by extending the usefulness of the Postal Savings System, and instituting publicity for securing from the public postal-savings deposits; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 10187) to provide for an investigation of the collection and disposal of garbage, ashes, refuse, dead animals, and night soil in the District of Columbia and employment of a competent sanitary engineer to report the latest approved methods for disposal of the same; to the Committee on the District of Columbia.

By Mr. THOMAS: A bill (H. R. 10188) granting pensions to soldiers totally blind; to the Committee on Invalid Pensions.

By Mr. LOBECK: A bill (H. R. 10189) for the extension of Maryland Avenue east of Fifteenth Street to Oklahoma Avenue NE.; to the Committee on the District of Columbia.

Also, a bill (H. R. 10190) to provide that the unexpended balances of certain appropriations for Benning Road viaduct and bridge be covered into the Treasury; to the Committee on Appropriations.

By Mr. SABATH: A bill (H. R. 10191) to prohibit the sale or gift of intoxicating liquors to minors within the admiralty and maritime jurisdiction of the United States; to the Committee on the Judiciary.

By Mr. TIMBERLAKE: A bill (H. R. 10192) to establish a game sanctuary in the State of Colorado, and for other purposes; to the Committee on Agriculture.

By Mr. DENTON: A bill (H. R. 10193) to prevent the defacement or obliteration of Government war advertising, and to provide punishment therefor; to the Committee on the Judiciary.

By Mr. AUSTIN: A bill (H. R. 10194) to aid our Government by the production of foodstuffs and to aid farmers and to give employment to the unemployed and to encourage agriculture and authorize the creation of a board of five in each State; and provide for farmers to remain in their States from March 1 to December 1 during the present war; and to aid in establishing a home or homes on the industrial farm for those people who have to move out of the alleys July 1, so that they can aid the Government by the production of foodstuffs; to the Committee on Appropriations.

By Mr. LONERGAN: A bill (H. R. 10195) to amend and reenact section 713 of chapter 18, subchapter 10 of the Code of Laws of the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H. R. 10196) to amend and reenact section 691a of chapter 18, subchapter 7, of the Code of Laws, of the District of Columbia; to the Committee on the District of Columbia.

By Mr. PHELAN: A bill (H. R. 10197) to provide a penalty for obtaining loans or credit from a national banking association based on false statements; to the Committee on Banking and Currency.

By Mr. BRAND: A bill (H. R. 10198) to require cashiers and other officers of a national banking association handling its funds to give bond and to prevent its officers and employees from making erasures on the books of the association; to the Committee on Banking and Currency.

By Mr. EAGLE: A bill (H. R. 10199) to repeal the sixth section of an act approved July 12, 1882, entitled "An act to enable national banking associations to extend their corporate existence, and for other purposes"; to the Committee on Banking and Currency.

Also, a bill (H. R. 10200) to regulate the allowance of overdrafts by national banking associations, and to provide penalties for its violation; to the Committee on Banking and Currency.

By Mr. GLASS: A bill (H. R. 10201) to amend and reenact sections 5136, 5137, 5139, 5147, 5172, 5200, 5222, 5230, and 5239 of the Revised Statutes of the United States; to the Committee on Banking and Currency.

By Mr. TINKHAM: A bill (H. R. 10202) to provide further for the national security and defense by controlling and regulating rents of real estate in the District of Columbia; to the Committee on the District of Columbia.

By Mr. STEPHENS of Nebraska: A bill (H. R. 10203) authorizing the Winnebago Tribe of Indians of Wisconsin and Nebraska to submit claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. GARD: A bill (H. R. 10204) to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes; to the Committee on the Judiciary.

By Mr. WINGO: A bill (H. R. 10205) to provide for the consolidation of national banking associations; to the Committee on Banking and Currency.

By Mr. CLARK of Florida: Resolution (H. Res. 257) directing the Shipping Board to furnish the House certain information; to the Committee on the Merchant Marine and Fisheries.

By Mr. PRATT: Resolution (H. Res. 258) directing the Postmaster General to transmit to the House information respecting the organization, operation, and personnel of the foreign mail service; to the Committee on the Post Office and Post Roads.

By Mr. LUFKIN: Memorial adopted by the General Court of Massachusetts, favoring the ratification of regulations establishing a closed season on waterfowl; to the Committee on Agriculture.

Also, memorial adopted by the General Court of Massachusetts, favoring the creation of a league of nations to safeguard permanent peace upon the termination of the present war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 10206) granting a pension to Frank T. Coleman; to the Committee on Pensions.

Also, a bill (H. R. 10207) granting a pension to Robert Shipley; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 10208) granting a pension to Fred J. Luepke; to the Committee on Pensions.

By Mr. DARROW: A bill (H. R. 10209) granting an increase of pension to Margaret Stewart; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 10210) granting an increase of pension to Carlton H. Finley; to the Committee on Invalid Pensions.

By Mr. GEORGE W. FAIRCHILD: A bill (H. R. 10211) granting an increase of pension to Harrison C. Dunham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10212) granting an increase of pension to Irving Holcomb; to the Committee on Invalid Pensions.

By Mr. FOSTER: A bill (H. R. 10213) granting an increase of pension to Samuel Worley; to the Committee on Invalid Pensions.

By Mr. GOOD: A bill (H. R. 10214) granting an increase of pension to Philo R. Woods; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 10215) granting a pension to Sallie M. Sellers; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 10216) granting a pension to W. W. Treadway; to the Committee on Pensions.

By Mr. LUFKIN: A bill (H. R. 10217) granting a pension to Abbie L. Ahern; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10218) granting a pension to Carrie E. Magison; to the Committee on Invalid Pensions.

By Mr. McCULLOCH: A bill (H. R. 10219) granting a pension to Frank O. Stevens; to the Committee on Pensions.

By Mr. MASON: A bill (H. R. 10220) granting an increase of pension to Levi M. Dort; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 10221) granting an increase of pension to Richard Groebe; to the Committee on Invalid Pensions.

By Mr. RUCKER: A bill (H. R. 10222) granting an increase of pension to Philo M. Russell; to the Committee on Invalid Pensions.

By Mr. SANFORD: A bill (H. R. 10223) granting a pension to John J. Burke; to the Committee an Pensions.

By Mr. SHERWOOD: A bill (H. R. 10224) granting an increase of pension to Volney A. Parmer; to the Committee on Pensions.

Also, a bill (H. R. 10225) striking from the pension roll the name of Jennie M. Heath; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 10226) granting a pension to Hallie Cook; to the Committee on Pensions.

Also, a bill (H. R. 10227) granting a pension to Alexander E. Strange; to the Committee on Pensions.

Also, a bill (H. R. 10228) granting an increase of pension to John S. Withers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10229) granting an increase of pension to William C. McGhee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10230) granting pension to Henry T. Kinkade; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10231) granting an increase of pension to Henry Cowles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10232) granting an increase of pension to Mitchell Mason; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10233) granting an increase of pension to Charles B. Griffin; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 10234) granting an increase of pension to George W. Hester; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 10235) granting a pension to George F. Swob; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of citizens of the improved real estates of O'Donnel Canas and Bamban, Tarlac, P. I., relative to decision of the question of Camp Stotsenberg Reservation; to the Committee on Insular Affairs.

By Mr. CARLIN: Memorial of Farmers' Cooperative Grain Dealers' Association of Iowa, relative to power of Interstate Commerce Commission in rate hearings and regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. CARY: Petition of the Woman's Shakespeare Club, of Fort Worth, Tex., against increase in second-class mail rates; to the Committee on Ways and Means.

By Mr. COOPER of Wisconsin: Memorials of the Bohemian Society of Kenosha and of the Bohemian National Alliance, Milwaukee, Wis., urging that the unification of the Czecho-Slovaks into one independent State be made one of the terms of the treaty of peace; to the Committee on Foreign Affairs.

By Mr. CURRY of California: Resolutions of the Sacramento (Cal.) Consolidated Chamber of Commerce, protesting against a 2-cent rate on post cards; to the Committee on the Post Office and Post Roads.

Also, petition of several Federal employees, members of Federal Employees Union No. 1, and residents of the third congressional district of California, in favor of House bill 7356; to the Committee on Labor.

By Mr. DALE of New York: Petition of Central Federated Union of New York, against the Borland eight-hour law; to the Committee on Agriculture.

Also, petition of Joint Legislative Board of the State of New York, against placing any limit of time for Government supervising the railroads; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Woman's Shakespeare Club, of Fort Worth, Tex., against increase in postage on second-class matter; to the Committee on Ways and Means.

Also, petition of the Czecho-Slovaks (Bohemian Slovaks) asking independence for Bohemia; to the Committee on Foreign Affairs.

By Mr. DOOLING: Petition of National Federation of Federal Employees, against Borland eight-hour amendment; to the Committee on Agriculture.

By Mr. FULLER of Illinois: Petition of William Riley, commander Grand Army of the Republic post, Yonkers, N. Y., for increase of pension of maimed soldiers; to the Committee on Invalid Pensions.

Also, petitions of the New Mexico Federation of Women's Clubs; the West Pullman Woman's Club, of Chicago, Ill.; the Elective Study Club of Minneapolis, Minn.; the Abingdon Woman's Club, of Abingon, Ill.; the Woman's Club of Marion, Ohio; and the Browning Club, of Athens, Tenn., favoring the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. HAMILTON of New York: Evidence to accompany House bill 10127, granting a pension to Pheba A. Vaughn; to the Committee on Invalid Pensions.

By Mr. HILLIARD: Petitions of Dr. J. H. Tilden, Mrs. M. Martin, and M. A. Posner, of Denver, Colo.; and Arthur Bartlett, of Colorado Springs, Colo., urging the repeal of that section of the war-revenue act providing for increased postage rates on periodicals; to the Committee on Ways and Means.

By Mr. KAHN: Petition of Pacific Coast Division of Bohemian National Alliance, urging national freedom for Bohemians when new map of Europe is made; to the Committee on Foreign Affairs.

By Mr. MASON: Memorial of Chicago (Ill.) Hospital College of Medicine against discriminating against students of certain medical colleges entering service of United States; to the Committee on Military Affairs.

By Mr. MOORE of Pennsylvania: Memorial of the West Palm Beach Association of Commerce, urging Government improvement of the Florida Coast Line Canal; to the Committee on the Merchant Marine and Fisheries.

By Mr. SCHALL: Memorial of Edwin Brantwell and others, favoring House bill 3831 for retirement of aged civil-service employees; to the Committee on Reform in the Civil Service.

Also, memorial of John Sabas and sundry citizens of Minneapolis, Minn., favoring independence of Lithuania; to the Committee on Foreign Affairs.

By Mr. TAGUE: Petition of Commonwealth of Massachusetts, favoring the creation of a league of nations to safeguard peace upon the termination of the present war; to the Committee on Foreign Affairs.

Also, petition of the National Association of Chiropodists (Inc.), favoring appointment of podiatrists in the United States Army; to the Committee on Military Affairs.

Also, petition of the Commonwealth of Massachusetts, favoring adoption of recommendations of United States Department of Agriculture providing for closed season on waterfowl in Massachusetts; to the Committee on Agriculture.

By Mr. TILLMAN: Petition of sundry citizens of Yellville, Ark., against zone system of second-class postage; to the Committee on the Post Office and Post Roads.

By Mr. TIMBERLAKE: Petition of R. A. Cameron Post, No. 25, Grand Army of the Republic, favoring increase in pensions of Civil War veterans; to the Committee on Invalid Pensions.

By Mr. VARE: Memorial of city council of Pittsburgh, Pa., favoring Ohio River appropriation in rivers and harbor bill; to the Committee on Rivers and Harbors.

SENATE.

MONDAY, *February 25, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou art the sovereign Lord and Master of all men and of all nations. We thank Thee that we have been taught to recognize Thy right to rule in our hearts and lives and in our Nation; that we think of our allegiance to Thee, our loyalty to Thy cause, our devotion to Thy name as the first and supreme obligation of life. We pray Thee that Thou wilt bless us as we come day by day to draw from Thee the wisdom and grace for the duties that are upon us. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Thursday, February 21, 1918, when, on request of Mr. MCCUMBER and by unanimous consent, the further reading was dispensed with and the Journal was approved.

ESTIMATES OF APPROPRIATION.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War submitting an estimate of appropriation in the sum of $4,506,997.30 for the temporary employment of additional employees in the War Department (S. Doc. No. 184), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War submitting supplemental estimates of appropriations required by the Quartermaster Corps for the fiscal year 1918, $398,140 (S. Doc. No. 182), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War submitting an urgent estimate of appropriation in the sum of $50,000, required by the Engineer Department for "Maintenance of Highway Bridge across the Potomac River, District of Columbia," etc. (S. Doc. No. 181), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, submitting an estimate of appropriation in the sum of $300,000 to enforce, through the Customs Service, the provisions of the espionage law (S. Doc. No. 183), which was referred to the Committee on Appropriations and ordered to be printed.

FOOD INVESTIGATION.

The VICE PRESIDENT laid before the Senate a communication from the acting chairman of the Federal Trade Commission, transmitting a copy of the hearings held by the commission in connection with the food investigation directed by the President, which, with the accompanying paper, was referred to the Committee on Printing.

REPORT OF COMMISSIONER OF PATENTS (H. DOC. NO. 958).

The VICE PRESIDENT laid before the Senate the annual report of the Commissioner of Patents for the fiscal year ended December 31, 1917, which was referred to the Committee on Patents and ordered to be printed.

ADDRESS ON WASHINGTON'S BIRTHDAY BY SENATOR WARREN G. HARDING (S. DOC. NO. 180).

Mr. POMERENE. Mr. President, I have before me the manuscript of an address delivered by my distinguished colleague on Washington's Birthday at a celebration held under the auspices of the Sons of the American Revolution. It is a splendid address, worthy of the occasion, and I ask that it be printed as a public document.

Mr. SMITH of Michigan. Mr. President, I rose to make the same request with reference to the address of the Senator from Ohio [Mr. HARDING]. Among the celebrations held throughout the country appropriate to Washington's Birthday there was none more fitting than the celebration held here under the auspices of the Sons of the American Revolution, and the address of the Senator from Ohio upon that occasion was most illuminating and inspiring. It was in every way becoming that occasion, and I join with the senior Senator from Ohio in his request to have this address printed as a document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADDRESS ON THE EXISTING WAR.

Mr. SWANSON. Mr. President, I desire to give notice that to-morrow, immediately following the conclusion of the regular morning business, I shall address the Senate on the existing war.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented resolutions of the Legislative Assembly of the State of Montana, which were referred to the Committee on Indian Affairs and ordered to be printed in the RECORD, as follows:

STATE OF MONTANA,
SECRETARY OF STATE,
Helena, February 19, 1918.

Hon. THOMAS MARSHALL,
President of United States Senate, Washington, D. C.

DEAR SIR: I am herewith transmitting copy of substitute joint house resolution No. 3, passed by the extraordinary session of the Fifteenth Legislature Assembly of the State of Montana.

Yours, very truly,
C. T. STEWART,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE
OF THE STATE OF MONTANA.

CERTIFICATE.

United States of America, State of Montana, ss:

I, C. T. Stewart, secretary of state of the State of Montana, do hereby certify that I have compared the annexed copy of substitute joint house resolution No. 3 with the original thereof, filed in my office on the 19th day of February, 1918, and that the same is a correct transcript thereof, and of the whole of said original.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State of Montana this 19th day of February, A. D. 1918.

[SEAL.]
C. T. STEWART,
Secretary of State.

[Substitute joint house resolution No. 3, introduced by Harbert, Mason, and Larse.]

A resolution memorializing Congress for an appropriation of $750,000 for the Flathead irrigation project for the ensuing year.

To the honorable Senate and House of Representatives in the Congress of the United States assembled:

Whereas the Fifteenth Legislative Assembly of the State of Montana, meeting in extraordinary session in response to a proclamation of the governor calling this body together for the consideration of measures necessary to a successful prosecution of the war, among which of primary importance is a bill providing for loans at low rates of interest to needy farmers for the enhancement of agricultural production in the State: Now, therefore, be it

Resolved, That the Fifteenth Legislative Assembly of the State of Montana hears with grave concern the reports from Washington of the intention of Congress to reduce a contemplated appropriation of $750,000 toward the completion of the Flathead Reservation irrigation project in western Montana to $250,000, and does hereby go on record as in favor of and registers its wish for an appropriation of $750,000 for said project; and it is further

Resolved, That a failure of the Congress of the United States to make such appropriation of $750,000 would be violative of the best interests of this Nation, a great discouragement to the farmers and to the farming interests of Montana, thereby resulting in decreased farm production in one of the most fertile sections of the State of Montana, and, being prompted by a consideration for the best interests of this Nation and the State of Montana, demands favorable action by the United States Congress of an appropriation of $750,000 toward the completion of the Flathead Reservation irrigation project; and it is hereby ordered that a copy of this resolution be telegraphed to the Speaker of the House of Representatives, the President of the United States Senate, with the recommendation that it be read before both bodies and referred to the proper committees.

(Signed) JAMES F. O'CONNOR,
Speaker of the House.
(Signed) W. W. MCDOWELL,
President of the Senate.

The VICE PRESIDENT presented resolutions of the Legislative Assembly of the State of Montana, which were referred to the Committee on Public Lands and ordered to be printed in the RECORD, as follows:

STATE OF MONTANA,
SECRETARY OF STATE,
Helena, February 19, 1918.

Hon. THOMAS MARSHALL,
President United States Senate, Washington, D. C.

DEAR SIR: I am transmitting herewith copy of resolution passed by the Legislative Assembly of the State of Montana, which resolution relates to the Myers homestead bill (S. 3439), and the same is self-explanatory.

Very truly, yours,
C. T. STEWART,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE
OF THE STATE OF MONTANA.

CERTIFICATE.

UNITED STATES OF AMERICA,
State of Montana, ss:

I, C. T. Stewart, secretary of state of the State of Montana, do hereby certify that I have compared the annexed copy of resolution memorializing Congress for the passage of Senate bill No. 3439, with the original thereof filed in my office on the 19th day of February, 1918, and that the same is a correct transcript thereof and of the whole of said original.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Montana this 19th day of February, A. D. 1918.

[SEAL.] C. T. STEWART,
Secretary of State.

A resolution memorializing Congress for the passage of Senate bill No. 3439 in the interest of increased food production in the United States.

Whereas the Government of the United States is in need of increased production along all lines, and particularly increased production in foodstuffs, for the purpose of successfully prosecuting the war; and

Whereas there are now more than 100,000 homestead settlers in the Northwest, many of whom, on account of the short crop of 1917, are without seed grain and have not sufficient credit to purchase such seed and have not sufficient credit to enable them to live and carry on their farming operations until the crop of 1918 shall have been harvested; and

Whereas the granting of title to such settlers will enable them to borrow sufficient funds to carry on their farming operations and will add many millions of bushels to the production of grain and other food products in 1918: Now, therefore, be it

Resolved by the Senate of the Fifteenth Legislative Assembly of the State of Montana in extraordinary session assembled (the house concurring herein), That we petition the Congress of the United States to pass Senate bill No. 3439, introduced by the Hon. HENRY L. MYERS, United States Senator from the State of Montana, which bill is a bill for the relief of homesteaders and desert-land entrymen in the United States;

Resolved further, That a copy of this memorial be forwarded by the secretary of the State of Montana to the Senate of the United States and that a copy of this memorial be forwarded by the secretary of the State of Montana to the House of Representatives of the United States; And be it further

Resolved, That a copy hereof be transmitted by the secretary of state of the State of Montana to the Senators and Representatives in Congress of the State of Montana, with the request that they use every effort within their power to bring about a speedy action for the accomplishment of the ends and purposes herein indicated.

The VICE PRESIDENT presented resolutions adopted by the Legislature of the State of South Carolina, ratifying the national prohibition amendment, which were ordered to be filed and to be printed in the RECORD, as follows:

STATE OF SOUTH CAROLINA, EXECUTIVE CHAMBER,
Columbia, February 19, 1918.

Hon. THOMAS R. MARSHALL,
President of the Senate, Washington, D. C.

MY DEAR MR. MARSHALL: In accordance with the provisions of the joint resolution ratified by the South Carolina Legislature, I have the honor to transmit herewith a true copy of the said preamble and resolution. The title of the resolution is as follows:

"A joint resolution ratifying a proposed amendment to the Constitution of the United States of America, prohibiting the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes, and to provide means for the enforcement thereof."

With high esteem and personal regards, I am,

Cordially, yours,

RICHD. I. MANNING, *Governor.*

[No. 97—Acts of 1918.]

A joint resolution ratifying a proposed amendment to the Constitution of the United States of America, prohibiting the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes, and to provide means for the enforcement thereof.

Whereas both Houses of the Sixty-fifth Congress of the United States of America, by a constitutional majority of two-thirds thereof, made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"A joint resolution proposing an amendment to the Constitution of the United States.

"SECTION 1. *Be it resolved by the Senate and House of Representatives of the United States of America, in Congress assembled (two-thirds of each House concurring therein)*, That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States, as provided by the Constitution:

"ARTICLE —.

"SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes is hereby prohibited.

"SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States as provided by the Constitution within seven years from the date of the submission hereof to the States by the Congress": Therefore be it

SECTION 1. *Resolved by the General Assembly of the State of South Carolina*, That the said proposed amendment of the Constitution of the United States of America be, and the same is hereby, ratified by the General Assembly of the State of South Carolina.

SEC. 2. That certified copies of this preamble and joint resolution be forwarded by the governor of this State to the Secretary of State at Washington, to the Presiding Officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

In the senate house the 8th day of February, A. D. 1918.

ANDREW J. BETHEA,
President of the Senate.
T. P. COTHRAN,
Speaker of the House of Representatives.

Approved the 12th day of February, A. D. 1918.

RICHARD I. MANNING, *Governor.*

A true copy.

JOHN ELLIOT PUCKETTE,
Secretary to the Governor.

Mr. LODGE. I present resolutions of the Legislature of the Commonwealth of Massachusetts, which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
In the year one thousand nine hundred and eighteen.

Resolutions in favor of the creation of a league of nations to safeguard permanent peace upon the termination of the present war.

Whereas the President of the United States has declared that our present and immediate task is to win the war; and

Whereas he has proclaimed that the chief aim of the war is to secure a permanent peace guaranteed by a partnership of free nations: Therefore be it

Resolved by the General Court of Massachusetts, That the Commonwealth of Massachusetts pledges all its resources to the vigorous prosecution of the war until Prussian autocracy has been defeated; and be it further

Resolved, That the Commonwealth of Massachusetts favors the entrance of the United States after the war into a league of nations to safeguard the peace that must be won by the joint military forces of the allied nations; and be it further

Resolved, That certified copies of these resolutions be sent by the secretary of the Commonwealth to the President and to the Presiding Officers of both branches of Congress and to each of the Senators and Representatives from Massachusetts.

In the house of representatives, adopted, February 6, 1918.
In senate, adopted, in concurrence, February 11, 1918.
A true copy.
Attest:

ALBERT P. LANGTRY,
Secretary of the Commonwealth.

Mr. LODGE. I present resolutions of the Legislature of the Commonwealth of Massachusetts, which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
In the year 1918.

Resolutions in favor of the ratification of regulations establishing a closed season on waterfowl.

Resolved, That the General Court of Massachusetts favors the approval and ratification of the regulations recommended by the Bureau of Biological Survey of the United States Department of Agriculture on the 13th day of May, 1916, in pursuance of an act of Congress providing for a closed season on waterfowl in Massachusetts between the 16th day of January and the 30th day of September, said regulations being ineffective, owing to their not being approved and ratified on August 16, 1916.

Resolved, That the General Court of Massachusetts favors the ratification of the aforesaid regulations and requests its Senators and Representatives in Congress to take such steps as may be necessary to secure the approval and adoption of said regulations.

Resolved, That copies of these resolutions be sent by the Secretary of the Commonwealth to the Senators and Representatives in Congress from Massachusetts and to the Bureau of Biological Survey of the United States Department of Agriculture.

In house of representatives, adopted, February 7, 1918.
In Senate, adopted in concurrence, February 12, 1918.
A true copy. Attest:

ALBERT P. LANGTRY,
Secretary of the Commonwealth.

Mr. LODGE presented a petition of the City Council of Cambridge, Mass., praying for the submission of a Federal suffrage amendment to the legislatures of the several States; which was ordered to lie on the table.

He also presented resolutions adopted by the National Association of Merchant Tailors of America, pledging their loyal support to the Government in the prosecution of the war and favoring the establishment of a league of nations at the expiration of the war, so as to insure a permanent world peace; which were referred to the Committee on Foreign Relations.

He also presented a petition of the Massachusetts prohibition State committee, praying for the adoption of national prohibition as a war measure, which was ordered to lie on the table.

He also presented resolutions adopted by the City Council of Malden, Mass., favoring the acquisition and control of coal mines by the Government during the period of the war, which were referred to the Committee on Mines and Mining.

He also presented a memorial of the Massachusetts Dairymen's Association, of Amherst, Mass., remonstrating against any change in the present laws relative to the manufacture, sale, or tax on oleomargarine, which was referred to the Committee on Agriculture and Forestry.

Mr. POMERENE. I have a memorial in the nature of a petition addressed to Congress by the governor of my State in his individual capacity on the subject of the woman-suffrage constitutional amendment. I ask that it be incorporated in the RECORD without reading.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

Memorial to the Sixty-fifth Congress of the United States.

In view of the fact that one-quarter of the States of the Union have now extended full suffrage to women; and

In view of the fact that since the war began suffrage has been granted or pledged to the women of Canada, Great Britain, Russia, and France; and

In view of the fact that every State and country which has tried woman suffrage gives unanimous evidence that the women voters have proved a positive force for good:

We, the undersigned, believe that when the world is fighting for democracy—"the right of those who submit to authority to have a voice in their own government"—the time has come to take steps insuring political freedom to the women of the entire United States, and we therefore unite in asking the Sixty-fifth Congress to submit a Federal suffrage amendment to be ratified by the legislatures of the several States.

JAMES M. COX, *Dayton, Ohio.*

Mr. POMERENE. I also have two series of resolutions from the Civic Council of the city of Cleveland, one relating to Government ownership of the telegraph and telephone systems of the country and the other relating to the liberation of Slavic races in Austria-Hungary. I ask that they be published in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the telephone and telegraph service now given by private companies is inefficient and unsatisfactory; and

Whereas in many cities, Cleveland among them, the private ownership of this important means of communication has led to duplication and consequent waste, which has resulted in further increases in already exorbitant charges; and

Whereas the telephone and telegraph systems are an essential part of the means of communication, and as such should be owned and operated by the United States Government as part of the Postal System: Now, therefore, be it

Resolved by the Council of the City of Cleveland, State of Ohio, That we urge the Congress of the United States to take immediate action toward acquiring ownership of the telephone and telegraph systems of the country and operating same as one unified system; and be it further

Resolved, That a copy of this resolution be sent to the Congressmen from the twentieth, twenty-first, and twenty-second districts and to the Senators from the State of Ohio.

Adopted by the council February 4, 1918.
Approved by the mayor February 8, 1918.

I, C. J. Benkoski, clerk of Council of the City of Cleveland, do hereby certify that the foregoing is a true and correct copy of resolution (file No. 46213) adopted by the Council of the City of Cleveland February 4, 1918.

Witness my hand and seal at Cleveland, Ohio, this 14th day of February, A. D. 1918.

[SEAL.] C. J. BENKOSKI,
Clerk of Council of the City of Cleveland.

—

Whereas the President of the United States at the beginning of the hostilities between the United States and Germany solemnly declared that one of the aims of the United States will be the liberation of all Slavic races from the tyranny of the Hapsburg dynasty, and explicitly named Bohemians and Slovaks as the nations first to be considered among Slavic nationalities of Austria-Hungary to be independent free States; and

Whereas the President of the United States has again lately stated his war aims and named 14 conditions which must be considered in making peace between the allies and central powers, one of the conditions being the liberation of Poland; and

Whereas Cleveland is a great cosmopolitan city, about 165,000 of the inhabitants being Bohemians and Slovaks (Czecho-Slovak), who are patriotic and loyal to their adopted country and lovers of liberty and law-abiding citizens: Therefore be it

Resolved by the Council of the City of Cleveland, State of Ohio, That the Council of the City of Cleveland request the President of the United States and Congress to consider the freedom of Bohemia-Slovak (Czecho-Slovak) subjects as a free and separate nation, as tens of thousands of these subjects are now in the ranks of the allies fighting for our President's aims. Be it further

Resolved, That copies of this resolution be sent to the President, Senate, and House of Representatives.

Adopted by the council February 4, 1918.
Approved by the mayor February 8, 1918.

I, C. J. Benkoski, clerk of Council of the City of Cleveland, do hereby certify that the foregoing is a true and correct copy of resolution (file No. 46288) adopted by the Council of the City of Cleveland February 4, 1918.

Witness my hand and seal, at Cleveland Ohio, this 14th day of February, A. D. 1918.

[SEAL.] C. J. BENKOSKI,
Clerk of Council of the City of Cleveland.

Mr. TOWNSEND presented a memorial of the congregation of the Sherman Street Christian Reformed Church, of Grand Rapids, Mich., remonstrating against the enactment of legislation granting certain protection to secret organizations, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Local Lodge No. 29, Independent Order of Odd Fellows, of Battle Creek, Mich., praying that proper conditions may be maintained in the prosecution of the war, which was referred to the Committee on the Judiciary.

He also presented memorials of the Woman's Home Missionary Society of the Methodist Episcopal Church of St. Joseph, of the congregation of the Methodist Episcopal Church of Ludington, and of sundry citizens of Lansing, all in the State of Michigan, remonstrating against the running of railroad tracks directly opposite the Lucy Webb Hayes Training School and the Sibley Memorial Hospital, in the city of Washington, D. C., which were referred to the Committee on the District of Columbia.

He also presented a petition of Fairfield Grange, No. 278, Patrons of Husbandry, of Jasper, Mich., praying for the enactment of legislation authorizing the Secretary of the Treasury to purchase at par the 4½ per cent bonds issued by the Federal Loan Banks, which was referred to the Committee on Finance.

He also presented a petition of Woodbury Post, No. 45, Grand Army of the Republic, Department of Michigan, of Adrian, Mich., praying for an increase of pensions to veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a petition of the Federation of Labor of Detroit, Mich., and a petition of sundry citizens of Hillsdale, Mich., praying for an increase in the salaries of postal employees, which were referred to the Committee on Post Offices and Post Roads.

Mr. ROBINSON presented a petition of Local Union No. 576, United Brotherhood of Carpenters and Joiners, of Pine Bluff, Ark., praying for Government supervision or ownership of telephone and telegraph systems, and also for the operation of coal mines, etc., which was referred to the Committee on Post Offices and Post Roads.

Mr. MYERS presented a petition of the Board of County Commissioners of Teton County, Mont., praying for the enactment of legislation granting certain rights and issuing certain patents to settlers upon reclamation projects in that State, which was referred to the Committee on Public Lands.

DIPLOMATIC AND CONSULAR APPROPRIATIONS.

Mr. OVERMAN, from the Committee on Appropriations, to which was referred the bill (H. R. 9314) making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1919, reported it with amendments and submitted a report (No. 287) thereon.

CLAIMS OF INDIANS IN OREGON.

Mr. McNARY. Mr. President, on the 18th of January I introduced a bill (S. 3972) authorizing the Coos Bay, Umpqua, and Siuslaw Tribes of Indians in the State of Oregon to submit claims to the Court of Claims, and I asked that it be referred to the Committee on Claims, which was done. After considering the matter further, I am of the opinion that it should be referred to the Committee on Indian Affairs, inasmuch as it affects the legislative consideration of the welfare of these Indians. I ask that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Indian Affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3935) to prohibit the sale, manufacture, and importation of intoxicating liquors in the Territory of Hawaii during the period of the war, except as hereinafter provided; to the Committee on Pacific Islands and Porto Rico.

By Mr. LODGE:

A bill (S. 3936) to provide temporary increased rank for officers of the United States Coast Guard while operating as a part of the Navy during the period of the present war, and for other purposes; to the Committee on Naval Affairs.

By Mr. SMOOT:

A bill (S. 3937) granting an increase of pension to Rosanna Miller (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3938) to survey and locate a military and post road from St. Louis, Mo., to Olympia, Wash.; to the Committee on Military Affairs.

A bill (S. 3939) to establish a fish-cultural station in the State of Washington; to the Committee on Fisheries.

A bill (S. 3940) validating and confirming conveyances of lands made by allottees on the Yakima Indian Reservation, in the State of Washington; to the Committee on Indian Affairs.

A bill (S. 3941) authorizing the setting aside of certain lands for highway purposes through the public domain, forests, and other reserves of the United States; and

A bill (S. 3942) making timberlands available for homestead settlement, and for other purposes; to the Committee on Public Lands.

By Mr. MYERS:

A bill (S. 3943) to provide for the disposition of public lands withdrawn and improved under the provisions of the reclamation laws, and which are no longer needed in connection with said laws; to the Committee on Public Lands.

By Mr. CALDER:

A bill (S. 3944) for the relief of Emma H. Ridley; to the Committee on Claims.

By Mr. KENYON:

A bill (S. 3945) to authorize the President of the United States to appoint Fred H. Gallup, major of Field Artillery in the United States Army (with accompanying paper); to the Committee on Military Affairs.

A bill (S. 3946) granting an increase of pension to Warren M. Easton (with accompanying paper); and

A bill (S. 3947) granting an increase of pension to John F. Loehr (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 3948) to authorize the Secretary of the Interior to adjudicate claims covering the expense of removing certain Choctaw Indians from Mississippi to Oklahoma (with accompanying paper); to the Committee on Indian Affairs.

By Mr. PENROSE:

A bill (S. 3949) granting a pension to John Cunningham (with accompanying papers); and

A bill (S. 3950) granting an increase of pension to Josiah Weaver; to the Committee on Pensions.

By Mr. STONE:

A bill (S. 3951) granting an increase of pension to August Schaeffer (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 3952) creating a Bureau of Farm Colonization to make a national survey of all public lands suitable for farming, to develop, establish, and maintain in a practical manner rural colonies and farm homes for qualified families; to the Committee on Agriculture and Forestry.

COMMISSIONED OFFICERS IN THE ARMY.

Mr. OWEN submitted an amendment intended to be proposed by him to the bill (S. 3748) fixing the grades of the commissioned officers of the Medical Corps and of the Medical Reserve Corps of the United States Army on active duty, and for other purposes; which was referred to the Committee on Military Affairs and ordered to be printed.

AMENDMENTS TO URGENT DEFICIENCY APPROPRIATION BILL.

Mr. MYERS submitted an amendment proposing to appropriate $9,117 to pay to Katherine Macdonald, of Butte, Mont., for and on account of unpaid claims held by her on account of work and services performed on or supplies furnished for the construction of the Corbett Tunnel, etc., intended to be proposed by him to the urgent deficiency appropriation bill; which was referred to the Committee on Appropriations and ordered to be printed.

Mr. LODGE submitted an amendment proposing to appropriate $7,050.37 to reimburse the State of Massachusetts for expenses incurred for supplying State troops at the request of the United States marshal at Boston for guard and patrol duty at Boston Harbor, in the interest of the Federal Government, intended to be proposed by him to the urgent deficiency appropriation bill; which was ordered to be printed, and, with the accompanying papers, referred to the Committee on Appropriations.

DISTRICT OF COLUMBIA TELEPHONE SYSTEM.

Mr. KING. I send to the desk a resolution and ask for its present consideration.

The PRESIDING OFFICER (Mr. NEW in the chair). The resolution will be stated.

The Secretary read the resolution (S. Res. 207), as follows:

Whereas it is reported in the public press that the Postmaster General of the United States offered to take over and operate, in behalf of the United States, the telephone system of the Chesapeake & Potomac Telephone Co., within the District of Columbia: Therefore be it

Resolved, That the Postmaster General be, and he is hereby, directed to transmit to the Senate the proposition made by him to the Chesapeake & Potomac Telephone Co., and also to transmit to the Senate any information which he may possess authorizing him to make such, or any, proposition looking to the taking over of and the operation by the Government of said telephone system.

Mr. KING. Mr. President, there is such a hysterical demand nowadays for the Government to take over and operate everything with which we have to do that we need not be surprised if it takes form calling for governmental ownership and control of telephones and affects the Post Office Department I have felt compelled, in view of the statements contained in the public press, to present the resolution and move its adoption.

The resolution was considered by unanimous consent and agreed to.

CONSIDERATION OF TREATIES IN OPEN SENATE.

The VICE PRESIDENT. The morning business is closed.

Mr. BORAH. Mr. President, some time ago I introduced a resolution asking the proper committee to report a change in the rules of the Senate with reference to the hearing upon treaties and the action of the Senate regarding treaties. At the time the resolution was introduced the senior Senator from New Hampshire [Mr. GALLINGER] made some objection, and in what I supposed was the interest of time I accepted the amendment offered by the Senator from New Hampshire. The resolution as it was finally adopted called upon the committee to make a report upon this subject matter in order that we might have it before the Senate. I should like to ask the chairman of the committee if there seems to be any likelihood of an early report upon it?

Mr. OVERMAN. I must confess to the Senator that I did not know about the resolution. I called the committee together to consider all matters pending before it, and somehow this resolution was not brought before the committee at the time; but, if the Senator desires, I shall call the committee together again. It was my fault, I suppose; but I ordered my secretary to have everything brought before the committee, and I apologize to the Senator from Idaho for not having it considered by the committee.

Mr. BORAH. I have no desire to have an extra meeting of the committee, because all I want to know is that we are making progress and that a report will be made in due time.

Mr. OVERMAN. I am sure of that.

Mr. BORAH. We have plenty of time to deal with it, in case we act in good faith in regard to it, before any treaties are likely to come before us. If the chairman is of the opinion that it will be acted upon at the next meeting of the committee, that will be satisfactory.

Mr. OVERMAN. I assure the Senator from Idaho that it will be acted upon. I shall call a meeting of the committee for that very purpose.

DISMISSAL OF CAPT. ARTHUR E. PERELESS.

Mr. McCUMBER. I gave notice last Thursday that on the close of the morning business to-day I would submit some remarks upon the Bolshevik doctrine in our labor unions and its effect upon our war preparations. The Senator from Montana [Mr. MYERS] desires to take a moment on a matter of personal privilege, and I assume that that is superior to any claim I may have at this time, and, with the permission of the Chair, I yield for that purpose.

The VICE PRESIDENT. The Chair will recognize no one after the Senator from Montana concludes save the Senator from North Dakota.

Mr. MYERS. I thank the Chair and the Senator from North Dakota. I desire to speak but a few minutes, but I can hardly confine my remarks to the limitation of a moment, as by the Senator from North Dakota indicated. I wish to speak for a few minutes on a matter of personal privilege; something in the nature of an explanation.

In the Washington Post of Saturday, the 23d instant, there appeared an article in regard to the action of the Senate Committee on Military Affairs in ordering Capt. Pereless to appear for examination before the committee and give his version as to why he was honorably dismissed from the Army. The article said in part:

The Pereless case goes to the root of the whole question in connection with the pending Senate inquiry—the ability of the committee charged by the Senate with this task to obtain the free and fearless opinions of witnesses summoned to the stand.

It has aroused the interest of Senators regardless of their party affiliations, and, judging by the present temper of the Senate, and the determination to investigate it thoroughly, it may become a cause celebre in the history of the war.

The decision to go to the bottom of the discharge of Capt. Pereless, ascertaining the reasons and the influences which promoted it, if any such suit exist, was reached yesterday at an executive session of the committee, with Senator HITCHCOCK presiding in the absence of Chairman CHAMBERLAIN.

Members of the committee felt that the dismissal of this officer one month after he had testified against the contract, which was canceled as a result of the investigation he had made in his official capacity, and against the protest of Charles Eisenman, vice chairman of the supply committee of the Council of National Defense, was an affront to the dignity of the United States Senate in view of the superficial evidence existing that it amounted virtually to the disciplining of an officer of the United States for testimony given by him at the command of the Senate.

The Senate is jealous of its prerogatives, of the immunity it gives to its witnesses, and of its surpassing dignity as the greatest deliberative body in the world.

It is regarded in some respects as one of the gravest issues ever raised between the legislative and executive branches of the Government.

At yesterday's meeting of the committee there was virtually a unanimity of opinion that the Senate could not afford to permit the incident to pass.

I have no criticism or condemnation for that article, Mr. President. It is not to that that I rise. There is, however, one statement in it about which I wish to make an explanation.

I cast no doubt upon the veracity of the newspaper writer or the accuracy of statement of the article, as far as the actions and attitude of the committee are concerned. However, I want to call attention to the closing statement which I have read. I have the honor to be a member of the Senate Committee on Military Affairs, but I was not able to be at that committee meeting on Friday. I received the usual notice of the meeting; but it gave no indication of the nature or object of the meeting and I did not know what was going to be the subject matter of the meeting. I had no way of knowing, as far as any information that came to me was concerned. As I had other pressing demands upon my time for the same hour, very important matters of another nature to attend to at the same hour as the committee meeting, I was unable to attend the committee meeting. I will say, however, that is the only statement I wish to correct—and I have no grievance as to it, because it is a natural one, and doubtless the writer was sincere in it and was informed to that effect—the only statement that I wish to correct is the closing statement of what I read, that at Friday's meeting "there was virtually a unanimity of opinion that the Senate could not afford to permit the incident to pass."

The action of the committee may have been, and doubtless was, unanimous as to all those who were present, but I want to say emphatically that that unanimity does not include me. It was all right to make inquiry as to why Capt. Pereless was dismissed, but that was done by a member of the committee, the Senator from Colorado [Mr. THOMAS]. He addressed a letter of inquiry on the subject to Gen. Goethals, the Acting Quartermaster General of the War Department, and he received a reply from Gen. Goethals, and that reply was published in the CONGRESSIONAL RECORD, and it was and is entirely satisfactory to me. I believe that Gen. Goethals is an upright, honorable, and truthful man, and when he says that Capt. Pereless was not dismissed on account of any testimony that he gave before the committee, that ends the matter with me. I am willing to accept his statement. I believe what Gen. Goethals says, and I have no disposition nor desire to go into an inquiry, an investigation, as to whether or not he is telling the truth.

So, while I was not able to be present, the statement that there is unanimity in the committee about the action of Friday is not correct. While I was not present, I am a member of the committee, and I emphatically dissent from what was done Friday. If I had been present, I would have opposed the action of the committee on the ground that it is unnecessary, and unnecessarily prolongs the investigation which the Senate Committee on Military Affairs is making.

Furthermore, I take this occasion to say that I not only dissent from that action of the committee, but that I dissent from very many of the things that the committee has done in the course of its investigation of the War Department. Of course, I admit the right of the majority to do as it will—that is, the right so far as the power of superior numbers gives it the right. I realize that the majority must rule, but I do question the justice of and the justification for much else that has been done in the course of the investigation by that committee as well as in the particular instance of its action on Friday.

I simply want to make it plain and emphatic that I am not in accord with the action of the committee that was taken on Friday. I do not consider that there has been any affront to the dignity of the committee or of the Senate or that there is any ground for a feeling of injured dignity on behalf of the committee or the Senate. If the War Department may not drop an officer from its rolls for what it considers good cause without offending the dignity of a committee of this body, then indeed I think the War Department is in a deplorable situation. I am not willing for the statement to go to the public nor to the Senate that the action of the committee on Friday was unanimous, so far as my assent is involved. I want it made perfectly plain and most emphatic that I dissent from the action of the committee on Friday, and had I been present I should have opposed it.

This is all I shall say about the matter at this time, but in the future I may take occasion to make better known and more emphatic my dissent from many of the things that have been done by the Military Committee in the course of the investigation it has been making of the affairs of the War Department. On many things I am not at all in accord with it.

EFFECT OF BOLSHEVIKI DOCTRINES IN LABOR UNIONS.

Mr. McCUMBER obtained the floor.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. McCUMBER. I will yield for a question, Mr. President.

Mr. GORE. I intended to state to the Senator the object for which I rose. I have several letters here from farmers in Oklahoma, Kansas, and California in relation to the wheat situation, and I was wondering whether or not the Senator would yield to me to have them read into the RECORD?

Mr. McCUMBER. I wish the Senator from Oklahoma would ask later to have them read.

Mr. GORE. I will not insist on my request.

The VICE PRESIDENT. It is in violation of the rule. A Senator holding the floor can not be interrupted for such a purpose.

Mr. McCUMBER. Mr. President, when the Czar of Russia was dethroned, an element known under the general name of "Bolsheviki" seized and assumed control of the government. I am informed that the word "Bolsheviki," while originally meaning majority, has, by reason of its adoption by the most radical element of that country, come to signify a creed which may be expressed in the words "more, still more, and always more." The combined soldiers and workmen's organizations, through whose ukase government was to be conducted and military campaigns operated, were the followers of this creed of illimitable avarice and impossible application.

The first act of these organizations in assuming the onerous duties of government was to shoot all their military officers and commanders. Their last act was to surrender Russian territory nearly as great in extent as the German Empire itself, and then demobilize the Russian Army, that no patriot might rekindle in their hearts the flame of loyalty and rally them to the defense of their fatherland.

Search the world's history through all its volumes vast, and nothing can be found to even approach this most damnable treachery to faithful and bleeding allies—this blackest treason to country and national honor. For this ignominious surrender under Bolsheviki reign let every Russian patriot for a thousand years wear branded on his cheek the blush of shame.

With this spectacle of national impotency and disgrace before us, and enlightened by the appalling conditions in our shipyards, is it not about time we were turning our attention to the Bolsheviki doctrine of those in our own country who are paralyzing the arms of the Government and imperiling the lives of our soldiers in France?

Mr. President, in the midst of a life and death struggle, when victory or defeat depends upon whether we shall or shall not produce the ships to meet the devastation of submarines and to support our armies, I find these same Bolsheviki sentiments expressed in an address before a convention of boiler makers by an officer high in the ranks of organized labor:

> Organized labor is a part, and a powerful part, a real part of the war in the United States. Nothing can take place, nothing can be done unless we are consulted and practically give our consent to it.

Mr. President, in the United States is this true? Is it a fact that this Government can do nothing without first consulting an element in the United States called the labor unions? Is it true that nothing can be done in carrying out great war measures without first securing the consent of this element of American society? I for one do not believe it. When, the other day, there was a carpenters' strike in the shipyards of the United States, the President of the United States, who all along has attempted to do justice, and more than justice, to the American workmen, finding that his patience had become exhausted, stated to those in authority that he would refuse to talk with them and that their duty was to go to work; they went to work. They did so because they well understood that their strike in that particular instance was unjust and that the American people would not stand back of them. And, Mr. President of the United States, the people of this country will back you in this and any other position you shall take to secure just service for just compensation.

Again, said this orator:

> We have organized boards, different commissions covering all phases of this war game, and in all these commissions and in all these boards organized labor has its representations.
>
> * * * * * * *

I think that is true. He proceeded:

> You take the shipbuilding, and we are not talking about getting a penny an hour increase now. You remember when we used to strike to get 25 or 26 or 27 cents, an increase of a cent or two an hour. Now we are striking for dollars. We have forgot there is such a thing on the market as a penny any more. It is dollars we are talk-

ing about. Out on the Pacific coast, you know what is going on out there now. Seattle, Portland, San Francisco, all asking for dollars, $2 a day increase, $3 a day increase. It doesn't frighten anybody any more. Nobody gets boisterous about it any more. We are just coming together and going to get dollars now instead of pennies.

Again, he says:

That is only the beginning. We are now working on another plan to handle all the munition plants, outside of the shipbuilding, all of the munition factories where munitions of any kind are made for the Government, either direct or by contract or by subcontract. That commission will handle all that. That will be for the purpose of giving labor the benefit of the increased cost of living, which is climbing head over heels upward every day. And if flour jumps $2 to-morrow, and jumps again the next day, we will call the commission together and jump wages, keep jumping, getting more and more and more. I like that word "more." It sounds good to me. It is natural. It is human.

Mr. President, it sounds like Bolsheviki to me.

* * * * * * *

Now, I hope the boiler makers in convention here will get in their minds that beautiful thought of "more." Place your officers in a position to go out and demand and then back them up. Give them your united and undivided support. And in this crisis, instead of our organization being wiped out, instead of our power being lessened, we will come out after the war is over bigger and greater and grander and better understood than we ever were before.

Mr. President, that sounds like the Kaiser to me.

Mr. President, all autocrats and all autocracies speak the same language. Unlimited power is always unblushingly frank and brutally arrogant. The Kaiser and his pan-Germans say: The world belongs to those who have the power to take and govern it. They say we have the military power to crush our neighbors and seize their territory that we may extend our domains and dominate the world. We have attained our present greatness by the sword of conquest. Poland, Russia, Austria, Denmark, Holland, France has, each in its turn, surrendered its territory and been compelled to pay us tribute for having dared to attempt its defense. Our motto is "More territory, more power, still more and always more," until the world, lying prostrate at our feet, acknowledges our domination. Place your Kaiser in the position to make this demand and then back him up, and when we shall come victorious out of this war and impose our kultur on the world we shall be bigger, and greater, and grander and better understood than ever before. Mark the similarity.

Mr. President, neither of these autocracies recognizes the rights of other classes or other nations or any standard of equal justice, and, as the world can not submit to the domination of one nation over all the others, neither can this country afford to submit to the domination of any one class of people over all the other people.

Mr. President, we have seen the effect of Bolsheviki government in Russia. So, too, we have seen the effect of this Bolsheviki sentiment, "more, still more, always more," regardless of justice, regardless of patriotic duty, in the shameful delay in ship construction on which the very life of a great world principle depends. Drunken with power, swelled with importance, guided by no standard but that of more, and more, and still more, we are told that all munition plants, every line of industry upon which the life of the Government depends, will soon be reduced to the same condition of dependency and impotency as the shipbuilding program of to-day.

The time has arrived for the American people to accept this challenge and to answer the boast that any organization in time of desperate war needs can throttle our energies and destroy our power. We are a patient people. We wait for those in power to meet a situation. But when they fail, through cowardice or abject surrender to a great wrong, we find means to meet the situation. And, Mr. President, nine-tenths of the people of the United States are not going to have the country held up by the other one-tenth. This country is not Russia, and before we get through with those who are preaching the Bolsheviki doctrine in this country, before we allow this country to be disgraced and dishonored for all time, before we, like Russia, shall betray our allies and our cause, these nine-tenths of the American people will be heard from.

Mr. President, about last September, I think it was, when the I. W. W.'s were strolling through the State of North Dakota, at a time when we had a quarter or an eighth of a crop to harvest, and they were placing pieces of iron in the shocks and holding meetings to prevent the farmer from securing labor to take care of his crops, I received a communication fom an organization asking me if the Government would loan them 1,500 rifles and 5,000 rounds of ammunition, and they would take care of the I. W. W. element in the State of North Dakota. I had to inform them that the Government would not and could not do so, but that undoubtedly they could take care of the situation. Only a few days ago a Senator received from my State a circular calling upon people to report at a certain place the number of guns they had, the kind of guns, the caliber of those guns, and what ammunition they had for their use. The circular was signed "Vigilance Committee" or "Committee of Safety." What did it mean? It simply meant that in a threatening situation, when the Government is so weak that it can not protect its own citizens, there are always a sufficient number of naturally law-abiding men in this country who will take care of themselves just as the miners in the West, without government and without law, took care of the situation in forty-nine. So I repeat, the President need have no fear, the nine-tenths of the people will never allow the one-tenth or any element of that one-tenth to throttle this country. It is not necessary for us to surrender to anything that is wrong—and slacking anywhere is wrong.

While this Bolsheviki cancer, which is sapping our strength and jeopardizing our safety, is not confined to any one class, it nevertheless manifests itself in its most malignant form in supply profiteering and in labor profiteering in our shipyards. I wish to consider and condemn both. In supply profiteering I shall mention the case of but one shipyard. To get the general situation, you can multiply that one by the number of yards in the country.

Mr. President, Hog Island has added a new glory to its name. Everything connected with this shipyard, from the time of the purchase of the land on which it is located, down to the present day, has exemplified in the superlative degree the hog nature of man. The land, as I am informed, was assessed and paid taxes on a base value of about $100 per acre. It was sold to the Government for $2,000 an acre. And, finding what an easy mark the Government is, the owner is now bemoaning the fact that he did not ask $4,000 an acre for it.

Mr. NELSON. Mr. President, will the Senator yield for a moment?

Mr. McCUMBER. I yield to the Senator from Minnesota.

Mr. NELSON. The Senator is not quite correct in stating that it was sold directly to the Government. It was sold to the International Shipbuilding Co., which rented it to the Government at the price of 6 per cent upon $2,000.

Mr. McCUMBER. I thank the Senator for the correction. It was rented to the Government on a basis of $2,000 per acre.

Mr. NELSON. Yes, sir. What I wanted to say to the Senator is that Mr. Black, who sold the land to this shipbuilding company for $2,000 an acre, had agreed to sell it the year before, and had an option outstanding, for $1,000 an acre. As a reward for his getting $2,000 an acre he has been taken out of civil life and is now a lieutenant colonel in the Ordnance Department of the Government.

Mr. McCUMBER. I thank the Senator.

Mr. KING. Mr. President——

Mr. McCUMBER. I yield to the Senator from Utah.

Mr. KING. It seems to me, under the facts stated, that that man ought to be court-martialed and dismissed from the Army.

Mr. McCUMBER. The testimony before the Committee on Commerce, as I remember it, showed that it was assessed for about $100 an acre.

Now, Mr. President, after this land had been purchased and the foundation laid on graft, it was but natural that the superstructure should be in harmony with that foundation; and so every act, every contract, every expenditure for material or labor has been madly, wildly extravagant. The hard-earned dollars of the industrious people of the country, exacted by the heaviest burden of taxation, have been burned in a wild Saturnalia of extravagance. To add to the cost, and thereby increase commissions and profits, the management thought it necessary to have a paper published at the plant. And so writers for the paper were paid from $500 to $833.33 a month to write paragraphs concerning this shipyard and to invite labor to that vicinity. Automobiles and trucks were hired at $25 to $30 per day for the machines alone.

Mr. NELSON. Mr. President, will the Senator yield to me for a moment?

Mr. McCUMBER. Gladly, Mr. President.

Mr. NELSON. I will say that the shipbuilding company at Hog Island has three publicity agents, whose aggregate salaries are something like $2,400 or $2,500 per month, for carrying on a publicity bureau at Hog Island, paid by the Government.

Mr. McCUMBER. Yes; I will quote some of the evidence on that point.

Mr. BORAH. Mr. President, may I ask the Senator from Minnesota what are the objects and purposes of this publicity?

Mr. McCUMBER. I will cover that by the evidence in just a moment, if the Senator will allow me.

Mr. BORAH. I shall be very glad to hear it.

Mr. McCUMBER. Freight cars were allowed to pile up and remain unloaded until 1,300 cars stood for long periods of time

without being unloaded while the country was freezing because cars could not be obtained to haul coal.

Mr. JONES of Washington. Mr. President——

Mr. McCUMBER. I yield to the Senator from Washington.

Mr. JONES of Washington. The Senator may not have observed that in that connection it was also shown that there were 3,000 cars on the way that had to be held up.

Mr. McCUMBER. Yes; I thank the Senator for adding to that.

Contracts were made to pay double salaries for expert services. The cost of the construction, it is now conceded, will be three to four times the Government's original estimate. This single hold-up of the Government will probably cost it not less than $30,000,000. Just think of the supreme nonsense of spending the people's money to get out a little paper at this institution! I quote from the examination of Mr. Towle before the Committee on Commerce, and this will answer the question of the Senator from Idaho:

Senator VARDAMAN. I notice here that three men were employed as follows: R. N. Hunt, publicity assistant, $666.66 per month; D. T. Pierce, publicity manager, $833.33 per month; Thomas B. Reed, publicity assistant, $500 a month. These gentlemen I understand are the editors of this little paper. Did they really accomplish anything other than furnishing a pretty good story for some very excellent gentlemen?

Mr. TOWLE. The idea was to create interest in the job among the employees.

Mr. Towle testified that in the gathering of machinery, for instance, an ordinary crane that you should buy for from seven to eight thousand dollars cost the Government from twenty to twenty-five thousand dollars. When they needed lumber the lumber dealers immediately added 50 to 100 per cent to their selling price.

Mr. KNOX. Mr. President, may I make an inquiry for information?

Mr. McCUMBER. Certainly.

Mr. KNOX. Were these salaries for publicity, and so forth, paid by the Government?

Mr. NELSON. Yes.

Mr. McCUMBER. Yes; I understand they are.

Mr. KING. Mr. President, if the Senator will yield——

Mr. McCUMBER. I yield, Mr. President.

Mr. KING. I was told on Saturday that, notwithstanding these disclosures, the present person in charge, an admiral, is still perpetuating this publicity organization. Does the Senator know whether or not that is so?

Mr. McCUMBER. I am not informed as to whether it is continuing, but I had not heard that it was discontinued; and therefore I do not suppose that these gentlemen are throwing up these very lucrative jobs.

Mr. KING. Is the Senator a member of the committee?

Mr. McCUMBER. I am not a member of the committee.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. McCUMBER. I yield.

Mr. NELSON. I think Admiral Bowles went up there about two or three weeks ago to take charge and to reorganize the institution and put it on its feet. He is gradually weeding out the dead timber. He probably has not gotten around to this part of it yet; and I do not think he ought to be criticized because he has not done all the cleaning out that ought to be done there. It is a big stable to clean out, and he can not accomplish it all in a short space of time. I think if he is left in charge there he will undoubtedly take care of this matter.

Mr. SHERMAN. Mr. President——

Mr. McCUMBER. I yield to the Senator from Illinois.

Mr. SHERMAN. The private pay roll of the American International Corporation and the American International Shipbuilding Co. when the Government commandeered the yard were taken over by the Government, along with the visible property. The Government has had control for some time. The record will show, I think, that immediately upon the taking of the pay roll by the Government the compensations of many of the places then existing, if not all of them, were increased, and very materially increased. In addition to that some of the places to which the Senator from North Dakota alludes were created; but a part of this, at least, was during the latter part, while the Government was in control not only of the pay rolls but of the material delivered, the shipments made, the congestion of cars, and the yard.

Mr. NELSON. Mr. President——

Mr. McCUMBER. I yield to the Senator from Minnesota.

Mr. NELSON. I think, with all due respect, that the Senator from Illinois is a little in error. This was an agency contract, and the matter was put under the control of this shipbuilding company; and it is only lately that the Government has intervened directly. While the Government has a right to take possession of the yard, to commandeer it, it has not done so absolutely. It has simply placed Admiral Bowles in charge of the yard; but it has not been taken over, as it might be, by the Government.

Mr. SHERMAN. Mr. President——

Mr. McCUMBER. I yield to the Senator from Illinois.

Mr. SHERMAN. I do not want to take too much of the Senator's time. It is true that there is not an absolute ownership; but for a long time, beginning probably in September or October last, the Government has had agents and officers in the yard; and the pay roll will show in the case of Mr. Goodnow, who is the general superintendent, an increase of, I think, from $12,000 or $12,500 to $25,000 a year. That was after the Government assumed the pay roll and became responsible out of the Treasury for its payment. It is true, as the Senator from Minnesota says, that there was not an absolute ownership, but there was some Government supervision during that time.

Mr. McCUMBER. Mr. President, let me say that I can only strike the high places. I can only give the headings of chapters, upon which volumes might be written.

Mr. GALLINGER. Mr. President——

Mr. McCUMBER. I yield to the Senator from New Hampshire.

Mr. GALLINGER. As the name of Admiral Bowles has been mentioned—he having been designated, as I understand, to take charge of the situation there in behalf of the Government—I want to say that I have known Admiral Bowles for a great many years, and I shall be woefully disappointed if Admiral Bowles, honest man that he is, does not do everything in his power to remedy this evil which is so apparent.

Mr. McCUMBER. I certainly hope the Senator will not assume that I am criticizing Admiral Bowles in reading his own testimony criticizing the work that has been done there.

Mr. NORRIS and Mr. SHERMAN addressed the chair.

Mr. McCUMBER. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I wish the Senator would explain, unless he intends to do so later, just how this corporation comes in. If there is an official of the Government there that has charge of it, why is there a corporation intervening, and who is it that composes this corporation?

Mr. McCUMBER. I would rather have that stated by some member of the Committee on Commerce, as that committee has been taking the evidence, and it is too long for me to deal with at this time.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. McCUMBER. I yield to the Senator.

Mr. SHERMAN. I think we ought to especially pay attention to the remark of the senior Senator from Minnesota [Mr. NELSON] that Admiral Bowles has only been up at Hog Island about three weeks, at the outside, and his designation for that work came as a result of these investigations that were had before the Committee on Commerce. I think we all have the very greatest confidence in Admiral Bowles, but the size of the task has been of such a character that he has not yet produced the needed results. I am confident that he will.

Mr. McCUMBER. Going back to this little paper, the wonderful effect of this little paper with its high-priced editors upon the labor is evidenced by the further testimony of Mr. Towle. Let me again quote:

Senator VARDAMAN. We have not seen very much manifestation of a patriotic desire to serve the Government either in price of material or for personal services.

Mr. TOWLE. Only on very rare occasions.

Senator CALDER. Mr. Towle, you said the labor cost is three times that of normal times?

Mr. TOWLE. Yes, sir.

Senator CALDER. Was that given to labor or was it because of waste of time?

Mr. TOWLE. The labor would eventually get all of that, but the amount of work performed by the labor was only one-third of what it would have been and should have been under right conditions.

Senator CALDER. In other words, the men were doing about one third of a day's work?

Mr. TOWLE. Yes.

Thus we have laborers being paid three times the ordinary wages and performing one-third of the ordinary service, so that each dollar paid out produced about one-ninth of what it would have produced under normal conditions.

Mr. STERLING. Mr. President——

Mr. McCUMBER. I yield to the Senator from South Dakota.

Mr. STERLING. I just wanted to ask the Senator from North Dakota, if he would permit me, who Mr. Towle is. What is his relation to the Government or to the shipbuilding corporation? The Senator has introduced him as a witness here, but he did not state the capacity in which he was employed.

Mr. McCUMBER. He has been in charge of that yard, and he was sent there to investigate conditions by the Government itself.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Washington?

Mr. McCUMBER. I yield.

Mr. JONES of Washington. He was not only sent there, but he was a civil engineer, generally supervising the work for the Government—looking after the agency, under Commander Reed.

Mr. McCUMBER. Yes; but, according to his own testimony, the work had begun there long before he was sent to supervise it.

Mr. JONES of Washington. I think that is true.

Mr. McCUMBER. And that is the question, as I understand it, asked by the Senator from South Dakota.

Mr. JONES of Washington. He represented the Government.

Mr. McCUMBER. S. M. Felton, a War Department engineer, stated:

> I should estimate that possibly between 5 and 10 men out of every gang of 100 congregated about the plant were busy. I never saw such idleness in my life. Half the men we saw there, if properly organized, would have done more work than all the men we saw.

Think of it! With most excessive wages being paid, only 5 to 10 per cent of the men there were busy when he visited the plant.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. McCUMBER. I do.

Mr. SMITH of Michigan. It may be interesting to note that Mr. Felton, whom the Senator is quoting, is a practical business man and is the president of the Chicago Great Western Railroad. He is one of the men who volunteered their services and has been put in a responsible position in the War Office in connection with the transportation problems affecting that department. He went to study those problems, and in the course of his observations he found that condition.

Mr. McCUMBER. I thank the Senator.

Mr. KNOX. Mr. President, will the Senator pardon me just a moment in that connection?

Mr. McCUMBER. Certainly.

Mr. KNOX. I should like to add to the testimony as to the value of Mr. Felton's evidence by saying that I have known Mr. Felton ever since he came out of college, and that he has earned the reputation in the railroad world that if there is anything so disorganized or so badly gone that nobody else can do anything with it, they send for Felton.

Mr. McCUMBER. His evidence shows that he was more than shocked at the situation as he found it in the shipyards.

Mr. SMITH of Michigan. Mr. President, I will not interrupt the Senator further except to say that, quoting further from Mr. Felton, he regretted the construction there of superfluous tracks, and so forth, which he thought were entirely unnecessary.

Mr. LEWIS. Mr. President——

Mr. McCUMBER. I yield to the Senator from Illinois.

Mr. LEWIS. Joining with both Senators, the Senator from Michigan and the Senator from Pennsylvania, in their tribute to Col. Felton—whom, of course, I know personally, he being a constituent and a personal associate—I should like to ask the Senator whether the evidence does not make it clear that Col. Felton had nothing to do with these enterprises until after these wrongs were set afoot?

Mr. McCUMBER. Why, certainly, Mr. President.

Mr. LEWIS. He was seeking to correct them.

Mr. McCUMBER. He was there to investigate and correct them.

Mr. LEWIS. I thank the Senator. I wanted that clear, as I understood that to be the purpose.

Mr. McCUMBER. Mr. President, this Hog Island carnival of waste and extravagance is not an isolated case. Like conditions prevail throughout the country where speeding-up production has become necessary.

I found, on a visit to Camp Meade one Sunday last summer, about the same conditions. I rode down there at a time when all the laborers were performing their Sunday work. I saw one individual chopping a root off of a stump. Evidently he intended to chop it into a sort of kindling wood so that he could carry it away. A span of mules would have pulled the whole thing out of there in 10 or 15 minutes. He was chopping in a "Weary Willie" sort of a way upon a root that was about 3 inches in width and 6 inches deep. I passed through there and came back in three-quarters of an hour and he had cut that root nearly halfway off during that period of time. I looked around upon the other workers, and I found they were all working in the same leisurely way. And this was on Sunday, and they were drawing double pay for their work on Sunday!

I made a few inquiries about the situation in the construction of our cantonments, and I found that these men were not averse, on account of religious scruples, to working on Sunday, and therefore they were all present and they got twice as much wages on Sunday, but they laid off the next day and made Monday a holiday, so that they would work no longer than six days and get double pay for the holiday; and that character of service was followed in the construction of every one of our cantonments.

Mr. President, I want to read an article from the Post by a carpenter who was working here in Washington, I think, last October, and his letter was published in the Post. He says:

> Editor the Post: I have read the article in the Post last Sunday entitled "Four Men to One Man's Job on Government Work," and I want to say that I can verify this statement, as I am a carpenter now employed in this city. I was sent here a little more than a month ago from the Pittsburgh office of the George A. Fuller Co., and I am working on the building at Eighteenth and D Streets NW.
>
> The Hoover Building, as we call it now—
>
> I came here believing that there was a labor shortage, but I find that there is none.
>
> Not only have we four men for every day's work, but the job is overloaded with superintendents and foremen. I know of some two or three foremen who have but two or three men in their gangs and several who have no gangs at all under them, and these foremen are mostly incompetents, who do not attend to their work properly, with the result that it has to be done over several times.
>
> Mr. Hoover has been preaching economy, and yet on his building there has been expended $15 for every dollar's worth of work accomplished. I am signing my name to this and you can use it if you wish to.
>
> (Signed) WILLIAM A. YOUNG.

No one has attempted to deny this statement, that we are paying $15 where we should pay $1 in the cost of our cantonments.

Mr. President, I think we pay $40,000 to educate young men at either Annapolis or West Point. There are good engineers who graduate from these academies. Those engineers certainly understand how to build bridges. Those engineers certainly understand how to build a plain board and scantling shack, and that is all that is done in the building of these cantonments. Yet we have to hire men from all over the country to do the work that we have been paying $40,000 per head to educate men in the United States Army to do. Any one of the officers from West Point, I think, could have taken charge of a single one of these cantonments and produced ten times the results that we got out of the labor employed; and they were not all busy at that time.

Mr. LODGE. May I ask the Senator a question?

Mr. McCUMBER. I yield to the Senator.

Mr. LODGE. Did all these occurrences take place under the system of contracts on the basis of cost and commission?

Mr. McCUMBER. I think they did.

Mr. LODGE. The secret-contract system?

Mr. McCUMBER. I think so; and, of course, there was everything to encourage greater expense, because it meant greater commissions.

Mr. KING. Will the Senator yield?

Mr. McCUMBER. I yield to the Senator from Utah.

Mr. KING. Is the Fuller Co., of which the Senator speaks, the same company now doing business for some department of the Government?

Mr. McCUMBER. I think it is the same. The same company has its plants in Philadelphia, I think, and in New York, Chicago, and in all the great cities.

Mr. KING. Why is that company and the Sterritt-Thompson Co. apparently favored in giving these contracts?

Mr. McCUMBER. I do not know that. You must ask that question of the department. I do not even know that they are.

Mr. STERLING. Mr. President——

Mr. McCUMBER. I yield to the Senator from South Dakota.

Mr. STERLING. The Senator has given some data in regard to the cost of labor under this system of building, the contract or fee system, as it is called. I wonder if the Senator has any data in reference to the cost of materials?

Mr. McCUMBER. Except that which I have read. I have very much more data, but the testimony here shows that for the lumber and the material, taking the Hog Island project, for instance, the charges were from 50 per cent to 100 per cent higher than had been previously charged others.

Mr. STERLING. I speak of that because in a communication made by the Secretary of War to the Committee on Military Affairs it was contended that the cost of material was even less

for the building of these cantonments than in the ordinary market, that they were paying less.

Mr. McCUMBER. I cited the testimony of Mr. Towle that it was from 50 per cent to 100 per cent higher at this particular place, and that in the matter of cranes the Government had to pay from $20,000 to $25,000 for cranes that had been selling at from $7,000 to $8,000.

Mr. GALLINGER. Mr. President——

Mr. McCUMBER. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, this is a very interesting discussion, and I am optimistic enough to believe that it will result in great good, because those in authority can not by any possibility evade the responsibility, and they must look into this matter for the purpose of correcting it.

I believe there is inordinate and criminal waste of the Government money in many of these enterprises. A few days ago I was looking over the building that is being constructed, and I think is almost finished, running along Sixth Street back to the Fish Commission building, covering six or seven acres. One little incident came to my attention, and I would not mention it were it not that I have two witnesses to it who were riding with me in my motor car at the time. A load of boards was driven up. One man took a board from the wagon and six men conveyed it to a space where they were going to work on it. They were supposed to be carpenters. I understand that any man who can drive a nail or saw a board, whether he saws it straight or crooked, is a carpenter nowadays. They were getting a very high wage. That fell under my immediate observation, and, as I said, I had two witnesses to the transaction. Those men were not working, and it is a notorious fact that they are not working to-day. They believe they have the Government in their power, and they are going to do just as they please.

It is reasonable to suppose that if the men who are building ships, or pretending to build ships, and who are getting inordinate wages can carry that work along twice as long as it ought to be carried, they get their big wages, their big commissions, their big salaries for twice as long a time as they otherwise would.

I think it is a scandal, Mr. President, and I believe the discussion we are listening to now will have the effect of remedying many of the evils which exist at the present time.

Mr. McCUMBER. Mr. President, these facts that I have so far given are very unimportant and immaterial compared with what I intend to give before I get through.

Contracts of the most atrocious character, always against the Government, have been O. K.'d by Government officials. The Government pays every dollar of expense for raw materials, and yet pays individuals enormous profits. Men who never saw a shipyard, men who had no capital, have been given contracts to build ships, and they in turn have contracted to sublet those contracts to others, retaining big commissions. Banks have charged immense bonuses for securing contracts for their customers, and all this within the knowledge of, or easily obtainable by, Government officials.

So much for supply profiteering. Now, about labor profiteering. Mr. President, never before have we so needed ships. Never before has the cause of democracy, the cause of these very laborers, needed ships as they are needed to-day. The very life of that cause depends upon ship construction. Now, what is labor unionism doing to help that cause? Now, what is Mr. Gompers doing? We know what he is attempting to do—everything in his power to keep labor organizations loyal to the interests of the Government. But what is labor unionism doing in this battle? Mr. President, in our shipyards it is slacking in a most shameful and disgraceful manner. It is stated that there have been over 3,500 strikes in the shipbuilding industry and those industries connected therewith within a period of six months.

Mr. Frederick Lewis Allen, writing for the Outlook in the issue of February 20, 1918, is authority for the statement that up to Christmas there had been lost through strikes in the shipyards alone 596,992 working days, an equivalent of 30 days for 20,000 workmen, aside from the demoralization caused thereby.

Mr. President, those 20,000 workmen are just as essential and even more essential to the safety of this country and its success in this great war than any 20,000 soldiers we could land in France at this particular time.

Now, let us suppose that 20,000 soldiers with Bolshevik sentiments in their breasts should declare that the conditions or the situation was not to their taste and should refuse for 30 days, for a whole month, to obey the commands of their officers or do anything to carry out a military project. Is it not just as essential that these workmen should perform their duty, and must the Government stand idly by and allow them to refuse without any occasion, without any reason, to produce the very ammunition and the ships to carry that ammunition to protect our soldiers in foreign lands?

Notwithstanding the patriotic fervor of Mr. Gompers, notwithstanding the fact that the large majority of the membership of these unions may be loyal, notwithstanding his hostility to the I. W. W. doctrines, the fact remains that there are few union organizations to-day that have been able to eliminate from their ranks the I. W. W. element with its anarchistic sentiments, and that many of them seem to be ruled by that element.

I have a short clipping here on the shipping situation from the Scientific American of February 16, and I ask the Secretary to read it.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

THE SHIPPING SITUATION.

In his summary last week of the first year of Germany's unrestricted submarine warfare, Sir Eric Geddes, First Lord of the Admiralty, said: "The submarine destruction still exceeds the production of ships, and in the meantime the demands for tonnage are increasing by leaps and bounds. * * * When we first asked the United States for ships there was a quick response. In no way can the United States help more than in building ships. Is she succeeding? Is she throwing her best brains and energies into it? I hope she is."

Is she? She is and she is not.

Congress has done its part by loyally granting every dollar of the vast sums which have been requested. Capital has done its part by the construction of enormous shipbuilding plants and by the enlargement of those which existed. The great industrial plants of the country have done their part by bending every effort to produce the huge quantity of materials needed for the construction of the ships. The press of the country has done its part by explaining the serious character of the shipping problem and urging upon the country the need for pushing it through with all possible expedition.

Nevertheless, in spite of this widespread combination of national effort, the shipbuilding scheme is threatened with failure because the most important factor of its success—the hearty, whole-souled and patriotic cooperation of labor—has failed to materialize.

Mr. McCUMBER. I think no one can deny the truth of that statement.

Mr. THOMAS. May I suggest to the Senator that I do not think Congress will have done its entire part until it enacts appropriate legislation, as Parliament has done, to meet this unfortunate situation, and at least restrict if not entirely prevent it?

Mr. McCUMBER. This whole discussion, Mr. President, is for that particular purpose.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the junior Senator from New Hampshire?

Mr. McCUMBER. I yield.

Mr. HOLLIS. Will the Senator kindly repeat that last sentence, in which he says no one will dare deny?

Mr. McCUMBER. I say no one can deny the truth of that statement as to the conditions in the shipping yards.

Mr. HOLLIS. Will the Senator give me about two minutes in which to deny it?

Mr. McCUMBER. No; I can not allow the Senator to interject that at this time, because the Senator can not be unmindful of what has been going on in our shipping yards; and I will take the evidence of all of those who have given their testimony before the Committee on Commerce and the evidence that I shall present as against any one man's mere denial or statement.

Mr. HOLLIS. Mr. President, I do deny it.

Mr. McCUMBER. Mr. President, that denial does not change the truth.

Mr. HOLLIS. But the Senator will not permit me to say why I deny it and present argument on the other side.

Mr. McCUMBER. The Senator will have plenty of opportunity to deny it and to make any argument he sees fit.

In the January number of the Sunset Magazine is an article entitled "Bolshevikis of the West. What the Labor Unions of the Pacific Coast are Doing to Help Win the Great War." Every patriotic American ought to read that article. And after reading it and realizing the truth of it, the American people then ought to say, We will not submit longer to such a state of affairs. Copperheadism in whatever form it may exist ought to be stamped out.

From 20 to 25 ships are going to the bottom of the ocean every week, even during this time of lull, as it is called, in submarine offensive. There are ships on the western coast that are abandoned because the owners refused to compel their deck hands to join the union. There are ships awaiting boilers, and union labor will not put the boilers in because they were not constructed by union labor. What is the Government doing? Why does not the Government take those ships and see that they are completed and put into service, and put into service immedi-

ately? Are we so weak that we have no power to do this? I, for one, deny it.

If large forces of American soldiers are sent across the Atlantic and supplies fail for lack of tonnage, thousands of boys will sacrifice life and health in vain. If only a small force is sent, the duration and cost of the war in both life and treasure will be extended greatly.

It is stated that in the shipbuilding plants on the Pacific coast youngsters in their teens, with only a few months' training, are earning from $20 to $25 and $30 a week. Riveters have earned on piecework and overtime from $60 to $100 a week at the old rates before the Federal Adjustment Board had recommended an increase of more than 30 per cent.

Instead of working three shifts a day of eight hours, in order to turn out the necessary shipping, as we should, the shipyards of the West are working one shift of eight hours, plus overtime, and they are short handed even on this one shift.

It is stated in this article that on straight shell work almost any able-bodied, normal man can become a fair riveter with three months' practice. If the material is on hand, the speed of ship construction depends largely on the speed of the riveting gangs: that the average stint of an average riveter on straight shell work is about 400 rivets a day, and to exceed 500 rivets a day is not an unusual performance. Therefore, if we take 300 rivets per day, which is 25 per cent below the average, to constitute a day's work, we will be appalled by the inefficiency, or rather lack of patriotism, on the part of these riveters, or the unions which control them, to perform their duties even for the enormous sums that are being paid them. There is published in this article a table which is explained as follows, and which I shall ask to insert.

The first column designates the individual riveting gang, consisting of the riveter, the holder on, and the heater boy. The second column shows the number of rivets driven by each gang on a day early in October. The third column shows the amount of wages the gang received for the eight hours in which the members were "working." The fourth column shows the amount they would have received had they been paid by the piece at the accepted standard rate per rivet, which averages $4 per 100 rivets. Hold your breath and study this table carefully:

Gang.	Number of rivets.	Wages received	Wages earned (piece rate).
R-1	70	$11.10	$2.80
R-2	66	11.10	2.64
R-3	65	11.10	2.64
R-4	72	11.10	2.88
R-5	78	11.10	2.96
R-6	51	11.10	2.17
R-7	42	11.10	1.68
R-8	18	11.10	.72
R-9	63	11.10	2.32
R-10	63	11.10	2.55
R-11	60	11.10	2.40
R-12	59	11.10	1.77
R-13	16	11.10	.72
R-14	44	11.10	1.79
R-15	52	11.10	2.60
R-16	50	11.10	1.12
R-17	55	11.10	2.20
R-18	55	11.10	1.92
R-19	58	11.10	2.32
R-20	45	11.10	2.28
R-21	50	11.10	2.00
R-22	23	11.10	.81
R-23	71	11.10	2.84
R-24	41	11.10	1.43
R-25	30	11.10	1.12
Total	1,277	277.50	50.74

It is asserted that if these 25 gangs had done a normal, fair day's work they would have driven 10,000 rivets, 400 per gang per day. Instead of that they averaged 51 rivets per day. Think of it! With this enormous increase in wages, these men, who could and should have driven 400 rivets per day, actually drove 51 per day.

As a rule, it would cost the Government not to exceed 4 cents per rivet. That would be $400 for 10,000 rivets. According to this table, it cost the Government not $400 but $2,175 per 10,000 rivets. In other words, these 25 gangs took $1,675 out of the $2,175 for which they rendered no service whatever. Presenting the matter in the form of percentages, the work actually performed was a little more than one-eighth of an honest day's work. Undoubtedly all of this is not due to the riveters alone, but to some extent to the lack of management or lack of organization.

Again, notwithstanding the fact that we were being sorely pressed for ships to partially meet the submarine destruction, all these laborers insisted upon a Saturday half holiday. It seemed to make no difference to them that the submarine did not lay off on that half day.

To show the petty annoyances and the enforcement of these union rules, I quote the following:

If a welder is needed to repair a boiler, he can not do the work himself. A union boilermaker must be hired to sit and watch the welder work with his oxyacetylene flame. By the same token, the steamfitters' union insists that a member be present, drawing pay and doing nothing except to discuss the war while the welder repairs a steam pipe.

To bring this matter into clear relief, I shall ask to read and insert into the RECORD the following excerpt from this article:

A heater boy decided that he needed a rest. Having arrived at this decision, he slipped away, picked out a warm place between two piles of lumber, and went to sleep for two hours. During his absence the riveter and the holder-on twiddled their thumbs, waiting for the red-hot rivets that did not come. The foreman was in a white rage. He demanded an explanation. The boy grinned.

"None of your damned business," he replied, impudently. "I got a right to stay away as long as I please."

The foreman fired him on the spot. Within an hour every heater boy in the plant had quit. A thousand riveters and helpers were idle. In two hours the culprit was back at work—and every heater boy puffed out his chest when the foreman passed.

This incident occurred early in November in one of the big shipyards of San Francisco Bay. It is an incident typical of the spirit in which Far Western union labor approaches the task of building ships for the Government. It is a most significant incident. With the facts to be hereafter recited it shows that discipline in the industrial army is rapidly disintegrating. It indicates that the same processes which turned Russia's military and manufacturing organizations into reckless, heedless mobs are likewise at work in the most important of the American arsenals—the shipyards.

Here is the companion piece of the heater boy episode:

In September all of the employees of a San Francisco factory struck in common with the metal trades. An assistant foreman, member of the machinists' union, noticed that there were scores of loaded cars in the factory yard. He knew that every freight car was needed to haul coal and war supplies; that perishable food materials were spoiling and factories shutting down because not enough cars could be had. As a patriotic duty he offered to unload those cars, but among the union men he found no helpers. He fired the small yard locomotive, hooked onto the cars, pushed them to the big electric traveling crane and single handed, working 14 to 18 hours a day, he unloaded and released for the Nation's use more than 40 freight cars. He also enabled the strikers to start work as soon as they returned.

In France he would have been given the croix de guerre for his devotion. In San Francisco he was cited to appear before a court composed of the officers and business agents of the machinists' union and accused of treason. When he asked them whether they placed the welfare of the union ahead of the country's need, they replied that his first duty was not to play the scab. Though he protested that he had done no machinist's work, he was found guilty, fined $50, assessed six months' dues, and forbidden to work in any union machine shop within 500 miles of San Francisco.

It sounds incredible, but every statement can be substantiated. And this is but one minor occurrence in a mass of facts that throw a glaring light upon the uses to which the war needs of the Nation are put by many of the Pacific coast unions and their leaders.

Mr. President, I ask here to insert, without reading, a couple of very brief excerpts from the March number of the same magazine, written by the same author.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpts referred to are as follows:

In the car I found a seat alongside of an intelligent-looking chap.

"Working over in the yard?" I inquired innocently.

He ginned and nodded. "Been at it a year'n a half now, steady."

"Riveter?"

"Hell, no! I'm a carpenter, drawing down thirty-nine eighty a week, steady. Could get a lot more if I wanted to, but no overtime for this chicken. Eight hours, steady, is enough for any man."

"The work is pretty hard, isn't it?" I suggested.

"Not as hard, by a damn sight, as building houses," he replied. "In times like these it's me for the easy pickins."

"I suppose they drive the men pretty hard in the shipyards," I ventured.

"Drive 'em?" His tone suggested astonishment. "Say, if they wanted to get a day's work out of that bunch they'd have to have a foreman to watch every man, and then they couldn't do it. The only ones that ain't loafing are the riveters on piecework, the fellows that knock out eighty or a hundred a week, and they don't do all they can. Say, you go in a room on the inside of a hull almost any time, and like as not you'll see six or eight of the straight-time riveters sitting around counting their money or swapping yarns. If the straw boss hollers at 'em, they just pick up and quit. There's dozens of places that'll take 'em, and no questions asked. There's too much work nowadays for anybody to stand being hollered at."

* * * * * * * *

Yet nobody, not even the stingest employer, would begrudge these union mechanics these very high wages if the union workers would give an honest, full-day's work for a full-day's pay. They don't do it now. Here are a few more instances of what is going on:

A house carpenter went to work in the yards. He was given the job of putting up brackets to support the ceiling in a boat approaching completion. He put up three brackets the first morning. At noon the shop steward of the union came, looked in, and shook his head disapprovingly.

"Put up all those this morning?" he inquired.

"Well, three ain't so very much for half a day," apologized the carpenter, "but I'll do better when I get used to the work."

"Do better?" sneered the steward. "Say, if you put up another bracket to-day you'll get canned. Take a walk around, but don't forget that three is a day's work."

Mr. McCUMBER. How long can civilized society live under such conditions?

Mr. President, I made inquiry to ascertain the condition in some of the eastern shipyards from a source which I believed would give me most accurate information, and I received the following table and notations, which I here insert:

Some wages paid at one of America's largest shipbuilding plants, which at the time was running only at minimum capacity.

Workmen.	Hours working per week.	Wages per week.
Riveters:		
A	50½	$57.21
B	55½	49.11
C	50½	52.11
D	62½	68.31
E	51½	57.51
F	67½	144.11
G	78	172.11
H	78	141.11
I	41½	86.31
Fitters:		
A	46½	60.41
B	56	124.81

The labor report from which these figures are taken states that although the men are getting this liberal pay they are only 50 per cent efficient. In this yard 18,000 men have been hired during 1917 and only 11,000 have returned to work after working a few days.

Capt. Plisbury, of the United States Shipping Board, in charge of the work in the San Francisco district, testified that the output of the men in that district was 35 per cent and more below normal, and that while the average number of rivets driven by a riveting gang before present war conditions was 359 per day in the San Francisco yards, it now was only in the neighborhood of 150, and he attributed this in part to the labor unrest, the men moving about, working in one yard and then quitting, and going elsewhere, etc.

I did not understand from this statement whether these wages were paid to the gang or to the individual, and I wrote to get that definite information and received this reply:

With regard to your further inquiry in the matter of the reference given you—of wages given riveters in a certain shipyard—the wages paid in the taule noted are not the wages of the riveting gang, but the individual wages of the individual riveters and fitters. Mr. Burton Hendrick, who has made a study of the labor conditions in the shipbuilding yards for some time past, who cited this record, took this from the original pay-roll report sheet in a certain shipyard where he saw this, and the name of each workman was on the original, but in the transcript, for various reasons, these individuals are designated merely as "A, B, C, D," etc. These men averaged in pay, it is noted, about $90 a week each. There was a labor report made with these pay-roll figures, which stated that these men were only about 50 per cent efficient.

While the conditions in the shipyards of the Atlantic coast are not quite so deplorable, they are, nevertheless, a disgrace to this country. The New York Tribune of February 4 quotes a high official of one of the largest shipbuilding yards in the vicinity of Baltimore as stating that it is impossible to estimate the actual cost of ships under contract at this yard, as the major work done is by the piece. Riveters get anywhere from $2, $2.50, $6, $8, and as much as $12 a hundred for rivets, according to location; that in some instances by working time and a half and overtime the men have made as much as $35 a day, and it is not uncommon for one man to make as much as $100 a week.

This official goes on to say:

This has brought about a condition which makes the men difficult to control, and they readily tell the boss if there is any complaint raised that they will quit and go to work somewhere else. The result of this is that the men are working at 50 per cent efficiency. They work when they want to and lay off at any time, no matter how urgent the work may be.

Before the war, when there was keen competition, when the men depended on their weekly wage, they put forth their best efforts. Now, when the country is calling for the best that they can produce, there is an utter indifference, and they can not be relied upon.

Mr. President, I am unaware what portion of the men who are giving less than 50 per cent efficiency are American citizens. I have heard it stated that close to 65 per cent were born in foreign countries, and that very many can not even speak our language. I might find some little excuse for their indifference, but can not see how any American, or any person whose nation is in alliance with us in this great war, can square such conduct with any claim to patriotism. The only excuse I can find for this is that they have been misled by the doctrine promulgated by their leaders—the doctrine of more and more and always more—and feel that they are justified in taking advantage of their Government, even to the extent of fatally crippling its war endeavors.

Nor is the Government at all blameless in this matter. On the contrary, it has surrendered soul and conscience, in some instances, to unionized labor. I am informed that on the West coast the Government itself stepped in and forced yards to either close business or recognize labor unions with all their disastrous rules.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. McCUMBER. I yield, Mr. President.

Mr. GALLINGER. At that point I should like to ask the Senator from North Dakota if he can tell the Senate what proportion of the laborers of this country are in labor unions?

Mr. McCUMBER. About one-tenth, I am informed.

Mr. GALLINGER. That is precisely what I have been led to believe is the fact, that 90 per cent of the laboring men of the country are not in labor unions, and yet the situation seems to be dominated by the 10 per cent.

Mr. McCUMBER. It certainly is.

Not only this, but the contracts which are made with the shipbuilding concerns are so drawn as to invite the very practices I have enumerated. To illustrate: If the contract provides that a certain ship shall be constructed for $285,000, which will yield the contractor, say, a profit of $35,000, it will specify that the contractor shall pay not less than a certain price, which is set out in detail, for the several classes of labor employed, and certain specified prices for the material to be used, and that, if the expense is greater, the contractor shall still have his $35,000 above that added expense. So there is no incentive on the part of the contractor to keep down expenses. If he has been paying $4 a day to his laborers, and they have been satisfied with $4 a day, the walking delegate will say to these men, "Strike for $8 a day." He will then say to the contractor, "There is no use in your objecting to this because it does not cost you a cent additional," and the contractor, rather than have a strike, naturally accepts the proposition, and the Government instead of paying $285,000 for that ship will probably pay $350,000 or more.

Mr. President, just to show that this Bolsheviki spirit is not confined to shipyard employees, but affects the production of food as well, I wish to read a portion of a letter I received from a former resident of my State, on whose probity and conservatism one can well rely:

I think that at the next session of Congress it behooves every American citizen, and especially our Senators and Representatives, to make some provision for the carrying out of a civil government.

In the irrigated district of western Idaho, especially in the Payette Valley and Twin Falls Valley, hundreds and thousands of bushels of apples and potatoes have been destroyed through lack of help, principally, and opportunity to move them into districts where they would be used and were wanted.

Men were paid from $13 to $17 a day for picking potatoes and putting them in a sack. They were not satisfied with this, and struck for $20 to $24 a day. A great many of those potatoes and apples were frozen. Little girls, boys, and women demanded $6 to $8 a day for picking apples or potatoes. Grown men, picking a couple of days at $15 to $17 a day and board, would refuse to work over two days in a week. The rest of the time was spent in pool halls and other soft-drink loafing places—and the crop was allowed to be destroyed.

Some law or some arrangement will have to be made to conscript the loafer either to labor or to the trenches, and if another farmer boy is taken from the farm in the coming draft this country will suffer.

Ah, Mr. President! I know only too well the truth of that statement. I know the impossibility of getting any labor upon the farm that will do one-fourth of what a 16-year-old boy can perform on the farm, and he does not work eight hours a day, either. He does well if he gets through, in the busy season, with 16 hours a day.

Now, just how long the American people will submit to being robbed, first by the material man, then by the laborer, and then to having both robberies encouraged and acquiesced in by the Government, the Lord only knows.

As I have stated, I hardly expect that portion of our laborers who are not Americans, but foreigners, to be governed by the same patriotic motives that should control Americans. But I have a right to say to them: "If you come over here and receive the benefit of these American wages, $10 where you received $1 in your own country; if you are to receive from $5 to $10 a day, while our soldiers defend you and our country with their lives for $1 a day, you shall do an honest day's work; you shall not help our enemies by stealing time from the Government."

Every man who holds up the Government in this time of danger commits a crime, and every Government official who stands by, armed with the power to prevent such acts against the Government and allows them to continue, is a participant in that crime. Every official who signs such contract, every official who pays, is guilty of assisting in despoiling his own Government in this time of war, and the Congress of the United States which takes no step after the facts are established to stop this spoliation can not clear its skirts from blame.

Mr. President, we already have in our hands the power to obtain everything necessary for this war in the shape of materials for what such materials are actually worth. We do not have to be robbed in getting our materials. If the country is being robbed, it is the fault of the officials in charge and not because of lack of power to prevent it. If the Government needs material it has a right to take it, and if the owner will not accept a reasonable profit the Government can still take it, paying 75 per cent of the price offered and allow the courts to determine what additional should be paid. The labor question, however, presents an entirely different case, and the labor question is a hundredfold more important. Let us therefore see what remedy we can propose to meet that situation.

Mr. President, on the 21st day of January, 1918, I introduced and had referred to the Committee on Military Affairs a bill which would organize into a reserve army the manhood of this country to sustain and support our boys on the battle line. It provided for the registration of all male citizens over 18 and under 62 years of age not called into military service, and their organization into units at their homes. It required no drilling; no uniforming. It interfered with no employment or right to contract for labor. But it did subject the whole or any unit to the call of the Government to perform such service in transportation, ship construction, and war supplies as the Government might require. It contemplated most liberal wages and conditions of service, but also contemplated honest service in return.

Mr. President, this is not a bill to conscript laborers, but a bill to bring to the service of the Government the actual service of millions of men who have never been engaged in any gainful trade or occupation and to make efficient those who are so engaged, to the end that every man shall have the opportunity to serve his country in some way and the Government have the benefit of the just service of every man in these days of dire need. Enact a law of that kind and we would secure this service.

On January 16 of this year I charted the war situation in reference to the resources of the opposing forces in material and man power and the weakness of ourselves and our allies in shipping. The figures I gave and the conclusions therefrom are absolutely correct. I established the fact with mathematical accuracy that to supply even a million men and to supply the minimum demanded of our allies, to just maintain the present strength of our cause, we and our allies should construct or otherwise bring under our control 17,000,000 gross tones of shipping in 1918; that Great Britain could not supply more than 2,000,000 tons, leaving 15,000,00 tons as a minimum to be constructed by the United States. But I am answered that this can not be done.

Mr. President, it can be done, and I shall proceed to show how it can be done.

We have now in the United States about 105,000,000 people. We have the greatest steel and lumber resources and the greatest steel plants on earth, and they are scattered all over the country. Harness the energy of these 105,000,000 people to our vast resources and we can do any and everything required to make a mighty success of this war. It is simply a question of the proper application of the human energy to the problems that are before us. We have that energy, we have those resources upon which it can operate, and we have the intelligence to properly direct it. What, then, are we lacking? Courage. Courage to do the right thing and to do it right now.

Mr. President, as every thinking man knows, this is a battle between productive industries. The real struggle is being fought far behind the battle lines. Those lines are deadlocked, and they will remain deadlocked. Three and a half years of appalling slaughter have not perceptibly changed the western front. As the steady stream of brave men goes down to death a steady stream of living flows in to maintain the level. But the very life of the whole line is dependent upon the productivity of the great industrial world behind it. Clog or break the industrial wheels and the whole line collapses.

More and more it appears to be a question as to which group of belligerents shall be first industrially exhausted; and that depends upon which is best able to conserve and use to advantage every ounce of its productive energy. In this the central powers have an immense advantage over their adversaries:

First. In that autocracy can and does so dominate every avenue of business and so control all labor as to secure the maximum of energy of every man, woman, and child who is compelled to labor and labor to the limit of his or her capacity to support the government. When hundreds of thousands struck about 10 days ago in Berlin, an autocratic Government said: "Be back at your workshops Monday morning," and every man of them was back at the shops.

Second. In that the central powers have millions of prisoners, now slaves, working in every line of agricultural and other important industries that serve the national war ends.

Third. In that all civilians in conquered territory, male and female, capable of performing any labor or service, have been conscripted to produce that which is to destroy their own peoples.

Fourth. In that tributes to the last farthing have been levied upon the peoples of conquered territory—in Belgium nearly $500 per capita per annum—which vast sums go into the war chest of the central powers.

Fifth. In that all the mines of coal and iron and oil deposits in said conquered territory, without the investment of a dollar in capital, are being worked by prisoners and the products turned into missiles of death against their rightful owners.

Sixth. In that every product necessary to support the armies of the central powers is being produced just back of the lines—and that is a mighty important feature—while those products necessary to sustain the allied powers must be brought from all corners of the earth, across an ocean infested by the deadly submarine.

But, Mr. President, with the United States in this conflict, all these gigantic advantages can be overcome if we, a self-governing people, will consecrate our energies to a degree approximating that which an autocratic governed people yield at the command of a dictator.

Mr. President, we are now facing the supreme test of democracy. Can a self-governing people voluntarily impose upon itself that labor, that sacrifice, that subserviency to the necessities of war which an autocratic government can enforce by a mere word of command? If it can not, it is doomed. I have faith that it can and will answer every sacrifice if the way is clearly pointed out, if the necessity is clearly established, and if the Government will direct the course to be pursued.

And, Mr. President, upon that hypothesis I proceed to point out the way in which we can produce not 3,000,000 tons of shipping but 15,000,000 or 20,000,000 tons, fabricated all over the country, assembled and put together at our ports and set afloat in 1918.

Let this Government say to the American people: The time has arrived in which your Government needs every ounce of American energy in the field of production. This Government proposes to deal with its people in a spirit of most generous liberality. The compensation is and shall be worthy of the majesty of American labor, and in return for that labor must and shall be worthy of that generous liberality. But the Government must treat all alike; it must not impose the whole burdent upon those only who will voluntarily assume it.

Mr. President, when this Government proposed the draft system for raising an army, we heard Senators and others declare that it would produce a revolution. I had no such fear. That draft system was so just and so equitable that it appealed to the conscience, the sense of fairness of the American people, and they applauded it. Of course, it found some opposition after it became a law. But this, for the most part, could be traced to a disloyal element, which will always be found in any country.

So when I introduced this bill I found the same people informing me that an attempt to do such a thing would cause a revolution. Mr. President, there can not be a revolution against a just demand. This Government says to its people: We are in a desperate war. Our soldier boys are baring their breasts to the enemies' shells, are interposing their bodies and their lives between our people and the destruction of that freedom which every true man loves more than life. Their sacrifices, their heroisms demand, not that you sacrifice anything on your part, but only that you and every one of you who are here at home, shielded by their devotion, shall perform an honest day's labor in whatever field required, to support and sustain your patriotic brothers. We do not ask uncompensated service, but service paid a better and higher remuneration than was ever received by you before.

Do you mean to tell me that this country has fallen so low, that the men and women at home are so constitutionally lazy or disloyal, that they are not even willing to give honest service for this country and its great cause?

Mr. President, if I had such an opinion of the American people I would welcome a revolution, for, if we are that kind of a people, God knows we are not worth saving.

My proposition is not a labor-conscription measure. It is a conscription of the American manhood of the country, whether laborer, clerk, professional, or official.

Is there a Senator in this Chamber who would not be willing to labor six days in the week and eight hours a day for the next four years to support our soldiers in the trenches? I know many of you work 16 hours a day and dream of your labors the

other eight hours. And do any of you imagine that the rank and file of our American people are less loyal than you are?

No, Mr. President, such a law would not only be the most important, the most effective measure that could be passed, but the very justice of it would drown the protests of the leaders of any organization who should attempt a mutiny against the war requirements of this country.

We have the human energy to win this war and win it quickly, but that energy needs mobilization. At present the greater percentage of it is being wasted or unused. On the whole, it is backed by patriotic impulses, but, unhappily, in many instances those natural impulses have been warped or misdirected by those who are not satisfied with securing justice, but who advocate taking advantage of the present situation and holding the country by the throat until it shall surrender to the most exorbitant demands.

As stated, we and our allies should put 17,000,000 additional gross tonnage of shipping afloat in 1918. If concrete ships can be utilized, we could quickly construct 10,000,000 tons, but as this character of ship has not been used for a sufficient length of time to demonstrate beyond any possibility that there may not yet be some undiscovered weakness in it, we will leave that out of the question in this discussion. I am satisfied that concrete ships will meet the demands, and we should proceed to build them on that assumption—our desperate situation justifies the chance.

But suppose we build only standardized ships. There are sufficient steel mills in the United States, if the production of parts is properly distributed, to make every bolt and plate, every engine and boiler necessary to construct 15,000,000 tons of shipping in 1918, and there are a sufficient number of riveters organized, if they will perform an honest day's work for an honest wage, to put together and set those ships afloat.

You say you are short of labor. I deny it most emphatically. What you lack is mobilization of the labor we have to draw upon and the ability to insist that a day's work by those pretending to labor shall be given for a just and liberal compensation on the part of the Government. There are millions of people in the United States who produce nothing, and millions of others who produce almost nothing and whose services could be enlisted in these days of national danger.

Few people realize what a large proportion of our American population are not engaged in any gainful occupations; in other words, what a large number there are who do not earn their own living.

The Census Bureau gives us the number of those who were not so engaged in 1910. From 1910 to 1916 our population increased about 10 per cent. Assuming that the proportion was about the same in 1916 as in 1910, I am able from the census tables to compute the number of men and women over 18 and under 62 years of age who were not engaged in any gainful occupations in 1916. This computation, and I know it will be more or less astounding, would show males over 18 and under 62 not employed in any gainful occupation, 6,539,652; females over 18 and under 62 years of age not employed in any gainful occupation, 24,963,878.

And so, Mr. President, without even reclaiming the lost efficiency of those now engaged in remunerative employment, we have in the United States 6,539,641 men between 18 and 62 years of age—slackers—who are doing practically nothing and living off of the rest of humanity. Soldiers die for these men. Is it asking too much of them that they at least go to work during the war and do something for their Government? There are 24,963,879 women between the ages of 18 and 62 years not engaged in any remunerative employment. Of course we can not apply the same rule to them that we apply to our male population. While they are not engaged in remunerative employment, most of them are engaged in their household duties, which are just as necessary. They are rearing the families, caring for the children who are to be the bulwark of strength in every conflict that shall darken our country in the future. And yet out of these nearly 25,000,000 there are a vast number whose services could be utilized in many occupations, thereby releasing men for the more arduous labors. All honor to the millions of women who are laboring in the services of the Red Cross and whose industrious fingers in every gathering, day and evening, in private and in public, in social gatherings, and even in the galleries of the Senate, are turning out clothing for our American soldiers. But even in their ranks is a mighty field of opportunity. I note, for instance, in many of our apartment houses in this city young girls are operating the elevators and attending to the doors. There are thousands of lines of light labor which could be performed by women that are now performed by strong men whose physical prowess could well be turned into channels of productivity.

We say we need 500,000 men to assist in shipbuilding. We probably would need that many to build the tonnage that I have spoken of. Where will you get them? Well, I will tell you where you can get a great many. I find in the United States there are:

Landscape gardeners	4,154
Greenhouse laborers	18,476
Male dressmakers and seamsters	1,740
Male clerks in stores	303,147

Mark this—

Male clerks in stores, 303,147.

Actors, possibly I should not include these, but in the dire necessity of the country the best actor in the world is the one who can produce for his country	17,935
Elevator tenders, nearly every place could be held by a woman	27,511
Laundry laborers	39,488
Footmen, gentlemen who sit on the box beside the driver and convey the ponderous weight of a lady's calling card to the porter standing at the door with a silver tray to receive it	13,750

They ought to be ashamed to be doing it, but if they are not they ought to be sent either out into the trenches or put to some honest labor—

Other men servants	112,366
Waiters in restaurants, etc	113,239
Making a total in 1910 of	651,806

just in those 10 avenues alone, and you can double it and treble it if necessary. This estimate has been obtained by adding 10 per cent to the 1910 census figures.

Mr. President, there has been much said of late about women usurping men's places in the industrial world. But I have heard nothing said about men usurping woman's places in the domestic world. Here we have more than 200,000 men serving as domestic servants and waiters, places a few years ago held almost exclusively by women, and properly so. To me a man is about as much out of his place waiting on a table as a woman would be cleaning a livery stable.

There, Mr. President, is your army—at present a not only useless, nonproductive army, but a very expensive, consuming army—an army producing no surplus but consuming what would otherwise be a great surplus, a heavy load of industrial slackers to be supported by those who do produce. They are not unpatriotic, but acting individually they can not change their environments or occupations. Organize them and they will become a mighty power in helping to win this war. We should begin that organization immediately that they may be ready when called upon. This is the solution of the problem of production.

Mr. President, it would be amusing were the situation less tragic, to note the awakening of those responsible for the conduct of this war to the ludicrous truth that while they have been preparing a large army for France they seem in the beginning to have just forgotten all about the necessity for ships to transport that army and to supply it.

We declared war 10 months ago and immediately began the construction of our army, and the great press of the country also began to discuss what terms of peace should be imposed upon the conquered enemy. It very naturally occurred to some, whose experience in the realities of life had taught them to build their bridges before crossing them, to inquire about the ships to transport and supply an army of from one to five million men; and as the departments made no mention of the matter of transportation as one of the necessary adjuncts of an American military campaign in Europe, but confined their disjointed efforts to raising and supplying the army, some of us sought to attract their attention to this element of preparedness by placing in concrete form the exact situation of the world's shipping at that time, the inroads that were being made by the submarines, the vast excess of tonnage lost over tonnage constructed, and the fact that unless we immediately found means to overcome or neutralize the destructiveness of the U-boat, we should be compelled to enter upon a shipbuilding program far beyond anything the world had ever dreamed of as being within the realm of possibility.

It was impossible to secure any consideration of our plea. We were called pessimists, our prophecies gloomy forebodings.

Mr. President, on January 30 of this year Secretary Baker said in substance: "We have available to be shipped to France 1,500,000 men if we had the transportation facilities." Think of it! One million five hundred thousand men ready to depart to-morrow for France. Can they depart?

He further said: "I am revealing no secret when I say that ships is the crux of our problem." That is your answer, Mr. President, to the charge of pessimism and gloomy forebodings.

But let me ask Secretary Baker this simple question: Why were those words not uttered by the War Department 10 months ago? You knew then just what tonnage you would

need to transport and supply an army of from 500,000 to 1,500,000 men. You knew it would require 9,000,000 tons for 1,500,000 soldiers. You could easily have inquired as to where you were to look for this shipping. If you answer that this was no part of the duties of the Secretary of War, that a Shipping Board had been created for that purpose, and you were concerned only with the creating of an army, then it seems to me you have given an unanswerable argument in favor of a war board that would bring into accord all of the programs of war.

Mr. KNOX. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. KNOX. Would the Senator mind explaining how he formulates the estimate that it requires 9,000,000 tons of shipping to transport 1,500,000 men?

Mr. McCUMBER. To transport and supply them thereafter.

Mr. KNOX. That is what I wanted to understand.

Mr. McCUMBER. While the British in their Boer war needed, I think, between 6 and 7 tons per man. Admiral Harris, I think is the one, gave testimony before the Committee on Commerce to the effect that it would require from 5 to 7 tons per man. I am not certain whether this estimate was made by Admiral Harris or Admiral Bowles. I think both testified on the subject.

Mr. KNOX. That includes the initial transportation and constant operation to keep them supplied?

Mr. McCUMBER. Yes, sir; that was my understanding of it, and a number of others gave like expert testimony before the Committee on Commerce. I am not a member of the committee. There are, however, members of that committee who could give the names of those who gave the expert testimony. I can say also that in addition to this testimony almost every expert over the country has given about the same figures.

Mr. KING. Will the Senator yield?

Mr. McCUMBER. I yield, Mr. President.

Mr. KING. The tonnage which the Senator has given in answer to the suggestion of the Senator from Pennsylvania would also include munitions and guns and all sorts of war material which would be shipped.

Mr. McCUMBER. Certainly, to supply the Army.

Mr. KING. Much of that consists of locomotives and railroad paraphernalia, sawmills, and so forth.

Mr. McCUMBER. Whatever is necessary to take care of our Army and supply it with food and munitions. I am really inclined to think it will take more unless we are able to deal with the submarine, as some think we can deal with it before next August.

Mr. KING. If the Senator will pardon me, is it not fair to state in connection with the Senator's statement that a number of experts have placed the amount as low as four tons per man, including all the war material which will be essential to the maintenance of the Army?

Mr. McCUMBER. Yes; but I beg to state that those who have given that have made no allowance for destruction of ships or other marine casualties and unforeseen delays.

Mr. KING. Yes; that is true.

Mr. McCUMBER. They have made no allowance for it whatever, and I think it safe to say that 6 tons per man is a fair estimate.

Mr. POMERENE. May I ask the Senator a question?

Mr. McCUMBER. I yield.

Mr. POMERENE. What was the maximum estimate?

Mr. McCUMBER. From 5 to 7 tons per man. On the floor of the Senate you had been informed at the very beginning of this war what shipping would be required and what we were up against, but those declarations from the Senate floor could not catch the ear of the public like one coming from the Secretary of War, and nothing short of a miracle could have opened the ears or eyes of the Shipping Board. And so, when 10 months later the Secretary made this declaration, startling only to those who had not given the subject consideration before, the press of the country suddenly caught the alarm, and editorial pages, which 10 months ago were condemning as pessimistic every attempt to awaken the administration to the impending danger of our gross neglect of ship construction, are now sending the S O S signals throughout the land.

Now that we have awakened, now that we have an Army of 1,500,000 ready, now that neither we nor the world have the shipping to take that Army over and supply it, what are you going to do about it? Well, I will tell you one of two things you are going to do. You will either get right down to business and construct ships on a greater scale than you have ever contemplated or you will allow this war to be over before you get into it, and our President's 14 articles of peace conditions will be a less heeded scrap of paper than the Belgian treaty.

Now, Mr. President, there is nothing pessimistic about this at all. It is simply God's truth. Unless we stop our dillydallying, and stop now and get to work, nothing short of a debacle in the central powers akin to that of Russia can save our faces and those of our allies, and I am not looking for anything of that kind in the central powers.

We are about to call for our second draft contingent. What will we do with them? Keep them in cantonments one or two years? Our allies are calling for food. The United States, Canada, Argentina, and Australia combined have an overabundance of food products to answer their call, but there are no ships.

Australia has 300,000,000, I am informed from her last year's crop and will have nearly that much more this spring.

Mr. SMITH of Michigan. Of wheat?

Mr. McCUMBER. Of wheat; and there are more than 70,000,000 bushels of surplus in Argentine, as I am informed, and all this year's crop yet to be handled; but we have not the ships.

So, again I ask, What are we going to do about it? Camouflage our eyes, hide the truth from our own people? The country has finally aroused itself from its lethargy sufficiently to observe that our boat is in the rapids and headed for the cataract. Shall we continue to drift with a drunken stupor of optimism or shall we seize the oars and with the full power of our reserve energies save ourselves from a shameful war failure?

Mr. President, I believe in paying most liberal wages. I believe, strongly believe, that he whose labor produces the things that go into the homes and the lives of the American people should receive a wage that would enable him to enjoy equally with other laborers and workers of the United States in every line of human employment or avocation that which is produced by the efforts of all. That means not only an honest day's pay for a day's work, but it means also an honest day's work for an honest and just compensation.

Mr. President, if I were to declare in a single sentence my own personal conviction as to what constitutes a just compensation for labor or services, I should say, that with the present efficiency of mechanical power in every line of production the compensation should be such as would permit any person, with reasonable industry and frugality, to accumulate sufficient savings to enable him to lay aside the working tools of life at an age certainly not greater than 65, without fear of destitution to himself or those dependent upon him; but that compensation should apply to all services in whatever line, whether in the laying of bricks, in the agricultural field, in the accounting room, in the transportation of goods, in the telegraph, in the telephone, and in all lines of clerical service, due allowance, of course, being given to the necessity for preparation or the arduousness or danger of the vocation.

Whenever, by the edict of any organization, the law of supply and demand is suspended and the wage fixed by such edict is so much greater than the general level of earnings of these others as to make the price of necessary commodities beyond the fair means of the general public, such wage is per se unjust and extortionate. The farm laborer, the clerk, the millions working for very ordinary salaries, have rights equal in every respect to those of the carpenter or the riveter, and in the case of war the Nation has rights superior to any or all of them.

Mr. President, when you send men to France and then allow those who remain here at home to receive either enormous wages for labor which they do not perform or enormous profits on goods furnished, thereby delaying and hindering the Government in its effort to speed up construction, the death of every soldier by reason of this delay is chargeable not alone to the slackers and idlers, but to Members of Congress as well. Can not we appreciate the fact that we have a duty to perform to the American people who are paying taxes, and to the sons and brothers whom we have sent to the war, and that every day's delay in the performance of that duty is an industrial and a legislative crime?

This is not an appeal to any class of American citizens, but an appeal to the American manhood of all classes. Your country needs you. Enlist in your country's cause. You who are younger give to that country your physical strength. You who are older give to that country in whatever line you can serve her interest. We do not ask of you what we ask of our soldiers. We ask them to give their lives. We ask them to labor, not 8 hours a day but 24 hours a day if need be. From you we ask eight hours of honest labor, with no dangers surrounding you, and for that we are prepared to pay you exceptionally high wages. You are, therefore, not asked to yield anything, but rather to serve your country for most remunerative compensation. Is there a true American patriot in the United States who, understanding the situation, is so gov-

erned by his prejudices and so influenced by his leaders that he fails to comprehend the results of his inactivity? Can you not understand that holding back your service, failing to do an honest day's work, if it does not operate to defeat your country will at least continue the war for many, very many months longer, and the death toll due to those added months of slaughter will be chargeable to you who fail to support your country with the very best efforts that are in you?

Senators, recognizing as we must recognize that the compensation assured to every man who will render any kind of service in the field of production is not only most generous but in most instances almost fabulous; recognizing as we must recognize that, notwithstanding these more than liberal wages, in these hours of national danger, the labor performed, in the now most important fields of production, is only about 50 per cent normal or efficient, and in many instances not even 25 per cent normal; recognizing as we must recognize the lack of sufficient shipping to convey our soldiers to the battle's front or support them there, or to supply our allies with the food and war material necessary to sustain them during this war; recognizing as we must recognize that there are millions of able men in this country who are at present nonproducers; recognizing as we must recognize that this crisis can only be met by mobilizing the energies of all our people and consecrating those energies to the cause of production and transportation, are we not serving the interests of our enemies, are we not failing to support our allies, are we not jeopardizing the very lives of our soldiers who, with ardent hearts and patriotic souls, have braved the ocean's deadly zones and left their homes and all that was dear to uphold our honor in foreign lands; are we not betraying the very cause of world liberty and democracy in permitting the continuance of this most pitiful failure to respond to these earnest calls for action?

Mr. President, whatever may be the views of the administration, whatever may be the views of the several heads of departments or boards, whose previous inactivity has brought us to this crisis, however long the public may exercise its hopeful patience, its confidence that somehow and some time we shall see and correct our errors, and that our resources and our bigness will in some way bear down our great adversaries, notwithstanding all these views and these hopes, I assert with all the power within me that the time has arrived when we should call upon every American, whether patriotic or disloyal, to give his energies to the support of this Government; when we should insist that each and every man shall perform an honest day's labor for this most generous wage, to the end that the great cause of this country in the bloodiest battle the world has ever known, shall not be crippled in its purpose by any man or set of men who put selfish greed above national welfare; that this great cause shall not be hampered by industrial slackers; that our hope of victory shall not be shattered by commercial disloyalty, that the very institution of democracy for whose principles and for whose very existence this greatest battle of the ages is being waged shall be vindicated throughout all the world as worthy of all this mighty sacrifice of blood and treasure.

Mr. President, I ask to insert at the end of this address a portion of the letter which I have received upon the labor question. There are but few pages, but it deals with all this labor problem so succinctly and clearly that it is well worth reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Have you ever stopped to consider, after realizing that this war is nothing more nor less than an industrial balance, what the odds are against us in trying to balance the equation with our geographical handicap? While Germany gathers her raw material, works it, and delivers it on the battle line, all within a radius of a few miles, consider what we have to do to secure the same result. After producing our steel and fabricating it into munitions, etc., at Pittsburgh or some other similar point, we have to ship it a thousand miles to the seaport, while Germany ships hers a few miles to the battle line. This means that we have to maintain, with the use of much labor, extensive railroad systems and equipment, and that we have to mine and use a large quantity of coal for this first operation. Next, we have to build and maintain large terminals, docks, warehouses, trucks, lighters, and various equipment for handling and loading this material at our ports. We must unload it from the cars, transfer it to warehouses and docks, and then load it on ships.

But we must first, before we get this far, take the greater part of our labor and energy to build ships, and to do that we must expend a large part of our labor in mining and producing raw material and converting it into the finished product. After building the ships and making all the tremendous machinery necessary to operate them, we have to mine, load, transfer, and unload vast quantities of fuel to drive these ships, and in that one operation we have to produce and maintain further great transportation investments of labor and material.

After we have thus transferred the products of our labor across the ocean, we must provide great docks, terminals, and warehouses, unloading and handling equipment for the reception of these products of warfare, and we must again handle all this material, unloading it from ships. We must then manufacture, produce, and similarly deliver it in France, after three to four handlings of labor, all the railroad equipment and rolling stock necessary to remove the shipments from the ports of entry. We must then load them into cars with another expenditure of labor, and then, with a further expenditure of labor and fuel, transport the material across France to the scene of war activities.

Compare this with the one or two handlings of material produced by Germany, with her labor within almost gunshot of the seat of war, and you will realize that in this labor equation we must supply many times, maybe four or five times, the same amount of industrial effort to produce ultimately what Germany can do with the single effort.

This is all very much in point in relation to the labor situation. It explains quite fully why Germany has every present advantage in this war, because the industrial equation is all balanced in her favor.

The result is, and the great important point is, that the only way we can nullify Germany's great industrial advantage is to mobilize our industrial labor so much more effectively than does Germany that with the help of France and England we can overbalance the opposing side of the equation.

It must be realized that Germany with her long-perfected system of autocratic organization employs her labor and has mobilized it on the most effective and productive basis possible. It must be equally apparent that with our own industrial energy ineffectively mobilized and inefficiently productive there is utterly no chance in the world of our balancing or overbalancing this industrial equation, which, in other words, means the winning of the war. So far as labor is available the central powers in the present circumstances are at no distinct disadvantage, so far as natural resources and raw materials through which labor expresses itself are concerned in the ultimate production. The central powers have all the necessary resources to carry on the war. They hold the key to the steel and coal situation, which is the backbone of warfare. In population Germany, with her 70,000,000 people, and Austria, with her 50,000,000 people, combined with the population in the countries overrun of 42,000,000 people, the labor of which is drawn on without pay and without stint, give the central powers a population on which to draw of 162,000,000 people, all of which are geographically concentrated on interior lines.

Opposed to this we and our allies have our own population of 100,000,000 people, the English population of 40,000,000 people, and the French population of 38,000,000 people, and the Italian population of 35,000,000 people, or a total of 213,000,000. But the largest element of this, our own population of 100,000,000, being 3,000 miles away, is equivalent to but a fraction of its nominal amount and in its finality may be considered no more productive and effective in the field of warfare than a population of 30,000,000 people located as is Germany.

So far as available energy, therefore, is concerned, the advantage lies distinctly with the central powers, and so far as the raw materials necessary for the successful application of that energy in this great conflict are concerned the advantage again lies distinctly with the central powers, because the materials necessary for the allies must in large part be brought from a source three to four thousand miles away, with all the loss of energy which I have outlined.

This all comes right down to the fact that we never can hope to do anything in this war without the most skillful and efficient application of the industrial energy we possess. With the present attitude of labor and its attempt to take advantage of this situation to carry on its organization ambitions at such a time at the expense of production and of the country's success it is clear that we are hopelessly increasing our handicaps, which are most formidable under the most favorable conditions. It is absolutely a first essential, therefore, that we enforce the necessary regulations to properly organize our industrial energy and give it its maximum productivity. The logical thing to do is, of course, to conscript our industrial armies, regulate and discipline them the same as we do our fighting armies. It is clear to me, however, that labor occupies a position that will make the actual accomplishment of such a logical outcome improbable. The strength and influence of organized labor, in other words, I believe, as a practical proposition, is too great to hope for such a happy and effective solution of our internal organization.

There is absolutely no reason, political or otherwise, however, why we can not greatly improve conditions and pass a law which will prohibit strikes in any case during the period of the war, and determine all matters of dispute by arbitration. The Canadians have successfully applied this most reasonable statute on their books, and I think we should at least secure this much efficiency in our industrial organization, so that we will not have a continued repetition throughout the year of the strikes which have already greatly demoralized our war efforts, particularly in the all-vital shipbuilding.

I do not believe in class favoritism or class distinction. Both employers and employees should be called upon in the Nation's hour of need to give their best. Whenever either side attempts to take advantage of such a situation for its own gain, it should be promptly disciplined or regulated. If employers attempted, in organized effort, to do what the labor organizations have attempted and will continue to attempt to do—a hampering of production—they would be brought up with a sharp turn, not only by the Government's own disciplinary measures, but by public opinion, and they would well deserve it. That organized labor should be permitted to exploit the situation for the purpose of carrying on its warfare against unorganized labor, and the establishment of closed shops, inflated wages, and reduced production is intolerable, and no influence which they may have possessed should be permitted to allow such conditions to continue. It is the avowed intention of organized labor to attempt, during this crucial war period, to increase its pressure in its effort to spread its organization, and secure closed shops—and all with impunity.

Whatever merits may be argued for such a system, the exploitation of the present situation to secure it, at the cost of a national loss, is nothing short of treason, and is worthy of only the severest punishment.

There should also be restrictive measures which would prevent the great loss of energy arising out of labor drifting back and forth, working a few days at one job, then quitting, loafing, and going to another job. The attempt to overcome this by bonus is a makeshift and a failure. This should be prevented by direct restrictive measures and regulations. Such regulations can be formulated and made a part of the Government's laws for supervision in these war industries, so that labor may be made to stick to its job and not cause this tremendous and continuous economic loss of repeated "turnover" and intermittent idleness. Labor would be the gainer, not the loser, under such regulations, and I would recommend for your consideration some suggestions in what you may have to propose that will deal as well with that source of lost energy.

Mr. HOLLIS. Mr. President, in the general indictment of this country and the people thereof that has just been delivered by the distinguished Senator from North Dakota [Mr. McCUMBER], my attention is attracted by his charge that the labor of the United States in this emergency is unpatriotic. He challenges anyone to deny that charge. I deny it most emphatically. I ought further to say that the Senator began by indicting the Government, the War Department, the Shipping Board, the capitalists, those who work, those who do not work, those who work in shops, those who work on the farms. With his natural gallantry, he exempts the women, and I thought that he was going, through a sense of pride, to exempt Members of Congress, but before he took his seat he indicted the Members of Congress—all of them.

Let the capitalists take care of themselves; I have no doubt they will. Let the farm laborers take care of themselves, as I know they will, and none will be so devoted to them by the next campaign as will the distinguished Senator from North Dakota; but I do wish to say a word about the specific case of union labor at Hog Island.

It is easy enough to get up and read from some magazine which is controlled by capital, that is dependent for its success upon the contributions from advertisers, that labor is but 50 per cent efficient; it is easy enough to read from newspapers, from some special article written by a reporter who must attract attention by his sensational statements in order to be retained in the employ of the paper, that labor is 50 per cent efficient; but, Mr. President, labor has not yet been heard from in regard to the Hog Island inquiry. It seems to me that the operations at Hog Island have been somewhat discouraging. We are called on, as the Senator from North Dakota calls on us here now, to build ships, and it is said, "Do not be so careful about what they cost, but build ships." The Shipping Board turned to the captains of industry of this country, Stone and Webster, Mr. Vanderlip—the list of names sounds like a meeting of the American Manufacturers' Association, in combination with the American Bankers' Association and a Republican convention. Those men were told to build ships and to build shipyards, and then the evidence comes in that they have been wasteful and extravagant about it. There are Senators now at Hog Island investigating that subject, and we shall get the truth from them; but when these capitalists are charged with extravagance it is attempted by them to lay it on organized labor and to say they are not driving as many rivets as they did before the war. My information is that laborers have been taken there and kept day after day without having a chance to work; that they have been taken there and set to work, and yet there is no place for them to live, except miles and miles away, so that it takes them hours to get to their work. How can a man drive rivets when he is traveling on street cars or walking back and forth to his work?

I am told that the rivets that have been furnished by the capitalists of this country are deficient; that they are not made of the proper material; that they can not be clinched. I am also told that the pneumatic power furnished for driving rivets has been insufficient, due to the lack of coal or due to cold weather.

I do not know but that the labor at Hog Island is deficient in some respects. That would not be surprising, for the best workmen are the men who are living in their own homes. They will not leave New Hampshire, they will not leave New York, and they will not leave Ohio to go to Hog Island to work when they are satisfied with their conditions at home. You get the floaters for that work; you get the men who are looking for a chance to improve their condition; who are looking for a small day's work for a large day's pay, perhaps. You will not get the best men there at first, though they may come later.

There will be impudent boys; there will be boys who will not work; you can not help that; but those isolated cases do not prove that the great bulk of American labor in this country is unpatriotic. If I believed that statement, I would favor making immediate peace with the Kaiser on the best terms I could get. We can not win this war unless American citizens generally and American workmen in particular are patriotic.

It is no way to make workmen satisfied and contented and efficient to call them names; to call them Bolsheviks; that is not the way to do it. There is a great labor problem in this country; there is a greater one in England; there is a great one in France; and the greatest one of all in Russia; but the way to solve that problem is by calm, dispassionate argument and debate and counsel with one another, and not by abusing labor and making ex parte statements against them.

Mr. SIMMONS obtained the floor.

Mr. GALLINGER. Mr. President, will the Senator from North Carolina permit me a word before he makes his motion?

Mr. SIMMONS. I yield.

Mr. GALLINGER. Mr. President, during the debate on the shipping problem I have remained silent for the purpose of saving time, although I have been tempted on several occasions to speak. I go back to 1904, when the Merchant Marine Commission traveled over this country and Europe collecting data in reference to the shipping question, particularly with reference to our merchant marine, upon which subject the commission made an elaborate report and submitted a carefully prepared report. Had that bill, which was presented to both Houses of Congress, been enacted into law, we would not have been in the plight in which we were when this war commenced.

Had the bill, which proposed the establishment of 10 lines of steamships traversing almost all the oceans of the world, become a law the cost to the Government would have been about $2,000,000 the first year, with a largely decreased cost for subsequent years, because of the increased tonnage taxes that the bill provided. It is safe to say that $15,000,000, covering a period of 10 years, would have given the country a fleet of steamships that would have been the marvel of the world and would have been of inestimable value to the country when we engaged in the present war. It should be remembered that it was pointed out by me at that time that if a great European war between the maritime nations of the world should result our transportation system would be entirely broken down, as the foreign vessels then carrying our goods would be called into the service of their respective governments, the very thing that has happened; but that proposition was defeated, and as a result we have in the last year appropriated nearly $1,000,000,000 for the building of ships of one kind or another, a considerable portion of them being of wood, the value of which has yet to be determined. We were then building ships at $45 per ton, while we are now paying about $175 or $180 per ton, and the cost to the Government and the people of the United States that has resulted as a consequence of the defeat of that legislation, which was recommended by the Merchant Marine Commission, is a sad commentary on the wisdom of the Congress of the United States.

But, Mr. President, that time is passed; that legislation which would have done so much for the country, which would have given us fast mail steamship lines to all parts of the world, with auxiliary ships to convoy our merchant ships and our battle fleet, was defeated, and we are now face to face with a proposition to build ships as best we can and at a cost which is almost beyond belief.

I have had little faith in the scheme to build wooden ships. I recall the fact that Daniel Marcy, a distinguished Democrat, of Portsmouth, N. H., representing at one time his district in the other House of Congress, when he built ships, built them out of live oak, and when they built ships in Bath, Me., they built them also out of live oak, but we are now building ships out of pine, and I am very much concerned as to what will be the result. Of one thing, however, I am sure, and that is that when this war closes, whether it be within one year or five years, we shall have a job lot of worthless ships on our hands that will have cost this country an enormous amount of money.

Now, what I want to say is this, that while I have no disposition to attack the Government—the administration of the War Department or the Navy Department or the President himself—in this matter, I do insist that if there is waste, if there is a lack of economy either on the part of labor or on the part of those who are taking these contracts, if contracts are being made upon a basis that is not wise, that wastes the money of the people of the United States, those contracts ought to be abrogated or a different system adopted by the Government.

I think, Mr. President, that what the Senator from North Dakota said to-day will have an effect to bring about just that result.

I do not unqualifiedly indorse all the Senator has said, because I do not know the facts, but I believe that he has presented an indictment against somebody—perhaps against a good many people—that will be given due weight by the President, by the War Department, by the Navy Department, and, more particularly, by the people of the United States, who, after all, have got to pay in taxes the enormous cost that is being fastened upon them as a result of the necessary legislation that we are enacting to carry on the war to a successful issue.

The unwisdom of what Congress did in the past in reference to shipbuilding is admitted by all, but that fact makes it all the more imperative that we should now hasten the work and prepare ourselves to do our part in the great conflict in which we are engaged.

I thank the Senator from North Carolina for giving me an opportunity to say these few words on a subject in which I am profoundly interested.

WAR FINANCE CORPORATION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of Senate bill 3714, commonly called the war finance bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3714) to provide further for the national security and defense and for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. GALLINGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hollis	Norris	Smoot
Borah	Johnson, S. Dak.	Overman	Stone
Calder	Jones, N. Mex.	Owen	Sutherland
Colt	Jones, Wash.	Page	Swanson
Culberson	Kendrick	Phelan	Thomas
Curtis	Kenyon	Poindexter	Tillman
Dillingham	Kirby	Pomerene	Townsend
France	Knox	Shafroth	Trammell
Frelinghuysen	Lewis	Sheppard	Underwood
Gallinger	McKellar	Sherman	Wadsworth
Gerry	Martin	Simmons	Warren
Gore	Myers	Smith, Ga.	Watson
Hale	Nelson	Smith, Mich.	
Henderson	New	Smith, S. C.	

Mr. STONE. I desire to announce that my colleague [Mr. REED] is absent from the city on committee or official business.

Mr. NELSON. I wish to announce that the Senator from Utah [Mr. KING], the Senator from Delaware [Mr. WOLCOTT], and the Senator from South Dakota [Mr. STERLING] are necessarily detained from the Chamber in connection with a hearing before a subcommittee on an important bill.

Mr. LEWIS. I desire to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN] and the Senator from Kentucky [Mr. JAMES], caused by personal illness.

I also desire to announce that the Senator from Kentucky [Mr. BECKHAM] is detained on official business, and that the Senator from Florida [Mr. FLETCHER] is necessarily absent.

Mr. CURTIS. I wish to announce the absence of the junior Senator from California [Mr JOHNSON] on official business. I will ask that this announcement stand for the day.

Mr. JONES of Washington. I desire to state that the Senator from North Dakota [Mr. GRONNA], the Senator from Arizona [Mr. ASHURST], and the Senator from Idaho [Mr. NUGENT] are necessarily absent on official business connected with Indian matters.

Mr. KIRBY. I announce the unavoidable absence of the Senator from Arizona [Mr. SMITH], who is detained from the Senate on account of sickness.

Mr. MYERS. I desire to state that my colleague [Mr. WALSH] is still detained from the Senate by illness.

The PRESIDING OFFICER (Mr. NEW in the chair). Fifty-four Senators have responded to their names. There is a quorum present.

Mr. SIMMONS and Mr. PHELAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SIMMONS. Mr. President, I am advised that the Senator from Oklahoma [Mr. OWEN] has given notice of his purpose to speak. I am also advised that the Senator from Illinois [Mr. SHERMAN] desires to submit some remarks to the Senate concerning another matter than this bill. Under the circumstances, and at the request of several Senators, I have concluded not to ask the Senate to proceed with the unfinished business this evening; but I give notice that on to-morrow, immediately after the routine morning business, I shall call up the unfinished business and ask the Senate to proceed with its consideration.

Mr. CURTIS. Mr. President, in common with other Senators on this side, I was unable to hear the announcement of the Senator. We should like to know what the announcement was with reference to this bill.

Mr. SIMMONS. I stated that, in view of the fact that certain Senators desire to address themselves this afternoon to another subject than that contained in the bill, and, at the request of a number of Senators, I have decided not to ask the Senate to continue the consideration of the bill this afternoon; but in the morning, immediately after the routine morning business, I shall ask the Senate to proceed with its consideration.

LABOR AND THE WAR.

Mr. SHERMAN. Mr. President, at the time of the formation of the Council of National Defense, after the passage last April of the resolution declaring a state of war to exist, there was a substantial concurrence of opinion among the authorities representing both employers and employees on the council. There were present representatives of the unions, their responsible officers, those who are unquestionably patriotic and trying to give their best service and to induce their different locals to give of that service to the preparation for the task that faces the country. It was agreed that this should be the foundation:

That employers and employees in private industries should not attempt to take advantage of the existing abnormal conditions to change the standard which they were unable to change in normal conditions.

There was a wage commission provided for the settlement of differences that might arise out of each change in the cost of living as affecting rent, provisions, clothing, and the like. This agreement has been in constant operation since that time; the changes that have occurred from time to time have been met, and there is no occasion with conditions facing the country with this agreement——

Mr. BORAH. Mr. President, I rise to a point of order that the Senate it out of order. We can not hear the Senator at all.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SHERMAN. Mr. President, it is the Senate's own business, I presume, what kind of order it preserves, and I thank the Senator from Idaho for reminding it of its own duty to preserve its parliamentary self-respect. So far as I am concerned, I will make myself heard if I want to, and if I do not I can talk without an audience in the Chamber. The galleries are always here, and, after all, most of us are talking to the galleries, anyhow. We are getting used to empty seats. I am perfectly oblivious to the order preserved or to anybody's being present except the reporters, to whom I can dictate, and who are very appreciative of anything that may be said. I hope this will be permitted to be stricken out of the RECORD when I come to revise my copy, Mr. President. It is an interpolation, but I appreciate the effort to preserve order.

I recur now to the point which I was attempting to make a while ago. The Bureau of Labor Statistics have made a report and used up a great deal of paper, which is valuable nowadays. From that report I find that in the month of September, 1917, there were 283 strikes and 7 lockouts, and that the total number of working days lost in the month of September was 1,031,443. Since September, 1917, the strikes have been just as frequent, or more so, and probably the reports from the bureau will show a greater loss of days' work because of strikes, and possibly some lockouts, than indicated in the month of September, 1917. This goes to show that the men who are at the head of the labor movement find it impossible to control the locals, or the individuals in the locals, in order to obtain from them full service. This is a condition. It is not because the heads of the labor unions are willing to have it so, but because they can not control them so as to obtain full service from the members of the different unions throughout the country.

I am particularly moved to add this to the remarks of the Senator from North Dakota [Mr. MCCUMBER] because it will appeal to the persons who are striking. Ultimately, if the strikes continue, it must impair our ability to win. We can not lose a million workdays every month in the year—the average of September, 1917—and reach our full fighting strength in this country. I am not violating any confidence when I state that at least one very eminent authority in this country, in a hearing, said that the inability of the country to receive a full day's work, and the failure of the unions of the country to perform their duty in time of war, were slowly exhausting the resources of the United States for war purposes. I am moved to say this in the hope that here and there there may be some member of a union who will feel himself to some degree individually responsible for giving a fair day's work for a fair wage, and that he will postpone the settlement of his difficulties until peace shall have been concluded.

Coming from Amsterdam, under date of January 30, there is an extract from the German metal workers' paper. It shows that the great international strike in Germany came to an end, and the labor movement is richer by a very grievous experience. It shows, too, that the minister of the German Government in charge of this matter would not discuss the demands of the strikers when they were presented to him.

The strikers, through the heads of the workmen's committees, presented a series of demands, including a fair distribution of food, the introduction of the eight-hour day, suspension of martial law, grant of right of free assembly, the introduction of equal direct voting, peace without annexations or indemnities,

permission to establish a labor journal, and nonpunishment of participants in the strike. The minister refused to discuss these demands. He stated that work would be resumed the next morning, Friday, or the matter would be referred to the military commander.

He added that the working people would suffer heavily if, against wiser counsels, they persisted in their strike. The delegate reported the result of this interview to the strikers. It was hardly to be expected, in view of the existing excitement, that a vote to resume work would be passed. All entreaties were in vain, and the strike was to be continued. A few hours after this fateful decision had been taken the orders of the military authorities were posted up in the streets of Berlin and in all the striking centers of the country. These required that work should be resumed on Friday morning, in default of which strict conditions of martial law would be introduced. I should like to have the workmen who are going out on strikes in this country keep this in mind when they are misled by those who tell them that they ought to take advantage of these conditions. The instigators of the general strike were the first to return to work, while the mass of the strikers gathered at their meeting places, where the authorities would allow no assembly to take place. Meanwhile a special military court had been set up, working day and night. The arrests and trials numbered more than 100, and terms of imprisonment up to 10 months were imposed. Workers between the ages of 17 and 48 who were subject to military service were brought under military control, and were ordered to perform certain work for which they would receive only military pay. Large numbers of working people gave up their membership in the local trade organizations, and the heads of families who struck were impressed into the military service, sent into military areas, put in the trenches, and paid military wages. This is the imposition of the rule of an autocratic form of government upon labor people. I wish every laboring man in this country, whether a member of a union or otherwise, would remember that we are fighting to preserve a form of government where such methods are not used either in peace or in war.

I think the remarks of the Senator from North Dakota [Mr. McCUMBER] are pertinent to-day. I have no answer to make to the comments of the Senator from New Hampshire [Mr. HOLLIS]. I am not unfriendly to organized labor, but I do wish organized labor, while this war is on, to take no advantage of the emergencies facing the Government, but to give loyal service, and wait until time of peace to settle controversies about the open and closed shop, the number of hours to be worked per day, and the conditions attending their time of service.

It is this, Mr. President, that I particularly desired to be added to the remarks of the Senator from North Dakota, showing the difference between an autocratic form of government in settling strikes and a democratic form of government. Those two forms of government are on trial, and if we can not get from the labor of the country and from our resources something equal to the wages or commensurate with the effort they put forth, the republican form of government can not seek to compete in the battle fields with an autocracy. We must approach at least fairly the despotic measure of military efficiency. We will not get it as the Kaiser is getting it out of his subjects, whether willing or unwilling, we will not hope to approach it closely, no people's government seems to do so; but we must approach it nearer than we are approaching it now or we can not hope to succeed in the struggle the larger part of which is yet to fall upon us in the future.

Mr. OWEN obtained the floor.

Mr. PHELAN. Mr. President, will the Senator yield to me?

Mr. OWEN. The Senator from California, I understand, wishes to proceed for a few minutes. I yield to him.

Mr. PHELAN. Mr. President, I listened to the speech of the Senator from North Dakota [Mr. McCUMBER] and expected an adequate reply to be made which would go out to the country at the same time; and whereas the Senator from New Hampshire [Mr. HOLLIS] made a reply, it was only to that part of the Senator's remarks which referred to American labor.

I think it unfortunate that the Senator from North Dakota should have selected this day, of all others, to bring up the matter of the Hog Island contract, because I, in common with many of my colleagues, desire to hear more fully from both sides the circumstances which have created a scandal. The Senate committee in charge of the investigation is absent at this moment at Hog Island for the purpose of determining the facts; and as the members of that committee are most familiar with the developments brought about by the investigation, of course they would have been best equipped to have given us accurate information at this time. But they are absent. I do not for a moment desire to create the impression that there is any objection from any quarter, so far as I know, to a full and free investigation of all matters affecting the executive branch of this Government. I may say for myself that I voted for the Weeks amendment, which intended to create a permanent committee of this body to check, so far as possible, the expenditures of the executive departments and to pour the light of publicity upon every act of the administration, in order to preserve pure the operations of every branch of the executive departments of this Government; because light and air are necessary in a democracy for maintaining such conditions, and no man seeking the best for the Government, without any respect whatever to party considerations, should dissent from the general principle of investigation.

Those who objected to the Weeks amendment, probably wiser than myself, said that the work of investigation could be done more properly and better by the standing committees of this body—the Military Affairs Committee, the Committee on Commerce—and I bowed to their superior judgment, because these committees have taken up vigorously the investigation of the affairs of the executive departments of this Government; and certainly no reflection can be made upon the executive departments of this Government, so far as concerns their willingness to reveal information and to lay before us and before the country the exact facts, so far as they possess them. I do not know that there has been any accusation to the contrary from any source, and I was astonished at the statement to-day of my friend and colleague from Montana [Mr. MYERS] that he was opposed to the action of the Military Affairs Committee, of which he is a member, in deciding to investigate the case of the dismissal of Capt. Pereless. I should think the learned Senator would have waited until the evidence was all in before he prejudged the case.

I am not willing to accept the unsupported testimony of any one man in a judicial investigation, in a matter which I regard as of the most serious importance—that witnesses called before committees of this body should be exposed either to censure or to dismissal. It having been ascertained that his testimony before committees of this body was the cause of his dismissal from the service, it should at once arrest the attention of Congress, in order that it may preserve the integrity of its proceedings and its independence as a coordinate branch of this Government.

So there is no apology to make for the administration, and I submit that in the matter of the Hog Island scandal the President of the United States, before any action was taken by the committee in the way of pursuing their investigation on the ground, which they have wisely done, ordered the Department of Justice not only to investigate but to prosecute should it find evidence of wrongdoing. There is that disposition in the White House, which we all applaud, not only to carry on the war efficiently but to carry it on as economically as possible. But war is not economical. War is wasteful. It has been said of war that it wipes the people from the face of the earth as though heaven had repented the making of man. It burdens the people with debt to pass down from one generation to another like the curse of original sin. Its evils can not be written, even in human blood; and in that view all discussion here seems trivial. We are in the presence of a great world tragedy, and we are not counting the cost, but appropriating in Congress billions of dollars, always solicitous, however, to see that the money is expended wisely and economically; but expending billions of dollars, whereas but yesterday economy, retrenchment, and reform were party shibboleths, now they are cast aside, because we are in the presence of a great danger affecting our very national existence, our rights, liberties, and institutions. It is well, in passing, to comment upon laxity of expenditures for the purpose of getting the greatest amount of good out of the money that we appropriate; but it is no time in any other spirit than that of constructive criticism to cavil and to doubt.

I have heard of the cost of cantonments. There are cantonments in my own State. I have seen them grow up as in the night, under efficient labor, well directed. I did not inquire what they cost; and yet I know from the Council of National Defense that their only purpose was to have the work done, in order to house the soldiers of the Republic before the winter came in to decimate their ranks by disease and exposure. In that spirit, work was given to the builders: "Go ahead. Build the cantonments. You shall receive for your superintendence a percentage of so much."

There was no attempt to put out the work at competitive bidding. They could not spare the time. The Nation demanded that its sons be housed properly. So the only purpose in the minds of these men was not to save money but to spend it, because by attempting to save it they would delay the con-

struction a month or two months. Maj. Starrett, at the head of construction of the Council of National Defense, told me that he was well aware that there were slackers among the workers, and that they had employed secret-service men to detect the slackers, and they did detect slackers, and they dismissed them, hundreds of them, in the camps where the construction was going on, in the interest of wise administration and economy. They tried to check in their department, so far as cantonment construction was concerned, that wave of extravagance which has gone over the whole country.

Everything has gone up in price; and as to the laboring men of the country, they have, I suppose, in common with others, found this an opportunity for bettering their condition, so far as the receipt of increased pay is concerned, justified in part by the high cost of living, the cost of housing, and the cost of heating, the cost of food, of shoes, of clothes. Why, we have gone to the extent, sir, of even constructing houses for these men engaged in great public works, on account of the inadequacy of the habitations now existing; and where there was that extraordinary demand there was an extraordinary increase in rental value, even in the District of Columbia, where Senators and Members of Congress are ousted from their houses where they have not been protected by contract. It is universal. It does not apply alone to labor.

I remember a few years ago, when the Democratic Party was in the minority in this Chamber, that the "captains of industry," the "malefactors of great wealth," in the euphonious language of a great Republican leader, were profiteering during times of profound peace to a degree which excited resentment in the minds of those who worked by the sweat of their brow, who regarded men in high places as taking advantage of their superior position and trafficking with the Government. You recall those days. And now my friends on the other side of the aisle, representing the great Republican Party—I hesitate to introduce party matters on an occasion of this kind—seem to be of one mind in reproving the labor of this country for attempting, if you please, to put itself in the position enjoyed a few years ago by the employers of the country.

I do not know that one is entitled to more criticism than the other, but I am quite certain that these stories of profiteering, not only in the past but to-day, have been, by the force of their example, one of the causes which have led to economic unrest among the laboring men of this country. I say, I hesitate to speak in a partisan sense or to refer to the painful past. I am not very much of a partisan. I am with these gentlemen in every legitimate investigation which they may choose to make and the punishment of every malefactor without remorse; but I read an article in the morning Post to-day, and when I heard the learned Senators on the other side as I came into the Chamber discussing with much heat these grave affairs I reverted to the column on page 2 of the morning Post, which began:

Republican drive near. Fight to control Congress begins with Hays's arrival. Chairman due to-morrow. Announces that he is willing to work under the direction of Chairman Woods, of the Congressional committee. Leaders sure of victory. Could control House now.

So we are drifting away from patriotic thought to party considerations, and the opening cannon of the campaign is to be heard to-morrow; and as a preliminary barrage fire, I suppose, we have had this drive in the Chamber to-day, when these gentlemen gallantly went "over the top," having had some inspiration in this purpose of one of our great political parties of beginning a movement, I hope, for the edification and not the confusion of the American people. If they have merit in their cause; if this administration fails in its work or hesitates to punish those who have failed them, either treasonably or actuated by meaner motives of greed and of gain, I say, may they triumph! The country can survive with either political party in power; but I think it is an unfortunate time to indulge in destructive criticism. The administration has done its work—extraordinary and tremendous, in a few brief months—I think, with the approval of the American people; and where there has been laxity, where there has been scandal, I do not know any man more eager to stamp it out, and with enthusiasm, than President Woodrow Wilson.

Mr. McCUMBER. Mr. President, I hope the Senator from California will not do me the injustice to assume for a single moment that the remarks that I have just made were in furtherance of any political scheme of any character. To disabuse the mind of the Senator and to dissuade him from remarks or even thoughts of that kind, let me tell him now that if President Wilson will so conduct this war as to be able to secure a victory that will assure the adoption of his 14 articles of peace conditions he will have earned the right to be President of the United States just as many terms as he wants the office. As strong a Republican as I am in sentiment and in protection, I want the Senator from California to understand that I am with President Wilson in this war, and not a thought of politics shall enter my heart or soul that will in any way conflict or interfere with my patriotic duty to help President Wilson accomplish that which he declares must be accomplished in this war. If I have said a word from which the Senator would imagine that my criticism is against the labor of this country as such—the labor as a great institution of the United States—he has sadly misunderstood the purpose of my remarks. I want unionism to get rid of the I. W. W. traitors, wherever they may be found. They do not belong to any country or to any nation. They have no policies except the policy of destruction. They are the ones that are doing the slacking, or commanding it. We want to stand with Mr. Gompers in his attempt to bring all laborers into loyal cooperation in this country of ours. And if he can not do it, then we want to assist him with a law that will eliminate the Bolsheviki slackers from the ranks of unionism.

The Senator said in his opening remarks that this seemed to be the wrong day to utter these sentiments. He did not explain what he meant; but I assure the Senator that there is no day so sacred or so holy that it can be set aside as a day on which you shall not tell the honest truth to the American people. We want to be with the President, and the President will be earnestly backed by the American people if he will insist that the laborers who are working in the shipyards shall do an honest day's work for their more than liberal pay. The Congress is back of him, the people of the country are back of him, and he need have no fear.

Mr. PHELAN. Mr. President, I accept the Senator's statement. I have no further words to say.

FEDERAL RESERVE FOREIGN BANK.

Mr. OWEN. Mr. President, on February 20 I introduced a bill (S. 3928) proposing to amend the Federal reserve act, and to establish a Federal reserve foreign bank.

Mr. TOWNSEND. Mr. President, may I ask the Senator a question?

Mr. OWEN. I yield.

Mr. TOWNSEND. Does the Senator propose to bring up the bill this afternoon?

Mr. OWEN. No; I do not. I am going to submit some remarks upon it, because I want to give the reasons justifying the passage of the measure when it has been properly considered by the committees. Congress rarely moves beyond accepted public sentiment, and this is a matter which I regard as of very great immediate urgency.

I will call attention, for instance, to what is transpiring just now in Great Britain. I found in the morning press this statement:

"Forty British banks, including some of the largest in the British Empire, and with oversea branches, organized an association of oversea banks for the purpose of furthering British oversea trade and for the extension of banking facilities. This institution will also furnish trade information to British merchants.

"The British Government has fully approved this plan and is rendering assistance and encouraging the organization of institutions which have for their purpose the extension of British trade."

There are several of these important international organizations being framed now in London. Also France is taking steps along the same line. Germany has its bank plans adequately organized now.

This bill which I have proposed contemplates a capital of $100,000,000 authorized with a paid-up capital of $20,000,000, the stocks to be at 5 per cent, nontaxable, and to be offered to banks of the United States and to the public, and if not subscribed to be taken by the Treasury of the United States.

It gives corporate power to these banking institutions, authorizes a directorship of nine men to be appointed by the President of the United States, and that these directors shall be merchants and not bankers in the same way that the government of the Bank of England is controlled by merchants and not by bankers, these directors to serve for a period of nine years, one being chosen annually. The functions of the bank, the powers of the bank, will be "to receive the deposits from American and foreign banks and bankers, from the United States or foreign governments, in current funds in lawful money, national bank notes, Federal reserve notes or checks, and drafts, payable upon presentation, and also for the collection of maturing notes and bills."

"The foreign bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions—that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds

of which have been used or which are to be used for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act.

"The aggregate of such notes, drafts, and bills, bearing the signature or indorsement of any one borrower, whether a person, company, firm, or corporation, rediscounted for any one bank, shall at no time exceed 5 per cent of the net unimpaired capital and surplus of said foreign bank, but this restriction shall not apply to the discounting of bills of exchange drawn in good faith against actual existing values. The foreign bank may discount acceptances of the kinds permitted under the authority of this act."

It shall have power "to deal in gold and silver coin and bullion at home or abroad, to make loans thereon, exchange Federal reserve notes for gold, gold coin, or gold certificates, and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including the hypothecation of United States bonds or other securities which Federal reserve banks are authorized to hold";

"To buy and sell, at home or abroad, bonds and notes of the United States, bonds and notes of foreign governments, and bills, notes, revenue bonds, and warrants, with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage, and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Federal Reserve Board;

"To purchase and to sell, with or without its indorsement, bills of exchange arising out of commercial transactions as hereinbefore defined;

"To establish from time to time, subject to review and determination of the Federal Reserve Board, rates of discount and exchange and commissions for the opening of credits at home or abroad, to be charged by the foreign bank for each class of paper, which shall be fixed with a view to accommodating commerce and business;

"To issue bank notes and receive Federal reserve notes upon like terms and conditions as now provided for the Federal reserve banks;

"To open credits at home and abroad for account of domestic and foreign banks or bankers, to facilitate exports and imports to and from the United States and exports and imports to and from one foreign country to another foreign country."

I pause to say, as from China to Russia, which would go through the United States, and which might be properly facilitated by the financial powers of the foreign bank which I have proposed.

Further powers of the bank, "upon the direction and under rules and regulations prescribed by the Federal Reserve Board to establish branches and agencies in foreign countries for the purpose of facilitating commerce with the United States.

"No bank, banker, corporation, or individual, other than the foreign bank, shall sell dollar balances at less than gold par except as payment for merchandise imported into the United States without the express authority of the Federal Reserve Board."

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Will the Senator from Oklahoma yield?

Mr. OWEN. I yield.

Mr. POMERENE. The Federal reserve act authorized the different banking corporations to form branch banks abroad?

Mr. OWEN. Yes; it did.

Mr. POMERENE. Can the Senator state to what extent the banks have availed themselves of that power and privilege?

Mr. OWEN. Practically not at all. At first the Federal reserve law contemplated that they would do that voluntarily, but they did not voluntarily establish these foreign branches. Thereupon the Congress of the United States, at the instance of the Federal Reserve Board, passed an amendment authorizing the Federal Reserve Board to require them to do this; but the Federal Reserve Board seems not to have found it practicable for some reason to compel any of these banks to establish foreign branches.

Mr. POMERENE. They have established foreign branches in South America, have they not?

Mr. OWEN. No, sir.

Mr. POMERENE. The National City Bank?

Mr. OWEN. The National City Bank is not a Federal reserve bank. Some American national banks have established in the last three years several foreign branches. The National City, of New York, has established a branch at Buenos Aires, one at Rio Janeiro, and another bank or two in Brazil, one at Caracas, one in Colombia, one in Cuba, one at Panama, I am told, and perhaps several other branches. That, however, is a private bank, a member of the Federal Reserve System, and a very powerful institution, but still an institution run necessarily by the nature of its organization for profit.

Mr. POMERENE. It is given authority under this act to organize?

Mr. OWEN. Yes; that is quite true; but there is no publicly controlled bank with foreign branches all over the world charged with the duty of furnishing the member banks of the great Federal Reserve System with foreign exchange and with furnishing importers and exporters with the credit facilities and with the exchange facilities which are vital for the legitimate and urgently needed expansion of our import and export business.

Mr. President and Senators, with a trade balance in our favor of over $3,000,000,000 for 1917, and with the American dollar backed by the largest amount of gold in the world, and backed by the most active industrial life in the world, the American dollar is at a discount in the neutral countries of Europe of over 20 per cent, and even in South American countries is at a discount as high as 20 per cent.

The Secretary of State a few days ago, before the Committee on Appropriations of the House of Representatives, found it necessary to point out in his testimony there the astonishing condition that the American dollar was at a discount practically all over the world when all the world is indebted to America. It ought to be at a premium under such trade conditions, and there is something radically wrong in our international management when that condition is permitted to exist. It can be corrected, as I shall presently show. We lost $100,000,000 last year by it; we lost more than that. We lost practically $200,000,000 in our international exchange with Europe.

I submit, without reading, a table showing the imports and exports for 1916 and 1917, amounting to $9,183,000,000 total of visible imports and exports, and showing a trade balance in favor of the United States of $3,378,000,000. (See Exhibit A.)

I pause to remark that the trade balances must always be clearly understood as signifying only that state of the census of shipment of commodities shown on bills of lading, and do not in fact measure the full amount of international exchanges of value, but only commodities shown upon the commodity manifest customhouse records.

Our trade balance with Spain, for example, for 1917 was $55,587,690, yet the Spanish peseta, instead of being exchangeable for our dollar at 19.30 cents, is selling for 24.30 cents, a flat loss of 5 cents out of 20 cents, or 25 per cent loss. In point of fact, the American dollar should be at 25 per cent premium in Spain, and not 25 per cent discount, so that our loss justified by the exchange balance of trade is twice as great as it appears. At all events, we certainly have a right to demand that our dollar, notwithstanding, should be at gold par in Spain.

There is a flat loss of 5 cents out of 20 cents every time an American merchant is compelled to buy a peseta with American gold or with American credit based on gold. In point of fact the American dollar should be at a 25 per cent premium in exchange, because they require $55,000,000 of American money in order to pay their debt to us. They need the dollars, if we are only dealing with our exchange with them, and it is not fair to us that we should be put in the attitude of being required to pay a premium on their money when they ought to pay a premium on ours, if the exchange of commodities between the two countries is to determine that matter.

The fact that the Spanish peseta, however, is at a premium of 25 per cent means, in round numbers, that instead of an American dollar buying 5 pesetas it buys 4. It means that our merchants who bought $36,000,000 worth of goods from Spain, which they paid for in pesetas, receive in Spanish commodities 25 per cent less than they would have received if our dollar was at gold par in Spain. It means that the Spanish merchants who bought $92,000,000 worth of goods from us get with their currency one American dollar for 4 pesetas, and with that dollar, bought with 4 pesetas, get a like advantage in buying American goods, notwithstanding the fact that these pesetas in Spain do not leave Spain. The Spanish currency in gold thus buys more and our gold currency buys less because of this unadjusted condition.

It means, as I understand it, that out of the transactions between Spain and the United States in 1917 of $125,000,000 we suffered a net loss amounting to a fourth of this sum, approximately $33,000,000. It is just as much taken out of the United States as if it had been taken out of the Treasury of the United States and transferred in gold and given to Spain. It is taken out from our merchants, from our consumers, from our producers, and given to the merchants and consumers of Spain.

The United States Government understands this difficulty and is trying to correct it just now by arranging with France to establish a French credit in Spain that will bring Spanish exchange to par, because Spain is an international creditor. Take it altogether she has shipped out more goods than she has shipped in. So she is entitled to an international credit trade balance, and that has to be offset either in commodities, gold, or credit. The United States Government understands this difficulty, as I said, and is trying to arrange it. Spain has been reluctant to do this because of the extraordinary trade advantage of a premium on her currency to her and the matter has been hung up by the Spanish authorities. Besides this, we were compelled to ship Spain $88,000,000 of gold to meet the debts of Great Britain and France to Spain, only to end, nevertheless, to our still unbalanced trade disadvantage, because Spain is still an international commodity creditor. The Spanish merchant takes 4 of his pesetas and buys an American gold credit dollar in London and with these dollars buys American commodities at a like discount, so the American exporter gets for his dollar a Spanish credit of but 4 pesetas when he should get 5 pesetas. He loses 1 peseta on every 4 pesetas, or 25 per cent loss. When the American importer wants to buy in Spain he takes his American gold dollar and, through London, gets 4 pesetas credit in Spain, suffering a like loss, which then falls on the American consumer in due course of trade.

Notwithstanding our furnishing $88,000,000 of gold to Spain, we still suffer the consequences of the credit trade balance of Spain internationally considered.

The British and the French, both through private sources and by privately owned banks, are correcting this trade disadvantage of the premium on Spanish money, as far as some of their own special merchants are concerned, by establishing private banking credits in Spain and branch banks in Spain, which they will maintain until this unjust premium on Spanish exchange disappears, thus avoiding the loss to certain favored merchants of France and England, which our merchants are compelled to endure by the failure of our officials and of our bankers to safeguard in like manner our merchants. We have so far failed in the adjustment above referred to of furnishing credits in Spain. The premium on the Spanish exchange can be removed in the following ways:

Either by shipments of gold to Spain to settle her international credit trade balances or by arranging national or individual credits in Spain to cover these international credit trade balances until the international credit trade balances are removed, or by shipments of commodities to Spain to overcome the international credit trade balances due Spain, or by forbidding arbitrage and having England and France settle their balances directly, as we would then do, and put our dollars at a premium.

The same thing is true in degree with Holland, Denmark, Norway, and Sweden. Our trade with Spain, including these countries, amounted in 1917 to $450,000,000, involving a loss in 1917 of approximately $100,000,000 instead of a gain of $100,000,000, to which we are entitled by our trade balances.

We have no orderly method to protect our American merchants and American producers and American consumers against these losses. Our international bankers are interested as bankers in selling exchange, but they are not charged with the responsibility of establishing the American dollar at a premium or at gold par. They are naturally content with their commissions, charges, and profits for exchanges, which, apart from interest, amount probably to at least $100,000,000 annually.

The United States, in order to establish the American dollar at gold par throughout the world and maintain the American dollar at gold par, must have a mechanism charged with the duty of safeguarding the American dollar as far as possible, such as I propose in the Federal reserve foreign bank.

For a half century the trade balances have steadily been in favor of the United States. We have a right to expect that this will continue, and that these trade balances will crystalize in the ownership by the people of the United States in securities and properties scattered throughout the world. This is what has made Great Britain the greatest financial power in the world. Great Britain has always had the wisdom to maintain the pound sterling at par. For this reason the pound sterling has become the standard measure of value throughout the entire world and has contributed largely toward making London the greatest commercial and financial center of the world.

The British Government buys London bills in New York and uses credits in New York in order to balance the deficit of an international trade-credit balance against her in order to keep the pound sterling at about par, so that a British merchant who handles the pound sterling as a measure of the transaction knows what he is talking about when he makes a contract, and the British Government finds it necessary to stabilize this measure of the British merchant's contracts. America has not had the wisdom to understand this, and I am now engaged in the business and the duty, as chairman of the Committee on Banking and Currency, of calling the attention of the country to this matter in the hope that the Congress of the United States will speedily correct it.

Mr. SHEPPARD. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. SHEPPARD. Through what agency does the British Government perform that function—through the Bank of England?

Mr. OWEN. Yes; through the Bank of England, which serves as the treasury of Great Britain; and the Bank of England is a bank whose directorship is controlled by merchants and not by the bankers.

Mr. SHEPPARD. I understand that no commercial banker is a member of the board of directors.

Mr. OWEN. No; he is not permitted to be, for a reason the United States ought never to lose account of—that that great bank has for its function the protection of the industry and commerce of Great Britain as a public institution. Although the stock is owned by private hands, that matters not at all. It is a public institution nevertheless, just as I propose here that this stock may be owned by private hands; but still it shall be governed by the United States Government. The trouble with the banker is that he always thinks in terms of interest, in terms of commission, and that is natural. That is not a criticism of the banker; that is his business. He is a merchant in credit and is not to be blamed that he thinks in terms of interest and commissions, and I must not be understood as meaning to criticize him at all.

I am only pointing out that he is not properly the custodian of the commerce of the United States; that is all; because he looks at it as a thing to serve his interest instead of looking at himself as purely to serve its interest. There is a difference in the point of view which is obvious.

I have prepared a bill, which I now submit (S. 3928[1]) amending the Federal reserve act so as to establish a Federal reserve foreign bank. The 12 Federal reserve banks have found a field of such enormous activity in the domestic banking life of the United States that they have not been situated for adequately handling foreign business, further than the acquisition of a very small part of available foreign bills. They have utterly failed to meet the services expected. The foreign bank proposed is intended to serve as a medium through which all the reserve banks may safely, conveniently, and economically transact foreign business, if they wish; may buy and sell foreign exchange, and thus accommodate all of the banks in the United States, doing business with the Federal reserve banks, and to give like accommodation even to those banks and bankers who are not members of the Reserve System, in order that our importers and exporters, wherever located, may have every facility of buying and selling foreign exchange and establishing credits here and abroad for the purpose of buying foreign commodities and of selling domestic commodities abroad. It is intended by this act to provide banking accommodations to all our merchants who are buying and selling goods abroad, and to enable them the better to accommodate their home and foreign customers.

It has been said that nearly all the importers and exporters are located in New York City or in the immediate vicinity. As a matter of fact, the lack of these facilities, the very thing of which the country most justly complains, has compelled importers and exporters from the Pacific States, the Rocky Mountain States, the Mississippi Valley, and the Southern States to keep agents in New York to transact their import and export banking business, and this at great expense to them, and, moreover, the expense is one which has no justification in sound reason. In fact this is a great disadvantage to the importers and exporters of all the United States except New York City, and against this the country justly protests. Moreover, it has a most injurious effect upon the commerce of the United States, because the lack of these facilities throughout the body of our country prevents the expansion of export and import business with the body of our country, and is a thing which is against the development and prosperity of the United States.

Moreover, it is against the greater expansion and the greater prosperity of New York City itself, which would be benefited if the full powers of the United States in the export and import business could be developed, and that to its highest capacity, for, be it clearly remembered, finance is the handmaid of commerce, not commerce of finance—financial power follows successful commerce and decays with decaying commerce.

It has been said that this foreign bank would compete with the few New York banks having foreign-exchange facilities. It seems to me I heard something of this kind when we were fram-

ing the Federal reserve act. Then these New York banks bitterly complained that establishing 12 reserve banks would deprive them of deposits, of prestige, and of money-making power. Their lack of vision, as seen in the result, is fully evident. They have gained deposits enormously; they have gained prestige; they have gained increased power, with expanding power of the United States and its banking system. Only a half dozen New York member banks handle foreign exchange, and all of them should have these facilities through the foreign bank I propose.

The Federal reserve foreign bank would offer them facilities for serving their customers more economically, more efficiently than their own facilities can now afford. They would avoid the expense of keeping large deposits abroad, the expense of keeping foreign offices any further than their specialty might require them, and they could use this bank as an economical means of transacting their own business and would be able to liquidate their foreign bills through this bank in a manner which they can not easily do now. It would expand their power. It is true, I think, that where they are charging unreasonable commissions, unfair profits, and imposing unjust exactions which hinder the commerce of America, they would be, in the course of time, dissuaded from these practices by having a standard of fair value operating side by side with them. It would not interfere with their legitimate business. It might abate to some extent practices which are injurious to American commerce, injurious to our national development, and indirectly injurious to them in so far as they may be disposed to kill the goose that lays the golden egg. Our American bankers have not sufficiently realized that banking grows with commerce. The power and dignity of London are based on the verity of this conception. It will be remembered that the Bank of England has its directorate composed exclusively of merchants and not of bankers. They do not permit bankers merely to be on this board of directors for the obvious reason that the banker, who thinks in terms of interest and commission and profits and exactions, is not happily constituted to determine the best methods of serving commerce. Many bankers fail to really understand commerce. When Secretary McAdoo introduced Lord Cunliffe, governor of the Bank of England, as a banker, Lord Cunliffe quickly corrected this and said no, he was a merchant.

This foreign bank would make mobile and liquid the foreign deposits of American banks and would attract from abroad very large deposits of foreign banks who would like to use the facilities of this Federal reserve foreign bank.

The powers given to the foreign bank are the same which have been given to the reserve banks, except that the foreign bank does not look to the reserve banks or to the member banks either for capital or for reserve deposits. The capital to be used by the foreign bank it is proposed to obtain by the issuance of 5 per cent cumulative nontaxable stock, giving to the United States the surplus earnings after a 50 per cent surplus is provided for the foreign bank. It is proposed that this bank shall begin with a paid-up capital stock of $20,000,000 and a present authorized capital of $100,000,000.

The resources of this bank will be further supplemented by deposits from banks transacting foreign-exchange business, in its international transactions, from the deposits of the United States, of foreign Governments, and of foreign bankers. The same safeguards are thrown around the foreign bank as have been found wise in the case of the Federal reserve banks, with the same powers of issuing notes and receiving Federal reserve notes. But the foreign bank is particularly charged with the duty of facilitating financial transactions involving imports and exports of our merchants, and it will be the duty of this bank, as far as possible, to promote the parity of the American dollar in other countries, which will itself be a very great aid for American commerce.

The establishment of a gold fund in Washington by the 12 Federal reserve banks for adjusting their balances with each other by bookkeeping entries instead of by actual transfer of gold has served a great public economy, and the same thing can be done with international exchanges by establishing a gold fund in the United States and abroad to serve a like function.

A very important proposal of this bill is the concluding paragraph, to wit: "No bank, banker, corporation, or individual, other than the foreign bank, shall sell dollar balances at less than gold par, except as payment for merchandise imported into the United States, without the express authority of the Federal Reserve Board." It is the intention of this provision to prevent the transfer of credits to the injury of the parity of the gold dollar.

I digress here to say that we may now make the American dollar at par in Spain by transferring credits to Spain. All in the world we need to do is to transfer a credit to Spain sufficient to cover the international trade balance or a credit to pay for our own imports from Spain. The moment that is done the premium on the peseta disappears, because in normal times there is no premium on the peseta; and if you establish a credit there to be paid at some future time in pesetas, when the peseta is at par you are obviating this 25 per cent premium now on the peseta. It is perfectly plain. A citizen can do that; a single bank can do that; the Federal reserve banks can do it; the United States can and ought to do that now in order to safeguard our merchants from loss, and not to safeguard alone the merchants from loss, but to safeguard the American consumer and the American producer from such losses.

A nation is composed of the sum of its parts; a nation consists of individual units. When the individual merchant, as one of the units of our commercial and financial life, suffers a severe loss he transmits it to the body of the people through the goods which he handles. If he buys the goods where the American dollar is worth only 75 cents on the dollar he passes the loss on to the consumer; or, vice versa, he passes it to the producer, if he is buying for shipment under such conditions.

The reason for this is that the present tremendous discount of 25 per cent on the American dollar in Spain has been brought about by the transfer of American credits through London and Paris to Spain and the refusal of Spain to adjust the international differences by like credit transfers. If Spain can do this to our injury and to her advantage, we should protect our dollar by the same principle, and it takes actions, not words.

The United States, Great Britain, and France are now urging Spain to agree to take French securities or French credits for the purpose of correcting this injurious discount on American, English, and French money, all of which are suffering from a like discount in Spain, due to Spain's refusal to adjust by transfer of international credits.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. OWEN. I yield to the Senator.

Mr. POMERENE. The Senator from Oklahoma has indicated that Great Britain has been able to protect herself, because of the Bank of England and her methods of doing business throughout the world, against the very conditions from which we are now suffering. If she has those facilities, why is she not at present able to protect herself against Spain?

Mr. OWEN. Mr. President, what Great Britain does actually now, so far as Spain is concerned, is that private banking concerns in Great Britain have established branches in Spain and have established credits in Spain; and by establishing credits in Spain they have those credits represented in pesetas. They are carrying those pesetas as a credit and selling those pesetas now to favored British merchants in London, to the protection of those merchants who have the wit to see what the loss is, while they leave the current exchange at a discount in London for the "accommodation" of those who do not see. What I am trying to do is to make America see. I do not want this to continue, and that is why I am delivering this address now to the Senate in the hope of also persuading the people of the United States.

I have many letters from importers and exporters urging that the dollar be brought to gold par.

The present war binds the United States to Great Britain and France so closely that the United States dollar, the English pound sterling, and the French franc suffer in precisely the same way so long as we extend the American credits to our allies in excess of our actual net nominal balance of trade.

The nominal balance of trade is arrived at by ascertaining the difference in commodity shipments and the actual balance of trade is a very different thing. The actual balance of trade must be ascertained not merely by commodities but also by credit transfers, and into the determination of the actual balance of trade we must consider not only exchange of commodities and exchange of securities but many other factors, such as freight charges by Great Britain, for example, at $150 a ton for furnishing our supplies to them, but also the charges, commissions, and profits paid by us in foreign ports; the purchase by our troops in France of large local supplies; the traveling expenses of our citizens abroad, and many such items which are not registered in any census bureau; also the purchase of foreign properties by Americans, and also interest payments which the United States is required to pay on stocks and bonds held abroad; also the interest payments which are payable from foreign countries to the United States; also remittances by foreign residents in the United States abroad to their friends and relations and many such factors which are not within the power of anyone to give. But we know that when the demand for the American dollar ceases and the American dollar is not at par that then a condition has arisen from these various causes

at which we are being injured in a very subtle and very practical way, which falls first upon both our importers and exporters, and, secondly, upon our consumers of imported products and upon our exported products, injuring America in its most vital parts. This I wish to correct. I demand its correction and appeal to our business men in America to hold up my hands in the effort to furnish them a mechanism through which these unjust discriminations against the American dollar shall absolutely cease.

When peace comes the United States will be charged with the duty of maintaining its dollar at par, whether Great Britain or France protect their money at par or not, but the United States and our allies should attend to this matter now, for it is injuring us all.

The bankers in the Scandinavian countries and in Spain do not feel safe in carrying large balances in the United States, notwithstanding the stability of our Government, because, since we permit a fluctuation in exchange, they do not know whether they will receive the same amount back when the time comes that they will want their funds at home, and for the same reason American bankers hesitate to place credits in these foreign countries because when they want their money back they may find that the differences in exchange are interrupting them and preventing them from receiving their funds back dollar for dollar. For that reason the lack of parity in the currencies of the various countries comprise a very serious obstruction to commerce and prevent the easy establishment of an international gold fund which would safeguard all countries from the expense of shipping gold back and forth 3,000 miles across the Atlantic.

Any person of sound reasoning faculty ought to be able to see this. Nevertheless those who are called expert in banking seem not to have had the vision to properly apprehend it.

Some of the New York bankers in foreign exchange advise me that the exchanges are now furnished to importers and exporters at such low rate that there is no profit in the business. Strangely enough the same gentlemen advised me that this foreign bank is highly undesirable because it will compete with them in this undesirable business.

My attention was called yesterday to an interesting transaction involving the purchase of commodities from Spain, involving in round numbers approximately $100,000, on which there was a charge of one-half of 1 per cent by a bank of Washington, D. C.; one-half of 1 per cent by the bank in Baltimore, Md.; one-half of 1 per cent by a bank of New York City; and one-half of 1 per cent by the bank in Barcelona, Spain, amounting to $2,000 charges outside of interest, without any risk whatever against commodity shipments insured at par and a transaction which would take probably 30 days to cover, thus imposing a tax on this 30-day accommodation of 2 per cent. I do not complain of these banks in the least. They are looking at it from the point of view of the banker and not from the point of view of merchants, but since the bank in Washington had no facilities to deal directly with the bank in Barcelona, they go through two other correspondents for sundry reasons. Evidently, if there were a Federal reserve foreign bank, a member bank could furnish its customers the accommodation more economically than by this crude, unscientific, and very expensive system. It is probably true that in some very large international transactions the rate might be very low, but taking it as a whole these rates are high, and, moreover, it not infrequently happens that the bankers take other advantages of those engaged in commerce to participate in their commercial profits with which the bankers have no proper connection, just as under the old system bank directors would negotiate accommodations through their banks and be paid privately for their valuable influence, a practice which the Federal reserve act found necessary to stop, because it was levying an unfair tribute upon American commerce. There are bankers engaged in foreign exchange who advise me that this foreign bank is highly desirable and that it will enable them to transact their foreign-exchange business more economically by having one Government-managed agency through which this business can be conveniently and economically handled.

I was astonished to be told a few days ago by gentlemen employed by the Government as experts that it was desirable to have the American dollar at a discount in the neutral countries of Europe, because, among other reasons, while it was against the interests of the American importer, it was beneficial in the same degree to the American exporter, because one was the opposite of the other. I have carefully analyzed this astonishing statement and I am of the opinion that there is no foundation whatever for any such suggestion; that the exact contrary is true. It injures the exporter as much as it does the importer.

The American commodity producer who has a thousand dollars' worth of commodity in America is entitled to buy a thousand dollars' worth of commodities in Spain on a par gold basis, but when he exchanges his commodities for American dollars, or exchanges his American dollars for Spanish pesetas, he gets 4,000 pesetas instead of 5,000 Spanish pesetas. He loses 1,000 Spanish pesetas in the exchange. He is entitled to receive 25 per cent more than he gets. An attempt has been made to confuse this proposition by saying that commodity prices in the United States have risen more than they have in Spain and in the neutral countries of Europe. This confusing suggestion would be better plead if it were a fact. It happens not to be a fact, however, and would have nothing to do with the case if it were a fact.

The point is that the American gold dollars will not buy on parity Spanish gold money. The fact is that the American gold dollar, because of international trade balances, arbitrage, gold embargo, and so forth, will buy only 75 per cent of Spanish gold money, regardless of commodities, and any attempt on the part of "experts" to cloud this issue with the suggestion that Spanish commodities have risen less than American commodities shows the poverty of argument of these gentlemen. They appeal to a statement of fact, which if true would be immaterial, and which is not shown to be true. Norway products rose on an average 110 per cent since the war; Sweden, 66 per cent; Denmark, 66 per cent; Netherlands, 54.8 per cent; Spanish commodities probably about 50 per cent. The average of staple commodities in the United States have not risen greater than this, although some specialties have done so where the allies urgently needed them.

The one unhappy fact appears to be that when the American producer, with his thousand dollars' worth of commodities, buys a thousand American gold dollars, he exchanges it for 75 per cent of Spanish gold money, and then with but 75 per cent of Spanish gold money he buys less of Spanish commodities than he would in normal times.

COMMERCE THE VITAL MATTER.

It is not a question, however, of merely accommodating foreign exchange banks, although this purpose will be served. The much more important matter is stabilizing foreign exchange as we have stabilized credits in the United States and lowered the interest rates in the United States by the Federal reserve banks. This bank ought to be controlled by merchants just as the Bank of England is controlled by those who are trained and specially skilled in commerce.

In a striking editorial by one of the greatest editors in the United States, Arthur Brisbane, of the Washington Times, of February 12, 1918, appears the following:

> In the seventeenth century, when Cromwell had power, he asked himself first of all: "What does England need?" He knew that a commercial nation needed men that understood commerce.

And he points out that the policy of England established at that time of inviting to England men who understood commerce had resulted in the tremendous commercial growth of England, while those countries which treated men who understood commerce with indifference and with neglect and even with persecution went into decay.

America needs men who understand commerce. This bank ought to be controlled by men who understand commerce and not by bankers. The mechanism of banking is understood perfectly well by those who understand commerce, but the banker, who is engaged in banking for the purpose of making commissions, of getting the highest interest rate he can, does not sympathetically deal with commerce as commerce.

Men who have this point of view should not be in unrestrained control of American commerce, of the business of American importers and exporters, of American manufacturers, of American producers, of the interests of American consumers.

It was the inability of bankers to perceive that the commerce and industrial interests of America were superior to their private acquisition of property that made necessary the Federal reserve act and which took out of their hands the power to fix credits in the United States, to make panics or squeeze credits from time to time in order that they might multiply their fortunes at the expense of the American people. They can still do that within degree, and they still do it within degree, beyond a shadow of a doubt. Any man who is familiar with Wall Street knows it perfectly well. The traders in stocks are very skillful in diagnosing the conditions when that situation arises, and those who are experts are enabled to play successfully on either the bull or the bear side, just as credits are being expanded or being contracted by those who measurably control the credit market in New York City. Under the Federal Reserve System, however, they can only now operate within a very restricted field.

It may be expected that gentlemen who take this view will oppose any activity of Government that will undertake to pro-

tect American foreign commerce. I shall desire these gentlemen to record their objections before the Committee on Banking and Currency in public, where their objections may be scrutinized with a microscope and answered by men engaged in importing and exporting in order that the truth may be made clear and that private interests shall no longer control the foreign commerce of the people of the United States. The United States Government should have as sympathetic an attitude toward foreign commerce as toward domestic commerce.

I call attention to an interesting editorial of Mr. Arthur Brisbane in the Washington Times of February 12, appealing for justice in this matter. [See Exhibit B.]

I submit an interesting editorial of the Journal of Commerce of February 11. [See Exhibit C.]

This very able editor of the Journal of Commerce points out that making foreign bills readily subject to rediscount would make such bills as liquid as domestic commercial paper. He points out that private banks sometimes hesitate to invest heavily in foreign bills because in case of a stringency they might not be readily saleable, while the foreign bank could immediately provide a ready market for such bills and when exchange was scarce, or when rates tended to advance, could ease the situation by selling exchange and so help in a most important way and lessen the injurious fluctuation of exchanges.

He points out the sound maxim that trade follows the loan, and that having a foreign bank properly organized for this service could be of substantial service to those engaged in expanding the foreign trade of the United States.

He points out very wisely that the prestige of Great Britain had been due to the fact that her foreign trade was established not only by efficient labor but by capital available in the right spot and at the right time and under the right conditions to facilitate foreign business and that this fact developed in Great Britain a large body of investors, accustomed to employing their capital in other countries; that their investments became the channels or outlet for the products of British industry just as the returns that came to them became the means of their financing other British imports and exports; that this accounts for the great world market in London. The same conditions are obviously essential to make New York City, and San Francisco, and Galveston, and Chicago world markets by affording them like facilities.

He calls attention to the last words of President McKinley, warning "against the illusion that we could possibly have a permanent one-sided trade." In the long run imports are paid for by exports and exports are paid for by imports. The nations can not discharge balances of trade merely in gold, for they would exhaust quickly the gold basis upon which their currency is founded. America must encourage imports and exports. America must establish reciprocal trade relations with other countries. America must furnish her importers and exporters with a mechanism by which to accomplish this. This is the purpose of the bill I submit.

Through this bank we can accomplish many important results: First, we can give better facilities to our importers and exporters, and thus serve our manufacturers and our producers in field, forest, and mine. Second, we can thus enormously increase our foreign trade by extending these facilities through suitable credits, for commerce follows credit. We can make the capital of our importers and exporters go much further by giving them these facilities.

We can make more useful and more available United States credits now in foreign banks.

We can make and keep the United States dollar at gold par throughout the world and thus make the dollar the medium of international exchange and clear not only our own import and export business in American centers, but we can cause business between Asia and Europe to be transacted as it should be, through intervening financial centers in America, clearing sales of China tea, for example, to Russia through New York. These facilities will make the United States the financial center of the world, because we have the most gigantic and highly perfected banking system on earth, with the largest available capital resources in the world. The resources of the reserve banks alone are over three billions, and the bank resources of the United States now have a visible supply exceeding thirty billions.

It will lead to banks all over the world carrying balances in this foreign bank for the purpose of getting its accommodation. It will bring balances from foreign governments to this bank. I desire to see this bill perfected so as to meet the requirements of American commerce.

Recently the United States Chamber of Commerce held a very important convention of American business men at Atlantic City, lasting four days, September 17 to 21, 1917. This organization represents 400,000 merchants, wholesalers, jobbers, manufacturers, and business men, and they unanimously adopted the following resolution:

"Whereas the foreign trade of the United States for the last fiscal year shows a balance in favor of this country of nearly $4,000,000,000; and

"Whereas loans to our allies greatly exceed our 'favorable balance of trade'; and

"Whereas the continuance of any set of conditions which tend to curtail imports, because imports represent the only form of cash payment which our entire foreign trade is yielding; and

"Whereas high foreign exchange premiums penalize imports and tend indirectly to increase the enormous inflationary debit balance which the Nation is rolling up against the future in the form of foreign loans; and

"Whereas the advances to our allies are now proving a boomerang, leading to the depreciation of the American dollar in foreign markets because of lack of governmental regulation; and

"Whereas all our allies are now taking every step necessary to protect their own currencies abroad; and

"Whereas the American dollar is now at a discount of from 3 to 20 per cent in neutral foreign countries: Be it

"*Resolved*, That the United States Government, through its proper departments, take whatever action may be necessary to keep at parity the American dollar in every country of the world."

I believe that the Congress and the President of the United States and the executive officers of the Government should respect this expression of public opinion, especially when it is founded on sound reasoning and good sense.

The President of the United States undoubtedly is in cordial sympathy with this desire of the business men of America to improve their facilities for doing international business, and I respectfully submit some of the expressions from addresses made by the President referring to this question and pointing out in advance who may be expected to oppose it, and why.

Mr. STONE. Mr. President, if the Senator will permit me, it is quite important that the parity of our money should be maintained abroad in every country. Is the Senator going to follow what he has just been stating by suggestions as to the best way to do that?

Mr. OWEN. I have already made suggestions by which it may be done in four different ways.

Mr. STONE. Well, I was not present at the time.

Mr. OWEN. I will repeat them for the Senator. It is a very simple matter. It can be done by a transfer of commodities, by a transfer of gold, by a transfer of credits, or by the forbidding of arbitrage. The forbidding of arbitrage, I might explain, means that a debt of Spain to the United States can not be canceled through London; it must be canceled direct. It prevents the shifting of credits from one nation to another nation for the purpose of canceling credits between other nations; in other words, if we forbid arbitrage, then our commodity trade balance would put the American dollar at a premium in Spain, and the same thing is true with regard to all the neutral countries. Great Britain could not then borrow from us large amounts of money, pay her debts to Spain and other neutrals, and leave the American dollar at a discount while she safeguards her private merchants by private arrangements of credit transfers from London to Barcelona and to Madrid. That is what I am trying to call attention to.

Mr. HENDERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. OWEN. I yield to the Senator.

Mr. HENDERSON. Do I understand the enactment of the bill which the Senator advocates would correct the evil of which the Senator is now speaking?

Mr. OWEN. No; it would provide a mechanism by which to prevent its recurrence.

Mr. HENDERSON. It would be another one of the means for curing the evil referred to by the Senator from Oklahoma in reply to the Senator from Missouri?

Mr. OWEN. Yes; it would provide a mechanism by which the evil would not be permitted to recur in future and could, if passed, effect almost an immediate remedy.

Mr. HENDERSON. I merely refer to that because I do not think the Senator from Missouri quite caught the point the Senator from Oklahoma was making.

Mr. STONE. Not being a financier, or the son of one, I do not quite understand why, if England borrows money of the United States and gives her securities at par for our money at

par, she would transfer that borrowed money to Madrid or Barcelona or any other place to pay debts at 75 cents on the dollar. How could she do that without very great loss?

Mr. OWEN. England, when she borrows money from the United States, immediately pays it out to her manufacturers——

Mr. STONE. Yes.

Mr. OWEN. And her manufacturers, having these credits transferred to London, can then transfer them to Spain to settle their debts to merchants in Spain; and when they do that they give Spain an international credit balance. The consequence is Spain does not need our dollars to pay her debts here, but she uses the dollars which she has obtained from the British merchant to pay her debts here and that leaves us with our dollars at a discount.

Mr. STONE. Well, what kind of dollars do they get from the British merchants to pay their balances?

Mr. OWEN. They get them in payment for commodities imported to London from Spain.

Mr. STONE. But are the dollars English dollars?

Mr. OWEN. No; they may be in the form of English money or American money—either one.

Mr. STONE. Or they may be an exchange of credits?

Mr. OWEN. They may be an exchange of credits. The dollar and the pound sterling are merely measures of value; that is all. When Great Britain borrows from us in dollars she converts them in pound sterling, which does not change the substance at all, but when she gets this money at London and transfers it to Spain she puts the dollar at a discount unless we protect it by a similar transfer of credits.

Mr. STONE. I presume that is perfectly clear, but I am still confused as to just how it can be done.

Mr. OWEN. It is not a difficult question if the Senator has had his attention directed to it at all. It at last comes down simply to this, that when Spain is an international creditor of commodities there is due to Spain either in French francs or in British pounds sterling or in American dollars a certain amount of gold in exchange for the commodities which she shipped in excess of those which she had imported.

Mr. STONE. And the money is to settle the balance?

Mr. OWEN. These funds are required to settle the balance. When Spain occupies the position of an international creditor, then our money and the money of foreign countries dealing with her will be at a discount, unless we forbid arbitrage; and in that case she can not deal with us as one of a number of international allies, but must deal with us simply and directly on her indebtedness to us.

Mr. STONE. How is it with the pound sterling or the franc?

Mr. OWEN. They are both at a discount in Spain.

Mr. STONE. On a par with our dollar?

Mr. OWEN. No; they are a little below our dollar.

Mr. STONE. They run along the same general line, I presume.

Mr. OWEN. Along similar lines; yes. The pound sterling is about 2 per cent less and the French franc about 10 per cent less, due largely to large paper issues.

Mr. STONE. That is rather arbitrary.

Mr. OWEN. No; it simply follows the laws of trade and the charges which bankers feel justified in placing upon the business going over their counters.

Mr. POMERENE. Mr. President, the Senator read a moment ago the preamble and resolutions adopted by the United States Chamber of Commerce. In the preamble they make a statement to the effect that our loans to our allies have proven a boomerang, and as a result of these loans the American dollar has been depreciated abroad. Does the Senator indorse that sentiment?

Mr. OWEN. I do not indorse the language. The term "boomerang" is not an apt description of what has occurred to us. Extending these credits beyond a point where we safeguard our own balance with Spain, for example, has resulted in our dollar going to a discount. It could have been adjusted with comparative ease by the United States placing a credit with Spain to protect them. It only happened so because we have not the necessary mechanism. It ought not to have happened; there ought not to be any reason why such a thing should occur or should be permitted to remain.

Mr. POMERENE. The difficulty I have is to understand the causal connection which the United States Chamber of Commerce says exists between our making loans to our allies and the depreciation of our dollar abroad.

Mr. OWEN. What they mean is this, that Spain shipped a great deal more of her commodities abroad than she imported of foreign commodities into Spain. The consequence was that the outside world shipped to Spain $88,000,000 in gold, and there was still a balance due Spain on the excess of commodities she exported over what she imported, so that the pound sterling depreciated, so did the French franc, and so did the American dollar.

Mr. POMERENE. Mr. President, unless I misunderstand, while that may account in part for the depreciation of the American dollar in Spain, I fail to see the causal connection between that depreciation and our making loans to our allies.

Mr. OWEN. What they mean by it is this, that the money we loaned to our allies went into Spain and put into Spain a large amount of surplus gold, but still left her an international creditor. The consequence was the Spanish people did not need American dollars and put our dollar at a discount accordingly. That is what they mean by it.

Mr. STONE. Mr. President, was the American dollar a gold dollar?

Mr. OWEN. Yes, sir; it was a gold dollar. There is, however, this to be considered in connection with international exchanges, that the gold dollar now, to be adjusted by shipment across the sea, has to run the danger of the submarine; and the rate of insurance upon shipping gold has been rather high, at times going up as high as 8 and 10 per cent when the country was more alarmed than it needed to be. Then, besides that, there is in Spain a discount of 3 per cent on American gold, which does not circulate there.

Mr. JOHNSON of South Dakota. Mr. President, may I ask the Senator, with reference to that 3 per cent discount on gold imports, if it makes any difference whether the gold comes directly from this country or not?

Mr. OWEN. Yes. American gold does not circulate. There is no discount against British or French gold.

There is no reason why we can not have an agreement with Great Britain and with France to maintain the French franc and the British pound sterling and the American dollar all at par. We can do it simply by an adjustment of credits. That is all that is required, and that is what I am urging now, not so much for the purpose of dealing with the present mischief as for the permanent dignity and honor and power of this Nation; that our dollars shall be at par all over the world, and shall be, therefore, a constant measure of value all over the world. When that occurs, then we may expect the dollar to be the standard of measure and we may expect New York to be the financial center of the world. Until we do protect the American dollar we shall have failed to take one of the important steps which it is necessary to take. Of course, to make New York City, which is our great shipping port, the world center, as we hope some time it will be, the only way to do that is by doing as England did in making London the financial center of the world. It is through our merchants sending American-made goods to the ends of the earth and bringing back foreign goods to our shores for use here. It is commerce that will make New York a great financial center and not finance that will accomplish it.

EXTRACTS FROM VARIOUS PUBLIC ADDRESSES BY PRESIDENT WILSON AT THE PLACES AND TIMES INDICATED.

The President said in his speech in Baltimore, Md., September 25, 1916:

"One of the most interesting circumstances of our business history is this: The banking laws of the United States—I mean the Federal banking laws—did not put the national banks in a position to do foreign exchange under favorable conditions, and it was actually true that private banks and sometimes branch banks drawn out of other countries, notably out of Canada, were established at our chief ports to do what American bankers ought to have done. It was as if America was not only unaccustomed to touching all the nerves of the world's business but was disinclined to touch them and had not prepared the instrumentality by which it might take part in the great commerce of the round globe." (Baltimore, Md., Sept. 25, 1916.)

"I have always believed, and I think you have always believed, that there is more business genius in the United States than anywhere else in the world; and yet America has apparently been afraid of touching too intimately the great processes of international exchange." (Detroit, Mich., July 10, 1916.)

"Men are colored and governed by their occupations and their surroundings and their habits. If I wanted to change the law radically I would not consult a lawyer. If I wanted to change business methods radically I would not consult a man who had made a conspicuous success by using the present methods that I wanted to change. Not because I would distrust these men but because I would know that they would not change their thinking overnight, that they would have to go through a long process of reacquaintance with the circumstances of the time, the new circumstances of the time, before they could be converted to my point of view." (Detroit, Mich., July 10, 1916.)

"I do not like to say it, but I have been impressed sometimes with the very marked difference between American business men whom I have talked with and foreign business men. I am not speaking of some of the men who stand highest in the management of American business. They seem to be veritable provincials, ignorant of the markets of the world, ignorant of the courses and routes of commerce, ignorant of the banking processes, even by which goods were exchanged." (New York, Sept. 4, 1914.)

"We have left it until very recently to foreign corporations to conduct the greater part of banking business in bills of exchange. We have seemed to hold off from handling the very machinery by which we are to serve the rest of the world by our commerce and our industry. And now, with the rest of the world impaired in its economic efficiency, it is necessary that we should put ourselves at the service of trade and finance in all parts of the world." (Extract from address delivered at St. Louis, Mo., Feb. 3, 1918.)

"America, of all countries in the world, has been timid; has not until the last two or three years provided itself with the fundamental instrumentalities for playing a large part in the trade of the world. America, which ought to have had the broadest vision of any nation, has raised up an extraordinary number of provincial thinkers, men who thought provincially about business, men who thought the United States was not ready to take her competitive part in the struggle for the peaceful conquest of the world. For anybody who reflects philosophically upon the history of this country that is the most amazing fact about it. But the time for provincial thinkers has gone by. We must play a great part in the world whether we choose or not." (Detroit, Mich., July 10, 1916.)

"Our banking laws must mobilize reserves, must not permit the concentration anywhere in a few hands of the monetary resources of the country or their use for speculative purposes in such volume as to hinder or impede or stand in the way of other more legitimate, more fruitful uses; and the control of the system of banking and of issue which our new laws are to set up must be public, not private; must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative." (Joint session of two Houses of Congress, June 23, 1913.)

"I have found that I had a great deal more resistance when I tried to help business than when I tried to interfere with it. I have had a great deal more resistance of counsel, of special counsel, when I tried to alter the things that are established than when I tried to do anything else. We call ourselves a liberal nation, whereas, as a matter of fact, we are one of the most conservative nations in the world. If you want to make enemies, try to change something. You know why it is. To do things to-day exactly the way you did yesterday saves thinking. It does not cost you anything. You have acquired the habit; you know the routine; you do not have to plan anything; and it frightens you with a hint of exertion to learn that you will have to do it a different way to-morrow." (Detroit, Mich., July 10, 1916.)

"We have not been accustomed to the large world of international business, and we have got to get accustomed to it right away. All provincials have got to take a back seat. All men who are afraid of competition have got to take a back seat. All men who depend upon anything except their intelligence and their efficiency have got to take a back seat. It will be interesting to see the sifting process go on." (Detroit, Mich., July 10, 1916.)

"We must cooperate in the whole field of business, the Government with the merchant, the merchant with his employee, the whole body of producers with the whole body of consumers; to see that the right things are produced in the right volume and find the right purchasers at the right place, and that, realizing that nothing can be for the individual benefit which is not for the common benefit." (Baltimore, Md., Sept. 25, 1916.)

"Not until the recent legislation of Congress known as the Federal reserve act were the Federal banks of this country given the proper equipment through which they could assist American commerce, not only in our own country but in any part of the world where they chose to set up branch institutions. British banks had been serving British merchants all over the world, German banks had been serving German merchants all over the world, and no national bank of the United States had been serving American merchants anywhere in the world except in the United States." (Baltimore, Md., Sept. 25, 1916.)

"The national banks of the United States, until the recent currency act, were held back by the very terms of the law under which they operated from some of the most important international transactions. To my mind that is one of the most amazing facts of our commercial history. The Congress of the United States was not willing that the national banks should have a latchkey and go away from home. They were afraid they would not know how to get back under cover, and banks from other countries had to establish branches where American bankers were doing business to take care of some of the most important processes of international exchange. That is nothing less than amazing, but it is not necessary any longer. It never was necessary; it was only thought to be necessary by some eminently provincial statesmen. We are done with provincialism in the statesmanship of the United States, and we have got to have a view now and a horizon as wide as the world itself." (Detroit, Mich., July 10, 1916.)

"My fellow citizens, this is what I believe: If I understand the life of America, the central principle of it is this, that no small body of persons, no matter how influential, shall be trusted to determine the policy and development of America. You know what you want in your business. You want a fair field and no favor. You want to be given the same opportunity that other men have, not only to make known what you have to sell, but to sell it under as favorable conditions as anybody else; and the principle of the life of America is that she draws her vitality not from small bodies of men who may wish to assume the responsibility of guiding and controlling her, but from the great body of thinking and toiling and planning men, from whom she draws her energy and vitality as a Nation." (Philadelphia, Pa., June 29, 1916.)

"A literary friend of mine said that he used to believe in the maxim that 'everything comes to the man who waits,' but he discovered after awhile by practical experience that it needed an additional clause, 'provided he knows what he is waiting for.' Unless you know what you are looking for and have trained eyes to see it when it comes your way, it may pass you unnoticed. We are just beginning to do, systematically and scientifically, what we ought long ago to have done, to employ the Government of the United States to survey the world in order that American commerce might be guided." (Washington, D. C., Feb. 3, 1915.)

"Then came the currency reform. You remember with what resistance, with what criticism, with what systematic holding back, a large body of bankers in this country met the proposals of that reform; and you know how, immediately after its passage, they recognized its benefit and its beneficence, and how, ever since the passage of that reform, bankers throughout the United States have been congratulating themselves that it was possible to carry out this great reform upon sensible and solid lines." (Washington, D. C., June 26, 1914.)

"Bankers, as body of experts in a particular, very responsible business, hold, and hold very clearly, certain economic facts and industrial circumstances in mind, and possess a large and unusually interesting mass of specialized knowledge of which they are masters in an extraordinary degree. But I trust you will not think me impertinent if I say that they excuse themselves from knowing a great many things which it would manifestly be to their interest to know, and that they are oftentimes singularly ignorant, or, at any rate, singularly indifferent, about what I may call the social functions and the political functions of banking." (Denver, Colo., Sept. 30, 1908.)

"The trouble with some men is that they are slow in their minds. They do not see; they do not know the need, and they will not allow you to point it out to them. If we can once get in a position to deliver our own goods, then the goods that we have to deliver will be adjusted to the desires of those to whom we deliver them, and all the world will welcome America in the great field of commerce and manufacture." (Detroit, Mich., July 10, 1916.)

"Not until the recent legislation of Congress known as the Federal reserve act were the Federal banks of this country given the proper equipment through which they could assist American commerce, not only in our own country but in any part of the world where they chose to get up branch institutions. British banks had been serving British merchants all over the world, and no national bank of the United States had been serving American merchants anywhere in the world except in the United States." (Baltimore, Md., Sept. 25, 1916.)

Mr. Paul M. Warburg, in "Essays on Banking Reform in the United States," says:

"The only modern bills in our country are the so-called 'foreign-exchange' bills drawn on European banks and bankers, which are indorsed, and which always have a ready market. But what an anomalous position! Instead of having the credit of the entire country available in the shape of millions upon millions of modern paper which Europe might and would buy, we must rely on the willingness and the ability of a few banks

and bankers to use their own credit by drawing their own long bills on Europe. This is a costly and most unscientific mode of procedure which is in no way adequate to the necessities of the situation."

And in his "Discount System in Europe" Mr. Warburg said:

"It is inconceivable that the United States, a Nation that leads the way in industrial progress and that more than any other nation weeds out old machinery and replaces it by the newest appliances, should be either unable or unwilling to modernize thoroughly its financial system and to discard old-fashioned financial machinery which other people have long since thrown upon the scrap heap."

Mr. Justice Brandeis, in "Other People's Money," said:

"The great monopoly in this country is the money monopoly. So long as that exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men who, even if their actions be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who necessarily, by every reason of their own limitations, chill and check and destroy genuine economic freedom. This is the greatest question of all; and to this statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men."

The Reichsbank of Germany has a foreign portfolio which has increased in importance from year to year until the paralysis of the present war, but the German Government is now making the most elaborate plans for protecting its commerce after the war, to the ends of the earth, with proper credit and banking facilities.

The Bank of France has the right to discount foreign paper, and is using it with great ability. But France is also making elaborate preparations for safeguarding its commerce at the end of the war.

The Bank of England has relied upon acceptance houses and private bankers in England to handle a large part of the foreign banking business, but nevertheless the English Government is now making elaborate preparations to safeguard its commerce, providing adequate credit and banking facilities throughout the world at the end of this war. The details of what is being done by Great Britain and by France I add as a supplement to my remarks as taken from the Commerce Reports, December 27 and 28, 1917, pages 1177 and 1194. I ask to have those exhibits printed without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. OWEN. No thoughtful man can deny that the United States must rise in its dignity and majesty of power and adequately meet the demands which will arise at the immediate close of this great world war.

What I have desired to point out, Mr. President and gentlemen of the Senate, is that our present facilities and our present statutes have proven ineffective. We authorized the Federal Reserve Board to require the Federal reserve banks to establish this foreign accommodation and it has not been done; and I do not think it would be easy to accomplish it through the mechanism, for instance, of the Federal reserve bank of New York, for the reason that the directorship of the Federal reserve bank at New York City is controlled by a few banks that are engaged in these international banking operations, and they probably would regard it as trespassing upon their preserves in some way. They will not stop to digest it. They will regard it as an innovation, just as they did the Federal reserve act, and they will be opposed to it; and I have no doubt that they have been enabled to prevent its being done in New York, although I have no detailed information about that. But I will say that the Federal reserve bank of New York has enough to do to handle the great volume of domestic business piling in upon them; and that work, I am sure, they have done with great ability and with great efficiency.

What I want to point out is the need for a mechanism by which the commerce and industry and manufacturing powers of the people of the United States shall have the means of imports and exports, shall have the opportunity of buying and selling bills of exchange against imports and exports, and shall have the necessary credit facilities, and shall have a competent authority where a merchant can wire and ask whether or not a merchant in Buenos Aires has a good credit, and whether he would be safe in making an important shipment of merchandise to him from the United States. Until our people have that kind of information conveniently at their hands, free from any suspicion of personal interest, the commerce and industry of the people of the United States will not have the means for adequately expanding.

I regard this matter as one of very great importance, and will have it considered in due time by the Committee on Banking and Currency of the Senate; and I hope the House committee will consider it, and that we may arrive at some substantial adjustment of the matter.

I thank the Senate for its patience.

APPENDIX.

EXHIBIT A.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, February 4, 1918.

IMPORTS AND EXPORTS, BY GRAND DIVISIONS AND COUNTRIES.

Total values of merchandise imported from and exported to each of the principal countries during December, 1917, and the 12 months ended December, 1917, compared with corresponding periods of the preceding year, were made public to-day by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, as follows:

Imports from—	Month of December—		12 months ended December—	
	1917	1916	1917	1916
Grand divisions:				
Europe	$40,617,322	$59,107,818	$551,144,599	$633,316,883
North America	56,506,340	47,686,903	871,982,521	658,433,120
South America	49,669,433	43,786,488	598,818,532	427,600,562
Asia	62,142,195	45,422,209	758,237,165	516,704,047
Oceania	12,792,804	4,827,542	99,221,195	93,673,382
Africa	6,183,397	4,003,231	73,063,930	61,833,333
Total	227,911,497	204,834,188	2,952,467,955	2,391,635,335
Principal countries:				
Austria-Hungary		27,980	64,937	631,251
Belgium		156,835	158,022	1,479,342
France	8,662,632	10,488,210	98,639,653	108,893,119
Germany	451	134,269	159,352	5,819,472
Italy	3,219,301	4,789,202	36,480,807	60,235,172
Netherlands	747,674	3,689,940	22,744,504	43,602,078
Norway	261,481	844,802	6,280,233	6,430,316
Russia in Europe	2,661,145	83,848	12,350,179	4,478,930
Spain	3,496,272	3,075,167	36,881,630	32,577,377
Sweden	329,403	5,505,941	18,067,487	18,856,638
Switzerland	1,826,252	1,927,928	19,834,688	22,414,383
United Kingdom	16,874,793	25,765,390	280,080,175	305,486,952
Canada	36,232,354	23,753,953	413,674,846	237,249,040
Mexico	9,858,405	10,399,693	130,434,722	105,085,780
Cuba	5,053,741	9,108,597	248,598,199	243,728,770
Argentina	17,560,443	12,503,181	178,245,833	116,292,647
Brazil	8,233,113	14,288,603	145,274,931	132,067,378
Chile	13,618,362	5,914,498	142,597,929	82,123,995
China	8,402,935	6,352,337	125,108,020	80,041,851
British East Indies	20,992,304	17,138,997	259,623,897	201,190,844
Japan	23,692,557	17,288,621	253,669,709	182,030,737
Australia and New Zealand	7,403,284	1,682,769	32,002,208	55,823,223
Philippine Islands	4,633,395	2,718,912	62,388,641	34,162,081
Egypt		2,944,041	27,352,444	29,533,795

Exports to—	Month of December—		12 months ended December—	
	1917	1916	1917	1916
Grand divisions:				
Europe	$323,690,436	$349,558,509	$4,054,362,029	$3,813,278,324
North America	155,135,812	93,285,797	1,264,688,666	924,553,649
South America	33,700,646	22,787,859	312,420,985	220,266,818
Asia	60,465,901	42,447,145	431,149,501	364,959,155
Oceania	14,591,876	9,751,896	117,158,921	105,572,649
Africa	6,279,609	5,402,574	51,464,784	54,010,506
Total	593,864,280	523,233,780	6,231,244,976	5,482,641,101
Principal countries:				
Austria-Hungary				61,771
Belgium	8,400	6,691,023	22,628,659	30,998,928
Denmark	134,363	4,165,928	32,388,864	56,329,490
France	73,564,381	58,706,507	940,810,070	860,821,006
Germany		1,142,353	3,275	2,260,634
Greece	1,030,494	1,431,702	8,477,603	33,685,689
Italy	46,162,066	37,974,651	419,095,473	303,530,476
Netherlands	7,899,931	11,345,624	90,520,301	113,730,162
Norway	1,668,338	4,224,745	62,866,850	66,209,717
Russia in Europe	816,462	23,097,932	314,639,528	309,803,581
Spain	10,159,988	6,577,521	92,469,320	64,316,888
Sweden	503,364	5,960,309	20,900,854	47,967,590
United Kingdom	177,433,009	185,209,430	2,001,031,104	1,887,380,665
Canada	101,767,255	60,939,523	829,972,331	601,908,190
Central America	4,861,129	4,008,658	52,208,466	46,531,841
Mexico	15,485,408	4,415,374	111,111,541	54,270,283
Cuba	24,652,166	18,846,295	196,350,315	164,665,037
Argentina	11,553,945	7,192,128	107,641,905	76,874,253
Brazil	6,506,030	5,210,987	66,207,970	47,669,050

Exports to—	Month of December—		12 months ended December—	
	1917	1916	1917	1916
Principal countries—con.				
Chile	$7,586,866	$3,919,899	$57,483,996	$33,392,887
China	6,366,898	3,645,538	40,208,612	31,516,140
British East Indies	7,290,030	3,775,091	42,746,749	30,799,916
Japan	40,190,201	14,821,946	186,347,941	109,156,490
Russia in Asia	525,675	16,540,391	109,169,243	160,701,673
Australia and New Zealand	6,474,755	7,351,503	76,909,225	81,305,968
Philippine Islands	7,804,316	2,268,853	38,148,726	22,775,491
British Africa	5,215,449	2,508,294	39,023,443	32,448,177

Statement of imports and exports, 12 months ended December, 1917.

	Exports.	Imports.	Balance in our favor.
Netherlands	$90,520,301	$22,744,504	$67,775,797
Norway	62,866,850	6,280,233	56,586,617
Spain	92,469,320	36,881,630	55,587,690
Sweden	20,900,854	18,069,487	2,831,367

EXHIBIT B.

[Editorial, Arthur Brisbane, Esq., Washington Times.]

TO THE PRESIDENT AND MR. MCADOO—IS THERE ANY WAY OF MAKING THE AMERICAN DOLLAR WORTH 100 CENTS IN NEUTRAL COUNTRIES ABROAD?

This question, it seems to us, is important.

The United States has forbidden gold exports, which is wise. Since gold is a fetish among the nations, let us keep our fetish supply at home.

But while we keep our gold at home, let us arrange in some way so that the American dollar will not be marked down too low on the bargain counter of other countries.

The dollar in Spain is worth 75 cents or less in Spanish money.

The same thing is true of China, Sweden, Norway, Holland, and Denmark. In all the neutral countries the American dollar is worth much less than 100 cents.

There ought to be some way to stop this.

Mr. Warburg, of the Federal reserve bank, might devote his mind to the problem—he has excellent financial ability.

This is written primarily for the President of the United States and the Secretary of the Treasury.

If it is the duty of the Government to protect the American citizen abroad, it is also the duty of the Government to protect the dollar abroad. The dollar travels and buys for the citizen.

Federal reserve exchange and credit banks on the other side properly organized would be able to attend to the matter.

This is a creditor Nation in every sense of the word.

The world owes us billions.

And our exports are far in excess of our imports.

In other words, the outside countries, including the neutrals, owe us much more than we owe them. Therefore our dollar should be the best dollar.

The thing can be arranged, and it ought to be.

The four big neutral countries—Spain, Norway, Netherlands, Denmark—owe us every year tens of millions more than we owe them, because our exports exceed our imports.

Spain, for instance, must pay us forty-one millions more than we pay to Spain in one year.

Our money ought to be at a premium; it is just the other way round.

Senator OWEN, chairman of the Banking and Currency Committee of the United States Senate, is to be congratulated upon the interest that he has shown in this unnatural and harmful condition.

The American buying in a neutral country should not be obliged to pay $1.25 for $1 worth of goods.

And the buyer from a neutral country should not be able to buy a dollar's worth of American goods for 75 cents of his own money. And that is the present condition.

EXHIBIT C.

[From the Journal of Commerce and Commercial Bulletin.]

FUTURE CONDITIONS OF FOREIGN TRADE.

The bill introduced by Senator OWEN to establish in connection with the Federal Reserve System of banking an organization designed to furnish facilities not now available for the promotion of American foreign trade seems to be a step in the right direction. The idea is that the Federal foreign-trade bank shall occupy somewhat the same position toward international trade that the reserve banks at present occupy toward domestic trade. As matters stand, private banks can extend a certain amount of credit to exporters and importers, and may derive some assistance from the reserve banks by having their foreign bills rediscounted under prescribed restrictions. Should the proposed system come into operation, the investment of an individual bank in foreign bills, being readily subject to rediscount, would become practically as liquid as its domestic commercial paper, which can be immediately discounted at the reserve banks. Under the existing system banks sometimes hesitate to invest heavily in foreign bills because in case of stringency they might not be readily salable. The foreign-trade bank, however, would provide an immediate market for such bills, and when exchange was scarce and rates tended to advance would ease the situation by selling exchange and so helping to lessen the fluctuation in rates. All this is very much to the good, and, considering the soundness of the axiom that trade follows the loan, the proposed legislation, properly guarded, could hardly fail to be of substantial service to the men engaged in expanding the foreign trade of the United States.

But in this matter it is well to keep a firm hold on first principles. The United States grew and prospered and built up great wealth out of the natural resources of this continent. But there has been a steady flow of raw materials from this country to Great Britain and western Europe, to be there manufactured and distributed around the world. A protective tariff enabled us to keep some of these materials for manufacture here, chiefly for domestic consumption. But the necessity of the tariff was an admission that the sum of the influences for cheap production and distribution was against us. These influences were chiefly the supply, first, of labor and then of capital, but they included experience in industry and foreign trade, and the prestige, good will, and facilities of an established business. The superabundance of capital which existed in Great Britain before the war caused an overflow from that country to be directed around the world. There was thus developed in the United Kingdom a large body of investors accustomed to employ their capital in other countries, and their investments naturally became the channels of outlet for the products of British industry, just as the returns that came to them were the means of financing British imports. There has been a great, free, readily accessible market in London for all the commodities of commerce, not merely a market for the country's own products and for what it consumes, but a distributing market for the rest of the world. British ships have been in every port, British bankers and traders in every mart. There has been British capital available everywhere, ready to build a railway, buy a brewery, open a mine, or move the products of the country to market. It is the combination of these conditions which made London the clearing center of the world and the pound sterling the standard of value.

Our success in taking the place that rightly belongs to us in the markets of the world must largely depend on our readiness to imitate the liberal conception of what really constitutes commerce which gave the United Kingdom the position which it had attained. One of the last words of the late President McKinley was a warning against the illusion that we could possibly have a permanently one-sided trade, but there are abundant evidences that the false conception which he tried to dissipate still retains a good deal of its vitality. If Great Britain must resume her financial and industrial rôle after the war, with greatly impaired resources and enormously increased burdens, she at least takes up the commercial struggle with the enormous advantage of having to learn very little about the conditions under which it can be most successfully prosecuted. In one respect the war has been almost incredibly beneficial to British industry, and that is by demonstrating the extraordinary gains that may be made in manufacturing efficiency. Take, for example, this illuminating passage from a book just published by authority of the Council of the British Association on Industry and Finance: "The increased output in shells which has in large measure been attained since the foundation of the ministry of munitions and the subsequent recruitment of female labor for work in the factories, with all the adaptation and rearrangement that has been effected for the purpose of speeding up, has never been more strikingly illustrated than when it was officially declared that a year's output at the rate attained in 1914–15 is now provided in the following periods: Eighteen-pounder ammunition, in 13 days; heavy howitzer shells, in 7 days; shells for medium guns and howitzers, in 5 days; shells for heavy guns, in less than a day." As the London Economist remarks, this record not only shows a wonderful achievement in time of war, but gives serious reasons for thought concerning the inefficiency, whatever may have been its cause, of the organization on which it has been an improvement. That the keying-up process has not been confined to war industries is sufficiently

evident from the returns of British foreign trade for the last calendar year. Here commercial exports figure for the very respectable total of $2,625,000,000, which, though less than half the total of our own export trade, excludes most of the supplies incidental to the promotion of the war, which in our case figure for over $600,000,000. It may be incidentally noted that the British exports for the year of cotton yarns and textiles aggregated $730,000,000, while our own appear to have been very little in excess of $150,000,000. That a Britain with only one arm free should have been able to make such a record in the competition for the world's trade suggests possibilities, of which we would do well to take heed, of what may be accomplished by a Britain with both arms available for industrial production.

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EXHIBIT E.

CAPITAL FOR AFTER-WAR TRADE.

[Alfred Nutting, clerk in American Consulate General, London, England, Nov. 30.]

The minister of reconstruction has established, in conjunction with the treasury, a committee on financial facilities after the war, the object of which is to anticipate and provide methods to overcome the financial difficulties that will arise in connection with commerce and industry. The vast number of factories which have been diverted from their normal trade to war work will face a critical period between the time when hostilities cease and the time when it is possible for them to return to their prewar activities, for an interval more or less lengthy must occur during which it will not be possible to revert to former productiveness, while the question of cost in restoring factories to conditions formerly prevailing will require careful consideration and the preparation of plans to provide the necessary money and capital. Apart from that aspect there is the certainty that largely increased costs of raw materials, higher wages, and a much greater value on stock in hand or on credit will have to be met, requiring fresh capital, while longer credit may be necessary.

Some of the most important matters with which the committee will be empowered to deal will be the extent of the aid that banks and financial houses will be able to render; if such help should appear likely to prove insufficient, what other sources of credit can be sought; and by what method can the required capital be most efficiently distributed, in the event of a shortage, among essential trades and commerce.

COMMITTEE REPRESENTS ALL BRANCHES OF COMMERCE AND INDUSTRY.

The members of the committee appointed to deal with this fundamental subject of finance and capital after the war include representatives of banking, financial, commercial, and industrial circles, and are not restricted to London concerns, but include those vitally interested in industries and workshops throughout the country. The chairman of the committee, Sir R. V. Vassar-Smith, Bart. (chairman of Lloyd's Bank, one of the two largest banking corporations in the United Kingdom), in a recent address before the Institute of Bankers, said:

"The financing of our industries will be immensely facilitated by trade organization. During the war we have seen our productive industries organized on a large scale and under the control of the State. Both organization and control were forced upon us by war. As regards State control, I hope and believe that the necessity for it is temporary. As to trade organization, I firmly believe that the necessity for it will remain after the war. It is no new thing, this tendency to production and organization on a large scale, though it has not shown itself so much in this country as in some others. The day of small industries on individual lines is gone. Our manufacturers and traders must organize for united effort. This will have the closest bearing on questions of finance. An unstable, unorganized industry is the despair of bankers. I have confidence in stating that an industry organized on large lines has seldom lacked financial support in this country, and in spite of financial stringency, which we shall doubtless have to face, it is not likely to suffer in the future."

It is stated that the committee will commence work immediately.

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EXHIBIT F.

FRENCH PREPARATIONS FOR TRADE AFTER WAR.

[Commercial Attaché C. W. A. Veditz, Paris, Oct. 26.]

Since the outbreak of the war numerous French writers upon commerce and industry have discussed in detail the economic consequences of the war and the problems of reorganization that will need to be solved after the termination of hostilities. Nearly all of them have insisted upon the importance of developing France's export trade, and their suggestions in this connection have been both critical and constructive. That is to say, they have pointed out those features of the present situation that must be remedied and have also proposed a series of new measures and organizations that are now totally lacking.

Naturally enough, the French foreign service has been subjected to a critical examination with regard to its efficiency as an agency for the promotion of export trade; and an impression has prevailed that it is susceptible of improvement in that respect.

The chief Government agency for the promotion of French export trade in the office national du commerce extérieur, intrusted by the law of March 4, 1898, with the task of furnishing French merchants and manufacturers with such commercial information as is likely to contribute to the development of French foreign trade and the expansion of French markets in foreign countries and in the French colonies and protectorates. The office national has the aid in this task of three groups of agencies—the diplomatic and consular services, the French chambers of commerce, and the foreign-trade counselors. The office maintains a collection of foreign-trade catalogues, which it analyzes and brings to the attention of interested French firms. It puts the benefit of its investigations at the disposal of French merchants and manufacturers. Unlike the United States Bureau of Foreign and Domestic Commerce, which is the corresponding American institution, it furnishes confidential information concerning the standing and financial resources of particular foreign firms. The office receives daily inquiries from foreign agents and importers, who are put in touch with French firms that have indicated an interest in foreign markets, and it keeps a classified list of French exporters. The office also undertakes to bring together groups of French exporters who would be unable individually to maintain an export organization. Whenever the office has cognizance of foreign-trade opportunities, particularly of important orders to be placed competitively by public or private corporations, such opportunities are brought to the attention of interested French chambers of commerce, trade associations, or even individual firms whose names are registered with the office.

THE FOUR DEPARTMENTS AND THEIR FUNCTIONS.

The work of the office is carried on by four departments. The first has to do with publications and information concerning the commercial standing and reputation of foreign houses. The publications of the office are the following:

The Moniteur Officiel du Commerce is normally issued every Monday. Its publication ceased at the outbreak of the war but will shortly be resumed. The Moniteur reports changes in foreign tariff laws, in French commercial legislation, and in the commercial laws of foreign countries. This publication has the exclusive right to the reports of French consuls and diplomats on commercial subjects. In brief, the Moniteur is the commercial-information periodical of the French Government, resembling in general the daily Commerce Reports of the American Government. It contains the trade opportunities brought to its notice that are likely to interest French exporters and manufacturers.

The office ordinarily issues weekly a Feuille d'Information, or Bulletin of Information. This publication also was stopped at the outbreak of the war but will soon be taken up again. It contains the more important news items and reports issued in the Moniteur Officiel. This bulletin is regarded as an efficient agency of trade propaganda; it has a large circulation in France and is posted publicly in railway stations, city halls, schools of commerce, and other places where it is likely to attract public attention. Its aim is to furnish general trade information and to stimulate an interest in export trade, even among those manufacturers and tradesmen who have previously shown no disposition to seek business in foreign markets.

The third class of publications of the Office National consists of the so-called Dossiers Commerciaux, or commercial documents, each relating to a particular commodity or group of commodities, or to the export market offered by a particular country or district. These documents often contain confidential information not intended for general circulation. They furnish detailed and specialized information along some specific line, likely to interest only those French dealers or manufacturers engaged in that line. They are furnished only to bona fide French firms located either in France or in its colonies.

Finally, the office publishes, in the form of monographs, the results of special investigations into the market for particular products singled out for such surveys. There have already been published such special monographs relating to wines, cutlery, porcelain, glassware, canned-food products, and the collection of credit claims abroad. The most recent of these Notes Commerciales concern the different sections of Morocco, investigated from the standpoint of exports and imports and with regard to agriculture and colonization.

The office national furnishes, free of charge, information concerning the standing and commercial rating of foreign firms and has in its files a large collection of catalogued cards enabling it in many instances to furnish such data without delay. It also furnishes the names of lawyers prepared to take charge of claims for the collection of unpaid bills abroad.

Another department of the office is concerned with the dispensation of general commercial information, the transmission of samples, and the furnishing of technical data. It undertakes to provide exporters of a given product with data concerning the principal nations exporting that product and with details concerning the requirements of particular markets. It furnishes lists of foreign dealers and importers and undertakes, on behalf of French inquirers, to purchase, on their account, samples, catalogues, and so forth.

A third department of the office specializes in matters of customs tariffs and trade statistics. It undertakes to furnish information with regard to import and export duties, commercial and navigation treaties and regulations, importation in bond, certificates of origin, trade-marks and patents, etc. It also seeks to keep fully informed concerning statistics of production, consumption, imports, and exports.

A fourth division of the office national is concerned with transportation matters. It keeps track of transportation charges, both by water and by rail, of ocean freight and insurance rates, of postal charges and regulations, of telegraphic rates and regulations, of port charges and navigation taxes.

ASSOCIATION NATIONALE D'EXPANSION ECONOMIQUE.

Since the outbreak of the war the importance of encouraging French export trade, particularly after the termination of the conflict, has seemed to warrant the establishment of several new organizations and agencies, and special attention has been given to the efficiency of German methods of trade expansion (as set forth, for example, by Henri Hauser in his book, Les Méthodes Allemandes d'Expansion Commerciale). Several new groups have been founded to aid and encourage the exportation of French products. The first and one of the most important of these is the Association Nationale d'Expansion Economique, formed under the leadership of the Paris Chamber of Commerce, which is a semiofficial organization having close relations with the French Government and especially with the ministry of commerce. The purpose of this organization is to prepare for competition after the war, for the new economic and commercial dispensation that will inevitably follow the cessation of hostilities. The association is divided into several committees intrusted with the study of particular branches of the export trade. It comprises the most important, if not all, of the chambers of commerce throughout France and of the various manufacturers' and merchants' associations in the Republic.

This association held an important commercial congress last March, which was presided over by the minister of commerce and which discussed some of the more important problems that will confront the nation in connection with the resumption of normal economic life at the end of the war. The most important single accomplishment of the association thus far is the preparation and publication of a rather complete survey of the industry, commerce, and agriculture of France, with particular reference to the problems and conditions that will arise after peace is restored. The reports in which the results of this survey are given number 70, and their subjects are as follows: General report; the woolen industry; the felt industry; silk and silk goods; ribbons and silk and textiles partly of silk; trimmings and braid; ready-made clothing; the cotton industry; flax and hemp goods; laces and embroideries; jute; hosiery and knit goods; dressmaking; women's wear ("la mode"); furs, lingeries, perfumery, etc.; leather, hides, and shoes; chemical fertilizers and other chemical products used in agriculture; dyestuffs; the products of large-scale chemical industry; coal; the extractive industries; the metallurgical industries; mechanical construction; electrical materials and construction; hardware; watches and clocks; optical glass; the photographic and cinematographic industries; jewelry; toys; ceramics and glassware; chirurgical and sanitary articles; paper; book publishing; resin and resinous products; trade in wood and lumber; food products; fishing; the merchant marine; mineral-water and health resorts; the hotel industry and tourist business; banking and credit; insurance; colonial administration; the cereal crops; the cattle industry; the meat industry; cattle raising in the colonies; dairy products; the exportation of wines; the exportation of liqueurs; forestry after the war; fruit and truck farming; horticulture; industrial plants (beet sugar, hemp, hops, etc.); the trade in seed; agricultural resources of colonial France; agricultural machinery and equipment; agricultural labor; the exportation of farm products (on which subject there are nine reports, covering the principal export markets for French agricultural products).

The Association Nationale maintains a bureau of commercial information prepared to advise French exporters concerning customs duties, import and export regulations, black lists and the blockade, transportation rates and regulations, the exchange situation, taxes, antifraud legislation, colonial conditions, and trade opportunities. It also maintains a department for commercial translation work and issues a bulletin designed to keep its members informed promptly of changes in commercial laws, tariff rates, etc. The association will publish annually an Index of French Producers in the French, English, and Spanish languages, to be circulated widely among foreign jobbers, purchasers, and importers. It has already begun the publication of a monthly review, called L'Expansion Economique, containing a section of industrial and commercial notes, a section of agricultural notes, articles on current economic topics, and a summary of industrial and commercial news relating to France and the principal commercial nations of the world.

OTHER NEW ORGANIZATIONS TO PROMOTE AND PROTECT FRENCH TRADE.

Of somewhat more recent formation than the Association Nationale is the Union Nationale pour l'Exportation des Produits Français et pour l'Importation des Matières Premières, founded by M. Raoul Peret, former minister of commerce. This organization seeks above all to encourage the grouping of French manufacturers and dealers in order that by this means smaller producers who are unable independently to maintain an export organization may be able to enter the export trade. It is believed that by forming such cooperative groups of comparatively small concerns it will be possible to deal advantageously with steamship and railroad companies and to obtain the special benefits now confined to the larger establishments that have created and maintained their own export organizations. It is the ambition of this association to foster the creation of such groups and to create transportation companies under its own control.

Quite different are the aims of the Union Intersyndicale des Marques (a union of manufacturers' associations for the protection of trade-marks), founded by a well-known electrical engineer, M. Raynald Legouez. The main purpose of this organization is to protect French manufactures against imitation and misrepresentation. It is held that the Germans have been in the habit of selling their own goods as of French manufacture, not only on neutral markets but even in France; also that products nearly finished in Germany have in the past been shipped to France and finished there in order that they might be sold as French goods. The Union Intersyndicale is therefore carrying on an active campaign to persuade French manufacturers to place upon the market only goods that bear the distinctive label of the union—with the letters U. N. I. S.—as a guaranty of French origin. The union hopes to include all important groups of French manufacturers and thus to prevent the sale of goods that are not marked with the label of the union.

MOVEMENT FOR ESTABLISHMENT OF ANNUAL FAIRS.

In addition to organizations of the kind described, attention should be called to the movement in France in favor of annual fairs or markets comparable to the famous German fairs at Leipzig. The first experiment in this direction was made by Senator Herriot, the mayor of Lyon, in March, 1916, when Lyon held its first sample fair (Foire d'Échantillons) and 1,342 exhibitors took part. The second Lyon fair, held in March and April, 1917, was attended by 2,593 exhibitors, 424 of them being from foreign countries, with 25 representing American firms. It is reported that during the fair the exhibiting firms obtained orders amounting to about 200,000,000 francs.

In September, 1916, Bordeaux held a fair, but this was considered as devoted especially to the products of French colonies and to wines and foodstuffs, for which Bordeaux has always been a center of great importance. The second Bordeaux fair, held in September, 1917, repeated the success of the first.

In May, 1917, Paris inaugurated a fair, in which special attention was given to the so-called "articles de Paris" and "articles de luxe" that play so important a part in the industrial and commercial life of the French capital. Other cities have indicated a disposition to undertake similar projects; it is stated, for example, that Marseille contemplates having its annual fair. There is, of course, some danger here that the rivalry of French cities may militate against the establishment of a fair that will be truly national or international, and it now appears likely that the fairs of Paris and Bordeaux will specialize in certain groups of commodities, in the production or handling of which these cities play a leading part, whereas the Lyon fair will be of a more general character and thus become a real rival of the one at Leipzig.

NEW COMMERCIAL PUBLICATIONS.

In addition to the new organizations to which reference has been made, and to the newly established French fairs, the awakening interest in French export trade is manifested by the publication of a large number of new reviews, newspapers, and other periodicals devoted to commercial subjects, and especially to the expansion of French foreign trade. Easily the foremost of these is the Exportateur Français, published weekly under the editorship of Maurice Ajam, deputy and former under secretary of state. Mention should also be made of Le Soir, a daily commercial newspaper; La Victoire Economique, a weekly newspaper; Le Moniteur du Commerce, published weekly; L'Initiative Commerciale, a monthly review; Commerce et Industrie, a monthly; and Mercure, the organ of the French Federation of International Commerce. All these publications give special attention to French export trade.

EXECUTIVE SESSION.

Mr. KIRBY. I move that the Senate proceed to the consideration of executive business for the purpose of reporting some nominations.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, February 26, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate February 25, 1918.

PROVISIONAL APPOINTMENT IN THE ARMY.

INFANTRY.

To be second lieutenant with rank from October 26, 1917.

Second Lieut. Robert Roy O'Loughlin, Infantry Officers' Reserve Corps.

PROVISIONAL APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY ARM.

Second Lieut. Stewart F. Miller, Twenty-fourth Cavalry, to be second lieutenant of Field Artillery with rank from February 21, 1918.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

To be captain with rank from October 23, 1917.

First Lieut. Irving C. Avery.

To be captains with rank from October 25, 1917.

First Lieut. James V. Ware.
First Lieut. Robert W. Brown.

To be captain with rank from October 30, 1917.

First Lieut. James R. Manning.

To be captains with rank from November 5, 1917.

First Lieut. Charles L. Steel.
First Lieut. Stuart R. Carswell.
First Lieut. Gilbert S. Harter.
First Lieut. John W. Cotton.
First Lieut. Ralph E. Wallace.
First Lieut. Lawrence W. Fagg.
First Lieut. Maury Mann.
First Lieut. Rupert L. Purdon.
First Lieut. Richard S. Jones.
First Lieut. William C. Hanna.
First Lieut. Leon G. Harer.
First Lieut. Edwin M. Scott.
First Lieut. Paul J. Dowling.
First Lieut. John H. Jones.
First Lieut. Rufus E. Wicker.

To be captain with rank from November 6, 1917.

First Lieut. Charles L. Briscoe.

To be captain with rank from November 9, 1917.

First Lieut. Hermann C. Dempewolf.

To be captain with rank from November 30, 1917.

First Lieut. Frank E. Hinton.

To be captain with rank from December 2, 1917.

First Lieut. Frank J. Tuohy.

To be captains with rank from December 19, 1917.

First Lieut. John R. Hermann.
First Lieut. Louis T. Roberts.
First Lieut. James M. Palmer.

To be captains with rank from December 29, 1917.

First Lieut. Ralph A. W. Pearson.
First Lieut. Alfred Millard.
First Lieut. Harry A. Ambs.
First Lieut. William H. Bittenbender.
First Lieut. Raymond H. Bishop.
First Lieut. James A. Summersett, jr.
First Lieut. Hugh C. Gilchrist.
First Lieut. Allen T. Veatch.

To be first lieutenant with rank from October 26, 1917.

Second Lieut. Robert R. O'Loughlin.

TEMPORARY PROMOTIONS IN THE ARMY.

JUDGE ADVOCATE GENERAL'S DEPARTMENT.

To be lieutenant colonel with rank from January 21, 1918.

Maj. Edwin O. Saunders, Judge Advocate General's Department.

QUARTERMASTER CORPS.

To be lieutenant colonel with rank from January 22, 1918.

Maj. William B. Rochester, Quartermaster Corps.

CORPS OF ENGINEERS.

To be colonel with rank from February 6, 1918.

Lieut. Col. William P. Stokey, Corps of Engineers.

To be colonel with rank from February 7, 1918.

Lieut. Col. Lewis M. Adams, Corps of Engineers.

To be colonel with rank from February 8, 1918.

Lieut. Col. William D'A. Anderson, Corps of Engineers.

To be lieutenant colonels with rank from December 20, 1917.

Maj. Charles L. Hall, Corps of Engineers.
Maj. Virgil L. Peterson, Corps of Engineers.
Maj. George R. Goethals, Corps of Engineers.
Maj. John W. N. Schulz, Corps of Engineers.
Maj. Richard T. Coiner, Corps of Engineers.
Maj. Robert S. A. Dougherty, Corps of Engineers.

To be lieutenant colonels with rank from January 4, 1918.

Maj. Cleveland C. Gee, Corps of Engineers.
Maj. John M. Wright, Corps of Engineers.
Maj. John R. D. Matheson, Corps of Engineers.

To be lieutenant colonel with rank from February 8, 1918.

Maj. Earl North, Corps of Engineers.

To be lieutenant colonel with rank from February 14, 1918.

Maj. Albert H. Acher, Corps of Engineers.

To be major with rank from December 29, 1917.

Capt. John S. Bragdon, Corps of Engineers.

To be major with rank from December 31, 1917.

Capt. George J. Richards, Corps of Engineers.

To be major with rank from January 4, 1918.

Capt. Alexander P. Cronkhite, Corps of Engineers.

To be major with rank from January 7, 1918.

Capt. John S. Smylie, Corps of Engineers.

To be majors with rank from January 12, 1918.

Capt. Lehman W. Miller, Corps of Engineers.
Capt. Douglas L. Weart, Corps of Engineers.

To be majors with rank from January 14, 1918.

Capt. Earl E. Gesler, Corps of Engineers.
Capt. Edwin A. Bethel, Corps of Engineers.

To be major with rank from January 17, 1918.

Capt. John F. Conklin, Corps of Engineers.

To be major with rank from January 18, 1918.

Capt. Alfred L. Ganahl, Corps of Engineers.

To be majors with rank from January 21, 1918.

Capt. John E. Harris, Corps of Engineers.
Capt. William F. Tompkins, Corps of Engineers.

To be major with rank from January 24, 1918.

Capt. Douglas H. Gillette, Corps of Engineers.

To be major with rank from January 26, 1918.

Capt. Paul A. Hodgson, Corps of Engineers.

To be major with rank from February 6, 1918.

Capt. Donald A. Davison, Corps of Engineers.

To be major with rank from February 7, 1918.

Capt. Thomas B. Larkin, Corps of Engineers.

To be major with rank from February 8, 1918.

Capt. Edwin C. Kelton, Corps of Engineers.

TRANSFERS TO THE ACTIVE LIST OF THE ARMY.

COAST ARTILLERY CORPS.

Capt. William K. Moore, United States Army, retired, to the grade of captain in the Coast Artillery Corps with rank from October 29, 1907.

INFANTRY ARM.

To be captain with rank from April 13, 1911.

Capt. Edwin J. Nowlen, retired.

To be captain with rank from July 1, 1916.

First Lieut. Sam P. Herren, retired.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 25, 1918.

APPOINTMENTS IN THE NATIONAL ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

To be brigadier general.

Col. Henry G. Learnard.

INSPECTOR GENERAL'S DEPARTMENT.

To be brigadier generals.

Col. William T. Wood and
Col. Thomas Q. Donaldson.

ORDNANCE DEPARTMENT.

To be brigadier generals.

Col. William S. Peirce,
Col. John H. Rice, and
Col. Tracy C. Dickson.

APPOINTMENTS IN THE ARMY.

MEDICAL CORPS.

To be first lieutenant.

First Lieut. Charles Robert Henry.

CHAPLAINS.

Rev. Thomas A. Harkins and
Rev. John W. Inzer.

PROVISIONAL APPOINTMENTS IN THE ARMY.

INFANTRY.

To be second lieutenants.

John Thomas Bell and
Arthur Edmund Hirschler.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

CAVALRY ARM.

To be first lieutenants.

Second Lieut. Vance W. Batchelor,
Second Lieut. Truman E. Boudinot,
Second Lieut. James R. Wood,
Second Lieut. William J. Gallagher,
Second Lieut. Charles Rudd,
Second Lieut. James G. Strobridge,
Second Lieut. Stephen Boon, jr.,
Second Lieut. Harold G. Holt,
Second Lieut. Walter Gunther,
Second Lieut. Roy V. Morledge,
Second Lieut. John W. Noble,
Second Lieut. Herman R. Crile,
Second Lieut. Joseph E. Torrence,
Second Lieut. Charles G. Hutchinson,
Second Lieut. Chester P. Dorland,
Second Lieut. Ernest D. McQueen,
Second Lieut. Archie E. Groff,
Second Lieut. George D. Wiltshire,
Second Lieut. Alfonso F. Zerbee,
Second Lieut. Jackson B. Wood,
Second Lieut. Arthur J. Wehr,
Second Lieut. Robert C. Scott,
Second Lieut. Ernest F. Apeldorn, jr.,
Second Lieut. John R. Evans, jr.,
Second Lieut. DeLancey Bentley,
Second Lieut. William P. Rauch,
Second Lieut. John A. Garvin,
Second Lieut. Daniel D. Streeter,
Second Lieut. Randolph Russell,
Second Lieut. Ralston D. Livingston,
Second Lieut. Brock Putnam,
Second Lieut. Leland L. Miller,
Second Lieut. Edwin M. Sumner,
Second Lieut. William J. McChesney, jr.,
Second Lieut. Joseph Sheehan,
Second Lieut. James M. Currin,
Second Lieut. Thomas H. Green,
Second Lieut. William H. C. Grimes,
Second Lieut. Russell C. Winchester,
Second Lieut. James S. Rodwell,
Second Lieut. Charles F. Choate, 3d,
Second Lieut. Charles D. Ryan,
Second Lieut. Nathaniel Holmes,
Second Lieut. Kirk Broaddus,
Second Lieut. Paul Blackmer,
Second Lieut. Herbert A. Suman,
Second Lieut. Harold de B. Bruck,
Second Lieut. Donald A. Young,
Second Lieut. Hans C. Minuth,
Second Lieut. Edwin C. Gere,
Second Lieut. John M. Sweeney, jr.,
Second Lieut. George G. Ball,
Second Lieut. Samuel C. Skemp,
Second Lieut. Jacob M. Carter, jr.,
Second Lieut. Thomas P. Hazard,
Second Lieut. Francis C. Dossert,
Second Lieut. George W. Ewing, jr.,
Second Lieut. Crawford C. Madeira,
Second Lieut. Charles P. Davis,
Second Lieut. Harry R. Kilbourne,
Second Lieut. Elmer E. Finck,
Second Lieut. Harry H. Semmes,
Second Lieut. Clifford A. Eastwood,
Second Lieut. Guy A. Russell,
Second Lieut. Fenton S. Jacobs,
Second Lieut. Catesby ap C. Jones, and
Second Lieut. Charles Wharton.

INFANTRY.

Second Lieut. John Thomas Bell to be first lieutenant.

COAST ARTILLERY CORPS.

Second Lieut. Arthur H. Warner to be first lieutenant.

PROVISIONAL APPOINTMENTS, BY TRANSFER, IN THE ARMY.

CAVALRY ARM.

Second Lieut. George Stewart Warren, Infantry, to be second lieutenant of Cavalry.

INFANTRY ARM.

Second Lieut. James Robert Lowry, jr., Cavalry, to be second lieutenant of Infantry.

Second Lieut. Bernard M. Barcalow, Field Artillery, to be second lieutenant of Infantry.

FIELD ARTILLERY ARM.

Second Lieut. John S. Fishback, Infantry, to be second lieutenant of Field Artillery.

TEMPORARY PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

To be majors.

Capt. Clarence L. Sturdevant,
Capt. Earl J. Atkisson,
Capt. Richard T. Colner,
Capt. Robert S. A. Dougherty,
Capt. Stuart C. Godfrey,
Capt. Francis C. Harrington,
Capt. Edwin H. Marks,
Capt. Earl North,
Capt. Albert H. Acher,
Capt. Gilbert Van B. Wilkes,
Capt. John C. H. Lee,
Capt. Frank S. Besson,
Capt. Lindsay C. Herkness,
Capt. Roscoe C. Crawford,
Capt. Bradford G. Chynoweth,
Capt. Gordon R. Young, and
Capt. Lunsford E. Oliver.

COAST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. Robert K. Gooch,
Second Lieut. Oliver N. Hollis,
Second Lieut. Cranston B. Rader,
Second Lieut. Cedric E. Scheerer,
Second Lieut. Geoffrey Marshall,
Second Lieut. Lloyd W. Taylor,
Second Lieut. Guy H. Hearon,
Second Lieut. Francis E. Harrison, jr.,

Second Lieut. James W. Hopkins,
Second Lieut. Ralph E. Billsborrow,
Second Lieut. Alfred W. Chapman,
Second Lieut. William A. Emerson,
Second Lieut. Lawrence J. Meyns,
Second Lieut. James C. Vickery,
Second Lieut. Clarence E. Muehlberg,
Second Lieut. Edwin C. Higbee,
Second Lieut. William T. Andrews,
Second Lieut. Stoddard P. Johnston,
Second Lieut. Lewis A. Hudgins,
Second Lieut. Levi M. Bricker,
Second Lieut. Thomas P. Ahern,
Second Lieut. Lawrence Iverson,
Second Lieut. Herbert Macmillan,
Second Lieut. John P. MacNeill,
Second Lieut. Archibald L. Parmelee,
Second Lieut. Robert E. Ryerson,
Second Lieut. Sam H. Coile,
Second Lieut. Junius B. Peake,
Second Lieut. Sam W. Anderson,
Second Lieut. Richard B. Cross,
Second Lieut. Geoffrey A. Ogilvie,
Second Lieut. John S. Cansler,
Second Lieut. George M. Holstein, jr.,
Second Lieut. Joseph G. Cole.
Second Lieut. Ward Rubendall,
Second Lieut. Clyde LeG. Walker,
Second Lieut. Richard B. Gayle,
Second Lieut. Stillman B. Hyde,
Second Lieut. Winston W. Little,
Second Lieut. Ralph P. Wagner,
Second Lieut. John A. Spanogle,
Second Lieut. Henry M. Atkinson, jr.,
Second Lieut. Charles S. Harris,
Second Lieut. Paul W. Rutledge,
Second Lieut. Alvin C. Smith,
Second Lieut. James C. Corliss,
Second Lieut. Robert T. Chaplin,
Second Lieut. Chester B. McCoid,
Second Lieut. Hugh G. Lieber,
Second Lieut. Earle W. Marvin,
Second Lieut. Robert G. Rhett, jr.,
Second Lieut. James K. Morris,
Second Lieut. Charles E. Bates.
Second Lieut. Marshall L. Gosserand,
Second Lieut. Winthrop M. Allen.
Second Lieut. Maxwell R. McMillan,
Second Lieut. St. John Waddell, jr.,
Second Lieut. Cary B. Easley,
Second Lieut. Nicholas B. O'Connell,
Second Lieut. Junius T. Moore,
Second Lieut. Oscar D. McNeely,
Second Lieut. Abraham R. Ginsburg,
Second Lieut. Vincent K. Smith.
Second Lieut. Charles L. Ordeman,
Second Lieut. Ramon Conroy,
Second Lieut. Thomas J. Betts.
Second Lieut. David O. Haynes, jr.,
Second Lieut. Edwin J. Patton,
Second Lieut. Morris C. Handwerk,
Second Lieut. Herbert B. Knox, jr.,
Second Lieut. Charles Cobb, 3d.
Second Lieut. Benjamin F. Harmon,
Second Lieut. Ralph A. Densmore.
Second Lieut. Charles C. Bell, jr.,
Second Lieut. Charles W. Lawrance,
Second Lieut. Edgar C. Outten,
Second Lieut. David W. Burgoon.
Second Lieut. Raymond B. Bottom,
Second Lieut. Farrant L. Turner,
Second Lieut. Henry T. Morrison,
Second Lieut. Lee D. Pettingill,
Second Lieut. Malcolm H. Ross,
Second Lieut. Leonard R. Crews.
Second Lieut. Harold M. Jobes.
Second Lieut. Thomas J. Delaney,
Second Lieut. William F. Cassedy, jr.,
Second Lieut. John W. Loveland, jr.,
Second Lieut. Scott Hayes.
Second Lieut. Webster H. Warren,
Second Lieut. Callan E. England,
Second Lieut. Evan H. Benoy.
Second Lieut. John B. Bethea, jr.,
Second Lieut. Charles W. Higgins,
Second Lieut. Hugh N. Herrick.
Second Lieut. Harry Lee Campbell,
Second Lieut. Milton L. Dodge.
Second Lieut. Robert Mochrie.
Second Lieut. Albert B. Ede.
Second Lieut. Donald W. Tyrrell,
Second Lieut. Everett M. Barton,
Second Lieut. Warren S. Robinson,
Second Lieut. William W. Wertz,
Second Lieut. Evans R. Crowell,
Second Lieut. Simon L. Bear.
Second Lieut. Laurence W. Hutchinson,
Second Lieut. Gilbert H. Gaus,
Second Lieut. James C. Bates.
Second Lieut. Thomas E. Troland,
Second Lieut. William A. West, jr.
Second Lieut. Louis H. Thompson,
Second Lieut. Albert Bonds.
Second Lieut. Thomas W. Conrad,
Second Lieut. Frederick W. Hoorn,
Second Lieut. Charles C. Stalter,
Second Lieut. Joseph C. Stephens,
Second Lieut. Eugene R. Guild.
Second Lieut. Thomas R. Lannon.
Second Lieut. Leslie W. Jefferson,
Second Lieut. Luther O. Leach.
Second Lieut. James D. Jones.
Second Lieut. Guy W. Thomas.
Second Lieut. James L. McMullen.
Second Lieut. Charles R. Walker, jr.,
Second Lieut. Harold L. Williamson,
Second Lieut. Isaac Wynne, jr.,
Second Lieut. Temple H. Buell,
Second Lieut. Julien R. Hume,
Second Lieut. John R. Embich.
Second Lieut. Ernest W. Soucy,
Second Lieut. Donald B. Hilton,
Second Lieut. Ralph E. Hill.
Second Lieut. Francis L. Christian,
Second Lieut. Maitland Bottoms,
Second Lieut. William R. Epes,
Second Lieut. Irvin H. Zeliff.
Second Lieut. Charles H. Stewart,
Second Lieut. John Fiacsan.
Second Lieut. Edward N. Horr.
Second Lieut. Joseph E. Simmons,
Second Lieut. Lucius T. Hill.
Second Lieut. Hal F. Corry,
Second Lieut. Martin A. Hayes.
Second Lieut. Edward R. Holland, jr.,
Second Lieut. John W. Russey,
Second Lieut. James D. McIntyre,
Second Lieut. Harry W. Lins.
Second Lieut. Bryan L. Milburn,
Second Lieut. Alexander B. Carrington, jr.,
Second Lieut. Frederick H. Bachman,
Second Lieut. Bradley J. Saunders, jr.,
Second Lieut. Herbert C. Bartlett,
Second Lieut. Nyal L. Adams,
Second Lieut. William B. Cooley,
Second Lieut. Lloyd G. Sparks,
Second Lieut. Arthur F. Aston,
Second Lieut. Charles M. Dale,
Second Lieut. Stanford Rayne,
Second Lieut. Harry M. Carder, jr.,
Second Lieut. William A. Clark, jr.,
Second Lieut. William W. Dinsmore,
Second Lieut. Arthur Duffy,
Second Lieut. Ellsworth Young.
Second Lieut. John W. Fuchs,
Second Lieut. Thomas R. Bartlett,
Second Lieut. Dudley F. Taylor,
Second Lieut. James L. D. Corey.
Second Lieut. Andrew J. Bentley,
Second Lieut. Frank H. Pritchard,
Second Lieut. Clyde M. Watson, and
Second Lieut. Stanley H. Franklin,

FIELD ARTILLERY ARM.

To be first lieutenants.

Second Lieut. William R. Gerhardt,
Second Lieut. Theodore E. Buechler,
Second Lieut. Frederick E. Tibbetts, jr.,
Second Lieut. Samuel D. Ringsdorf,
Second Lieut. Redmond F. Kernan, jr.,

Second Lieut. Theodore L. Futch,
Second Lieut. Russell L. Meredith,
Second Lieut. William I. Wilson,
Second Lieut. Harold A. Cooney,
Second Lieut. John T. Knight, jr.,
Second Lieut. Miles A. Cowles,
Second Lieut. Lawrence McC. Jones,
Second Lieut. Gordon G. Heiner, jr.,
Second Lieut. Edward J. Wolff, jr.,
Second Lieut. Addison H. Douglass,
Second Lieut. Arthur E. Fox,
Second Lieut. Lewis A. Bond,
Second Lieut. Robert A. B. Goodman,
Second Lieut. Devereaux C. Josephs,
Second Lieut. Henry M. Rees,
Second Lieut. John G. Paul,
Second Lieut. James E. Brinckerhoff,
Second Lieut. William G. Cummings,
Second Lieut. Harold T. Brotherton,
Second Lieut. Larkin W. Glazebrook, jr.,
Second Lieut. Samuel D. Smolev,
Second Lieut. Charles F. Neave,
Second Lieut. Robert W. Wilson,
Second Lieut. Donald H. Brown,
Second Lieut. Ralph de P. Terrell,
Second Lieut. Stephen B. Ives,
Second Lieut. Robert F. Webb,
Second Lieut. William G. Lasch,
Second Lieut. Miller H. Pontius,
Second Lieut. Fritz A. Nagel,
Second Lieut. Adrian J. McDonald,
Second Lieut. John E. Hartigan,
Second Lieut. John L. Handy,
Second Lieut. Edgar A. O'Hair,
Second Lieut. Stephen Mahon,
Second Lieut. Addison B. Green,
Second Lieut. John R. Shepley,
Second Lieut. Roger A. Sanford,
Second Lieut. Kenneth L. Holmes-Brown,
Second Lieut. Oliver B. Cunningham,
Second Lieut. Harvey E. Ragland,
Second Lieut. Charles H. Burchenal,
Second Lieut. Robert E. Crotty,
Second Lieut. Wilton Lloyd-Smith,
Second Lieut. Frank C. Delaney,
Second Lieut. Pell W. Foster, jr.,
Second Lieut. Kennedy Hassenzahl,
Second Lieut. Arthur P. Patterson,
Second Lieut. Robert P. Reynolds,
Second Lieut. Philip G. Hodge,
Second Lieut. Dennis P. McCarthy,
Second Lieut. Albert Tate,
Second Lieut. Le Count H. Slocum,
Second Lieut. John H. Shelton,
Second Lieut. Louis H. Lathrop,
Second Lieut. John Van H. Challiss,
Second Lieut. Junius S. Roberts,
Second Lieut. Frederic W. W. Graham, jr.,
Second Lieut. Joseph R. Estabrook,
Second Lieut. Harold D. Finley,
Second Lieut. Leo Joseph Vogel,
Second Lieut. James P. Kelly,
Second Lieut. Richard B. von Maur,
Second Lieut. Harold T. Deeds,
Second Lieut. Millard L. Hamaker,
Second Lieut. John B. Fidlar,
Second Lieut. Wilbur B. Sumner,
Second Lieut. Douglas Henry,
Second Lieut. John A. Graves,
Second Lieut. Hastings S. Morse,
Second Lieut. George M. Schurman,
Second Lieut. William E. Corkill,
Second Lieut. Charles D. Brown,
Second Lieut. Lester M. Kilgarif,
Second Lieut. Henry W. Krotzer,
Second Lieut. James B. Catlett,
Second Lieut. Robert L. Randol,
Second Lieut. Douglas L. Crane,
Second Lieut. Melville H. Rood,
Second Lieut. Thomas L. Chalmers,
Second Lieut. Harry N. Blue,
Second Lieut. Fredric H. Timmerman,
Second Lieut. James H. McHenry,
Second Lieut. Alfred J. Bardford,
Second Lieut. Gurney L. Smith,
Second Lieut. John M. Franklin,
Second Lieut. George S. Goodspeed,
Second Lieut. Amos E. Carmichael,
Second Lieut. Raymond H. Seagle,
Second Lieut. John V. Anderson,
Second Lieut. Leon C. Swager,
Second Lieut. Henry W. Wiley,
Second Lieut. Walter Rompel,
Second Lieut. Winfred C. Green,
Second Lieut. Marion I. Voorhes,
Second Lieut. Algernon S. Coleman,
Second Lieut. Leslie W. Devereux,
Second Lieut. Robert F. LaBarron,
Second Lieut. Edgar G. Crossman,
Second Lieut. James H. Boyd,
Second Lieut. Ralph K. Learnard,
Second Lieut. Pitt F. Carl, jr.,
Second Lieut. David W. Potter,
Second Lieut. John H. Gardner, jr.,
Second Lieut. Earl C. Ewert,
Second Lieut. Donald D. Demarest,
Second Lieut. David J. Fitzgerald,
Second Lieut. William C. Chanler,
Second Lieut. Ralph W. Hahn,
Second Lieut. Orrin P. Kilbourn,
Second Lieut. Robert E. Jacobson,
Second Lieut. John T. Clancy,
Second Lieut. Richard A. Miller,
Second Lieut. Winthrop W. Leach,
Second Lieut. John W. O'Harrow, jr.,
Second Lieut. James B. Dick,
Second Lieut. Carol S. S. Kennedy,
Second Lieut. Dan Cummins Kenan,
Second Lieut. Joseph A. Martz,
Second Lieut. Andrew S. Messick,
Second Lieut. Lee B. Goff, jr.,
Second Lieut. Kenneth S. Wallace,
Second Lieut. Ralph Heatherington,
Second Lieut. Eugene B. Ripley, jr.,
Second Lieut. Thornton Davis,
Second Lieut. Frederick M. Williams,
Second Lieut. Harry B. Routh,
Second Lieut. William E. Farthing,
Second Lieut. Jackson H. Boyd, and
Second Lieut. Noel Noyes,

CAVALRY ARM.

Lieut. Col. Edgar A. Sirmyer to be colonel.

To be lieutenant colonels.

Maj. Hamilton Bowie,
Maj. Frederick J. Herman,
Maj. Ben Lear, jr.,
Maj. George P. Tyner, and
Maj. Walter F. Martin.

To be majors.

Capt. Walter F. Martin,
Capt. N. Butler Briscoe,
Capt. Elbert E. Farman, jr.,
Capt. George S. Patton, jr., and
Capt. James R. Hill.

To be captains.

First Lieut. Peter T. Coxe,
First Lieut. Francis H. Bouche,
First Lieut. William H. Sweet,
First Lieut. Louis Cansler,
First Lieut. William Van D. Ochs,
First Lieut. Lee L. Elzas, and
First Lieut. Owen G. Fowler.

To be first lieutenants.

Second Lieut. Calvert L. Estill,
Second Lieut. Nathan Cockrell,
Second Lieut. Channing C. Beeth,
Second Liept. Cecil J. North,
Second Lieut. Robert M. Eichelsdoerfer,
Second Lieut. Edmund H. Driggs, jr.,
Second Lieut. James T. Watson, jr.,
Second Lieut. Roswell E. Round,
Second Lieut. William D. Thompson,
Second Lieut. Murray H. Ellis,
Second Lieut. Wolcott P. Hayes,
Second Lieut. Joseph I. Lambert,
Second Lieut. Ralph W. Rogers,
Second Lieut. William P. Medlar,

Second Lieut. Lawrence A. Shafer,
Second Lieut. Thurlby M. Rundel,
Second Lieut. Charles B. B. Bubb,
Second Lieut. Paul E. McDermott,
Second Lieut. Gustav B. Guenther,
Second Lieut. William H. Skinner,
Second Lieut. Leslie F. Lawrence,
Second Lieut. Horace W. Forster,
Second Lieut. Franklin C. Ketler,
Second Lieut. Charles Pope, 2d.
Second Lieut. Waldemar A. Falck,
Second Lieut. Carl J. Rohsenberger,
Second Lieut. Crawford M. Kellogg,
Second Lieut. James V. McDowell,
Second Lieut. Harry L. Hart,
Second Lieut. James H. B. Bogman,
Second Lieut. Robert H. Gallier,
Second Lieut. Percy S. Haydon,
Second Lieut. David J. Chaille,
Second Lieut. Albert E. McIntosh,
Second Lieut. Jefferson Kinney, jr.,
Second Lieut. Halbert H. Neilson,
Second Lieut. Leland C. McAuley,
Second Lieut. Carl R. Johnston.
Second Lieut. Dean R. De Merritt,
Second Lieut. Vance W. Batchelor.
Second Lieut. Truman E. Boudinot,
Second Lieut. James R. Wood,
Second Lieut. William J. Gallagher,
Second Lieut. Charles Rudd.
Second Lieut. James G. Strobridge,
Second Lieut. Stephen Boon, jr.,
Second Lieut. Harold G. Holt,
Second Lieut. Walter Gunther,
Second Lieut. Roy V. Morledge,
Second Lieut. John W. Noble,
Second Lieut. Herman R. Crile,
Second Lieut. Joseph E. Torrence,
Second Lieut. Charles G. Hutchinson,
Second Lieut. Chester P. Dorland,
Second Lieut. Ernest D. McQueen,
Second Lieut. Archie E. Groff.
Second Lieut. George D. Wiltshire,
Second Lieut. Alfonso F. Zerbee,
Second Lieut. Jackson B. Wood,
Second Lieut. Arthur J. Wehr,
Second Lieut. Robert C. Scott.
Second Lieut. Ernest F. Apeldorn, jr.,
Second Lieut. Grayson C. Woodbury,
Second Lieut. Duncan G. McGregor,
Second Lieut. Thomas J. Heavey,
Second Lieut. Wallace F. Safford,
Second Lieut. Joshua A. Stansell,
Second Lieut. Raymond E. S. Williamson,
Second Lieut. David C. G. Schlenker,
Second Lieut. Harry T. Wood,
Second Lieut. Earl F. Knoob,
Second Lieut. Robert E. Symmonds,
Second Lieut. John R. W. Diehl,
Second Lieut. Rudolph D. Delehanty,
Second Lieut. William H. W. Reinburg,
Second Lieut. Elmer H. Almquist,
Second Lieut. Frank L. Carr,
Second Lieut. Frank E. Bertholet,
Second Lieut. Marion Carson,
Second Lieut. Rossiter H. Garity,
Second Lieut. Frank C. Jedlicka,
Second Lieut. Leo B. Conner,
Second Lieut. John B. Saunders,
Second Lieut. Arthur B. Custis,
Second Lieut. Desmond O'Keefe,
Second Lieut. Hal M. Rose,
Second Lieut. Frederick J. Durrschmidt,
Second Lieut. Milton W. Davis,
Second Lieut John B. Bellinger, jr.,
Second Lieut. John R. Evans,
Second Lieut. Fenton S. Jacobs,
Second Lieut. Catesby ap C. Jones,
Second Lieut. Charles Wharton,
Second Lieut. W. Dirk Van Ingen,
Second Lieut. Herbert V. Scanlan,
Second Lieut. Sigurd von Christierson,
Second Lieut. Kenneth O. Spinning,
Second Lieut. Curt E. Hansen,
Second Lieut. Vincent P. Ryan,
Second Lieut. Raymond C. Blatt,
Second Lieut. Clinton de Witt,
Second Lieut. Harold J. Adams,
Second Lieut. William B. Van Auken,
Second Lieut. Harold Kitson,
Second Lieut. John Boles,
Second Lieut. Charles R. Gross,
Second Lieut. Irvine L. McAlister,
Second Lieut. Robert G. Breene,
Second Lieut. James I. Gibbon,
Second Lieut. Walter C. Butler,
Second Lieut. Don Briley,
Second Lieut. Howard F. Long,
Second Lieut. Benjamin Lufkin,
Second Lieut. Burton C. Andrus,
Second Lieut. Harold E. Lewis,
Second Lieut. Newell P. Weed,
Second Lieut. Arthur H. Besse,
Second Lieut. Charles W. White,
Second Lieut. John R. Lindsey,
Second Lieut. George L. Snelling,
Second Lieut. Duane L. Tice.
Second Lieut. Jason B. Hart,
Second Lieut. Roland H. Rogers,
Second Lieut. Fred N. Raymond,
Second Lieut. Glenn W. Keith,
Second Lieut. Roscoe C. B. Ellard,
Second Lieut. Robert C. Knowlton,
Second Lieut. Richard H. Pinney,
Second Lieut. Garland C. Black,
Second Lieut. George A. Delaney,
Second Lieut. Keith F. Driscoll,
Second Lieut. Albert G. Hunt,
Second Lieut. Egbert F. Bullene,
Second Lieut. Arthur W. Stanley,
Second Lieut. Harold E. Brailey,
Second Lieut. Carleton Burgess,
Second Lieut. Frederick H. Vandregrift,
Second Lieut. Harry E. Dodge,
Second Lieut. Charles F. Palmer,
Second Lieut. Jay D. D. Marcellus,
Second Lieut. Lewis D. Cooper, jr.,
Second Lieut. Charles J. Davis,
Second Lieut. George W. Outland,
Second Lieut. John M. Moose, jr.,
Second Lieut. Nelson R. Perry,
Second Lieut. Innes Randolph,
Second Lieut. Carl B. Byrd,
Second Lieut. Thomas Brady, jr.,
Second Lieut. Gilbert X. Cheves,
Second Lieut. Wingate Battle,
Second Lieut. Harold B. Wharfield,
Second Lieut. Wade C. Gatchell,
Second Lieut. Henry G. White,
Second Lieut. Norman D. Twichell,
Second Lieut. Andrew J. Wynne,
Second Lieut. Howard C. Wiener,
Second Lieut. Walter F. Goodman,
Second Lieut. Thomas M. Benson,
Second Lieut. Edward F. Porter,
Second Lieut. Lucian K. Truscott, jr.,
Second Lieut. Ralph E. Alstead,
Second Lieut. Arthur S. Kelley.
Second Lieut. James H. Akerman,
Second Lieut. Raymond T. Connell,
Second Lieut. James N. W. McClure,
Second Lieut. Gabriel R. Mead,
Second Lieut. Millard G. Harnden,
Second Lieut. David McK. Wilson,
Second Lieut. Leonard M. Mertz,
Second Lieut. Ernest A. Williams,
Second Lieut. Daniel H. McCarthy,
Second Lieut. Slocum Kingsbury,
Second Lieut. George H. Millholland,
Second Lieut. Gardiner S. Platt,
Second Lieut. Roy I. Phares,
Second Lieut. Donald R. Dunkle,
Second Lieut. Chester E. Davis,
Second Lieut. Holmes G. Paullin,
Second Lieut. Francis R. Kenney,
Second Lieut. Monroe P. Smith,
Second Lieut. John H. Irving,
Second Lieut. Evan D. Cameron, jr.,
Second Lieut. William F. McLaughlin,
Second Lieut. Glenn S. Finley,

Second Lieut. Manly F. Meador,
Second Lieut. Ernest F. Sexton,
Second Lieut. Stephen W. Davis,
Second Lieut. Lynn B. Conde,
Second Lieut. Clarence B. Werts,
Second Lieut. Henry R. Miller, jr.,
Second Lieut. John H. G. Reily,
Second Lieut. Charles H. Unger,
Second Lieut. William D. Tabor,
Second Lieut. Horace S. King,
Second Lieut. Edward M. Fickett,
Second Lieut. James C. Van Ingen,
Second Lieut. Callie H. Palmer,
Second Lieut. Charles R. Chase.
Second Lieut. Thomas F. Mishou, jr.,
Second Lieut. Robert B. Jackson,
Second Lieut. Christopher C. Strawn,
Second Lieut Allyn R. Brownson,
Second Lieut. John R. Breitinger,
Second Lieut. Robert D. Beer,
Second Lieut. Alfred J. de Lorimier,
Second Lieut. George S. Warren,
Second Lieut. William O. Coleman,
Second Lieut. Herbert R. Sargent,
Second Lieut. John E. Ketchum,
Second Lieut. Arwed C. Baltzer,
Second Lieut. James W. Ewing,
Second Lieut. Wallace Van Cleave,
Second Lieut. Karl W. Curtis,
Second Lieut. Carl E. Rankin,
Second Lieut. Richard E. Tallant,
Second Lieut. Nelson M. Utley,
Second Lieut. John A. McDonald,
Second Lieut. Henry H. Cheshire,
Second Lieut. Nathan B. Reynolds,
Second Lieut. John Andrew Wood,
Second Lieut. Venable Moore,
Second Lieut. Guy L. Furr,
Second Lieut. Walter McL. Robinson,
Second Lieut. John S. Peters,
Second Lieut. Herbert L. Earnest,
Second Lieut. Verne Austin,
Second Lieut. Willis H. Ryder,
Second Lieut. Alden H. Torrey,
Second Lieut. Morris T. Whitmore,
Second Lieut. Samuel Leask, jr.,
Second Lieut. Guy E. Dillard,
Second Lieut. Ray T. Maddocks,
Second Lieut. Thomas A. Frazier,
Second Lieut. Victor R. Sladek,
Second Lieut. James W. Husted, jr.,
Second Lieut. Richard N. Atwell,
Second Lieut. William Elliott, jr.,
Second Lieut. Thomas B. Locke,
Second Lieut. Morris S. Daniels, jr.,
Second Lieut. Frank S. Pope,
Second Lieut. Harold G. Davis,
Second Lieut. Robert M. Cherry,
Second Lieut. Roger W. Sawyer,
Second Lieut. John H. Welsh,
Second Lieut. Edwin J. Kratzenberg,
Second Lieut. Robert D. Coye,
Second Lieut. Almet F. Jenks, jr.,
Second Lieut. James P. Gifford,
Second Lieut. Vern Hinkley,
Second Lieut. Charles C. Allen, jr.,
Second Lieut. A. Herman Stump,
Second Lieut. John O. Lawrence,
Second Lieut. Charles W. Glover,
Second Lieut. William R. Evans,
Second Lieut. John K. Gailey, jr.,
Second Lieut. Warren L. Shumaker,
Second Lieut. Charles R. Simmons,
Second Lieut. James Van V. Shufelt,
Second Lieut. William H. Davidson,
Second Lieut. Herbert A. Welch,
Second Lieut. Hobart R. Gay,
Second Lieut. Rutherford L. Hammond,
Second Lieut. Paul H. Alling,
Second Lieut. Ervin W. Harrison, jr.,
Second Lieut. Raymond G. Clark,
Second Lieut. Elisha C. Wattles,
Second Lieut. Brooks Shumaker,
Second Lieut. Parker G. Tenney,
Second Lieut. George P. Pattison,
Second Lieut. Mordaunt V. Turner,
Second Lieut. Norman E. Waldron,
Second Lieut. Herbert J. Burke,
Second Lieut. Leo L. Gocker,
Second Lieut. Carleton Swasey,
Second Lieut. John H. Ransdell,
Second Lieut. Edwin W. Godbold,
Second Lieut. Louis G. Forney,
Second Lieut. Hugh Brooks,
Second Lieut. John G. White,
Second Lieut. Edwin W. Meise,
Second Lieut. Raymond C. Gibbs,
Second Lieut. Leo F. Crane,
Second Lieut. Harry C. Boden,
Second Lieut. Robert Driscoll,
Second Lieut. Rohland A. Isker,
Second Lieut. James M. Graham, jr.,
Second Lieut. Wallace G. Corwin,
Second Lieut. Robert R. Maxwell,
Second Lieut. Peter D. Larson,
Second Lieut. Charles A. Horger,
Second Lieut. Robert O. Wright,
Second Lieut. Arthur D. Soper,
Second Lieut. Conrad G. Wall,
Second Lieut. Andrew Wilson, jr.,
Second Lieut. Roger L. Branham,
Second Lieut. Harold A. Davis,
Second Lieut. Lloyd A. Houchin,
Second Lieut. Charlie E. Hart,
Second Lieut. Richard T. Lyons,
Second Lieut. Hugh A. Barnhart,
Second Lieut. James W. Jenkins,
Second Lieut. George H. Howard, jr.,
Second Lieut. Frank Wideman,
Second Lieut. Arthur C. Crunden,
Second Lieut. James Parker,
Second Lieut. James T. Donald,
Second Lieut. Edward G. Knowles,
Second Lieut. Guy T. O. Hollyday,
Second Lieut. Francis V. Terry,
Second Lieut. Tolman D. Wheeler,
Second Lieut. Charles E. Dissinger,
Second Lieut. Martin G. Charles,
Second Lieut. Earl M. Abbott,
Second Lieut. Harvey M. Breaks,
Second Lieut. Williamson W. Simons,
Second Lieut. Robert B. Kerr,
Second Lieut. Samuel V. H. Danzig,
Second Lieut. George F. Neilson,
Second Lieut. Dean A. Jones.
Second Lieut. Hugh F. Conrey,
Second Lieut. Callistus J. Ennis,
Second Lieut. Venance Le May,
Second Lieut. Edward L. Morss,
Second Lieut. Paul C. Febiger,
Second Lieut. David N. Sutton,
Second Lieut. Alexander D. Mason,
Second Lieut. William E. Duke,
Second Lieut. Earle L. Hazard,
Second Lieut. Paul J. King,
Second Lieut. Harry E. Pendleton,
Second Lieut. Thomas McP. Glasgow,
Second Lieut. John McLean,
Second Lieut. Fred T. Cunningham,
Second Lieut. Benton F. Munday,
Second Lieut. Gyles Merrill,
Second Lieut. William C. Bowie,
Second Lieut. Wilfred E. Willis,
Second Lieut. John B. Seaton.
Second Lieut. Thomas B. Sweeney,
Second Lieut. Richard S. Miesse,
Second Lieut. James M. Adamson, jr.,
Second Lieut. Charles E. Sheldrake,
Second Lieut. Kenneth M. Harris,
Second Lieut. Max. H. Nippel.
Second Lieut. Charles M. Stewart, 3d,
Second Lieut. Philip S. Weadock,
Second Lieut. Stewart F. Miller,
Second Lieut. Joe C. Rogers,
Second Lieut. Frank A. Allen, jr.,
Second Lieut. Matthew Griswold, 3d,
Second Lieut. Guy O. Kurtz,
Second Lieut. Louis J. Compton,
Second Lieut. Frederick Sanborn,
Second Lieut. Clarence A. Lefferts,

Second Lieut. Nables F. Ryan,
Second Lieut. George W. Barber,
Second Lieut. Francis M. Weld,
Second Lieut. Read Wipprecht,
Second Lieut. Claire M. Daugherty,
Second Lieut. Ceylon O. Griffin,
Second Lieut. Edward E. Hamilton,
Second Lieut. Erle F. Cress,
Second Lieut. Dimetrio P. Harkins,
Second Lieut. Harold G. Hathaway,
Second Lieut. Bruce M. McDill,
Second Lieut. Loren F. Parmley,
Second Lieut. Edward Herendeen,
Second Lieut. Floyd M. Friar,
Second Lieut. John A. Anheier,
Second Lieut. Grayson H. Bowers,
Second Lieut. Thomas W. Herren,
Second Lieut. Alfred R. Teter,
Second Lieut. Harry G. Clarke,
Second Lieut. Alden H. Seabury,
Second Lieut. Fred W. Koester,
Second Lieut. Clarence A. Shannon,
Second Lieut. Alexander B. MacNabb,
Second Lieut. Charles C. McCall,
Second Lieut. William N. Todd, jr.,
Second Lieut. Walton W. Cox,
Second Lieut. Dudley Miller,
Second Lieut. John K. Egan,
Second Lieut. Thomas R. Taber,
Second Lieut. Earl W. Henderson,
Second Lieut. Ross E. Larsen,
Second Lieut. Charles W. Burton,
Second Lieut. Harry D. Bishop,
Second Lieut. John S. McCloy, and
Second Lieut. Samuel G. Mitchell.

INFANTRY.

To be captains.

First Lieut. Willis E. Comfort,
First Lieut. Leven C. Allen,
First Lieut. Joseph Quesenberry,
First Lieut. Robert O. Jones,
First Lieut. Oliver A. Hess,
First Lieut. Edward A. Allen,
First Lieut. Carroll M. DeWitt,
First Lieut. George L. Pepin,
First Lieut. Clarence B. Carver,
First Lieut. Jedediah H. Hills,
First Lieut. Edwin E. Schwien,
First Lieut. Dan D. Howe,
First Lieut. John E. Copeland,
First Lieut. Lloyd N. Keesling,
First Lieut. John H. Humbert,
First Lieut. Joseph L. Lancaster,
First Lieut. David R. Kerr,
First Lieut. Everett G. Smith,
First Lieut. Lyman S. Frasier,
First Lieut. Howard E. Hawkinson,
First Lieut. Julius A. Mood, jr.,
First Lieut. Sidney S. Eberle,
First Lieut. Joseph N. Dalton,
First Lieut. Charles N. Stevens,
First Lieut. James S. Bailey,
First Lieut. Henry C. Long, jr.,
First Lieut. William E. Lucas, jr.,
First Lieut. Victor Parks,
First Lieut. Walter A. Pashkoski,
First Lieut. Roscius H. Back,
First Lieut. Oscar F. Carlson,
First Lieut. Richard G. Tindall,
First Lieut. Roy L. Taylor,
First Lieut. Leander R. Hathaway,
First Lieut. German W. Lester,
First Lieut. Karl Engeldinger,
First Lieut. Francis A. Byrne,
First Lieut. Harry J. Selby,
First Lieut. Farragut F. Hall,
First Lieut. Orville M. Moore,
First Lieut. Walter R. McClure,
First Lieut. Charles E. Speer,
First Lieut. Baldwin Williams-Foote,
First Lieut. Edmund Wilhelm,
First Lieut. George H. Butler,
First Lieut. Frank C. Foley,
First Lieut. Leonard R. Boyd,
First Lieut. Withers A. Burress,
First Lieut. Arthur J. Hoffmann,
First Lieut. Harry L. Bennett, jr.,
First Lieut. Joseph J. McConville,
First Lieut. John C. Platt, jr.,
First Lieut. Thomas H. Ward,
First Lieut. Edward H. Nichols,
First Lieut. Lawrence B. Glascow,
First Lieut. Alfred D. Hayden,
First Lieut. Melville W. F. Wallace,
First Lieut. Paul M. Ellis,
First Lieut. Kirk A. Metzerott,
First Lieut. Thomas E. Mount,
First Lieut. John P. Pryor,
First Lieut. Jewett C. Baker,
First Lieut. Robert B. Moore,
First Lieut. Charles W. Jones,
First Lieut. Edward H. Cotcher,
First Lieut. Robert S. Miller,
First Lieut. Paul N. Starlings,
First Lieut. Charles Porterfield, jr.,
First Lieut. Sevier R. Tupper,
First Lieut. Frank E. Royse,
First Lieut. Lawrence F. Stone,
First Lieut. Aaron J. Becker,
First Lieut. Wilson M. Spann,
First Lieut. James V. Ware,
First Lieut. Robert W. Brown,
First Lieut. James R. Manning,
First Lieut. Charles L. Steel,
First Lieut. Stuart R. Carswell,
First Lieut. Gilbert S. Harter,
First Lieut. John W. Cotton,
First Lieut. Ralph E. Wallace,
First Lieut. Lawrence W. Fagg,
First Lieut. Maury Mann,
First Lieut. Rupert L. Purdon,
First Lieut. Richard S. Jones,
First Lieut. William C. Hanna,
First Lieut. Leon C. Harer,
First Lieut. Edwin M. Scott,
First Lieut. Paul J. Dowling,
First Lieut. John H. Jones,
First Lieut. Rufus E. Wicker,
First Lieut. Charles L. Briscoe,
First Lieut. Hermann C. Dempewolf,
First Lieut. Frank E. Hinton,
First Lieut. Frank P. Tuohy,
First Lieut. John R. Hermann,
First Lieut. Louis T. Roberts,
First Lieut. James M. Palmer,
First Lieut. Ralph A. W. Pearson,
First Lieut. Alfred Millard,
First Lieut. Harry H. Ambs,
First Lieut. William H. Bittenbender,
First Lieut. Raymond H. Bishop,
First Lieut. James A. Summersett, jr.,
First Lieut. Hugh C. Gilchrist,
First Lieut. Allen T. Veatch,
First Lieut. Sigurd J. Simonsen,
First Lieut. Thomas G. Bond,
First Lieut. John E. Haywood,
First Lieut. Willis H. Hale,
First Lieut. Noe C. Killian,
First Lieut. Lindsay P. Johns,
First Lieut. Walter R. Mann,
First Lieut. Henry W. Lee,
First Lieut. Charles A. Shamotulski,
First Lieut. Sidney F. Mashbir,
First Lieut. William P. Scobey,
First Lieut. William C. Moore,
First Lieut. Albion Smith,
First Lieut. Le Roy Lutes,
First Lieut. Edwin D. Patrick,
First Lieut. Herman F. Kramer,
First Lieut. Clarence P. Evers,
First Lieut. William H. Coacher,
First Lieut. Edward S. Johnston,
First Lieut. John T. Henderson,
First Lieut. Ray P. Harrison,
First Lieut. Daniel M. Cheston, jr.,
First Lieut. Kirke B. Everson,
First Lieut. John C. Daly,
First Lieut. Paul E. Peabody,
First Lieut. Albert F. Christensen,

First Lieut. William S. Maxwell,
First Lieut. Ernest H. Burt,
First Lieut. Frederick R. Baker,
First Lieut. James D. Basey,
First Lieut. Ray M. O'Day,
First Lieut. Alan Pendleton,
First Lieut. Merritt E. Olmstead,
First Lieut. Benjamin F. Caffey, jr.,
First Lieut. Haydn P. Mayers,
First Lieut. Rogers M. Wilson,
First Lieut. Henry E. Mosher,
First Lieut. Albin K. Kupfer,
First Lieut. Augustine J. Zerbee,
First Lieut. Frank A. Heileman,
First Lieut. Arthur B. Hutchinson,
First Lieut. Lauritz D. Simonson,
First Lieut. Carl R. Perkins,
First Lieut. Franklin W. Cheney,
First Lieut. George F. Wellage,
First Lieut. Alfred F. Biles, jr.,
First Lieut. Charles T. Hearin,
First Lieut. Hugh M. Davis,
First Lieut. John F. Fredin, jr.,
First Lieut. James B. Wise, jr.,
First Lieut. Harry L. Kimmel,
First Lieut. Clarence M. Culp,
First Lieut. Robert D. Horton,
First Lieut. Charles B. Kehoe,
First Lieut. Philip S. Wood,
First Lieut. Harvey C. Kearney,
First Lieut. Arthur P. Jervey,
First Lieut. Starr S. Eaton,
First Lieut. Oliver F. Holden,
First Lieut. Thomas L. Lamoreaux,
First Lieut. Daniel N. Murphy,
First Lieut. Adlai C. Young,
First Lieut. Alexander N. Stark, jr.,
First Lieut. Clinton I. McClure,
First Lieut. Roy C. L. Graham,
First Lieut. Lloyd B. Russell,
First Lieut. George R. Barker,
First Lieut. John E. Gough,
First Lieut. Leonard A. Smith,
First Lieut. John W. Thompson,
First Lieut. Philip Overstreet,
First Lieut. Lara P. Good,
First Lieut. George A. McDonald,
First Lieut. George M. Wright, jr.,
First Lieut. Archie A. Farmer,
First Lieut. John T. Fisher,
First Lieut. Edwin E. Elliott,
First Lieut. Charles S. Ferrin,
First Lieut. George W. Titus,
First Lieut. John C. Adams,
First Lieut. Robert G. Ervin,
First Lieut. Edward L. McKee, jr.,
First Lieut. Robert W. Nix, jr.,
First Lieut. Francis E. Dougherty,
First Lieut. Lyman L. Parks,
First Lieut. John T. Murray,
First Lieut. Warfield M. Lewis,
First Lieut. Joseph L. Collins,
First Lieut. James O. Green, jr.,
First Lieut. Daves Rossell,
First Lieut. Harold M. White,
First Lieut. Lincoln F. Daniels,
First Lieut. Frederick A. Irving,
First Lieut. Matthew B. Ridgway,
First Lieut. Richard M. Wightman,
First Lieut. Charles W. Yuill,
First Lieut. William W. Eagles,
First Lieut. Francis A. Markoe,
First Lieut. John J. McEwan,
First Lieut. John A. Stewart,
First Lieut. George W. Sackett,
First Lieut. Francis G. Bonham,
First Lieut. Norman D. Cota,
First Lieut. Robert B. Ransom,
First Lieut. Carleton Coulter, jr.,
First Lieut. James H. Frier, jr.,
First Lieut. Leo J. Erler,
First Lieut. Robert D. Newton,
First Lieut. Willis R. Slaughter,
First Lieut. George H. Weems,
First Lieut. Roy L. Bowlin,
First Lieut. William C. McMahon,
First Lieut. Francis M. Brennan,
First Lieut. Milton B. Halsey,
First Lieut. Charles L. Mullins, jr.,
First Lieut. Thomas S. Sinkler, jr.,
First Lieut. George F. Wooley, jr.,
First Lieut. Sterling A. Wood, jr.,
First Lieut. William F. Redfield,
First Lieut. Mark W. Clark,
First Lieut. Stewart W. Hoover,
First Lieut. David S. Rumbough,
First Lieut. Francis J. Heraty,
First Lieut. Donovan Swanton,
First Lieut. Francis A. Macon, jr.,
First Lieut. Laurence B. Keiser,
First Lieut. Homer C. Brown,
First Lieut. Clare H. Armstrong,
First Lieut. Harris M. Melasky,
First Lieut. Sidney H. Young,
First Lieut. John C. Whitcomb,
First Lieut. Wallace J. Redner,
First Lieut. Charles D. Lewis,
First Lieut. Edward W. Leonard,
First Lieut. Paul H. Brown,
First Lieut. William S. Eley,
First Lieut. Paul W. York,
First Lieut. Ferdinand G. von Kummer, jr.,
First Lieut. Joseph P. Sullivan,
First Lieut. Henry H. Chapman,
First Lieut. Asa P. Pope,
First Lieut. Edwin H. Clark,
First Lieut. Lewis Perrine,
First Lieut. Clarke K. Fales,
First Lieut. John A. Weishample,
First Lieut. Malcolm B. Helm,
First Lieut. Madison Pearson,
First Lieut. John M. Boon,
First Lieut. Roger Hilsman,
First Lieut. Holmes E. Dager,
First Lieut. James E. Allison,
First Lieut. Harry E. Fisher,
First Lieut. Thomas L. Alexander,
First Lieut. Charles E. Ravens,
First Lieut. Charles H. Jones,
First Lieut. Roger Williams, jr.,
First Lieut. Harry D. Hildebrand,
First Lieut. William Hones, jr.,
First Lieut. John J. Bethurum,
First Lieut. John L. Cootey,
First Lieut. Albert C. Anderson,
First Lieut. William H. Joiner,
First Lieut. Hugh P. Schiveley,
First Lieut. John D. Joanidy,
First Lieut. Gilmer M. Bell,
First Lieut. Manley Lawton,
First Lieut. Roy Sloan,
First Lieut Bryce F. Martin,
First Lieut. Harold C. Hoopes,
First Lieut. Henley Schick,
First Lieut. Glenn D. Hafford,
First Lieut. Paul R. Hudson,
First Lieut. William R. Dwyer,
First Lieut. Hanon F. Combs,
First Lieut. William E. Fentress,
First Lieut. Ralph Hall,
First Lieut. Mahlon G. Frost,
First Lieut. Benjamin H. Hensley,
First Lieut. Hawthorne C. Gray,
First Lieut. Donald J. Neumüller,
First Lieut. Orland S. O'Neal,
First Lieut. Otto Kramer,
First Lieut. George D. Ramsey,
First Lieut. Jerome Pickett,
First Lieut. Lebbens M. Cornish,
First Lieut. Leon F. Stevens,
First Lieut. William S. Rumbough,
First Lieut. George A. Murray,
First Lieut. Joseph E. Young,
First Lieut. Henry T. J. Weishaar,
First Lieut. Cyrus A. Hay,
First Lieut. Benjamin J. Holt, jr.,
First Lieut. Newton D. Hathaway,
First Lieut. Byron W. Fuller,
First Lieut. John E. Stulken,
First Lieut. Herman H. Meyer,

First Lieut. Carleton More,
First Lieut. Edward P. Sheppard,
First Lieut. Henry J. Matchett,
First Lieut. John H. Strickland,
First Lieut. Vincent S. Burton,
First Lieut. Griffith Wight,
First Lieut. Curtis P. Miller,
First Lieut. William Ernst,
First Lieut. John W. Bulger,
First Lieut. Roy W. Voege,
First Lieut. Taylor M. Uhler,
First Lieut. Roy G. Gordon,
First Lieut. Vernon L. Burge,
First Lieut. Simon Fostiak,
First Lieut. Edwin L. Dittmar,
First Lieut. Crosby N. Elliott,
First Lieut. Ernest R. Marvel,
First Lieut. Frank M. Child,
First Lieut. Raymond L. Price,
First Lieut. Frederic M. Lee,
First Lieut. Hurley E. Fuller,
First Lieut. Larry McHale,
First Lieut. Arthur M. O'Connor,
First Lieut. John P. Horan,
First Lieut. James H. S. Wells,
First Lieut. Augustus B. O'Connell,
First Lieut. Charles C. Fitzhugh,
First Lieut. Thomas L. McMurray,
First Lieut. Hiram G. Fry,
First Lieut. Paul E. Jackson,
First Lieut. Richard W. Cooksey,
First Lieut. Homer S. Youngs,
First Lieut. Edwin W. Grimmer,
First Lieut. William H. Clark,
First Lieut. Frank E. Haskell,
First Lieut. Lloyd D. Brown,
First Lieut. Roy C. Hilton,
First Lieut. Raymond E. O'Neill,
First Lieut. Justin S. Hemenway,
First Lieut. William A. Shely,
First Lieut. Corwin C. Smith,
First Lieut. John U. Ayotte,
First Lieut. Charles H. Barnwell, jr.,
First Lieut. Henry A. Schwarz,
First Lieut. Edward G. Herlihy,
First Lieut. Arnold J. Funk,
First Lieut. George M. Ferris,
First Lieut. Edwin L. MacLean,
First Lieut. Norman Minus,
First Lieut. Ernest N. Stanton,
First Lieut. Thomas G. O'Malley,
First Lieut. Newell R. Fiske,
First Lieut. Philip B. Harrigan,
First Lieut. John D. Hill,
First Lieut. Frank W. Gano,
First Lieut. John L. Pierce,
First Lieut. Donald K. Mason,
First Lieut. John J. Atkinson,
First Lieut. Lowell W. Rooks,
First Lieut. Claude J. Hayden,
First Lieut. Samuel D. Bedinger,
First Lieut. Alpheus E. W. Harrison,
First Lieut. Malcolm V. Fortier,
First Lieut. Edward C. Allworth,
First Lieut. Roland W. Wittman,
First Lieut. Julian R. Orton,
First Lieut. Reginald N. Hamilton,
First Lieut. John W. Nicholson,
First Lieut. Thomas A. Young,
First Lieut. Charles H. Lee,
First Lieut. Ray B. Conner,
First Lieut. James S. Moore,
First Lieut. Franklin H. Woody,
First Lieut. Herbert L. Landolt,
First Lieut. Samuel W. Sowerbutts,
First Lieut. Will Van S. Parks,
First Lieut. Charles B. Kelly,
First Lieut. Malcolm M. Maner,
First Lieut. John L. McKee,
First Lieut. Glenn L. Allen,
First Lieut. Charles R. Jones,
First Lieut. Willard S. Paul,
First Lieut. Moritz A. R. Loth,
First Lieut. Robert H. Chance,
First Lieut. Claude W. Shelton,
First Lieut. Harry G. Hodgkins, jr.,
First Lieut. Vincent P. Rousseau,
First Lieut. March H. Houser,
First Lieut. Lamont Davis,
First Lieut. James B. Golden,
First Lieut. Edwin B. Banister,
First Lieut. Wilfrid R. Higgins,
First Lieut. Eldon P. King,
First Lieut. Frederick S. Matthews,
First Lieut. Arthur P. Sibold,
First Lieut. Francis M. Lasseigne,
First Lieut. Walter Hellmers,
First Lieut. Jesse P. Green,
First Lieut. Howard W. Turner,
First Lieut. William A. Taber,
First Lieut. P. Barbour Peyton, jr.,
First Lieut. Henry G. Sebastian,
First Lieut. Wesley C. Brigham,
First Lieut. William M. Goldston,
First Lieut. Cyrus H. Searcy,
First Lieut. Theodore Kelly,
First Lieut. Leon E. Norris,
First Lieut. David M. Hunter,
First Lieut. J. Harold Fleischhauer,
First Lieut. Tasso W. Swartz,
First Lieut. Edward W. McCaskey, jr.,
First Lieut. Ward C. Goessling,
First Lieut. Curley P. Duson,
First Lieut. Richard D. Daugherity,
First Lieut. Walter R. Graham,
First Lieut. Albert H. Peyton,
First Lieut. Patrick Houstoun,
First Lieut. Miron J. Rockwell,
First Lieut. Peter Wirtz,
First Lieut. Allen W. Stradling,
First Lieut. Robert V. Tackabury,
First Lieut. James P. Murphy,
First Lieut. Gustav A. M. Anderson,
First Lieut. William E. Kepner,
First Lieut. William C. Peters,
First Lieut. Francis L. Hill,
First Lieut. Charles M. Parkin,
First Lieut. Jacob E. Bechtold,
First Lieut. Neal C. Johnson,
First Lieut. John E. McCarthy,
First Lieut. Leo M. Daly,
First Lieut. Norman P. Groff,
First Lieut. Glenn A. Ross,
First Lieut. Donald J. Myers,
First Lieut. Vic K. Burriss,
First Lieut. Francis A. Woolfley,
First Lieut. Carl B. Schmidt,
First Lieut. Leslie L. Connett,
First Lieut. Owen R. Rhoads,
First Lieut. Joe L. Ostrander,
First Lieut. Carl E. Driggers,
First Lieut. Carl G. Lewis,
First Lieut. John D. Burris,
First Lieut. Harry V. Hand,
First Lieut. Frederick V. Edgerton,
First Lieut. Anthony O. Adams,
First Lieut. George A. Stockton,
First Lieut. Charles W. Neues,
First Lieut. George R. Brown, jr.,
First Lieut. Oscar A. Burton,
First Lieut. Harold W. Kelty,
First Lieut. William H. Valentine,
First Lieut. George N. Munro,
First Lieut. Herbert Boyer,
First Lieut. Myron W. Sherman,
First Lieut. Woodworth B. Allen,
First Lieut. Robert Ferris,
First Lieut. William E. Shaw,
First Lieut. Lee B. Woolford,
First Lieut. Ned Blair,
First Lieut. Ernest A. Kinderwater,
First Lieut. Oscar M. McDole,
First Lieut. Jared I. Wood,
First Lieut. Henry H. Ranson,
First Lieut. Gordon C. Irwin,
First Lieut. Elbridge G. Chapman, jr.,
First Lieut. Jacob H. Lawrence,
First Lieut. Everett M. Yon,
First Lieut. Grady H. Pendergrast,
First Lieut. Robert E. Frye,

First Lieut. Cornelius F. Dineen,
First Lieut. John C. Haynes,
First Lieut. George L. Hopkins,
First Lieut. George M. MacMullin.
First Lieut. Harold K. Coulter,
First Lieut. Hugh C. H. Jones,
First Lieut. Otto E. Pentz,
First Lieut. Nicholas Szilagyi,
First Lieut. Williston L. Warren,
First Lieut. Frederick W. Hyde,
First Lieut. Gilbert Good,
First Lieut. Theodore Rayburn, and
First Lieut. Leland S. Hatfield.

To be first lieutenants.

Second Lieut. Roland M. Glenn,
Second Lieut. Harry S. Robertson,
Second Lieut. Lawrence M. Arnold,
Second Lieut. Arthur R. Knott,
Second Lieut. Samuel O'C. Neff.
Second Lieut. Philip E. Brown,
Second Lieut. Olaf P. Winningstad,
Second Lieut. Raymond M. Myers,
Second Lieut. Paul S. Russell,
Second Lieut. Herbert C. Smith,
Second Lieut. Edward N. Mitchell,
Second Lieut. James A. Van Sant,
Second Lieut. William E. Stanley,
Second Lieut. Frank S. Spruill, jr.,
Second Lieut. George A. Davis,
Second Lieut. Laurin L. Williams,
Second Lieut. George Van W. Pope,
Second Lieut. Edwin M. Allison,
Second Lieut. George E. Butler,
Second Lieut. Edgar L. Clewell,
Second Lieut. Herbert A. Buermeyer,
Second Lieut. Leo R. Moody,
Second Lieut. William McL. Christie,
Second Lieut. Leon D. Gibbens,
Second Lieut. Mark M. Grubbs,
Second Lieut. Robert A. Kinloch,
Second Lieut. Joel R. Burney,
Second Lieut. Franklin P. Shaw,
Second Lieut. Winfield H. Scott,
Second Lieut. Arthur G. Davidson,
Second Lieut. Harold A. White,
Second Lieut. Campbell N. Jackson,
Second Lieut. Joel A. Fite,
Second Lieut. James A. Black,
Second Lieut. Clarence R. Peck,
Second Lieut. Glenn G. Hall,
Second Lieut. Charles C. Gillette,
Second Lieut. Walace E. Hawkins,
Second Lieut. Ralph M. McFaul,
Second Lieut. Forrest P. Barrett,
Second Lieut. Beal H. Siler,
Second Lieut. Emmett G. Lenihan,
Second Lieut. Edward Hines, jr.,
Second Lieut. Bird Little,
Second Lieut. Evan C. Williams.
Second Lieut. James A. O'Neill,
Second Lieut. Coulter M. Montgomery,
Second Lieut. Einar W. Chester,
Second Lieut. James A. Griffin,
Second Lieut. Guy C. McKinley, jr.,
Second Lieut. Gordon P. Savage,
Second Lieut. Harold H. McClune,
Second Lieut. Kingsley Barham,
Second Lieut. Lester E. MacGregor,
Second Lieut. Harold P. Gibson,
Second Lieut. Lloyd R. Besse,
Second Lieut. Willard J. Mason,
Second Lieut. Percival R. Bowey,
Second Lieut. Hugh M. Elmendorf,
Second Lieut. William N. Given,
Second Lieut. Charles F. Sutherland,
Second Lieut. Lance E. Gowen,
Second Lieut. Edward P. Hayward,
Second Lieut. Gilbert E. Parker,
Second Lieut. Francis B. Myer,
Second Lieut. Arthur S. Nevins,
Second Lieut. Gustave Villaret, jr.,
Second Lieut. Horace E. Watson,
Second Lieut. Lester A. Webb,
Second Lieut. Royal C. Carpenter,
Second Lieut. Edwin S. Van Deusen,
Second Lieut. Robert S. Boykin,
Second Lieut. Edward M. Ford,
Second Lieut. William L. Phillips,
Second Lieut. George A. Hunt,
Second Lieut. Kenneth G. Reynolds,
Second Lieut. Robert H. Warren, jr.,
Second Lieut. Vyse B. Whedon,
Second Lieut. John Walcott,
Second Lieut. Philip H. Condit,
Second Lieut. John E. Dahlquist,
Second Lieut. Russell S. Fisher,
Second Lieut. Luther K. Brice,
Second Lieut. John M. Dale,
Second Lieut. Jack Edward Duke, jr.,
Second Lieut. Tom S. Brand,
Second Lieut. Charles M. Ankcorn,
Second Lieut. James R. Urquhart,
Second Lieut. John W. Saladine, jr.,
Second Lieut. Morrill W. Marston,
Second Lieut. Morrison C. Wood,
Second Lieut. Alymer B. Atkins,
Second Lieut. Robert Robinson,
Second Lieut. John D. Filley, jr.,
Second Lieut. William E. Bergin,
Second Lieut. John O. Crose,
Second Lieut. Samuel R. Epperson,
Second Lieut. Leslie F. Tanner,
Second Lieut. Frederick L. Bramlette,
Second Lieut. Benjamin W. Venable,
Second Lieut. Myron E. Bagley,
Second Lieut. John L. Murphy,
Second Lieut. John W. Freels,
Second Lieut. Eugene F. Gillespie,
Second Lieut. George W. Setzer, jr.,
Second Lieut. James B. Mudge,
Second Lieut. Allan H. Snowden,
Second Lieut. Earl L. R. Askam,
Second Lieut. Irvin L. Swanson,
Second Lieut. Philip D. Richmond,
Second Lieut. William W. Timmis,
Second Lieut. Gayle McFadden,
Second Lieut. Burt E. Skeel,
Second Lieut. Henry A. Brickley,
Second Lieut. Thomas P. Barry, jr.,
Second Lieut. Roger Wisner,
Second Lieut. Merril V. Reed.
Second Lieut. A. Pledger Sullivan,
Second Lieut. Douglas O. Langstaff,
Second Lieut. Ralph W. Hickey,
Second Lieut. George K. Page,
Second Lieut. Thomas L. Reese,
Second Lieut. William B. Yancey,
Second Lieut. Leo J. McCarthy,
Second Lieut. Griffin D. Vance,
Second Lieut. Joseph M. O'Grady,
Second Lieut. Clifford R. Wright,
Second Lieut. Donald McG. Marshman,
Second Lieut. John S. Coleman,
Second Lieut. Harrison B. Beavers,
Second Lieut. Elbridge Colby,
Second Lieut. Herbert D. Gibson,
Second Lieut. Goulding K. Wight,
Second Lieut. Harry S. Wilbur,
Second Lieut. Albert S. Johnson,
Second Lieut. Clarence O. Black,
Second Lieut. Paul B. Robinson,
Second Lieut. William L. Coulter,
Second Lieut. Glen E. McCarthey,
Second Lieut. Joseph H. Hinwood, jr.,
Second Lieut. Russell F. Walthour, jr.,
Second Lieut. James C. De Long,
Second Lieut. Joseph P. Lawlor,
Second Lieut. Timothy A. Pedley, jr.,
Second Lieut. Charles N. Owen,
Second Lieut. Charles R. Gideon,
Second Lieut. Archie MacI. Palmer,
Second Lieut. Jack B. Chadwick,
Second Lieut. John R. Bair,
Second Lieut. James S. Varnell,
Second Lieut. Arthur F. Dahlberg,
Second Lieut. Russell C. Chapman,
Second Lieut. Edwin T. Bowden,
Second Lieut. Eugene M. Frederick,

Second Lieut. Cassius H. Styles,
Second Lieut. Fisher S. Harris.
Second Lieut. Frederick J. Slackford,
Second Lieut. George F. Dashiell,
Second Lieut. Ray Edison Porter,
Second Lieut. Frank E. Barber,
Second Lieut. Julian Erwin,
Second Lieut. John E. Brannan,
Second Lieut. George W. Brodie, jr.,
Second Lieut. Waldron J. Cheyney,
Second Lieut. Edward R. Jobson,
Second Lieut. Albert S. Lewis, jr.,
Second Lieut. Edward S. Couch,
Second Lieut. William J. Devine,
Second Lieut. Edward H. Carpenter, jr.,
Second Lieut. Charles C. Brooks,
Second Lieut. Gordon Kaemmerling,
Second Lieut. Francis R. Holmes,
Second Lieut. William V. Rattan,
Second Lieut. Rosswell E. Hardy,
Second Lieut. Wilbur C. Herbert,
Second Lieut. Ross Martin,
Second Lieut. Alexander McC. Craighead,
Second Lieut. William Mason Smith, jr.,
Second Lieut. James M. Symington,
Second Lieut. Herron W. Miller,
Second Lieut. Maurice R. Fitts,
Second Lieut. Marvin R. Dye,
Second Lieut. Emanuel R. Wilson,
Second Lieut. William I. Truitt,
Second Lieut. Lloyd Zuppann,
Second Lieut. John K. Rice,
Second Lieut. Hammond D. Birks,
Second Lieut. James H. Hagan,
Second Lieut. Lester S. Ostrander,
Second Lieut. Edward T. White,
Second Lieut. Edward A. Whitney,
Second Lieut. Arthur B. Jopson,
Second Lieut. Charles P. Cullen,
Second Lieut. Frederick H. Gnarini,
Second Lieut. Roscoe B. Ellis,
Second Lieut. John A. Langan,
Second Lieut. Jeremiah E. Murphy,
Second Lieut. Edward G. Perley,
Second Lieut. Frank M. Conroy,
Second Lieut. Charles S. Johnson,
Second Lieut. Albert R. Boomhower,
Second Lieut. Hugh A. Wear,
Second Lieut. George A. Miller,
Second Lieut. David Loring, jr.,
Second Lieut. Stockbridge C. Hilton,
Second Lieut. James D. Everett,
Second Lieut. Gordon C. King,
Second Lieut. Jackson R. Sharman,
Second Lieut. Harvey C. McClary,
Second Lieut. Willard J. Freeman,
Second Lieut. Jay M. Fields,
Second Lieut. George A. Horkan,
Second Lieut. Samuel C. Thompson,
Second Lieut. Harry W. Caygill,
Second Lieut. Emery St. George,
Second Lieut. John L. Phillips,
Second Lieut. Berthoud Clifford,
Second Lieut. James E. Jeffres,
Second Lieut. Epler C. Mills,
Second Lieut. Harry E. Storms,
Second Lieut. Orlo H. Quinn,
Second Lieut. Ernest R. Hoftyzer,
Second Lieut. John W. Scott,
Second Lieut. Lewis A. Page,
Second Lieut. John M. Battle,
Second Lieut. John R. Sproul,
Second Lieut. Virgil Conkling,
Second Lieut. William R. Silvey,
Second Lieut. Alexander O. Gorder,
Second Lieut. Charles E. Garbrick,
Second Lieut. Forrest A. Roberts,
Second Lieut. Alonzo F. Myers,
Second Lieut. Thomas E. Martin,
Second Lieut. Max J. Berg,
Second Lieut. Thomas J. Guilbeau,
Second Lieut. Hugh J. Hannigan,
Second Lieut. John J. Mathison,
Second Lieut. Milo V. Buchanan,
Second Lieut. Kearie L. Berry,
Second Lieut. William E. Wiley,
Second Lieut. Earl P. Kemp,
Second Lieut. William E. Chickering,
Second Lieut. Wilbur R. McReynolds,
Second Lieut. David D. Barrett,
Second Lieut. William W. Burke,
Second Lieut. Arthur D. Fay,
Second Lieut. William B. Pitts,
Second Lieut. Thomas H. Ramsey,
Second Lieut. Paul D. Davis,
Second Lieut. Lewis B. Rock,
Second Lieut. Gaillard Pinckney,
Second Lieut. Benjamin F. O'Connor, jr.,
Second Lieut. Fred C. Milner,
Second Lieut. William P. Driskell, jr.,
Second Lieut. George K. Bowden,
Second Lieut. Lloyd Wallace Georgeson,
Second Lieut. Francis M. Darr,
Second Lieut. William C. Webster,
Second Lieut. Francis T. Ward,
Second Lieut. Frederick W. Wendt,
Second Lieut. William C. Thurman,
Second Lieut. Robert E. Shideler,
Second Lieut. Oliver W. Fannin,
Second Lieut. Charles F. Craig,
Second Lieut. Arthur L. Turner,
Second Lieut. Hendeson D. Emery,
Second Lieut. Oscar K. Wolber,
Second Lieut. Russell Slocum,
Second Lieut. Karl Eugene Henion,
Second Lieut. Thomas L. Creekmore,
Second Lieut. George O. Clark,
Second Lieut. William C. Stettinius,
Second Lieut. Russell J. Potts,
Second Lieut. William H. Craig,
Second Lieut. John R. Schwartz,
Second Lieut. Thaddeus C. Knight,
Second Lieut. Ollie W. Reed,
Second Lieut. Frank E. Boyd,
Second Lieut. Louis W. Maddox,
Second Lieut. Clark O. Tayntor,
Second Lieut. Ernest Eugene Stansbery,
Second Lieut. Malvern J. Nabb,
Second Lieut. Andrew H. Hilgartner,
Second Lieut. John C. Glithero,
Second Lieut. Eugene P. Watkins,
Second Lieut. Richard N. Armstrong,
Second Lieut. Philip J. Sexton,
Second Lieut. W. Fulton Magill, jr.,
Second Lieut. Harry Curry,
Second Lieut. Ethan A. Shepley,
Second Lieut. Otis B. Adams,
Second Lieut. Millard F. Staples,
Second Lieut. Hugh H. Drake,
Second Lieut. Joseph H. Kelleher,
Second Lieut. Benjamin R. Sleeper,
Second Lieut. James J. Kelley,
Second Lieut. Walter B. Fariss,
Second Lieut. Robert J. Wagoner,
Second Lieut. William E. Vernon,
Second Lieut. Felix V. Embree,
Second Lieut. William T. Makinson,
Second Lieut. Clarence E. Allen, jr.,
Second Lieut. George F. Herrick,
Second Lieut. Joseph W. McCall, jr.,
Second Lieut. John R. Hunneman,
Second Lieut. Winfred E. Merriam,
Second Lieut. Laurence MacH. Tharp,
Second Lieut. Clive A. Wray,
Second Lieut. Donald P. Vail,
Second Lieut. Thomas B. Steel,
Second Lieut. Douglas B. Baker,
Second Lieut. Harold H. White,
Second Lieut. Thomas W. Butler,
Second Lieut. Everett Busch,
Second Lieut. Frank G. Busteed,
Second Lieut. Frank L. Scott, jr.,
Second Lieut. John W. Heisse,
Second Lieut. Douglas G. McGrath,
Second Lieut. Stephen C. Peabody,
Second Lieut. Max Bernstein,
Second Lieut. Herschel V. Johnson,
Second Lieut. William B. Clark,
Second Lieut. Stewart D. Hervey,
Second Lieut. James L. Blanding,

Second Lieut. Frank J. Pearson,
Second Lieut. J. Gordon Hussey,
Second Lieut. Lester T. Miller,
Second Lieut. Leo Donovan,
Second Lieut. George E. Kirk,
Second Lieut. Frank W. Hayes,
Second Lieut. Vincent Rochester Bartlett,
Second Lieut. Samuel M. Bemiss,
Second Lieut. Richard L. Holbrook,
Second Lieut. James K. Hoyt, jr.,
Second Lieut. Julian G. Hart,
Second Lieut. William M. Leffingwell,
Second Lieut. John T. Sunstone,
Second Lieut. Arthur B. McDaniel,
Second Lieut. Harold H. Schaper,
Second Lieut. Randall T. Kendrick,
Second Lieut. Percy McCay Vernon,
Second Lieut. Samuel W. Perrott,
Second Lieut. Jay A. Richardson,
Second Lieut. Milton Whitney, jr.,
Second Lieut. Emile J. Boyer,
Second Lieut. Harry M. Bardin,
Second Lieut. Joseph P. Guillet,
Second Lieut. Leander Forrest Conley,
Second Lieut. Paul P. Reily,
Second Lieut. Peter J. Lloyd,
Second Lieut. Paul S. Buchanan,
Second Lieut. Cranston G. Williams,
Second Lieut. Lewis B. Cox,
Second Lieut. Theodore M. Cornell,
Second Lieut. Launcelot M. Blackford,
Second Lieut. Frederick W. Deck,
Second Lieut. Fernand G. Dumont,
Second Lieut. Stephen Y. Mann,
Second Lieut. Joseph H. Payne,
Second Lieut. George E. Braker, jr.,
Second Lieut. Paul V. Kellogg,
Second Lieut. Langdon D. Wythe,
Second Lieut. John O. Flautt, jr.,
Second Lieut. Giles F. Ewing,
Second Lieut. Fred W. King,
Second Lieut. Ivy W. Crawford,
Second Lieut. John S. Fishback,
Second Lieut. Robert S. Downing,
Second Lieut. Clement A. Reed,
Second Lieut. George M. Hancock,
Second Lieut. Jesse B. Smith,
Second Lieut. Selden S. Smith,
Second Lieut. John R. Hodge,
Second Lieut. Arthur R. Walk,
Second Lieut. Leslie E. Toole,
Second Lieut. Lewis A. List,
Second Lieut. James F. Johnson, jr.,
Second Lieut. Francis M. Brady,
Second Lieut. Eubert H. Malone,
Second Lieut. Wayne W. Schmidt,
Second Lieut. Theodore W. Crossen,
Second Lieut. James F. Butler,
Second Lieut. Herbert G. Peterson,
Second Lieut. Truman M. Martin,
Second Lieut. Veno E. Sacre,
Second Lieut. Warner B. Van Aken,
Second Lieut. Richard G. Plumley,
Second Lieut. Charles R. Davis,
Second Lieut. Cecil L. Rutledge, and
Second Lieut. Theodore C. Gerber.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Lieut. (Junior Grade) Ward W. Waddell to be a lieutenant.
Ensign Stanley L. Wilson to be a lieutenant (junior grade).
The following-named ensigns to be lieutenants (junior grade):
William S. Popham, jr., and
Malcolm L. Worrell.
The following-named citizens to be dental surgeons, with the rank of lieutenant (junior grade):
William T. Davidson,
Harold A. Badger,
Patrick F. Kennedy,
Canute Hansen,
Herbert A. Sturtevant,
Lawrence E. McGourty,
Spey O. Claytor,
James McK. Campbell,
James W. Ridgway,
Hyman Mann,
Hubert Lehman,
John A. Walsh,
William E. Coverley,
William A. Dorney,
David L. Cohen,
Elwood B. Faxon,
Howard R. McCleery,
Armin T. Fellows,
George A. Collins,
Frank A. Zastrow, and
James F. McGrath.
Gunner Ola F. Heslar to be an ensign.
The following-named officers to be ensigns:
Arthur F. Armstrong,
Oliver A. Bowers,
Otis E. Bennett,
John J. Gaskin,
Chester N. White,
Thomas H. Murphy,
Leo E. Schlimme,
Bernard S. Rodey, jr.,
Thomas P. Kane,
Alfred J. Byrholdt,
Oliver H. Briggs,
Frederick G. Trummer,
Francis A. Knauss,
Carl J. Hallberg,
Albert T. Lang,
Christian Christensen,
Henry L. Bixbee,
Alexander C. Cornell,
William G. Gillis,
Fred G. Peterman,
Frank E. Norlin,
Leslie R. Heselton,
Lawrence J. Murphy,
George R. Woods, and
Robert J. Vierthaler.
The following-named enlisted men to be ensigns:
George H. Frederick,
Carl Hupp,
John L. Blomquist,
Edwin P. Lacey,
Charles A. Goebel,
John McKean,
Heinrich C. A. Deglau,
John O. Strickland,
Raymond J. Comstock,
Virgil F. Wright,
George F. Evanson,
Walter Mower,
Clarence C. McDow,
Ralph M. Gerth,
William S. Burns,
Charles A. Strumsky,
Joseph F. Caveney,
William H. Tracy,
John D. Morris,
Charles R. Kehler,
Elliott Kauth,
James E. Finn,
Arthur O. Kolstad,
Stonewall B. Stadtler, and
Homer F. McGee.
The following-named officers of the United States Naval Reserve Force to be ensigns:
Sydney W. Ford,
John Harrison, jr.,
Washington E. Bogardus,
William T. Brown, and
Philip McK. Zenner.
Paymaster Ray Spear to be a pay inspector with the rank of commander.

POSTMASTERS.

ARIZONA.

Leslie C. Jolly, Clarkdale.
Mary E. Brown, Parker.
John W. Brown, St. Johns.

OKLAHOMA.

Fred O. Weldon, Comanche.
John L. Rogers, New Wilson.
Victor A. Schiefelbusch, Sand Springs.
Joshua W. Anderson, Talihina.

NORTH CAROLINA.

Roy E. Wilder, Spring Hope.

HOUSE OF REPRESENTATIVES.

MONDAY, *February 25, 1918.*

The House met at 11 o'clock a. m.

Rabbi Abram Simon, Ph. D., Washington, D. C., offered the following prayer:

Deeply conscious that Thy presence consecrates every place where Thy name is called upon in humility and sincerity, we fervently invoke Thy abiding grace, our God and Father. Profoundly grateful for our noble past, we are earnestly prayerful for the continued prosperity of an equally worthy present. Reliant on Thy everlasting arms we pray that our thoughts and labors for our country may be worthy of Thy acceptance, even as they have the approval of our conscience. We ask for insight to see our duty, for courage to carry it to a successful issue, for faith in the ultimate triumph of our cause, conceived in justice and dedicated to Thy name and the happiness of Thy children. Bless the dauntless loyalty of our men, the matchless steadfastness of our women, and the invincible fortitude of our sons here and abroad. Thou art the Ally of every just cause. Therefore we trust in Thee and despair not. Teach us to read Thy will aright, to follow it bravely and honorably, and thus to make it our own. To Thee be all the glory, now and evermore. Amen.

The Journal of the proceedings of Saturday was read and approved.

ORDER OF BUSINESS.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the considering of the antiprofiteering bill, which was under consideration several days ago and which was not completed, and pending that, Mr. Speaker, I wish to say that in event a unanimous-consent agreement can be reached by which the bill to which I have just referred can be considered and made a standing order for consideration immediately upon the conclusion of the railroad bill, which was pending in the House on Saturday, that I would not insist upon the motion which I have just made.

Mr. SIMS. Mr. Speaker, I wish to say in connection with the suggestion of the gentleman from Kentucky that I have inquired and find that there was a unanimous-consent order made a few days ago, on Friday, I believe, when the pension bills were to be considered, which were in order on that day, that the pension bill then on the calendar was to be taken up and considered immediately following the disposition of the railroad bill, which I did not know——

Mr. JOHNSON of Kentucky. I did not know that, either.

The SPEAKER. It will not take long to get rid of the pension bill.

Mr. SIMS. I know it will not. Now, I want to make another statement. I appreciate the attitude of the gentleman from Kentucky and think he is yielding something that perhaps he has got a right to proceed with to-day. I concede the importance of his measure, but in view of the great importance of the pending bill and the fact that we are right in the midst of the amendment stage of it, I hope that unanimous consent may be given to the gentleman from Kentucky to call up the bill for consideration immediately following the disposition of the pension bill which is to follow the disposition of the railroad bill. I make that unanimous request modified to the extent of the pension bill.

The CHAIRMAN. The Chair will state to both gentlemen that the gentleman from Illinois [Mr. RAINEY] has a preferential status in the House this morning of 30 minutes.

Mr. JOHNSON of Kentucky. I recall that.

Mr. GILLETT. Mr. Speaker, if I recollect aright, there is another agreement, and that is that the bill of the gentleman from Tennessee [Mr. MOON] shall follow this bill. Was not that agreement made? I shall object to any tying up in the future——

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Is the order made in the House granting precedence to the gentleman from Tennessee to consider the railroad bill of that character that it displaces District business?

The SPEAKER. Why, the Chair tried to investigate the thing, and it was not done in a very scientific way. If the order the gentleman from Tennessee obtained had made this bill a continuing order, there would be no question in the mind of the Chair that he had undoubtedly the right of way; but he did not do that, but just simply made it in order to be called up. Now, the rules of the House fix this day as District day and by a vote of the House the Chair recollects it, although the RECORD does not seem to carry out his recollection about it, there was some kind of a motion about fixing this bill of the gentleman from Kentucky for to-day; but anyhow——

Mr. STAFFORD. On that point, if the Chair will indulge me, at that time general debate was exhausted during the consideration of the so-called District profiteering bill, and at that time no order had been made for the consideration of this highly important railroad bill, and it was naturally understood that the profiteering bill would be considered in order when District business was in order. Since then, however, the House has made some order to give preference to the railroad bill.

The SPEAKER. The Chair knows; but the House did not make an order to make it a continuing order. The Chair will state that the whole thing can be straightened out by agreeing to the request of the gentleman from Tennessee to make this bill of the gentleman from Kentucky in order immediately after the disposition of the pension bill.

Mr. SIMS. Mr. Speaker, in view of the situation now——

Mr. GILLETT. Mr. Speaker, I object.

Mr. SIMS. Is there objection?

Mr. GILLETT. Yes.

Mr. SIMS. Mr. Speaker, my distinct recollection is I asked unanimous consent that the railroad-control bill be taken up following the deficiency appropriation bill and to be considered until finished, but some gentleman objected to it, and I believe the gentleman from Illinois [Mr. MADDEN] said, "Get your consent first," and in that way the RECORD appears as it does; but I understand, Mr. Speaker, that if the motion to go into the Committee of the Whole House on the state of the Union to consider District business should be voted down it would be in order to make the motion which I will then be ready to make on the railroad bill.

The SPEAKER. Unless we are prevented by some other unanimous-consent order.

Mr. STAFFORD. My recollection is the gentleman from Illinois was granted 30 minutes following the reading of the Journal.

Mr. RAINEY. I will tell you: I have 30 minutes following the reading of the Journal and disposition of matters on the Speaker's table, provided this railroad bill is disposed of. If this railroad bill is under consideration, I have my privilege at the conclusion of it.

Mr. SIMS. Of course, the gentleman from Illinois would not have the right if we go into consideration of the railroad bill?

Mr. RAINEY. But if you go into consideration of this other bill I would.

Mr. SIMS. Certainly.

The SPEAKER. Does the gentleman from Illinois [Mr. RAINEY] want his 30 minutes this morning?

Mr. RAINEY. I have no preference as to when I have it.

The SPEAKER. I know, but the Chair wants to recognize these men.

Mr. RAINEY. If the railroad bill is taken up, I am not entitled to it. But if it is not I am entitled.

The SPEAKER. The motion of the gentleman from Kentucky [Mr. JOHNSON] will be voted on with the distinct understanding that if we go into the Committee of the Whole on his bill the gentleman from Illinois [Mr. RAINEY] shall have his 30 minutes before we actually go in.

Mr. SIMS. Provided the House goes into the Committee of the Whole on District business?

Mr. RAINEY. Yes.

The SPEAKER. The motion of the gentleman from Kentucky is that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9248.

Mr. FORDNEY. Mr. Speaker, if that is for the purpose, and of course it is, of taking up the important matter of the railroad bill we ought to have a full attendance here. I move a call of the House.

Mr. SIMS. That will make two roll calls instead of one.

Mr. FORDNEY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan [Mr. FORDNEY] makes the point of order that there is no quorum present, and evidently there is none. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

Mr. JOHNSON of Kentucky. Will those who favor going into the Committee of the Whole on the profiteering bill vote "yea"?

The SPEAKER. Yes. Those who favor going into the Committee of the Whole on the profiteering bill will, when their

names are called, answer "yea," and those opposed will answer "nay."

Mr. BARKLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARKLEY. If this motion is voted down, it will be in order to go into the Committee of the Whole on the railroad bill?

The SPEAKER. Yes.

The question was taken; and there were—yeas 60, nays 248, not voting 120, as follows:

YEAS—60.

Baer	Denton	Keating	Rankin
Barnhart	Dies	King	Reed
Blanton	Dill	Kitchin	Romjue
Brand	Dominick	Larsen	Rucker
Burnett	Fields	London	Sherwood
Cantrill	Gallivan	Lonergan	Sinnott
Caraway	Garner	McAndrews	Sisson
Cary	Garrett, Tenn.	Mansfield	Steagall
Church	Gould	Mapes	Tague
Claypool	Hamlin	Miller, Minn.	Taylor, Colo.
Cooper, Wis.	Hilliard	Nolan	Thomas
Crisp	Huddleston	Norton	Walsh
Crosser	Johnson, Ky.	Oldfield	Watson, Va.
Denison	Johnson, Wash.	Park	Wheeler
Dent	Kearns	Raker	Wright

NAYS—248.

Alexander	Ferris	Lehlbach	Scott, Mich.
Almon	Fess	Lenroot	Sears
Ashbrook	Fisher	Linthicum	Sells
Aswell	Fordney	Littlepage	Shackleford
Austin	Foss	Longworth	Shallenberger
Ayres	Foster	Lufkin	Sherley
Bacharach	Francis	Lundeen	Shouse
Bankhead	Frear	McArthur	Siegel
Barkley	Freeman	McClintic	Sims
Beakes	French	McCormick	Slayden
Beshlin	Fuller, Ill.	McFadden	Slemp
Black	Fuller, Mass.	McKenzie	Sloan
Blackmon	Gallagher	McKeown	Small
Bland	Gandy	McKinley	Smith, Idaho
Borland	Gard	McLemore	Smith, Mich.
Bowers	Garland	Madden	Snell
Britten	Garrett, Tex.	Martin	Snook
Browne	Gillett	Mason	Snyder
Browning	Glynn	Mays	Stafford
Brumbaugh	Good	Meeker	Steele
Buchanan	Goodwin, Ark.	Merritt	Steenerson
Burroughs	Gordon	Mondell	Stephens, Miss.
Byrnes, S. C.	Graham, Ill.	Montague	Stephens, Nebr.
Byrns, Tenn.	Gray, Ala.	Moore, Pa.	Sterling, Ill.
Caldwell	Green, Iowa	Moores, Ind.	Stevenson
Campbell, Kans.	Greene, Mass.	Morgan	Stiness
Cannon	Greene, Vt.	Mott	Strong
Carter, Okla.	Hadley	Neely	Sumners
Chandler, N. Y.	Hamilton, Mich.	Nelson	Sweet
Chandler, Okla.	Hamilton, N. Y.	Oliver, Ala.	Swift
Clark, Pa.	Hardy	Oliver, N. Y.	Switzer
Classon	Harrison, Va.	Olney	Talbott
Collier	Haskell	Osborne	Taylor, Ark.
Connally, Tex.	Hastings	Overstreet	Temple
Connelly, Kans.	Hawley	Padgett	Templeton
Cooper, Ohio	Heaton	Parker, N. J.	Tillman
Cooper, W. Va.	Heflin	Parker, N. Y.	Tilson
Cox	Helm	Peters	Timberlake
Currie, Mich.	Helvering	Phelan	Tinkham
Davidson	Hersey	Platt	Towner
Davis	Hicks	Powers	Treadway
Decker	Holland	Pratt	Venable
Dempsey	Houston	Purnell	Vestal
Dewalt	Hull, Iowa	Quin	Vinson
Dickinson	Hull, Tenn.	Rainey	Voigt
Dillon	Ireland	Ramseyer	Volstead
Dixon	Jones, Tex.	Randall	Waldow
Doremus	Juul	Rayburn	Walker
Doughton	Kahn	Reavis	Walton
Dowell	Kehoe	Robbins	Watkins
Dupré	Kelley, Mich.	Roberts	Watson, Pa.
Dyer	Kennedy, Iowa	Robinson	Weaver
Eagan	Kettner	Rodenberg	Welling
Elliott	Key, Ohio	Rogers	Welty
Ellsworth	Kiess, Pa.	Rouse	Whaley
Elston	Kincheloe	Russell	White, Me.
Emerson	Kinkaid	Sanders, Ind.	White, Ohio
Esch	Knutson	Sanders, La.	Williams
Estopinal	La Follette	Sanders, N. Y.	Wilson, Tex.
Evans	Langley	Sanford	Wise
Fairfield	Lazaro	Saunders, Va.	Woods, Iowa
Farr	Lea, Cal.	Schall	Woodyard

NOT VOTING—120.

Anderson	Dale, N. Y.	Graham, Pa.	James
Anthony	Dale, Vt.	Gray, N. J.	Johnson, S. Dak.
Bell	Dallinger	Gregg	Jones, Va.
Booher	Darrow	Griest	Kelly, Pa.
Brodbeck	Dooling	Hamill	Kennedy, R. I.
Butler	Doolittle	Harrison, Miss.	Kraus
Campbell, Pa.	Drane	Haugen	Kreider
Candler, Miss.	Drukker	Hayden	LaGuardia
Capstick	Dunn	Hayes	Lee, Ga.
Carew	Eagle	Heintz	Lesher
Carlin	Edmonds	Hensley	Lever
Carter, Mass.	Fairchild, B. L.	Hollingsworth	Little
Clark, Fla.	Fairchild, G. W.	Hood	Lobeck
Coady	Flood	Howard	Lunn
Copley	Flynn	Humphreys	McCulloch
Costello	Focht	Husted	McLaughlin, Mich.
Crago	Glass	Hutchinson	McLaughlin, Pa.
Cramton	Godwin, N. C.	Igoe	Magee
Curry, Cal.	Goodall	Jacoway	Maher
Mann	Porter	Scott, Iowa	Ward
Miller, Wash.	Pou	Scott, Pa.	Wason
Moon	Price	Scully	Webb
Morin	Ragsdale	Smith, C. B.	Wilson, Ill.
Mudd	Ramsey	Smith, T. F.	Wilson, La.
Nicholls, S. C.	Riordan	Stedman	Wingo
Nichols, Mich.	Rose	Sterling, Pa.	Winslow
O'Shaunessy	Rowe	Sullivan	Wood, Ind.
Overmyer	Rowland	Thompson	Young, N. Dak.
Paige	Rubey	Van Dyke	Young, Tex.
Polk	Sabath	Vare	Zihlman

So the motion was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. YOUNG of Texas with Mr. CAPSTICK.

Mr. LEE of Georgia with Mr. MCLAUGHLIN of Michigan.

Mr. LESHER with Mr. LITTLE.

Mr. LEVER with Mr. MCCULLOCH.

Mr. MOON with Mr. MAGEE.

Mr. MAHER with Mr. MILLER of Washington.

Mr. OVERMYER with Mr. MORIN.

Mr. LOBECK with Mr. MUDD.

Mr. NICHOLLS of South Carolina with Mr. PAIGE.

Mr. O'SHAUNESSY with Mr. NICHOLS of Michigan.

Mr. LUNN with Mr. PORTER.

Mr. POU with Mr. RAMSEY.

Mr. RIORDAN with Mr. ROWLAND.

Mr. POLK with Mr. ROWE.

Mr. PRICE with Mr. VARE.

Mr. RAGSDALE with Mr. ROSE.

Mr. STERLING with Mr. WARD.

Mr. STEDMAN with Mr. WILSON of Illinois.

Mr. SABATH with Mr. SCOTT of Pennsylvania.

Mr. THOMPSON with Mr. WASON.

Mr. CHARLES B. SMITH with Mr. WINSLOW.

Mr. VAN DYKE with Mr. WOOD of Indiana.

Mr. THOMAS F. SMITH with Mr. YOUNG of North Dakota.

Mr. WEBB with Mr. ZIHLMAN.

Mr. SULLIVAN with Mr. HUTCHINSON.

Mr. WINGO with Mr. GEORGE W. FAIRCHILD.

Mr. KELLY of Pennsylvania with Mr. JAMES.

Mr. ALMON with Mr. KRAUS.

Mr. JONES of Virginia with Mr. CARTER of Massachusetts.

Mr. BELL with Mr. DRUKKER.

Mr. BOOHER with Mr. DUNN.

Mr. EAGLE with Mr. CURRY of California.

Mr. CLARK of Florida with Mr. GRIEST.

Mr. HUMPHREYS with Mr. DALLINGER.

Mr. CAMPBELL of Pennsylvania with Mr. EDMONDS.

Mr. DRANE with Mr. DARROW.

Mr. DOOLING with Mr. ANDERSON.

Mr. HAMILL with Mr. BENJAMIN L. FAIRCHILD.

Mr. CANDLER of Mississippi with Mr. BUTLER.

Mr. GREGG with Mr. FOCHT.

Mr. DOOLITTLE with Mr. ANTHONY.

Mr. COADY with Mr. GRAY of New Jersey.

Mr. HARRISON of Mississippi with Mr. HAUGEN.

Mr. BRODBECK with Mr. COPLEY.

Mr. HAYDEN with Mr. HAYES.

Mr. IGOE with Mr. COSTELLO.

Mr. CAREW with Mr. GOODALL.

Mr. GLASS with Mr. GRAHAM of Pennsylvania.

Mr. CARLIN with Mr. CRAGO.

Mr. HOOD with Mr. HOLLINGSWORTH.

Mr. GODWIN of North Carolina with Mr. CRAMTON.

Mr. JACOWAY with Mr. HUSTED.

Mr. WILSON of Louisiana with Mr. SCOTT of Iowa.

Mr. HENSLEY with Mr. KELLEY of Michigan.

Mr. FLYNN with Mr. HEINTZ.

Mr. DALE of New York with Mr. DALE of Vermont.

Mr. FLOOD with Mr. KENNEDY of Rhode Island.

Mr. HOWARD with Mr. MCLAUGHLIN of Pennsylvania.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will open the doors.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of House bill 9685; and, pending that motion, I want to submit a request for unanimous consent. The request is that this bill shall be the continuing order of the House until disposed of, subject to Calendar Wednesday, conference reports, or privileged matters.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that this railroad bill shall be the continuing order until its conclusion, barring Calendar Wednesday, conference reports, and privileged matters. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, the last order was rather vague. The gentleman says, "Except privileged matters." Does he include appropriation bills? Why not have this continuing order subject to conference reports and matters in order on Calendar Wednesday?

Mr. SIMS. I will be glad to put it in that shape.

Mr. STAFFORD. If it is of that pressing importance, I submit it should be worded in that shape.

Mr. SIMS. I ask that it shall be made the continuing order, subject to conference reports and matters in order on Calendar Wednesday.

The SPEAKER. As to questions of privilege, no agreement that the House can make can shut out questions of personal privilege and questions of highest privilege.

Mr. BURNETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURNETT. The order in regard to the alien-slacker bill was that it should be made the continuing order Wednesday and until concluded. Suppose it was not completed on Calendar Wednesday. Would that stop it from going on next day, under this order of the House?

The SPEAKER. This is in order on next Calendar Wednesday.

Mr. BURNETT. Suppose we do not get through on Calendar Wednesday. Would this come in, and, so far as that continuing order made last Wednesday in regard to the alien slacker bill is concerned, would that be superseded? If so, I shall object.

The SPEAKER. This order that the gentleman from Tennessee [Mr. SIMS] asks for, if it were granted, being subsequent to the other order, would upset the order of the gentleman from Alabama.

Mr. BURNETT. Then, if the gentleman would modify his request so that it will not interfere with the continuing order as to the alien slacker bill, I shall not object.

Mr. SIMS. Of course I would not want to have it interfere with the other order. Of course I would make it subject to that order that has already been made.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the railroad bill be made the continuing order until completed, barring Calendar Wednesday and the space occupied by the order which the gentleman from Alabama [Mr. BURNETT] got, and matters of personal and other sorts of privilege. Is there objection?

Mr. SHERLEY. Mr. Speaker, I do not think we ought to tie the House. We are constantly doing that. There is no reason why the gentleman should not get his bill through to-day and to-morrow, and if he gets it through to-morrow there will be no need of getting the order.

Mr. SIMS. I can not know when we shall be able to conclude the bill.

Mr. SHERLEY. Nobody can know; but we constantly get into trouble by tying up the House by special orders.

Mr. SIMS. We are already tied up.

The SPEAKER. Is there objection?

Mr. SHERLEY. I object.

The SPEAKER. The gentleman from Kentucky objects.

Mr. SIMS. Then, Mr. Speaker, I submit another unanimous-consent request, pending the motion. I ask unanimous consent that this bill be considered and concluded in Committee of the Whole not later than the adjournment of the House to-morrow.

Mr. MADDEN. I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. SHERLEY. Mr. Speaker, I suggest to the gentleman that he simply go on with his bill to-day and to-morrow. Nobody is going to interfere with his bill being taken up to-morrow, if necessary.

Mr. SIMS. I have made a unanimous-consent request which I considered in the interest of the position of the bill.

The SPEAKER. What is the gentleman's request?

Mr. SIMS. None will be accepted.

Mr. DOWELL. Regular order, Mr. Speaker.

The SPEAKER. The regular order is demanded. The regular order is, Shall the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of this railroad bill? The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

The CHAIRMAN. The question is on agreeing to the amendment proposed by the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 1, line 10, after the word "compensation" strike out the words "not exceeding" and, on page 2, lines 2 and 3, strike out the words "equivalent as nearly as may be to" and insert in lieu thereof the words "not exceeding."

Mr. SIMS. Mr. Chairman, I want to ask the gentleman from Wisconsin a question. Will he yield?

Mr. LENROOT. Yes.

Mr. SIMS. Is this the amendment that the gentleman offered on Saturday?

Mr. LENROOT. It is the same.

Mr. DOREMUS. Mr. Chairman, may we have the amendment again reported? I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again read.

Mr. LENROOT. Mr. Chairman, this is the first of several perfecting amendments which I have heretofore given notice I would offer.

Before discussing this particular amendment I want to say a word that will apply to all of the perfecting amendments that I shall offer. I anticipate, Mr. Chairman, that the chairman of the committee will take the position that inasmuch as his committee has not had the opportunity to consider these perfecting amendments the House should disagree to all of them, irrespective of their merits, with the idea that when this bill gets into conference the conferees may then take up these propositions and adjust them.

Mr. Chairman, as to that, there are two considerations which ought to apply, and the first is that this House, if it has any respect for itself, ought not to permit a bill to go from this House where there is a clearly apparent absurdity in the bill, and that where an amendment is offered that is clearly designed to correct that absurdity and to express the very meaning that the committee has in mind, if it is clear that the language of the bill does not so express it, then instead of rejecting the amendment it ought to be accepted.

We find in the Senate bill many of these errors, including the one now under consideration. The Senate has made exactly the same mistake that has been made here, and the result is that unless something is put in its place now both Houses will have identical language agreed upon, where upon consideration no lawyer will say that the language agreed upon expresses the intent of either House of Congress. And I want to call attention to the fact that while the House has a liberal rule with reference to the power of conferees, even though there is identical language agreed upon in a House bill and in a Senate bill, the rule is different in that body over at the other end of the Capitol. I have had occasion, particularly on the Alaska leasing bill, to ascertain that fact. In that case we passed a substitute bill, and we found that neither House had expressed the correct intent, and the conferees took the liberty of rewriting a certain section so as to express the intent. The Senate sent that bill back to conference, and we had to accept in the Alaska leasing bill phraseology that neither House wanted. We ought to avoid that, so that instead of the chairman of the committee rejecting amendments where it is clear that amendments ought to be made, if he wants to get these things into conference he ought to accept the amendments, and that will clearly throw it into conference, where the conferees can adjust it.

Now, with reference to this particular amendment, as the language now reads not a man in this House will say that the language in this bill expresses the intent of the committee. What does it authorize as it now stands? It authorizes the President to make an agreement with the carriers to do what? To make an agreement to guarantee that they shall not receive more than a certain sum as compensation. That is what the agreement is. What carrier would care for an agreement of that kind? Of what benefit would it be to any carrier to get an agreement from the President of the United States to say, "We will guarantee you, Pennsylvania Railroad, that you shall not receive during Federal control more than $50,000,000 a year in

compensation for your property"? Now, of course, what the committee had in mind was to authorize the President to make an agreement with the railroads for a fixed sum, and provide that in making that agreement he should not go beyond a certain maximum sum fixed by Congress; in other words, in the illustration I have made of the Pennsylvania road the maximum that we authorized him to agree upon, we will say, is $50,000,000; but if he can make an agreement with the Pennsylvania Railroad for $40,000,000, we wish to leave him free to do that. But under the language as it stands that can not be done, and my amendment provides, in the first place, to strike out the words "not exceeding," and authorizes the President to fix and agree upon a fixed sum that they shall receive.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. I ask for five minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. LENROOT. And then, to carry out the plain intent of the committee, on page 2 I provide for striking out the words "equivalent as nearly as may be to" and inserting "not exceeding the average annual income of the railroads for this three-year period." That makes it entirely plain. There can then be no question about what the authority of the President is; that he is authorized by this language to agree with the railroads to pay them a fixed sum, but that fixed sum shall not be greater than the three-year average that is provided in the bill.

Mr. DOREMUS. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. DOREMUS. Will the gentleman inform the committee as to his purpose in proposing to strike out the words "equivalent, as nearly as may be"? It is my opinion that those words ought to remain in, and I want to get the gentleman's view of it.

Mr. LENROOT. Because, when you are making merely a standard, a measure, to fix a maximum sum, "equivalent" means nothing, and that is all that is desired—to fix in each case a sum, and to lay down a rule by which that sum is to be determined.

Mr. SHERLEY. Is not the gentleman assuming, however, that the character of bookkeeping of every railroad is such as to make its annual return for three years past an accurate measure, whereas in point of fact that assumption is not true?

Mr. LENROOT. Whether it is true or not, the gentleman must remember that with the bill as amended the return of the carrier does not fix the sum which the carrier is entitled to receive at all. It fixes merely the maximum sum.

Mr. SHERLEY. It ought not to fix that, if the character of the bookkeeping is such as not to make it a proper standard; and so the words "as nearly equivalent as may be" are used to give some leeway as to the bookkeeping methods of the railroads.

Mr. DOREMUS. My idea is the same as that of the gentleman from Kentucky. It is notorious that certain railroad companies, in order to make a return to their stockholders, have skinned their lines. In other words, they have not set aside the proper amount for maintenance and depreciation. Now, as to those lines it might be the judgment of the President that a larger sum ought during Federal control to be set aside for maintenance and depreciation; and yet that would prevent the railroads affected from declaring the same return that they have formerly declared. So I think the language of the bill ought to be left so that, no matter whether the railroad gets its return in dividends to its stockholders or in the improvement and upkeep of the property itself, we ought to be in a position to say that the return is an equivalent of that which they formerly received.

Mr. LENROOT. I will say to the gentleman that I have no intention in this amendment of disturbing in any way any idea that the committee had in that respect; and I am perfectly willing to modify my amendment by leaving in the words "equivalent as nearly as may be" and inserting before the word "equivalent" the words "not exceeding a sum" which will maintain the thought and intent of the committee; and I ask unanimous consent, Mr. Chairman, that the second part of my amendment be again reported, striking out what I proposed and inserting after the word "control," in line 2, the words "not exceeding a sum."

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Mr. LENROOT offers a modified amendment, as follows: On page 2, line 2, after the word "control," insert the words "not exceeding a sum."

Mr. LENROOT. Now, Mr. Chairman, that removes that controversy and leaves it as it was intended. I want to follow up with one observation and then I will yield. As the language now stands, the standard return, unless my amendment be adopted, is not the sum which the President is authorized to agree with the railroad that it shall receive, but this maximum sum, whereas all through the bill the standard sum is the sum that the President is authorized to agree upon. Of course that was not the intention. If the question of the standard return be the fixed sum, you have provided that the standard return shall be determined by the Interstate Commerce Commission, while it was clearly the intention of the committee to give the President the authority to determine that fixed sum, Congress only providing the maximum.

Now, if my amendment be adopted, it will provide that the President is authorized to agree with the railroads to pay them an annual sum fixed by him as compensation, but that sum shall not exceed the equivalent as nearly as may be to the three-year average. That makes it entirely clear, and certainly carries out the intention of the committee, while the present language does not.

Mr. SIMS. Mr. Chairman, I wish to state in connection with these proposed amendments that the gentleman from Wisconsin in general debate gave notice that he was going to offer a number of so-called perfecting amendments. He did not offer them then while he was occupying the floor in general debate, but he did attach them to his remarks, and they are printed in the RECORD of the 22d. I did not know what those amendments were any more than the character of them as perfecting amendments. The next day was an exceedingly busy day, as we all know, in the Committee of the Whole. When the gentleman from Wisconsin arose and offered the amendment which he has discussed, I then made the request that these amendments proposed by him, so far as they affected section 1, should be passed over, with the privilege of returning to the section at any time he might see proper to offer them. There was objection made to that, and an agreement was made that we might return at any time to offer perfecting amendments, without limiting it to the gentleman from Wisconsin. That was agreed to, and immediately the point of no quorum was made, and so no further business was done.

Mr. LENROOT. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. LENROOT. If that had been agreed to, I would not have offered it this morning.

Mr. SIMS. It remained without being acted upon.

Mr. LENROOT. I am willing to make that agreement now.

Mr. SIMS. I stated to the gentleman from Wisconsin and other Members of the House, not in debate, that I wanted to go over those amendments, and that where an amendment was proper and desirable, to have no controversy about it or to oppose it because the gentleman from Wisconsin [Mr. ESCH] or I had not proposed it, but that where it was a perfecting amendment, if it merely affected the verbiage, I thought it was better to accept them than to waste a lot of time in discussing them and voting for or against them. My intention at that time, as I expressed privately to members of the committee, was to give attention to the amendments set out in the RECORD on Sunday and call the committee together at 11 o'clock this morning and submit the proposed amendments to the full committee. That was my intention, so stated to the members of the committee and to Members of the House.

But I will admit that to my surprise when I submitted a unanimous-consent request that the House meet at 11 o'clock to-day it was accepted. Judging by the way such requests have been met before I thought it would be disagreed to. So if I called the committee together it had to be at 10 o'clock. I put in the whole day with the best assistance I could get in analyzing the amendments. I have a memorandum here of that analysis. Some of them I have not the slightest objection to and will offer no argument against them. Others are material in substance, and I think ought to be defeated on their merits or lack of merits.

Mr. ALEXANDER. Why does not the gentleman renew his request as to these amendments to perfect the text, passing over them, and going along with the bill?

Mr. SIMS. I want to state further that I even then would have called the committee together. I made several efforts to get the gentleman from Wisconsin [Mr. ESCH] over the telephone, but failed, for the purpose of asking him to communicate with members on his side asking them to meet here this morning, and I would notify the others. I was unable to get him, and that is the reason why the committee was not called together.

There are amendments to section 1, and others go through the entire bill. Consequently, we are bound to reach them to-day, and as these are some of the most important amendments that will be offered we must consider them on their merits as they are reached. When we come to an amendment that I do not

expect to oppose there will be no time wasted. There are others, and even on those the members of the committee might differ. I wanted to do this as a courtesy to the committee and give them an opportunity to pass upon them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SIMS. Here is an amendment offered in all good faith by the gentleman from Wisconsin [Mr. LENROOT]. Before he offered to modify it he pronounced it absolutely necessary to carry out the intention of the committee and the House. After making a very strong speech and many positive assertions, he himself admits that he was mistaken as to part of the amendment he had offered, to strike out the words "equivalent as nearly as may be."

Mr. LENROOT. I did that because I thought by accepting the modification it would remove an element of controversy.

Mr. SIMS. And that was the most important element in it. Now that proves that no man is infallible in his knowledge of these things. No man has a higher opinion of the ability of the gentleman from Wisconsin to understand any question that he studies and gives thought to than I have. The head of the committee, so far as the period of service is concerned, another gentleman from Wisconsin, who has served on the committee longer by several years than any other member, who has had every opportunity to study all these amendments and has studied them, and I place to-day and at this minute and at this hour more confidence in the judgment of the gentleman from Wisconsin [Mr. ESCH] on these amendments than I do in the illustrious Senator to be from Wisconsin [Mr. LENROOT]. Now, gentlemen may anticipate that I am going to ask them to vote down the amendments and thrash it out in conference. I am not. I am going to ask them to thrash them out right here, and I hope the gentleman from Wisconsin will admit that his amendments are not infallible and necessary to the perfection of the bill.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Mr. Chairman, I think the amendment does not help the bill, but gives the gentleman a lot of wreckage to float on, and I think it ought to be voted down.

Mr. LENROOT. Is that the best argument the gentleman can make?

Mr. SIMS. No; that was not intended to be an argument.

Mr. LENROOT. Does the gentleman not think it would be better for the gentleman to undertake to analyze the bill and show wherein my contention is not correct?

Mr. SIMS. I shall withdraw any complimentary remark I have made about the gentleman if it is offensive.

Mr. LENROOT. It would be to much better purpose if the gentleman did.

Mr. SIMS. I am trying to say that this very item, this very language of the bill, this amendment, in its effect, has been studied and gone over ad libitum by the very best authority that we can consult on what is the purpose of that portion of the section, and what is the intention to permit the President to include in his contract. This identical proposition and all that is embraced in the gentleman's amendment was fully discussed at length by the committee, and so far as this part of the bill is concerned, it is the deliberate judgment of the entire committee.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. LENROOT. Does the gentleman mean to say that his committee discussed these questions I have been discussing and that it is the deliberate opinion of the committee that the language of the bill expresses the intention that they desire?

Mr. SIMS. The committee——

Mr. LENROOT. The gentleman has made that statement.

Mr. SIMS. The committee accepted the bill as it is reported, and the minority report makes no objection to any part of it, as no member of the committee has offered any amendment touching this language, and that was discussed in the committee. I can not say it was the deliberate judgment of each member.

Mr. LENROOT. Was this question discussed in the committee?

Mr. SIMS. Yes. Several gentlemen on the committee are right here by me and they tell me that it was discussed at length. Half a dozen of them here say so.

Mr. SNOOK. Mr. Chairman, if the gentleman will permit, I offered the amendment in the committee that the gentleman has offered, in the very words in which the gentleman has offered it, and after discussing it for half an hour the committee agreed to the language contained in the bill.

Mr. LENROOT. Then all I can say is, if the gentleman will yield, that I want to withdraw the statement I made the other day, that I did not think the committee was in any way to blame, except as being victims of misplaced confidence.

Mr. SIMS. Mr. Chairman, I ask the committee not to make the mistake of following a gentleman who is not on the committee, however great his ability may be, in undertaking to rewrite this bill after this thing has been rejected in the Senate and in the House.

Mr. LENROOT. Mr. Chairman, will the gentleman yield? I would like to have my colleague, Mr. ESCH, discuss this amendment.

The CHAIRMAN. The committee will be in order. The time of the gentleman from Tennessee has expired.

Mr. HUDDLESTON. Mr. Chairman, I move to strike out the last word. I have made a very earnest effort to analyze this bill, after having heard the general debate and read what has been said in the Senate. The bill seems to drive at three purposes, and three only, in the main. The first is to fix the amount that the owners of the railroads are to get out of it, the next is to provide the machinery whereby that amount may be reached, and the third is to give the President power to fix the rates, taking it way from the bodies that now have that power. So far as I am able to get out of the bill, and out of what is said about the bill, there is very little else in it.

We have possession of the railroads. Passing this bill has absolutely nothing to do with our taking them over and operating them. We have that power under existing law.

I want to vote for this bill. I have studied it, in the desire to vote for it, but I have studied it with increasing disappointment. The bill from my point of view is a failure. I regret that the Congress is not responding to this great emergency, in passing railroad legislation of greater importance than any ever broached before upon this subject. It is not responding to the situation adequately, and in a manner worthy of its great traditions. It seems to me that the Congress is dealing with this subject with a lack of courage, with a lack of definite purpose, with a lack of a purpose in view that is really worth while.

We are trying to ride two horses. One is private ownership and the other is public ownership, and those who have had charge of the drafting of this bill, of making it a law, seem to be unwilling to choose either of these horses. They are trying to ride them both at the same time, and I believe that the result will be that the bill will prove to be a most ignominious failure.

So far as the first section of the bill is concerned, absolutely the only purpose it can have is to give the railroads more than they are justly entitled to under the Constitution. That is all there is to it. Why do we have to pay them anything? Simply because Article V of the amendments to the Constitution provides that private property shall not be taken for public use without just compensation. We can not take the railroads without just compensation. We have no right to give more. It will be a violation of our duty to the American people if Congress shall give these railroads more than just compensation for their use. [Applause.] I venture to say that no one will have the boldness to dispute that proposition.

The courts have construed this provision of the Constitution. Its meaning is certain, and known to every lawyer in this body. It does not take an act of Congress to apply it. The question is, What compensation is just? That is all there is to it, and the Congress——

Mr. DEWALT. Will the gentleman allow an interruption?

Mr. HUDDLESTON. I will allow a question.

Mr. DEWALT. I desire to ask the gentleman, if he is dissatisfied with the compensation as outlined in this bill, what does he propose as a just compensation?

Mr. HUDDLESTON. I propose that these railroads shall not be allowed a greater return on their investment than other people whose property is taken by the Government. [Applause.]

Mr. DEWALT. That does not answer the question.

Mr. HUDDLESTON. I will answer the gentleman if he will just give me time and will answer it in a sentence. I propose that the railroads shall have a reasonable income upon the actual value of their property at the time the Government took it over. That is what I propose. Now, the Constitution of the United States fixes that as the measure. It is the measure that has been fixed by the Supreme Court of the United States in its decisions passing upon the question of what rights these corporations have. The rate must not be confiscatory. That is the limitation that there is on the rate, and whenever we make it more than that, as I say, we are not responding to the duties of this hour. The Constitution of the United States has been frequently construed by the courts and the rule established that property may be taken if the terms of the taking do not violate that provision and become confiscatory.

Now, that is the rule. How are we going to ascertain what is the amount that ought to be paid for this service? We have the authority to take the property now. We need no new law

for that purpose. All we have got to do is to apply the rule that is established by the Constitution and Supreme Court in its construction of that provision.

Are the railroads going to be allowed to take more from the National Government than they should in the way of rates? Is it to be said here that the railroads are going to receive from an absolutely certain source—the Government—an income greater than they would be entitled to if the Interstate Commerce Commission was fixing the rate—that they are entitled to charge for the use of their property by private individuals only such return as will give them a reasonable income, yet may charge the Government a greater rate? If so, what is the basis for such difference. Are you going to give the railroads, because the Government is using them, more than you would if private citizens used them? What basis for any such idea can be advanced?

We need machinery, it is true, to establish this amount that ought to be paid to the railroads and I am willing to vote for such machinery. I am willing to provide adequate machinery, but I am unwilling for a single moment to give the railroads more than that to which they are justly entitled. We know what justice is. The Supreme Court has laid out the rules and all we have got to do is to stand up to them.

Mr. DEWALT. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I know how very popular it is in the minds of a great many Members of Congress, not only on this side of the Capitol but on the other side as well, to proclaim and declaim continually against railroads and corporations. I fully appreciate the fact, too, that it sounds very well back home to have gentlemen say that they are against corporations and railroads receiving enormous amounts of compensation for anything at anytime or anywhere. But that does not change the relation at all. The popularity of a measure or the unpopularity of a measure in the judgment of an honest legislator has nothing to do with the proposition. Now, what is the proposition? I have heard the gentleman who has just spoken say that he demands justice, that he is willing to give justice but he will not give anything in the way of tribute. Very well, let it be so. Now, what is justice? These roads are taken over. That is an accomplished fact. Having been taken over, they must be compensated. That is the law. Now, how shall they be compensated? The gentleman says, "Take over their property and give them a fair income or rental on that." Unfortunately for that proposition, gentlemen of the committee, it is at this time an utter impossibility. Judge Prouty, who is on the valuation committee of railroads, has definitely declared that all the railroads to-day in this country so far as he knows are not able, from the judgment of the valuation committee, assisted by the railroads themselves, to place any definite value upon their operating property and their valuation.

Mr. GORDON. Will the gentleman yield at that point?

Mr. DEWALT. Certainly, sir.

Mr. GORDON. Is the gentleman's contention that it is necessary to fix the value of this property now of these railroads? Has it got to be done instanter, or can it be deferred, as we have done with other people whose property we have taken, until the real value of this property can be determined?

Mr. DEWALT. I believe, sir, that for the stability of all the stocks and bonds and all the property interests concerned in this country, so far as railroads are concerned, time is of the essence of the contract.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DEWALT. I will.

Mr. HUDDLESTON. Does the gentleman assert that we ought to stabilize these securities at a higher rate than is just to the people?

Mr DEWALT. Certainly not, and I am coming to that in a moment.

Mr. HUDDLESTON. Why does the committee take the three-year period instead of the one-year period, as the English did?

Mr. DEWALT. The reason is this: If we took only the one year, 1917, then you would certainly pay them more than under this.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. DEWALT. Certainly.

Mr. HUDDLESTON. England took the prewar year of 1914. Why should not we do the same thing?

Mr. DEWALT. They did not take the prewar year of 1914, the gentleman is mistaken.

Mr. GORDON. They took 1912.

Mr. DEWALT. They took six months of 1913 and took six months of 1914.

In other words, gentlemen of the committee, it is just this: There are a great many who argue this question who do not know anything about the facts. [Applause.]

Mr. GORDON. And that is a fact. Will the gentleman yield?

Mr. DEWALT. One moment. If I was to agree with all the premises which were laid down by the distinguished gentlemen, then I would certainly come to their conclusion; but the trouble is I can not agree with the premises.

Mr. COOPER of Wisconsin. Will the gentleman yield for a question?

Mr. DEWALT. Yes.

Mr. COOPER of Wisconsin. I do not wish to get into this controversy any further.

Mr. DEWALT. It is not a controversy; it is a discussion.

Mr. COOPER of Wisconsin. The gentleman has just said that they could not take a prewar year, and yet he followed that statement by the statement that England took six months in 1913 and six months in 1914, including up to July, 1914, and the war began in August. And, then, they did take one year just before the war, by his own statement. [Applause.]

Mr. DEWALT. That is exactly what I said, only the gentleman did not hear it. The war broke out in 1914.

Mr. COOPER of Wisconsin. The gentleman can not evade that. That is what he did say.

Mr. DEWALT. This gentleman never evades anything. He always tries to argue from the facts as they are presented; and the fact is that in England they took six months of 1913 and six months of 1914, and they averaged it; and they averaged it in this way, that if the profits of the railroads in 1914 for the first six months were in excess of the profits of 1913, the last six months, they made the average.

Mr. DOREMUS. Will the gentleman yield?

Mr. DEWALT. I will yield.

Mr. DOREMUS. The gentleman from Alabama [Mr. HUDDLESTON] has just asked you why we did not follow the English plan and take a year preceding our entrance into the war.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DEWALT. I ask for two minutes more, so that I can respond to this query.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent for two minutes more. Is there objection?

There was no objection.

Mr. DOREMUS. If we had adopted that plan, would it not be even more favorable to the railroads than the one that is now incorporated in the bill?

Mr. DEWALT. I have already said that. If we had taken last year—1917—that is the most prosperous year any of the railroad companies have known; 1915 was a lean year, bringing in some $683,100,000; and in 1917 over a billion dollars. The consequence was, they took a light year and a fairly prosperous year to determine the sum total and making the average.

Now, as to this question of compensation according to valuation of the property, Judge Prouty, who was on the valuation committee, has declared that there are now only three railroads in this country that have been investigated as to their property valuation, and they have not yet determined the amount of that valuation. And, further, he says that it will take at least three or four years more—I think he said four, but he said three, I am sure. I am referring to the gentleman from Wisconsin [Mr. ESCH] for the correctness of my statement.

Mr. ESCH. The valuation, as far as the field was concerned, would take until 1920, and it would take a year before they could tabulate their returns.

Mr. DEWALT. So you see the utter impossibility of trying to fix the valuation upon the basis as presented by my friend from Alabama.

Now, this is a clear question of how we shall compensate them for the use of the property that is taken. The value thereof is represented by the earning capacity of that property, and that earning capacity is not determined by the railroad companies; it is not determined by the President; it is determined by the reports submitted to the Interstate Commerce Commission yearly, adopted, revised, and taken by them as a verity, and those sums are fixed and determined by the Interstate Commerce Commission after due investigation.

Mr. RAMSEYER. Will the gentleman yield?

Mr. DEWALT. Certainly.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended two minutes in order to answer a question.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the time of the gentleman from Pennsylvania be extended two minutes. Is there objection?

There was no objection.

Mr. RAMSEYER. The value of the use for what time?

Mr. DEWALT. The value of the use at time of taking would be the legal proposition. But in this instance that could not be a fair estimate, because if you were to follow that you would have to take the value of the use in 1917, and that would be disproportionately large.

Mr. RAMSEYER. And you fix three years?

Mr. DEWALT. Yes.

Mr. RAMSEYER. If you have the right to fix it at 3 years why have you not the right to fix it for 5 years or 10 years?

Mr. DEWALT. Because the contract is about to be entered into. You must hear the rights of both of the contracting parties, and must arrive at an average that will best suit the interests of not only one but both.

Mr. RAMSEYER. Then, in the judgment of the committee, three years is such a period?

Mr. DEWALT. I think so; yes, sir.

Mr. RAMSEYER. Now, if the gentleman was correct in his statement that a period of a year before the war would be unfair, because excessive, why did not the committee have a right to go back and take two years, or three years, at some period when the railroads of the country were not affected by the abnormal conditions of war abroad?

Mr. DEWALT. In answer to that I wish the gentleman had had the privilege of inspecting all the reports of the Interstate Commerce Commission from the year 1902 all the way up to 1914, 1915, 1916, and 1917.

Mr. RAMSEYER. I am asking for information.

Mr. DEWALT. He would then have come to the determination that 1914 was a very lean year, that 1912 was what they called a bad year, and going along the scale from year to year it was determined by the committee from the inspection of those reports that the average was substantially the mean average during the entire time.

Mr. RAMSEYER. Now, why would not 1910, 1911, and 1912 be fair?

Mr. DEWALT. In other words, I have just been informed by one of my colleagues on the committee who has looked over the figures that this was the lowest net return during a period of 18 years for a like period of three years.

Mr. RAMSEYER. Would that be fair to the railroads?

Mr. DEWALT. As long as they have not objected I should think so.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LENROOT. I ask unanimous consent, Mr. Chairman, that the gentleman may have two minutes more. He is a member of the committee. I would like to know what objections he has to the amendment I have proposed.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Pennsylvania [Mr. DEWALT] may proceed for two minutes more. Is there objection?

There was no objection.

Mr. DEWALT. As I understand the gentleman's amendment, it is simply a transposition of the words "not exceeding" from the first page to the second page. Whether it changes the portent of the act I am not able to say. This, however, I will say in all candor to the gentleman that during the time of the discussion on this very phrasing in this first section the gentleman to my right, Mr. SNOOK, of Ohio, offered an amendment almost precisely similar in words and terms. That amendment was discussed, and the question came up as to whether these words should not be put in after the word "compensation" and before the word "not"—"an amount not exceeding an annual sum," and it was thought that that did not improve it at all. It did not clarify the situation or make it any stronger. Then the words "from time to time" were included as an amendment, and then the question came up as to the line, "equivalent as nearly as may be to the average annual railway operating income."

Now, I am going to say to the gentleman from Wisconsin that I do not believe the transposition of those words "not exceeding" from the first page to the second page makes one iota of difference in this bill, and, so far as I am concerned, as a member of the committee, I would vote for it.

Mr. LENROOT. I would like to ask the gentleman this question: Does it not change the entire character of the definition of standard returns unless this change is made?

Mr. DEWALT. I do not think it makes one bit of change. Otherwise I would oppose the amendment.

Mr. CALDWELL. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York moves to strike out the last word.

Mr. CALDWELL. Mr. Chairman, we should not lose sight of the legal phase of this question. When you take property and take title to it, you must pay the then value of it; but when you take property for the use of it, you must pay the usable value of it during the period you use it.

Now, this bill provides that the President shall have authority to make a contract. If the contract is entered into willingly, the question of whether the price is too much or too little does not affect its legality. If we expect the President to make this contract, we should give the President sufficient latitude to meet the willing mind of the people who own the railroads, and, as I understand it, it has been tentatively discussed with the railroads and it is reasonably expected that the three-year period will be satisfactory to them. Therefore there is some hope that the contract entered into will be made willingly, and therefore legal and satisfactory. If we propose to extend the contract for a specified period of time, and that does not meet the wishes of the people who own the value, and afterwards it is shown that that is not a fair value, then, under the Constitution, the price could not be enforced.

Mr. SMITH of Michigan. Do I understand the railroads have consented to what shall be a reasonable compensation?

Mr. CALDWELL. I say, as I understand it—and I base my statement on what I have read in the newspapers—the railroads have been offered this three-year basis, and it seems to meet their approval; but I do not know anything about it personally.

Mr. COOPER of Wisconsin. Mr. Chairman, I should like to ask the gentleman from Michigan [Mr. DOREMUS] a question. He made the statement here a moment ago touching this language.

The CHAIRMAN. Will the gentleman from Michigan give his attention to the gentleman from Wisconsin?

Mr. SMITH of Michigan. The gentleman from Michigan is in the Hall over there.

Mr. COOPER of Wisconsin. Mr. Chairman, if the gentleman from Michigan will pay attention just a moment, I would like to ask him a question to see if I correctly interpret what he said a moment ago with reference to this proposed amendment. The language in line 10, first page, as he understands it, means this: That the roads shall receive compensation not exceeding an "annual sum," which means that they shall receive each year not more than an amount—see the next page, line 2—"equivalent as nearly as may be to" the standard return; that is, certain things further specified show. Now do I understand the gentleman to say that the Government may not want to pay that all in money, and that therefore the words "not exceeding" were left in the bill to limit the amount which might be paid in cash to the roads? Is that it?

Mr. DOREMUS. Either in cash or its equivalent.

Mr. COOPER of Wisconsin. Either in cash or its equivalent?

Mr. DOREMUS. Yes.

Mr. COOPER of Wisconsin. That being so, the gentleman's idea is that the words "not exceeding" where they are express the intent of the committee?

Mr. DOREMUS. Yes; that is correct; whether the stockholders of the roads get their returns in dividends or whether a part of it goes into the maintenance of the system, the equivalent must be the average for the last three years. That is my understanding.

Mr. COOPER of Wisconsin. Yes; that is what I understood the gentleman to say in interpreting this, and therefore there is a difference in the interpretations given to this clause by the gentleman from Michigan and the gentleman from Wisconsin [Mr. LENROOT] who offered the amendment.

Mr. DOREMUS. My offhand view is that the amendment of the gentleman from Wisconsin as it now stands does not change the meaning of the section. Certainly the idea of the committee is that the returns to these roads, whether it be in cash or whether it be in something else, shall not exceed the equivalent of the average annual return for the last three years.

Mr. COOPER of Wisconsin. Then the words "annual sum" mean such payment?

Mr. DOREMUS. The idea is to find the average annual return for a period of three years, and when that is ascertained, if the railroad company makes the contract with the President, that will be the return during the period of the war.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time on this amendment has expired.

Mr. HARDY. Mr. Chairman——

Mr. FESS. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. FESS. I hope the chairman will be willing to accept this amendment, in the interest of the clearness of the language.

Mr. SIMS. You mean the amendment offered by the gentleman from Wisconsin [Mr. LENROOT]?

Mr. FESS. Yes—shall receive as just compensation an annual sum not to exceed——

Mr. SIMS. I want to say to the gentleman that I understood the gentleman from Wisconsin to say just now that his amendment as now amended would change the whole character of the scheme of the bill?

Mr. LENROOT. No.

Mr. SIMS. What was it?

Mr. LENROOT. It restores it. As the language now reads, the whole scheme of your bill is changed, but if my amendment is adopted it will be preserved.

Mr. SIMS. I differ with the gentleman; but, after all, it is true that the amendment, in the judgment of the committee, neither helps nor hurts, and therefore I do not think we ought to encourage amendments that do not help the proposition. Anybody can offer amendments of that sort, debate them, and take up the time of the House.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LENROOT]. The Chair understands it is all offered as one amendment.

Mr. LENROOT. Yes.

The question being taken, on a division (demanded by Mr. LENROOT) there were—ayes 63, noes 65.

Mr. LENROOT. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. LENROOT and Mr. SIMS.

The committee again divided; and the tellers reported—ayes 84, noes 61.

Accordingly the amendment was agreed to.

Mr. MONTAGUE. Mr. Chairman, I move to strike out the last two words of the section.

Mr. SIMS. Would the gentleman like to have more than five minutes?

Mr. MONTAGUE. I would like 15 minutes.

Mr. SIMS. I ask unanimous consent that the gentleman have 15 minutes. He is a member of the committee who took no time in general debate.

The CHAIRMAN. The gentleman from Tennessee, chairman of the committee, asks unanimous consent that his colleague on the committee have 15 minutes. Is there objection?

There was no objection.

Mr. MONTAGUE. Mr. Chairman, railways from their inception have made most important contributions to military operations, but these contributions have never been so prodigious as in the present world war. It may not be too much to affirm that the success of Germany's military machine is due more to her railway system, its complete coordination with her armies, the rapid and almost perfect transportation of men and matériel from center to fronts, and from front to front, than any other single factor in her military plans. I should add that this system was constructed by Germany long before the outbreak of this war, and was perfected almost wholly for military purposes.

England and France, Mr. Chairman, were not so well prepared in transportation; at least their transportation systems were not adapted to military strategy. Their systems were established for commerce and not for war; but the necessities of war have wrought rapid changes in their railways and they have now become adapted to the perfection of military organization.

America's railway system is beyond doubt the greatest and most efficient railway system in the world, containing some 260,000 miles—more by many thousand miles than the entire mileage of England, France, Germany, Italy, and Russia. But our railways were unadapted to efficient military organization and operation.

Mr. Chairman, the American railways at the time of our declaration of war were somewhat run down. The physical properties had deteriorated; there was a great shortage of engines and cars, and no adequate provisions or plans for maintenance, replacements, renewals, terminals, and additions had been made; the loss of some 70,000 men to the Army, and perhaps a larger number to more remunerative civil employments, resulting in the dislocation of labor, were some of the factors that rendered our railways inadequate to meet the needs of war or the commerce incident thereto.

To coordinate and unify the American railways, to make necessary improvements and replacements, and to operate with greater unity and efficiency became the supreme duty of the hour. Perceiving this situation, the President assumed the grave responsibility of taking over the American railway systems as well as transportation by canals and inland waterways. He had no other alternative.

In addition to the paramount military reasons which I have just suggested, namely, the unification of our railways and their adaptation to effective military organization, was an impelling financial consideration. With over seventeen billions of railway securities, and these securities steadily and rapidly shrinking in value, with another great Government liberty loan confronting us, it became imperative to take over the railroads in order to stabilize the security markets of the country and prevent financial disaster. If railroad securities were forced upon the markets of the country, seeking sales at high rates of interest, and in competition with the flotation of Government bonds, then it became urgently necessary to take over the railroads in order to prevent competition and the consequent demoralization of the finances of the country. The President vividly realized this exigency, for in his address to Congress of January 4, 1916, he said:

> One of the strong arguments for assuming the control of the railways at this time is the financial argument.

From every aspect of the problem, no alternative was left the President but to exercise the power granted him by the act of August 29, 1916, and take over the railways of the country.

Mr. Chairman, the right of the President to assume control of the railways for and during the war is indubitable, certainly for the purposes of this bill and of argument in its support. But what shall the President pay for the use of the railways so taken over? The principles controlling the answer to this inquiry are clear and commanding. He must pay a "just compensation" for the use of the property so taken. Our Constitution, voicing the equities of free governments, expressly so declares. But neither the President nor Congress can determine what is "just compensation"; such compensation must be either agreed upon by the President and the railways, or, failing agreement, it must be determined by the courts. So in the absence of agreement the ascertainment of "just compensation" is a juridical function, not a legislative or an executive function.

But litigation should always be avoided, if practicable, and such an avoidance is most important at this time, for should the American railways seek their compensation by resort to the courts the delay and uncertainly incident to this method of ascertainment might result in chaos and ruin. No Member of the Congress should knowingly invite such a result, and to eliminate its dangerous possibility this bill undertakes to authorize the President to make an agreement with the carriers as to the amount of this compensation, which if reached will exclude juridical action.

Mr. Chairman, the principle is plain, but its concrete application is difficult. For how shall we determine the compensation which he may submit as "just compensation"? Congress may empower him to make an offer, but what shall this offer be? Several methods of ascertaining "just compensation" were considered by the Committee on Interstate and Foreign Commerce. Should we authorize the President to offer compensation based upon a return on the fair value of railway property? This method was considered, but insuperable difficulties met us upon the threshold. For what is the value of such properties? I answer that the evidence before the committee of Congress shows beyond doubt that no one knows now and no one can know in time to deal with this question. Judge Prouty, the most eminent authority on this subject, the chairman of the railway valuation committee of the Interstate Commerce Commission, stated before our committee that he did not know this value, that his committee did not know it, that no one now knows it, and that no one will know it for three or four years to come. Notwithstanding that this eminent official and his committee have been investigating this great subject for some three years, with an expenditure of some millions of dollars, the proof was conclusive that no such valuation is determinable now or can be determined within three years. So, of course, the committee of which I am a member was forced to abandon this method of ascertaining compensation. Should we employ such an untrustworthy and elusive method, the obvious result would be to throw the American railways into court, with inevitable chaos at the moment when the safety of our Republic demanded the stability of American securities. No patriotic public servant could contemplate such an unspeakable calamity, a calamity so desired by our enemies.

Should we adopt a method based upon the market value of the stocks and bonds of the American railway systems? This method was considered, but here the question at once arose, What is this market value, and how can it be determined? Manifestly the market value of such securities is too fluctuating and varying to be adopted as a just basis or measurement of compensation. No fair compensation could thus be ascertained, and to employ such a method could only result in forcing the railways into the courts to obtain the remuneration provided

by the Constitution. Again, I may affirm that we dare not invite such a calamity.

So, Mr. Chairman, we had to resort to another basis, to another standard, of compensation; and this basis, this standard, was to approximate the principle and practice employed in the condemnation of private property for public use. This method is an old and tried one, and apparently affords the best and most analogous precedent. This method covers the common equities of the problem. It is simply to pay the owner for the use of his property that amount he has been heretofore getting. The bill adopts this method, and we submit it to Congress and to the country as the most simple, expeditious, and just method obtainable under existing circumstances. A more accurate method might be devised, but a more accurate method can not be devised within the time that action must be taken. Time is almost the essence of the whole undertaking, and if we do not act quickly we may as well not act at all. Therefore I submit that if we can approximate substantial justice by this method we will have done our duty.

So, Mr. Chairman, in determining a proper standard of compensation we not only have to consider what the railways have been getting or earning, but the time within which these earnings have been obtained. Earnings is the income derived from operations less the expenses of operation, taxes, and one or two other items. But within what period shall we estimate the income? Shall it be for the year preceding the date of taking over? Manifestly this period may be unjust, because the preceding year may be an abnormal one, the income being either too small or too large. Therefore the committee determined to take the average operating earnings for a period of three years ending June 30, 1917, as a basis of compensation. That is to say, the earnings for the years 1915, 1916, and 1917 divided by 3 would determine the compensation, not exceeding which the President is authorized to negotiate an agreement. The President need not agree upon the maximum average; he may agree upon a less sum, but he can not agree upon a larger amount. The responsibility within these limitations is squarely placed upon the President.

It has been suggested, Mr. Chairman, that we should have taken a longer period than three years for determining the average annual income. I submit that the committee substantially did this. Go back 18 years and take six three-year periods therefrom, and I submit that the difference in the percentage of income for any one of these periods is not sufficient to justify the rejection of the particular three years adopted by your committee.

Mr. FESS. Will the gentleman yield? There is a maximum put upon it.

Mr. MONTAGUE. There is.

Mr. FESS. But no minimum.

Mr. MONTAGUE. No minimum.

Mr. FESS. Does the bill contemplate the betterments suggested by Mr. Hill?

Mr. MONTAGUE. It does.

Mr. FESS. Will the gentleman allow me to say that the pressure of war seems to be very deleterious to-day on rolling stock, and especially locomotives.

Mr. MONTAGUE. That is true; and that is one reason why we should expedite this legislation.

I have not the figures at hand for the moment, but I ask the attention of the committee to the operating income of 38 railway systems comprising what is called the eastern district—that is, the territory east of the Mississippi and north of the Ohio—containing more than one-fourth of the actual mileage of the American railways and a far larger proportion of traffic. The net operating income of these 38 roads for 1915 was less than such income for the years 1906, 1907, 1908, 1910, 1911, 1912, and 1913. The return on the investment for June 30, 1915, was 4.34 per cent, less than the return in any of the last 18 years, except for the year 1914. The average net operating income for the eastern system for the three years ending June 30, 1917, was $384,840,150, which in relation to the average investment during the three-year period gives a return thereon of 5.41 per cent, or less than the returns for the years 1902, 1903, 1905, 1906, 1907, 1910, 1916, and 1917. To put the facts in another form, for the three-year period ending June 30, 1902, the average per cent was 5.37; for the three years ending June 30, 1905, 5.51 per cent; for the three years ending June 30, 1908, 5.70 per cent; for the three years ending June 30, 1911, 5.47 per cent; for the three years ending June 30, 1914, 4.68 per cent; and for the three years ending June 30, 1917, 5.41 per cent. Therefore, it is apparent that the rate proposed, so far as it affects the great eastern system of railways, can not be characterized as extravagant. And when we consider that the average rate of returns upon the property investment of all the railways of America is 5.31 per cent, we must conclude that the earnings or compensation provided for in the bill does substantial justice to the roads and the people of America.

I should add, Mr. Chairman, that the proof of the annual returns of the railways of America is to be found in the record and reports of the Interstate Commerce Commission. So the evidence of the returns is supported by record proof, ascertainable by the public, and regarded as of the highest validity by nearly all systems of jurisprudence.

Mr. Chairman, intimately connected with compensation is the income or the revenue from which that compensation is derived. The earnings of railways rest upon rates and fares. Without charges or rates for passengers and freight, there would be no earnings. Rates, therefore, bear a vital relation to the operation and income of railroads.

The President has taken over the railroads, a step only taken once before in the life of the Nation. His action involves tremendous responsibility. He must control and operate the railway systems of our country. The Congress has authorized him to assume this responsibility, and we must of necessity further authorize him to discharge this responsibility. This responsibility can not be fully performed unless the President can control the earnings and expenditures of the railways. To control earnings he must perforce control rates. Otherwise earnings and expenditures may be dislocated; the equilibrium of income and outgo will not be adjusted; finance and operation will not coordinate.

The Senate bill in its last analysis confers upon the Interstate Commerce Commission the rate-making power, but the House bill confers upon the President in the last analysis the rate-making power. Your committee believes that the logic of events, the emergency which precipitated this responsibility upon the President, the military necessities of the hour, and the coordination of administration and finance, all combine to approve of the power which is delegated to the President by the House bill.

The President not only occupies a relation to railways which the chief executive officers of these railways have heretofore held, but he sustains another and higher relation, namely, that of trustee, that of a disinterested representative of the roads and of the people.

Under existing laws the railways may initiate rates and shippers may indirectly bring about a revision of rates, but there may be serious doubt that the President can initiate rates unless we give him the authority provided for in the pending bill.

Mr. LENROOT. Will the gentleman yield?

Mr. MONTAGUE. I will.

Mr. LENROOT. I am glad to hear the gentleman state that the President has not the power to initiate a rate, but do not the President and his advisers claim that without this bill he has the power to initiate and make rates?

Mr. MONTAGUE. By force of law, incident to the powers conferred upon the President in the act authorizing him to take over the railroads, it may be held that if the railroads could initiate rates, the President, standing in their stead, might exercise similar powers. But I think no power of so important a character should rest upon deduction or argument; it should rest upon the specific authorization of the statute. I would rather not rely on logical processes for this power. I would rather give him that power directly or withhold it directly.

Mr. SNYDER. Mr. Chairman, will the gentleman yield for a question?

Mr. MONTAGUE. Yes.

Mr. SNYDER. In case the authority to fix rates is taken from the President in this act, who would then have the right, if this bill becomes a law, without other amendment, to initiate rates?

Mr. MONTAGUE. That is a serious and an embarrassing question and one I do not think any one can answer absolutely. The shipper may have the right indirectly to initiate rates, as I have before suggested, or the board of directors or administrative officers of the roads may possess it. But if the Sweet amendment to the pending bill is adopted then it may be that no one can initiate rates. For it must be borne in mind that the Interstate Commerce Commission can not initiate rates; this commission passes upon the reasonableness of rates submitted to it.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. MONTAGUE. Yes; for a question.

Mr. GREENE of Vermont. If we are only taking over the roads because of military necessity and the transportation of our own war stuff is all that we want, why should we have any concern about commercial rates and commercial business?

Mr. MONTAGUE. There may be occasions when it will be essential for the President to make rates. This bill does not command the President to make rates. It simply gives him this power, and it is a power which from the nature of the case, from the necessities of his office, I imagine he will only use should grave emergencies arise.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. MONTAGUE. I yield.

Mr. MADDEN. Under what circumstances might such a condition arise as the gentleman has just described?

Mr. MONTAGUE. Suppose the President found that a rate upon a given commodity was of such a character that he could not move or retard it with the celerity demanded by the necessities of the case?

Mr. MADDEN. But would that make any difference to the expedition?

Mr. MONTAGUE. It would make a great deal of difference. The existing rates might be such that he could not mobilize or retard the shipment unless he could change this rate, and change it immediately. It might be necessary to discourage shipments, and why should they not be discouraged by rates or classifications? England has done so.

Mr. GREENE of Vermont. Will the gentleman permit me to suggest that if the President can commandeer the physical properties of the roads, he can put them into operation to carry goods, can he not?

Mr. MONTAGUE. Yes; but we should give him the indirect authority resulting from rates as well as the direct authority resulting from control over operations.

Mr. GREENE of Vermont. Regardless of rates?

Mr. MONTAGUE. Above the mere question of commandeering, suppose there is a falling in the revenue which must be averted immediately or operations become impaired and default be made in the guaranty of compensation? Immediate action may be required, and delay incident to the investigation and deliberation of the commission will be fatal. But are we not conjuring up apprehensions? Do we not know that the President will, from the necessities of the case, leave the rate-making duty to the commission; that it will continue as heretofore to pass upon rates; and that the President will only act in a supreme exigency?

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. MONTAGUE. Yes.

Mr. FESS. If the bill becomes a law, with the power given to the President, is there any possibility of a State railway commission interfering with the rates on an intrastate line?

Mr. MONTAGUE. I think that the President's power would be paramount in that respect.

Mr. MADDEN. Has not the commission the power?

Mr. MONTAGUE. He is speaking of intrastate as distinguished from interstate rates.

Mr. MADDEN. Yes; but I do not think intrastate shipments would have anything to do with the conduct of the war.

Mr. MONTAGUE. The gentleman was asking whether the President could overrule the public utility commissions of the several States in the exercise of their existing jurisdiction over intrastate rates. I think under the bill, as it now stands, the President will have this power—a power, however, which he is most unlikely ever to exercise.

Mr. DILL. Mr. Chairman, before the gentleman leaves that, if the President guarantees a certain remuneration to these roads, and the earnings do not equal the guaranty, how will the money be raised to meet the guaranty?

Mr. MONTAGUE. By an increase of rates.

Mr. DILL. But if the money has not been raised at the end of the year?

Mr. MONTAGUE. Then he could go into the markets and borrow, and the debt thus created would have to be taken care of by increased income which in all human probabilities would have to be taken care of in turn by an increase in rates.

Mr. Chairman, the term of duration of Federal control is inherently connected with compensation and rates. Compensation for a fixed term must be different from compensation for an unlimited term. Congress would hardly authorize the President to tender the same compensation for a brief period as for an indefinite period. Therefore compensation and time are correlative factors. So while less logically connected with rate making still not less practically connected therewith is the duration of control or use of the railways. For it is obvious that Congress would not think it wise or expendient to confer the power of rate making upon the President for an indefinite time, but might think it very necessary to confer such power for the period of the war. Consequently from almost every aspect of the subject the duration of control is an inevitable and vital consideration.

Mr. Chairman, I submit as incontrovertible that if the railways are taken over by the Government for war purposes they should be relinquished upon the conclusion of the war. The end having been accomplished, the peace status should be restored. We should not exert a war power in time of peace, for it would be indefensible in law and in morals.

Mr. Chairman, it has been contended upon this floor that many complications will result from governmental control which must be readjusted at the end of the war, and therefore no definite period should be fixed at this time for such readjustment. But why should a definite date impair such readjustment? Is it not obvious that if a definite time be now fixed all contracts and engagements made between the Government and the railways, or between the Government and third parties in respect of railways, will be made and entered into with relation to such a date, and thereby such complications will necessarily be diminished and readjustments will be facilitated? A definite date inexorably provides in advance against complications, for in the very nature of things the business world will adjust itself to a definite date; the business world can not adjust itself to an indefinite date. An uncertain time for the ending of control, I submit, will necessarily beget confusion, doubts, and complications.

Mr. Chairman, it has also been argued or prophesied that at the end of the war new and strange economic and industrial forces will have come into existence. That from the weltering aftermath of the war colossal economic forces will spring forth, needing to be controlled by a government of ordered liberty. But if these forces are to develop, why should we not now undertake to provide that they shall be dealt with without prejudice by a subsequent Congress, for it is obvious that this Congress will have no opportunity to deal with the subject? Moreover, Mr. Chairman, if these new economic forces are to be controlled, a definite date will prepare and quicken the country for the consideration of this subject.

Therefore I submit that the provision in the pending bill for the termination of control within two years after the war—a generously reasonable duration—is wise in that it puts the country and the Congress upon notice that readjustments will have to be made at the expiration of this period, and therefore a proper stimulus will be given to Congress for the preparatory study and consideration of the questions involved. Without some such notice, some such stimulus, consideration might be postponed under an indefinite prolongation authorized by law until an hour of peril had come upon the country, when time and conditions would forbid that investigation and thought required for the disposition of so great a subject.

Mr. Chairman, it was argued before the committee reporting this bill to the House that a definite time for the return of the railways to their owners would so stimulate speculation in railway securities that chaos would come upon the country. This is a strange and unfounded apprehension. It is self-evident that a contrary result would follow, for uncertainties and contingencies constitute the very life and essence of speculation.

Mr. Chairman, recurring to a former thought suggested by me, I would urge that whatever difficulties and problems may result from this war, no legislation now enacted should give a tendency or an inertia to any given remedy or theory that may hereafter have to be considered. This is no time to place weights upon future Congresses. This is a period of strain and stress; the unnatural and the abnormal prevail. Let us await peace for a consideration of ownership or increased regulation of railways. Congress will not then be disconcerted by the hysteria of war; free from its perturbations and under normal conditions Congress can then wisely deal with all of these questions.

Mr. Chairman, we should not throw away our chart. We should not forget the consideration which moved the passage of the act of August, 1916, for Federal control. That consideration was one and only one, namely, to meet the exigencies and necessities of war. The commerce clause of the Constitution—

> To regulate commerce with foreign nations and among the several States and with the Indian tribes—

was wholly unrelated to the motive or purpose of the legislative mind. To contend that the railways may be taken over under the war power, but held after the war under the commerce clause of the Constitution is a contradiction and a piece of legislative legerdemain to which I can not give my consent.

I submit as a matter of supreme moment that Congress should employ no war power for peace purposes; that it should not pervert the exigencies of war to experimental peace policies in advance of the arrival of peace. When we assert the war powers of the Constitution our action should rest upon those powers. We should not in one breath declare our action based upon war, and in the next that the same action is based upon commerce. For it should never appear to those of coming generations that the legislative department of the Government ever for an instant

considered the Constitution of our Republic a "scrap of paper." [Applause.]

It does not seem unpopular, I fear, to consider the Constitution a negligible document. I differ from that view. I entertain with deep conviction that a country of the size of America, with its millions of people, with varying economic interests and social aspirations, can foresee the end of its career, unless its political institutions are defined and protected by a written constitution. [Applause.]

Gladstone is reported to have said that the American Constitution was the greatest instrument ever struck off by the brain and purpose of man at any one time. This is perhaps an exaggerated truth, for the American Constitution is really an evolutionary document, formulating for the time at least the accumulated liberties and social aspirations of a mighty people.

The war determines our duty. The war inexorably fixes a date for the return of the properties of the American railways. We have no moral or legal right to hold this property after the end of the war save for a reasonable time, which is a judicial question, and within which the readjustments incident to relinquishment may be effected.

Let our successors deal with the questions presenting themselves after the close of the war. They can then be considered from every angle, and the Congress can bring to bear upon these conclusions its profoundest research, assembling all data, assessing all facts, and solving them with courage and wisdom. I take counsel in my faith in the institutions of my country rather than in the voices of the excited prophets of the unknown. [Applause.]

Mr. ESCH. Mr. Chairman, I wish to offer an amendment. On page 2, line 7, after the word "seventeen," insert the words "both inclusive."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 7, after the word "seventeen," insert the words "both inclusive."

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. ESCH. I do.

Mr. WALSH. This question may have been brought out before, but I wanted to ask the gentleman his idea as to the meaning of this language in parenthesis, whether that means they can only include income of lines that have been acquired, leased, or consolidated within those three years, or whether it simply means the incomes of the roads for those three years, no matter when they might have been acquired, leased, or consolidated. From a reading of it it would appear that it was confined to the income of lines acquired, leased, or consolidated within that period of three years. Now, there are a great number of roads that were leased prior to July 1, 1914.

Mr. ESCH. They will be taken care of under the three-year period, but it was because of a doubt whether the income should be increased by the money derived by the lines leased for that period of time or included, namely, within the period of six months.

Mr. WALSH. That is not the six months' period.

Mr. ESCH. I should say the three-year period, which is taken as the period for the standard return.

Mr. WALSH. Well, I can not quite understand why it is necessary to put those two dates in there as applying to leased lines.

Mr. ESCH. As being a source of income to the carriers it should be included in the standard return. If it were not put in there they would be denied that amount of standard return, and they would be entitled to it under the principles enunciated in section 1.

Mr. WALSH. But suppose a road was acquired on June 1, 1914. Then that income could not be included.

Mr. ESCH. Without this specification it would be included, and the only purpose of my amendment is to include both——

Mr. WALSH. I understand the object of the gentleman's amendment, but it seems to me that the phraseology as employed confines the rates to include the income of leased lines to those lines that were leased between those two dates.

Mr. ESCH. Yes; that is the statement of it. What would be prior to that time would already be reflected in the operating income of the carriers.

Mr. WALSH. But if you left the two dates out and left the words in parentheses out, would it not also be included?

Mr. ESCH. I think it would not.

Mr. SIMS. I want to ask the gentleman from Wisconsin a question. As I caught his amendment, after the word "seventeen," it provides for using the words "both inclusive"?

Mr. ESCH. Yes.

Mr. SIMS. That covers a period of more than two years.

Mr. ESCH. We fix a limit between July 1 and December 31. Now, ordinarily you either include the first date and exclude the last or exclude the first and include the last. But we want both.

Mr. SIMS. The word "both" means it is between the two dates?

Mr. ESCH. But you include the two dates.

Mr. SIMS. I thought the word "inclusive" was sufficient without the word "both," but I have no objection to it.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. SIMS. Mr. Chairman, I offer an amendment. On page 12, line 17, after the word "retirements," insert a comma.

The CHAIRMAN. The Chair is advised that it has already been done by a previous amendment.

Mr. BORLAND. Mr. Chairman, I offer an amendment. On page 1, line 9, after the words "receive," insert "out of the earnings thereof."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. BORLAND: Page 1, line 9, after the word "receive," insert the words "out of the earnings thereof."

Mr. BORLAND. Mr. Chairman, I offer this amendment for the purpose of calling the committee's attention to what I understood to be the statement of the gentleman from Virginia [Mr. MONTAGUE], not because I favor this particular plan that this amendment would provide. The operation of this amendment would be to provide for the payment of compensation only out of the earnings of the road. As the bill now stands I think it provides for an absolute payment of compensation according to the agreement between the President and the roads.

Now, I agree with the original text of the bill, but my understanding of the question asked by the gentleman from Virginia [Mr. MONTAGUE], and answered by him, was that if the roads did not make sufficient earnings they would be compelled to make sufficient earnings by the adjustment of rates. I may not have understood the gentleman from Virginia correctly, but that is my recollection of his answer.

Mr. BARKLEY. Will the gentleman yield for a suggestion?

Mr. BORLAND. Yes.

Mr. BARKLEY. I understand the suggestion made by the gentleman from Virginia, in discussing the rate-making power given to the President, was that if the expenses of the road were increased somebody should have the power to raise the revenue sufficiently to cover those extensions.

Mr. BORLAND. There is no question about that. But he said the question was asked him as to where the money was to come from to pay this compensation, and he said "out of the rates," and if the rates were not sufficient they must be made sufficient.

Now, my understanding is that the compensation the railroads are to receive is absolute and without any regard whatever to the success or nonsuccess of the roads; and, believing that is true, I am in favor of the text of the committee bill, both on this point and on the point of the President having the power to make rates.

Mr. MEEKER. Does it not seem like a good business policy to make the rate high enough so as to pay expenses?

Mr. BORLAND. Exactly. I am in favor of the power of the President to initiate rates as provided in the text of this bill, because I believe that this compensation to the railroads is payable absolutely; and I further believe, in common with these two gentlemen who have interrogated me, that if the returns of the road are not sufficient to pay the compensation, and they can be made sufficient by a readjustment of the rates within fair lines of business, they should be made sufficient by a fair adjustment of the rates.

Mr. SWITZER. Suppose whoever had control—say, the Director General—would so divert the freight for military purposes as to decrease materially the earnings of the railroad system, do you think that railroad should then receive compensation because it has not earned enough money to pay the standard rate?

Mr. BORLAND. If the gentleman thinks I do, he has misunderstood what I said before. I do not think we can escape the payment of the compensation.

Mr. SWITZER. You say it should be out of the earnings of the road?

Mr. BORLAND. It should be; but, as a matter of legal effect, it is not.

Mr. SWITZER. But suppose the Director General diverts the freight from that system which would naturally come over it, and it has not the earning capacity that it had before, would he still stand sponsor?

Mr. BORLAND. The gentleman and I are not apart on that. It may be that the effect of the war will be to blight certain industries or certain shipments from certain communities or the movement of freight in certain directions so as to cut

down tonnage of certain railroads. That might be the effect of the war, irrespective of the diversion for war purposes.

Mr. BARKLEY. Under this bill there are two different classes of roads. One class is those roads which have had a standard return, which means a net income for a three-year period. The President could not pay more than that income for that period.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. BARKLEY. There are other roads that the President has taken over which have no standard return for that period, because they have made no operating income. Now, if the gentleman's amendment is adopted, the President can not make a contract or pay operating expenses except out of the income, and he would be barred from making a contract with these roads that have no standard return.

Mr. BORLAND. I thought I made it clear that I did not want to change the language of the bill. There is only one further point I want to make.

Mr. SIMS. The gentleman, then, does not expect to insist on his amendment?

Mr. BORLAND. Oh, no. I wanted to call attention to that. The question is a very vital one as to the right of the President to initiate rates, as are the reasons which have been urged by some gentlemen why no such power should be given. I am one of those who agree with the member of the committee from Pennsylvania [Mr. DEWALT] that the President has that power now by virtue of the act of last August.

When he assumed management and control of the roads, I believe he stepped into the shoes of the managers of those roads, and he has as much power to make rates on the roads he controls as he has control of the train service of those roads; just exactly the same power. He steps into the shoes of the managers of the roads, and he or his subordinate official becomes the man who initiates the rates. The only question in doubt is what becomes of those rates after they are initiated? Do they come before the Interstate Commerce Commission, and are they suspended for 30 days? That is the only question involved.

My understanding of this bill is that it gives the President the power to put into effect a change of rates immediately, and gives the Interstate Commerce Commission the power to review those rates upon the complaint of any shipper. It may be an extension of the President's power, because now he might be simply in the position of the manager of the road to initiate rates, as the manager would, and they would be under the control of the Interstate Commerce Commission, as now. But, as the President has the absolute war power to control these roads, what remedy would the shipper have if the President should put the rates immediately into force? So, as a practical proposition, there is no difference in the legal status of the shipper. We might just as well in this bill give the shipper full knowledge of what his rights are going to be. I believe that the committee, in drafting this bill, has given the shipper as full an opportunity for a hearing on the fairness of rates as can be given under the law. I believe that all the shipper can get any way is to have the right to have the findings of the President reviewed by the Interstate Commerce Commission. I do not believe that the shipper can get under the law an absolute suspension of those rates, nor do I believe he can get any new remedy in case the rates are determined to be unfair or discriminatory. We must trust the President with the war power, and the Committee on Interstate and Foreign Commerce has very wisely, I think, provided for the use of the machinery of the Interstate Commerce Commission to review the fairness of those rates, so that the shipper may have some opportunity at least to present his side of the case, which may not have been presented to the Director General of the road at the time the rate was first initiated.

Mr. FOSS. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. FOSS. I want to ask the gentleman whether or not he thinks the Interstate Commerce Commission might have some diffidence in passing upon a rate fixed by the President of the United States, who is the creator, so to speak, of the men who occupy positions on that commission?

Mr. BORLAND. I do not think so. I do not think the Interstate Commerce Commission, if the gentleman were a member of that commission—and in that case I feel sure he would make a distinguished member of the commission—and if I were also a member I do not think we would have the slightest hesitation in passing upon such rates as might be fixed by the President.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOSS. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may have five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BORLAND. I say I do not think the gentleman from Illinois or I would have the slightest hesitation in pronouncing upon all questions affecting the rights of the people of the United States, not the slightest.

Mr. FOSS. Now, as I understand it, this commission reports back to the President, so that the President reviews, so to speak, the proceedings of the Interstate Commerce Commission.

Mr. BORLAND. It is purely advisory as to him.

Mr. FOSS. That is to say, the President can initiate the rates, but the commission has appellate jurisdiction in a way; but the President is the final arbiter?

Mr. BORLAND. Unquestionably; and I am unable to see how under the law it can be otherwise. If I have correctly read the case of Marbury against Madison, I do not think the President of the United States can be either mandamused or enjoined. I do not see that any other remedy can be given to the shipper than the one we have given him.

Mr. FOSS. But here the Interstate Commerce Commission, that formerly fixed the rates, is practically put into a state of "innocuous desuetude."

Mr. BORLAND. I do not think so.

Mr. FOSS. The commission has not the power to fix the rates.

Mr. BORLAND. It has not the power now to fix the rates, but review rates.

Mr. FOSS. It reports to the President.

Mr. BORLAND. I think it is now a valuable power and worthy of preserving that gives them the right to review rates. The shipper may show an entire difference of view regarding those rates, and they may be either restored or modified or otherwise changed as the result of a fair hearing. I think that is all that can be fairly given to the shipper.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MADDEN. Does the gentleman say that the Interstate Commerce Commission has not now the power to initiate rates?

Mr. BORLAND. It decides on the reasonableness of those rates.

Mr. MADDEN. But they can not be put in effect until the final judgment of the commission is given.

Mr. BORLAND. On the question of reasonableness.

Mr. MADDEN. On the question of rates.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. BARKLEY. Mr. Chairman, I wonder if we can not enter into a unanimous-consent agreement about limiting the time of debate on this section?

Mr. TOWNER. I will say, Mr. Chairman, that I have an amendment that I want to offer as a substitute for the first paragraph of this section. I have been waiting, of course, until those amendments were disposed of that perfected that first part of the section. I have no objection, so far as I am personally concerned, to the limitation of the debate, but I would like to have that taken into consideration.

Mr. BARKLEY. I do not want to cut off any opportunity for offering amendments, but the time seems to be running on unlimitedly. I ask unanimous consent, Mr. Chairman, that the debate on this section and all amendments thereto be concluded in 20 minutes.

Mr. TOWNER. I would like to have 10 minutes on my amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. BARKLEY] asks unanimous consent that all debate on the section and all amendments thereto be concluded in 20 minutes. Is there objection?

Mr. CONNALLY of Texas. I shall have to object to that, Mr. Chairman.

Mr. MADDEN. I object.

The CHAIRMAN. The gentleman from Illinois objects.

Mr. BARKLEY. Mr. Chairman, would the gentleman object to 45 minutes?

Mr. BORLAND. I ask unanimous consent, Mr. Chairman, to withdraw my amendment.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. BARKLEY. I want to renew my request for unanimous consent, and make it 45 minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on this section and all amendments thereto be concluded in 45 minutes. Is there objection?

Mr. GREEN of Iowa. I object.

Mr. LENROOT. Mr. Chairman, will not the gentleman withhold his objection?

Mr. GREEN of Iowa. Yes.

Mr. LENROOT. I want to say that half of the time this morning was consumed in general debate and not on amendments. I want to suggest to the gentleman that if he desires to push the bill speedily he can make a point of order, but we ought to have reasonable time for amendments.

Mr. BARKLEY. The gentleman from Virginia [Mr. MONTAGUE] was allowed to proceed.

Mr. LENROOT. I do not think we should cut off amendments.

Mr. BARKLEY. I have no desire to limit amendments.

Mr. MADDEN. I reserve the right to object. There are a great many Members who would be glad to discuss the bill in its general phases in general debate, but they did not have the opportunity to do so, and it may be that they will want to discuss the bill out of order and not the amendments that may be pending. I think they ought to be heard.

The CHAIRMAN. Objection is heard. Does any gentleman desire to offer an amendment?

Mr. CONNALLY of Texas. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY of Texas: On page 3, line 1, after the word "carrier," insert the words "and in the discretion of the commission from such other evidence and data as may be available to or secured by the Interstate Commerce Commission."

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, it will be noted that in this paragraph it is provided that the Interstate Commerce Commission shall determine from the books, reports, and other data of the carriers both the standard return and the cost of any improvements and extensions; and in the next sentence it provides that its certificate as to these facts shall be conclusive. My amendment seeks to give the commission the discretion, either to confine itself to the character of data or evidence already mentioned in the bill, or to go outside and to take into consideration other evidence or data which it may be able to secure. Now, it does seem to me that it is rather giving too much weight to the evidence which the carriers may submit, to confine the Interstate Commerce Commission to that evidence, and then to make a finding based on that evidence absolutely conclusive. My amendment will only give the commission the discretion which I think it ought to possess, to ascertain the truth wherever it may find it, whether from the books or records of the carriers themselves, or from the books and records of other carriers with whom they may have had dealings, or from the books and records of trust companies and financial institutions with which the carriers may have had business connections, and which may be able to throw some light upon the financial operations of the railway companies mentioned. I believe this amendment ought to be adopted in all fairness to the shipping public, because unless it is adopted, and if the language in the bill is retained it will absolutely tie the hands of the Interstate Commerce Commission, and say to it that in trying the case they shall be confined to the evidence offered by the plaintiff, and shall in the good old justice-of-the-peace way enter up judgment for the plaintiff.

Mr. ESCH. Would it satisfy the objection the gentleman has raised to strike out from the bill the words "and from reports, books, and other pertinent data of such carriers," leaving the commission the whole field of inquiry?

Mr. CONNALLY of Texas. Absolutely.

Mr. ESCH. So that would make the gentleman's amendment unnecessary.

Mr. SIMS. If the gentleman will confine his amendment to that, there will be no objection to it.

Mr. CONNALLY of Texas. I will accept the amendment.

Mr. SIMS. The gentleman can ask to modify his amendment.

Mr. CONNALLY of Texas. I ask unanimous consent to withdraw my amendment and to offer the following instead.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CONNALLY of Texas: Page 2, line 24, to page 3, line 1, strike out the words "from the reports, books, and other pertinent data of such carrier."

Mr. BLACK. Mr. Chairman, I move to strike out the last word of the amendment. At this time I want to discuss briefly the proposition referred to by the gentleman from Virginia [Mr. MONTAGUE] and the gentleman from Missouri [Mr. BORLAND] to the effect that the Interstate Commerce Commission is a creature of the President, and that therefore in the existing emergency it should be shorn of its power to be the final arbiter of the rates. I think that there can be but little question as to the wisdom of the step which the President took on December 28 when he issued his proclamation taking over the railroads, and I think that there are but few, very few, in this country who are not in entire sympathy with what has been done in this respect and are willing to cooperate in every possible way toward making the operation of these railroads by the President a success and an agency for promoting greater efficiency in the prosecution of the war; but the inquiry at once arises, Is it necessary to discard the machinery of the Interstate Commerce Commission, which has hitherto exercised its jurisdiction under the laws enacted by Congress, in order that this successful operation shall be obtained? The gentleman from Missouri [Mr. BORLAND] and the gentleman from Virginia [Mr. MONTAGUE] advanced the novel proposition that the Interstate Commerce Commission is the creature of the President, and that therefore to permit it to be the judge as to rates would be making the creature greater than the creator. Gentlemen, the Interstate Commerce Commission is not the creature of the President. It is an independent body, created by an act of Congress of the United States. Its members are appointed, it is true, by the President, just as he appoints the members of the Supreme Court. But would any Member of this House have the temerity to say that the jurisdiction of the Supreme Court ought to be taken away, even in time of war, because, forsooth, it has the power to interpret the laws and the Constitution of the United States and to which interpretation the President of the United States, Members of Congress, and all other public officials and private citizens must conform their actions? Now, I am in favor of that provision of the bill which gives the President the power to initiate rates, but I believe that the final arbiter of the reasonableness and justice of those rates should be the Interstate Commerce Commission.

Mr. REAVIS. Will the gentleman yield?

Mr. BLACK. I yield to the gentleman from Nebraska.

Mr. REAVIS. No one who understands the tremendous amount of labor now devolving upon the President would expect him to fix rates.

Mr. BLACK. No one would expect him to do it. I take it that in the midst of his large and expanding duties it would be impossible for him to go into the intricate study of railway fares and rates.

Mr. REAVIS. He would have to do it through some commission.

Mr. BLACK. He would; and who is better qualified to deal with rate matters than the Interstate Commerce Commission, which by reason of its long experience possesses a better knowledge of these intricate matters of freight rates than any other body in this country? It is learned in the complicated and complex matters inseparably connected with transportation problems as is probably no other body of men in the country.

Mr. REAVIS. Will the gentleman yield for another question in line with his argument?

Mr. BLACK. Yes; I yield.

Mr. REAVIS. The foundation of these rates must be reasonableness. Who has had experience as to the reasonableness of rates to compare with the experience of the Interstate Commerce Commission?

Mr. BLACK. No one that I know of, and I think that it should continue to exercise its authority over fares and rates, under legal authority and restraints which are already a part of the law of the land.

Mr. SIMS. The gentleman said he was in favor of the President initiating rates, as I understood him?

Mr. BLACK. Yes.

Mr. SIMS. But would the gentleman have the rates initiated go into effect immediately?

Mr. BLACK. I myself will propose an amendment, if it is not proposed by some member of the committee, that will leave the law with respect to initiating rates substantially as it now is, except that I would give the President the right to initiate rates without giving the notice now provided by law, but leave that matter to the discretion of the President. Then I would allow the shipper to appeal to the Interstate Commerce Commission, if he wishes to do so, and let that body finally determine whether or not such rates, fares, charges, classifications, and so forth, are just, fair, and reasonable.

Mr. SIMS. The gentleman, then, wants to put the President exactly in the attitude that the railroads were before the war with reference to the initiation of rates?

Mr. BLACK. The gentleman substantially states my position, but not exactly so.

Mr. SIMS. That he may initiate in the sense of merely proposing an increase?

Mr. BLACK. He may initiate rates and put them into effect under the provisions of the pending bill, and I favor that; and what I want to do is to give the same right of appeal to the Interstate Commerce Commission as is now provided by law.

Mr. SIMS. The law does not provide now for putting a rate into effect.

Mr. BLACK. It does upon 30 days' notice, or such notice as the Interstate Commerce Commission may prescribe.

Mr. SIMS. The Interstate Commerce Commission must approve now before they permit it to be filed.

Mr. BLACK. The gentleman states the law correctly, as applied to carriers, if my memory serves me right, but I favor the provision that you have in the bill which we are now considering, giving the President the right to initiate fares and rates, which is undoubtedly some modification over the present law; but while I am in favor of that provision, so as to give the President the power of quick action, still I also want to preserve the right to the shipper to appeal to the Interstate Commerce Commission, and leave that commission with full power to be the final arbiter as to the justness and fairness of rates, and power to suspend them if they are found to be not just and reasonable.

Mr. SIMS. One of the largest shippers would be the Government.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLACK. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAYBURN. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. RAYBURN. Is not the idea of the gentleman from Texas along the line of the amendment that I proposed in the committee and presented here, that the President should be given the power to initiate the rate and that it shall go into effect in 30 days unless complaint is filed?

Mr. BLACK. Yes; but I would go further than that and allow these rates to go into immediate effect, but allow the Interstate Commerce Commission to suspend them if they were found to be unjust and unreasonable. Now, we all know that in the operation of the transportation companies the President can not act very generally by personal direction, but that it will be done largely by the Director General, and it is very apparent that even he, with his many pressing duties connected with the Treasury Department and the direction of the great financial operations of the war, will be forced to delegate his authority to subordinates; and therefore it seems to me that the reasonable and logical thing to do is to make the Interstate Commerce Commission the final judge in these matters, for the very simple reason that it is the most efficient and the most effective body in this country to deal with such matters, and it is not reasonable to suppose that any other body appointed by the President or the Director General would be more competent to deal with the problem.

Mr. CONNALLY of Texas. Does the gentleman think that the shipper ought to be required to pay more than a fair and just rate in order to make up the deficit which might be caused by the necessities of war?

Mr. BLACK. He should not; it ought to be levied by general taxation if there should happen to be any deficit. I hope, of course, that there will be none. Now, why should we want to destroy the power of the Interstate Commerce Commission and lodge these unnecessary powers in the hands of the President? Is it merely for the sake of granting autocratic powers to the President? Surely not. I have never understood that the President wants Congress to grant him any powers which he does not need in the prosecution of the war, and surely no one can contend that the power to be the final judge of rates is a war power.

Mr. GORDON. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. GORDON. I want to call the gentleman's attention to the provision inserted in the bill that prohibits everybody, the President included, from imposing any more than a just and reasonable rate.

Mr. BLACK. That is true; but who is to determine it? Why not a judicial body like the Interstate Commerce Commission? It is not an administrative body. It is more in the nature of a judicial body, with power to adjust equities between the shipper and the carrier. It does not operate the railroads. It does not initiate rates. It irons out the differences which are bound to arise in the operation of the roads whether that operation shall be by the railroads or by a Director General appointed by the President of the United States.

Mr. SNOOK. Will the gentleman yield?

Mr. BLACK. I will.

Mr. SNOOK. Did I understand the gentleman to say that if it should become necessary during the period of Government control of the railroads to raise the rates, or a rate, that he favors taxation of the people to pay it?

Mr. BLACK. I say that if a deficit should arise in the operation of the railroads, due to war necessities, that the shipper should not be penalized thereby to the point where he would have to pay an unjust and an unfair rate; that he ought to have some tribunal to appeal to, to decide as to the justness and reasonableness of rates.

Mr. SNOOK. I understood the gentleman to say, in answer to his colleague from Texas, that if it was necessary to raise the rate he favored the raising of that higher rate by taxation.

Mr. BLACK. If the gentleman understood me that way, he understood me erroneously. What I said was that rather than that the shipper should at any time be required to pay an unjust, unreasonable, and confiscatory rate, taxes ought to be levied in the usual way rather than to penalize him.

I think that is a sound proposition and that most of us agree on that, at least. I hope that at the proper place in the bill that an amendment will be adopted preserving the ordinary and usual jurisdiction of the Interstate Commerce Commission.

Mr. MADDEN rose.

The CHAIRMAN. The gentleman from Illinois will be recognized in opposition to the motion of the gentleman from Texas, and then all debate will be closed.

Mr. MADDEN. Mr. Chairman, the Interstate Commerce Commission is not the creature of the President. It is an independent department of the Government. It is so held to be an independent department. It is not subject to the orders of the President and ought not to be subject to his orders. Under the present law regulating rates the carrier is allowed to suggest a rate, and he files that rate with the Interstate Commerce Commission. He can not file the rate at all until the Interstate Commerce Commission says so within the period of 30 days. It is within the power of the Interstate Commerce Commission to suspend the rate after it is filed for another period, and it is finally within the power of the Interstate Commerce Commission to say what the rate shall be.

Now, I submit that if the Interstate Commerce Commission is not to be allowed to carry out the functions for which it was organized it ought not to be kept as a burden upon the taxpayers of the country. It is costing a good many million dollars every year to maintain the Interstate Commerce Commission. By long years of training it has acquired experience in rate making. Who will say that the President of the United States has had any such experience as will qualify him to make rates, and why should he be permitted to make the rates? Why should the Interstate Commerce Commission be compelled by any legislation that we may enact to simply review the rate made by the President of the United States and submit the result of their view to him for his action? The mere fact that we have turned over to the President of the United States the power to operate the railroads for the period of the war, as a war measure, does not justify the granting of further power of making rates. One of the functions of operating this railroad is a war function and the other function proposed in this legislation is a commercial activity. Nobody will suffer if the President is put in the place of the railroad companies and is authorized in that capacity to suggest rates to the Interstate Commerce Commission and the Interstate Commerce Commission is authorized, as they now are, to say whether those rates are reasonable and just. The President, simply because he happens to be President, ought not to be given unlimited powers to make rates. He might decide to raise the rates out of all reason, and yet these rates might be considered as reasonable by the Interstate Commerce Commission, because they would not want to have their opinion conflict with his.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. In a moment; but even the suggestion of the Interstate Commerce Commission after review would not be binding upon the President, and so whether he made a reasonable or an unreasonable rate would make no difference. I yield now.

Mr. TOWNER. I want to make this suggestion to the gentleman: Under the old law, up until the time we took over the regulation of the railroads, the question of rate making was a question between the railroads and the people, and then we said that neither the railroads nor the people should have the

right arbitrarily to decide, and we instituted the Interstate Commerce Commission as a board for that purpose. The question of rate making is now one between the people and the Government, and yet it is said here that one of the parties to that relationship, the Government itself, the President of the United States, is to have the right to make the rates.

Mr. MADDEN. And I do not think it ought to be so, because the President in the performance of his function as the operator of the railroads is representing the individual owners of the railroads, though he may be speaking for the Government, and he should not be permitted to arbitrarily fix a rate without the right of review and decision from some other body, and that body should be the Interstate Commerce Commission.

The CHAIRMAN. The time of the gentleman from Illinois has expired. All time has expired on this amendment. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. CONNALLY].

The question was taken, and the amendment was agreed to.

Mr. SIMS. Mr. Chairman, I desire to make a statement for the benefit of the committee. The question of rate making or the power of rate making will be reached in this bill at the proper place. Of course, there is going to be time for liberal debate when it is reached, and from now on I shall object to discussing the rate-making question under an amendment that does not apply to it at all. I understand when the question is reached that the gentleman from Wisconsin [Mr. ESCH] is going to offer an amendment.

Mr. ESCH. It will be offered by the gentleman from Iowa [Mr. SWEET].

Mr. SIMS. At all events, it will be offered when we reach that part of the bill, and I shall object to further discussion of the question of rate making.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. MADDEN. Members of the gentleman's own committee were discussing this question?

Mr. SIMS. Yes.

Mr. MADDEN. And the other Members who were not familiar with the practice of the committee and its members had a right to believe that it was in order, so long as the committee itself inaugurated the practice.

Mr. RAMSEYER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. RAMSEYER moves to amend section 1 by adding the following paragraph——

Mr. SIMS. Mr. Chairman, section 1 has been already amended by an amendment offered by the gentleman from Wisconsin [Mr. ESCH]. I suppose this amendment ought to come in at the end of that amendment which has been already adopted.

Mr. RAMSEYER. I hope it will come in at some place.

The CHAIRMAN. The gentleman from Iowa offers an amendment as a new paragraph, and at what point of the bill?

Mr. RAMSEYER. I place it at the end of the amendment offered by the gentleman from Wisconsin [Mr. ESCH].

Mr. ESCH. At the bottom of page 5.

The CHAIRMAN. It is to come in at the end of the section?

Mr. RAMSEYER. Yes.

The CHAIRMAN. Very well. The Clerk will report the amendment.

The Clerk read as follows:

Mr. RAMSEYER moves to amend section 1 by adding the following paragraph at the end of the section:

"*Provided*, That in no case shall the net income (that is, the sum remaining after deducting for operation, maintenance, taxes, fixed charges, and interest in funded and unfunded debts, and all other items of expense according to the system of accounting established by the Interstate Commerce Commission) of such carrier exceed 6 per cent on the par value of the capital stock (eliminating duplications) outstanding on the 31st day of December, 1917."

Mr. RAMSEYER. Mr. Chairman, a year ago when our entrance into this war seemed inevitable, and for the first few months after war was formally declared, much was said by men in and out of public office about this being a war without profiteering; that no one should make money out of war; that all must sacrifice. Most of the people are now sacrificing, most of the people are bearing greater burdens, and most of the people are receiving no special legislative favors from this body.

Nearly 10 months ago I made a speech on the floor of this House in which I took occasion to say:

We must take the people into our confidence and constantly reassure them by our legislative acts—not words merely—of our righteous purposes in this war. * * * While considering measures to bring this war to a successful and just termination we must not overlook those problems that touch every man, woman, and child in the land and the just and equitable solution of which will vitally affect our national concord and unity. If the laws that we shall pass here will permit some to amass vast wealth out of this war and cast the burdens and sacrifices upon the shoulders of the masses of our population it will require no prophet to tell you that that will tend to discord and dissension. * * * What I am contending for in these times is laws so just and equitable that no class of our citizens will have occasion to feel that they are not getting a fair and square deal and for a foreign policy worthy of our traditions and of our boasted leadership among the democracies of the world.

These principles have guided me and shall continue to guide me during the remainder of my service in this body. With these principles in mind, let us examine the bill before the House.

The bill is not a proposition to take over the railroads. The railroads have been taken over by the President under provisions of the act of August 16, 1916. The roads are now in the possession of and under the control of the Government and they will remain in the possession of and under the control of the Government during the war, whether this bill becomes law or not. I voted for the law of August 16, 1916, and I approve the President's action in taking over the railroads. I know of no one in Congress who either opposed the law that gave the President power to take over the railroads in such an emergency as this or who is now opposed to the Federal Government operating the roads during the present emergency.

In view of what I have said it is evident that Members of Congress can freely express their views in opposition to provisions of the bill or the bill itself without fear of being understood as opposing the action of the President in taking over and operating the railroads. Whether the sections of the bill relative to the compensation of the owners of the railroad stock or the powers to be granted to the Interstate Commerce Commission or the time limit when the railroads shall revert back to their owners become law or are amended to conform to views held by gentlemen like myself, the Federal Government under the direction of the President will continue to operate the roads during the war and for a considerable period thereafter.

Mr. Chairman, with that preliminary statement I wish to state for the information of the committee that the amendment just offered is in identical language to one offered in the Senate on last Friday. To my way of thinking the compensation allowed the owners of railroad stock in section 1 of the bill is indefensible and preposterous. That is especially true in view of the fact that the people freely give the Government the use of their money at 4 per cent and will continue to do so as long as the Government has need for it. Organized wealth should be required to sacrifice as well as the people during this war. Under the circumstances, together with all the other guaranties of this bill to railroads, the adoption of this amendment would not only be just compensation to owners of railroad stocks, but it would be liberal compensation as well.

This morning the gentleman from Pennsylvania [Mr. DEWALT] undertook to defend this section by invoking a rule of law that the compensation to which the railroads are entitled is the value of the use of the railroad property at the time of taking over.

Mr. DEWALT. Mr. Chairman, will the gentleman yield for a moment?

Mr. RAMSEYER. I will ask the gentleman to be brief, because I have only a few minutes.

Mr. DEWALT. The legal statement that I tried to make was this: That the measure of damages for taking property is to be estimated upon the value of the property at the time of the taking.

Mr. RAMSEYER. That would be December 28, 1917.

Mr. DEWALT. Yes; but that is the actual taking of the property. When you take only the use of the property then a different rule would apply. You must estimate what the use is worth.

Mr. RAMSEYER. And when.

Mr. DEWALT. Not at the time, because if you did you might possibly get an overestimate or an underestimate because the value of the use of the property would differ at different times. It might be $10,000,000 one year and $5,000,000 another year. Therefore you must strike an average and determine what that is worth.

Mr. RAMSEYER. I am very glad the gentleman has made that statement, because several members of the gentleman's committee have gotten up here and contended it was exactly as I stated it. For instance, the gentleman who just left the floor a while ago, the gentleman from Virginia [Mr. MONTAGUE], made this statement: "Pay for a man's property that which he has been getting." Now, the natural inference from that would be that he meant the value of the use of the property at the time it was taken over. Of course, this limitation of 3 years arrived at by the committee is an arbitrary time. It

might as well have been 5 years or 10 years or 15 years, and would have been just as legal as the 3-year limit. Now, I do wish to call to the attention of the committee some figures that the stockholders of the road are going to be permitted to earn. Members of the committee who spoke here I know confused some Members as to the terms "stocks," "bonds," and "property investment." Now, the table which the Interstate Commerce Commission furnished, and which was set out fully in the minority report of Senator CUMMINS and published in the remarks of the gentleman from Wisconsin [Mr. LENROOT], shows the returns on the capital stock. Some gentleman of the committee made answer that, although the percentage of net income returned on capital stock as shown by this table was high, if the calculation be made on the property investment it is not so high. Now, my understanding of this bill is that you undertake to guarantee to the railroads the interest on their bonds, all the operating expenses, taxes, maintenance, make allowance for depreciation, and so forth, and then give the stockholders the average net income that they have been getting for three years prior to June 30, 1917, either as dividends or to be used as part dividends and part surplus, as they may see fit. Now, if I am not right about this I would like to be corrected.

Mr. STEVENSON. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAMSEYER. Mr. Chairman, I would like to have five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. STEVENSON. I understood the gentleman both in his amendment and in his remarks to say that the standard return was the income after paying the interest on bonds, as well as paying the operating expenses. Does the gentleman understand the bill to mean that?

Mr. RAMSEYER. Section 1 will do just what I said it would do. That is what I said, and no member of the committee made any objection to it. I am, of course, now speaking of the effect the bill will have stripped of technical terms.

Mr. STEVENSON. They used the term "standard return" the same as railroad operating income and that——

Mr. RAMSEYER. That has a technical meaning, and I would like to call attention——

Mr. STEVENSON. But I want to call the gentleman's attention to the fact that the railway operating income is that which is left after paying certain expenses, of which interest on bonds is not one at all.

Mr. LENROOT. Will the gentleman yield?

Mr. RAMSEYER. The table to which I referred gives the average per cent of net income, which does include payment of interest on bonds.

Mr. STEVENSON. I am referring to the fact that the standard return provided for in this bill does not provide that the Government is to pay interest on the bonds at all.

Mr. RAMSEYER. Who is going to pay it? The interest on bonds must be paid while the railroads are under Federal control as it was before.

Mr. STEVENSON. They pay it out of the standard return that is turned over to the railroads themselves, that is the way I understand it.

Mr. RAMSEYER. Of course, the interest on bonds must be taken care of before the railroads can realize the net income shown in the table. You are not going to let the interest on bonds go unpaid; you have to take care of the interest on bonds before the railroads can realize this net income.

Mr. STEVENSON. No, sir; that is not the provision of the bill as I understand it. They have to pay them the standard return and out of that they pay their interest as they do their dividends.

Mr. RAMSEYER. I understand the bill the way I have explained it. The practical results will be the same. In either event the guaranty of this bill covers, among other things, the interest on bonds and dividends on capital stock, and if the earnings of the railroads are insufficient we reach into the Federal Treasury to make them up.

Mr. LENROOT. Will the gentleman yield?

Mr. RAMSEYER. I will.

Mr. LENROOT. I would like to call the attention of the gentleman to the fact that the claim of this bill for the standard return is a sum fixed by the President that they shall be entitled to receive plus, later on, certain additions or subtractions. It is not operating railway income at all; it is a fixed sum.

Mr. RAMSEYER. I understand that. The bill undertakes to authorize the President to pay the railroads not to exceed a certain amount. But both the President and the Director General have declared the railroads should have the maximum amount allowed in the bill. That amount I contend is too high. We all know that the Director General will make agreements with the railroads allowing them the maximum under the bill, for that is what he has repeatedly stated should be done. Knowing what the Director General's intentions are, it is absurd to give him that power and then stand back and say if he does do that thing we will show him up to the people.

Mr. BARKLEY. Will the gentleman yield for a question?

Mr. RAMSEYER. Is it in the nature of an explanation?

Mr. BARKLEY. No; but possibly it may be an explanatory question.

Mr. RAMSEYER. Is it to inform me or to inform the gentleman?

Mr. BARKLEY. Well, I do not know that the question will inform either one of us much.

Mr. RAMSEYER. Will the gentleman ask the question?

Mr. BARKLEY. Does not the gentleman know that there are many railroads where the amount of their capital stock does not correctly reflect the amount of money invested?

Mr. RAMSEYER. That is true.

Mr. BARKLEY. Because they have sometimes returned large sums of money and put that money into improvements and betterments and have not increased their stock——

Mr. RAMSEYER. I understand that. The percentage you are going to allow is on the capital stock?

Mr. BARKLEY. Yes.

Mr. RAMSEYER. Now, right here let me see whether we have the same understanding of the terms "capital stock," "bonds," and "property investment." Now, suppose you had a farm for which you are asked to pay $10,000 and you put $3,000 of your own money in and $7,000 under a mortgage. At the end of the year after paying interest on the mortgage and operating expenses of the farm and taxes you have $1,000 left. Now, that is 10 per cent on the property investment, is it not, but it is 33⅓ per cent on the money you have in it? Carry that analogy to the whole railroad system of the United States; we have bonds to the amount of $10,021,730,075, eliminating duplications; capital stock, $6,514,750,554, eliminating duplications. Add the amount of bonds and stocks and we have $16,336,300,336, which represents the property investment. The interest on the bonds is a fixed charge, just like the interest on the mortgage, and what is left after interest on bonds, operating expenses, and so forth, are paid goes to the stockholders as dividends. Under this bill the railroads will get annually $955,000,000. The bondholders, like the mortgagee, get a fixed rate of interest, about 4 per cent, or annually, in round numbers, $400,000,000. The stockholders will receive $550,000,000, or an average of 8½ per cent on the capital stock. The stockholders of some roads receive a much larger net income than others. So, when Members speak of net income on capital stock as excessive and exorbitant, it is unfair, and no answer to call attention to the property investment.

At this place I ask to have printed in the RECORD the table I referred to a while ago from the Interstate Commerce Commission. The figures in this table have been neither challenged nor contradicted.

The table referred to is as follows:

Road.	Capital stock actually outstanding (average for the 3 years ended June 30, 1917).	Average net income for the 3 years ended June 30, 1917.	Average per cent of net income to capital stock.
EASTERN DISTRICT.			
Pennsylvania R. R. Co.	$499,195,567	$44,534,939	8.93
New York Central R. R. Co.	249,676,128	32,367,269	12.96
Baltimore & Ohio R. R. Co.	210,809,812	12,285,229	5.83
Pennsylvania Co.	80,000,000	9,537,859	11.92
Philadelphia & Reading Ry. Co.	42,481,700	10,916,875	25.70
Delaware, Lackawanna & Western R. R. Co.	42,320,400	13,890,560	32.90
Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Co.	67,511,723	4,558,593	6.75
Lehigh Valley R. R. Co.	60,608,000	7,169,999	11.83
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co.	57,027,200	5,048,902	8.85
Michigan Central R. R. Co.	18,736,400	3,463,464	18.48
Central R. R. Co. of New Jersey	27,436,800	5,556,775	20.25
Delaware & Hudson Co.	42,502,600	5,437,547	12.79
Philadelphia, Baltimore & Washington R. R. Co.	25,571,000	2,941,156	11.50
Pittsburgh & Lake Erie R. R. Co.	31,991,200	7,537,923	23.56
Elgin, Joliet & Eastern Ry. Co.	10,000,000	945,239	9.45
Maine Central Ry. Co.	18,199,317	1,605,075	8.82
Buffalo, Rochester & Pittsburgh Ry. Co.	16,500,000	1,560,021	9.45

Road.	Capital stock actually outstanding (average for the 3 years ended June 30, 1917.	Average net income for the 3 years ended June 30, 1917.	Average per cent of net income to capital stock.
EASTERN DISTRICT—continued.			
Bessemer & Lake Erie R. R. Co	$500,000	$3,235,080	647.22
Chicago & Erie R. R. Co	100,000	70,449	70.45
Hocking Valley Ry. Co	10,999,500	1,313,129	11.94
West Jersey & Seashore R. R. Co	10,317,983	691,139	6.70
Central New England Ry. Co	8,547,200	717,566	8.40
New York, Philadelphia & Norfolk R. R. Co	2,500,000	893,508	35.74
Rutland R. R. Co	9,150,300	575,651	6.29
Bangor & Aroostook R. R. Co	4,079,067	337,808	8.28
Cumberland Valley R. R. Co	5,333,550	1,280,684	24.01
Kanawha & Michigan Ry. Co	9,000,000	991,665	11.02
Lehigh & New England R. R. Co	6,000,000	819,722	13.66
Chicago, Terre Haute & Southeastern Ry. Co	4,300,000	234,761	5.46
Lehigh & Hudson River Ry. Co	1,340,000	374,915	27.98
Monongahela Ry. Co	3,809,333	352,809	9.25
Cincinnati Northern R. R. Co	3,000,000	268,573	8.95
Port Reading R. R. Co	2,000,000	182,547	9.13
Detroit & Toledo Shore Line R. R. Co	1,428,000	348,020	24.37
Buffalo & Susquehanna R. R. Corporation	7,000,000	496,202	7.09
Staten Island Rapid Transit Co	500,000	160,119	32.02
Detroit & Mackinac Ry. Co	2,950,000	218,970	7.42
Total eastern district	1,593,322,780	182,921,748	11.48
SOUTHERN DISTRICT.			
Illinois Central R. R. Co	109,288,114	12,383,882	11.33
Louisville & Nashville R. R. Co	72,000,000	12,058,800	16.75
Norfolk & Western Ry. Co	138,583,887	17,342,810	12.51
Chesapeake & Ohio Lines	62,788,000	5,848,431	9.31
Atlantic Coast Line R. R. Co	68,754,700	7,424,004	10.80
Central of Georgia Ry. Co	20,000,000	1,878,570	9.39
Nashville, Chattanooga & St. Louis Ry	15,994,831	2,175,426	13.60
Mobile & Ohio R. R. Co	6,016,890	888,067	14.76
Cincinnati, New Orleans & Texas Pacific Ry. Co	5,443,400	2,448,928	44.99
Florida East Coast Ry. Co	10,833,333	1,090,321	10.06
Alabama Great Southern Ry. Co	11,210,350	1,364,246	12.17
New Orleans & Northeastern R. R. Co	6,000,000	645,449	10.77
Richmond, Fredericksburg & Potomac R. R. Co	4,315,067	979,486	22.70
Georgia Southern & Florida Ry. Co	3,708,000	222,186	5.90
Charleston & Western Carolina Ry. Co	1,200,000	260,036	21.67
Gulf & Ship Island R. R. Co	7,000,000	373,070	5.33
Alabama & Vicksburg R. R. Co	2,100,000	360,784	17.18
Washington & Southern Ry. Co	4,000,000	348,841	8.72
Atlanta & West Point R. R. Co	2,483,800	292,922	11.80
Western Railway of Alabama	3,000,000	251,851	8.39
Total	554,745,062	68,636,910	12.37
WESTERN DISTRICT.			
Atchison, Topeka & Santa Fe Ry. Co	332,323,877	32,230,091	9.70
Southern Pacific Co	272,725,239	17,983,726	6.60
Chicago, Milwaukee & St. Paul Ry. Co	233,235,167	14,336,613	6.15
Chicago, Burlington & Quincy R. R. Co	110,839,100	24,444,045	22.05
Chicago & North Western Ry. Co	157,591,852	16,040,315	10.18
Great Northern Ry. Co	249,361,866	24,021,687	9.63
Northern Pacific Ry. Co	247,983,000	24,287,781	9.87
Union Pacific R. R. Co	321,835,100	31,018,328	9.64
Minneapolis, St. Paul & S. Ste. Marie Ry	37,810,200	4,571,790	12.09
Oregon Short Line R. R. Co	100,000,000	9,381,016	9.38
Texas & Pacific Ry. Co. (Rec.)	38,755,110	2,548,330	6.58
Chicago, St. Paul, Minneapolis & Omaha Ry. Co	29,815,000	2,854,452	9.57
Duluth, Missabe & Northern Ry. Co	4,112,500	4,693,088	114.12
El Paso Southwestern Co	25,000,000	2,190,198	8.76
Houston & Texas Central R. R. Co	10,000,000	1,088,368	10.88
Duluth & Iron Range R. R. Co	5,333,333	2,049,987	38.27
Fort Worth & Denver City Ry. Co	9,243,800	1,297,029	14.03
Panhandle & Santa Fe Ry. Co	604,500	389,097	64.37
St. Louis, Brownsville & Mexico Ry. Co	500,000	263,544	52.71
Chicago, Rock Island & Gulf Ry. Co	469,000	83,685	17.84
Bingham & Garfield Ry. Co	6,171,667	1,405,681	22.78
Louisiana Western Ry. Co	3,360,000	802,684	23.89
Nevada Northern Ry. Co	2,000,000	879,907	43.99
Vicksburg, Shreveport & Pacific Ry. Co	4,999,300	299,634	5.99
Houston East & West Texas Ry. Co	1,920,000	234,199	12.20
Cripple Creek & Colorado Springs Ry. Co	757,000	171,612	22.67
Colorado & Wyoming Ry. Co	100,000	162,636	162.64
Wichita Valley Ry. Co	1,020,000	117,936	11.56
Arizona & New Mexico Ry. Co	2,770,000	237,614	8.58
Total	2,210,635,611	220,076,073	9.96

Mr. RAMSEYER. Taken from the same report, I call your attention to certain large and well-known railroads. Under the provisions of this bill each of the following roads will have net for its stockholders annually during Federal control:

	Per cent.
The Pennsylvania Railroad Co	8.92
The Pennsylvania Co	11.92
The New York Central Railroad Co	12.96
The Philadelphia & Reading Railway Co	25.70
Delaware, Lackawanna & Western Railroad Co	32.90
Michigan Central Railroad Co	18.48
Central Railroad Co. of New Jersey	20.25
Philadelphia, Baltimore & Washington Railroad Co	11.50
Hocking Valley Railway Co	11.94
Illinois Central Railroad Co	11.33
Louisville & Nashville Railway Co	16.75
Norfolk & Western Railway Co	12.51
Chesapeake & Ohio lines	9.31
Atlantic Coast Line Railroad Co	10.80
Central of Georgia Railway Co	9.39
Nashville, Chattanooga & St. Louis Railway	13.60
Mobile & Ohio Railroad Co	14.76
Cincinnati, New Orleans & Texas Pacific Railway Co	44.99
Florida East Coast Railway Co	10.06
Chicago & North Western Railway Co	10.18
Chicago, Burlington & Quincy Railroad Co	22.05
Minneapolis, St. Paul & Sault Ste. Marie Railway Co	12.09
Chicago, St. Paul, Minneapolis & Omaha Railway Co	9.57
Atchison, Topeka & Santa Fe Railway Co	9.70
Southern Pacific Co	6.60
Chicago, Milwaukee & St. Paul Railway Co	6.15
Great Northern Railway Co	9.63
Northern Pacific Railway Co	9.87
Union Pacific Railroad Co	9.64

The per cents that the stockholders of the following roads are guaranteed annually during Federal control show the excessiveness and the inequality of the standard of compensation in this bill:

	Per cent.
Bessemer & Lake Erie Railroad Co	647.22
The Chicago & Erie Railroad Co	70.45
New York, Philadelphia & Norfolk Railroad Co	35.74
The Cumberland Valley Railroad Co	24.01
The Lehigh & Hudson River Railway Co	27.98
Charleston & Western Carolina Railway Co	21.67
Duluth, Missabe & Northern Railway Co	114.12
Duluth & Iron Range Railroad Co	38.27
Panhandle & Santa Fe Railroad Co	64.37
St. Louis, Brownsville & Mexico Railway Co	52.71
Colorado & Wyoming Railway Co	162.64

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOREMUS. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Iowa be extended five minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the time of the gentleman from Iowa be extended five minutes. Is there objection?

There was no objection.

Mr. DOREMUS. Will the gentleman permit a question? If you are the owner of that farm to which you have just directed our attention by way of illustration, and the Government took that farm over, what do you think your return should be?

Mr. RAMSEYER. Now, of course, I was speaking of a farm merely to illustrate terms to Members who know more about farm terminology than they do of railroad terminology. To get back to the subject matter, let us speak of that farm as a railroad.

Mr. DOREMUS. No; let us call it a farm.

Mr. RAMSEYER. Wait. I am answering the question and I want to answer it in my own way, so that we can get the distinction.

Mr. DOREMUS. All right.

Mr. RAMSEYER. Take a small railroad which cost $10,000. Seven thousand dollars represents bonds, $3,000 represents stocks, and $10,000 would represent the property investment. Ten thousand dollars might represent the value of the road or might not. Now, when you are trying to determine what the return should be for the stocks, it is not fair to cover over the whole amount of property invested, because the $7,000 is in the hands of bondholders and they get a certain fixed rate, 4 per cent or 5 per cent, say. And when you are going to pay the stockholders you should only pay them a just compensation on the capital they have actually in the road and which they own.

Mr. SWITZER. Just one question. Is it not true that interest on bonds is paid out of the standard return?

Mr. RAMSEYER. Well, it is paid out. What the Government undertakes to pay the railroads must of necessity cover interest on bonds before the owners of the capital stock can come in for dividends.

Mr. SWITZER. If there is nothing left, we do not get anything.

Mr. RAMSEYER. These figures in the table I just referred to have not been disputed. Day before yesterday, in addressing questions to the chairman of this committee, I asked him whether it was not true that stockholders were getting these large percentages, and I called especial attention to the return of the Bessemer and the Lehigh roads, and he said it was true, as far as the capital stock was concerned, and that these large percentages are going to the stockholders. Here is the colloquy to which I refer:

Mr. RAMSEYER. Will the gentleman yield for a relevant question? In the table prepared by the Interstate Commerce Commission and printed with the remarks of the gentleman from Wisconsin [Mr. LENROOT] yesterday he gives the percentages of net income on these various roads.

Mr. SIMS. On what?
Mr. RAMSEYER. On capitalization.
Mr. SIMS. On stock?
Mr. RAMSEYER. Yes, sir.
Mr. SIMS. All right; go ahead.
Mr. RAMSEYER. Now, here is the Lehigh Road, 27.98.
Mr. SIMS. On the stock?
Mr. RAMSEYER. That means that the stockholders are getting that much upon the face value of their stock, does it not?
Mr. SIMS. Yes.
Mr. RAMSEYER. Now, in regard to Bessemer, that means that the fellows who own the stock, not the bonds, will get 647 per cent?
Mr. SIMS. I told you that.

Mr. DOREMUS. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. I should like to call attention to some figures here, and I do not yield.

Going over the table that I referred to, I see that there are 86 roads that will receive over 5 per cent on their capital stock. Of those, 13 roads will get over 26 per cent on the capital stock, mind you, not on the property investment. I claim it is unfair to get up here and contend that a certain income on capital stock is right, because, spread over all the property investment, the rate is lower. The incomes shown in this table are on the capital stock and not on the property investment.

The following roads will receive over 26 per cent on their capital stock under the provisions of this bill:

	Per cent.
Lehigh & Hudson River Ry. Co	27.98
Staten Island Rapid Transit Co	32.02
Delaware, Lackawanna & Western R. R. Co	32.90
New York, Philadelphia & Norfolk R. R. Co	35.74
Duluth & Iron Range R. R. Co	38.27
Nevada Northern Ry. Co	43.99
Cincinnati, New Orleans & Texas Pacific Ry. Co	44.99
St. Louis, Brownsville & Mexico Ry. Co	52.71
Panhandle & Santa Fe Ry. Co	64.37
Chicago & Erie R. R. Co	70.45
Duluth, Missabe & Northern Ry. Co	114.12
Colorado & Wyoming Ry. Co	162.64
Bessemer & Lake Erie R. R. Co	647.22

Mr. Chairman, section 6 appropriates $500,000,000 out of any moneys in the Treasury for the purpose of paying the expenses of Federal control and the compensation guaranteed in this bill. How did this $500,000,000 get in the Treasury? By taxes paid by the people, by bonds sold to the people bearing 3½ per cent and 4 per cent interest, and by the sale of thrift stamps to the men, women, and children of the land. In other words, the tax money, money from bonds and thrift stamps, which the people have loaned gladly and willingly to their Government at not to exceed 4 per cent interest, the proponents of this bill ask us to use to pay the stockholders of the railroads annually 10 per cent, 20 per cent, and more on their capital stock. I submit that is unfair to the people. It is the people's money that will make up 25.70 per cent to the Philadelphia & Reading Railway Co., 32.9 per cent to the Lackawanna Railroad Co., 20.25 per cent to the Central Railroad Co. of New Jersey, 22.05 per cent to the Chicago, Burlington & Quincy Railroad Co., and so forth.

The proponents of this bill say that unless we vote the railroad stockholders this unreasonable compensation the railroads will go into court and be allowed the value of the use of these roads at the time of taking over, which will amount to as much as the bill allows and maybe more. If Congress in this war excitement has lost its equilibrium, it has no right to presume that the courts have also. If the roads have the constitutional right to compensation measured by the value of the use at the time of taking over, December 28, 1917, what right has Congress to fix the earnings of the roads over a 3-year period ending June 30, 1917? And if Congress has the right to fix a 3-year period, why not a period of 5 years or 10 years or 15 years? This bill attempts to fix the compensation during the war and at least for three or four years thereafter. Do you not suppose that the courts will take cognizance of the fact that we are in war and that conditions are abnormal? Do you not suppose that the courts will recognize the fact that for at least two years prior to June 30, 1917, times were abnormal and that the roads were receiving abnormally high returns? And do you not think the courts are still possessed with sufficient common sense to know that as soon as the war ends and during the period of Federal control of three or four years thereafter the roads will likely not earn more than during normal times, and maybe a great deal less?

For illustration, each year at Des Moines, Iowa, is held the greatest State fair in the United States, and for about two weeks the street cars of that city, owing to greatly increased passenger traffic, earn unusual returns. Suppose during the midst of the fair for some reason the Government should take over the street railway system of Des Moines for a year. Under the contention set forth by some of the committee reporting this bill, the street railway would be entitled to the value of the use of the railway at the time of taking over. That is, their earnings for 52 weeks would be fixed at what they were earning during the abnormal two weeks of the fair. Will any gentleman here get up and contend that any court in the land would do so absurd a thing? If the times have caused us to lose faith in mankind, let us, for Heaven's sake, still retain a little faith in our institutions, especially our courts. No amount of arguing or legal quibbling will convince the people of the country that our courts will hold that an unreasonable compensation, an extravagant compensation, an abnormal compensation is just compensation under the Constitution or that, if the railroads choose to go into court, will the courts hold that the unreasonable and extravagant compensation of this bill is just compensation? In legislating generously for the owners of railroad stock the committee should not forget to be fair to the people, out of whose pockets will come the money to pay the generous compensation which the bill guarantees to the owners of railroad stock.

I am not proposing this amendment because of hostility to railroads, because I have none. On the other hand, I realize that the commercial needs of the country demand that our railroads should be greatly improved and extended. It seems to be conceded that before a year of Federal control the Government will expend from $1,000,000,000 to $2,000,000,000 in railway improvements and extensions. I want to see the sum so expended inure to the benefit of the public permanently. When the roads were taken over there was no other alternative for the President. He did the right thing. The compensation provided in this bill for the owners of the railway capital stock is excessive. My amendment is fair both to them and the people. I hope the amendment will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. RAMSEYER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

Mr. HUDDLESTON. Mr. Chairman, I have an amendment on the desk.

The CHAIRMAN. We will get to it in a minute.

The Clerk read as follows:

Mr. LENROOT offers the following: Page 2, line 22, strike out the words "standard return" and insert "average annual railway operating income."

Mr. LENROOT. Mr. Chairman, the scheme of this bill—and it is a proper one—is that the President within the maximum that is provided by the bill may agree to pay a railroad a certain specific sum, and that certain specific sum becomes the standard return for that railroad. That may later be increased or decreased, as the case may be. It may be increased if there be compensation for betterments and road extensions, and so forth. It may be decreased in case of retirements and matters of that kind. But in the use of the standard return, in line 22, they evidently had in mind the average railway operating income, because they say this standard return is to be determined by the Interstate Commerce Commission. That is not what the committee means. The President is to determine that. The Interstate Commerce Commission is to determine the average annual net railway operating income for the three years. And that my construction is correct can be readily demonstrated by turning to line 15 on the same page, where they provide "that any railway operating the income accruing during the period of Federal control in excess of such standard return shall remain the property of the United States." Of course, they must there have had in mind the fixed sum the President agrees to pay.

They would not have had in mind a maximum sum, because if they had had in mind a maximum sum what would become of the money between that maximum sum and the sum that the President agreed to pay? Then, over on page 3, the words "standard return" are again used in line 12, for it is provided that the taxes shall be charged or deducted against the "standard return." Again, having in mind the fixed sum that is contained in the agreement that the President agrees to pay, it would be an idle thing to provide that the taxes should be deducted from the maximum return when the maximum return is merely a limitation upon the President. Again, on the next page, in line 13, it is provided that the United States, still continuing on the agreement, "may by deductions from the standard return or by other proper means and charges be reimbursed for the cost of any additions, repairs, renewals, and betterments

to such property," again clearly showing that the use of the term "standard return" means not the average railway operating income unless it should happen to mean the same, because the President might fix the same sum as the average railway operating income. But it is clear that in every case, except the one I seek to amend, the words "standard return" mean not the average railway operating income, but they mean the sum that the President agreed to pay, which under the bill may be either increased or decreased within the maximum, according to the provisions of the bill. And that is further carried out, as you will see if you will turn to the end of this paragraph, where this language occurs:

The certificate of the Interstate Commerce Commission shall for the purpose of such an agreement be taken as conclusive of the amount of such average annual railway operating income.

Now, Mr. Chairman, unless this amendment is adopted, you will have this situation, that while in the first paragraph you give the President the authority to make an agreement with the railroads as to the amount which they will receive within the maximum that is provided in this language, unless my amendment is adopted, you say to the Interstate Commerce Commission that you shall decide for the President what sum he shall pay. Of course, that was not the intention of the committee, and I think that upon reflection that the committee will accept the amendment.

Mr. SIMS. Mr. Chairman, I wish to ask the gentleman from Wisconsin if the words "standard return," as defined in the place where he offers the amendment, do not mean merely annual railway operating income?

Mr. LENROOT. No; they do not. If the gentleman will turn to line 15, as I tried to show, there he will find that the use of the words "standard return" means not the average operating income but the sum that the President agrees to pay; and so on page 3, line 12, and on page 4, line 13. And the gentleman will remember that in the original bill which was introduced by him that is where the confusion arises—that the average railway operating income was the fixed sum that the railroad was entitled to receive, so that in that case the standard return and the railway operating income meant the same. But now the words "railway operating income" are not a fixed sum, but the maximum. If this amendment is adopted it will clear the whole thing up.

Mr. SIMS. The gentleman means, in effect, that is what it means?

Mr. LENROOT. Yes.

Mr. SIMS. The language in the bill defining standard return says, "During the period of such Federal control it shall receive as compensation not exceeding the annual income."

Mr. LENROOT. The words "not exceeding" are stricken out.

Mr. SIMS. That was the gentleman's amendment?

Mr. LENROOT. Yes. It has been adopted.

Mr. SIMS. Oh, yes; by the amendment adopted this morning—

An annual sum herein called standard return payable from time to time in reasonable installments for each year and pro rata for any fraction of a year of such Federal control or equivalent, as nearly as may be, to the average annual railway operating income.

Mr. LENROOT. Not exceeding the equivalent.

Mr. SIMS. Yes; not exceeding the equivalent. That is what the standard return means, and everywhere it is referred to in the bill it carries that meaning.

Mr. LENROOT. Yes. It carries the meaning that it is the fixed sum, except in the one instance that I seek to amend, that the President shall pay.

Mr. SIMS. You propose to amend the language before the average annual railway operating income?

Mr. LENROOT. Yes.

Mr. SIMS. In other words, they are equivalent? They are equal to each other. What is equal to another is equivalent?

Mr. LENROOT. No; but the President may agree to pay them a less sum than this.

Mr. SIMS. I know the gentleman is perfectly serious in this matter and so am I. I think we ought not to try too rigidly to define and include all the stipulations of the contract.

Mr. LENROOT. No; but the gentleman will see that the words "standard return" should have a uniform meaning in the bill. In one place it now means one thing. In this particular place it means, or the intention was to make it mean, the average annual railway operating income, but everywhere else in the bill it means the sum the President agrees to pay.

Mr. STEVENSON. If the President makes the contract on the maximum, it would not make any difference, but if he made it on the basis of lower than the maximum they would have confusion?

Mr. LENROOT. Yes. That is the point.

Mr. SIMS. According to my present understanding of it, as to what the gentleman means to accomplish, I see no objection to it. But there is this objection generally, that amendments here spring up suddenly. This is not one of the amendments that the gentleman published in the RECORD. I might make a mistake and the gentleman might. In doing this I do not want to be precluded from returning and correcting a mistake if I should find that it is one.

Mr. LENROOT. There would be no objection to that.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

The amendment was agreed to.

The CHAIRMAN. The gentleman from Wisconsin offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 2, line 21, before the period, insert a comma and the following: "but debits and credits arising from the operation of such street electric passenger railways, including railways commonly called 'interurban,' as are at the time of the agreement not under Federal control, shall be excluded."

Mr. LENROOT. Mr. Chairman, it will be remembered that the President, in his proclamation taking over these systems of transportation, expressly excluded from Federal control and did not take over electric and interurban lines. Now, unless this amendment is adopted we will have this situation: The railroads owns electric and interurban lines. Their operating returns to the Interstate Commerce Commission include the earnings of the electric and interurban lines; and unless this amendment is adopted, in our direction to the Interstate Commerce Commission to ascertain the average net operating income to form the basis of compensation which the railroads are entitled to receive, the earnings of these roads not taken over will be included. My amendment only provides that their debits and credits arising out of this proposition—of these roads not taken over by the Government—shall be excluded.

Mr. HAMLIN. On the same page I notice it says in line 2—

equivalent as nearly as may be to its average annual railway operating income (including therein such income of lines acquired by, leased to, or consolidated with such carrier between July 1, 1914, and Dec. 31, 1917) for the three years ended June 30, 1917—

Now, if the gentleman's amendment is adopted, why should not that be stricken out?

Mr. LENROOT. No; for that reaches an entirely different matter.

Mr. HAMLIN. If they have a traffic agreement with these interurban lines or electric lines, that increases the revenue of these roads.

Mr. LENROOT. No; I think the chairman of the committee will bear me out in saying that the words included in that bracket are intended to include only such leased roads as are taken over by the Government. That is true, is it not?

Mr. SIMS. If they take over a system that has leased roads, they take the leased roads over too.

Mr. LENROOT. That is true; but the Government does not take over electric lines whether leased or not, because they are expressly excluded by the proclamation.

Mr. HAMLIN. I rather agree with the gentleman, I think; but if his amendment is adopted will we not have to change the wording included in parentheses on this same page, because this seems to include all electric lines and everything else, if they are operated in conjunction with the road that is taken over?

Mr. LENROOT. I am inclined to agree with the gentleman, although I think my amendment would be broad enough to cover both.

Mr. HAMLIN. Perhaps it might.

Mr. TOWNER. I want to call the attention of the gentleman to the fact that I do not think he stated quite accurately the proclamation of the President. The proclamation of the President includes all of those systems of transportation engaged in general transportation whether operated by steam or electric power; so when the gentleman says the proclamation does not include electric lines engaged in general transportation his statement is not quite accurate.

Mr. LENROOT. I think I stated it too broadly in my remarks, but I think my amendment covers exactly the point.

Mr. TOWNER. The gentleman is well aware that some great trunk lines—for instance, the Milwaukee Railroad—operate a portion of their lines almost exclusively by electric power.

Mr. SIMS. Several hundred miles.

Mr. TOWNER. And there are quite a number of lines engaged in general transportation that are operated by electric

power. In fact, it seems to me the President intended to take over, and the language is that the President intended to take over all roads engaged in general transportation. That seems to be the determining feature.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. I ask unanimous consent for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LENROOT. If the gentleman will permit me, my amendment reads—

from the operation of such street electric passenger railways, including railways commonly called interurbans, as are at the time of the agreement not under Federal control.

Mr. TOWNER. I was not complaining at all of the amendment.

Mr. LENROOT. I think I made my statement too broad.

Mr. FESS. I recall one road in Ohio that has a trolley system, but at the same time it is a steam line, too, operating over the same tracks.

Mr. LENROOT. All my amendment does, if we have not taken over any such roads, is that in giving the compensation to the carriers we ought not to include the income of such roads as we have not taken over.

Mr. SIMS. Mr. Chairman, I can not see how this amendment is necessary at all. I see the purpose of it. The purpose is all right, but the President does not intend, and so specifically states, to take over the street car and interurban electric lines. The President's proclamation excludes street car and interurban railroads, and by no possibility could the income from these roads be affected by this bill. Now, the gentleman must presume, for his amendment to be worth anything, that the representatives of the Government, in making a contract with any particular carrier, would be so careless as to include in the standard return received the revenues from some such line not taken over. Now, how can he assume that any sane lawyer, in drawing a contract with the Government, would ever think of including in the terms of the contract property that had not been taken over by the Government.

Mr. LENROOT. The gentleman does not get the point. The provision that I seek to amend has nothing to do with the discretion of the President. The provision I seek to amend is a mandatory direction to the Interstate Commerce Commission as to what they shall certify to the President; and I simply say that without this they would be compelled to certify all of the operating returns of a carrier from whatever source derived. My amendment simply requires the Interstate Commerce Commission to deduct from that operating revenue the revenue derived from roads that are not taken over by the Government.

Mr. SIMS. But, my friend, would not the Interstate Commerce Commission in making its report of the returns reported by the railroads set out so much as is received from street car and interurban lines?

Mr. LENROOT. No; because the railroad may return that in its general operating return to the Interstate Commerce Commission, and unless they are expressly directed to investigate and exclude such returns they would include the returns from such roads without any further authority.

Mr. SIMS. Mr. Chairman, if I thought there was any danger at all of any such thing happening I could see some use in this amendment, but I can not see how there could be any reasonable probability that any contract could be entered into which would include the street cars or street car lines or interurban roads, that were no part of the general transportation system taken over. Therefore, I do not think the amendment is necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. LENROOT) there were 46 ayes and 21 noes.

So the amendment was agreed to.

Mr. HUDDLESTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 3, strike out lines 3 to 8, both inclusive, and insert in lieu thereof the following: "be to seven per centum upon the actual fair value of the property taken at the time of the taking, and in addition."

Mr. HUDDLESTON. Mr. Chairman, the effect of this amendment is to substitute an entirely different standard of compensation. The bill as it stands takes the income for three years and divides it by 3, and makes the result the standard by which compensation for the taking shall be made. My amendment, if adopted, will give to the railroads as compensation 7 per cent upon the actual value of their property at the time it was taken. I substitute for the arbitrary and fanciful standard of the bill a standard established by Article V of the Constitution as construed by the Supreme Court of the United States. It is fair to the railroads and it is fair to the people. The only argument that has been made against it, or that can be made against it, is that delay may ensue in ascertaining what the value of the property is. That is a mere detail, and the same difficulty will arise in ascertaining the standard established by the bill, although perhaps not to the same extent as the method written in the bill. And although there may be an increased difficulty in determining by judicial proceeding exactly what the amount to be allowed is, that difficulty is not so great as to justify the House in departing from the principles of justice established by the Constitution.

Mr. DILLON. Will the gentleman yield?

Mr. HUDDLESTON. I will.

Mr. DILLON. Does the gentleman distinguish between compensation for use of property and compensation for the property itself?

Mr. HUDDLESTON. There is absolutely no difference. I have been surprised by the labored efforts of gentlemen undertaking to make some distinction between standards of compensation for the taking of property temporarily and taking it permanently. I have been surprised to hear gentlemen who ought to know better if they do not, argue that we are bound to accept as a standard, as conclusive, the showing of what the temporary value is by what the property has been earning. Gentlemen ought to know the law. The law is that income is merely one factor in determining what the temporary value is. Proof as to the earning power of the property is just as germane where the property is taken permanently as when taken temporarily. It is a mere factor. Other factors are also to be considered.

Now, when we take property of a railroad corporation for public purposes we are doing a slightly different thing from taking property from a private individual which he devotes to his own private use. In the latter case the individual is entitled to use his property in such manner as to get the largest income possible, whether it be fair or in the public interest or not; he is entitled to get all the traffic will bear. But such is not the case with railroad property. No railroad has a right to charge anything beyond a reasonable and fair income.

Anything beyond that is extortion and can not properly and legally be allowed. We must, therefore, conclusively assume that the railroads have been earning only a reasonable income and must fix the compensation to be paid by the Government accordingly. We must assume this—not that the rates charged have been just, but that a fair return is just, even if a reduction of rates is made.

Mr. DILLON. Will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. DILLON. Will the gentleman tell the committee how he is going to determine the value of the property when the Interstate Commerce Commission says it will take four years to determine the physical value?

Mr. HUDDLESTON. I had as lieve undertake to answer that as to answer how we are going to determine the compensation under the standard put in the bill. It is just as easy to do one as to do the other. It is just as easy to fix the value of the property as to ascertain what the incomes of the railroads really were during the three years named in the bill. The question is a bigger one, but not more difficult or troublesome.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken, and on a division (demanded by Mr. HUDDLESTON) there were 6 ayes and 48 noes.

So the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 6, strike out the words "called herein carrier" and the parentheses.

Page 1, line 7, strike out the words "any such carrier" and insert "the owner of any such railroad or system."

Page 5, after line 19, insert a new paragraph, as follows:

"Wherever used in this act, the word 'owner' includes any person, corporation, partnership, or association who, during any portion of the period of Federal control of a railroad or system of transportation would be entitled to the possession, use, and control of such railroad or system in the absence of Federal control thereof. Wherever in this act reference is made to the period of Federal control in connection with an owner it shall be taken to refer to the portion of such period during which such owner, but for such Federal control, would have been entitled to the possession, use, and control of the railroad or system of transportation."

Mr. LENROOT. Mr. Chairman, I wish to say to the chairman that in order to expedite the bill I am not going to press this amendment, but I desire to make a very brief statement, so that he may have it in mind when he goes into conference. As I

stated the other day, the bill as it now reads recites that we have taken over certain transportation systems, and they are "herein termed carriers." We have not taken over any corporations. We have taken over certain physical property. Then, the bill authorizes the President to make an agreement with that physical property, that we shall pay it so much, which of course is an absurdity, but of course a court would properly construe that as to intention.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. MONTAGUE. How could they agree with the carrier if they did not agree with the owner of the carrier?

Mr. LENROOT. I say that I have no question about the way the court will construe it, but you might as well say, as far as phraseology is concerned, that if we take over a horse we will agree with the horse. I am speaking about the phraseology of the bill, and I want to say that it has been stated to me several times privately that they have followed the interstate-commerce act. They have not followed the interstate-commerce act, for that act all through it makes distinction between a railroad as a property and a corporation which is termed a common carrier.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. PARKER of New Jersey. I want to direct the gentleman's attention to the fact that the act of 1916 says that the Government shall utilize not the railways but the systems of transportation, and I believe that means to utilize the corporation, its organization, and keep the corporation for the use of the Government, not taking away its servant but to utilize the corporation.

Mr. LENROOT. My only answer is that we have not taken over the corporations, but here is a more serious question that does present itself, and that I think ought to have the consideration of the committee. If an agreement is made with a system for all roads that are under its control at the time we take them over, suppose a lease of a road that it has expires the next month after the agreement is made. Certainly the compensation should not continue to that carrier, but the agreement should be made with the owner of that road, and therefore there should be a clear definition of ownership rather than the mere taking over of systems of transportation. In other words, the President ought not to be limited to making agreements with the systems of transportation or with the owners of transportation that did own them at the time we happened to take them over. Whenever they become a separate entity again, of course they have the right to go into court and get compensation, and if we agree to pay the system compensation, covering the compensation they are entitled to, we will be paying it twice, As I say, I understand very well that that presents a question of policy, and I am not going to press the amendment, but I do seriously ask the chairman to give that consideration when we go into conference.

Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. LENROOT. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2, strike out all after the word "States," in line 16, through the word "act," in line 18, and, on page 5, after line 19, insert the following as a separate paragraph:

"The agreement shall also provide that the owner shall accept all the terms and conditions of this act and any regulation or order made by or through the President under authority of this act or of that portion of the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes,' approved August 29, 1916, which authorizes the President in time of war to take possession, assume control, and utilize systems of transportation."

Mr. LENROOT. Mr. Chairman, this is an amendment that I sincerely hope the chairman will accept. It strikes out the language—

and that each carrier so agreeing shall thereby become subject to all the provisions of this act.

If the language that I propose to strike out was connected up with the agreement there would probably be no objection to it, but it stands as a legislative declaration that a carrier agreeing to become subject to all of the provisions of the act, leaving the implication that if a carrier does not see fit to make an agreement it is not subject to any of the provisions of the act.

Mr. BARKLEY. How can Congress compel any railroad that does not enter into this agreement to agree to accept anything? Of course, this bill provides for the compensation of railroads. They may not accept this compensation. They may say, "We will stand on our lawful rights as they exist under the law and go into court and get fair and just compensation." How can we compel a road that does not enter into a contract with the Government to accept anything?

Mr. LENROOT. Does the gentleman think there are no provisions in this bill that are binding on a railroad, whether it makes an agreement or not?

Mr. BARKLEY. No; I do not. I say there are provisions here that are binding provided the courts sustain them, but we can not make a contract with them if they do not want to.

Mr. LENROOT. The gentleman does not get the point.

Mr. BARKLEY. If they do not want to accept the provisions of the bill, we can not compel them to. If the provisions of the bill are constitutional and lawful, they must accept them, whether they agree to them or not; so it is not necessary as far as that is concerned.

Mr. LENROOT. No.

Mr. BARKLEY. But you are attempting here to compel railroads who do not voluntarily enter into a contract with the Government to accept things they may desire to go into court and fight.

Mr. LENROOT. I am not attempting any such thing. The gentleman, however, by insisting on the language being retained, says, in effect, to a railroad: "If you will enter into this agreement, then you are bound by all the provisions of the act; but if you do not choose to agree, there is nothing in this act that applies to you."

Mr. BARKLEY. That is not the intention, and that is not the impression I am trying to leave on the gentleman's mind; but this provision that the gentleman strikes out on page 2 is a provision in connection with the terms of the contract that is entered into between the roads and the Government, if there is a contract. If there is no contract, it does not apply; and it states that these roads which enter into this contract must agree in the agreement that they accept the terms of the bill, and I sincerely contend that it is very doubtful whether Congress may control a railroad that does not enter this contract as to compensation to accept anything.

Mr. LENROOT. Let me put the question to the gentleman. Suppose the language had been a little different than it is here and had been in this way: That any carrier agreeing to make a contract as is herein authorized shall be subject to the provisions of this act. Does the gentleman contend, then, that the carrier not agreeing would be subject to any provision that imposed any restriction upon the carrier?

Mr. BARKLEY. The bill itself is broad enough to cover in the general terms the operation of railroads and the characters of returns made by the Interstate Commerce Commission, the revolving fund, depreciation, betterments, and all the provisions of the bill; it is sufficient to cover them by reason of the fact that they have been taken over, but in making a contract with these companies by the Government I do not think it is wise to attempt to bind by a contract that is made with those who do agree those who do not agree as to the terms of the contract made.

Mr. LENROOT. There is nothing in my mind or any suggestion I have made that even squints at anything of that kind. My proposed amendment is merely a substitute for the language that is found in the bill, which, upon its face, would exclude carriers that do not agree from being subject to the provisions of the bill at all. My amendment merely provides that in every such agreement there shall be a provision that the carrier making this agreement accept all other provisions of this act and thereby become bound not only by the provisions of the act, but by virtue of the contractual relation as well.

Mr. BARKLEY. That is exactly the language the gentleman strikes out in his amendment——

Mr. LENROOT. No; it is not.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr. Chairman, the gentleman from Wisconsin I believe left out a portion of the amendment which he had printed.

Mr. LENROOT. I did.

Mr. SIMS. Embracing forfeiture provisions.

Mr. LENROOT. That is true.

Mr. SIMS. And now the gentleman's amendment would read, as I understand it—

The agreement shall also provide that the owner shall accept all the terms and conditions of this act and any regulation or order made by or through the President under authority of this act or of that portion of the act—

And so forth.

Now, if I understand the effect of the amendment offered by the gentleman from Wisconsin [Mr. LENROOT], the contracting party would have to agree to comply with any order made by the Director General or anyone authorized by him?

Mr. LENROOT. Any lawful order.

Mr. SIMS. Any lawful order; and yet he does not define what a lawful order is.

Mr. LENROOT. Oh, no.

Mr. SIMS. I can see this, Mr. Chairman—I think I can—that it may deter and prevent contracts being made that would be of advantage to make. It is dangerous to try to place too many stipulations in an act for a contract. The contract ought to be limited, as a matter of course, in a general way—I mean as to the power to make it—and then leave the details of that contract to the authorities drawing it up—the administration, the President—but to require those carriers to agree to any act, regulation, or order made through the President, I do not see what use it would be to require them to agree to something that perhaps they think would be ruinous to them, because they might believe that the order made by the Director General or somebody under him would be ruinous or damaging, and all that kind of thing, and therefore they would hesitate to make the contract.

Mr. LENROOT. Will the gentleman yield?

Mr. SIMS. I see the purpose of the gentleman, and I approve of his purpose, and I was going to say it seems to me that these are mere hindrances to making contracts, and which ought to be left to the stipulations to be embraced in the contract instead of prescribing them. Let them have the prescribing words in the contract. When you insert the prescribing words in a section you inferentially exclude everything not prescribed, and there is danger——

Mr. LENROOT. Will the gentleman yield to me? I am sure the gentleman does not wish, when this act is passed, to have a legal question raised as to whether any road is covered by this act that does not come to an agreement under this proposition.

Mr. SIMS. If they do not make an agreement, of course, it is covered in the act.

Mr. LENROOT. But when you say, as you do say in the language I am trying to change, that if they make an agreement they shall be bound by the act, there is an implication that if they do not make an agreement they will not be bound by the act.

Mr. SIMS. If they do not, they do not come under section 1 at all, and are provided for in other sections.

Mr. LENROOT. You are not confining it to section 1; you are saying they are bound by the provision of this act if they make an agreement, and have not you raised at once a very serious legal question that the intention is that only the agreeing roads are covered——

Mr. SIMS. No——

Mr. LENROOT. My amendment will leave every road, whether agreeing or not agreeing, subject to the provisions of the act, and in addition by making the contract they accept in a contractual way the provisions of the act and thereby avoid a very serious legal situation that may well arise under this language.

Mr. SIMS. Now, the gentleman's object and purpose is unobjectionable in every way, but I do not see that follows. I think we should leave the bill just as it is. The bill has been thoroughly considered, with a view to trying to prevent any and all of these kinds of things arising, and we must presume that the contract itself will have some provisions in it to protect the Government.

Mr. BARKLEY. Will the gentleman yield to a question there?

Mr. SIMS. Yes.

Mr. BARKLEY. Is it not true that the effect of the amendment would be simply that the railroads that make an agreement agree to not go into court and fight any agreement as to the rate? How can you prevent any other road that does not make an agreement from going into court and fighting a provision of the rate? You can not foreclose the right of nonagreeing roads to go into court and fight any provision of this bill. All we can do is to require that every road that does agree, thereby agrees not to go into court and fight any provision of the bill.

Mr. LENROOT. I want to ask the gentleman, and I think I have asked him before, is it his contention that there is no provision of this act that does not apply to all roads, whether agreeing or nonagreeing?

Mr. BARKLEY. I think it applies to all roads taken over by the Government.

Mr. LENROOT. Certainly. And what I want is to provide that the act covers all roads.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. SIMS] has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

Mr. DOREMUS. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Wisconsin a question. As I understand it, your purpose is to make this bill so that all roads, whether they enter into the contract with the President or not, will be brought within the terms of the act?

Mr. LENROOT. Yes, sir.

Mr. DOREMUS. I am no clear whether the gentleman's amendment will accomplish that purpose. It says the agreement shall also provide so-and-so. Now, let us assume that the railroad does not make the agreement, then does his amendment bring the nonagreeing roads within the terms of the bill?

Mr. LENROOT. They are brought in by the striking out of the language in the bill that I am afraid of. It strikes out the language that the road so agrees. That is the point.

Mr. DOREMUS. As I understand your amendment, it only applies to an agreement.

Mr. LENROOT. It only applies to an agreement.

Mr. DOREMUS. And if the agreement is not made, then will the nonagreeing road be under the provision of the bill?

Mr. LENROOT. If the language I refer to is stricken out of the bill it certainly will.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. SIMS. Division, Mr. Chairman.

The committee divided; and there were—ayes 35, noes 31.

So the amendment was agreed to.

Mr. LENROOT. Mr. Chairman, I offer an amendment. It is the last amendment I have to this first paragraph.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 2, lines 3 to 7, strike out the parentheses and the words included within them; and at the end of line 21, after the period, insert the following:

"If any lines were acquired by, leased to, or consolidated with such railroads or system between July 1, 1914, and December 31, 1917, both inclusive, and separate operating returns to the Interstate Commerce Commission were not made for such lines after such acquisition, lease, or consolidation, there shall (before the average is computed) be added to the total railway operating income of such railroad or system for the three years ending June 3, 1917, the total operating income of the lines so acquired, leased, or consolidated for the period beginning July 1, 1914, and ending on the same date of such acquisition, lease, or consolidation, or on June 30, 1917, whichever is the earlier."

Mr. SIMS. Mr. Chairman, I want to ask the gentleman before he begins if that is one of the printed amendments?

Mr. LENROOT. I think it is.

Mr. SIMS. Where is it?

Mr. LENROOT. Page 2, line 3.

Mr. SIMS. Where in the RECORD?

Mr. LENROOT. I thought that was included, but I may be mistaken.

Mr. MONTAGUE. I do not find it.

Mr. LENROOT. No; that was one I held out for revision.

I will say in reference to this that it makes very little change in the original language that it seeks to substitute. It includes the amendment that has been adopted, proposed by my colleague from Wisconsin [Mr ESCH], and what it seeks to clear up is this:

There are two very important questions that arise under the language of the bill. In the first place, it provides for the inclusion therein of "such income." Now, what is "such income" of these leased or consolidated lines? The immediate language preceding is, "the average annual railway operating income." Now, of course, it could not have been the intention of the committee to include as "such income" the average income of these leased lines while under separate control, because there could not be any such thing. It did not have existence during the entire period of three years. Neither could it mean, of course, all the income. It was not the intention to include all the income of such leased roads. I take it that what was intended to be covered by this provision was a case like this: Suppose in 1915 a road was under separate operation, rendered separate operating returns to the Interstate Commerce Commission, and then in 1916 was leased, and during 1916 and 1917 the income from that leased road was included in the operating returns of the lessee. Now, of course, it would not be fair to the carrier in getting at the compensation that is due it not to take into account the income of this road that was leased during this three-year period in ascertaining the maximum to which it was entitled. And evidently the intention of the committee is that in that kind of a case, where a railroad was under separate operation, we will say, in 1915, that that income should be added, not to the average income, but added to the total amount of the three years' income of the carrier making the return, the income for that one year added, and then the sum of that divided by three in order to get the average operating income of the carrier making the return. But that intention is not expressed.

Mr. STEVENSON. Mr. Chairman, will the gentleman permit me?

Mr. LENROOT. Certainly.

Mr. STEVENSON. Would not that give just one-third of the earning capacity of the leased road?

Mr. LENROOT. No; because the income of the leased road in 1916 and 1917 would be included in their operating returns.

M. STEVENSON. In 1916 and 1917?

Mr. LENROOT. Yes; but in 1915 it would not be.

Mr. STEVENSON. Your amendment merely proposes to bring in the income for 1915 and add that to 1916 and 1917?

Mr. LENROOT. Yes.

Mr. STEVENSON. So as to get the average of the whole time, and measure the earning capacity of that particular leased line?

Mr. LENROOT. Yes. As it now reads, the members of the committee will readily see that if such income does not refer to the average income—and that is impossible, because there could not be an average of the three years for such carrier—then it means the income of the road prior to its acquisition should be added to the average—an increase that is not fair and that is not just. I take it that the committee could not have had that in mind. I take it that what is intended here, and what is entirely fair, is that any operating income not included in the operating returns of the carrier shall be added to the operating return of the carrier, and that sum total divided by three.

Now, if I am not correct in my conclusion in regard to that I will be glad to be corrected, but if I am correct as to what the intention is it seems to me very clear that my amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LENROOT. One minute, Mr. Chairman. My amendment goes one step further; that may or may not be important. If after the acquisition that road continued to render separate operating returns, of course, that should be taken into consideration as well, and my amendment provides for that.

Mr. SIMS. If I get it correctly, as to the language in the lines included in the parentheses, your amendment strikes that out?

Mr. LENROOT. Yes.

Mr. SIMS. And instead of substituting your amendment within the parentheses to take the place of that striken out you introduce it at the end of the line as a new paragraph?

Mr. LENROOT. Yes; as a new paragraph.

Mr. SIMS. On the continuation of the same line to take the place of that stricken out?

Mr. LENROOT. Yes.

Mr. SIMS. The object and purpose being to do what the lines in parentheses purport to do?

Mr. LENROOT. Well, what the committee intended to do, if I understand it correctly.

Mr. SIMS. Mr. Chairman, I rose simply to ask that question, so that I might know. I supposed the gentleman had published all the amendments that he intended to offer in the RECORD.

Mr. LENROOT. I will say that there were a few that I was not entirely certain about myself, and this is one of them.

Mr. SIMS. And therefore my hard day's work on Sunday did not give me opportunity to study this amendment and look out for its bearings on other portions of the bill. I do not want to oppose an amendment that will help the bill. I do not want to waste time in opposing one that will not hurt the bill. But just now undertaking to say whether this should be substituted for the language in the parentheses or whether it will state it in a better way is something that I am not prepared at this time to pass on.

Mr. LENROOT. I have no desire merely to try to improve the phraseology. I would not try to take the time of the committee if it did not seem that the existing language was seriously defective.

Mr. SIMS. As I understand the contention of the gentleman, it is that the language in the parentheses does not carry out what is clearly intended to be carried out, and his object is to clarify and make certain what he deems is uncertain?

Mr. LENROOT. Yes.

Mr. SIMS. If that is the fact, it ought to be done. But, as I say, I can not afford to agree to this amendment, and so I will retain the privilege of returning to it, if it is adopted, in the future. But, as I said, this bill has been passed over and considered time and time again by the most competent authorities I know of to pass upon it, and of course their contention is that the language in the parentheses is full and complete, so far as it is necessary to carry out the intention and purpose of it.

Mr. LENROOT. This is one of the provisions that is identical in both the Senate and the House bill, and if I am correct—and I think I am—it certainly seems to be the best way to take care of it and to let the amendment go in and take care of it in conference.

Mr. SIMS. Mr. Chairman, as I said several times, I think it is dangerous to adopt amendments that are sprung on the House suddenly, where we have had no time to study and investigate them, and therefore I can not accept the amendment, and I reserve the right, as a matter of course, to ask consent to return to this section of the bill and oppose it. But if it means just what the gentleman himself contends it to mean, it is a difference between tweedledum and tweedledee, with perhaps the advantage on the part of tweedledum.

Mr. LENROOT. I shall not object to the gentleman returning to any of these amendments.

Mr. BARKLEY. Mr. Chairman, does the gentleman object to returning to it at a future time?

Mr. LENROOT. No. I have no objection to that whatever. Now, I have one more amendment, on taxes.

Mr. SIMS. I understood the gentleman to say this was the last on section 1?

Mr. LENROOT. Yes.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

The CHAIRMAN. Without objection, the amendment will again be reported.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 2, lines 3 to 7, strike out the parentheses and the words included within them, and at the end of line 21, after the period, insert the following:

"If any lines were acquired by, leased to, or consolidated with such railroad or system between July 1, 1914, and December 31, 1917, both inclusive, and separate operating returns to the Interstate Commerce Commission were not made for such lines after such acquisition, lease, or consolidation, there shall (before an average is computed) be added to the total railway operating income of such railroad or system for the three years ending June 30, 1917, the total railway operating income of the lines so acquired, leased, or consolidated, for the period beginning July, 1914, and ending on the date of such acquisition, lease, or consolidation, or on June 30, 1917, whichever is the earlier."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. BARKLEY. Mr. Chairman, I will ask for a division on that amendment.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 31, noes 35.

Mr. LENROOT. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. BARKLEY and Mr. LENROOT to act as tellers.

The committee again divided; and the tellers reported—ayes 56, noes 49.

So the amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. TOWNER moves to amend as follows: On page 1, to strike out all after the enacting clause down to and including line 11; on page 2, to strike out all of lines 1 to 24, inclusive; on page 3, to strike out lines 1 to 4, inclusive, and to insert in lieu thereof the following:

"That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier that during the period of such Federal control it shall receive as just compensation the payment in full by the United States of the interest as it shall become due during said period on all the bonded indebtedness of the carrier, and also an amount to be paid in annual or semiannual dividends equal to the dividends declared and paid by said carrier on the capital stock of said carrier on the basis of the average of said dividends declared and paid by the carrier during the fiscal years 1915, 1916, and 1917. That any amount collected and received by the United States derived from the revenues and receipts of said carrier in excess of the amounts required for the payment of interest on bonds and dividends on stock and the amounts required to carry out the further guarantees of the United States to the carriers as herein provided, shall be divided into equal parts, one part to be paid the carrier and the other retained by the United States.

Mr. BARKLEY. Mr. Chairman, I believe I will reserve a point of order on that amendment.

The CHAIRMAN. The gentleman from Kentucky reserves a point of order.

Mr. TOWNER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. TOWNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. TOWNER moves to amend as follows: On page 1, to strike out all after the enacting clause down to and including line 11; on page 2, to strike out all of lines 1 to 24, inclusive; on page 3, to strike out lines 1 to 4, inclusive, and to insert in lieu thereof the following:

"That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier that during the period of such Federal control it shall receive as just compensation the payment in full by the United States of the interest as it shall become due during said period on all the bonded indebtedness of the carrier, and also an amount to be paid in annual or semiannual dividends equal to the dividends declared and paid by said carrier on the capital stock of said carrier on the basis of the average of said dividends declared and paid by the carrier during the fiscal years 1915, 1916, and 1917. That any amount collected and received by the United States derived from the revenues and receipts of said carrier in excess of the amounts required for the payment of interest on bonds and dividends on stock and the amounts required to carry out the further guarantees of the United States to the carriers as herein provided, shall be divided into equal parts, one part to be paid the carrier and the other retained by the United States."

Mr. TOWNER. Mr. Chairman, this amendment affects only the provisions of the bill which prescribe the amount of compensation the Government offers to the railroads as payment for their use during the time they shall remain in the possession of the Government.

The Constitution provides that private property shall not be taken for public use without just compensation. If, when the property is taken, an agreement can be made between the Government and the owner of the property as to what is just compensation, then the matter is amicably determined. But if no agreement can be made, the amount must be determined by arbitration or proceedings in the courts. In the present instance it is not the property itself which is taken over and for which just compensation must be paid, but only the use of such property. The Government must pay to the owners just compensation for the use of their property while it remains in the possession of the Government.

In the provision of the bill which I seek to amend the Government makes an offer to the railroads which, if they accept, will constitute an agreement as to the amount of compensation which the roads are to receive during Government occupancy. It is open to any railroad company to accept the offer and receive such compensation, or reject it and have the amount determined by court proceedings. The Government, representing the people, has no right to pay the railroads more than a just compensation, and the railroads have no right to demand more than a just compensation. The offer of compensation made in the bill should be just compensation, for if the offer is accepted the Government is bound.

Under the provisions of the act of August 29, 1916, the President was authorized to "take possession and assume control of any system or systems of transportation or any part thereof." December 28, 1917, the President exercised the power granted to him, and by proclamation took possession of the railroad systems of the United States and placed them under the control of Secretary McAdoo as Director. This action was a war measure. The Government requisitioned the railroads that it may be better enabled to successfully carry on the war. There is very little opposition either on the part of the railroads or the people to this action of the Government. The railroads are assured of fair treatment by the Government, and the people feel that such action was necessary to a successful prosecution of the war. It is an act, however, of tremendous importance. It requires on the part of Congress legislation that will best carry out its declared purpose and at the same time provide that entire justice be rendered to both the railroads and the people. The defects in the provision regarding compensation contained in the bill are that the amount which is offered to be paid is to be determined upon an unfair basis; that it is excessive in amount as a whole; that it is unequal in application; that instead of preventing litigation and a speedy settlement of the amount of compensation, it will probably result in much litigation and delay; that it offers to the railroads no incentive for wise management and good service, but, on the contrary, offers a premium for indifference and inefficiency.

UNFAIR BASIS.

The amount which the Government offers to the railroads is based upon the average annual railway operating income which they received for the fiscal years ending June 30, 1915, 1916, and 1917. Neither of these years was a normal year. The first year commenced July 1, 1914. The war broke out in Europe August 1, 1914. In the United States the breaking out of the war in Europe almost brought about a panic. During the months that followed an unusual depression in all business existed. The earnings of the railroads were abnormally small. The second year, commencing July 1, 1915, witnessed a remarkable revival of business. War orders for almost all our important products came pouring in. Excessive prices were offered, and a marvelous war-stimulated activity continued throughout the year. The earnings of the railroads rose to a point never before reached. The same conditions continued throughout the third year, commencing July 1, 1916.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. TOWNER. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. I want to ask the gentleman from Iowa why we could not adopt the same standard that the English adopted, that is to say, the fiscal year ending June 30, 1914?

Mr. TOWNER. It is my contention that none of these standards based upon conditions in past years can measure what will be "just compensation" for the future. What the coming years may bring to us we do not know. It may be continued prosperity; it may be adversity or sudden disaster. It is to pay for the use of the railroads during years to come that compensation must be provided. Just compensation during such period should be measured by what conditions are during such period and not by conditions that existed in the past. I have shown that the three years which are to furnish the average provided for in the bill were all abnormal years. It is certain that no period in the past would be a duplicate of the years that are before us, for never were world conditions so unsettled as now.

Mr. TILSON. Will the gentleman yield?

Mr. TOWNER. I yield to the gentleman from Connecticut.

Mr. TILSON. Does not the gentleman see that if we take any three years it might be extremely unfair to any railroad?

Mr. TOWNER. I do; and I shall discuss that feature presently.

Mr. TILSON. Because they might have devoted a large amount of their income to improvements and betterments during those particular years.

Mr. TOWNER. I understand that.

Mr. TILSON. Why not take 10 or 15 years and spread it over a greater period? Would not that be fair?

Mr. TOWNER. No; for whatever the past has been it is certain the future will be something different. It is for the future we are to provide, and we should not offer what is to be considered a just compensation unless it is based upon conditions that shall exist during that period.

EXCESSIVE IN AMOUNT.

The amount which the Government offers to the railroads, and which, if they accept, will be the compensation paid, is excessive. It is provided that the Government shall pay the railroads an annual amount for their use equal to the average annual railway operating income, based upon the amount received by the railroads during the three fiscal years ending June 30, 1917. The average annual operating income for the years ending June 30, 1917, was about $950,000,000. The amount of railway bonds outstanding is about $10,000,000,000. The amount of interest which must be annually paid on such bonds is about $400,000,000. The amount of capital stock of the railroads at par value is about $6,314,000,000. If from the amount the Government tenders to the railroads, $950,000,000 annually, is deducted the amount required to pay interest on the bonds, $400,000,000, there will remain a balance of $550,000,000, which it is proposed we should give the railroads annually to pay dividends and to add to their surplus. This amounts to more than 8.5 per cent on the par value of all their capital stock.

The proposal of the Government is especially favorable to the larger railroads. If only these are considered, it is found that the net income on the par value of the capital stock of the great railways of the eastern district for the three years was 11.48 per cent, for the southern district it was 12.37 per cent, for the western district it was 9.96 per cent.

Still more unjust will the amount proposed to be paid appear when some particularly favored roads are considered. The percentage on the par value of the capital of the following roads will be:

	Per cent.
New York Central R. R.	12.96
Lackawanna	32.90
Michigan Central	18.48
Northwestern	10.18
Burlington	22.05
St. Paul	12.09
Erie	70.45
Panhandle & Santa Fe	64.37
Colorado & Wyoming	162.64
Duluth, Missabe & Northern	114.12
Bessemer & Lake Erie	647.22

Viewed either from the standpoint of general averages or individual cases, the amount to be paid by the Government is excessive. To pay all the railroads a net return of more than 8.5 per cent is more than a just compensation. The Government

pays to the citizen who lends his money to the Government 4 per cent. The railroads who lend their property to the Government are certainly not entitled to receive more than twice as much as the citizen. To pay the larger and more prosperous roads an average of 11.27 per cent is certainly excessive. To pay the enormous amounts which are shown in individual cases is unjustifiable from any standpoint. It is true that in some cases the par value of the stock is not as much as the real value of the investment. But in still more cases the par value represents stock issued which is largely "water" and represents no capital investment.

In the offer made in the bill of the amount to be paid by the Government not only is this annual payment of $950,000,000 to the railroads guaranteed but other large guaranties are made.

Payment of the interest on the bonded indebtedness, amounting to about $400,000,000, is to be paid out of the $950,000,000. Besides this, the Government agrees to guarantee the payment of all the outstanding obligations of the railroads during its occupancy. The maturing obligations amount to in 1918, $182,000,000; 1919, $188,000,000; 1920, $186,000,000; 1921, $440,000,000.

The Government agrees to pay all ordinary taxes, both Federal and State, levied against the railroads while in the possession of the Government. The payment of war taxes, however, is not assumed.

To those roads which had no operating income during the three-year period, the President is authorized to pay such an amount as he may determine.

Five hundred million dollars is appropriated from the Federal Treasury to provide additional equipment, additions, terminals, extensions, to make advances when needed, and for the expenses of Federal control. No provision is made for the repayment or final disposition of such property.

The Government is to pay all the expense of the operation of the roads while under its control. This includes salaries of officers, wages of employees, fuel, and so forth. The Government is to retain all the officers and keep all the men. It is expected that some of the extravagant salaries which certain officers are now receiving will be reduced. It is also expected that the wages of the employees will be increased. Whatever is done the Government will have to pay.

The Government also agrees to pay all maintenance charges. This means keeping the track in repair, the rolling stock in effective condition, and all the property of the roads kept in good condition. The property is guaranteed protection and is to be returned to the railroads in as good condition as when received.

The period of occupancy is fixed by the terms of the bill as during the period of the war, and for two years after a treaty of peace has been proclaimed. All these payments and guarantees must be continued during that period. If the war should continue for years with constantly increasing demands and with constantly enlarging expenditures, still these tremendous obligations to the railroads will continue. If the general business of the country, which will furnish the revenue to reimburse the Government, shall be absorbed in war activities and the revenues derived from rates and fares and charges become negligible, still the Government must continue paying the railroads on the basis of the three most prosperous years in their history. If the war should cease within a year, and the expected depression follow, still for two years the railroads would be maintained, their expenses paid, their dividends would continue and their surplus pile up, no matter what might happen to the other business enterprises of the country.

It has been stated as a justification for the action taken that we are but doing what Great Britain did when she took over her roads. A few days after the war broke out, in August, 1914, Great Britain took over her railroads. As compensation the Government agreed to guarantee the net earnings on the basis of the year 1913, a little over 4 per cent on their bonded indebtedness and about 4 per cent on the capital stock. Our bill guarantees $250,000,000 more per annum proportionally than Great Britain. It guarantees a surplus above dividends eight times as large as Great Britain.

The railroads of the United States had on hand January 1, 1917, in cash $288,000,000. They had in cash, time deposits, and securities of unaffiliated companies $804,000,000. None of this fund is taken over by the Government, so that the Government will start with no surplus, and must operate the systems taken over without a working capital except that derived from the Treasury of the United States.

These agreements and guarantees constitute more than a "just compensaion." They are excessive in amount and ought not to be imposed upon the people.

UNEQUAL IN APPLICATION.

The gentleman from Connecticut [Mr. TILSON] called attention to the fact that the method of payment proposed would be unfair to small railroads who for particular reasons may have had no operating income during the three-year period. That is certainly true, and in order to meet that difficulty the bill provides that if "because of nonoperation, receivership, or any undeveloped or abnormal conditions" the compensation would be "inequitable as a fair measure of just compensation" the President may make such special agreement with such railroad for compensation as may be just. That, as may readily be seen, is necessary and fair, because it would be no defense against a claim for "just compensation" for a railroad taken over and used by the Government perhaps for years, to say that because such railroad had no operating income for certain years in the past nothing would be due it for use in the future. But such arrangement added to the other provision for compensation will result in largely increasing the amount the Government will be compelled to pay for the use of the roads. The $950,000,000, which represents the operating income of those that had an operating income, will be absorbed, of course, and the Government will be compelled to pay to those which had no operating income during the three-year period what would be a "just compensation" for the use of their roads.

But the inequality does not stop there. There will be many cases where an operating income was received, but where it was too small to constitute what would be "just compensation." This, too, would have to be arranged so that the operating income guaranteed would be augmented by further payments from the Treasury.

It must be evident that only those roads will be satisfied with the operating income which received an excessive or large return during the test period. In the very nature of things the amounts paid will be unequal upon any fair estimate, and to that extent unjust.

LITIGATION AND DELAY.

I think we all realize that every effort should be made in arranging for compensation to avoid litigation and delay. The Government can only offer what it considers a just compensation, and such offer may be accepted or rejected by any particular railroad as it may deem the offer advantageous or otherwise. It is manifest that any railroad which realizes that another railroad will receive a disproportionate compensation will not be satisfied if it shall receive less. The more inequalities that exist, the more dissatisfaction and consequent litigation there will be. It would be hard to conceive of any place of payment that would create more inequalities. It may, therefore, be anticipated that much litigation will result. Either that or the dissatisfied roads will be consoled with generous or excessive payments.

NO INCENTIVE FOR EFFICIENCY.

One of the strongest grounds of condemnation against the method of compensation proposed in the bill is that it gives no incentive for wise management and good service, but, on the contrary, will encourage indifference and inefficiency.

It is not proposed, nor would it be possible at this time, for the Government in taking over the railroads to substitute Government officials as officers to manage the railroads, nor to make the employees of the railroads the employees of the Government. The management of the direct and practical operation of the railroads will remain in the hands of the same men who were in charge before the Government assumed control. The president and general managers and boards of directors will continue as usual. But why should they worry? Their stockholders are satisfied, because their stock has been made as good or better than a Government bond. Their dividends are guaranteed by the Government. The railroads are to be maintained and improved with additions, extensions, and betterments from the Treasury of the United States. It makes no difference what their income may be, the railroads are assured an income during the entire period of Government occupancy, the most generous they have ever received.

Business may fail, panics may come, depression rest like a pall over the land, the effects of the war may ruin half of the enterprises of the country, still the prosperity of the railroads can not fail, for the Government insures them not only against loss, but gives them the largest profit ever recorded in the history of transportation. Without effort on their part, without diligence, without efficiency, no matter how managed, no matter whether good service is rendered or not, they are insured protection, preservation, and a handsome return as long as the Government remains in control. If it were desired to afford an opportunity to discredit Government control or owner-

ship no better plan could be devised than the one proposed in the bill.

WHAT THE AMENDMENT WOULD DO.

Several propositions for agreed compensation, as substitutes for the one contained in the bill have been suggested. The one contained in my amendment is submitted, not as the best but as a better and more defensible method of compensation than the one contained in the bill. The only completely defensible method of determining "just compensation" would be an agreement if it could be arranged, in each particular case, based on the conditions applicable to that particular case. In default of such agreement provision should be made for determining the amount by a proceeding in the courts. That has been the usual course adopted by the Government in the condemnation of private property for public use. It is claimed, and there is ground for the claim, that if such method were adopted at this time it would result in much uncertainty and delay. It is generally believed that it is best under existing circumstances to offer to the railroads such a fair proposition as will afford no reason or excuse for refusal. But it is easy to go too far in that regard. We would not be justified in offering greatly excessive compensation in order to induce the railroads to accept quickly.

The amendment which I submit offers to the railroads payment in full of the interest on their bonded indebtedness as it shall become due during the period of Federal control; it offers to pay the usual and customary dividends to the stockholders; it offers to carry out fully all the other guaranties contained in the bill, such as the payment of taxes, the cost of operation and maintenance, and to return the railroads in as good condition as when received. If there is any surplus it is to be equally divided between the railroads and the Government.

Such a plan if adopted could not be objected to as unfair. It would not base the principal item of compensation upon the returns of a past period. It would provide the railroads should share in whatever of prosperity or adversity the future has in store.

Mr. SNOOK. Will the gentleman yield?

Mr. TOWNER. I will.

Mr. SNOOK. Does the gentleman believe that under the amendment he proposes the railroads would enter into a voluntary agreement with the Government?

Mr. TOWNER. I should think so. Why not? It is a fair basis of agreement, even a generous basis. It would stabilize their securities by insuring the payment of interest. It would pay their customary dividends. It would secure them against loss or depreciation. It would divide the excess received and thus add to the surplus of the roads. If they would consult their own interests that ought to be enough to induce them to accept such an offer. If they are asking more they would be asking the unreasonable and the unjust.

Mr. SNOOK. Has the gentleman read the hearings, in which their representatives said before the committee they would not accept such an offer?

Mr. TOWNER. Yes; I have read the hearings, but I think no such proposition was presented to them as is contained in my amendment.

Mr. SNOOK. Is not the gentleman's amendment along the line of that offered by Mr. Thorne before the committee?

Mr. TOWNER. I hardly think so. As I understand Mr. Thorne's proposition, it was to limit the compensation to be paid by the Government to 5 per cent above the guaranties.

The proposition I submit does not provide for the payment of excessive compensation. Especially would it prevent the payment to certain roads of the extravagant amounts which they would receive under the provisions of the bill.

Mr. HAMILTON of Michigan. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. HAMILTON of Michigan. The gentleman proposes to pay the interest on the bonds of the railroads?

Mr. TOWNER. Yes.

Mr. HAMILTON of Michigan. Is the gentleman aware that there are quite a number of railroads that have not paid any interest on their bonds for a long time? Would the gentleman's amendment pay the interest on the bonds of such roads?

Mr. TOWNER. Yes; and the bill does the same. This is done to stabilize conditions and prevent litigation and loss.

Mr. BARKLEY. Does the gentleman think that any railroad which has been making more than interest on its bonds would enter into a contract which in all probability would take away a part of its earnings in order to make up the deficit of some unprosperous roads?

Mr. TOWNER. I can hardly imagine such a condition. But certainly if the road was so weak it could pay only a surplus over interest on its bonded debt, it would gladly enter into a contract which would insure it against loss, put it on its feet, and build it up for future usefulness.

Mr. WALSH. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. WALSH. Where would it leave the railroads that have paid no dividends during the last three years, which have given the stockholders no returns.

Mr. TOWNER. It would leave them in better condition than they were.

Mr. WALSH. How?

Mr. TOWNER. While it would not pay dividends in cases where no dividends had been paid during the three-year period, it would pay their interest, build them up, and probably put them on a paying basis. The bill as it is provides for payment on the net operating income basis.

Mr. BARKLEY. Is not the gentleman incorrect as to what the bill provides? It provides that where the road has a net operating income, that is the standard; and if they have none, the President is authorized to make a special contract with them.

Mr. WALSH. Would that be permitted under the gentleman's amendment, if adopted?

Mr. TOWNER. The provision for payment on the net operating income basis would not prevail if my amendment is adopted, but the provision for taking care of exceptional cases would remain.

Mr. CANNON. Will the gentleman yield?

Mr. TOWNER. Certainly.

Mr. CANNON. There are a number of railroads—very substantial ones—that have expended their earnings on betterments and have declared small or no dividends. I have in mind the Illinois Central, one of the greatest roads in the country; one year they skipped the dividend and the next year paid only 2 per cent. I think the Chicago & Eastern Illinois has been in the hands of a receiver for three years and has paid no dividends.

Mr. TOWNER. Provision is made for that.

Mr. CANNON. I understand that provision was not made in such cases.

Mr. TOWNER. A subsequent provision of the bill which we have not yet reached gives the President power to arrange to pay just compensation in cases where by reason of "nonoperation, receivership, or any undeveloped or abnormal conditions" the amount would be inadequate. My amendment does not change that provision of the bill.

Mr. CANNON. In such case where dividends have not been paid the President has the discretion to make a proper allowance?

Mr. TOWNER. Yes; that is true in any exceptional case where by the method contained in the bill the amount is insufficient to constitute just compensation.

Mr. TILSON Is not the gentleman in error in that? It is net income and not dividends.

Mr. TOWNER. I will say to the gentleman that, whether the bill stands as it is or my amendment be adopted, in either case provision is made to take care of exceptional cases.

One of the features of the amendment that is especially advantageous as compared with the provision of the bill is that under the terms of the amendment there is an incentive to good service and efficiency. If the railroads are to secure a surplus over the guaranties they must work for it. It will require continual effort in order to secure the best results. Under the bill, as it is, the railroads will secure just as much under bad management as under good management. There is no incentive or reward for diligence or efficiency.

Mr. DEWALT. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. DEWALT. As I understand the gentleman's amendment, it would guarantee all the roads that are taken over a sufficient amount to pay interest on their bonds, to pay their maintenance and operating expenses, and so forth. Is that correct?

Mr. TOWNER. Yes; as far as it goes.

Mr. DEWALT. Let us take this instance: Railroad A has not made enough money to pay interest upon its bonds during the three-year period. Would the gentleman guarantee it payment of interest upon those bonds?

Mr. TOWNER. Yes; and so does the bill.

Mr. DEWALT. The gentleman, therefore, would pay interest and dividends and operating expenses and maintenance of any railroad, whether it made any money or not?

Mr. TOWNER. Yes; and that is what the bill does, except that instead of guaranteeing dividends, which amount to about $300,000,000 yearly, the bill gives the railroads, besides the guaranties, about $550,000,000 for dividends and surplus.

Mr. DEWALT. Then the gentleman would not discriminate between a railroad that is well managed and one that is badly managed?

Mr. TOWNER. Oh, yes.

Mr. DEWALT. Wait one moment, I am coming to the logical conclusion of the gentleman's proposition.

Mr. TOWNER. I beg the gentleman's pardon, but he is omitting one of the most important factors. My proposition guarantees the payment of interest on the bonded indebtedness, the other guarantees before mentioned, the customary dividends, and then, if there is any surplus, provides it shall be divided between the Government and the railroads. That is an incentive to good management and general efficiency. There is something to work for. Under the bill, as you present it, there is nothing to work for. You guarantee the railroads the largest returns ever received, no matter what they do. You thus pay a premium for negligence on the part of railroads for not doing their duty, for allowing them to run into bankruptcy. You, in effect, say to the roads, "No matter what you do, how you may run the road, or what you may do to the people who use it, we will guarantee you the profits you have made during the three most prosperous years of your history." That I believe to be not just, but unjust compensation.

Mr. Chairman, we all must realize that in this legislation we are without the benefit of past experience to guide us. Under ordinary circumstances we can correct mistakes made by repeal or modification. But this legislation is peculiar in this, it provides for the making of a contract between the Government and the several railroads, which, if made, is binding during the entire period of the contract. It can not be abrogated or changed except by agreement. If we now guarantee to pay an excessive and in some cases exorbitant compensation we will be bound by our agreement. To so bind the Government would be unfair to the people who in the last analysis must pay the compensation. It is our duty as their Representatives to protect their interests.

Mr. SIMS. Mr. Chairman, I hope that this amendment will not be adopted, but I have had my hopes blasted so often that. I am afraid to take even a chance on it. This proposition will change the whole scheme of the bill from beginning to end and be equivalent to a new bill, which has not been passed on in the House or in the Senate or anywhere else, and will provide for the payment of interest and dividends as full and complete compensation for the use of railroads. The dividends paid by a railroad depend entirely upon the action and judgment of the directors of the road. They may pay no dividends, but may keep all of the returns for surplus.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. TOWNER. The gentleman says that it depends entirely upon the dividends. The gentleman has not read my amendment carefully.

Mr. SIMS. That may be true. I did not get it until a few minutes ago.

Mr. TOWNER. Because it provides that the railroads shall receive all of the guaranties that are contained in this bill and interest upon their bonded indebtedness, the customary dividends that have been declared, and then that they shall share one-half of the amount received above that.

Mr. SIMS. The dividends, of course, are what the several directors in the last three years have ordered paid. A conservative railroad that is receiving a large net operating income may have ordered dividends paid to the extent of 4 or 5 or 6 per cent and have retained 4 or 5 or 6 per cent as a surplus for railroad purposes. This amendment will provide that that railroad which has done what every good railroad ought to do, which has not skinned its resources in the way of dividends, shall receive during Federal control a dividend not in excess of that which it paid out, whereas a railroad that has skinned its resources and paid out a dividend out of proportion to its welfare shall receive from the Government a sum equal to the dividend paid out, which ought not to have been paid out—in other words, which were paid out for the purpose of kiting their stocks or giving them a market value. To do that they have paid out dividends that ought never to have been paid under good management. You are going to force the Government to take them over for war purposes and continue during the Federal control to pay a dividend according to the standard of the payment made before that ought not to have been paid, made by interested parties for the indirect purpose of advancing the credit of the railroad, for stock-jobbing purposes, rather than in preparing the railroad to discharge its duties to the public in the best and most efficient way. I do not deem that it is necessary to go into any further details about this amendment. The railroads are entitled to the surplus that they honestly earn and can make such disposition of it as they see proper. They can pay it out in dividends or may make any other use of it that may be necessary to enhance the operating efficiency of the road, and they are entitled to these net earnings, if they are entitled to any, and we should not, as I think, provide a contract that none except the railroads which have not conducted their affairs in the best way will take advantage of and foreclose others and let them go to the courts and get what they can in that way rather than sign a contract.

Mr. CANNON. Mr. Chairman, I move to strike out the last word. I have been unavoidably absent for the last hour or two and have not kept up with these amendments. What I do not know about the bill probably might make a small volume. I do not know that I thoroughly understand the amendment of the gentleman from Iowa [Mr. TOWNER] wherein if adopted it changes the provisions of the bill; but I would like to know whether the bill or the amendment would cover, in justice, roads like several I have in mind. Let us take the Chicago & Eastern Illinois, for instance, running from Chicago to Evansville, from Chicago to St. Louis, with some feeders. It is one of the best roads of my knowledge, and yet owing to a combination of circumstances, having closed out to the Frisco, and having had to take the road back, the result has been that they have not paid interest upon their bonds, nor have they paid dividends upon their stock. Since it went into the hands of a receiver the road has been put in very good condition, stations have been constructed, and it is almost ready to go out of the hands of the receiver, and would under ordinary conditions. I speak of that as one kind of road. There are many other roads that went into the hands of receivers because they failed to pay their fixed charges. Now, I would be glad to know how this bill affects such roads or how the gentleman's amendment changes it so as to affect such roads.

Mr. SIMS. Mr. Chairman, I will answer in the time of the gentleman from Illinois——

Mr. CANNON. Yes.

Mr. SIMS. The bill provides for just such a case as the gentleman has referred to, that the President may authorize dividends to be paid where they have not been heretofore paid and that where the standard return of three years will be plainly unjust and inequitable to any railroad company, that then he will pay such just compensation as the facts and circumstances connected with the road warrant.

Mr. CANNON. Does the amendment change the bill?

Mr. SIMS. The amendment offered by the gentleman from Iowa, I understand, would not apply to such case as that, from the fact that no dividends having been paid his amendment does not apply, and it would have to go under section 3 for other compensation.

Mr. CANNON. Nor would they receive anything, I will say, under the terms of the bill in the case mentioned.

Mr. SIMS. They would receive just compensation for the use of the road during the time of such use.

Mr. TOWNER. My amendment would not affect the provision.

Mr. SIMS. I do not think so. Mr. Chairman, I ask for a vote.

Mr. GREEN of Iowa. Mr. Chairman, I am not entirely clear that the amendment offered by my colleague is so worded as not to include more than he desires, but I am entirely clear that the compensation provided for in this bill with reference to roads that have been highly successful and profitable is altogether too large and an amount that ought not to be allowed under any circumstances. I have been surprised during the course of this debate to hear repeated statements—in one instance from a member of the committee—to the effect that the three years, whose average was going to be taken as a basis for this allowance, were three lean years. It is true that 1915 was a lean year, but the three years that are taken as a basis for compensation in this case are, when averaged, the three most prosperous years that have occurred in succession—in fact, the three most prosperous years that they have had in the last 20 years.

Mr. HAMILTON of Michigan. Nobody is claiming that 1917 was a lean year, nor 1916.

Mr. DEWALT. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. DEWALT. Just to give proper information.

Mr. GREEN of Iowa. I have here the figures of the Interstate Commerce Commission.

Mr. DEWALT. So have I here.

Mr. GREEN of Iowa. Lying right on the desk before me, and I know what I am talking about.

Mr. DEWALT. Let us see. Class 1 railroads, which are railroads earning over a million dollars, 1917, net income $1,020,800,000; 1916 it was $948,872,959; 1915, which they call a lean year, $683,104,833; so the gentleman certainly must be incorrect when he stated any member of this committee urged that we took three lean years as an average.

Mr. GREEN of Iowa. It has been stated here several times.

Mr. SIMS. Oh, no; the gentleman is mistaken; not by members of the committee.

Mr. DEWALT. Either the gentleman's hearing is defective or he was not here when members of the committee spoke.

Mr. GREEN of Iowa. I will say to the gentleman from Pennsylvania himself, if he will look over his remarks he will find that he will want to correct them.

Mr. RAMSEYER. Was not the statement made that the three years was the leanest years for 18 years back?

Mr. GREEN of Iowa. That was the statement to which the gentleman from Pennsylvania acceded, and I called attention to it at the time.

Mr. DEWALT. Of any three-year period during the last 18 years this is the lowest average period. That is correct.

Mr. GREEN of Iowa. These three years?

Mr. DEWALT. That these three years, taken together, the average is lower than any three-year period.

Mr. GREEN of Iowa. The gentleman is entirely wrong, and I will insert in connection with my remarks, if I may be permitted to extend them, a table prepared by the Interstate Commerce Commission, which will show that the gentleman is entirely incorrect. I hope he will read it.

Now, what are the facts in relation to those three years? They show a higher percentage of operating income to investment of any three years in succession for the last 20 years. I am going back further by two years so there can be no misunderstanding about it. The gentleman is merely repeating the mistake he made before, and to which I was endeavoring to call his attention. They also show the highest average revenue per mile of track that has ever been shown and the highest average operating income for the train-mile.

Mr. BURROUGHS. Net or gross?

Mr. GREEN of Iowa. The operating income after taking out all expenses for maintenance and everything of that kind, and they show, of course, by far the largest total income; in fact, the income for 1916 or 1917, as far as total income is concerned, is about three times what it was in 1890. Yet we are taking those three years which, even counting in the lean year of 1915, presents such an exceptional situation, and we propose to allow compensation in accordance with the average of those three years. I say that this will allow those successful railroads around $150,000,000 to $200,000,000 per annum in excess of what they ought to receive.

Mr. TILSON. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. TILSON. How does the gentleman determine what they ought to receive? Are they not entitled to receive what the property is worth, what the use of the property is worth, at the time of its taking, which was a very valuable time, 1917?

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to proceed for five minutes more, and I will answer the gentleman and some other gentlemen who have spoken.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. GREEN of Iowa. So many gentlemen have spoken comparing the railroad property with ordinary property that I am sure they spoke thoughtlessly with reference to it. In ordinary times a man can charge what he desires with reference to the products of the farm. A merchant may charge what he wishes for the goods he has in his store, but the corporation that is operating a public utility has no right to fix its charges at whatever it wishes. It can only charge a reasonable rate, and the Government has the right to limit it to reasonable rates and reasonable compensation.

Mr. DEMPSEY. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. DEMPSEY. Were not these returns for the three years to which the gentleman has referred to based upon the returns made under rates fixed by the Interstate Commerce Commission?

Mr. GREEN of Iowa. Yes.

Mr. DEMPSEY. So that so far as that was concerned they did not charge what they wanted, but they charged what the Interstate Commerce Commission permitted them to charge?

Mr. GREEN of Iowa. Yes; but what is the application?

Mr. DEMPSEY. Now, is it not also true, in reference to the gentleman's statement that the fixing of future charges should not be based on these excessive years, that we are still in war and we are liable to have excess business and are to have excess business during the period the Government is operating these roads?

Mr. GREEN of Iowa. I do not know that that will be the case or not. I do not see the application of it, but the gentleman is making an argument in my time instead of letting me make the argument.

It is true these rates were fixed by the Interstate Commerce Commission at what was supposed to be reasonable. They were so fixed, however, because it was necessary in order to make a rate under which roads not so well situated could operate and to put the rates on an equality all over the country where the railroads operated between the same places. Now, we have here an entirely unreasonable proposition when you consider that a corporation like the Burlington Railroad, that will receive 22 per cent on its invested capital, and other corporations will be allowed from 12 to 14 per cent. In the case of other railroads mentioned here the returns are very much larger than the figures last mentioned.

Mr. MADDEN. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. MADDEN. Now, the total operating returns which the President is authorized to pay out is the sum of the return for three years—about $950,000,000. Is not that true?

Mr. GREEN of Iowa. The average for three years?

Mr. MADDEN. The total of the average would be $950,000,000?

Mr. GREEN of Iowa. About that.

Mr. MADDEN. Per year?

Mr. GREEN of Iowa. Per year.

Mr. MADDEN. Under this bill he would be authorized to make contracts with the Burlington Road, earning 22 per cent, or some other road earning 50 per cent, for a 15 per cent payment if they were willing to make that contract, and he will be able then to make a contract with some other road that was not earning anything to pay it something as long as he kept within the bounds of the total amount he was authorized to pay? Is not that true under the terms of this bill?

Mr. GREEN of Iowa. Possibly so, but I do not see what my friend is coming to. I intended to yield only for an inquiry.

Mr. MADDEN. The point I wanted to ask the gentleman was if under these circumstances he was able to make such a contract would it not be possible for him to restrict the payment to the roads earning large dividends and make larger payments to the roads earning smaller dividends, and thus equalize it? The thing is that he has to do with $950,000,000 only.

Mr. GREEN of Iowa. I do not think that is entirely correct, although it was in accordance with the statement of some of the gentlemen of the committee, and in this connection I want to call their attention to another matter. Some gentlemen have said, where the railroads have no operating income, that in such case the President could provide for the payment of the interest on the bonds and other necessary expenses. I do not so understand the bill. The bill provides that a different compensation may be agreed upon in exceptional cases, but I have not understood that an exceptional case meant a case where a road for years has no operating income and has not been able to pay interest on its bonds. If that is the construction placed on this bill, I do not think I shall vote for it.

Mr. BARKLEY. I do not think anybody in the committee has suggested that the bill authorized the President where there was no operating income in the three years to guarantee dividends or interest on indebtedness. But manifestly where there is no income for that period there is no basis for a standard return. Therefore, the President must enter into a contract based upon some other compensation. If they could not make the contract, of course the Government would not take over the nondividend and noninterest paying road and use it without compensation; and in that case they can go before the Court of Claims or before the boards of arbitrators referred to in the bill.

Mr. GREEN of Iowa. Does the gentleman mean to say that all the nondividend and noninterest paying roads are going to be taken over under this bill and the interest on their bonds is going to be paid?

Mr. BARKLEY. No; that is contrary to what I say. But if the amendment now pending is agreed to, that is what will happen. It will put an inflated value on the stock of every railroad that is not paying interest on its bonds.

Mr. GREEN of Iowa. I am not arguing with the gentleman on that point.

I append to my remarks the tables to which I referred. In column (e) of the first table will be found the per cent of income to investment for all the railroads of the United States from 1881 to 1917, inclusive. I should like to have some gentleman find three years in succession whose average equals 1915, 1916, and 1917. In column (a) will be found the operating income, which is used as a standard in this bill. Find, if you can, any three years in succession whose average approaches 1915, 1916, and 1917. In column (b) is found the income per mile of track, just as I stated. The other table supports my statements with reference to income per train-mile.

Analysis of operating income of railways in the United States, July 1, 1890, to June 30, 1917, inclusive, and comparison of such income per mile of road, etc., with book cost per mile of road, etc.

[From report of Interstate Commerce Commission, dated Dec. 1, 1917.]

Year ended June 30.	Results of operation. Income from operation. (a)	Average income per mile operated, adjusted to eliminate effect due to duplication on account of trackage. (b)	Book cost of road and equipment. (c)	Average book cost of road and equipment per mile of road. (d)	Ratio of column (b) to column (d). (e)
					Per ct.
1891	$331,593,407	$2,106	$8,738,533,165		
1892	356,355,852	2,249	8,564,394,830	$59,675	3.77
1893	356,315,886	2,151	8,937,545,760	55,424	3.88
1894	303,822,201	1,771	9,073,470,532	55,323	3.20
1895	309,818,614	1,786	9,203,490,619	54,867	3.26
Total	1,657,905,960	2,006	35,778,901,741	56,210	3.57
1896	337,209,541	1,902	9,500,327,733	54,644	3.48
1897	326,427,165	1,830	9,709,329,228	55,586	3.29
1898	385,524,121	2,150	9,760,581,424	57,395	3.75
1899	410,303,487	2,252	9,961,840,805	56,079	4.02
1900	477,284,030	2,554	10,263,313,400	56,567	4.52
Total	1,936,748,344	2,143	49,195,392,590	56,052	3.82
1901	507,184,395	2,670	10,405,095,085	56,941	4.69
1902	555,666,083	2,853	10,658,321,376	56,862	5.02
1903	585,458,486	2,936	10,973,504,903	56,616	5.19
1904	574,581,484	2,794	11,511,537,131	57,893	4.83
1905	628,405,575	3,001	11,951,348,949	58,808	5.10
Total	2,851,296,023	2,854	55,499,807,444	57,449	4.97
1906	714,102,281	3,330	12,420,287,938	59,624	5.58
1907	760,277,389	3,470	13,030,344,328	61,816	5.61
1908	645,681,895	2,952	13,213,766,540	61,779	4.78
1909	732,642,083	3,276	13,609,183,515	61,391	5.34
1910	826,466,756	3,644	14,387,816,099	63,631	5.73
Total	3,679,170,404	3,337	66,661,398,420	61,679	5.41
1911	768,213,345	3,304	15,195,202,635	67,883	4.87
1912	751,266,806	3,190	15,874,579,626	69,049	4.62
1913	829,803,248	3,584	16,351,639,266	70,042	5.12
1914	704,085,079	3,006	16,936,697,840	71,770	4.19
1915	728,212,079	2,972	17,247,101,881	72,689	4.09
Total	3,782,240,557	3,208	81,605,281,248	70,321	4.56
1916	1,043,839,822	4,247	17,525,576,908	73,209	5.80
1917	1,069,750,514	4,851		74,500	6.50

Tendency of revenues and expenses per train-mile, all operating railroads, American railways.

[From hearings on bill under consideration.]

Year.	Revenue from operation.	Expense of operation.	Net revenue from operation.	Increase over year 1890.
1890	$1.44231	$0.96006	$0.48225	*Per cent.*
1891	1.43345	.95707	.47638	
Average	1.45675	.96544	.49131	1.88
1892	1.44649	.96580	.48069	
1893	1.43229	.97272	.45957	
1894	1.36958	.93478	.43480	
1895	1.35947	.91829	.44118	
1896	1.39567	.93838	.45729	
Average	1.42228	.95977	.46301	[1] 3.99
1897	1.38194	.92918	.45276	
1898	1.45449	.95635	.49814	
1899	1.50436	.98390	.52046	
1900	1.65721	1.07288	.58433	
1901	1.72938	1.12292	.60646	
Average	1.59373	1.0421	.55162	14.38
1902	1.82350	1.17960	.64390	
1903	1.91380	1.26604	.64776	
1904	1.93960	1.31375	.62585	
1905	1.97906	1.32140	.65766	
1906	2.07547	1.37060	.70487	
Average	2.03815	1.35192	.68623	42.30

[1] Decrease.

Tendency of revenues and expenses per train-mile, etc.—Continued.

Year.	Revenue from operation.	Expense of operation.	Net revenue from operation.	Increase over year 1890.
1907	$2.17741	$1.46993	$0.70748	*Per cent.*
1908	2.11269	1.47340	.63929	
1909	2.16789	1.43370	.73419	
1910	2.24618	1.48865	.75763	
1911	2.24824	1.54338	.70485	
Average	2.21600	1.49911	.71689	48.66
1912	2.29259	1.59077	.70182	
1913	2.45387	1.70375	.75012	
1914	2.45024	1.76917	.68107	
1915	2.51895	1.77641	.74254	
1916	2.81146	1.84161	.96985	
Average	2.54465	1.77457	.77008	58.99

The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LENROOT] offers an amendment, which the Clerk will report. The Chair understood that the gentleman from Kentucky [Mr. BARKLEY] did not desire to press the point of order.

Mr. BARKLEY. No. I simply reserved it in order to look into it.

The CHAIRMAN. The record will show that the point of order was withdrawn. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 3, line 5, to page 4, line 2: Strike out the whole paragraph and insert: "Every such agreement shall provide that all taxes assessed for the period of Federal control—which but for such Federal control would, under the interstate commerce classification of accounts in force on December 27, 1917, be deducted from 'net income from railway operations' in determining 'railway operating income'—shall, except as hereinafter provided, be paid from operating revenue, or if that is insufficient for the purpose then from the revolving fund created by this act. That if Federal control begins or ends during the tax year for which any taxes may be assessed the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control, and the foregoing provisions shall apply only to that portion of such taxes which is due for the period of such tax year which falls within the period of Federal control; and that the owner shall pay from his own funds all other taxes, including the taxes under Titles I and II of the act entitled 'An act to provide revenue to defray war expenses, and for other purposes,' approved October 3, 1917, or any act in addition thereto or in amendment thereof."

Mr. LENROOT. Mr. Chairman, this proposed substitute of mine does not in any way change the intention, but it does change the procedure in some respects.

In the first place, it seems very clear that there ought to be a simple provision, so far as taxes are concerned, providing that as to taxes that if the roads were still under private control would be paid out of operating revenue, would continue to be paid out of operating revenue during Federal control, whatever such taxes might be, and that all other taxes should be paid by the owner. My amendment makes that very clear, and so expressly provides.

In addition, as the language now stands, it seems to me that it is going to make great confusion in accounts. The taxes are assessed—the Federal taxes are assessed in the various internal-revenue districts—and this provides that if the carrier does not pay them they shall be charged against or deducted from the standard return. Why should not all taxes that under the present system are paid out of operating revenues continue to be paid in the district where they are assessed under Federal authority and paid to the internal-revenue collector? My amendment will accomplish that.

Then, I would like to ask the chairman of the committee a question with reference to special assessments, which it is provided shall be paid for wholly by the carrier. I want to ask him, because I do not know and I do not happen to have the schedule before me, whether special assessments now paid by railroads or a portion of those accruals are deducted in order to secure the net railway operating returns under the Interstate Commerce Commission classification? It is my recollection that they are, and that they are charged against capital account.

Mr. SIMS. Your amendment proposes to strike out everything on page 3, beginning with line 5?

Mr. LENROOT. My amendment will do this, if I may restate it: My amendment will have as a charge against operating revenues exactly the same taxes, other than war taxes, that have heretofore been paid out of operating revenues.

Mr. SIMS. My understanding is that—I do not remember the language of the bill—there will be no net return that will

include taxes that have heretofore been paid before dividends or interest is paid.

Mr. LENROOT. Are taxes in the nature of special assessments now deducted in getting at the net railway operating income?

Mr. SIMS. I understand so.

Mr. LENROOT. This bill provides that they shall not be included. Now, I want to know where these municipalities are to be left that have levied special taxes against companies. In many cases we have a company where all tax provided is taken over by us. They have no cash resources in hand. They can not enforce the lien against the property. How are these municipalities going to get these special taxes under the bill as it now stands?

Mr. SIMS. The gentleman can see what the bill itself provides in that respect.

Mr. LENROOT. The bill provides that it shall not be paid by the Government.

Mr. SIMS. It says:

That other taxes assessed under Federal or any other governmental authority for the period of Federal control or any part thereof, either on the property used under such Federal control or on the right to operate as a carrier, or on the revenues or any part thereof derived fom operation (not including, however, assessments for public improvements or taxes assessed on property under construction, and chargeable under the classification of the Interstate Commerce Commission to investment in road and equipment), shall be paid out of revenues derived from railway operations while under Federal control; that all taxes assessed under Federal or any other governmental authority for the period prior to January 1, 1918, whenever levied or payable, shall be paid by the carrier out of its own funds, or shall be charged against or deducted from the standard return.

Mr. LENROOT. But the municipality has no lien that it can enforce against the property.

Mr. SIMS. The Government can pay it.

Mr. LENROOT. No; it can not do it. It expressly excludes it. It does not say who shall pay it.

Mr. SIMS. It will go out of the funds constituting the standard return.

Mr. LENROOT. That does not include the portion of the taxes that the Government shall pay, assessments for public improvements, and so forth.

Mr. SIMS. The railroad company will not receive these taxes in addition to the standard return.

Mr. LENROOT. This language in the bill now provides that certain taxes shall be paid out of revenues derived from operation. The gentleman says—and I think he is correct—that at present those special taxes are paid out of revenues derived from operation, although afterwards charged to capital account; but with the language in the bill the Government will not be permitted to pay such special taxes out of revenues derived from operation. And will not that leave the municipality absolutely helpless?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LENROOT. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. SIMS. I wish to read to the gentleman what is stated in the hearings as an interpretation of this provision of the bill as written. The gentleman will find it on page 883 of the hearings, by Mr. Anderson. He says:

I think we have now stated in a way that nobody can misunderstand that the ordinary taxes, Federal and State, and municipal and county, are to be paid by the Government and charged, as they now are, in operating expenses; that the war taxes are to come out of the standard return. And I may add that there is no reasonable possibility of there being any disturbance in the power of the State and subdivision thereof to proceed with taxation on the same general principles as hitherto. I put into this record, I think—I did in the Senate committee—the opinion of the chief counsel on that point. It was printed in your records, I believe.

Now, special assessments are just as much municipal and county taxes as are any other municipal and county taxes.

Mr. LENROOT. But the bill expressly provides that those taxes shall not be paid by the Government.

Mr. SIMS. That is, not paid at the loss and expense of the Government.

Mr. LENROOT. No, no——

Mr. SIMS. That is what it means.

Mr. LENROOT. Let me read the language of the bill.

On page 3, from line 5 to line 12, it is provided that the agreement shall provide that the railroads shall either pay the war taxes or the war taxes shall be deducted from the amount which the Government is to pay them.

Mr. SIMS. From their standard return.

Mr. LENROOT. From their standard return. That is all right. Then the bill goes on and says—

That other taxes assessed under Federal or any other governmental authority—

And, of course, that includes State and municipal—

for the period of Federal control or any part thereof, either on the property used under such Federal control or on the right to operate as a carrier, or on the revenues or any part thereof derived from operation—

Now comes the language—

(not including, however, assessments for public improvements or taxes assessed on property under construction and chargeable under the classification of the Interstate Commerce Commission to investment in road and equipment), shall be paid out of revenues derived from railway operations while under Federal control—

That means that the Government will pay to these municipalities out of revenues all ordinary taxes——

Mr. SIMS. Will pay out of operating revenues.

Mr. LENROOT. Yes.

Mr. SIMS. But this other will be paid exclusively out of what would otherwise go to the railroad as standard return.

Mr. LENROOT. No; because you provide what taxes shall be deducted from the standard return, and those are only the war taxes.

Mr. SIMS. It seems to me that it is as clear as it can be made. Now, the gentleman's amendment in reference to taxation provides for striking out the paragraph and inserting a new and longer paragraph. It does not change the amount of the taxes to be paid by the Government or the carrier, but merely undertakes to deal with the subject in detail, and instead of clarifying it, it complicates it. The contracts which will be made under section 1 will take care of taxation in exact accordance with the principle fully and clearly stated in the bill. The amendment is most undesirable.

Mr. LENROOT. My amendment provides for the payment out of operating revenue of all taxes that have heretofore been chargeable to operating revenue. I did not know, and that is why I asked whether special taxes heretofore have been chargeable to operating revenue, and the gentleman said yes.

Mr. SIMS. I mean paid out of operating revenue.

Mr. LENROOT. Yes. All right. Now, if that is true, there is no method in the bill by which municipalities can collect special assessments.

Mr. SIMS. They can collect them. The Government will pay them, but it will not pay them and then still pay the full standard return to the railroads.

Mr. LENROOT. Will the gentleman point out where in this bill there is any provision or permission to the Government to pay these special taxes?

Mr. SIMS. That is the only purpose and object of the contract authorized, and will be taken care of in the contract, and should be taken care of by such terms as each contract may make necessary; and to undertake to set out in detail every possible condition that may arise is only to complicate the contracting authorization.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. I ask unanimous consent for two minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. LENROOT. I want to call attention to this, that we are dealing with the character of the contract, and in this language we say to the President, "You shall not agree that these special taxes shall be paid out of operating revenues."

Now, I admit that the carrier will be liable; but supposing the office of the carrier is in the city of New York and a municipality in the gentleman's district levies special assessments against a railroad and all the property of the railroad that there is in the gentleman's district is the property that has been taken over by the Government, how is the municipality going to enforce the payment of these special assessments?

Mr. HAMLIN. Does the gentleman refer to special taxes levied during the time that the roads are under Government control?

Mr. LENROOT. Yes; certainly.

Mr. HAMLIN. Then I call attention to the last provision of the paragraph, following the parenthesis—

shall be paid out of revenues derived from railway operations while under Federal control; that all taxes assessed under Federal or any other governmental authority—

Which would include municipal authorities, of course.

Mr. LENROOT. Oh, yes.

Mr. HAMLIN. And then it says—

for the period prior to January 1, 1918, whenever levied or payable, shall be paid by the carrier out of its own funds, or shall be charged against or deducted from the standard return.

Mr. LENROOT. That refers only to taxes assessed prior to the period of Federal control.

Mr. HAMLIN. Now I understand the question you raise is, What are you going to do with special taxes assessed during Federal control?

Mr. LENROOT. During Federal control. That is exactly the point.

Mr. HAMLIN. I think that parenthetical paragraph rather cuts it out.

Mr. RUCKER. Will the gentleman yield?

Mr. LENROOT. I yield to the gentleman from Missouri.

Mr. RUCKER. Suppose the language instead of reading—

Not including, however, assessments for public improvements—

Should read—

Including, however, assessments for public improvements?

Mr. LENROOT. I think they should be included, and then be a charge against the carrier as an addition to capital account.

Mr. RUCKER. If that language is amended by striking out the word "not" so that it will read—

Including, however, assessments for public improvements—

That would accomplish what the gentleman has in mind.

Mr. LENROOT. Yes. In fact, the words included in the parentheses ought to go out.

Mr. DEWALT. Will the gentleman yield?

Mr. LENROOT. Yes; if I have any time.

Mr. DEWALT. Will the gentleman yield?

Mr. LENROOT. Certainly.

Mr. DEWALT. If the gentleman from Wisconsin will return to page 2, lines 18 and 19, 20, 21, 22, and so forth, he will find this language:

In the computation of such income, debits and credits arising from the accounts, called in the monthly reports to the Interstate Commerce Commission equipment rents and joint facility rents, shall be included. The standard return and the cost of such additions, betterments, or road extensions are to be ascertained by the Interstate Commerce Commission from the reports, books, and other pertinent data—

And so forth. Now we come down to the gentleman's question, and he will notice how the extensions, betterments, or improvements are to be ascertained by the Interstate Commerce report—

(not including, however, assessments for public improvements or taxes assessed on property under construction, and chargeable under the classification of the Interstate Commerce Commission to investment in road and equipment)—

Now, the purpose of that phrase was to prevent an obligation being placed on the Government for assessment of taxes levied, if you please, by municipalities in the construction of the railroads during the time of Federal control. Evidently the purpose of that was to prevent municipalities exacting from the Government these excessive amounts—street paving and other things of similar character.

Now, you say, How shall it be collected? If it is a betterment or improvement of the railroad itself, then it is to be ascertained under the rules of the Interstate Commerce Commission under provisions of the foregoing section, and that is to be charged up against them in the standard return.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. DEWALT. I ask for one minute.

Mr. LENROOT. Is it not true that under the interstate-commerce classification special taxes are never included under the term of either betterments or improvements but are charged against capital direct? So it would not be covered by the language the gentleman states, because it being neither a betterment nor an improvement, it could not be taken into consideration by the Interstate Commerce Commission.

Mr. DEWALT. I do not agree with the gentleman at all; I do not think that is a reasonable construction. I think the foregoing part of section 1 clearly includes that.

Mr. LENROOT. May I ask the gentleman a further question?

Mr. DEWALT. Certainly; we are here for information.

Mr. LENROOT. If it is neither a betterment nor improvement under the interstate-commerce classification, and is charged against capital, how could it be included in the language the gentleman has just read?

Mr. DEWALT. The general provision as to betterments, extensions, and improvements—if the municipality by the construction of this road wanted to change the grade of a street, for instance, or if a municipality insisted on an underground passageway or an overhead passageway, they might assess a municipal tax against the railroad company while under Federal control. The Government, by the inclusion of the words in parenthesis, avoided that as far as possible, and contemplated in this bill, by the words heretofore quoted, that it might be included under the word "extensions," and therefore be deducted fairly from the standard return and decrease their emoluments to that amount.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I ask unanimous consent to insert two other amendments to clarify the meaning of the bill and let them be disagreed to.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to insert two amendments in the RECORD, with the understanding that those amendments be disagreed to. Is there objection?

There was no objection.

The amendments are as follows:

Page 4, after line 23, insert a new paragraph, to read as follows:

"Every such agreement shall also provide that each owner shall receive during the period of Federal control an annual sum equivalent to a fair percentage upon the cost of additions and betterments, less retirements and road extensions, made on or in connection with such railroad or system during the period of Federal control by the owner, with the approval or by the order of the President, plus a fair percentage upon the amount expended by the owner, during the period of Federal control, for taxes chargeable under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, to investment in road and equipment, and for assessments for public improvements. Such fair percentage in the case of expenditures made out of borrowed money shall be equal to the rate at which such money is borrowed, and in other cases shall be fixed by the President at the time the expenditure is made. The cost of such additions, betterments, and road extensions, the amount of such retirements, and the amounts expended for such taxes and assessments shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amounts so certified shall, for the purpose of the agreement, be conclusive."

Page 4, after line 23 (and after the paragraph already inserted), insert a new paragraph, to read as follows:

"Every such agreement shall also provide that the United States will pay to the owner any loss accruing to such owner by reason of any additions, betterments, or road extensions, made during the period of Federal control by the President, or made during such period at the order of or with the approval of the President, by such owner, or by the person, corporation, partnership, or association, entitled to the possession, use, and control of the railroad or system of transportation at the time such additions, betterments, or road extensions are made. The amount of such loss shall be ascertained by the Interstate Commerce Commission and certified by it to the President. The amount so certified shall, for the purposes of the agreement, be conclusive."

Mr. CONNALLY of Texas. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, line 16, after the word "States," insert the following:

"*Provided*, That no installment of standard return shall be paid to any carrier until the cost of any additions, repairs, renewals, and all improvements to and extensions of such carrier as may have been theretofore made during Federal control, and all taxes and the cost of such terminals, equipment, motive power, and cars as may have theretofore been provided by the President for such carrier during Federal control and not justly chargeable to the United States shall have been paid out of the operating income of such carrier during Federal control or shall have been paid by such carrier."

Mr. CONNALLY of Texas. Mr. Chairman, I have no ambition to vie with the gentleman from Wisconsin in the number of amendments I offer, and this amendment may not seem, to some, to really be necessary in view of the language of the section, but, to my mind, something of this character ought to be provided. It is provided, in the first section of the bill, that the "standard return" shall be paid to the carrier in reasonable installments. My amendment would provide that the carrier should receive no installment of "standard return" so long as there is any amount due the Government from the carrier by reason of improvements, extensions, equipment, taxes, or other debts which the Government has incurred on behalf of the carrier.

In other words, when the time for releasing Government control arrives, the Government will not be in the position of having permitted the carrier to receive installments of "standard return," and yet at the time of final settlement be indebted to the Government in large sums for improvements, equipment, taxes, and other charges; and I do not believe that, so far as the Government has reinvested in the property of carriers the funds which it receives from income, that the shareholders ought to be allowed to receive any dividends in the way of installments from "standard return"——

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. MADDEN. Does the gentleman include the $500,000,000 revolving fund that this bill appropriates as a part of the fund that shall be expended out of the standard return, against which there shall be no payments to the railroads?

Mr. CONNALLY of Texas. Oh, no; not at all. It would not affect the $500,000,000 fund at all, because that fund is simply

provided for the use of the Government in making these expenditures when it has not those funds already at hand from operating income; and when the funds have been expended from the $500,000,000 fund, it merely says that we will not pay to the railway companies on whose behalf those funds have been expended any portion of the standard return until the Government has been reimbursed for the funds it has expended.

Mr. MADDEN. That is for the $500,000,000?

Mr. CONNALLY of Texas. No; for any fund.

Mr. MADDEN. The gentleman would not allow any dividends to be paid to any railway company in the United States until the investment made by the Government for equipment has been paid back?

Mr. CONNALLY of Texas. By that particular railway.

Mr. MADDEN. That would include the $500,000,000.

Mr. CONNALLY of Texas. There is a clause in the amendment which provides for any equipment or other charges not "justly chargeable to the Government"; and if out of that $500,000,000 the Government should buy equipment on its own account, it would not be chargeable to the railroad companies.

Mr. MADDEN. It would be in the end when we made the final adjustment.

Mr. CONNALLY of Texas. In the final adjustment it would, but it would remain the property of the Government until the final settlement was had, and that would in no way affect the amendment I have offered.

Mr. SNOOK. How would the gentleman decide as to an investment made in terminals or equipment? Would it justly be chargeable to the railroads or to the Government?

Mr. CONNALLY of Texas. In using that language I am using the language adopted by the committee, and I adopted it because the committee had already standardized that term.

Mr. SNOOK. The gentleman understands that there will be a large amount of investment made by the Government in terminals in taking care of war materials.

Mr. CONNALLY of Texas. My amendment says "for such carriers." If the Government did not expend the funds on behalf of the property of the carrier, it would build on its own account new terminals, and it would not apply, as was suggested by the gentleman from Illinois; and when final settlement should come, if the railway took over those terminals which have been erected by the Government, the settlement would be made at that time, and it would not affect the payments of the standard returns before that time.

Mr. DEWALT. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. DEWALT. What does the gentleman do with the provision in the bill which states that the President may order and direct that betterments, improvements, extensions, and so forth, shall be made, and that motive power, if necessary, shall be bought, and that expense shall be deducted from the standard returns, first being paid by the President out of the operating expenses obtained and from the revolving fund? What is the solution of that problem?

Mr. CONNALLY of Texas. The solution of that problem is that it does not affect that at all, except that you provide no time when the deductions shall be made.

Mr. DEWALT. Does the gentleman reason this way, that the United States Government, the fiscal department thereof, is going to be foolish enough to pay any road any amount when the road is actually in debt to the Government?

Mr. CONNALLY of Texas. If that is true, there can be no objection to my amendment, because we merely say in so many words what shall be done, which the gentleman from Pennsylvania imagines some Government official is going to do.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman has that permission.

The Clerk read as follows:

SEC 6. That the sum of $500,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, which, together with any funds available from any operating income of said carriers, may be used by the President as a revolving fund for the purpose of paying the expenses of the Federal control, and so far as necessary the amount of just compensation, and to provide terminals, motive power, cars, and other necessary equipment, such terminals, motive power, cars, and equipment to be used and accounted for as the President may direct and to be disposed of as Congress may hereafter by law provide.

The President may also make or order any carrier to make any additions, betterments, or road extensions, and to provide terminals, motive power, cars, and other necessary equipment necessary or desirable for war purposes or in the public interest on or in connection with the property of any carrier. He may from said revolving fund advance to such carrier all or any part of the expense of such additions, betterments, or road extensions, and to provide terminals, motive power, cars, and other necessary equipment so ordered and constructed by such carrier or by the President, such advances to be charged against such carrier and to bear interest at such rate and be payable on such terms as may be determined by the President, to the end that the United States may be fully reimbursed for any sums so advanced.

Any loss claimed to accrue to any carrier by reason of any such additions, betterments, or road extensions, terminals, motive power, cars, and other necessary equipment so ordered and constructed may be determined by agreement between the President and such carrier; failing such agreement the amount of such loss shall be ascertained as provided in section 3 hereof.

From said revolving fund the President may expend such an amount as he may deem necessary or desirable for the purchase, construction, or utilization and operation of canals, boats, barges, tugs, and other transportation facilities on the inland, canal, and coastwise waterways, and may in the acquisition, operation, and use of such facilities create or employ such agencies and enter into such contracts and agreements as he shall deem in the public interest.

Mr. MONTAGUE. Mr. Chairman, I desire to move a formal amendment. Page 8, line 19, I move to strike out the last word of that line, "necessary."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 8, line 19, strike out the word "necessary."

The question was taken, and the amendment was agreed to.

Mr. DILLON. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 9, line 15, strike out the words "purchase, construction, or"; strike out the word "Acquisition," in line 18, page 9; and, line 16, insert, after the word "canals," the following: "or for the purchase, construction, or utilization and operation of."

Mr. DILLON. Mr. Chairman, if the committee will observe the purport of this amendment, it will be noticed, in line 15, page 9, I strike out the words "purchase, construction, or," and in line 18 I strike out the word "acquisition," and after the word "canals," in line 16, I add the following: "or for the purchase, construction, or utilization and operation of." This amendment will make this bill correspond to the Senate bill. It will prevent the President from constructing canals or from purchasing canals. That is the purpose of the amendment. It seems to me that we have no time now to build canals or to buy canals. We ought not to buy canals, because we can take over the use of canals and use them during the war and until they are returned, and we ought to be content with the use rather than the purchase of expensive canals.

Mr. MONTAGUE. Will the gentleman yield?

Mr. DILLON. Yes.

Mr. MONTAGUE. For the purpose of information. Does the gentleman's amendment, if adopted, make this bill identical with the provision in the Senate bill?

Mr. DILLON. Yes.

Mr. MONTAGUE. Identical?

Mr. DILLON. Identical.

Mr. DEWALT. Will the gentleman yield? As I understand the amendment, it prevents the purchase and construction of canals?

Mr. DILLON. Exactly; certainly.

Mr. DEWALT. But it does not prevent the utilization and operation of canals?

Mr. DILLON. The gentleman is correct.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. DILLON. I will.

Mr. PARKER of New Jersey. Would not the same effect be attained, but more simply, by striking out the word "canals," so that it would read:

The President may expend such an amount as he may deem necessary or desirable for the purchase, construction, or utilization and operation of—

And now strike out the word "canals"—

boats, barges, tugs, and other transportation facilities on the inland, canal, and coastwise waterways.

That was the way it was before, by mistake, the word "canals" was put in there. I understood Mr. ANDERSON to agree that the word "canal" should go in the next line, "on the inland, canal, and coastwise waterways." I think, by mistake, the word "canals" was also inserted at the beginning of line 16, and I think it would be much more simple to strike it out.

Mr. DILLON. The gentleman would reach the same result; but I seek to make it correspond to the Senate bill. We ought not to engage in the work of digging these canals at this time. We need 250,000 additional men in the shipping yards to help build ships. We need men on the farms. I had a letter to-day from one of my constituents—a farmer—saying that he had entered into an agreement to pay a laborer on his farm $1,250 for a year's labor upon his farm. The farmers in my district can not get enough farm labor at any price. We have no time to dig canals; labor is too expensive and too scarce. We ought

not to buy canals when we can get the use of them by paying for that use. I ask for a vote on my amendment.

Mr. DECKER rose.

Mr. FORDNEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Does the gentleman from Missouri desire recognition in opposition to the amendment?

Mr. DECKER. Mr. Chairman, I wanted to ask the gentleman from South Dakota [Mr. DILLON] a question if all his time has not expired.

Mr. DILLON. My time is not all gone, and I will yield.

Mr. DECKER. Under your amendment would it allow still the purchase or construction of boats, barges, and other means of transportation?

Mr. DILLON. Yes. It allows the purchase of all of those facilities. My amendment only eliminates the digging of canals and the purchasing of canals.

Mr. FORDNEY. Mr. Chairman, I want to offer an amendment to the amendment. My amendment is to strike out the whole paragraph.

Mr. DILLON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DILLON. My amendment goes to the perfection of the text and therefore should have the preference.

The CHAIRMAN. That would be disposed of first, and then the amendment of the gentleman from Michigan [Mr. FORDNEY] would be in order.

Mr. FORDNEY. I do not want to be heard on the amendment of the gentleman from South Dakota, but I want to be heard on my own.

The CHAIRMAN. Does the gentleman desire recognition at this time or after the vote is taken?

Mr. FORDNEY. After the vote is taken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. DILLON].

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. BARKLEY. Division, Mr. Chairman.

The committee divided; and there were—ayes 56, noes 2.

So the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer an amendment to strike out the entire paragraph.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. FORDNEY: Page 9, lines 13 to 20, inclusive, strike out the paragraph.

Mr. FORDNEY. I offer this amendment for the reason, gentlemen, that there is nothing in the proclamation of the President relating to inland canals. The appointment of the Director General, Mr. McAdoo, has no reference to the control of inland canals. I read from the proclamation itself:

It is hereby directed that the possession, control, operation, and utilization of such transportation systems hereby to be undertaken shall be exercised and undertaken through William McAdoo, who is hereby appointed and designated Director General of the Railroads.

He has not been appointed Director General of the inland canals. The President has not signified his desire to have the Government take over the canals in any respect; that is, the inland waterway canals. He has the power under existing law to take the coastwise boats; not those under inland waterways. He has the right to commandeer all ships on the Great Lakes or on salt water, but has expressed no desire whatever to control the boats on the inland canals.

Mr. ESCH. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. ESCH. I think it may be included under this:

Located wholly or in part within the boundaries of the continental United States, and consisting of railroads and owned or controlled systems of coastwise and inland transportation.

Mr. FORDNEY. Yes; I say that under existing law I believe the President has the right to take inland-waterway transportation, which does not mean canals. It means the boats on the Great Lakes and in the coastwise trade on the high seas. I believe the President has already commandeered such boats as he thought proper that were engaged in the coastwise trade. That order has been issued by the President, has been issued for some time past, if I am correct in my understanding of the matter. To leave this paragraph as modified by the amendment of the gentleman from South Dakota [Mr. DILLON] perhaps would remove the sting in this bill, but to leave that paragraph in the law as it is written now in the bill means that the Government of the United States is expected to purchase some of those canals. We have one canal here on the Potomac River that is now dry, with not even good fishing in it. But to authorize the President of the United States to take over all the canal boats and the mules and equipment in connection with them is the greatest absurdity. The President makes no such request and should be given no such power, and I hope the amendment that I have just offered to strike out that paragraph will be adopted.

Mr. DEMPSEY and Mr. MOORE of Pennsylvania rose.

The CHAIRMAN. Does the gentleman from New York desire to oppose the amendment?

Mr. DEMPSEY. I desire to oppose the amendment; yes.

The CHAIRMAN. The gentleman is recognized.

Mr. DEMPSEY. Mr. Chairman, I do not think there is the difference which the gentleman from Michigan [Mr. FORDNEY] points out between inland means of communication by water. I think that it does cover canal transportation, and I think that it would not take in the kind of transportation to which the gentleman refers—small, worn-out canal boats drawn by mules. But I can point to an important line of transportation which it would take in and which would benefit the gentleman's State and all the Western States and help cure the transportation difficulties that we are now facing. The State of New York has constructed, at an expense of nearly $200,000,000, a great inland transportation system reaching from Lake Erie down to the Hudson River. It has made that a barge canal. The work is just completed. It is ready for operation. We have this congestion throughout the United States; we have it at New York and we have it all the way across the continent—freight piled up and the railroads unable to transport it—and yet this great inland transportation system has not been utilized at all.

The State of New York, at its own expense, has created this great canal. Why should not the United States in this emergency place boats upon it and utilize it, so that grain and lumber and coal can come down from Michigan and other States to Buffalo and there be transported over the Erie Canal in boats, which we have not to-day, and which can be built in these various shipyards which we are to-day constructing? Why should we not provide boats for the Erie Canal as well as boats for crossing the ocean and boats for the various lakes? Why should we not utilize that means of transportation?

We are seeking to-day to solve the transportation problem. We have three trunk lines across the State of New York, and they are not able to handle anything like all the traffic. We would in a great measure be able to handle it and in great measure solve that problem if we had a fleet of boats plying to the capacity of the canal between New York and Buffalo. So I say this is a wise provision. This particular provision should stay in the bill. This is a case where the Government should step in and supplement the work which the great State of New York has done out of its own funds, as no other State in the Union has done, in contributing to the general weal. [Applause.]

Mr. SMITH of Michigan. Mr. Chairman, something was said about the President not taking over the water systems. I read from the proclamation just this sentence:

By subsequent order and proclamation, if and when it shall be found necessary or desirable, possession, control, or operation may be taken of all or any part of such street railway systems, including subways and tunnels, and by subsequent order and proclamation possession, control, and operation in whole or in part may also be relinquished to the owners thereof of any part of the railroad systems or rail and water systems, possession and control of which are hereby assumed.

Showing that by proclamation they have assumed possession.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last word.

Mr. MOORE of Pennsylvania. And I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. FORDNEY. Mr. Chairman, I have no objection to the gentleman proceeding for 10 minutes; but, if he does, I want five minutes in which to answer. I ask unanimous consent for five minutes.

Mr. PARKER of New Jersey. Mr. Chairman, I would like to have one minute. I wonder if the gentleman would allow me one minute?

The CHAIRMAN. If the gentleman from Pennsylvania will pardon the Chair for a moment, the Chair would state that the gentleman from New Jersey [Mr. PARKER] is a member of the committee, and under the rule is entitled to priority of recognition. The Chair will recognize the gentleman from New Jersey.

Mr. PARKER of New Jersey. Mr. Chairman, I have nothing to do except to give the House information. I know that a great many railroads own canals. Some use them and some do not, but they are a part of their systems. The Lehigh Valley

Railroad owns the Morris Canal and the Lehigh River Canal, which ought to bring coal down to New York. The Pennsylvania Railroad owns and uses quite fully the Delaware & Raritan Canal, which takes coal and other materials from Philadelphia to New York and relieves the strain upon the railroads. This is also true in connection with the canal that the gentleman from Pennsylvania [Mr. MOORE] speaks of so much, which used to run a line of steam packet boats to New York through the Chesapeake & Delaware Canal and through the Delaware & Raritan Canal, because on the Delaware & Raritan Canal we have locks, but no bridges that are not drawbridges.

The operation of those canals and their use are just as important in running the railroads to which they belong and for the help of those railroads as is the actual operation of the railroads themselves, and I hope, therefore, that this paragraph will not be stricken out.

Mr. DEMPSEY. Will the gentleman yield for one question?

Mr. PARKER of New Jersey. Yes.

Mr. DEMPSEY. Is it not a fact that up to the time the railroads became congested, up to the time that they reached the point where they could not handle the traffic of the country, for a series of years they lowered their rates wherever they paralleled a canal to such a degree that they drove the boats on the canal out of business and left the waterways bereft of any means of transportation?

Mr. PARKER of New Jersey. I do not know that. What I do know is that on some of the waterways they did not supply enough boats. They needed special boats. I also know that the Chesapeake & Ohio Canal, which comes down from Cumberland to this city, might be used to bring coal down here if they had enough boats and appliances. I do not know whether the canal belongs to a railroad company or not.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] is recognized, and asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Chairman, the gentleman from Michigan [Mr. FORDNEY], whom I esteem highly in all other things, has taken up the cudgels for the railroads in this instance, I fear, and is against having any competitive means of transportation. If he succeeds in striking out this paragraph, there can be no other interpretation of his attitude.

The President of the United States has indicated that he proposes to take over the needful waterways of this country along with the railroads. They are a part of our transportation system. Unless, as the gentleman from Michigan proposes, all transportation hereafter shall be carried over the railroads and the railroads only, then this paragraph must remain in the bill. If the gentleman would continue the congestion there has been in the country and would stay the progress of the war, he will strike out this paragraph, and you will do so who vote with him. He states that the President has not indicated his intention to take over the waterways. We gave the President full authority to take over any transportation system when we passed the act of August, 1916, and the President in his proclamation taking over the railroads indicated that he proposed to take over the waterways, too. I will read a paragraph of the President's proclamation, which the gentleman from Michigan evidently has not read, in which the President stated that—

> By subsequent order and proclamation, possession, control, and operation in whole or in part may also be relinquished to the owners thereof, or any part of the railroad systems, or rail and water systems, possession and contol of which are hereby assumed.

I am for the taking over of the waterway systems along with the railroads in the time of war, and yet I am in favor of giving the railroads every possible opportunity to rehabilitate themselves under the presidential control. I am for the taking over of the railroads and the retention of this paragraph, because I want a decent competition in order to relieve the transportation congestion of this country, both in war times and in normal times. The gentleman from Michigan [Mr. FORDNEY], with some little unction, indicates that this is not the correct thing to put in a bill of this kind. He indicates that the purchase of canals may not be the correct thing to advocate. Why, the gentleman from Michigan comes from a State in which they have a Government-owned and a Government-controlled canal upon which this Government has spent, together with its other waterways in Michigan, upward of $60,000,000 down to the present time. It takes nerve on the part of any gentleman from Michigan to come in here and attempt to stop the wheels of progress or of war by checking the waterways in other sections of the country just because his State has got what it wants. [Applause.]

The trouble with the average gentleman who opposes waterway development is that he has got what he wants out of the Treasury of the United States and wants to prevent anybody else from getting what he wants. We are not going to fight the battles of this country, my dear friend from Michigan, up along the Great Lakes. The marvel to me is that we have not already been engaged in battle along the Atlantic coast. When that sea battle comes, it will not be on the Great Lakes. You are too friendly with Canada, just across the way. It will come along the Atlantic seaboard, and then when we want to proceed from the Boston Navy Yard to the navy yard at Brooklyn, when we want to get our smaller ships through the inside waterways, they will be blocked, because you have got your canal up in Michigan and we have not got ours along the Atlantic seaboard. [Applause.] When we want to put vessels from the Brooklyn Navy Yard down to the Philadelphia Navy Yard, where an inadequate canal marks the course to-day, you will be all right in Michigan, but we will be blocked down along the Atlantic coast. And so it will be when we want to pass vessels of the Navy and merchant ships, those carrying supplies and troops from the Philadelphia Navy Yard to the Norfolk Navy Yard; you have your canal in Michigan, paid for by the Government, but we have not got ours. And the sad point about it is that it is going to involve an expenditure of two and a half million dollars primarily against $60,000,000 in the Soo territory.

Mr. SCOTT of Michigan. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes; I will yield; the gentleman is from Michigan.

Mr. SCOTT of Michigan. I am inclined to agree with the gentleman's purpose, but I would like to know where the canal is that the gentleman has spoken about.

Mr. MOORE of Pennsylvania. The Soo Canal.

Mr. SCOTT of Michigan. It is not a Michigan canal; it lies between Michigan and Canada; but it is not a mule canal, similar to those which the gentleman is discussing.

Mr. MOORE of Pennsylvania. It is in the United States, and we took the money out of the Treasury of the United States to improve it. If the gentleman from Michigan and his colleagues would continue improvements along the Atlantic seaboard, it would have a greater war value than the Soo Canal. I want to say to you gentlemen on that side (the Democratic side) and some of you on this side (the Republican side), who have looked with some little interest upon this waterway project in times past, that the people on the other side of the water have been looking up the canal business a little more than they did before. I find that England, which is bisected, cut up, and gridironed with canals, which it permitted to waste to promote the railroads, just as we did here, has begun to take over and improve the canals, because it sees the wisdom of having a double means of getting troops and supplies and war materials back and forth. It now needs its canals to relieve the railroads.

Strike out this paragraph, and you strike out one of the real war features of this bill, one of the essential war features of this bill. Why, all your transportation trouble has been due to congestion at the port of New York. It has been the inability of the railroads to carry freight and troops, and yet now the amendment of the gentleman from Michigan proposes to prevent the President of the United States from utilizing waterways if he sees fit to do so, if the railroads are incompetent to carry the business of the country and accommodate the business of war.

I can not conceive of the mental attitude of the patriotic American citizen who is willing to spend $500,000,000 of the public money to bolster up the railroads of the country, already overburdened as they are, who refuses to the Director General of Railroads the right to take over a canal connected with a railroad or helpful thereto if he deems it necessary for the purposes of war. I would like to call your attention to the fact that some vessels have been going down on the Atlantic coast recently, and some barges have been going down, carrying coal because they could not get through the incompetent and inadequate inside passages. If they had been put to use, this coal shortage might not have happened.

Mr. MONTAGUE. Will the gentleman yield?

Mr. MOORE of Pensylvania. I will.

Mr. MONTAGUE. This provision is not mandatory, but simply permissive.

Mr. MOORE of Pennsylvania. That is all. The Director General, out of the revolving fund of $500,000,000 which is to be plus such sums as may be provided in the War Finance Corporation act, is to assist the railroads and such waterways and canals as may be of service in time of war.

Gentlemen may smile when I talk about the Chesapeake & Ohio Canal, which leads from Cumberland to the city of Washington, and would be capable of serving States beyond. Would there have been a coal shortage in Washington if that canal had been open or if it had been utilized in fair weather? Some smart gentleman says he passed it the other day and

saw no water in it. That gentleman typifies the ignorance of those who discuss the canal question. They do not know that canals were once our principal means of transportation. They are filled with water and work when the water is in, but the water is let out during the winter months. Gentlemen who believe in thrift would utilize these useful burden bearers during the 9 or 10 months of the year when they are workable and store up their supplies of coal. They would not depend upon them during the winter months when navigation is closed; that is the foolish policy.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Is it not possible that all of the coal necessary for the people of Washington and those in the environment of Washington—using this merely for illustrative purposes—might have been carried if during the summer months, during the working months, this old canal of yours had been opened up so that coal might be brought to Washington? I yield to the gentleman from Massachusetts.

Mr. WALSH. Can the gentleman give us any information as to how far the investigation has proceeded with reference to the purchase of the two canals, which investigation was authorized in the last river and harbor appropriation bill?

Mr. MOORE of Pennsylvania. Yes; an authorization was made in the last river and harbor appropriation bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Authorization was made in the last river and harbor appropriation bill for a survey of the Cape Cod Canal, which bisects Cape Cod and saves about 70 miles of outside sailing from the port of Boston to the port of New York, and provision was also made for the condemnation of the Chesapeake and Delaware Canal, which links up Delaware Bay and Chesapeake Bay. Oh, if I could only take the Members of this House through that 13 miles of country which connects up the Chesapeake Bay and the Delaware Bay, and could induce them to look at the statistics and at the geographical conditions they would better understand the relation of that inadequate waterway to-day to the welfare of the Nation. How different the conditions would be when we came to discuss this question in the House. Yes; the river and harbor appropriation bill provides for a survey of the Cape Cod Canal. It provides for a condemnation of the Chesapeake and Delaware Canal. Gentlemen talk about these canals as if they represented millions and billions of dollars, as if they were a graft on the Government. The Cape Cod Canal is only 8 miles long, but about Cape Cod in a period of 25 years, according to the statistics of the Government itself, there have been no less than 1,000 disasters involving thousands of human lives. Around the canal connecting up the Chesapeake and the Delaware Bay there is a tonnage to-day of upward of 50,000,000, ten times more, if this canal were opened and made adequate to accommodate it, than passes through the Panama Canal in a year. And yet you spend $400,000,000 on the Panama Canal and open it up for the benefit of the world, make the United States go through it on terms equal with any other nation, and then when we say to you, "Build your Kiel Canal down here at the Chesapeake and Delaware, put yourselves in position to have your fleet inside or outside, give yourselves an opportunity to go to a navy yard above or below or reserve to your ships ability to fight at either end," gentlemen rise and say it is going to cost too much; that it would actually be wasteful.

Some day, and I venture to say that some of us will live to see that day, men who oppose the opening of these natural arteries for protection, for defense, and for commerce, will regret having insisted upon their opposition to measures of this kind.

Mr. SWITZER. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman.

Mr. SWITZER. Will the gentleman please state the tonnage of the Delaware & Chesapeake Canal now?

Mr. MOORE of Pennsylvania. It is over 1,000,000 tons, on a depth of 10 feet, and it is nearly all war business; cotton from the South to go into the munition factories for purposes of war; lumber from the South to go into the construction of shipyards for the purposes of war—busy as can be, with unlimited tonnage asking passage, and all done on a 10-foot depth in small barges. The railroads need this help.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. HARDY. Is it not a fact that Germany has utilized her canals to great advantage in moving her troops and supplies?

Mr. MOORE of Pennsylvania. Germany has utilized her canals and at all times with great advantage and profit to the Government, and Germany's canals have done as much to assist Germany in her success up to date in prosecuting her war as any other one agency. And yet we spurn the idea of putting our house in order as Germany has put her house in order. It is one of our national weaknesses.

Mr. MONTAGUE. Will the gentlman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. MONTAGUE. Did not France do likewise, has she not also utilized her canals?

Mr. MOORE of Pennsylvania. Yes; France has used her canals and is building new ones, and England, another of those countries which like our own was indifferent to her own protection, has recently, through her Board of Trade, which is equivalent to a Department of Commerce, undertaken the development of her canals; she has taken them over for Government use and has coordinated them with the railroads and intends to use them to the full. Gentlemen, I urge you to retain this waterways paragraph in the bill. It is intended to give the President or the Director General discretion to take over any canal for war service if he needs it. It is not intended to purchase all of the canals of the country; that is preposterous, nor is there money enough, but it is the intention to enable the President or the Director General of Railroads to relieve congestion and facilitate transportation by taking over or improving for war purposes such workable canals and waterways as may serve the ends of the Government. [Applause.]

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent for 10 minutes, and I think I will not use more than half of that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan. [After a pause.] The Chair hears none.

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee, I never have, as the gentleman from Pennsylvania [Mr. MOORE] has just now done, imputed dishonest motives to any man who disagreed with me on any subject presented in this House. The gentleman from Pennsylvania stated that if I insisted on my motion in reference to the inland canals, that I must put myself in the attitude of a defender of the railroads. He intended that in an offensive manner, in my opinion. I have always regarded——

Mr. MOORE of Pennsylvania. I did not intend to be offensive to the gentleman, but I said that if he struck out the right to use the waterways he left no alternative but the railroads.

Mr. FORDNEY. You meant exactly what you said, did you not?

Mr. MOORE of Pennsylvania. I did not mean to be offensive to the gentleman, but I said what I have stated.

Mr. FORDNEY. You were offensive, as I took it, and I would not take that attitude toward you. I have a high regard for you and your fairness in dealing with the average man. I am opposed to Government ownership of railroads or canals, or any other great public utilities; and if I am correct in my statement the gentleman from Pennsylvania appeared before the committee and induced it to write that language in the bill which has been presented to the House. This provision was not in the original bill as introduced in the House. I take that from his own statement to me. The President of the United States did not ask authority to take over the inland canals of the country, I repeat; but when he does ask for such authority I will vote to give him such power if he can show me he needs them to carry to success this war; I will vote to give him all the power he wants and asks for, if it is necessary to aid in carrying on this war. I am just as patriotic as the gentleman from Pennsylvania dare be, or any other man.

I defy any man to show more patriotism in aiding the carrying on of this war and assisting the Government of the United States than I myself am showing. [Applause.] I am ready to give my money to the fullest extent of my ability, and I have aided the Government in giving two out of three sons [applause] to help in this great war. I feel hurt to think the gentleman would attempt to lead the Members of the House to believe that I am helping the railroads and am using my influence, whatever it may be here, in the interests of the corporations of the country, to the detriment of the administration in the carrying on this war. He compares the canals that he has been talking about with the Sault Ste. Marie Canal, the great canal connecting the Great Lakes—Lake Superior and the lower lakes—through which more tonnage goes each year twice over than through any canal in the world. Why, this inland waterway——

Mr. MADDEN. Over 80,000,000 tons; is not that so?

Mr. FORDNEY. Yes, sir.

Mr. MOORE of Pennsylvania. You want to put a value upon that tonnage——

Mr. FORDNEY. Your little inland-waterway canal is not a flyspeck on the map of the world, compared with this great canal.

Mr. MOORE of Pennsylvania. I know; but there is more value to it——

Mr. FORDNEY. What are you talking about? Nobody knows anything about your inland canal except the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Your tonnage is ore, ours is merchandise.

Mr. FORDNEY. I did not mean to be unkind to the gentleman; he is a very good friend of mine. [Laughter.] But, sir, the tonnage passing through the Soo Canal is not only iron ore, but consists of all kinds of merchandise. The State of Michigan has no canals to sell to the Government, as the State of Pennsylvania had railroads to sell to the Pennsylvania Railroad at one time, and statistics show that the State of Pennsylvania sold to the great railway system of Pennsylvania a railroad for seven and a half million dollars—twice its value but only 25 per cent of what it cost the State of Pennsylvania. Which one of the canals do you now want to sell the Government? Let me be just as sarcastic as you have been to me, but I do not wish to be——

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. MOORE of Pennsylvania. The Government owns the Michigan canal, does it not, and paid for it?

Mr. FORDNEY. Oh, but——

Mr. MOORE of Pennsylvania. That is all. The Government paid for it.

Mr. FORDNEY. Yes; and the Government paid for the Panama Canal, also. You have voted for every appropriation asked of the Congress to build that canal, have you not?

Mr. MOORE of Pennsylvania. That is true. I believe in it, and I believe in some other canals besides that one.

Mr. FORDNEY. The gentleman believes in some dinkey canal he wishes the Government to purchase. When the people of this country are contributing money in larger sums than ever before, and our Government is calling upon the people for money to carry on this great war in such stupendous amounts, he wants to sell some bankrupt canal to Uncle Sam——

Mr. SCOTT of Michigan. We have not a mule canal.

Mr. FORDNEY. We have not any canals in the State of Michigan operated by mules. The canals in the State of Michigan are canals, not imitations. At the time we are taking over the railroads, there is but little competition between the inland canals (that are frozen up) and the railroads. My greatest objection to the paragraph has been cured by the amendment of the gentleman from South Dakota [Mr. DILLON]. It takes the sting out of it, namely, the purchase of the canals.

And I say to my bosom friend from Pennsylvania [Mr. MOORE], who doubtless has some Irish blood——

Mr. MOORE of Pennsylvania. That is true.

Mr. FORDNEY. And whatever blood there may be in me, I have lived with an Irish woman more than 44 years and maybe you think I can not fight. [Laughter.]

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. FORDNEY. Certainly.

Mr. MOORE of Pennsylvania. The gentleman knows he can fight, but he always compromises as his wife desires. Therein lies the virtue——

Mr. FORDNEY. I never tried to make my wife love me by beating her. I have tried it with kindness every time, and I have succeeded every time, and every time I take her advice, I do the right thing. [Applause.]

Mr. ROMJUE. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. ROMJUE. Did you ask her views on this canal question?

Mr. FORDNEY. You ask her that question, and you will get an intelligent answer; but my good friend must not get excited and fly off the handle about canals in the State of Michigan. I do not want this Government to be put in a position where the President of the United States, through political influence, can purchase the mule canals, and then claim that he purchased them for the purpose of advancing the interests of this great Nation in carrying on this war with Germany 3,000 miles across the sea. That is what I do not want. I do not want any money lavishly spent by the Government of the United States, taken from the people at this time, when we are calling upon them for so much money, and used for any other purpose than is absolutely necessary.

The CHAIRMAN. The time of the gentleman has expired.

The question is on agreeing to the amendment.

Mr. LUNN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. All debate on this is exhausted.

Mr. LUNN. Mr. Chairman, I ask unanimous consent for five minutes, then.

The CHAIRMAN. The gentleman from New York asks unanimous consent for five minutes. Is there objection?

There was no objection.

Mr. CANNON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. I understand that a pro forma amendment is in order.

The CHAIRMAN. That has been made and debated.

Mr. CANNON. Well, after all, another pro forma amendment can be offered, as I understand it.

The CHAIRMAN. Beyond the second pro forma amendment, as the Chair remembers the rule, we can not go. The Chair will look into the matter, however.

Mr. CANNON. Then let us vote on the pro forma amendment, if that is necessary.

The CHAIRMAN. The Chair will look at the rule, and if in error the gentleman may offer it. The gentleman from New York [Mr. LUNN] has unanimous consent, and if the gentleman will permit him to proceed the Chair will look at the rule.

Mr. CANNON. I have no objection to the gentleman proceeding.

Mr. LUNN. Mr. Chairman, the controversy is not between the gentleman from Pennsylvania [Mr. MOORE] and the gentleman from Michigan [Mr. FORDNEY]. If, as the gentleman from Michigan has said, this particular paragraph was inserted by the gentleman from Pennsylvania [Mr. MOORE], I congratulate him on his wisdom.

New York State, with its important barge canal, should be able to carry millions of the tonnage that comes through the Great Lakes. I was going to ask the gentleman from Michigan whether he would not think that it was wise to aid in extending that tonnage on through the barge canal of New York State. The paragraph must be retained if the barge canal is to receive any assistance from this legislation. Barges for New York State are absolutely essential. At the present time, with the congestion on the railroads and elsewhere, we must do everything possible to aid transportation. I do not know of anything for the mileage involved between Buffalo and the Hudson River where greater increase of tonnage could be achieved than by assisting the barge canal of New York State. And I certainly hope for this reason that the particular paragraph will not be stricken from the bill. It is important. Its wisdom is shown from the fact that we are up against a transportation problem, and that every possible avenue for increase of tonnage ought to be utilized.

Mr. BAER. Is it not true that the State of New York has spent over $44,000,000 on the canal, and that they have not a barge running there yet? Is not the canal frozen up?

Mr. LUNN. Of course at the present time it is frozen up.

Mr. BAER. What is the tonnage on that canal now?

Mr. LUNN. They can carry 1,000-ton barges. The canal has just been completed at an expense of nearly $200,000,000. Some think that it is a greater engineering problem than the construction of the Panama Canal. It has been opposed resolutely and has been opposed continuously by the railroads. We have not, as the gentleman has suggested, the barges now that we need and which we should have, which would aid greatly the transportation of grain from the Northwest.

Mr. BAER. Do you believe that the railroads have tried to paralyze the transportation on that canal by not letting them build these modern barges?

Mr. LUNN. I believe they have done everything in their power to kill the whole canal project. They do not want the barge canal to be a successful competitor with the New York Central Railroad.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. LUNN. Yes.

Mr. FORDNEY. I wish to say to the gentleman from New York and to the House that, as I before stated, the amendment offered by the gentleman from South Dakota [Mr. DILLON] really takes the sting out of the paragraph, and so long as the paragraph only permits the President to lease or control, I intend to ask unanimous consent to withdraw my amendment. [Applause.]

Mr. LUNN. I am very glad to hear that, and I am sorry the gentleman from Pennsylvania [Mr. MOORE] was not here to help us keep the other portion in the paragraph, providing that the President could purchase or do anything necessary to increase the transportation, because, contrary to the gentleman from Michigan, I do believe in Government ownership of transportation facilities. That explains our difference of viewpoint.

Mr. MOORE of Pennsylvania. I believe the President and the Director General of the Railroads will seriously take into consideration the use of these waterways, so necessary to competition.

Mr. LUNN. Yes; and I believe that will inure to the benefit of the whole country.

Mr. MOORE of Pennsylvania. Is it not true that at one time the Erie Canal brought most of the grain from the Northwest?

Mr. LUNN. Yes; and, as I understand, at one time coal was transported from the Pennsylvania mines to the Hudson River, until the railroads, always at war with water transportation which they could not control, succeeded in having the particular canal abandoned.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent to withdraw the amendment that I offered.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. If the committee will pardon the Chair for a moment, the Chair would like to make a brief statement. Paragraph 5 of Rule XXIII is as follows:

When general debate is closed by order of the House, any Member shall be allowed five minutes to explain any amendment he may offer, after which the Member who shall first obtain the floor shall be allowed to speak five minutes in opposition to it, and there shall be no further debate thereon, but the same privilege of debate shall be allowed in favor of and against any amendment that may be offered to an amendment.

At the end of that time the debate is exhausted. Now, the situation before the committee a few moments ago, when the Chair directed the attention of the gentleman from New York [Mr. LUNN] to the fact that the debate was closed, was this, as the Chair then thought and as he now thinks: The gentleman from Michigan [Mr. FORDNEY] had offered an amendment. That had been debated for 10 minutes. The motion to strike out the last word or the last two words—the Chair does not remember which—of the former amendment had been debated for 10 minutes, and the mover of that did not withdraw or ask to withdraw his amendment. Therefore debate was exhausted under the rules of the House upon the amendment and the amendments thereto. The usual practice of the Chair is, after debate has been concluded upon a pro forma amendment, if the mover of that amendment does not himself ask to withdraw it, for the Chair to state "Without objection the pro forma amendment is withdrawn." That would have been done in this case. The debate was exhausted under the rule of the House.

Mr. CANNON. It was subject to an amendment that was in order, namely, a substitute, which, however, was not offered, as that question is not before the Chair.

Mr. LENROOT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LENROOT. In the case the Chair put, the question that would be put, then, would be on the pro forma amendment, and if that was voted down, another pro forma amendment would be in order, and that would be open to debate?

The CHAIRMAN. That is correct.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry connected with the ruling of the Chair, if the Chair will indulge me. The motion made by the gentleman from Michigan [Mr. FORDNEY] was a motion to strike out. I take it that the pro forma amendment, the motion to strike out the last word, was in the nature of a perfecting amendment. That would take precedence of a motion to strike out; and an amendment to that amendment to strike out two words, as made by the gentleman from New York [Mr. LUNN], would be in order, notwithstanding the motion to strike out the paragraph was pending?

The CHAIRMAN. The Chair did not make a ruling. The Chair simply made a statement. The Chair prefers not to answer the question of the gentleman from Wisconsin at this time, inasmuch as the amendment of the gentleman from Michigan has been withdrawn and the exact situation to which he refers is not now before the committee.

Mr. DILLON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DILLON: Page 8, line 5, strike out "$500,000,000" and insert in lieu thereof "$200,000,000"; and in line 16, after the period, add "$300,000,000 is hereby authorized for expenditures as Congress may hereafter provide to carry into effect the provisions of this act."

Mr. DILLON. Mr. Chairman and members of the committee, my amendment seeks to strike out the $500,000,000 and make an absolute appropriation of $200,000,000, and authorize $300,000,000 to carry into effect the provisions of the bill.

Under the terms of this bill, as I understand it, the President may expend this money in four ways: First, he may expend it for expenses of the Federal control. Second, he may expend it, so far as necessary, for the compensation for the use of the carrier's property. Third, he may expend it for the purpose of providing terminals, motive power, cars, and equipment. Fourth, he may purchase any of the railroad securities issued during the Federal control. I take it that he can use this money for no other purpose. If you will examine the language in lines 17 and 18, on page 8, you will find that the President may order and direct the carriers to purchase motive power, cars, and other necessary equipment. Further along in the same paragraph, in lines 2 and 3, on page 9, he may advance the money to the carrier and charge it against the carrier for this same purpose. That being true, I see no necessity of appropriating this vast sum of money. I think the Congress should keep its hands upon the money strings. It is an easy matter for the Executive to come back here if there is necessity for further appropriations. We commit Congress to it by the authorization, and that ought to be sufficient. This body of men has stood almost solidly against this revolving-fund theory. I think we ought to eliminate that theory as far as possible, and require them to come back to Congress whenever the funds may be necessary. In this way we will keep control of our own money. We ought not to appropriate these vast sums of money at this time, because the war may be over in 60 or 90 days. Then, why carry such a large appropriation at this time, when the department can come in here at any time and ask for further money under the terms of the authorization?

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. DILLON. Yes.

Mr. GORDON. Do you not think that the addition of these 800 short-line bankrupt railroads that we voted in here last Saturday will increase the demand on this revolving fund?

Mr. DILLON. I think it will, in large sums.

Mr. GORDON. Yes.

Mr. DILLON. You will also remember that there are provisions in this bill giving the President the power, prior to July 1, 1918, to turn back any railroad or system of railroads that are not needed. Therefore, you do not need this large sum of money at this time. Why make an appropriation of $5 for every man, woman, and child in this country and put it into the hands of the President at this time? Can you not wait a little while, until the necessity comes, when Congress may make further appropriations as they may be needed?

Mr. LENROOT. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Wisconsin desire to speak in opposition to the amendment?

Mr. LENROOT. No; I desire to speak in favor of the amendment.

The CHAIRMAN. Does anyone desire recognition in opposition to the amendment? If no one desires to be heard in opposition to the amendment, the Chair will recognize the gentleman from Wisconsin.

Mr. LENROOT. Mr. Chairman, I am in favor of the amendment proposed by the gentleman from South Dakota, and it presents a very serious and important question to the House, as it seems to me. We ought to give to the President, by way of direct appropriation, all that is needed for the present emergency. Two hundred million dollars will be sufficient for that. But what is provided in the bill? He is permitted not any longer to purchase canals, but boats and barges. He is permitted to make extensions of railroads. He is permitted to purchase securities of railroads without any control whatever by Congress over what he shall purchase.

Now, at any other time and in other circumstances the House would not think of delegating any such power or giving any such large appropriations to the President. Why, what do we require of the Secretary of War in appropriating for the purpose of directly carrying on the war? Do we grant to the Secretary of War so many billion dollars to do with as he sees fit? No; for the purpose of carrying on the war, supplying the men and the guns and the munitions of the war we require him to come to the Military Affairs Committee and make detailed estimates of desired appropriations, and to come to the Appropriations Committee with detailed estimates in case of a deficiency. They have to show Congress what they want the money for and Congress passes upon it.

Mr. BARKLEY. Does the gentleman realize that that could not be done in the case of the railroads because Congress could not specifically instruct the President how each dollar of the money should be spent? That is the reason for the revolving fund.

Mr. LENROOT. Why not?

Mr. BARKLEY. If the gentleman is putting this on the same basis as in the War Department we would have to cover all of the money into the Treasury.

Mr. LENROOT. Not at all. I want to say that unless there is some provision in the bill, if this is Government money, and the report says that it is, every dollar of the revenue of the railroads under the law to-day belongs in the Treasury of the United States. That ought to be corrected in this bill before it goes out of the House.

Mr. BARKLEY. Will the gentleman yield further?

Mr. LENROOT. Yes.

Mr. BARKLEY. Does the gentleman believe that Congress could attempt to appropriate money for the use of the railroads in the specific detail that is adopted in the preparation of war appropriation bills?

Mr. LENROOT. Absolutely; there is no reason in the world why, if the Director General wants $50,000,000 for the betterment of roads, or extensions, he should not come to the Committee on Appropriations and ask for it, and the committee pass upon it. If he desires to buy $50,000,000 worth of railroad securities, tell me why he should be given a broad blanket power to purchase stocks and bonds of railroads. We ought to authorize this appropriation, and then they ought to come before the Committee on Appropriations and show what they want it for, and the Committee on Appropriations should pass upon it, because it ought to have some relation to the other needs of the Government, and Congress ought to have something to say about it.

Mr. STAFFORD. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. STAFFORD. Is not there a strong example in the case of the Shipping Board where we are without ships, and yet the board has successively come to Congress and asked for additional appropriations?

Mr. LENROOT. Absolutely; and there is no reason in the world, outside of the present immediate emergency, why Congress should not have some control. Do we want to grant to any man the power to purchase $500,000,000 worth of securities of railroads without Congress making any further appropriation therefor? Is that necessary to the running of the railroad, is it necessary to have that in a revolving fund for their operation? We require the Secretary of the Navy, we require the Secretary of War, to come before the committee with specific estimates, and why should not we require the same in the Director General running the railroads—that whenever he wants this money for such a purpose as the purchase of boats, utilizing canals, purchasing securities of railroads, that he should come before the Committee on Appropriations. There is no reason in the world why we should in one sweep give him this tremendous power. You may say that we did that in the Panama Canal, but I want to remind you that Congress decided on the construction of the Panama Canal and then we appropriated the money. Here we give power to the President to do or not to do as he sees fit. We have no control either over the thing itself or the money with which to pay for it.

Mr. SIMS. Mr. Chairman, I do hope that before we rise the amendment of the gentleman [Mr. DILLON] will be voted down emphatically. What is the use of taking over the railroads and putting them in the hands of the President and then saying that he can not be trusted to spend a dollar without a specific direct appropriation out of the funds arising from the operation of the railroads. If you can not trust him with $500,000,000 you can not trust him with $200,000,000. It is a clear refusal to trust the President in his undertaking to successfully prosecute the war and operate the railroads temporarily for that purpose. It is not money that is coming out of the taxpayers of the country, unless the railroads fail to produce sufficient revenue or their credit fails. Gentlemen on that side know that there are a number of railroads that have notes maturing in a short time, notes in the banks, notes at a high rate of interest, and if there is no provision to enable these notes to be taken care of by the Director General it will cause a panic, and a number of banks in the country will fail without any fault of theirs. There is not a dollar to be lost; it is merely advancing it for the efficient operation of the railroads and at the same time taking care of the credit of the country and not bringing a panic on a large number of innocent banks and trust companies that took these notes. I am surprised that a gentleman of the intelligence and patriotism of the gentleman from Wisconsin will make such a speech as we have just heard from him.

Mr. ESCH. Is it not estimated that maturities for the current year alone will be $200,000,000?

Mr. SIMS. Yes; over $200,000,000 for the present year.

Mr. LENROOT. Is it estimated that the Government is to pay all of those, or what is this compensation for?

Mr. SIMS. It may become necessary to buy securities of railroads in order to keep them from being offered in competition with liberty bonds. If you are going to vote for this amendment, I do not know what you will not vote for in view of the existing circumstances and threatening possibilities. Suppose it is necessary to build a spur track to some camp or port, must the President come to Congress and get a specific appropriation before he can do so? If this is not intended to make Government operation of these railroads during the war an absolute failure, I would not know how to frame an amendment that would bring about such a result, and I hope that every patriotic man in the House, and I think that every Member is patriotic, will vote against this amendment.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. FORDNEY. I would say to the gentleman that this is a very important matter. There are only a few Members here, and I suggest that the committee arise and take a vote when we have a fuller attendance.

Mr. SIMS. Oh, there are over a hundred Members here now. To defeat this amendment does not need a full attendance.

Mr. HAYES. Mr. Chairman, I think the gentleman from Michigan is right, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from California makes the point of order that there is no quorum present. The Chair will count. [After counting.] Eighty-four Members present, not a quorum.

Mr. SIMS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9685 and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. HOWARD, for two days, on account of illness in the family; and

To Mr. DALLINGER, for one week, on account of illness.

HOUR OF MEETING TO-MORROW.

Mr. SIMS. Mr. Chairman, I ask unanimous consent that when the House adjourn to-day it adjourn to meet at 11 o'clock to-morrow.

Mr. LONGWORTH. Mr. Chairman, reserving the right to object, I am not disposed to delay the passage of this bill at all, but there are a number of important committee meetings going on with which an 11 o'clock session interferes. The Ways and Means Committee is now considering a bill of vast importance, which it is necessary to consider as quickly as possible. We have a meeting to-morrow, and we could not possibly get through, as we hope to do, with that bill if the House meets at 11 o'clock. Therefore I object.

ADJOURNMENT.

Mr. SIMS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.) the House adjourned until to-morrow, Tuesday, February 26, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Commissioner of Patents, transmitting report of the business of the Patent Office for the year ended December 31, 1917 (H. Doc. No. 958), was taken from the Speaker's table, referred to the Committee on Patents, and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TILSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 1954) for the relief of Charles Lynch, reported the same without amendment, accompanied by a report (No. 340), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 10236) to prohibit the importation, bringing into, or landing in the United States, etc., of lobsters taken in waters outside territorial waters of Canada and opposite thereto during closed seasons in such waters; to the Committee on the Merchant Marine and Fisheries.

By Mr. NORTON: A bill (H. R. 10237) to organize and establish a Federal personal rural-credit system for the purpose of enabling those engaged in the agricultural industry to procure loans of money for short periods at reasonable rates of interest for purchasing seed, feed, farm implements, and live stock and for paying the cost of farming operations so as to more largely develop the agricultural industry of the Nation and increase the Nation's production of farm products; to the Committee on Banking and Currency.

By Mr. BROWNING: A bill (H. R. 10238) to build houses on industrial farm, and to aid the Government by the production of foodstuff, and to give employment to the unemployed, and to encourage women and children to produce foodstuff to aid the Government; to the Committee on Appropriations.

By Mr. JOHNSON of Kentucky: A bill (H. R. 10239) authorizing the Post Office Department to acquire and extend the telephone system of the District of Columbia; to insure the Government complete control of such means of communication in safeguarding its military and executive affairs within the seat of Government; and promote the service to the public; to the Committee on the District of Columbia.

By Mr. HELVERING: A bill (H. R. 10240) to incorporate the Recreation Association of America; to the Committee on the Judiciary.

By Mr. McKEOWN: A bill (H. R. 10241) granting passenger rate of 1 cent per mile to all persons in the military service of the United States during the period of this war over lines of railroad in control of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. LOBECK: A bill (H. R. 10242) to provide identification tickets and to compel their issuance to street railway passengers within the District of Columbia under certain conditions; to the Committee on the District of Columbia.

By Mr. LINTHICUM: A bill (H. R. 10243) to supplement existing legislation relative to the United States court for China and to increase the serviceability thereof; to the Committee on Foreign Affairs.

By Mr. WATKINS: Resolution (H. Res. 259) authorizing the Clerk of the House to pay to Annie Bailey a sum equivalent to six months' salary and an additional sum not exceeding $250 for funeral expenses; to the Committee on Accounts.

By Mr. KALANIANAOLE: Joint resolution (H. J. Res. 252) extending to the Territory of Hawaii the same right that is given to the States of the Union to participate in the Federal funds for good-road development; to the Committee on Roads.

By the SPEAKER: Memorial of the Legislative Assembly of the State of Montana, favoring the passage of Senate bill 3439, for the relief of homesteaders and desert-land entrymen in the United States; to the Committee on the Public Lands.

Also, memorial of the Legislative Assembly of the State or Montana, favoring an adequate appropriation for the completion of the Flathead Indian Reservation irrigation project in Montana; to the Committee on Indian Affairs.

Also, memorial of the General Court of the Commonwealth of Massachusetts, favoring the creation of a league of nations to safeguard permanent peace at the conclusion of the present war; to the Committee on Foreign Affairs.

By Mr. TAGUE: Memorial of the General Court of the Commonwealth of Massachusetts, favoring the ratification of regulations establishing a closed season on waterfowl; to the Committee on Agriculture.

Also, memorial of the General Court of the Commonwealth of Massachusetts, favoring the creation of a league of nations to safeguard permanent peace upon the termination of the present war; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BESHLIN: A bill (H. R. 10244) granting an increase of pension to Wesley Koonce; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 10245) granting an increase of pension to Simeon Chapman; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 10246) granting a pension to Susan P. Whipple; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 10247) granting an increase of pension to Columbus N. Street; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10248) granting an increase of pension to Robert Harper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10249) granting an increase of pension to George Claxton; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 10250) granting an increase of pension to William J. R. Beach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10251) granting a pension to Ione Stroud; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 10252) granting a pension to Newton Sigsby; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 10253) granting an increase of pension to Charles McCarroll; to the Committee on Invalid Pensions.

By Mr. LUFKIN: A bill (H. R. 10254) for the relief of Edith P. Friend; to the Committee on Claims.

Also, a bill (H. R. 10255) for the relief of Mrs. Herbert W. Bean; to the Committee on Claims.

By Mr. LUNN: A bill (H. R. 10256) granting an increase of pension to Eli Smith; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 10257) granting an increase of pension to Nelson J. Phinney; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 10258) granting a pension to Mary Underwood; to the Committee on Pensions.

By Mr. RUSSELL: A bill (H. R. 10259) granting a pension to George Clark; to the Committee on Invalid Pensions.

By Mr. SNOOK: A bill (H. R. 10260) granting a pension to Rachel A. Woggerman; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 10261) granting a pension to Blanche Bunger; to the Committee on Invalid Pensions.

By Mr. WILLIAMS: A bill (H. R. 10262) granting a pension to Mary Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10263) granting a pension to Isabell M. Pritchett; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions of the Newton Federation of Women's Clubs, Newtonville, Mass.; the West Pullman's Woman's Club, Chicago, Ill.; the Browning Circle, Athens, Tenn.; the Woman's Club, Granby, Mass.; Abingdon (Ill.) Woman's Club; the Woman's Club, Marion, Ohio; and the Woman's Shakespeare Club, Fort Worth, Tex., asking for the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also (by request), memorial of the Central Labor Union of Kansas City, Mo., protesting against the Borland eight-hour amendment to the Agricultural appropriation bill; to the Committee on Agriculture.

Also (by request), resolution of the Irish Progressive League, New York City, demanding that the independence of the Irish be among the provisions of the treaty of peace ending the war; to the Committee on Foreign Affairs.

Also (by request), resolution of the council of the city of Pittsburgh, Pa., asking Congress immediately to appropriate sufficient money for the early completion of the work of improving the Ohio River, also asking for the passage of the bill for the immediate construction of the Lake Erie and Ohio River Canal; to the Committee on Rivers and Harbors.

Also (by request), memorial of sundry citizens of New York, favoring Army chaplain for every 1,200 men; to the Committee on Military Affairs.

Also (by request), petition of Missouri Council of Defense and Merchants' Exchange of St. Louis, Mo., against increase in price of wheat; to the Committee on Agriculture.

Also (by request), petition of Kansas City Branch of the Seventh Division Railway Mail Association, favoring passage of House bill 9414; to the Committee on the Post Office and Post Roads.

Also (by request), petition of National Live-Stock Shippers' Protective League, favoring jurisdiction of Interstate Commerce Commission over rates and charges on interstate traffic; to the Committee on Interstate and Foreign Commerce.

By Mr. BACHARACH: Resolutions of the New Jersey Press Association concerning the postal service afforded to newspapers; to the Committee on the Post Office and Post Roads.

By Mr. CAREW: Memorial of the United Mine Workers of America, favoring Senate bill 2854, providing an amendment to the naturalization laws; to the Committee on Immigration and Naturalization.

By Mr. DALE of New York: Memorial of Andersonville Survivors' Society, praying for the passage of House bill 7924; to the Committee on Invalid Pensions.

Also, petition of Mrs. L. C. Parsons and other employees of the Government Printing Office, urging support of House bill 8702; to the Committee on Appropriations.

Also, memorial of the National Live Stock Shippers' Protective League, asking that the jurisdiction of the Interstate Commerce Commission over rates and charges on interstate traffic be retained; to the Committee on Interstate and Foreign Commerce.

Also, resolutions of the Woman's Federation Club of Long Pine, Nebr.; the Saturday Club, Plymouth, Ind.; the Woman's Literary Club, Evansville, Wis.; and the New Mexico Federation of Women's Clubs, asking for the repeal of the provisions of the war-revenue act relating to second-class postage; to the Committee on Ways and Means.

By Mr. DOOLITTLE: Petition of sundry church organizations and clubs, favoring national prohibition; to the Committee on the Judiciary.

By Mr. DYER: Memorial of the Merchants' Exchange of St. Louis, protesting against any advance in the guaranteed price of wheat and favoring the keeping of all food products on a reasonable price level; to the Committee on Agriculture.

By Mr. FULLER of Illinois: Petition of the National Live Stock Shippers' Protective League, urging that the jurisdiction over rates and charges in interstate traffic be left with the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. GOULD: Resolution of the Auburn Common Council, Auburn, N. Y., favoring legislation to provide free transportation by the Government for soldiers and sailors when on furlough; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIARD: Letter from Ralph E. C. Kerwin, assistant attorney general of Colorado, indorsing Senate bill 18; to the Committee on Education.

Also, petitions of T. M. Shepard, of Denver, Colo., and J. L. Montague, of Grand Junction, Colo., praying for the repeal of that section of the war-revenue act providing for increased postage rates on periodicals; to the Committee on Ways and Means.

By Mr. LINTHICUM: Petitions of C. D. Parker, Albert A. Brager, Thomas H. Gaither, jr., H. E. Karr, and Arthur W. Machen, jr., protesting against the passage of House bill 9248; to the Committee on the District of Columbia.

Also, petition of Louis L. Winterode and United Spanish War Veterans of Baltimore, Md., favoring passage of the Key bill, House bill 1736; to the Committee on Pensions.

Also, petition of General Henry W. Lawton Camp, No. 5, Department of Maryland, United Spanish War Veterans, favoring passage of the Key bill, House bill 1736; to the Committee on Pensions.

By Mr. LUNN: Resolution by C. Bunnell and members of Socialist Party, Glenville, N. Y., protesting against any further delay in the passage of the suffrage resolution; to the Committee on Woman Suffrage.

By Mr. LUFKIN: Petition of Joseph O. Proctor and other residents of Gloucester, urging the appointment of podiatrists in the United States Army; to the Committee on Military Affairs.

By Mr. MOORE of Pennsylvania: Resolution of the Philadelphia Chamber of Commerce, urging the passage of the shipyard workers' housing bill; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Philadelphia Chamber of Commerce, approving the action of the Atlantic Deeper Waterways Association in support of Delaware River improvement; to the Committee on Rivers and Harbors.

By Mr. SANDERS of New York: Petition of sundry citizens of Warsaw, N. Y., urging that because of the shortage of farm labor no young men on the farms of the country be removed by draft, as it would result in the curtailment of the amount of farm products this country will be able to produce; to the Committee on Military Affairs.

By Mr. TILSON: Petition of Connecticut Nurserymen's Association, against the bill prohibiting importation of nursery stock; to the Committee on Agriculture.

By Mr. VARE: Petition of War Shipping Committee, Philadelphia Chamber of Commerce, urging immediate passage of the Shipping Board's housing bill; to the Committee on the Merchant Marine and Fisheries.

SENATE.

TUESDAY, *February 26, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, the sources of Thy power are hidden from our view. We can not measure the infinite depth of Thy power, but Thou hast revealed unto us Thy love. Thou hast given Thyself to us to love. We know its length and height and depth and breadth. Thou hast spoken the last word of love to the universe. Thou hast performed the highest act of love for men. Thou dost call us to Thyself through the revelations of Thy love in Thy Son. Incline our hearts, O God, to seek Thee, to love Thee, and to serve Thee, and our duties then will be well performed. We ask Thy blessing. For Christ's sake. Amen.

The Vice President being absent, the President pro tempore (Mr. SAULSBURY) assumed the chair.

The Journal of yesterday's proceedings was read and approved.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Page	Smith, S. C.
Calder	Johnson, S. Dak.	Penrose	Smoot
Colt	Jones, Wash.	Phelan	Sterling
Culberson	Kellogg	Pittman	Stone
Curtis	Kendrick	Poindexter	Sutherland
Dillingham	Kirby	Pomerene	Swanson
Fernald	McCumber	Ransdell	Thomas
Frelinghuysen	McLean	Saulsbury	Tillman
Gallinger	McNary	Shafroth	Townsend
Gerry	Martin	Sheppard	Trammell
Gronna	Nelson	Sherman	Underwood
Hale	New	Shields	Wadsworth
Harding	Norris	Simmons	Williams
Hardwick	Nugent	Smith, Ga.	
Henderson	Overman	Smith, Mich.	

Mr. GRONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to illness in his family.

Mr. ASHURST. I wish to announce that the senior Senator from Arizona [Mr. SMITH] is detained from the Senate by reason of illness.

Mr. McNARY. I desire to announce that my colleague [Mr. CHAMBERLAIN] is absent on account of illness.

Mr. CURTIS. I wish to announce the absence of the junior Senator from California [Mr. JOHNSON] on official business. I will let this announcement stand for the day.

Mr. FERNALD. I desire to announce the unavoidable absence of the junior Senator from Maryland [Mr. FRANCE].

Mr. SUTHERLAND. I wish to announce the absence of my colleague [Mr. GOFF] on account of illness.

Mr. RANSDELL. I desire to announce that the Senator from Florida [Mr. FLETCHER] is necessarily detained from the Senate.

Mr. PHELAN. I wish to announce that the Senator from Missouri [Mr. REED], the Senator from Mississippi [Mr. VARDAMAN], the Senator from New Mexico [Mr. JONES], the Senator from Massachusetts [Mr. LODGE], and the Senator from Iowa [Mr. KENYON] are detained from the Senate on official business.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

ESTIMATES OF APPROPRIATIONS.

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of State submitting supplemental estimates of appropriation in the sum of $147,856.72 required by the State Department in connection with the Diplomatic and Consular Service (S. Doc. No. 189), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Postmaster General submitting an estimate of appropriation in the sum of $140,000 required by the Post Office Department in the enforcement of certain provisions of the espionage and trading-with-the-enemy acts (S. Doc. No. 186), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War submitting an urgent estimate of deficiency in the appropriation for purchase of land, military post, Schofield Bar-

racks, Hawaii, $9,700, etc. (S. Doc. No. 188), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

He also laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of the Navy submitting supplemental estimates of appropriation in the sum of $2,628,200 required by the Navy Department for the fiscal year 1918 (S. Doc. No. 187), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ORDER OF DIRECTOR GENERAL OF RAILROADS.

Mr. HOLLIS. I desire to ask permission to have printed in the RECORD without reading the order of the Director General of Railroads as to the status of employees. It is short.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

RAILROAD DIRECTOR IN GENERAL ORDER CORRECTS CERTAIN WRONG IMPRESSIONS CONCERNING THE STATUS OF EMPLOYEES.

The Director General of Railroads has issued the following order:

Order No. 8.

WASHINGTON, *February 21, 1918.*

To correct wrong impressions that may exist regarding the employment and conditions of labor in railway service, it is, until further order, directed that—

1. All acts of Congress to promote the safety of employees and travelers upon the railroads, including acts requiring investigation of accidents on railroads and orders of the Interstate Commerce Commission made in accordance therewith, must be fully complied with. These acts and orders refer to hours of service, safety appliances, and inspection.

PERSONS HELD TO ACCOUNT.

Now that the railroads are in the possession and control of the Government, it would be futile to impose fines for violations of said laws and orders upon the Government, therefore it will become the duty of the Director General in the enforcement of said laws and orders to impose punishments for willful and inexcusable violations thereof upon the person or persons responsible therefor, such punishment to be determined by the facts in each case.

2. When the exigencies of the service require it, or when a sufficient number of employees in any department are not available to render the public prompt transportation service, employees will be required to work a reasonable amount of overtime. So far as efficient and economic operations will permit excessive hours of employment will not be required of employees.

WAGES AND HOURS.

3. The broad question of wages and hours will be passed upon and reported to the Director General as promptly as possible by the present Railroad Wage Commission. Pending a disposition of these matters by the Director General, all requests of employees involving revisions of schedules or general changes in conditions affecting wages and hours, will be held in abeyance by both the managers and employees. Wages, when determined upon, will be made retroactive to January 1, 1918, and adjusted accordingly. Matters of controversy arising under interpretations of existing wage agreements and other matters not relating to wages and hours will take their usual course, and in the event of inability to reach a settlement will be referred to the Director General.

TERMS OF EMPLOYMENT.

4. In Order No. 1, issued December 29, 1917, the following appeared: "All officers, agents, and employees of such transportation systems may continue in the performance of their present regular duties, reporting to the same officers as heretofore and on the same terms of employment."

The impression seems to exist on some railroads that the said order was intended to prevent any change in the terms of employment during governmental operation. The purpose of the order was to confirm all terms of employment existing upon that date, but subject to subsequent modifications deemed advisable for the requirements of the service. Any contrary impression or construction is erroneous. Officers and employees will be governed by the construction here given.

5. No discrimination will be made in the employment, retention, or conditions of employment of employees because of membership or nonmembership in labor organizations.

ALL IN GOVERNMENT SERVICE.

The Government now being in control of the railroads, the officers and employees of the various companies no longer serve a private interest. All now serve the Government and the public interest only. I want the officers and employees to get the spirit of this new era. Supreme devotion to country, an invincible determination to perform the imperative duties of the hour while the life of the Nation is imperiled by war, must obliterate old enmities and make friends and comrades of us all. There must be cooperation, not antagonism; confidence, not suspicion; mutual helpfulness, not grudging performance; just consideration, not arbitrary disregard of each other's rights and feelings; a fine discipline based on mutual respect and sympathy; and an earnest desire to serve the great public faithfully and efficiently. This is the new spirit and purpose that must pervade every part and branch of the national railroad service.

NATION'S LIFE AT STAKE.

America's safety, America's ideals, America's rights, are at stake. Democracy and liberty throughout the world depend upon America's valor, America's strength, America's fighting power. We can win and save the world from despotism and bondage only if we pull together. We can not pull apart without ditching the train. Let us go forward with unshakable purpose to do our part superlatively. Then we shall save America, restore peace to a distracted world, and gain for ourselves the coveted distinction and just reward of patriotic service nobly done.

W. G. MCADOO,
Director General of Railroads.

WOMAN SUFFRAGE.

Mr. SHAFROTH. Mr. President, I have a telegram which is signed by about 150 or 200 prominent citizens of Denver, Colo. I do not ask that the names be printed, but I simply wish to read the portion of the telegram in the nature of a petition. It is addressed to me, and it says:

We, the undersigned citizens of Denver, urge you to do everything possible to secure the votes necessary for the passage of the Federal suffrage amendment in the Senate during this session of Congress.

As I stated, it is signed by Dr. Margaret Long, daughter of former Secretary of the Navy, John D. Long, and by 150 to 200 of the most prominent citizens of the city of Denver. These petitioners have witnessed the operation of woman suffrage in Colorado for years and their indorsement should convince all of its beneficial effects. I move that it be referred to the Committee on Woman Suffrage.

The motion was agreed to.

PETITIONS AND MEMORIALS.

Mr. GRONNA presented a memorial of the Farmers' Club, of Kindred, N. Dak., remonstrating against the adoption of the so-called Walsh bill giving over to the rich corporations and private individuals certain mineral resources and water-power sites, which was referred to the Committee on Public Lands.

He also presented a petition of Meridian Grange, No. 265, Patrons of Husbandry, of Kent, Wash., praying for the enactment of legislation fixing the prices of all commodities during the war, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of the Commercial Club of Boise, Idaho, praying for the enactment of legislation making it unlawful for any common carrier to charge or receive any greater compensation for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same route in the same direction, which was referred to the Committee on Interstate Commerce.

Mr. JONES of Washington presented a petition of the Patriotic League of Newport, Wash., praying that the earnings of all aliens in excess of the pay of a private soldier in the Army shall be confiscated to the use of the Government, etc., which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the City Council of Bellingham, Wash., requesting that in the enactment of any water-power legislation to specifically authorize the several States and legal subdivisions thereof to condemn the rights of the licensees upon Government lands, upon making just compensation therefor, under the provisions of the eminent domain statutes of the various States, etc., which were referred to the Committee on Commerce.

He also presented resolutions adopted by Sweet Clover Grange, No. 635, Patrons of Husbandry, of Valleyford, Wash., favoring the conscription of the wealth of the country, and also that the income tax be so amended that all incomes from whatever source in excess of $5,000 a year be taxed 100 per cent, etc., thereby helping the farmers in the replacement of man power on the farm, which were referred to the Committee on Agriculture and Forestry.

Mr. McLEAN presented a petition of the Young Woman's Hebrew Association, of Hartford, Conn., and a petition of sundry citizens of Middletown, Conn., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

He also presented a petition of the United Irish Societies, of Torrington, Conn., praying for the freedom of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a memorial of the Central Labor Union of Meriden, Conn., remonstrating against the adoption of the so-called Borland minimum eight-hour provision, which was referred to the Committee on Appropriations.

Mr. WARREN presented resolutions adopted by the Wyoming Chapter of the American Mining Congress, in convention at Casper, Wyo., favoring the establishment of a Department of Mines, which were referred to the Committee on Mines and Mining.

He also presented resolutions adopted by the Wyoming Chapter, American Mining Congress, in convention at Casper Wyo., favoring Federal control over the industries of the country, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of Local Union No. 2314, United Mine Workers of America, of Dietz, Wyo., remonstrating against universal military training, which was referred to the Committee on Military Affairs.

Mr. ROBINSON presented sundry papers to accompany the bill (S. 3888) for increasing the efficiency of Army bands, which were referred to the Committee on Military Affairs.

REIMBURSEMENT OF BENSON COUNTY, N. DAK.

Mr. GRONNA. From the Committee on Indian Affairs I report back favorably without amendment the bill (S. 3915) to

reimburse Benson County, N. Dak., for money expended in the care of three insane Indians, and I submit a report (No. 288) thereon. I call the attention of my colleague [Mr. McCUMBER] to the bill. It is a unanimous report from the Committee on Indian Affairs. The bill was introduced by my colleague.

Mr. McCUMBER. I ask unanimous consent for the present consideration of the bill.

Mr. GALLINGER. Let it be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $676, to reimburse Benson County, N. Dak., for money actually paid by said county to the State of North Dakota for care of three insane Indians, Mary Josephine Pejihutaskana, Alfred Littlewind, and Joseph Langer, in the North Dakota State Insane Asylum.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. GRONNA. I ask to have the report printed in the RECORD. It is very brief.

There being no objection, the report this day submitted by Mr. GRONNA was ordered printed in the RECORD, as follows:

[S. Rept. No. 288, 65th Cong., 2d sess.]

Mr. GRONNA, from the Committee on Indian Affairs, submitted the following report:

The Committee on Indian Affairs, to whom was referred the bill (S. 3915) to reimburse Benson County, N. Dak., for money expended in the care of three insane Indians, having considered the same, report thereon favorably to the Senate, without amendment, and recommend its passage.

The Indians referred to in the bill are citizens of Benson County, N. Dak. They all have property, but under the Indian laws the county can not take that property or any part of it for the care and maintenance of the insane Indians. The laws of North Dakota provide that when a person is adjudged insane and sent to the asylum, if he has property, that property shall be used for his care and maintenance in the asylum. The officials of Benson County are compelled to pay this amount of money out of the general fund. Prior to January 1, 1916, they had also paid out a considerable sum of money and had endeavored to have the Government remove these Indians to a Government or Indian asylum. In the appropriation bill for 1916, money was appropriated to pay for the maintenance of these Indians up to that time, and the officials of Benson County understood that the Indians were to be removed to some other asylum. This was not done until August 30 last. In view of the action taken by Congress before and the neglect of the Indian Department to take care of these Indians, Benson County should be reimbursed for the money actually expended, as shown by receipts and vouchers filed by the county auditor of Benson County, N. Dak. The vouchers and other papers showing the payments by the county are hereto attached, as follows:

COUNTY OF BENSON,
Minnewaukan, N. Dak., February 6, 1918.

Hon. P. J. McCUMBER,
Washington, D. C.

MY DEAR SENATOR: Inclose herewith receipts from the State treasurer showing payments made for the insane Indians from date of last settlement until they were transferred to Government asylum.

I hold the same view as before, that the Government holding their property in trust, thereby being exempt from taxation, the county should be reimbursed for the payment indicated.

Hoping this can be adjusted as before, I am, with kind regards,

Yours, very truly,

W. E. PAULSON,
Auditor Benson County, N. Dak.

—

$676.00 No. G4914

STATE OF NORTH DAKOTA,
OFFICE OF THE STATE TREASURER,
Bismarck, January 28, 1918.

Received of county auditor, Minnewaukan, N. Dak., six hundred seventy-six dollars, for care of Indian insane, Benson County.

$305.40, Mary Josephine Pejihutaskana, from Jan. 1, 1916, to Aug. 30, 1917.

$305.40, Alfred Littlewind, from Jan. 1, 1916, to Aug. 30, 1917.

$65.20, Joseph Langer, from Jan. 1, 1916, to escape, 6/3/1916.

Cr. Gen. Fund.

JOHN STEEN, *State Treasurer.*
By EMMA BRANDT.

(Indorsed: J. O. Lyngstod.)

(Stamped: Filed in the office of the county auditor of Benson County, N. D., Feb. 1, 1918. W. E. Paulson, auditor.)

ADDITIONAL JUDGE, NORTHERN DISTRICT OF CALIFORNIA.

Mr. SHIELDS. From the Committee on the Judiciary I report back favorably with amendments the bill (S. 2910) providing for an additional judge for the northern district of California, and I submit a report (No. 289) thereon. I call the attention of the Senator from California [Mr. PHELAN] to the bill.

Mr. PHELAN. I ask unanimous consent for the immediate consideration of the bill just reported by the Senator from Tennessee.

Mr. SMOOT. Mr. President, I should like to ask the Senator from California if there is any real necessity for the immediate consideration of the bill?

Mr. PHELAN. The reason I desire to have the bill acted upon at this time is that there is a very great urgency for its passage. The Federal bench in California have requested the creation of this new judgeship, which does not involve any extra expense, except the salary of the judge, because no provision need be made for more clerk hire. It seems that since June last there have been 611 criminal cases filed in that jurisdiction, and that the civil and admiralty business has practically stopped on account of the congestion of the calendar. The United States district attorney asks action. The Senate has in the last few days approved, under similar circumstances, the creation of judgeships in one of the Montana districts and in one of the Arizona districts, and I desire to have this bill passed and go to the House to be considered in connection with those bills. That is my only reason for asking for immediate consideration of the bill.

Mr. TOWNSEND. Mr. President, I shall have to ask for the regular order until we get through with morning business.

The PRESIDENT pro tempore. Objection is made. The bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 3953) authorizing conveyance by deed to William Orr of a one-eighth acre of land on Pelican Lake (with accompanying paper); to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 3954) to appoint Albert Fensch to the rank of captain and adjutant general, United States Army; to the Committee on Military Affairs.

A bill (S. 3955) to amend section 4041, Revised Statutes, enabling the Postmaster General to forbid payments of postal money orders in connection with the exclusion of fraudulent devices and lottery paraphernalia from the mails;

A bill (S. 3956) to amend section 213, act of March 4, 1909 (Criminal Code), affixing penalties for use of mails in connection with fraudulent devices and lottery paraphernalia;

A bill (S. 3957) to amend section 215, act of March 4, 1909 (Criminal Code), penalizing fraudulent use of the mails; and

A bill (S. 3958) to amend section 3929, Revised Statutes, relating to exclusion of fraudulent devices and lottery paraphernalia from the mails; to the Committee on Post Offices and Post Roads.

By Mr. McCUMBER:

A bill (S. 3959) to grant patent to certain lands to Christian Fredrickson; to the Committee on Public Lands.

By Mr. PHELAN:

A bill (S. 3960) for the relief of George Killeen; to the Committee on Claims.

A bill (S. 3961) to extend the franking privilege to the American Red Cross in all its official work; to the Committee on Post Offices and Post Roads.

By Mr. TILLMAN:

A bill (S. 3962) to amend section 13 of article 8 of section 1624 of the Revised Statutes of the United States relative to the receipt on board a vessel of the Navy of goods, merchandise, or treasure for freight or safe-keeping (with accompanying papers); to the Committee on Naval Affairs.

By Mr. POMERENE:

A bill (S. 3963) to amend and supplement section 1009 of the act entitled "An act to provide revenue to defray war expenses, and for other purposes," approved October 3, 1917; to the Committee on Finance.

By Mr. HOLLIS:

A bill (S. 3964) for the relief of Otis C. Mooney (with accompanying papers); to the Committee on Military Affairs.

By Mr. MARTIN:

A bill (S. 3966) to reinstate Surg. J. A. Guthrie, United States Navy, retired, as medical director in the United States Navy, as an additional number; to the Committee on Naval Affairs.

A bill (S. 3967) authorizing the President to nominate and, by and with the advice and consent of the Senate, appoint John B. H. Waring, late a captain in the Medical Corps of the United States Army, a major in the Medical Corps on the retired list, and increasing the retired list by one for the purposes of this act; and

A bill (S. 3968) to provide that certain members of the National Guard drafted into the military service of the United States shall not lose their right to count their prior service in the National Guard in computing the additional pay authorized for length of service; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 3969) granting a pension to Emma A. Gannett (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3970) for the relief of Charles Lee Baker; to the Committee on Military Affairs.

THOMAS HARRISON.

Mr. JONES of Washington. I desire to take a minute or two to make a statement with reference to a bill I am about to introduce. It is not a bill of general interest, but simply applies to one individual. The human element in it, however, appeals to me quite strongly.

Thomas Harrison is a clerk in the Naval Observatory. He is now in his ninety-first year. He entered the observatory as a clerk in 1848, and has been there continuously in service ever since—almost 70 years. Under date of November 2 the Assistant Secretary of the Navy wrote him this letter:

I have to inform you that in accordance with the recommendation of the Superintendent of the Naval Observatory you have been granted leave without pay for six months beginning October 13, 1917.

As you have been in the employ of the Government now nearly 69 years, and during all that time your record has been excellent, I regret that there is no way in which the department could continue you on the rolls with compensation. I desire at this time to express the appreciation of the department of your long and satisfactory service and the hope that you will be so benefited by this leave that you can return and resume your duties at its expiration.

That leave of absence will soon expire, and this man, in his ninety-first year, will go back to work. I do not think that ought to have to be, and so I have prepared a bill, which I expect to introduce, to retire Mr. Harrison at $50 a month. I will say that the Senate has heretofore passed a bill to retire him at $100 a month. It is at his own suggestion that the amount is reduced to $50 a month. I think he has done what you will find very few people in the employ of the Government have ever done. A few years ago, realizing his infirmity and realizing his inability to do the work of the Government as efficiently as he had before done it, he asked the department to reduce his salary, and it was reduced about $400 a year.

Mr. President, I know that this might be objected to as a civil-service pension, but there are mighty few cases of this kind in connection with the Government service. I do not suppose that there is any other person in the employ of the Government who has been in continuous employment so long as this man. We can take care of this man without making a precedent that will vex us. We have taken care of individuals of military service by special legislation. Why not this man under these exceptional circumstances? Furthermore we are going to pass ere long a general retirement law. He may be gone before it is passed. We should treat him as his service justifies. Therefore I desire to introduce this bill, and I hope that the Naval Affairs Committee will give it early consideration and that they will feel justified, in this particular case, in recommending the action provided in the bill.

Mr. GORE. Mr. President, I merely wish to express the hope that the Naval Affairs Committee, if they report this bill favorably—and it does appeal to the heart of every Senator—will so amend it as to pension every man in the United States 91 years of age who has been toiling in season and out, and pay him the salary of the beneficiary in this measure.

The bill (S. 3965) retiring Thomas Harrison, a clerk in the Naval Observatory, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

AMENDMENT TO THE POST OFFICE APPROPRIATION BILL.

Mr. NORRIS submitted an amendment providing that hereafter carriers on rural free-delivery mail routes shall be paid in addition to the compensation now provided by law an allowance for maintenance of equipment on routes of 24 miles or less of $250 per annum, etc., intended to be proposed by him to the Post Office appropriation bill, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

WAR FINANCE CORPORATION.

Mr. CALDER submitted five amendments intended to be proposed by him to the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, which were ordered to lie on the table and be printed.

Mr. HALE submitted an amendment intended to be proposed by him to the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, which was ordered to lie on the table and be printed.

REPORT OF PANAMA RAILROAD CO.

Mr. SMOOT. Mr. President, on February 21, 1918, there was submitted to the Senate a message from the President of the United States transmitting the sixty-eighth annual report of the board of directors of the Panama Railroad Co. to the stockholders for the year ending June 30, 1917. It was referred to the Committee on Interoceanic Canals and ordered to be printed. In the report there are a number of illustrations, and I ask that the Public Printer be authorized to print the same.

The PRESIDENT pro tempore. Is there objection?

Mr. POINDEXTER. I should like to inquire of the Senator from Utah what is the object of printing this document? Is anyone going to read it?

Mr. SMOOT. Under the law the report is required to be made once a year, and it has always been printed in the past.

Mr. POINDEXTER. If the law provides for it what is the use of an order of the Senate?

Mr. SMOOT. The law provides that the report shall be made to Congress. I do not think the law provides that it shall be printed. As I said before, it always has been printed in the past, and this year it happens to have some illustrations, and therefore I have to ask the authority of the Senate that the illustrations shall be printed.

Mr. POINDEXTER. I heard the Senator's statement the other day about the crisis in securing a sufficient supply of paper to print the CONGRESSIONAL RECORD, and I wanted to know if the Senator was entirely satisfied that the public interests demand the printing of this voluminous document with the illustrations?

Mr. SMOOT. I do not think so, but I will say that on the 21st day of February the Senate ordered the report to be printed, and as the Senate has ordered it to be printed and it is accompanied with illustrations it is necessary to get an order for the printing of the illustrations.

Mr. NORRIS. Will the Senator yield?

Mr. SMOOT. Certainly.

Mr. NORRIS. It seems to me there ought to be no objection to printing this report. It is the report of the Panama Railroad Co., a Government railroad. We have been in the habit of printing these reports, and the public has been getting them. There is not any reason on earth that I know why it should not be printed. I have had occasion to look into the reports a great many times, and I think there should be no question about the printing of this report.

Mr. GRONNA. Of course, I shall not object to the printing of the report, but I think this report, like the books shown by my good friend on my right, the Senator from New Hampshire [Mr. GALLINGER], will be one of the documents that will never be read by anyone. I have been here during the winter, and when my constituents sent petitions to me, which they had a right to do, and which, under the Constitution, we have the right to have printed, I have felt a sort of embarrassment and have refrained from asking that they be printed, a great many of which I believe ought to have been printed. I am not finding any fault with the request of the Senator from Utah; I think perhaps all these things ought to be printed for the benefit of the public; but there is no more reason why petitions which come from the people of the remotest parts of the country should not be printed in the RECORD. I say it is an injustice to the public to deny to them the printing of these petitions.

Mr. POINDEXTER. I should like to ask the Senator from North Dakota if it is not true that this report is among the records of the Panama Railroad Co and is filed in their office, and anyone who is interested in the transactions and business of the company can readily obtain it by visiting the office and examining the report there?

Mr. GRONNA. Answering the question of the Senator from Washington, of course these reports can be had; they are accessible to anyone who wants to make an investigation of them, and the only end that the printing of this report will secure is that it will afford the opportunity of sending it to the public; but of course the report now is a matter of record, just as much so as it will be after it has been printed as a separate document.

Mr. POINDEXTER. It would be difficult for a Member of Congress to find anyone among the public who wants a copy of the report; in fact, I think that generally there would be very few of them read. There are very few people in the United States who would want to examine it. There is just as much reason for printing the report of the Northern Pacific Railroad, and a great deal more reason. I should like to know what these illustrations are. I do not understand why there is any necessity to have photographs and pictures reproduced in a railroad report.

Mr. GRONNA. Of course the Senator from Utah can answer that better than I. I know this, however, that it is very expensive to have cuts made and illustrations printed.

I only rose, Mr. President, to call attention to the fact that I think the censorship has extended to the United States Senate, and when petitions are sent here from citizens of the United

States asking to be heard I do not believe the petitioners should be denied that constitutional privilege.

The PRESIDENT pro tempore. Is there objection to printing the illustrations in the report?

Mr. THOMAS. I object.

Mr. SMOOT. I wish simply to say to the Senator from Colorado, if the illustrations are not to be printed I want at this time to have the Senate reconsider the vote which was taken February 21 ordering the printing. The Senate has already ordered the report to be printed, not knowing that there were any illustrations in the report, it having just been handed down by the President of the Senate. Afterwards it was discovered that there were two illustrations. Under the law the Public Printer can not print illustrations in any document ordered by either House unless there is a special order made by the House that ordered the printing. All that I ask is that we allow the Public Printer to print these two illustrations in the report if we are going to have it printed. If we are not going to give that authorization, then the situation is this: The Senate ordered on the 21st of February this document printed.

Mr. OVERMAN. What is the document?

Mr. SMOOT. It is the annual report of the Panama Railroad Co. that is sent by the President of the United States to Congress every year under the law. I do not care whether it is printed or not.

Mr. SMITH of Michigan. Mr. President, let me ask the Senator——

Mr. THOMAS. If the illustrations can be excluded, I shall not object; but I do object to transforming the CONGRESSIONAL RECORD into a pictorial magazine.

Mr. SMOOT. This is not to be printed in the RECORD, I will say to the Senator from Colorado. If it were, of course it would have to have the sanction of the Joint Committee on Printing.

Mr. THOMAS. My objection applies also to Senate documents. My experience with Senate documents is—and I think it is also the experience of all other Senators—that once any subject assumes the form of a Senate document, it is buried in the archives, and it is buried forever.

Mr. SMOOT. Mr. President, I have no quarrel with the Senator from Colorado on that point, but the two illustrations show the Panama Canal itself and also show the railroad along the canal.

Mr. THOMAS. Mr. President, the Senator will remember that about two years ago, over our mutual objection, the Senate ordered the printing of an enormous document for the purpose of establishing the self-evident fact that there was a monopoly in water power in the United States. I venture to say that not 10 per cent of the Senators have ever since so much as looked at that document, and it is piled up en masse somewhere as an accumulation. I was told a day or two ago that the Government had rented a short time since a warehouse somewhere near the Capitol, which was filled to overflowing with documents that are of no use to anybody on earth and never will be.

Now, we are printing documents with pictures in them. That simply increases the expense, which is already more than even the Senate ought to bear. I do not want to act the part of a dog in the manger here, Mr. President——

The PRESIDENT pro tempore. Objection has been made to the printing.

Mr. THOMAS. I withdraw the objection in view of the statement which has been made by the Senator from Utah [Mr. SMOOT] that the Senate has heretofore ordered this matter printed.

The PRESIDENT pro tempore. The Chair understood the Senator from Oklahoma [Mr. GORE] objected. Does the Chair understand him to withdraw his objection?

Mr. GORE. I did not object, Mr. President.

Mr. THOMAS. Mr. President, I withdraw my objection.

Mr. POINDEXTER. Mr. President, I have examined the illustrations which are contained in this document; and since the Senator from Utah [Mr. SMOOT] is so anxious to have them printed, I do not think it will do any harm.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order will be entered.

GUARANTEED PRICE OF WHEAT.

Mr. GORE. Mr. President, the Senator from North Dakota [Mr. GRONNA] suggested a moment ago that it might be well occasionally for the Senate to hear from the remoter parts of the country. I have some letters here from the remoter parts of the country—from practical farmers—in relation to the food situation generally, and in relation to the meat and wheat situation in particular. Both of these situations I regard as most serious. I therefore ask to have these letters read into the RECORD.

The PRESIDENT pro tempore. Is there objection? There being no objection, it is so ordered. Is the Chair to understand that the Senator desires that the letters shall be read by the Secretary, or shall they be printed in the RECORD?

Mr. SMITH of South Carolina. I suggest to the Senator to have them printed in the RECORD.

Mr. GORE. Mr. President, my request was that the Secretary shall read the letters. I may say that the writer of the first letter has an entirely erroneous conception of the joint resolution which I introduced to raise the guaranteed price of wheat from $2 to $2.50 per bushel. The joint resolution related exclusively to the crop of 1918, and would not affect in any way the crop of wheat grown in 1917, and would not have the effect he anticipates.

The PRESIDENT pro tempore. Consent to that has been given, and the Secretary will read as requested.

The Secretary read the letters, as follows:

PIEDMONT, OKLA., *February 18, 1918.*

Hon. THOMAS P. GORE,
Washington, D. C.

DEAR SIR AND FRIEND: I have thought for some time to write to you, but you know farmers usually just keep still and take their medicine. But as things has gotten almost unbearable I have thought I would write. Now, Mr. GORE, I see that the Government is about to put another price on wheat of from $2.50 to $2.75. Well, that would have been better in the first place than what they did. Now, if you do that, that won't help the poor fellow that has already sold his wheat, for $1.90 is what I got for mine; and those farmers that were well fixed, so that they could hold their wheat well on, will get the benefit of the new price, for there are some farmers in my neighborhood that are holding their wheat.

Now, Mr. GORE, I have farmed all my lifetime, and I ought to know something about farming. Twenty-five years ago I farmed in a corn county in Iowa. Well, we raised mostly corn and hogs and cattle. If corn, perchance, would bring 40 or 50 or 35 cents we would kill our pigs or let them die and sell our corn, because we wouldn't have to risk the chance for cholera; and, of course, the hogs weren't as high in price then as now. If we got $4 or $5 for them it was a big price. Now, then, why did Mr. Hoover want to put a price on wheat and not on corn and all other crops? It does look to me like class persecution. Now, we Oklahoma farmers are principally wheat farmers. All in the world we got last year was a little wheat. I had 300 acres of wheat. It made 8 bushels per acre; lots of it only made from 3 to 6 bushels. Now, we know if there was no price put on it we could have gotten $3 or $4 a bushel, and could buy our feed for our horses. I have to keep from 15 to 25 head of horses to farm 500 acres of land and didn't raise a bit of feed. I had out 250 acres of corn and oats, but the drought got it. So you see the Government wanted us to put out another big crop, which I did. I put out 400 acres of wheat, which took 400 bushels for seed. Well then, I had 2,000 bushels left, for which I got $1.90 a bushel. I could have sold this wheat at one time for $2,000 more than I got for it.

Now, you see I have a large family. My living and all the expenses had to come out of it, and the consequence is I have to borrow money for this high-priced feed. In fact, Mr. GORE, nearly all the farmers here in Oklahoma are in that fix. Now, if the Government wants to increase the supply of wheat, it will have to put a fair price on feed. Now, there are hundreds of farmers and ranchers that simply can't buy the feed. Stock will eat their heads off, so they have let thousands of cattle die. Why, I am feeding wheat. I have got to. It is a half cheaper than other grains; and it isn't myself alone; there are plenty more are feeding wheat.

I used to hear so many say that flour was too high to eat. Well, I would say to them, "Let's figure." I have a family of nine; we use a sack of flour a week—21 meals. It cost me 16⅔ cents a meal for flour and 18 cents for sugar and 100 cents for meat. So you see the flour is the cheapest thing we have on the table. Mr. GORE, I do hope that that bloody war will soon come to an end or we may have a famine right here—and our poor boys over there being killed.

I believe this will be all for this time. Maybe it will be more than you wanted to hear from me. I hope you can read my writing. I am working hard and a poor speller, too. My love to you.

MEDFORD, OKLA., *February 20, 1918.*

Senator GORE,
Washington, D. C.

DEAR SENATOR: I see from the daily papers you have several bills introduced to govern the price of the 1918 crop of wheat, and as I am a farmer I will give you what information I can as to conditions in this locality, and I think the same conditions exist practically all over the wheat belt of Oklahoma.

After harvest last year I set in to put out 400 acres of wheat, but when the Government set the price of wheat at $1.90 in Medford I sowed 20 per cent less than I planned to sow, and had I that warning in time I would have cut it 20 per cent more than I did, and I know of a number of farmers that are just like myself in that respect. Now it is not because we are not patriotic and want to help our country, but we could not exchange 100 pounds of wheat for 100 pounds of corn, so you can readily see we had better farm other crops that will not take so much hired help and crops that we can feed to a better advantage than we can wheat.

Unless the price of wheat is advanced or other stuff cut down in proportion to the price of wheat there will not be more than half the acreage sown next season.

Now, Senator, do not think I am complaining, but simply giving facts as I see them, and the Government can not expect us to continue to raise wheat when we can raise other crops more profitably.

CUSTER, OKLA., *February 16, 1918.*

Senator T. P. GORE,
Washington, D. C.

DEAR SIR: Unless Congress acts favorably on your bill in the next 60 days, to increase the price of the 1918 wheat crop, this country will find itself in a desperate fix for wheat.

Excepting a narrow strip along the eastern parts of Nebraska, Kansas, Oklahoma, and Texas, the prospects for wheat is the poorest in the history of the western country. Eighty per cent of the wheat was

sown late; much of it is not up yet; this late wheat will be very thin. With favorable weather this wheat could make from 5 to 10 bushels per acre. There are several millions of acres of wheat in this condition in the western country, but $2 wheat in central markets means $1.60 per bushel on farms of the West. As wheat is so far out of line with all other commodities the farmers are preparing to plow the thin wheat up and plant to corn and kaffir. They can figure on raising from three to five times as many bushels per acre of corn or kaffir as they can figure from the thin wheat, and corn and kaffir is worth very near as much per bushel as wheat.

The farmers of the spring-wheat belt will sow less wheat and more oats and barley as they can expect to raise from three to four times as many bushels of oats or barley per acre as they can of wheat. The oats and barley will bring them twice as much money per acre as the wheat will. A 7-foot wheat binder now costs $260, according to the Kansas City Star. Prior to February 15, 1917, the price was $185; after that date $200; will likely cost $300 before harvest. The trouble is that Congress will likely fiddle along until too late to save the situation, like Hoover ordering sale of hens stopped after farmers had sold all they intended to sell.

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MAY, OKLA., *February 18, 1918.*

DEAR SENATOR GORE: We note your efforts to price wheat at least at the cost of production. All your friends appreciate this. You would do the Nation and the world a wonderful service if you could get Mr. Herbert Hoover to allow us, as he agreed to do, a price for fat hogs and cattle that would pay us to feed. Many of us here, relying on his promises, have bought cattle, hogs, and corn in our effort to help in this time of need.

Now, as this stock is near ready for market, Mr. Hoover is allowing the packers to take this stock from us without paying us the cost of production. At the present price of corn we lose just 40 cents on every bushel we feed.

Now, we can howl patriotism; and, yes, we will produce to feed the nations, but any sensible person knows that we can't produce at the present prices, as they are below the cost of production.

If we don't get relief immediately, we are going to kill our pigs, ship our sows, take our loss, and quit the business. Hundreds of our neighbors are going to do the same, not because they want to, but because these ruinous prices force them to. Relying on Mr. Hoover's promises last fall that he would see that the feeder got pay for feeding, and trying to answer his request to help furnish meat, we began feeding about a thousand cattle and hogs. On the basis of the present market our patriotic business venture will cost us a loss of $5,000. We are also in the store business.

When hogs were 20 cents in Kansas City, we paid Swift & Co. 45 cents a pound for choice bacon. Now hogs are 16 cents in Kansas City and Swift's choice bacon is 47½ cents.

Newspapers boast wonderfully that Swift & Co. paid 34 per cent dividend last year and many other things that don't look good to we common people. We are not intending this as a faultfinder or chronic complainer, but we want to call attention to facts as they exist.

As prices are now thousands of acres of land will not be tilled, as a farmer can make more money shipbuilding or most any other job than he can farming.

Bread and meat are more essential in peace or war than guns and bullets. These things are worth attention. If we are forced to sell our meat at less than cost of production next season, we will have for our Armies 1 hog where otherwise we would have had 10.

Our farmers and stockmen will produce even for cost of production, but can't produce at a loss. Assuring you of our appreciation of your efforts in the past,

We are, respectfully,

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PASADENA, CAL., *February 14, 1918.*

DEAR SIR: California wheat crops this year will, I believe, be almost a total failure. No rain and high prices of labor—we paid $5 to $8 per day last year for harvest hands and could hardly hire them for that price, when we generally pay $2 and board. Last year, 1917, we had in 35,000 acres on my ranches in grain, mostly wheat. This year we won't have in 1,500 acres. We can't seem to sell our last year's crops. Too much red tape. The warehouses here seem full of hides of cattle starving to death. Still shoes are high. Something's wrong. We should get $3 per bushel for wheat.

Respectfully,

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KINGMAN, KANS., *February 21, 1918.*

Senator GORE.

DEAR SENATOR: I see by the papers that you have a bill in committee, and that it is favorably reported, to place the price of the 1918 wheat crop at $2.50 per bushel. I am a wheat raiser and have been for many years, and was among the number that was in the big loss all over Kansas in the 1917 crop; and as one of the raisers let me say—but there is little use for a wheat raiser to say anything—that I think that the amount you name in your bill is poor compensation for the present crop and the losses we met last year. If we had been looked after by the Senators and Representatives from the West, we would not have had to raise a crop at a loss, as we did last year. The millers and other raisers, factories, and, in fact, everybody, was in it but the wheat raisers. The crop, Senator, is going to be very poor, and it never looked worse in 10 years than it does right now. Now, listen, if it is light, the Kansas and Oklahoma farmers will not harvest it at a loss, as they were compelled to last year. Here is an example of how things are running. Before the setting of prices on wheat bread per 22-ounce loaf was selling at 10 cents, or about 9 cents if a dollar's worth of tickets were taken and paid for in advance. Since the setting of the wheat and the regulation of the loaf a 16-ounce loaf costs 10 cents. Now, flour is some lower and also bread is higher. If you, OWEN, CURTIS, and THOMPSON, had looked after the wheat raisers at the time of price fixing, we would not have lost a few millions in both States, and it went into the hands of the millers and bakeries. Two dollars and eighty cents is just as easy to get through the law powers as $2.50 is and would help to make up the loss we met last year. I have been among the farmers a good deal lately, and I know how they feel over it. The millers got the grade and testing rules through, and that is another way of robbing the wheat raisers. They are gradually buying the elevators, and it will not be very long until they have the farmer in their clutches. It is coming, and all because the farmer is not organized, but will be. But these kinds of laws, Senator, puts hate in his heart, and it ought not to be allowed. You will see, and there is now in sight, the farmers' union that will turn things upside down. And it might have been avoided if things were looked after instead of let run as now. Lincoln said once, very truly, that "a thing was never settled until it was settled right." The grading and testing rules should be made differently and the minimum price made not less than $2.80.

Yours,

——— ———.

Mr. CURTIS. Mr. President, I wish simply to state, in view of the statement by one of my constituents in a letter which has just been read, that while the price-fixing commission were considering the question I frequently urged them to fix a price that would be fair and just to the wheat growers of Kansas and the country and urged that the then market price would be fair and just. Furthermore, on the day before the price was fixed at $2.20 three other Senators and myself from wheat-growing States called upon the price-fixing officer and urged him to name the market price of wheat at the time the bill passed as the price for the 1917 crop. Had this price been fixed, as the farmers were entitled to have it fixed at the time, the farmers of Kansas would have received for their 1917 crop of wheat from $2.50 to $3 a bushel. In conclusion I desire to state that I did everything in my power to have a fair, just, and reasonable price fixed for the 1917 crop of wheat.

Mr. GORE. Mr. President, the author of this letter is also misinformed as to my own position touching the food-control legislation. Perhaps Senators will remember that I was not very enthusiastic for that measure.

LAWS OF PORTO RICO (S. DOC. 185).

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, ordered to be printed, and, with the accompanying paper, referred to the Committee on the Pacific Islands and Porto Rico:

To the Senate and House of Representatives:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," I transmit herewith copies of the acts and resolutions enacted by the Ninth Legislature of Porto Rico during its first session (August 13 to November 26, 1917, inclusive).

These acts and resolutions have not previously been transmitted to Congress.

WOODROW WILSON.

THE WHITE HOUSE, *February 25, 1918.*

WHY AMERICA IS IN THE WAR.

Mr. SWANSON. Mr. President, there is an insidious and treasonable propaganda being conducted in this country, grossly misrepresenting the causes which impelled this country to wage war against Germany, agitated with the deliberate design of producing dissatisfaction among our people, of restraining their patriotic fervor and willingness for sacrifice, in order to secure a German-made peace, amounting to a substantial German victory. This pernicious propaganda is vast and varied in its ramifications, extending from the bold, treasonable utterances of some persons of prominence and position to the subtile whisperings of the paid spy. Its loathsome form is found at times garbed in the habiliments of patriotism and peace. Under the plea of liberty of speech the viper has been found injecting its deadly poison into the body politic. Wherever there exists discontent, which might retard a vigorous prosecution of the war, it is found with its treasonable torches furnishing additional fuel for the flames. With insinuating voice it preaches class and sectional prejudice in order to produce dissension and military ineffectiveness and prevent a solid union, which insures to our arms a conclusive victory. Engaged in this work is a motley crew composed of fanatics, German spies and sympathizers, persons corrupted with German gold and promises, officered by a few selfish politicians, who foolishly think they see an opportunity for self-advancement, although it may result in wreck of country. Athens had her Æschines in the pay and interest of Philip, eloquently preaching peace and submission. This German propaganda is not confined to the United States, but has arisen in every country where German gold, spies, and influence could permeate. It corrupted and obtained control of the former autocratic Government of Russia, which if it had not been overthrown would have made an ignominious and cowardly peace. It has strangled the new hopeful Republic of Russia, and is now fast obtaining by treachery what it could never obtain by arms—the making of Russia the political slave of Germany.

During two of the most critical years of the war it enabled the traitorous Greek King to thwart the noble aspirations of his people. It almost brought disaster to Italy. It extends to the Latin-American Republics, making some of them lukewarm to their own vital interests or unfriendly in the world's con-

flict of democracy against military autocracy. It has soothed others into fancied security, dulled their perception, prevented them from perceiving that in the far-flung battle lines of Europe is being determined whether the Western Hemisphere shall be subject to colonization and spoliation by a triumphant Germany.

While exciting her own people to the highest pitch of martial spirit, brutalizing them by prosecuting war with unequalled ferocity and barbarity, preparing to seize all that relentless might can obtain, Germany, in order to make more easy her conquests, has cunningly sought to develop among all other peoples the Arcadian habits of peace and ease and thus eradicate the heroic virtues of courage and sacrifice. These blood-thirsty people and their sympathizers, in order to accomplish their nefarious purposes in other countries, ever masquerade as staunch advocates of peace. All these pernicious varieties of German propaganda are being sown in this country with the hope of reaping a bountiful harvest.

But the seed will prove to have fallen in a sterile soil. Cunning deceit, cowardly ease, and ignoble peace will find no lodgment in America's sturdy mind and courageous heart. We propose to deal vigorously with this traitorous propaganda in whatever guise it may appear. We are determined that our brave soldiers while fearlessly attacking the enemy front shall not be assaulted by traitors in the rear. The defenders of our citadel of civilization and liberty shall not be betrayed by false friends within.

Mr. President, the purpose of my address is to present the causes which compelled America to enter this world war, and these when fairly stated furnish complete refutation of the false and slanderous charges being disseminated by the agents of Germany. I shall present them strictly from an American standpoint. I shall enumerate the many and repeated affronts, insults, and grievances we received at the hands of Germany and which compelled us as a self-respecting Nation to seek redress. I shall point out our vast vital interest assailed by Germany, which if not defended at all hazards would result in our national decay and destruction. I shall show that this war is being waged to right American wrongs, to protect great American interests, which, if lost, will destroy our present prosperity and greatness and jeopardize our very existence as a free and independent people. I shall not discuss the war in its broader phases and the far-reaching consequences it must eventually have upon all the peoples of the world through the coming centuries. I shall not portray the importance of the fierce and final conflict now being fought for supremacy between the free governments of the world and the German military autocracy, for out of the dense battle smoke now enshrouding Europe will emerge a world either free or enslaved. I shall not describe to you in all its revolting detail how the military autocracy of Prussia, by false and deceitful diplomacy, by broken pledges and treaties, by unjust, unprovoked, and cruel wars against neighbors, grew and strengthened; how it made vassals of the people of southern Germany, Austria, Bulgaria, and Turkey and then utilized all the immense resources thus secured in preparing for this fateful hour of conflict, when it hoped by favorable military decision to obtain world mastery. I shall not emphasize the great menace that Prussia is to-day to the peace and civilization of the world by recitals from her bloody history.

Mirabeau, the great orator of the French Revolution, justly said, "War is the chief industry of Prussia." I shall not detain you reading diplomatic correspondence, which proves beyond dispute that Germany, finding herself fully prepared for war and her unsuspecting neighbors unprepared, suddenly precipitated war by using the murder of Archduke Ferdinand of Austria, which occurred on Austrian soil and was perpetrated by an Austrian subject, as a pretext to compel her vassal, Austria, to address a brutal, insulting ultimatum to Serbia, knowing full well that it would be rejected, since its acceptance would seal Serbia's national servitude. I shall not present to you other diplomatic correspondence which clearly proves that when the Governments of Britain, France, and Italy had nearly composed the differences between Russia, Serbia, and Austria and peace was almost in sight, all of these bright prospects were destroyed by Germany suddenly declaring war against Russia, immediately followed by a declaration against France and the invasion of Belgium. I shall not weary you by detailing the history of the long-extended and varied efforts of Germany to incite enmity and hostility against the United States, Britain, France, and Russia and of her long-meditated purpose to encompass the overthrow of these four nations, as being the only barrier to her ambition for world supremacy. I shall not seek to excite your passions by describing the horrible barbarities and atrocities perpetrated by Germany in the prosecution of this war; how weapons of warfare forbidden by civilization have been frightfully used; how women and children have been shot and butchered; how the captured civil population, as in former barbarous times, has been seized, transported, and practically reduced to slavery; how cities and districts have been pillaged, ravaged, and destroyed with a cruelty and completeness excelling the fiendishness of Atilla the Hun, named "The scourge of God"; how the atrocious Turk was induced to declare a fanatical holy war, instigated to massacre the Christian population of Armenia and Asia Minor and furnish sacrificial blood for the altar of Germany's selfish ambition. I shall not endeavor to describe to you the woe, distress, wretchedness, the frightful slavery which would exist in the world dominated by a power so cruel as Germany, guided by no principle save its own advantage, controlled by no solemn treaty or plighted faith, and willing to make a desert of the world in order that she might rule it. All of these are far-reaching and important considerations which were sufficient to have induced us to unite with other free and threatened governments of the world to curb Germany's unholy desires. But it is not my purpose to venture into this broad and important field of discussion, but to confine myself to presenting the special wrongs, the special grievances, and special vital interests of this Nation which compelled the President and Congress last April to declare war against the enemy of mankind.

Mr. President, immediately after the commencement of this great war the President of the United States, by a formal proclamation, declared the policy of this country would be to maintain a position of strict neutrality toward the belligerents and to claim all the rights of a neutral under international law, and firmly to vindicate these rights, from whatever source assailed. The President went so far as to invoke our people to be neutral alike in thought, expression, and action. This declared policy was fairly and consistently adhered to until we were compelled by the outrageous action of Germany to abandon it and resort to force to redress wrongs and defend our rights. Our entire conduct toward Germany prior to entering this war was one of forbearance under great provocation rather than one of harshness and discrimination. Germany can not point to an unneutral act indulged in by our Government to justify her atrocious conduct, which compelled us to enter the war. The Government of the United States did not deviate in the slightest degree from this marked pathway of strict neutrality.

When loans were first sought to be obtained in this country by the various belligerents, the Government discouraged the extension of credit to any of them, as it might be construed as unneutral, and, besides, at that time financial conditions rendered it inadvisable. When this policy of discouraging loans was afterwards abandoned, each of the warring nations were permitted to float loans in this country, and each of them did obtain large credits from our people. One of the first of the warring nations to sell Government bonds here was Germany. She was given access to our financial markets equally with the other belligerents. Our citizens were permitted to subscribe for her bonds without the slightest governmental discrimination. The loans so floated in this country bear ample testimony to this fact. Subsequent disclosures revealed that the loans thus obtained from our people were corruptly and disgracefully used in the perpetration of innumerable villainies and enmities against the peace and well-being of this Nation. Germany, with her customary duplicity and depravity, perverted American generosity and kindness into an instrument of injury and detriment.

We furnished Germany a still more substantial proof of our neutrality. When the allied nations at war with Germany sought to have submarines partially constructed in this country, shipped to Canada, and then completed and sent to Europe to be used, this Government let it be definitely understood that this would not be permitted, as the United States had insisted in her contention with England in the Alabama and other cases during the Civil War that ships of war could not be constructed, in whole or in part, in a neutral territory for the use of belligerents without violating the laws of neutrality and subjecting the country in which they were built to claim for all damages they might inflict. The position assumed by our Government against this project of the allies caused it to be abandoned. We subsequently gave additional proof of our firm determination to maintain neutrality in this direction. In November, 1916, the Department of State was informed that an inventor in Los Angeles desired to send to one of the belligerents, as a model, a one-man submarine. While it was stated that this submarine was sent as a model it appeared that it was, in fact, a completed vessel. The Secretary of the Treasury requested an expression of opinion from the State Department as to whether

this vessel could be shipped, and he was informed that the shipment of such a submarine from an American port should not be allowed, as such action might be regarded as a violation of the neutrality laws. Permission for the shipment of this vessel was refused. Even as late as this, after having received repeated affronts from Germany, we still adhered to impartial neutrality.

In July, 1916, we gave the German Government further proof of our strict neutrality. The German submarine *Deutschland* arrived at Baltimore loaded with a cargo from German ports. The British and French Governments protested and insisted that submarines should not be treated as merchant vessels, and hence should not be given clearance papers to leave and should even be deprived of the 24 hours given war vessels under international law to enter and depart from the port of a neutral country. Our Government promptly examined the *Deutschland*, and finding on her no guns or torpedoes promptly denied the contention of the allied Governments and held that the *Deutschland* was a merchant vessel and should be permitted, as the merchant vessels of the other belligerents, to enter and depart from American ports carrying such cargo as she desired. When it was rumored that the *Deutschland* would be attacked by the allies, and possibly within the 3-mile shore limit of the United States, our Government sent its war vessels to the Virginia Capes to enforce our neutrality and to see that the *Deutschland* was not molested within 3 miles of our shores, which under international law is a part of our territory.

Again, on the night of October 31, 1916, she arrived at New London, Conn., from Bremen, Germany, with a cargo, which she was permitted to land and dispose of, reload with another cargo, and depart for Germany. On each of these occasions the *Deutschland* was permitted to include in her cargo munitions and other contraband and depart unhampered and unrestrained. She was accorded to the fullest extent the same privilege of obtaining here arms, munitions, and other contraband as was given the merchant vessels of the other belligerents. This proves conclusively that we made no discrimination against Germany and that she was given the same rights and privileges to obtain munitions and contraband of war as was accorded the allies. Under universally accepted international law the citizens of a country can sell any belligerent munitions and contraband of war. In every war since 1870 Germany has freely exercised this international right and has sold large quantities of munitions and contraband. In our war with Spain her citizens furnished large quantities of munitions to Spain without complaint from us. If she did not obtain here as many munitions of war as the allies, it was her misfortune and not our fault. It was on account of her weakness on the seas and the inability of her vessels to reach our shores and not on account of any discrimination or refusal on our part to sell to her. Such of her vessels as did reach our ports were accorded the same privileges and received the same treatment as was given the vessels of the allies. The assertion made by some that Germany was discriminated against in this respect is false and unwarranted.

The generosity of our action is further emphasized when we remember that this magnanimity on our part occurred after we had received repeated insults and injuries from Germany.

Mr. President, evidence of our genuine neutrality does not cease here, and we can furnish from our diplomatic correspondence many cases in which it appears that we almost departed from neutrality in a manner favorable to Germany. In October, 1914, the German gunboat *Gier* arrived in the harbor of Honolulu and requested permission to make repairs to render the vessel seaworthy, and estimated that the time required would be two weeks. Under international law a vessel is permitted to enter a neutral port and remain there 24 hours to obtain supplies and a reasonable time to make needed repairs. The United States gave this gunboat three weeks in which to make repairs and depart. This was a most liberal exercise of right of neutrality favorable to Germany. This vessel afterwards, finding it unsafe to depart on account of the presence of enemy warships, decided to interne. In January, 1915, the British warship *Faun*, which had been captured by Germany, entered the port of San Juan, P. R., in charge of a German prize crew. The British Government insisted that this vessel as a prize be released from its German captors under the regulations of The Hague convention. After examining the circumstances of the case, the United States Government refused the request and decided it was a proper German prize.

In the early part of the war various German warships entered the ports of the United States and were generously accorded every courtesy and were given ample time to make repairs and obtain supplies. Not a right was ever denied any of them. If there was any departure from neutrality, it was in favor of Germany. The conduct of the United States in this respect was so liberal and so generous that letters of thanks and commendation were received from German officers and diplomatic representatives.

We furnished further evidence of our resolute purpose to maintain neutrality even under circumstances which might have brought us in dangerous conflict with the allies. On February 18, 1916, the British cruiser *Laurentic* stopped the American steamship *China* on the high seas and, despite the protest of the captain, removed from the vessel 28 Germans, 8 Austrians, and 2 Turks and took them to Hongkong, where they were detained as prisoners in the military barracks. Upon being informed of this incident, the Government, on February 23, 1916, protested to the British Government against the action of the *Laurentic* as an unwarranted interference with the sovereignty of American vessels on the high seas and insisted that orders be given by the British authorities for the release of the persons taken from the *China*. The British Government replied, alleging that the persons removed from this vessel had been engaged in intriguing and fostering a rebellion in India and in fitting out a ship to prey on British commerce, and insisted that these acts of enmity and misconduct had deprived them of all protection of the neutral flag under which they were sailing and the action of the *Laurentic* was therefore justified. The United States Government replied to the British Government that the alleged facts regarding the conduct and action of the persons seized did not make them subject to seizure on a vessel of the United States on the high seas and within the jurisdiction of a neutral, and renewed the demand for their release. On May 5, 1916, this Government was informed that the British Government acquiesced in our demand, and the men were released.

Can more conclusive evidence be furnished than this to prove that this Government firmly asserted her rights as a neutral, even against the allies and regardless of consequences. This firm assertion of our neutral rights for the protection of German, Austrian, and Turkish citizens occurred after Germany had wantonly murdered American citizens by sinking the *Lusitania* and other merchant vessels, which citizens were exercising similar international rights and privileges on the high seas.

These instances constitute but a small portion of our record for firm neutrality during the several years in which this country was not engaged in this great war. History does not furnish another such striking record where a strong and powerful nation under great provocation so scrupulously observed and maintained its neutrality. Our record is one of unsurpassed patience, forbearance, and long suffering.

Mr. President, let us now consider the treatment we received at the hands of Germany in return for our consistent and continuous course of neutrality. Sir, I do not believe there can be found grosser or more numerous insults and injuries inflicted upon a proud and powerful nation than those which Germany repeatedly imposed upon us. Immediately upon the declaration of war by the German Emperor against Russia and France in August, 1914, after we had declared our adherence to strict neutrality and were firmly maintaining it to the utmost, the German Government commenced at once to disregard every right we possessed as a neutral, affronted our honor, assailed our territorial sovereignty, and endeavored to destroy our most vital interests. German military and naval officers accredited to this Government as diplomatic representatives at once indulged in improper activities in violation of the local laws of the United States and their duties as representatives of a foreign government in a neutral country. These German officials illegally sought by many and varied activities to make this country a base for German military operations against nations with whom we were at peace and contrary to the principles of international law. The money obtained here from our citizens by the sale of German bonds was corruptly used to further a traitorous propaganda in this country to make the United States a subservient and useful tool for the accomplishment of the despicable aims of the German autocracy. It was used to finance and incite a rebellion in India against the British people, with whom we were at peace and amity. It was used to promote from this country the German inspired and German supported uprising of Sir Roger Casement. It was used to hire incendiaries to burn and wreck bridges and destroy the important industries of Canada, our northern neighbor. It was used to purchase and prepare bombs to be placed upon allied and neutral ships lying in our harbors, in order to destroy them and injure commerce. It was used to encourage strikes and sabotage in our manufacturing plants. It was used to corrupt persons to preach here hatred and enmity against the nations at war with Germany. It was used to produce division and dissension among ourselves so as to render us powerless to resist German affronts and injuries. German diplomatic officials duly accredited to this Government were detected using fraudulent and counterfeit passports purporting to come from this Government and attesting American

citizenship to enable their spies to enter foreign countries at peace with us. German officers of interned warships, who were being treated with the utmost consideration, disgracefully violated their word of honor and escaped. German subjects, under direction of German officials, were detected, arrested, tried, and convicted in our courts for using our territory as a base for supplying German warships with coal and other supplies in violation of the statutes of the United States and our neutrality. German officials, in violation of our laws, were found endeavoring to control the employees in our munition plants and other industries so as to cripple and destroy them. The German ambassador accredited to this country obtained from his Government a sum of money to be used to try to influence the Congress of the United States in the interests of the German Empire.

The German diplomatic representatives while still exercising their functions as such in this country were found endeavoring to incite a rebellion in Haiti and Santo Domingo and to create enmity against us in Central and South America. German agents were detected endeavoring to arouse an insurrection in the Southern States of the colored race against the white race by gross mispresentation and appeal to racial prejudice. Wretches were hired and paid to destroy railroad bridges in this country, to wreck large munition plants and factories, and to cripple radio stations and cable lines. The lives of peaceful laboring men and women were in constant danger from these activities, which were but a covert form of war carried on by Germany within our boundaries.

For several years we had known of German activities in Mexico prejudicial to our interests and of efforts to embroil us in war with that distracted country. The extent and dangerous character of these activities, though suspected, were not fully known until the publication of the Zimmermann letter, which disclosed the efforts being made in Mexico by the German Government to incite that nation to war against us. This letter reached the lowest depths of national turpitude. The German ambassador, while enjoying our hospitality, was informed of a contemplated breaking of a solemn assurance which he himself had given to our Government promising to respect our international rights upon the sea, and was told that if we did not tamely submit to this broken pledge and gross invasion of our rights, then he should endeavor to combine Mexico and Japan with Germany in warfare against the United States, pledging the German Government to conquer us and to give Texas, Arizona, and New Mexico to Mexico, and the Philippine Islands, Hawaii, and our Pacific coast to Japan. The absurdity of the scheme did not lessen its shameless enormity. This infamous note could not have been suddenly precipitated without previous careful consideration and possibly prior intrigue. Large national interests and combinations are not thus hastily determined. This note disclosed conclusively what we long suspected, that for many years in all parts of the world Germany has been intriguing, seeking to create enmity against us, and endeavoring to prepare combinations to overpower us when the time for war came and which she had practically determined to wage against us.

Since the recent establishment of more friendly and cordial relations between our Government and the Government of Japan, the officials of Japan have candidly confessed that Germany has been intriguing in Japan, seeking to involve her in war with us. The strained relations existing between the United States and Japan for years was the result of German intrigues, machinations, and misrepresentations. The German Government has publicly expressed its refusal to acquiesce in the Monroe doctrine, and has called it "a piece of American impertinence." We have been satisfied that when political conditions should be favorable and the German navy strong enough, the Monroe doctrine would be challenged, as would also our control and ownership of the Panama Canal. We recall that during the administration of President Roosevelt the German Government, under the pretense of collecting a debt had prepared to seize the ports and part of the territory of Venezuela, and persisted in her determination to do so over the protest of the President until he bluntly informed the German ambassador that if the German fleet seized a port of Venezuela that Admiral Dewey with the American fleet would be instructed to capture or destroy the German fleet. As our fleet at that time was superior to the German fleet, the German Emperor reconsidered and abandoned the enterprise. Venezuela would now be a German colony but for the resolute firmness of the President and our superior naval strength.

We know that during the Spanish-American War Germany endeavored to array all the nations of Europe against us and form a concert of European powers to defeat our military forces and prevent us from liberating Cuba. We know that this dangerous combination against us would possibly have been successfully organized except for the refusal of England, whose fleet dominated the seas, and who was manifestly friendly to us.

In the light of recent transactions and disclosures we now fully understand the action and presence of the German fleet at Manila and its persistence in interfering with the plans of Dewey, and we are now convinced of what we then suspected, that its purpose was, if opportunity offered, to seize the Philippine Islands and deprive us of the fruits of our victory. These intrigues should convince everyone that Germany had reached a determination to destroy us as one of the four powers sufficiently strong to interfere with her plans for world-wide supremacy. This purpose was further disclosed by the repeated menaces of the German Emperor to our ambassador, Mr. Gerard, when the Kaiser told Mr. Gerard, "America had better look out after war," and again when he said, "I shall stand no nonsense from America after the war."

Mr. President, it would seem to me that these injuries and wrongs were sufficient to call for the strong resentment of any brave and high-spirited people, and we would have been justified in immediately declaring war against Germany. But we were called to endure still greater affronts and the invasion of still more important rights. On the 7th of May, 1915, the British steamship *Lusitania* was torpedoed and sunk by a German submarine without warning and over 100 American citizens, most of them women and children, lost their lives. This act was committed in direct contravention of previous warnings by our Government that it would not permit such violations of international law. It was as cruel and shameless an act of murder as ever perpetrated. It exceeded piracy in its worst and most revolting form. No buccaneer that roved the sea ever performed a more fiendish act. Worse than the infamy of the act was its approval and defense by the Imperial German Government. The heinousness of this crime was so revolting that it aroused an outraged people and the civilized world, and at last wrung from a reluctant Government a solemn promise that the offense would not be repeated. The assurance was hardly given before it was grossly violated and other ships having on board American citizens torpedoed and sunk by German submarines under conditions equally cruel and murderous. This unprovoked murder of American citizens so inflamed public opinion in this country that the German Government became apprehensive and repeatedly in diplomatic notes assured us that these occurrences were unintentional, would be corrected and never again committed, and that for them full reparation would be made. Our Government was also assured that in the future merchant ships of whatever nation, before being torpedoed, would be searched and the safety of the passengers assured, and in no case would an American ship flying the American flag be interfered with.

Trusting to this solemn pledge and promise, we thought that at last all differences between the United States and Germany which might precipitate war had been settled and the necessity of our entering this terrible war avoided. But we were woefully mistaken, and we soon found ourselves betrayed, as have been all others who relied upon treaties made and assurances given by the Imperial German Government. Immediately following this positive promise many ships were sunk without warning and without the safety of passengers being provided for. A more faithless performance of promises made by one Government to another can not be found than that exhibited by the German Government in dealing with the United States. All these assurances have been regarded as mere scraps of paper, to be instantly disregarded when German interests and desires demanded their violation. No pledge made to us by the German Government has been kept, no promise fulfilled, and no reparation agreed to made. We have continuously been subjected to evasion, delay, duplicity, and deceit.

The German chancellor, in an address made to the Reichstag on January 31 of last year, immediately following the reversal of the submarine policy of the preceding year and the consequent gross violations of repeated pledges and promises made to our Government, in explaining the change stated that there never had been any intention of abandoning the unrestricted use of the submarine; that he had adopted a policy of postponement in order to construct more submarines; and that now, having obtained a sufficient number to be effective, the time had come to resume this method of warfare to the fullest extent. A more shameless confession was never made by a responsible minister. We were coldly and brutally informed that Germany never intended to keep her repeated pledges made us to desist from illegal submarine warfare; that these pledges were made with the deliberate design of deceiving us, of lulling us into fancied security, and preventing our war preparations, while Germany should be given full opportunity to prepare for

the intended conflict. A public admission that German national faith was fraudulently pledged to secure benefits of delay by deception and that this plighted national faith would now be ruthlessly broken, as great advantage could be obtained.

Mr. President, all of these wrongs and violations of our rights, gross and flagrant as they were, paled into insignificance in comparison with the injury and insult sought to be inflicted by the decree issued by the German Imperial Government on January 31 of last year. The German Imperial Government by that decree notified us, in contravention of pledges and promises made us in more than a dozen notes, that it would, after February 1 of that year, mark out a war or barred zone in the Atlantic Ocean more than 1,400 miles long and 1,200 miles broad, all of the Mediterranean Sea, except a small portion fringing the coast of Spain, and that all vessels entering the zone, flying the flag of any nation, bent upon any purpose whatsoever, would be sunk without warning. Under this decree entering this barred zone was a criminal act and doomed the merchant ship to instant destruction. The German Government assumed ownership and control of this large part of the Atlantic Ocean and practically the entire Mediterranean Sea. Through this vast area in the Atlantic and Mediterranean passes more than three-fourths of the world's vast foreign commerce. Imagination is powerless to picture the great inconvenience to navigation, the immense dislocation and destruction of trade and commerce which would have occurred if we should have submitted to Germany's arrogant assumption of control and ownership of these vast sea areas. Three-fourths of the world's trade and commerce would have ceased at the arrogant dictation of Germany. The entire world would have been reduced to distress and bankruptcy in order to enable Germany to accomplish her designs. Under this decree an American vessel, sailing from any of our ports containing only foodstuffs (and not an article of contraband) for the ports of Holland, Denmark, or other neutral countries, with no intention of entering the ports of any belligerent, and daring to cross any part of this barred zone, became under this decree a proscribed outlaw, divested of all rights of international law, all considerations of humanity, and was doomed to instant destruction. This was the most arrogant and far-reaching and destructive attack upon the freedom of the seas ever attempted by any nation. It was an act of tyranny and impudence unsurpassed in the world's history.

If Germany had a right to appropriate for her sole use and control this vast sea area, which under international law has ever been held a common highway for the use of all nations, she had a right to appropriate all the seas of the world and control them as her selfish will might dictate. The issue could not be shirked. This German decree precipitated a conflict for the freedom of the seas. We were forced to decide whether we would wage war to maintain the freedom of the seas as a common heritage to all nations or whether we would cowardly submit to the tyrannical decree of the German Government appropriating unto its own use these vast sea areas. The very civilization of the world dependent upon trade and commerce was thus put in peril. No nation is more vitally concerned in the freedom of the seas than the United States.

Our foreign commerce far exceeds that of any other nation and its continuance and its growth are indispensable to our prosperity and progress as a people. Hamper by restrictions or destroy our vast foreign commerce and bankruptcy and ruin will overshadow alike mine, farm, and factory. The future greatness of this Nation is inseparably interwoven with the freedom of the seas. They are one and inseparable. When we wage war for this we are contending for the most vital of all American rights. If we were to surrender to Germany the freedom of the seas and permit this infringement upon this common heritage our posterity would never forgive us for the ignominy of that cowardly submission. Could a nation submit which in its infancy fought the War of 1812 for infringement of its rights, which are trifling beside this German arrogance? Have we, a Nation of 100,000,000 people, with a domain truly imperial, sunk to a point where our conduct can be prescribed from Berlin? Shall America, which suppressed the piracy of the Barbary Corsairs in behalf of free seas, take orders from the German pirates, who command submarines? With strong arms and brave hearts we must accept the challenge and valiantly defend our most cherished rights. While thus battling for our own most vital interests, we are also contending for the rights of humanity and civilization. Did those who counseled peace and submission to Germany fully realize the great distress to which they invited us? For the fiscal year 1916 our total exports amounted to $5,481,000,000. Out of this $3,382,000,000 was exported to the allied belligerent countries, with which Germany prohibits us from having any commercial intercourse whatsoever. If we had acquiesced in this illegal and tyrannical proclamation and degree about three-fifths of our entire export business would have immediately ceased. It would have meant that at once we would be precipitated from great prosperity to acute financial and industrial distress. The great profits of mine and factory would have immediately disappeared. Present busy and thriving centers of industry would be overcrowded with the unemployed. Of our agricultural exports, two-thirds of our wheat, five-sixths of our hog products, six-elevenths of our cotton, seven-eighths of our beef, and three-fifths of our tobacco last year were exported to these allied belligerent countries. To have acquiesced in Germany's prohibition of the exportation of these agricultural products to these countries would have meant bankruptcy and ruin to all these great and varied agricultural interests. Submission would have brought greater loss, greater distress than has war itself.

If we had acquiesced in this decree there would have immediately been a cessation of practically all of our foreign commerce. Our ports would have been filled to overflowing with the products of our labor and industries. Factories and mines would have been closed. Labor, now receiving high and remunerative wages, would have been unemployed and in the deepest depths of want and distress. The present rich and prosperous grain growers of the West would have had their barns filled with wheat, corn, and oats for which there was no profitable market, and instead of the great wealth now possessed by them they would have been overclouded with bankruptcy and ruin. The vast cotton crop of the South could not have been sold for the cost of production, and that large section would have been completely prostrated by debt and insolvency. The great tobacco crop, which this year brought the highest price ever received, would not have sold for sufficient to pay the fertilizer bills, and those engaged in this great industry would have been financially ruined. Our present prosperous cattle raisers and meat producers would have encountered the same dire disaster which would have overtaken all other enterprises. The products of farm, mine, and factory having no profitable sale could not have been shipped, and the traffic on our railroads would have been greatly reduced, resulting in acute financial distress to the holders of railroad securities and to all those employed in railroad transportation. Capitalist, investor, manufacturer, laborer, farmer, miner, would all have been submerged in universal ruin and bankruptcy. This order creating a barred zone properly should be entitled "A decree of the German Emperor for the industrial and financial prostration of America." Honor, humanity, and our own vital and national interests demanded that we should resist this tyrannical order and uphold to the fullest extent the freedom of the seas as a highway of commerce for us and all nations.

Mr. President, the deliverance of this impudent and infamous order to our Government by the German Government itself constituted sufficient cause for a declaration of war against it on our part. But still anxious to preserve the peace and, if possible, avoid war, the President of the United States, instead of urging at that time a declaration of war, severed diplomatic relations with Germany, gave the German ambassador his passport, and recalled our ambassador from Berlin. Unless we had promptly declared war, there was no other course left for a self-respecting nation to follow.

Still patient and forbearing, we hoped this would be sufficient warning to Germany to induce her to make proper redress for our grievances, give assurances there would be no future infraction of our rights, and at once withdraw this lawless order. To further emphasize our firm determination to maintain our rights upon the high seas and at the same time, if possible, avoid war, the President of the United States delivered an address to Congress requesting that he be empowered to arm our merchant ships with naval guns and man them with naval crews. If granted, this would have been a clear indication to Germany of our intention to insist upon our rights to the extent of war unless she desisted from invading them.

This was the last and only manly course left for us to pursue in order to avoid war. If Congress had promptly given this power to the President, it might have convinced Germany that this Nation was possessed of a firm determination to maintain her rights, and if they were further violated it would mean war. Germany would have been compelled at once to decide whether she would abandon her course or enter armed conflict with us. This wise measure, firm and resolute in its purpose, yet offering the only way for peace, promptly passed the House of Representatives, and would have as promptly passed the Senate by an overwhelming majority except for the filibustering tactics of four or five Senators who, under the rules of the Senate, were able to prevent its passage before the 4th of March, when, under the Constitution, that Congress ex-

pired. The defeat of this measure in the American Congress convinced Germany that we did not have the will and courage to defend our rights and that we would tamely submit to any indignity and outrage she might perpetuate upon us. Germany reasoned that if the American Congress, commissioned by the people to be the defenders of their rights, was too cowardly to arm their own merchant ships to resist the lawless attacks of submarines that no injustice, no injury, she could inflict would compel us to warfare. Convinced by the defeat of the measure for armed neutrality that the United States was too craven to fight, hardly had Congress adjourned before Germany commenced the enforcement of this lawless and impudent decree.

On March 16, immediately following the adjournment of Congress, the American steamer *Vigilancia*, flying the American flag, having a cargo consisting of dried fruit, straw, and other merchandise, and having no contraband on board, sailing from New York for Havre, was torpedoed and sunk by a German submarine without warning, and 15 American citizens were lost. This vessel was flying the flag of the United States and was so marked that there could be no doubt as to her nationality. While the surprise and indignation occasioned by this attack upon an American ship and the American flag was still stirring the American heart, cablegrams contained the further information that on the following day, March 17, 44 miles off the Irish coast, the American steamer *City of Memphis*, flying the American flag, and sailing from Cardiff, in Wales, to her home port, New York, in ballast, not intending to stop in any belligerent country, was torpedoed and sunk by a German submarine. A few hours later on the same day cablegrams brought the information to an indignant America that the tank steamer *Illinois*, flying the American flag, and sailing from London to Port Arthur, Tex., was shelled by a German submarine and sunk.

The indignation occasioned by these outrages and insults to American rights had not subsided when we were informed on March 21 that 25 miles north of the Netherlands' coast the American ship *Healdton*, sailing from Philadelphia for Rotterdam, a neutral port of Holland, flying the American flag, was without warning twice torpedoed by a German submarine and sunk, and 21 of her crew, many of them American citizens, were lost. None of these American ships offered any resistance to the submarine or attempted to escape. None of them was armed. In destroying these vessels in no case did the submarine make any provisions for the safety of the crew or any efforts to aid them. None of these vessels was conveying munitions of war or contraband to the enemies of Germany. They were engaged in peaceful and lawful commerce. The only offense committed by these four American vessels was that in the prosecution of their legitimate business they sailed upon open seas, the free and common heritage of all nations, but which the German Imperial Government, by its decree of January 31 last, had forbidden them to use, and for this, and this alone, they encountered ruthless destruction at the hands of German submarines. All of these vessels were of American registry, flying the American flag, and entitled to all the protection that the Stars and Stripes could give.

And besides, before these vessels ventured upon these seas the Government of the United States had given them positive assurance, publicly and in diplomatic correspondence with Germany, they would be fully protected in all their rights. Our citizens owning vessels and navigating them had a right to rely upon these official promises and assurances. We were called upon to determine whether we would keep faith with them or cowardly fail them when the real test came. We were called upon to determine whether we should use the vast power possessed by this great Government to protect them as we had officially and solemnly pledged, or cravenly leave their wrongs unredressed and unavenged. We were called upon to determine if we should permit our flag, the emblem of our honor, our power, and our aspirations, to be lawlessly and deliberately assaulted upon the high seas and refuse to strike with all the force possessed by us, the arrogant assailant. If we can not defend Old Glory, the most cherished object of our pride and affection, we have indeed sunk to low depths of shame and humiliation, and we are no longer "worthy sons of worthy sires." The heritage of courage, fortitude, and honor bequeathed us will be foully forfeited. The American flag will no longer be, as it was made by our brave forefathers, the shield and protection of American citizens in every part of the world. The stars of our statehood and union will no longer gleam from unsullied skies. Their radiance will be dimmed by clouds of doubt, timidity, and fear. The stripes of our flag, emblematic of the thirteen original Colonies, who flung these streams of light to illumine the world, will be forever darkened.

Mr. President, an incident in the life of St. Paul has impressed me more than everything else I have ever read as an illustration of the power of the Roman Empire. St. Paul was seized and about to be scourged to death by an officer. Quietly and calmly he remarked, "Is it lawful for you to scourge a man that is a Roman citizen and uncondemned?" The knowledge that he was a Roman citizen caused the scourge to drop from the then nerveless hand of the affrighted officer. Jewish malice and hatred, which sought his death, was instantly restrained, and this great apostle was saved by the potency of the protection that Rome gave her citizens. They dared not lay their lawless hands upon St. Paul, for if they had, immediately the Roman legions bearing the Roman eagles would have come to swiftly avenge his wrongs and teach them the majesty and power of Rome.

Sirs, if St. Paul in the hour of peril and persecution could claim the protection of the Roman eagle, will we deny our sailors and citizens in the prosecution of their lawful enterprises on the high seas the protection of their flag? Is the American flag less potent than the Roman eagle? It can not be, unless our hearts are less manly, less courageous than those that pulsated in the Roman breast. I desire to see the day come when an American citizen, in whatever clime or country, whether on land or sea, can, like the Roman citizen of old, obtain full protection in all his rights by the simple utterance, "I am an American citizen." Then, indeed, will our flag attain a richer and deeper majesty, a brighter and greater glory.

Mr. President, the destruction without provocation of these American vessels, flying the United States flag, was a flagrant act of war against us by Germany. It was warfare in its most relentless and despicable form. What more could Germany do to wage war against us than with her submarines to lawlessly attack our ships, destroy our commerce, and wantonly assault our flag? She had already officially invited Japan and Mexico to join her in warfare against us. She had subjected us to every conceivable insult, had murdered more than 300 of our citizens, had inflicted on us every possible injury except the invasion of our territory. The great fleet of Britain rendered Germany powerless to reach our shores and subject us to her frightful devastation and cruel barbarities. These atrocious attacks of Germany upon our flag and our sovereignty no longer left it in our power to decide whether we should have peace or war. The die was already cast. Germany was already persistently waging determined, cruel warfare against us. The question for our decision was one of cowardly submission or courageous resistance. We had vainly endeavored to remain neutral and be friendly, but through long-suffering and humiliation we had been taught that Germany desired no friends—she would have only slaves or enemies. Forced by her to decide between servitude and warfare, the President and Congress did not hesitate for a moment, but promptly and bravely accepted the warfare flagrantly thrust upon us by Germany, declared the existing state of war, and dedicated to its successful prosecution the lives and fortunes of this mighty Republic. This action was in consonance with the heroic will of the American people. They scorned base, cowardly submission. They were willing to make all necessary sacrifices to vindicate their national honor, to protect their vital national interest, to redress their many wrongs and grievances. They were willing to unite with other free peoples to crush a brutal military despotism, which was threatening to destroy the liberty and free institutions of the world. They were willing to bear their full share of war burdens to save civilization from the most vicious attack ever made upon its existence. Forced into this war by Germany, America proposes to continue its prosecution until Germany has been taught to observe scrupulously all treaty obligations, to adhere to all the rules and principles of international law, and to cease to be a menace to American and other free democracies.

Mr. President, when the sun set on the 31st day of July, 1914, it set to rise never again upon the same world. It set with a world at peace; it rose to witness the beginning of a terrific war, which has practically engulfed the world and which, for weal or woe, will forever change its destiny. This fierce and widely extended conflict will greatly change the map of the world. Past traditions, existing national boundaries, reigning dynasties, present governmental structures, all subjected to the severe shock of this conflict, will be greatly altered, many shattered, and some forever obliterated.

When the great storm of battle shall break away and disappear there will emerge an entirely new world—either a brighter one, blessed with increased liberty, justice, and hopes of permanent peace, or a darker one, dominated by military autocracy and despotism, ruled by brutal force, and ominous of further fierce wars. We have ungrudgingly aligned ourselves in this conflict with the nations contending for the better, grander, nobler world. An American poet has well expressed the conditions which confronted Congress in April of last year:

Once to every man and nation comes the moment to decide,
In the strife of truth with falsehood, for the good or evil side;
Some great cause, God's new Messiah offering each the bloom or blight,
Parts the goats upon the left hand, and the sheep upon the right;
And the choice goes by forever 'twixt that darkness and that light.

Mr. President, we rejoice beyond measure that when this fateful moment came America firmly and courageously decided to venture all she possessed in the cause of honor, truth, justice, liberty, and righteousness.

HOUSING OF SHIPYARD EMPLOYEES.

Mr. RANSDELL. I move that the Senate take up for consideration the conference report on Senate bill 3389, the ship housing bill.

The PRESIDENT pro tempore. The Senator from Louisiana moves that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes.

Mr. KENYON. Mr. President, I suggest the absence of a quorum.

Mr. RANSDELL. I hope the Senator will not insist upon the presence of a quorum, because we are very anxious to get this matter completed.

Mr. KENYON. I have understood that some Senators who are not here desire to be present. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Iowa suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hardwick	McNary	Sheppard
Bankhead	Henderson	Martin	Simmons
Beckham	Hollis	Nelson	Smith, Ga.
Borah	Johnson, S. Dak.	New	Smith, Md.
Calder	Jones, N. Mex.	Norris	Sterling
Colt	Jones, Wash.	Nugent	Sutherland
Culberson	Kellogg	Overman	Swanson
Curtis	Kenyon	Penrose	Thomas
Frelinghuysen	Knox	Phelan	Tillman
Gallinger	Lewis	Pittman	Townsend
Gerry	Lodge	Poindexter	Trammell
Gore	McCumber	Ransdell	Underwood
Gronna	McKellar	Saulsbury	Vardaman
Harding	McLean	Shafroth	Wadsworth

Mr. LEWIS. I announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN], the Senator from Kentucky [Mr. JAMES], and the Senator from Arizona [Mr. SMITH], occasioned by personal illness.

Mr. McKELLAR. I wish to announce the absence of my colleague, the senior Senator from Tennessee [Mr. SHIELDS], on public business.

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER] on public business.

The PRESIDENT pro tempore. Fifty-six Senators have answered to their names. There is a quorum present. The Senator from Louisiana [Mr. RANSDELL] moves that the Senate proceed to the consideration of the conference report on the so-called ship-housing bill.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire improved or unimproved land, houses, buildings, and for other purposes.

Mr. RANSDELL. I move the adoption of the conference report.

The PRESIDENT pro tempore. The conference report has been read. The Senator from Louisiana moves its adoption.

Mr. THOMAS. Mr. President, when this report was last presented I objected to its consideration because of the phraseology of two of its clauses. For some reason the impression arose that I designed to object to its adoption to submit an extended discussion of it. Such is not my intention. I am quite aware that the report, having been agreed upon after very considerable deliberation, will in all probability be adopted, yet I think the disposition that may be made of this vast sum of money under the provisions of the conference report should have prompted them to hedge the interests of the Government by more careful restrictions, and particularly in view of some of the reported experiences due to the advance of money by this same board in other directions.

No doubt the Shipping Board, in the exercise of their authority and for the purpose of securing rapid construction of ships, have had to take many chances in advancing of money upon contracts. Perhaps they should not have done so. I do not question their motives, but I think if the board as a trustee of some private interest, or acting on their own account, had been confronted with the duty of making such advances, they would have exacted greater security and insisted upon better safeguards for the lender. The same thing may be said of some of the other departments, and I therefore hoped that when this bill was finally reported these experiences of the recent past would have been considered and more appropriate and better legislation proposed.

This bill, Mr. President, is designed to meet a very urgent necessity, and of course it should become a law as soon as possible. Those engaged in the construction of ships must be sheltered, and in the absence of any other agency for constructing shelter the Government must in this crisis assume that responsibility. But this conference report authorizes the Shipping Board—

to purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise, any improved or unimproved lands or any interest therein suitable for the construction thereon of houses for the use of employees and the families of employees of shipyards in which ships are being constructed for the United States.

Mr. President, I do not think it is a wise policy to expend any of the public money in erecting structures upon leased lands. The probable total loss consequent upon that method of construction I think is apparent. After the war shall have ended and the activities of these shipyards shall have subsided or very largely decreased, the owners of the land will very naturally acquire the structures which the Government has placed upon them under its leases, and it makes no difference what the terms and conditions of the contract of lease may be; it is inevitable. But if the Government owned the realty, if it were its own land upon which the structures rested, the loss, while considerable, would not be complete. The making of leases for short time in these days of hurried construction, will necessarily redound very much more to the benefit of the owners of the land than to the Shipping Board or the Government which it represents.

This bill very properly gives the right of condemnation, and that power should be exercised in conjunction with the power to purchase the sites for these structures. When the Government provides for condemnation the proceedings, unless the act specifically provides the method, are those provided by the statutes of the States where the premises are situated upon which the right is to be exercised, and all these statutes in the States that I can now recall make provision, in the event the condemnor and the condemnee can not agree upon an adequate price, that the condemnor upon the deposit of a certain sum to be fixed by the court may take possession and go ahead with the accomplishment of the purpose for which the condemnation is to be exercised without waiting until a jury or a commission shall have determined the final amount of compensation and make the proper award.

The PRESIDING OFFICER (Mr. JONES of New Mexico in the chair). The Senator from Colorado will suspend while the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. SIMMONS. I ask that the unfinished business be temporarily laid aside.

The PRESIDING OFFICER. The Chair hears no objection, and it will be so ordered.

Mr. THOMAS. So, the Government is amply armed with power for immediate construction if its authority be confined to purchase and condemnation, and does away with the dangerous leasing system under which there is apt to be considerable abuse and a total loss of the money expended upon it, without regard to the good faith of the board in its exercise.

My second objection, Mr. President, goes to subdivision (d) of the report, under which the Emergency Board is empowered "to make loans to persons, firms, or corporations in such manner, upon such terms and security, and for such time not exceeding 10 years, as it may determine to provide houses and facilities for the employees and the families of employees of such shipyards."

That, Mr. President, is the substance and perhaps the exact phraseology of similar provisions in other laws we have enacted, and appropriating money for various constructive governmental purposes. I am not prepared, nor would it be just if I were, to pronounce any opinion upon what is called the

Hog Island exposé. I do not yet know enough about it to speak intelligently. But I think it may be fairly said that the sensational disclosures which are reported to have been made concerning it have been the outgrowth of a system of advances under such terms and upon such securities as the board in its discretion may exact.

In making advances to contractors our laws should safeguard the Government as completely as possible, and specify the minimum value of security upon which the advances are to be made. The Government does not in the ordinary transactions in times of peace take any chances upon the advancement of money. Many instances have occurred since this war began in which contracts have been given by the proper Government officials to this, that, and the other individual or corporation, followed by tremendous advances of money to the contractee upon the security of the contract only. Such, at least, is my information.

Now, any man of ordinary business experience must disapprove of that method of public financing. The Government furnishes the security by making the contract, and then accepts that security in many instances as the only visible evidence of anything which it has to safeguard its advance. I have heard of instances in which men have secured contracts for the manufacture of much-needed war supplies who have had no facilities whatever for their manufacture at the time of its execution, and in many of these instances the Government doubtless had, or should have had, knowledge of that fact; yet it has advanced tremendous sums of money under those circumstances. If there were no other methods of securing what the Government needs such a practice would be justified, but there are too many manufacturers in the country, Mr. President, and too many of them desirous of serving the Government to justify the suggestion.

I predict that when this conference report is adopted in many instances it will be followed by the making of contracts to men who have no facilities whatever for the performance of the work required, and to whom large sums of money will be advanced to enable them to so equip themselves. The very fact that such a practice is possible is the greatest inducement that can be offered to adventurers to make their bids, to get their contracts, secure what advances they can, and then sell their contracts to some substantial party.

We know, not officially, but many of us actually know, that contracts for enormous amounts of material and calling for enormous payments by the Government have been made to men without any facilities whatsoever for production, who, after obtaining their advances, have assigned their contracts to competent parties at a very liberal profit to themselves.

This subsection, therefore, Mr. President, should have provided in effect that this board should be empowered to make loans to persons, firms, or corporations upon such terms and securities exclusive of the contract itself, and in value equal to three-fourths at least of the amount of money advanced as a condition precedent to the arrangement. But nothing of the kind here appears, and my prediction is that in carrying this act into effect the Senate Committee on Commerce, or some other committee, will in the course of a few months be investigating other cases of extravagant expenditures and of advances made to men destitute of equipment, and some with only inadequate facilities for performing their duties under the agreement. This proposed law as it stands is merely an inducement to the average man who has nothing to lose and everything to gain to secure contracts, make something out of them, and pass them on. Indeed, it is the one inducement not only for making the contract but a powerful force for its subsequent assignment to an efficient concern.

Mr. President, I do not think we should legislate for the Nation in any manner different from that in which we transact our own business with regard to the same subject. I do not believe that any board however honest, however capable, should be given control over an appropriation of millions upon millions of dollars and then endowed with a loose authority to spend it practically as they see fit. It inevitably leads to waste, to loss, to confusion, and in nine cases out of ten to scandal and corruption.

These are my objections, Mr. President, to the conference report, and I hope, although the hope is doubtless a vain one, that the conference report will be rejected and the Senate conferees requested to confer further with the conferees of the House. We may thus obtain a bill so framed as to safeguard the interests of the Government.

Mr. McCUMBER. Mr. President, I should like to ask the Senator a question.

Mr. THOMAS. I was about to yield the floor.

Mr. McCUMBER. Are not the fatal deficiencies of which the Senator speaks in the bill as it passed the House and the Senate, and not necessarily due to any action or failure of action on the part of the conferees.

Mr. THOMAS. The laws which we have passed heretofore have, as to this subject, been framed substantially as this conference report has been framed, and it may be that the bill contained this phraseology before it reached that committee. But, Mr. President, since the passage of the previous laws and the present time there have been many exposés, or partial exposés, involving instances of loose advances of money without adequate security to men who have been fortunate to make contracts with the Government that we should profit by that experience, in whose school only can a certain class of men learn. Whether the bill as framed contains these recitals or not, the duty is before us to take to heart the lesson which these investigations have brought to us and see to it, as far as we can, that in future legislation the possibility of their occurrence will be reduced to a minimum.

Mr. CALDER. Mr. President, I share with the Senator from Colorado some misgivings as to the working out of this house-building program. I have watched, as other Senators have, the development of our system of awarding contracts for ships, munitions, and supplies of different character. I have observed that vast sums of money have been wasted through what we are pleased to call our cost plus system of contracts, whether they were based on a percentage of profit on the cost or on the cost plus lump-sum profit.

Under the provisions of many of these contracts the Government supplies the money necessary to carry on the work, guarantees the delivery of materials, assists in obtaining an adequate supply of labor, and now is about to undertake to provide housing facilities for the employees, takes over the negotiations with labor as to wages and conditions of employment, and in general performs nearly all of those functions which in an ordinary contract serve to earn for the contractor a profit. He is left with the responsibility for furnishing the technical knowledge and directing organization necessary for the carrying on the work, and for that he is guaranteed a profit which in many cases would be highly satisfactory even if all the risks and responsibilities of an ordinary contract were involved.

There is another very bad feature of this form of contract as it works out in actual practice. The contractor is relieved of all anxiety as to possible financial losses through faulty organization, bad management, inefficient superintendence, the employment of unskilled labor, and all the thousand and one things which once established make it impossible to turn out good work in fair quantity. This condition inevitably works for the employment of men in important posts with small reference to their qualifications, in the prodigal use of labor and materials rather than in skillful planning for their most advantageous use, and in a general carelessness about paying unfair prices for materials, equipment, and labor. The details of all this are known only to those whose daily work brings them into contact with such problems, but the extent to which a big organization can, and almost invariably does, go to pieces when the spur of financial responsibility for results is removed is almost beyond the layman's belief. As an old-time contractor for road work once said, "I don't know how it is, but when we have a percentage contract the very mules seem to know it, and work accordingly."

But I think, Mr. President, we have covered the situation in this report about as well as could be done under the circumstances.

I say again, and I speak, too, as one who has had some experience in housebuilding, if I had charge of this program, I would bend every effort to construct all of these houses on a competitive contract basis. I am of the opinion that in nearly every community men could be found who would bid in competition for the furnishing of both the labor and the material for the construction of the buildings needed for the housing of our workmen.

The Shipping Board seems to feel that it is hardly possible to obtain bids under the present circumstances. So this report has been drawn permitting the awarding of contracts by competitive bidding and also allowing them to be done as indicated in the last paragraph of the report.

The Senator from Colorado [Mr. THOMAS] has referred to the question of leasing property for the building of structures. From my talk with members on the Shipping Board I am under the impression that that is only to be done where the necessities of the occasion demand and where temporary structures of a moderate cost are to be erected, not where buildings of a real permanent character are to be built.

An organization is being created in this home-construction bureau who, I believe, understand their business. It is true the gentleman in charge has had little experience, but he has surrounded himself with some very practical men.

The Senator from Colorado refers to the first paragraph on the second page of the report. As I understand the language of that paragraph it is proposed that the Shipping Board shall loan to shipbuilders the money to build these homes. Unless the Shipping Board have changed the rule recently established they will not loan money to anyone other than the shipbuilder and for homes in the immediate vicinity of his yard.

Mr. THOMAS. If the Senator will permit me, the terms of subsection (d) are so broad as to include any person, any firm, or any corporation in such a manner, upon such terms, and so forth. I hope the Senator's inference is right. I hope that the power will only be exercised in behalf of an actual shipbuilder. I would like to see it so limited, but as it is the advance can be made to anyone fortunate enough to obtain a contract of any sort with the Shipping Board.

Mr. CALDER. There is no doubt the language is broad enough to be utilized in the manner indicated by the Senator from Colorado, but it is the purpose of the Shipping Board, as explained to me, to loan money only to the men who own and operate the shipyards. It is their expectation that in nearly every case they can work out a plan by which the Government will be enabled to advance the money to provide for the construction of the buildings, and that the Government itself will then sell the buildings, taking back from the purchaser a mortgage for the amount of the Government investment, these mortgages to be paid off in installments running over a period of 10 years.

It will be impossible to put into effect a scheme of that character in all places, but it is the intention of the Shipping Board to follow this general plan wherever possible.

Mr. President, I believe under all the circumstances that this conference report covers the situation completely, and I am hopeful that ultimately we can evolve a scheme of home building that will bring back to the Government practically all its investment in the project. If the money is used discreetly, if the contracts are made with care, and by those who understand the building of houses, the Government will simply be loaning its credit. If we are going to obtain the right sort of labor for our shipbuilding work we must see to it that our men are properly housed; and there is no other way to do it than by passing a measure of this character.

Mr. RANSDELL. Mr. President, I think the Senator from Colorado [Mr. THOMAS] falls into an error in trying to apply, in time of war and very great stress, the principles which ordinarily should govern men in their business methods in normal times. We are building ships now under very great stress. The universal cry for the safe conduct and prosecution of the war is ships, and more ships, and then more ships. We are doing everything possible as a Nation to expedite the building of these ships. In pursuing that task we find that in a number of the shipyards there are insufficient houses for the employees.

It goes without saying that in a Nation like ours, which has not been for the past 50 years a maritime Nation, there were not many shipyards when the war broke out 3½ years ago. In order to construct a shipyard you must have a good big piece of vacant ground, in order to build the large houses of various kinds that are needed, the great ways on which the ships themselves are constructed, and that vacant ground must lie on a watercourse where the water is deep. It must be in the locality of some city where there are a great many people living, where there is plenty of electricity and motive power of different kinds. A great many things like that must exist in order to make an effective shipyard.

Now, the Shipping Board followed or tried to follow those conditions, and did do it as nearly as possible. The shipyards are located throughout the country in the vicinity of considerable centers of population. But the laborers must get to the yards, and get there quickly, if they are going to do effective work. Even if a yard be 3 miles from the outskirts of a city, as the Hog Island yard, to which the Senator referred, on the banks of the Delaware River, 3 miles from the city of Philadelphia, it is difficult to prepare transportation facilities speedily for 30,000 people, and that yard contemplates using fully 30,000 men. I was there yesterday as one of the Senate committee, and we were told there were between 15,000 and 20,000 people then at work on the yard, and it is now in an incomplete condition. When finished it will employ fully 30,000 people. To convey 30,000 people even 3 miles from the edge of the city of Philadelphia or from the center of population of the city, a distance of 7 to 8 miles, requires a great many car lines, and those car lines do not exist. It is deemed essential, in order to make a success of that particular shipyard, that a very large number of workmen live on the ground or very near the ground, within walking distance, so they will not have to waste from half an hour to an hour to get to their work in the morning and return from their work at night. They can do much more effective service if they are on the ground or near it.

There are some shipyards, in fact a good many of them, which are not as close as we would like to centers of population, where in order to get the laborers it is absolutely necessary to build houses for them. Whatever may be the theory of the Shipping Board, it is up against the practical proposition that if it can not get the houses it can not build the ships, and if we can not build the ships we can not win the war. So we must give the Shipping Board these houses if we expect to win the war.

The Senator says that subsection (d), of which he seems to complain particularly, ought to be amended. It authorizes the Shipping Board "to make loans to persons, firms, or corporations in such manner upon such terms and security," and he would add "exclusive of the contract itself, at least to the extent of three-fourths of the security."

I can say to the Senator that the committee first contemplated requiring absolute security, but we were confronted with the proposition that if an individual were going to build houses now with the expectation of selling them after the war at the present cost price he would be up against a very hard proposition. Everything is high now. Labor is costing twice as much as it did before the war. Material of every kind is costing twice as much. The Government will be very lucky, I should say, to receive finally 50 per cent of the cost of these houses.

This is emergency work, Senators. It is not a normal business proposition. It can not be conducted in an ordinary business manner. We must do the best we can with a difficult situation, and in dealing with it the bill proposes to place in the hands of the Shipping Board $50,000,000 and to allow it to expend whatever part of the $50,000,000 may be necessary, or the whole if necessary, in constructing houses for laborers in the various plants of the country, and in doing that to take such security as it may be able to get for those houses, and to handle this business in the very best possible manner.

In order that the Senate may see what the Shipping Board contemplates, I should like to read a letter from Mr. Piez addressed to the Senator from Florida [Mr. FLETCHER], the chairman of the Commerce Committee, which was written at the instance of the Senator from Florida and myself on the 22d of this month. It reads:

DEAR SENATOR: It is imperative in order to speed up our present shipbuilding program that existing yards be manned to their capacity, not only for a single shift but for two or even three shifts per day.

Senators, if we are going to win this war we certainly have got to get to three shifts per day, for we are not building ships now anything like as fast as the submarines are destroying them—

Unfortunately many of our yards are located in communities the housing facilities of which are already completely absorbed by men engaged in war work. Private enterprise has in these communities signally failed to provide the additional housing required; in fact, the normal increases in housing facilities had practically ceased through the extraordinary increases in costs of raw materials before the Emergency Fleet Corporation came into being.

Let me remind Senators that at the Hog Island shipbuilding plant 30,000 workers normally mean an addition to the city of Philadelphia and vicinity of at least 120,000 souls. Certainly for every worker there are at least four persons. That would be 120,000 people. All the houses of Philadelphia and vicinity now are occupied. No real estate man is going to build houses at the present time expecting to make money on them. He can not afford to pay the carpenters and other workmen and the high prices of all materials at the present time and expect to make money on them. So the Shipping Board, in order to operate and to carry on the work at this great Hog Island plant, must in some way provide for housing 120,000 human beings. Men are not going to go there and work very well unless their families are with them. This communication continues:

We have done everything possible to force a greater absorption of new workers, both by enlisting the interest of the community in the task and by encouraging and directing the improvement of existing transportation facilities—

We were told yesterday that at Hog Island the board had contracted to furnish 100 cars to a street railway. The street railway is going to build an extra line, and the Shipping Board will furnish 100 additional cars in order that the operatives may get to their work quickly—

but what has been accomplished from these efforts is insignificant compared with our total needs. Government aid must be rendered in one of two ways—

I ask the attention of the Senate carefully to this. This letter is from Mr. Piez—

First, the Government can own and operate as a landlord.
Second, the Government can join private interests, letting these interests furnish as much of the funds as present financial conditions render possible, the Government furnishing the remainder under such

safeguards, terms, and conditions as it may determine. Housing of a temporary character, but suitable for the purpose, will be provided for single men wherever possible.

We saw yesterday at Hog Island a number of single men asleep in barracks, which had already been provided for them—cheap, temporary structures. The men we saw asleep were those who had worked at night; they were not working on day shifts. They slept when we were there in comfortable barracks, which, however, were very temporary and not suitable for families. So Mr. Piez says:

Housing of a temporary character, but suitable for the purpose, will be provided for single men wherever possible, but housing of a more permanent type must be provided for the large number of skilled mechanics who can not be drawn into the yards if they are required to separate themselves from their families. The Fleet Corporation is convinced that Government aid must be rendered if the yards are to be adequately and quickly manned, and has decided wherever possible to work along the lines indicated in the second alternative—

The second alternative being as indicated above, that the Government will cooperate with private interests, getting the private interests to help wherever possible, and that the Government will receive the very best security obtainable for these funds—

We have been ready to proceed for more than six weeks to meet this absolutely essential need, but are powerless to proceed without enabling legislation.

We are convinced that it is to the Government's interest in most cases to lend the money rather than to undertake the construction on its own account, and we should consider it a misfortune if the provisions of section D, S. 3389, were modified or eliminated. For your information I am attaching a memorandum indicating the lines on which we expect to proceed in the case of loans made by the Government. It is understood, of course, that this memorandum may be subject to modifications if individual cases require them.

Very truly, yours,

CHARLES PIEZ,
Vice President and General Manager.

Now, in order that the Senate may know exactly what the Shipping Board contemplates and the practical working of the plan under which this money will be expended, I will read this memorandum, which is very interesting:

The following method of making advances to corporations to secure the construction of homes for shipyards employees, in accordance with the provisions of bill S. 3389, as amended by conference, has been approved.

1. Unless unavoidable, it will not be the policy of the Emergency Fleet Corporation to requisition land, nor to take title thereto in its name, nor to appear as owner or lessee of any development or subdivision thereof.

2. The plan employed shall be uniform in its application to all shipyards and all localities.

3. The shipbuilding company, hereafter called the "parent company"—

Of course, Senators understand that is the company that is building the ships at the given yard—

shall contribute the land or the value of the land, if the same be requisitioned by the Emergency Fleet Corporation, and the same shall be free and clear of all liens and incumbrances. If for any sufficient reason an existing lien can not be disposed of at the time of acquisition of title the parent company shall guarantee removal of same without resort to the land.

4. The parent company shall organize a realty and construction company, hereafter called the subsidiary company, whose charter shall meet with the requirements of the State where the development is contemplated, and shall be further approved by the Emergency Fleet Corporation, and whose capital stock shall not exceed the actual cash paid for the land to be improved, or if the land be already owned, then the actual cash value thereof at the commencement of the operation and such value shall be approved by the Emergency Fleet Corporation. The parent company shall convey such lands to the subsidiary company with full warranty of title.

An agreement shall be entered into between the parent company and the subsidiary company for the contemplated development by the subsidiary and the advance of the entire cost of the improvement and overhead charges during construction by the parent company. This contract shall contain all requirements of the Emergency Fleet Corporation and be generally approved by it as to form. While essentially uniform all such contracts must be adapted to the particular requirements of the law of the State where the development is undertaken.

I ask especially the attention of the Senator from Colorado [Mr. THOMAS] to this clause:

The subsidiary—

That is, the company that is actually going to build the houses on land that it owns—

6. The subsidiary shall give its note or bond for all advance and the same shall provide for repayment by or before 10 years. Such evidence of indebtedness shall be secured by a building and permanent blanket mortgage covering the entire development and all improvements thereon, which shall be made for the maximum amount which the Emergency Fleet Corporation shall estimate it will be required to advance for the completion of the development, the mortgage to be made by the subsidiary to the parent company.

7. Bond and mortgage provided in preceding paragraph shall be assigned by the parent company to the Emergency Fleet Corporation, together with the entire capital stock of the subsidiary company as additional collateral security.

8. The Emergency Fleet Corporation shall agree to make all advances, but shall reserve to itself the right to determine whether the subsidiary shall undertake to do all or any of the work of development or construction, let the contracts therefor in whole or in part, or whether the Emergency Fleet Corporation shall itself undertake the acquisition of the necessary material and labor, let all contracts therefor, or employ a combination of these methods. In other words, the Emergency Fleet Corporation shall have absolute control as to the general layout, type of improvements, and method of construction to be employed.

9. The parent company shall guarantee the performance of all covenants and conditions on the part of the subsidiary to be performed, as contained in said building-loan agreement and accompanying bond and mortgage, except that it shall not thereby be construed as obligating itself upon the bond nor rendering itself liable for any deficiency subsequently arising by reason of the fact that the values created by the aforesaid land and improvements are not sufficient to secure the full repayment of the amounts of money advanced by the Emergency Fleet Corporation. Its guaranty, however, shall be so worded as to require it to see that the subsidiary faithfully applies all moneys received by it in accordance with the contract, and also require it to indemnify the Emergency Fleet Corporation by reason of any lien filed subsequent to the making of the mortgage, but which might have priority over all subsequent advances, except where the Fleet Corporation shall itself undertake the work or let the contract.

10. The land and mortgage shall bear interest at 5 per cent per annum, payable semiannually, and shall contain a provision for an annual amortization installment of 3 per cent, which shall be constant in application and to which there shall be no offset by reason of releases, except that such installment will only be payable if the subsidiary company has in its treasury money sufficient to pay the same after payment of ordinary running expenses, taxes, assessments, interest on mortgage, and any overdue prior installment. If and when the mortgage has been reduced to 75 per cent of the value of the property still securing the same, an equal amount of land shall be released upon payment of all such subsequent installments. It shall also contain proper provision for the release of lots with improvements upon a contemplated sale and the acceptance by the Emergency Fleet Corporation of a new mortgage containing provisions at least as favorable to the Emergency Fleet Corporation as the original mortgage and for the ultimate repayment at a date not more distant than the said blanket mortgage. The value placed upon the release and to be credited upon the blanket mortgage shall be the amount of the purchase money mortgage to be accepted in lieu thereof or the cash received to the value of the mortgage thereon.

11. The Emergency Fleet Corporation shall have the right to fix the price and terms of all lots to be sold and all rentals where leased. It may require the imposition of restrictions on all or part of the property and shall control the utilization of every portion of the property for business purposes in such manner as it may determine, with the object of preventing the exploitation of laborers housed upon such development.

12. With the consent of the Emergency Fleet Corporation the subsidiary may require releases from the mortgage of any land intended for use as streets, park sites, schools, churches, or other public improvement; but in such event there shall be a dedication to the public or other use which does not permit of profit.

13. There shall be an examination of title and certification thereof to the Emergency Fleet Corporation satisfactory to it.

14. The subsidiary shall be permitted to pay dividends not exceeding 5 per cent per annum, provided such amount shall be earned and after payment of all taxes, assessments, interest, amortization installments, or other obligations required of the subsidiary until the aforesaid mortgage shall be fully paid and discharged, whereupon the subsidiary shall be permitted to pay 6 per cent per annum and to set aside an additional 2 per cent per annum for the cancellation of an equal amount of its outstanding stock, until such outstanding stock shall be reduced to, say, 10 per cent of its original issue. All moneys earned by the subsidiary in excess of the aforesaid payments shall be employed by it for the general improvement of the property and for the benefit of the occupants of the homes thereon in perpetuity.

15. At the time of the assignment of the mortgage to the Emergency Fleet Corporation the subsidiary shall execute and deliver what is commonly known as an estoppel certificate to the effect that there are no counterclaims to said mortgage.

16. The mortgages accepted from purchasers in exchange for releases shall be made to the subsidiary company and assigned by it to the Fleet Corporation. In the event a foreclosure thereof shall become necessary the Fleet Corporation may, at its option, reassign any such mortgage so to be foreclosed, to the subsidiary company, which shall conduct such foreclosure in its own name but as agent for the Fleet Corporation.

A. ROGERS FLANNERY, *Director.*

Mr. President, in conclusion let me say that your Committee on Commerce examined this measure with the greatest care; they studied it closely; they did not act hastily upon it, and were unanimous in their final action. After having passed the Senate the bill was passed by the House; then conferees were appointed; and the conferees of the Senate and of the House, after a full, fair, and painstaking discussion, came to a unanimous agreement. They believe that the bill as presented by them is in the very best possible form. It certainly is necessary, if we are going to build ships, and I earnestly hope the Senate will ratify the report of the conferees.

Mr. JONES of Washington. Mr. President, I desire to ask the Senator before he takes his seat if it is a fact that the provision to which the Senator from Colorado [Mr. THOMAS] especially objects was not in the bill as it passed the Senate?

Mr. RANSDELL. It was not in the bill as it passed the Senate; it was put in by the House, and the Senate conferees have agreed to it.

Mr. SMOOT. Mr. President, the Senator ought to qualify that statement, because it has been considerably changed from the form in which it passed the House.

Mr. RANSDELL. I have the bill——

Mr. SMOOT. I will refer to it.

Mr. RANSDELL. Will the Senator permit me?

Mr. SMOOT. I have the floor.

Mr. RANSDELL. I ask the Senator if he will not permit me, as he has called in question my statement, to read the provision as it passed the House?

Mr. SMOOT. If the Senator will wait a moment, the Senator from Utah will read it himself.

Mr. RANSDELL. Very well; if the Senator from Utah is going to read it.

Mr. SMOOT. I was going to say——

The PRESIDING OFFICER. The Chair has not yet recognized anyone except the Senator from Louisiana.

Mr. SMOOT. I understood the Senator from Louisiana had taken his seat.

Mr. RANSDELL. Then, if I am recognized, I should like to answer the suggestion of the Senator from Utah. The provision passsed the House in this form:

(d) To make loans upon adequate security to persons, firms, or corporations, but for no longer term than 10 years, in such manner and upon such terms as it may determine from time to time to provide houses for the employees of such shipyards.

When the measure got into conference, that was amended.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. RANSDELL. I yield.

Mr. JONES of Washington. I think the Senator is mistaken in that. The Senator has read the provision, as I understand, as the conferees have changed it.

Mr. RANSDELL. No; I beg the Senator's pardon.

Mr. JONES of Washington. Here is the way it was, at least when reported to the House——

Mr. RANSDELL. I am speaking of it, I will say to the Senator from Washington, as it passed the House.

Mr. JONES of Washington. I have tried to get a copy of the bill as it passed the House.

Mr. RANSDELL. I will send to the Senator a copy of the bill as it passed the House and as it was sent to conference.

Mr. JONES of Washington. I will read it, then, as it was reported to the House.

Mr. RANSDELL. It was changed on the floor of the House.

Mr. JONES of Washington. As originally reported to the House it read:

To make loans to persons, firms, or corporations in such manner and upon such terms as it may determine from time to time to provide houses for the employees of such shipyards.

Mr. RANSDELL. It was changed on the floor of the House. I will send the Senator a copy of the bill as it passed the House.

Mr. JONES of Washington. I see the Senator is correct. The bill apparently was not printed as it passed the House.

Mr. RANSDELL. The conferees made some change in that. This is the form in which it was agreed to by the conferees:

(d) To make loans to persons, firms, or corporations in such manner upon such terms and security and for such time, not exceeding 10 years, as it may determine, to provide houses and facilities for the employees and the families of employees of such shipyards.

That is substantially the same as the House provision.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The Senator from Utah.

Mr. SMOOT. Mr. President, I did not intend to take any time upon this report, for I think the objections to it have been pretty well covered. This is only another case of legislating in conference, a practice that is growing to an alarming extent, and I do not believe that it is going to be discontinued until the Senate itself puts its stamp of disapproval upon that method of legislating. If Senators will only take the conference report, examine that report, and compare it with the bill as it passed the House and the Senate, respectively, they will find that there is not one of its paragraphs that has not been changed, and changed materially, by the addition of new matter not considered by either the House or the Senate.

Mr. RANSDELL. Mr. President, will the Senator from Utah yield for a question?

Mr. SMOOT. I will yield in a moment to the Senator.

Mr. President, this is not the only bill which the conferees have changed from the form in which it passed the Senate or the House so that one can hardly recognize any resemblance to the measure as passed by the Senate or by the House, but under our rules we have either got to approve this report as a whole or disapprove of it as a whole. No one is objecting to the appropriation of money for the building of the necessary houses adjacent to shipbuilding yards.

Mr. CURTIS. Mr. President, may I interrupt the Senator?

Mr. SMOOT. I yield.

Mr. CURTIS. I want to state to the Senator that I have proposed an amendment to the rules, which I am informed a subcommittee of that committee has been authorized to report. If the rule shall be amended as suggested by me then this kind of a conference report may be defeated on a point of order.

Mr. SMOOT. Mr. President, I am in full accord with the proposed amendment to the rules suggested by the Senator from Kansas. I hope that it will be reported to the Senate at an early date, and that there will not be a dissenting voice in the Senate when it comes up for consideration.

Mr. GALLINGER. Mr. President, being a member of the subcommittee having that matter in charge, I think I am fully justified in saying that that amendment to the rules will be reported in the near future. I regret that it was not reported before this conference report came in, because this is an illustration of the abuse that has grown up in connection with conference reports.

Mr. RANSDELL. Mr. President, will the Senator from Utah yield for a question?

Mr. SMOOT. Yes; I yield to the Senator from Louisiana.

Mr. RANSDELL. The Senator has stated that all of the provisions of this bill have been changed by the conferees.

Mr. SMOOT. No; I did not.

Mr. RANSDELL. The Senator has tried to make the Senate believe that material changes have been made. I ask the Senator to kindly point out the changes that have been made, because I say to him—and I was a member of the conference committee—that I do not see how conferees could have more fully complied with the spirit of the rule. I do not believe in conferees legislating, but if the Senator will point out now the material changes that have been made I will thank him very much.

Mr. SMOOT. If I wanted to take the time of the Senate, I could do so as to every paragraph of the bill, as I have stated.

Mr. RANSDELL. If the Senator does not wish to be unjust, I wish he would take that time.

Mr. SMOOT. If the Senator will only give me time, I will take it. Read paragraph (a) and see what has been added to it. As the bill passed the House it read:

(a) To purchase, lease, requisition, or acquire by condemnation or otherwise any improved or unimproved land or any interest therein suitable for the construction thereon of houses for the use of employees of shipyards in which ships are being constructed for the United States.

As the conferees reported back to us, it reads as follows:

(a) To purchase, lease, requisition, including the requisition of the temporary use of—

The words "including the requisition of the temporary use of" have been added—

or acquire by condemnation or otherwise any improved or unimproved land or any interest therein suitable for the construction thereon of houses for the use of employees and the families of employees of shipyards in which ships are being constructed for the United States.

The words "and the families of employees" have also been added.

Mr. RANSDELL. Mr. President, may I ask the Senator if there is much difference between "the families of employees" and "the employees," and if the language incorporated is not designed to carry out merely the proper idea?

Mr. SMOOT. There is quite a difference.

Mr. RANSDELL. Are we going to furnish housing for the employees and not for the families of the employees?

Mr. SMOOT. If there was no difference, the conferees never would have put that language in the conference report.

Mr. RANSDELL. We were trying to perfect it.

Mr. SMOOT. Oh, yes; that is always the excuse offered.

Mr. RANSDELL. That is exactly what conferees are for.

Mr. SMOOT. Well, Mr. President, I deny that. The conferees appointed by the Senate and the House are to consider the bill as passed by the House and as passed by the Senate and agree upon the wording either adopted by the House or the Senate, but no rule of the Senate and no rule of the other House authorizes the conferees to add anything in a conference report that was not originally contained in the bill as passed by the House or as passed by the Senate.

Mr. McCUMBER. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. Yes.

Mr. McCUMBER. Does the Senator mean to tell me that the conferees have gone to the extent of taking a bill which provided for the housing of employees—and we know they must have some place where they can sleep and rest at the shipyards, a place, possibly, where 10 men could be put in one building—and so changed it that the employees can bring their families—their wives and their children, and any number of children—to the shipyards and house them there at Government expense?

Mr. SMOOT. Mr. President, I want to say to the Senator that under the wording of this conference report there is no telling what authority is given. The conferees have not only added what I have already indicated, but they have added in paragraph

(c) "and all necessary and convenient facilities incidental thereto."

Mr. McCUMBER. I am simply astounded.

Mr. SMOOT. Mr. President, I am only calling attention to these matters now because a Senator, a member of the conference committee, asked me to do so. I might go through every one of the paragraphs in the conference report exactly as I have done in the one instance and call the attention of the Senate to what has been added in each particular case, but I do not want to take the time of the Senate.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. Yes.

Mr. BORAH. What is the connection between the last clause which the Senator read, namely, the words "and all necessary and convenient facilities incidental thereto," and what precedes it?

Mr. SMOOT. It occurs in this connection. The paragraph reads:

(c) To purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise any houses or other buildings for the use of such employees and their families, together with the land on which the same are erected, or any interest therein, all necessary and proper fixtures and furnishings therefor—

Then follow the words—

and all necessary and convenient facilities incidental thereto.

Mr. BORAH. I understand the Senator is objecting to housing the families of employees?

Mr. SMOOT. Not at all. What I am objecting to is that the conferees have legislated by putting in matter that was passed neither by the Senate nor by the House; that is all that I am complaining of at this time.

Mr. THOMAS. Mr. President——

Mr. RANSDELL. Will the Senator yield to me for a question?

Mr. SMOOT. I yield to the Senator from Colorado, although I should like to proceed.

Mr. RANSDELL. I am surprised that the Senator declines to yield to the Senator in charge of the bill.

Mr. SMOOT. If the Senator will wait a moment I will yield to him. I have yielded to the Senator from Colorado.

Mr. THOMAS. With the permission of the Senator from Utah, I will yield to the Senator from Louisiana.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. The Senator from Colorado first asked me to yield, and I yield first to the Senator from Colorado.

Mr. THOMAS. In view of the fact that the Senator in charge of the bill thinks that he has precedence, I will take my seat so that he may make his inquiry now.

Mr. RANSDELL. I thank the Senator from Colorado.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. SMOOT. Yes; I yield to the Senator from Louisiana.

Mr. RANSDELL. The Senator has criticized paragraphs (a) and (b), on page 1 of the bill, and has tried to make it appear that a great legislative crime has been committed by the conferees in charge of this bill.

Mr. SMOOT. Mr. President, I yielded to the Senator for a question.

Mr. RANSDELL. I want to ask the Senator if he will let me read these two sections to the Senate, so that the Senate may see whether or not they have been changed?

Mr. SMOOT. I will read the two sections, Mr. President.

Mr. RANSDELL. Let me read them, if you please.

The PRESIDING OFFICER. The Senator from Utah declines to yield further.

Mr. RANSDELL. All right, if the Senator is afraid for me to read them and explain them.

Mr. SMOOT. The Senator will have all the time he wants to read them and explain them afterwards. I would have been through long ago if the Senator had not interrupted so much.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I do.

Mr. THOMAS. My purpose in rising was to call the attention of the Senator from Utah to a still further significant provision of subsection (c). It may or may not have been inserted by the committee of conference. I refer to the clause which gives to the board power to furnish "all necessary and proper fixtures and furnishings," and I ask the Senator whether that does not include the power to furnish as well as to erect these structures under the provisions of the conference report?

Mr. SMOOT. Mr. President, that was in the bill as it passed the House, so the conferees could not be criticized in any way for putting that provision in the conference report.

Mr. THOMAS. The point which I make is not so much against the committee of conference as the fact that after the bill has passed here provision is made now for extending its operations to the furnishing as well as to the construction of these houses.

Mr. SMOOT. Yes.

Mr. President, the only object I had in rising to speak upon this report was to call attention to an evil that has been growing for the last five or six years and that I intended to call to the attention of the Senate, and one other question, and then take my seat.

Mr. President, I would a thousand times prefer to have Congress authorize this board to erect the buildings, if necessary furnish the buildings, have absolute control of the buildings, the Government have a clear title to the buildings, take no mortgage upon the buildings, and let the employees live in the buildings under the direct control of the officials of the War Department, rather than provide that money shall be advanced and secured by mortgages upon lands, to lend money not exceeding 10 years for the purpose of erecting buildings, and then, Mr. President, when Government work ceased at the close of the war, let the Government sell the property for what it will bring. I agree with the Senator that there is no question but that the Government is going to lose money. There is no doubt about it. We would if we erected the buildings and sold the buildings. We would have the land left. We could sell that; and, if it were purchased at a fair price to-day, when there is no particuar need for the houses and the plants are not working as they will be working during the war, the price of the real estate will drop and we will not get 50 cents on the dollar for it.

That is not what I am complaining of at all. I believe that it would have been better to have provided that we would purchase the lands necessary for building these homes for the employees, that we would build the buildings for them, that we would furnish them, and that we would give the use of them to the employees that work in the shipbuilding yards for the purpose of building ships during this crisis.

Nobody knows now when this work will cease. Under the provisions of this bill we will have in Washington a bureau handling securities for 10 years to come. No one can tell what the expense will be; but if we had given the authority for erecting these buildings and purchasing the land and furnishing them, we could have closed up the whole thing in a short time after the termination of this war. We would not have had to collect on mortgages, nor try to collect from men that are interested in buildings with the Government of the United States. The Senators know that whenever there is a bureau established in this Government it is a mighty hard thing to have it cease to exist.

Mr. KING. Bureaus are immortal.

Mr. SMOOT. That is the criticism that I would have made upon the bill on its passage; but that is out of the question now. I simply wanted to call attention to the fact that I shall welcome the day, and hope it will soon be here, when legislation upon conference reports will cease.

Mr. RANSDELL. Mr. President, I think it is a very great public calamity that the Senator from Utah did not frame this bill and tell us just how it should be fixed. The House committee did the best it could with it, and the Commerce Committee of the Senate did its best, and it is the result of the united labor of these two committees. I am sorry it does not satisfy the Senator from Utah.

The Senator has criticized the conferees, it seems to me, with undue harshness, because he says that we have materially changed the bill as it passed the House. You heard me ask him please to specify. Why, even a common murderer, Mr. President, is entitled to have a copy of the indictment served upon him, stating that on such a day, in such a place, he did kill and murder so-and-so. Here the conferees of the great United States Senate are charged with a legislative crime and no bill of particulars is furnished.

In answer to my inquiry as to the improper changes made by the conferees in the bill as it passed both Houses, the Senator referred only to paragraphs (a) and (b). Now, I will ask the careful attention of the Senate for just a very few minutes. I will first read paragraph (a) as the bill passed the House and then as it was agreed upon by the conferees.

I now read paragraph (a) as it passed the House:

To purchase, lease, requisition, or acquire by condemnation or otherwise any improved or unimproved land or any interest therein suitable for the construction thereon of houses for the use of employees of shipyards in which ships are being constructed for the United States.

That is the House provision. Here is the provision as reported by the conferees:

(a) To purchase, lease, requisition, including the requisition of the temporary use of, or acquire by condemnation or otherwise any improved or unimproved land or any interest therein suitable for the construction thereon of houses for the use of employees and the families of employees of shipyards in which ships are being constructed for the United States.

Yes; we did go to the extent of adding "families of employees," and we are told that you can not get the best class of employees for a great work like this, which is going to last probably for two or three years, unless they can have their families with them. It is entirely reasonable and proper to provide for the families of employees, and no right-thinking man should object to it. We can not build ships unless we have the highest type of mechanics, and such men are not willing to be separated from their families. We are providing for the temporary class of employees also.

I now read paragraph (b) as it passed the House:

To construct on such land for the use of such employees houses and all other necessary or convenient facilities upon such conditions and at such price as may be determined, and to sell, lease, or exchange such houses, land, and facilities upon such terms and conditions as it may determine.

That is the House provision. Here is the provision as the conferees reported it:

(b) To construct on such land for the use of such employees and their families houses and all other necessary or convenient facilities upon such conditions and at such price as may be determined by it, and to sell, lease, or exchange such houses, land, and facilities upon such terms and conditions as it may determine.

Mr. President, I insist you have to rake those two provisions with a fine-toothed comb to find any material difference between them, except that we did add a provision for the families of the employees.

The Senator from Utah did not discuss the balance of the bill, so I will not discuss it either, except to say that practically no changes were made in its provisions as passed by the House. The conferees on the part of the Senate found that the House had acted wisely and agreed to substantially everything inserted by it.

Senators, I will not take more of your time, but ask now for a vote on the conference report, unless there is some further debate.

Mr. KING. Mr. President, I rise to submit one or two observations concerning this measure. Under normal conditions I would be very much opposed to the bill—the general theory of it as well as its details—and I am not satisfied, even in the circumstances of this hour, that this measure is wisely or properly framed. I want to call attention to one feature of the bill which certainly should challenge the attention of the Senate.

I find no provision limiting the number of employees of the Shipping Board who may be concerned in the activities imposed by this measure. There is no limitation upon the salaries or compensation to be paid to the officials and employees who may be called to serve in the execution of the provisions of this bill.

Mr. President, the departments, bureaus, agencies, and executive and administrative branches of the Government are bidding against each other for employees and creating a situation which amounts almost to a scandal. The increased compensation offered by one branch or agency results in taking from other departments the employees whose services are required therein, and many of whom have been there for years. I found a few days ago a young gentleman who had received a position at $1,200 a year and he was satisfied with that; but one of the departments, apparently having no limitation upon salaries to be paid its employees, offered him $2,500, and he left the former position and accepted the offer.

This policy is absolutely indefensible and, of course, tends to demoralize the Government service and to result in vicious inequalities and growing discontent among those working for the Government. This bill places no curb on this evil practice; indeed, it encourages it and tends to legalize it. There is no limitation as to the number of employees nor any restrictions upon their compensation.

We find that these bureaus, departments, and agencies, organized either for temporary purposes or otherwise, have no limitations placed upon them. The entire appropriation could be paid out for salaries and operating expenses. I protest against such loose and wasteful legislation. New men, zealous and perhaps rather proud of the authority given them, take hold of these new and novel undertakings and, being subjected to no limitations as to the number of employees or the compensation to be paid them, they attack the Government itself and take men and women away from the Treasury Department or the Post Office Department or some other department of the Government by offering larger salaries than those which the employees have been receiving. I think it is a very glaring evil and one which ought to receive some consideration at the hands of the Senate.

I mentioned to the distinguished chairman of the Appropriations Committee some time ago that there ought to be some legislation that would fix the compensation paid to employees in the various departments and bureaus and agencies now being created. There are numbers of them, and their activities result in robbing old and established departments of trusted, confidential, and valuable employees. I call the attention of the Senator from Louisiana to the fact that this measure leaves the Government helpless and subject to this system, so unwise and vicious. The governing board, under this bill, may pay $3,000 or $4,000 or $5,000, or any number of dollars, annually to any employee whom they may call for service in carrying out the terms of this bill. It is so easy to vote away the money of the people. We must remember that all these enormous expenditures must be met, and they can only be met through taxation and bond issues. It is imperative that we scrupulously examine all appropriations and see to it that not one dollar is wasted or devoted to a questionable purpose. There is too much of a disposition upon the part of some to prey upon the Government. Constant demands are being made for increase in salaries, and thousands of employees are being added to the long list of those in the Government service. It is time we demanded economy in every branch of the service and restricted the number of employees to the smallest number possible compatible with efficiency.

Mr. President, I think it is a very unwise plan to devolve upon the Shipping Board the execution of the duties provided in this bill. Certainly there is nothing in its record justifying the belief that it will wisely or efficiently perform them. The senior Senator from New York [Mr. WADSWORTH], when this bill was up for consideration, invited attention to the fact that before the war was over doubtless provision would have to be made for the housing of a large number of employees of the Government. Numerous plans are being submitted for caring for Government employees not only in shipyards but in the District of Columbia and at other places. It would seem that in the light of the facts, the proper thing to do is to create some bureau or department charged with the entire responsibility of housing the employees of the Government when the necessity exists.

We will soon have in other activities of the Government demands for appropriations for housing purposes, and some other bureau or board or department will be created for the erection of other houses for other employees, and so there will be divided authority, a multiplicity of officials devoting their activities to this same undertaking, and an unnecessary financial burden placed upon the Government. One set of officials could expend all sums appropriated for housing purposes as well as two or three or four sets of officials. If we have to make provision to house employees of the Government, then the matter is so important that a distinct bureau should be created, its powers should be clearly defined, and restrictions and limitations imposed as to the employees and the compensation to be paid them.

Mr. President, I think, when we were considering this bill and before its passage, we should have dealt with this question in a broad and comprehensive manner. But we did not do so; we dealt with the subject in a piecemeal fashion. We will have patchwork and unwise legislation as a result. I do not know that it would be wise, in the light of the exigency now confronting us, and in view of the fact that this bill has passed the Senate and the House and the conferees have agreed, that this conference report should be rejected, but certainly this legislation is very imperfect, very defective, and, in my opinion, will impose upon the Government great loss and will not accomplish the good which is contemplated.

I agree with the most of the observations made by my colleague [Mr. SMOOT]. The Government is not going to receive much of anything as a return for the expenditures made under this bill. Indeed, I think, the buildings will be a loss. Of course, the corporation holding the contract with the Government may reap some profit from them, but these buildings will be scrapped, so far as the Government is concerned. I do not think any employee will purchase one of the buildings erected by the Shipping Board. Millions will be spent, with dubious benefits. In my opinion no sales of houses will be made and the Government will not be taking mortgages. The Government will erect exceedingly high-priced houses, which it will furnish free to those working in the shipyard. Perhaps that may be necessary, but obviously a fairer and saner plan should have been worked out. This legislation is imperfect and unsafe. It shows that under the stress of war legislation and under the whip and spur of the claim that this is an emergency, we oftentimes pass very unwise, very incomplete, and very foolish legislation.

Mr. GALLINGER. Mr. President, I have examined this conference report with some degree of care, and I am quite sur-

prised that the fair-minded Senator having it in charge contends that important changes have not been made from the text of the bill as it passed either the Senate or the House of Representatives. Important changes have been made, and it could well be ruled out of order if we had a rule such as prevails in the other House and in most legislative bodies, under which we could make a point of order because new matter has been inserted.

If the Senator will turn to the Manual, under the head of "Conference reports," which is a copyrighted article, he will find these words on page 446:

Conferees may not include in their report matters not committed to them by either House.

And if the Senator will turn to the next page, he will read an excerpt from Jefferson's Manual:

Conferees may not strike out in conference anything in a bill agreed to and passed by both Houses.

The Senator will not contend, it seems to me, that the conferees in this case have not added matter. I think he will not contend that they have not stricken out matter; and beyond a question the conferees have exceeded their authority. It has become quite common for conferees to do that; and it is for that reason that the Committee on Rules now has under consideration, in the hands of a subcommittee, of which I am a member, a proposed amendment to the rules that will enable a Senator to make a point of order against new matter or matter that was not in either bill as it went to the conferees; and if that point of order is sustained, the conference report will go back to the committee for further consideration. I feel very sure that an amendment to our rules of that character will be submitted, and I have no doubt it will be agreed to, and in the future we will have an opportunity to stop this growing evil, because it has been exercised to a much greater extent by some other conferees than it has been by the present conferees, in the case of the bill that we are now considering.

I agree very fully with what both the Senators from Utah have said about the looseness of this legislation. A Senator has only to go through some of these newly-established bureaus and inquire as to the salaries that are being paid certain gentlemen there employed to ascertain that it is a scandal that ought to be stopped. I think I know a man who is receiving $6,000 a year in one of these new bureaus who, in my judgment, could not earn $1,500 a year outside of the Government service. I know several instances as striking as that. I will not mention any names. I may, after a while, have occasion to call the attention of the Senate to some of these abuses which, to my mind, are almost criminal. In legislating on all these matters I think we ought to have the legislation so adjusted that the salaries can be in the control of Congress; and we ought not to toss $50,000,000, as we are doing in this bill, into the hands of certain gentlemen to employ whomsoever they please—their relatives, their brothers, their sisters, their cousins, their aunts, or anyone else they choose to employ—and pay them any salary that they see fit to pay them. It is not right.

Mr. RANSDELL and Mr. KING addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield, and if so, to whom?

Mr. GALLINGER. I yield to the Senator from Louisiana.

Mr. RANSDELL. I was going to ask the Senator—and I agree to the wisdom of almost everything he says, because I nearly always agree with him—whether there are not as many safeguards thrown around this $50,000,000 as there are around the $1,750,000,000 practically turned over to the Shipping Board for the purpose of building ships? Did we safeguard that money in any way different from the way in which we are safeguarding this, and practically could we safeguard it any more thoroughly?

Mr. GALLINGER. Why, Mr. President, that is the very thing I criticize. I think the Senator is right in saying that this is no looser than a great deal of our other legislation.

Mr. RANSDELL. I am referring particularly now to the Shipping Board. We have given them $1,750,000,000 to build ships.

Mr. GALLINGER. Yes; and we gave the President of the United States one hundred millions, and he has passed I do not know how many millions over to the Creel bureau, where they are employing men at any salary that they choose to pay, where they are putting on their pay roll newspaper correspondents to exploit what they are doing, and it is a grievance; it is to my mind almost criminal failure on our part to allow that sort of thing to go on. I understand that in that bureau—well, I will not say what I understand about it. I have sent to the Committee on Appropriations a resolution calling for the names of the employees, and the salaries paid there; and when we get around to it, I hope the Committee on Appropriations will agree to that resolution, and we will find out precisely what is going on in that regard.

The Senator from Louisiana is right in saying that this is no worse than, and perhaps not as bad as, some other things we have done; but I think the time has come when the Congress of the United States ought to assert its rights as a coordinate branch of the Government, and legislate according to its own judgment, and not because we are told that it is an emergency, that a crisis is confronting the Government, and that we ought to pass any kind of a bill that is sent to us in any form that it may take.

Mr. KING. Mr. President, will the Senator yield?

Mr. GALLINGER. I yield to the Senator from Utah.

Mr. KING. For the purpose of correcting the evil to which the distinguished Senator has just referred—namely, the large salaries which are being paid by these new bureaus and departments—I will ask the Senator if it would not be proper to pass a measure—and I will state that I have one prepared—providing that in all of these new departments and bureaus that are created the same compensation shall be paid, and no more, than is paid to employees performing like work in the various departments of the Government?

Mr. GALLINGER. I think that would be a very wise provision to incorporate into law.

Mr. KING. I should be very glad to attach it to this measure if it were not a conference report.

Mr. GALLINGER. Of course, however, the Senator can not do that.

Mr. President, I have no disposition to be technical; it is not my habit; but I have been very much annoyed over this practice that has grown up of legislating on conference reports. I have been a member of a good many conference committees, and I have resented it and opposed it in all cases. We ought to get rid of it, and I think we will get rid of it in the near future. As I said before, this is not as flagrant a usurpation as I have sometimes seen of power not granted by the rules of any legislative body that I know anything about, but it is nevertheless a usurpation of power to a limited extent; and while it may not do any harm, I think the practice is so harmful that it ought to be stopped. I can see in this $50,000,000 expenditure—and I have no doubt that it will be three times that much before they get through with it—a great opportunity for something that perhaps may be equally as reprehensible as what the Senator from Louisiana, I believe, with other Senators, has been looking into with reference to a certain shipbuilding plant that was under criticism in this body a few days ago. If we are going into this business by wholesale, I presume I ought not to be the one to find fault with it, because after a while there is going to be a reckoning, after a while there is going to be a day of liquidation, after a while the men who are spending the money of the people of this country to be drawn back into the Treasury by taxation will have to make answer for a great many things that I think now are proper subjects of animadversion and criticism. But, Mr. President, I presume the conference report will be adopted, and what has been said to-day will pass into history as only one more protest against a custom that ought to be stopped, and that, in my judgment, will be stopped in the near future.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

WAR FINANCE CORPORATION.

Mr. SIMMONS. I ask that the unfinished business, Senate bill 3714, be laid before the Senate and proceeded with.

The Senate as in Committee of the Whole proceeded to consider the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. SIMMONS. I ask that the formal reading of the bill be dispensed with and that the committee amendments be acted upon as they are reached.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. HALE. I submit an amendment to the pending bill, which I ask may lie on the table and be printed.

The PRESIDENT pro tempore. It will be received, printed, and lie on the table.

ADJOURNMENT.

Mr. SIMMONS. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, February 27, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, *February 26, 1918.*

The House met at 12 o'clock noon.

The Right Rev. Mgr. Mackin offered the following prayer:

In the name of the Father and of the Son and of the Holy Ghost. Amen.

We pray Thee, O God of might, wisdom, and justice, through whom authority is rightly administered, laws are enacted, and judgment decreed, assist with Thy holy spirit of counsel and fortitude the President of these United States that his administration may be conducted in justice and righteousness and be eminently useful to Thy people over whom he presides.

Let the light of Thy divine wisdom direct the deliberations of Congress and shine forth in all the proceedings and laws framed for our rule and government.

We pray especially for the brave men who are guarding our liberties on sea and on shore, that they may be faithful to God and their country, that they may be crowned with glory and honor, and after enjoying the blessings of this life be admitted to those which are eternal.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. HUSTED. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. HUSTED. To proffer a unanimous-consent request that leave of absence for one week be granted to my colleague, the Hon. BENJAMIN L. FAIRCHILD, of New York, on account of the death of an only son, who was killed in an aeroplane accident at Fort Worth, Tex., last Saturday afternoon in the service of his country.

The SPEAKER. The gentleman from New York asks unanimous consent for indefinite leave of absence for his colleague, BENJAMIN L. FAIRCHILD, on account of the death of his son. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the strength, losses, and resources of the warring nations.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

PERMISSION TO ADDRESS THE HOUSE.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House not to exceed two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Speaker, I wish to call attention to the fact that the price of cordwood is rising in the District of Columbia. [Laughter.] The newspapers of recent date all indicate that the price is going up rapidly; that whereas cordwood could be obtained by the people who desired it for their homes in the District for $7 or $8 a cord in normal times, it is now selling around $20, $21, and $22, with a prospect that, converted into kindling wood, it is going up to about $30 to $35 a cord. This is a serious matter. If any check can be put upon it while the Government is issuing orders limiting our food and fuel supply, it may be a good thing to consider it now. One reason for the increase in the price of wood seems to be due to the action of the Government itself, to the action of the Fuel Administration whom we created for the purpose of trying to check and control this very thing. I have in my hand a startling placard issued by the United States Fuel Administration. It is in flaming letters and has been generally posted throughout Maryland. It announces that unless you buy your cordwood now the chances are you will have nothing to burn next winter. That starts the woodman and the ax and the high prices. This is such a remarkable document and has such an influence upon the price of wood at this time that I think it ought to be read for the benefit of those who ought to know. Here is a "question mark" in burning red. Under it we read:

The burning question! Are you providing firewood for next winter in place of coal you will not be able to get?

It is signed "United States Fuel Administration, Ferdinand A. Meyer, Federal fuel administrator for Maryland." Now, we expect to get coal next winter and we are trying to check speculation in food supplies and in fuel, but here is the fuel administrator for the State of Maryland, evidently acting under the auspices of the Federal Fuel Administration, telling everybody to buy wood now that the price of wood is going up and up. The official cry is "Buy! buy! buy!" That is not calculated to help the consumer.

The SPEAKER. The time of the gentleman has expired.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, and pending that I wish to state that I expect to ask the committee to remain in session to-day until the completion of the bill in the Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Tennessee moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the railroad bill.

Mr. GILLETT. Mr. Speaker, did I understand the gentleman to ask unanimous consent?

The SPEAKER. No; he did not ask unanimous consent, but made a declaration.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, the railroad-control bill, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9685, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

The CHAIRMAN. When the committee rose last evening there was pending an amendment offered by the gentleman from South Dakota [Mr. DILLON], which, without objection, will be again reported.

There was no objection.

The Clerk read as follows:

Page 8, line 5, strike out "$500,000,000" and insert in lieu thereof "$200,000,000," and, in line 16, after the period, add "$300,000,000 is hereby authorized for expenditures as Congress may hereafter provide to carry into effect the provisions of this act."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the Chair announced the noes appear to have it.

On a division (demanded by Mr. DILLON), there were—ayes 12, noes 45.

So the amendment was rejected.

MESSAGE FROM THE PRESIDENT.

The committee informally rose; and Mr. CARAWAY having taken the chair as Speaker pro tempore, a message, in writing, was communicated to the House of Representatives by Mr. Sharkey, one of his secretaries.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

The committee resumed its session.

The Clerk read as follows:

SEC. 7. That for the purpose of providing funds requisite for maturing obligations or for other legal and proper expenditures, or for reorganizing railroads in receivership, carriers may, during the period of Federal control, issue such bonds, notes, equipment trust certificates, stock, and other forms of securities, secured or unsecured by mortgage, as the President may first approve as consistent with the public interest. The President may purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities whenever in his judgment it is desirable at prices not less than the cost thereof; any sums available from the revolving fund provided in section 6 may be used for such purchases. The President shall each year as soon as practicable after January 1 cause a detailed report to be submitted to the Congress of all receipts and expenditures made under this section and section 6 during the preceding calendar year.

Mr. LENROOT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 10, line 4, after the word "may," insert the following: "within the limit of appropriations made therefor by Congress."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. SIMS. May I ask the gentleman if that is simply confined to appropriations?

Mr. LENROOT. This requires appropriation by Congress for the purchase of these securities.

Now, Mr. Chairman, this is a very different question from that discussed last night. In the first place, this section has no proper place in this bill at all, in view of the fact that there is

a bill now pending before the Ways and Means Committee, the purpose and design of which is to take care of situations where, in order to float liberty bonds, securities of all character of corporations are to be taken care of so far as necessary. And I have been informed by different members of the Ways and Means Committee that that is one of the things that the Ways and Means Committee is now discussing in connection with that bill. They will have $500,000,000 of an appropriation if the bill passes and authority to loan $4,000,000,000 in addition. The question will be decided, not by the President but by a corporation to be created that will pass upon these issues. So that from any standpoint this proposition of purchasing securities has no place in this bill. But if it is to be included, why they ought to be compelled to come to Congress with their estimates for appropriations for the purchase of securities of carriers.

Now, there is no man who will say that the purchase of these securities is necessary to operate the railroads. No man will say that the purchase of these securities is necessary to prosecute the war, except as it may affect general credit. When you talk about $200,000,000 of short-term notes, to become due within the next year, what we are paying this $950,000,000 a year for that will be paid to these railroads by way of compensation? I say that in this time of war, if these railroads owe short-time notes, the stockholders of those railroads, instead of saddling those short-time notes upon the Government, ought to forego their dividends in order to meet their notes for the time being. And Congress ought not to give authority to anybody to purchase securities of railroads at will and unlimited in amount, because there is no limitation in this section. The President, if he sees fit, can obligate this Government for the purchase of every security that is issued by a railroad during this Federal control, and the section provides that the section may authorize such securities to be issued as he sees fit.

Now, what business has that in this bill? Why is it necessary to have any question of securities in the operation of railroads by the Federal Government? That is a question of the credit of the railroads. That has nothing to do with the question of operation. It can not in the slightest degree affect the successful or unsuccessful operation of railroads by the Government, whether the securities are issued or not issued by the railroads, whether they are sold or unsold by the railroads. It affects only the matter of credit as affecting the country in the floating of liberty bonds.

Mr. SNOOK. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. SNOOK. Is the purport of this amendment the gentleman offers this, that it makes it necessary if they wanted to float any securities or aid in the floating of them to go to the Committee on Appropriations to get an appropriation?

Mr. LENROOT. Not at all. If this amendment is adopted, before the President can purchase any securities of railroads an estimate must be made to the Committee on Appropriations and an appropriation made for that purpose.

Mr. SNOOK. That is what I say. That is the effect of your amendment?

Mr. LENROOT. That is exactly the effect of it.

Mr. SNOOK. It does not give the Director General authority to expend this $500,000 without going to the Committee on Appropriations?

Mr. LENROOT. This only affects securities—the purchase of securities.

Mr. SNOOK. For equipment; but he could not expend anything for securities?

Mr. LENROOT. Not in the purchase of securities. There is no member of the committee will say that the purchase of securities has anything whatever to do with the operation of the roads.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. PARKER of New Jersey. Under the $500,000,000 clause the President is allowed to buy equipment for the railroads. The amount is to be repaid by the railroads, as stated on page 9, on such terms as he may order. Those terms ought to be with security for its repayment, and one of the most practical ways of getting that payment back would be for the President to authorize the railroads to issue securities for the repayment of those advances that he has made. It is a maturing obligation.

Mr. LENROOT. I can not yield further.

Mr. PARKER of New Jersey. That is all I wanted to say. Is not that so?

Mr. LENROOT. No; it is not so; absolutely. The previous section authorizes advances to railroads, and, of course, the President may take any security for such advances as he may require. That is not purchasing securities of railroads. This section has nothing whatever to do with advances made by the President on securities that he may take to protect such advances. It has only to do with the approval of the President of securities issued by railroads and the authority of the President to purchase securities when used. I want to say this, and this House ought to most seriously bear it in mind, that when we come to float the next liberty loan and the liberty loan following that one we will go to the laboring men of this country and say to them that we ask them to make sacrifices to buy a $50 liberty bond because we need it to prosecute the war.

Yet, if this section remains in the bill as it now stands anyone will be able to truthfully point to this section and say: "The purpose of taking your hard-earned money is not to prosecute the war primarily, but it is to purchase the securities of railroads, when we are paying nearly a billion dollars a year for compensation." Can you justify it upon that side of the aisle? We have done all that we ought to do, unless it should be in your general scheme of credit, such as the Committee on Ways and Means now has in course of preparation. We have done all that we ought to do in giving the railroads compensation. In addition we are making an avenue whereby they can use this compensation to pay dividends to themselves in the case of one railroad, more than 20 per cent, and then say: "We are going to ask you to pay our indebtedness on these short-time notes." Can you justify that? I am sure you can not, and if this goes through eventually, if this section shall be finally written in the law as it now is, and the liberty loans shall fail in the future, the sponsors of this bill will have to take part of the responsibility for that failure.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. TOWNER. I want to call the gentleman's attention to the statement that is made, that the surplus of the railroads at the time they were taken over was $288,000,000 in cash, and that they held in nonaffiliated corporations stock of other companies up to the value of over $800,000,000, and any portion, under the terms of this bill, of that stock now held as surplus of nonaffiliated companies might be sold or purchased by the Government of the United States under the terms of this act.

Mr. FORDNEY rose.

Mr. SIMS. Mr. Chairman, the gentleman from Michigan has risen. I do not know whether he rose in opposition to the amendment or not.

Mr. FORDNEY. I wanted to speak in favor of the amendment.

Mr. SIMS. I am in opposition to it.

Mr. Chairman, the gentleman from Wisconsin [Mr. LENROOT] has offered his amendment and states what its purpose is, and the reason why he offers it is that the President can not purchase any notes, bonds, or securities of railroads issued by the railroad after the railroad is in Government control without a special authorization or special appropriation by the Committee on Appropriations of Congress for that purpose.

Now, the appropriation here is indirectly made. After providing that "the President may purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities whenever, in his judgment, it is desirable, at prices not less than the cost thereof; any sums available from the revolving fund provided in section 6 may be used for such purchases."

Now, the purchase of these securities is limited by this provision to such portions of the revolving fund as may not have been used for other purposes. Now, the object of this provision is very evident and plain when we look at what is intended. Take a railroad like the Pennsylvania, abundantly solvent; any of its securities would meet with ready sale in a normal market; and there is needed some improvement to be made on the Pennsylvania road while in Federal control. The railroad is able to do so, and willing to do so, but if it issues its notes they may be issued at 5 per cent or 6 per cent or 7 per cent and put upon the market, absolutely solvent, absolutely good, and compete immediately with the Government in trying to sell the liberty loan bonds at 4 per cent or 4½ per cent, or whatever it may be. Now, inasmuch as the Government will take absolutely no risk; inasmuch as this revolving fund may be used, or such portion of it as has not otherwise been used to purchase these securities, to keep them off of the market not in excess of par, and he may afterwards at any time resell them at a price not less than what the Government paid for them. It is a fiscal operation not absolutely necessary to enable the solvent railroad company to obtain money with which to make

necessary needed improvements, but it is done in order that the railroad may make its own improvements with its own means and at the same time not compete with its higher interest-bearing securities with the Government in the sale of its own bonds.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Yes.

Mr. LENROOT. The railroad will not make any improvements out of its own means if we purchase securities to give them the money.

Mr. SIMS. That is out of its own means.

Mr. LENROOT. I mean we furnish the money in that case.

Mr. SIMS. The President has the right to approve or disapprove of the issue.

Mr. LENROOT. I am coming to another question. So far as furnishing the money to make the improvement is concerned, that is wholly covered by the preceding section. He may advance the money for that purpose if they can not do it themselves. He can take any security he sees fit. This has nothing to do with that.

Mr. SIMS. This provision in the bill is to provide for the railway that is willing to use its own funds for the improvements in such a way that the Government may furnish the money so that that railroad thereby can dispose of its securities at the lowest rate of interest—lower than it otherwise could, with virtually a guaranty upon it if the Government does it, and then the Government may at times, when it is not in the money market itself with bonds, sell these securities without loss. And now the gentleman has gotten up here—and while I might say it about others, I would not say it about him, because I do not believe it is true of him—and makes what would be characterized as a demagogic appeal that when we go out and try to sell bonds and ask the boys to buy $50 bonds to help the Government will stand an act of the President in buying railway securities, and therefore if he can buy railway securities and has money to invest in railway securities, why should he ask the boy or a person in needy circumstances, but patriotic, to invest $50 in liberty loans for the purpose of using it for such a purpose as that?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SIMS. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. SIMS. Now, the gentleman has put an argument in the mouth of every man who may be appealed to to purchase a Government security or bond in order to prosecute the war, that if you can find anywhere where the President has spent money for something that the man himself may contend was not a strictly war purpose it may be to him an excuse for not subscribing for the bonds.

This is a very proper provision, and as I said last night on the other matter we can not operate these railroads without some liberality, without trusting the President for something; and to undertake to make specific provision to require a previous appropriation by Congress before the President is permitted to do that which is absolutely safe to be done, and indirectly prove a public benefit, is going to limit and cripple largely the railway operations while in Government control.

I hope no man on the floor of the House is so opposed to the Government succeeding in anything it does touching privately owned property, for fear that it may be used as an argument in favor of continued Government control, or an argument in favor of Government ownership, that he will seek to impose such rigid, ironclad conditions, and limitations as will make Government operation a failure.

Mr. FESS. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. FESS. In lines 7, 8, and 9, page 10, where it is provided that "any sums available from the revolving fund provided in section 6 may be used for such purposes" is the President limited to the revolving fund, or may he go beyond that to make these purchases?

Mr. SIMS. My understanding is that this is practically a limitation upon the amount of such securities that he may purchase.

Mr. FESS. If that were true, that would be very suggestive.

Mr. SIMS. That is what it amounts to.

Mr. FESS. If it goes beyond that, I think the amendment is very important.

Mr. SIMS. That is my understanding of it, and I do not think there is any question about it.

Mr. SNELL. Will the gentleman yield?

Mr. SIMS. I yield to the gentleman.

Mr. SNELL. Do I understand that the securities issued under section 7 are guaranteed by the Government?

Mr. SIMS. No. The Government authorizes their issue. In other words, the railroad company can not issue without Government permission.

Mr. SNELL. Will there not always be securities on the market at a higher rate of interest than the Government bonds are selling, with which they must compete?

Mr. SIMS. There may be, but there will not be securities issued by the railroads after they have been taken over by the Government. This is an effort to prevent the issue of railway securities while under Government control to compete with Government securities; but at the same time, if the road is a good, solvent one, and the owners of the road are willing to spend their own money, this is to permit the sale of its securities under such circumstances as will not operate against the Government in seeking the sale of its securities.

Mr. SNELL. I do not understand why these railroad securities would be any better if issued when the Government has control of them than they are at this time, if the roads themselves are good.

Mr. SIMS. I will tell you why they will be better with this permission in here permitting the Government to buy them.

Mr. SNELL. Without that provision?

Mr. SIMS. With this provision permitting the Government to buy them, they will float at a less rate of interest. There is no doubt about it.

Mr. SNELL. If you permitted the Government to buy any other securities, the same thing would be true of them.

Mr. SIMS. The Government is not responsible for any securities issued heretofore, and would have to go into a long investigation to ascertain their solvency, and it would be an indirect guaranty of their securities.

Mr. SNELL. Then this is an indirect guaranty of these securities?

Mr. SIMS. This is an indirect guaranty of the securities issued by permission of the President while the railroads are in Government control.

Mr. MADDEN. Will the gentleman yield?

Mr. SIMS. I yield to the gentleman from Illinois.

Mr. MADDEN. Does the gentleman think that the authority granted to the President to purchase for the United States all or any part of such securities as are previously authorized in this section would grant the President power to create a deficiency in the purchase of bonds? In other words, could he go beyond the limit of the surplus of the revolving fund?

Mr. SIMS. If the President did purchase beyond the limit of the fund I do not think the purchase itself would be void; but I do not think the President under any circumstances would go beyond what seems to be a clear limitation, but not a rigid one, in this provision I have just read.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. SIMS. I have used 10 minutes. I do not ask any more time.

Mr. MADDEN. I move to strike out the last word. I wish to call the attention of the gentleman from Tennessee in charge of the bill to what I believe would be a dangerous condition under the provisions of the section now under discussion. I was in some doubt myself at first as to whether the President would have the right to go beyond the surplus in the revolving fund in his purchases of securities; but after consultation with other gentlemen and a thorough reading of the section itself, I have made up my mind that the President would not be confined to the surplus in the revolving fund in his purchase of certificates or securities, and that if he chose he could purchase securities largely in excess of the surplus in the revolving fund, and in that way create a deficiency. Now, if that be the case, it seems to me that wisdom dictates the adoption of the amendment offered by the gentleman from Wisconsin, because it would ratify the right of the President to go beyond the surplus in the revolving fund in purchasing securities; but in order to do that he would be compelled to go to the Appropriations Committee and indicate what amount of securities he intended to purchase and obtain authority from the Appropriations Committee, and the House, for the purchase of the certificates which he proposes to buy.

Mr. SIMS. Now, I want to ask the gentleman, as a practical business man, what he thinks about this proposition: Suppose that Congress is not in session and the Pennsylvania Railroad—I use it as an illustration, because it is a good road—wants to make certain improvements. The President knows that the Pennsylvania Railroad Co. is solvent and good, and he authorizes the improvements—that is, authorizes the sale of the bonds

for the purpose of making that improvement—when Congress is not in session. Now, he could not purchase those at all, and the railroad company could not make the improvement until Congress has first authorized it and made an appropriation for it.

Mr. MADDEN. I think he could confine himself, and ought properly to confine himself, to the limit of the surplus in the revolving fund.

Mr. SIMS. That is exactly what is done.

Mr. MADDEN. Unless he gets additional authority from the Congress, after making a statement of the importance of the transaction which he proposes to execute.

Mr. DEMPSEY. Will the gentleman yield to me?

Mr. SIMS. Yes.

Mr. DEMPSEY. Would not this accomplish exactly what the gentleman and what the gentleman from Illinois contemplate: In line 7, strike out the word "any" and insert in its place the word "only"?

Mr. MADDEN. I think likely it would.

Mr. DEMPSEY. That does not increase at all the liability which is created; it simply makes the revolving fund available for this purpose and does not permit going a cent beyond it.

Mr. LONGWORTH. The same purpose could be attained by striking out the word "may" and inserting the word "shall."

Mr. MADDEN. I think both suggestions would cover the case, and I think it is our duty to surround legislation of this kind with all the safeguards possible; not that we have any doubt that the President will do what is right, not that he will not do it in a right way, but we ought not to authorize anybody in times of stress like this to create a financial obligation against the Government without restrictions.

Mr. LENROOT. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. LENROOT. I want to call attention to the fact that if this modification of the gentleman from New York should be made the President might use every dollar in the revolving fund for that purpose and then come to Congress for a deficiency appropriation.

Mr. MADDEN. And instead of improving it it would injure it.

Mr. BARKLEY. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. BARKLEY. Under section 1 and section 6, the revolving fund is created for the purposes of this act, and the President can not expend a dollar beyond that for any purpose without coming to Congress and having it increased, except it may be increased by the surplus that goes into it.

Mr. DEWALT. Mr. Chairman, let us look concretely, if possible, at the question now before us, because I believe it is one of very great moment. This bill provides, in the first place, that there shall be an agreement, if possible, between the President of the United States and the railroad corporations for the use, compensation, and control of these railway systems. Now, the word control, from its legal definition, contemplates the management and the administration of railroad affairs. If it contemplates the administration of railroad affairs and the management of railroad affairs, then, it follows as a natural sequence, that the President of the United States, through the Director General, must have control and administration of the financial affairs of the railway corporation.

The Government being in control and possession of the railway systems must in some way take care of these maturing obligations. The railway officials themselves can not take care of them. They have no power to take care of them while these railways are under Federal control.

Mr. LENROOT. Will the gentleman yield right there?

Mr. DEWALT. I will.

Mr. LENROOT. Why not, what are we paying them compensation for?

Mr. DEWALT. We are paying them compensation of $945,000,000 for operating expenses, operating the railroads, for betterments and improvements, and for the use and occupation of the roads.

Mr. LENROOT. Is it not a fact that their securities are higher to-day, that their stock and securities have risen on the stock exchange since we took Federal control?

Mr. DEWALT. I am very glad to say that that is so.

Mr. LENROOT. Therefore, are they not in better shape to-day to take care of their securities than they were before the Government took them over?

Mr. DEWALT. That does not meet the question, whether they are better off to-day than they were day before yesterday. The paramount question is, Have they the power and authority to take care of them? I concede that the gentleman is entirely fair in his argument, and I can see, too, that his motives are patriotic and right from his point of view, but when you grant to the Director General certain powers in this bill, and under the powers granted in the act of 1916 the exclusive control and management and administration of these railway companies, you take from them in that very instant the management of their financial affairs. There can be no question about that. If that be true, the maturing obligations must be taken care of, the management and administration of affairs of the companies must be taken care of, by the party that has control over them, and that is the Director General.

We will say that railroad A has a million dollars of maturing obligations. If they endeavor to float a new loan, the bankers would at once say we will not float your new obligations to take up maturing obligations. Why not? Because you have no longer authority over them, because they are under Federal control. What is the Federal control? The Director General. Therefore it becomes necessary for the President to issue new bonds and new notes to take care of maturing obligations.

Mr. ALEXANDER. Will the gentleman yield?

Mr. DEWALT. Yes.

Mr. ALEXANDER. As I understand, there is no disagreement about the policy that the President should be bestowed with this power, but was it the intention of the committee to give him the power to spend money for that purpose in excess of the $500,000,000?

Mr. DEWALT. No; and there I must disagree with the gentleman from Illinois [Mr. MADDEN]. He takes the position that the money could be expended in excess of the revolving fund. I can not so interpret this act.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DEWALT. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEWALT. Let me read the provision—and I refer my remarks to the gentleman from Illinois [Mr. MADDEN]:

> The President may purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities whenever in his judgment it is desirable at prices not less than the cost thereof; any sums available from the revolving fund provided in section 6 may be used for such purchases. The President shall each year, as soon as practicable after January 1, cause a detailed report to be submitted to the Congress of all receipts and expenditures made under this section and section 6 during the preceding calendar year.

Now, what moneys does the President get into his hands under the provisions of this bill? There are two sorts of moneys obtained: First, he obtains the money from the operating income, to wit, receipts of the railroad companies from freight and passenger traffic. Secondly, he receives an appropriation of $500,000,000 as a revolving fund. From this revolving fund of $500,000,000 and from the income from operation of freight and passenger traffic he is allowed to do what? To operate the roads and pay the expenses of the operation, make betterments and improvements, and to order betterments and improvements to be made, and to pay for them out of the revolving fund, if he so chooses, and charge them up against the standard return fixed by the terms of the bill. Third, he is authorized by this to take from the revolving fund, not from the operating income, money enough to pay for these maturing obligations or to renew maturing obligations.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. In just one moment. What is the result of this? The United States Government by reason of its great financial stability is able to issue bonds at 4 per cent—issued them at 3½ per cent prior to this last issue. It borrows money at 4 per cent. Suppose the Pennsylvania Railroad Co. owed a million dollars' worth of maturing obligations. I take the position, and I think it is sound in law and sound in reasoning, that after the Federal control the Pennsylvania Railroad Co. could not, without the affirmative consent of the President, issue anything to take the place of those maturing obligations, and that the power rests in the President of the United States, because he has control. But suppose, now, they wanted to issue new obligations, and suppose they had obtained the consent of the President so to do, and those obligations bore 5 and 6 per cent, the Government stands back of those obligations; but it can borrow money at 4 per cent, and when it issues these bonds for the Pennsylvania Railroad Co. it is actually making 2 per cent on the bargain.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. MEEKER. Is it not the purpose to put the next liberty-loan issue at 4½ per cent?

Mr. DEWALT. I do not know.

Mr. MEEKER. I do.

Mr. DEWALT. The gentleman's information upon that subject is more definite than mine.

Mr. MEEKER. I got it directly that the Government will not be borrowing money at 4 per cent.

Mr DEWALT. It would not change the situation.

Mr. MEEKER. It does as to the rate of percentage, to the credit of the Government.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. LENROOT. Suppose the language read, "The President may purchase for the United States all or any part of such securities at prices not exceeding par," and stopped there, what would be the authority of the President?

Mr. DEWALT. He could not buy anything out of the revolving fund.

Mr. LENROOT. No; but what contracts could he make?

Mr. DEWALT. I do not catch the drift of the gentleman's question.

Mr. LENROOT. What contract could he make obligating the Government—to what extent could he obligate the Government?

Mr. DEWALT. Then he could go beyond the revolving fund.

Mr. LENROOT. Yes; I agree with the gentleman. Then the provision with reference to the revolving fund does not mean anything more than that he may use the money in the revolving fund to pay that obligation instead of coming to Congress and getting an appropriation.

Mr. DEWALT. Yes; it does mean just that very thing, and that is exactly what I think he ought to have the power to do.

Mr. LENROOT. Does it mean anything more than that?

Mr. DEWALT. No; I do not think it does.

Mr. LENROOT. Then the gentleman must concede that the authority of the President to obligate the Government is unlimited under the bill.

Mr. DEWALT. That does not follow in my thought at all.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. Without objection, the pro forma amendment offered by the gentleman from Illinois is withdrawn.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment to the amendment, which I send to the desk and ask to have read. The Clerk read as follows:

Mr. FORDNEY offers the following amendment to the amendment offered by Mr. LENROOT: Page 10, lines 4 to 9, inclusive, after the word "interest" in line 4, strike out the remainder of the line and all of lines 5, 6, 7, 8, and line 9, through and including the word "purchases."

Mr. FORDNEY. Mr. Chairman, I offer this amendment for this reason: There is now pending before the Committee on Ways and Means a bill, presented and prepared by the administration, the purpose of which is to create a corporation called the war-finance corporation, with a capital of $500,000,000, with authority vested in that corporation, if the bill is enacted into law as presented, to issue to the extent of eight times the amount of its capital in loans to railroads and other industries of the country that may be engaged in producing something used in carrying on this war. That is to say, the bill has not been perfected by the Committee on Ways and Means. We are working every day on the bill.

Mr. SIMS. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. SIMS. If I understand the gentleman's amendment, it is really a substitute for the Lenroot amendment?

Mr. FORDNEY. No; my amendment is to strike out.

Mr. SIMS. And Mr. LENROOT's amendment is an amendment to the provision?

Mr. FORDNEY. Yes.

Mr. SIMS. Then the gentleman's amendment becomes a substitute, so far as it goes.

Mr. LENROOT. Mr. Chairman, the amendment I propose will have preference over the gentleman's amendment.

Mr. SIMS. I mean in voting.

Mr. LENROOT. My amendment would come first.

Mr. SIMS. Then the gentleman's amendment is to strike out, and is therefore virtually a substitute?

Mr. FORDNEY. Yes. If this bill is permitted to be enacted into law as the language is in the bill now, this is what you are going to do: Under the provisions of the bill now before the Committee on Ways and Means this war-finance corporation will be permitted under the law to loan through local banks to railroad companies and other institutions producing something in aid in carrying on the war 75 per cent of the market value of the securities offered, and only 75 per cent. In addition to this loan directly to the railroad companies and other institutions, this paper must be indorsed by the local banks where the loan is made and then rediscounted with this war-finance corporation at not to exceed 75 per cent of the amount loaned by the local bank.

Mr. SIMS. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. SIMS. Does the legislation the gentleman has in mind confine the authorization to securities issued by railroads since they have been taken over, or does it apply to any securities?

Mr. FORDNEY. No; it does not confine them to any length of time or the time of issue, but it is proposed to loan money to the railroad companies because the railroad companies of the country to-day can not borrow money through the ordinary channels of private banks and trust companies, and it is found necessary by the administration to create this corporation with a capital of $500,000,000 to make total loans of $4,000,000,000, if found necessary, on a basis of 75 per cent of the amount loaned by the local banks, as before stated, when indorsed by the local bank and presented to this war finance corporation. If you enact this provision into law, you are going to have two bodies with the power solely in the Government, one in the President of the United States and the other in this war finance corporation, both loaning money on railroad securities, one bidding against the other, the President authorized to loan 100 per cent of the value of securities offered and this war finance corporation permitted to loan only 75 per cent of their total value when indorsed also by the local bank, as I have stated.

This bill authorizes the President to make loans such as he may choose and take such securities as he may think proper without any restraint by any other power in the Government. I say, gentlemen, that we are creating by the enactment in this bill into law, and the one now before the Ways and Means Committee to purchase bonds and other securities and loan money to the railroads, one in competition, as I said, with the other, and not only $4,000,000,000 but a total in both bodies of $4,500,000,000; and the President will come back, in the course of a very short time, and ask for several hundred million dollars more, because if this bill is enacted into law we might as well throw the other in the wastebasket, so far as loans to railroads are concerned, because no railroad company will ask for a 75 per cent loan upon its securities when they can go to the President of the United States and get 100 per cent of their market value, especially if that company has a political pull. Therefore to me, gentlemen, it would be a great mistake to enact this bill into law with this language in the bill, and I therefore offer the amendment, and I sincerely hope it will carry.

The CHAIRMAN. The Chair will state that the amendment offered by the gentleman from Michigan is a motion to strike out, and amendments to perfect will take precedence over that motion. The gentleman from Wisconsin [Mr. STAFFORD] offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD to the Lenroot amendment: Insert before the pending amendment the following amendment: After the words "to the extent of $200,000,000 and" insert the word "further" before the word "limit," so as to read "to the extent of $200,000,000 and within the further limit of appropriations hereafter made therefor by Congress."

Mr. STAFFORD. Mr. Chairman, there is a difference of opinion among members of the committee as to whether there is any limitation whatsoever on the authority of the President to obligate the Government in the purchase of these securities. There is no question of the authorization language whereby the President could obligate the Government in the purchase of these securities to the extent of billions of dollars. The gentleman from Pennsylvania [Mr. DEWALT] says that the only limitation to the authorization is the amount of the revolving fund. That may amount to a billion dollars, certainly $500,000,000 here provided and whatever additional receipts that result from the revenues of the railroads in their operation.

Mr. DEWALT. Will the gentleman permit?

Mr. STAFFORD. I will.

Mr. DEWALT. Does the gentleman have any definite or indefinite idea of the amount of these maturing obligations now existing that will mature in the next two years?

Mr. STAFFORD. I have no definite idea as to the amount, but my amendment provides for an authorization of the President to obligate the Government out of this revolving fund to the extent of $200,000,000. It places that limit on the authorization and then authorizes him, if need be, to come to Congress for a further authorization. Two hundred million dollars, I take it, would be ample under the conditions to meet any pressing exigency whereby the Government would be compelled by reason of financial conditions in floating these bonds for the time being.

Mr. DEWALT. If the gentleman will permit, the reason I asked that question was this: The gentleman stated that the President might purchase a billion dollars' worth of these outstanding obligations and securities. The statistics show that

there will be about $360,000,000 of these maturing obligations within the next two years.

Mr. STAFFORD. Then my amendment, which authorizes the President to obligate the Government to the extent of $200,000,000, safeguards the interests not only of the Government as such, but safeguards the interests of the Government in the operation of the railroads. It does not restrict them in any way, but it places a check upon the action of the Director General in obligating the Government to an unlimited extent. I do not think this Congress is willing to grant unlimited authority to the Director General to obligate the Government to the extent of hundreds of millions of dollars. This amendment authorizes him as soon as it is enacted into law to obligate the Government to the extent of $200,000,000 and let the Director General then come before the Congress, before the appropriate committees, if there is need for further authorization, and get an additional authorization. We should, under the circumstances, place some control over the action of the Director General in this great power we are vesting in him. There is no limitation here. There is an authorization whereby the Director General can go to any extent, not even limited by the amount of the revolving fund. I say Congress should properly limit the authorization, and the amendment I propose places that limit at $200,000,000. If there is need for more authorization, why, then, let him come to Congress. The bill that is now being considered by the Ways and Means Committee, which bill was not considered at the time this bill was presented to the Congress, will give full authority beyond the $200,000,000. Some limit should be placed upon the power given the President as to the extent to which he may be authorized to purchase the securities of the railroads.

Mr. BARKLEY rose.

The CHAIRMAN. Does the gentleman desire to be recognized in opposition?

Mr. BARKLEY. I desire to offer an amendment, if it is in order.

The CHAIRMAN. An amendment to the amendment?

Mr. BARKLEY. As a substitute for all amendments.

The CHAIRMAN. The gentleman from Kentucky, a member of the committee.

Mr. BARKLEY. I move to insert after the word "may," in line 4, the following words: "out of the revolving fund created by this act." Then strike out the words "any sums," in lines 7 and 9, down to and including the word "purchases," so that the section would read: "The President may, out of the revolving fund created by this act, purchase for the United States all or any part of such securities," and so forth.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 10, line 4, after the word "may," insert the words "out of the revolving fund created by this act," and, in line 7, after the word "thereof," strike out "any sums available from the revolving fund provided in section 6 may be used for such purchases."

Mr. BARKLEY. Mr. Chairman, that simply makes it clear that the President is to purchase these obligations out of the revolving fund, and that he can not go beyond that in obligating the Government for this particular purpose. It seems to me that accomplishes the purpose desired by the gentleman from Wisconsin and meets the suggestion of the gentleman from New York [Mr. DEMPSEY], and I think the adoption of this amendment will clear up any misapprehension about authorizing the President to go beyond the fund.

Mr. FESS. Is it the desire of the gentleman to limit the revolving fund or to extend it to the running expenses or the proceeds that come from the running of the road?

Mr. BARKLEY. This goes into the revolving fund. So the bill makes a revolving fund of the $500,000,000 appropriated and any surplus that may go into it out of operating the railroad.

Mr. FESS. So it would not limit it to the $500,000,000?

Mr. BARKLEY. No; all the revolving fund, or more, if the companies put it into the Treasury.

The CHAIRMAN. The question is on the amendment by way of substitute offered by the gentleman from Kentucky [Mr. BARKLEY].

Mr. CANNON. Mr. Chairman, I must confess that I am not sure that I understand the effect of any of these amendments, and I am in good faith seeking some information. I understand from the gentleman who has offered the amendment that the $500,000,000 fund that is appropriated is reinforced by earnings that may come. Am I correct in that?

Mr. BARKLEY. Yes.

Mr. CANNON. So there may be a billion dollars in the revolving fund?

Mr. BARKLEY. If the gentleman will refer to section 6, he will find there—

That the sum of $500,000,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated, which, together with any funds available from any operating income of said carrier—

And so forth. Those two make the revolving fund.

Mr. CANNON. Now, that sets my mind at rest there. It was unsettled by some statements that had been made during the debate upon these amendments as to the revolving fund.

Now, as I understand it, the object of this is twofold. I will first ask another question. Take roads in receivership and take roads not in receivership, then can they issue bonds without legislation while the Director General controls the roads and put them upon the market?

Mr. BARKLEY. They can, with the prior approval of the President.

Mr. CANNON. I know, but without regard to the approval of the President, suppose the railway company desires to reorganize, can that road, if it be in the hands of a receiver, be put up for sale and sold, and then, under the decree, can bonds be issued without regard to the Director General or the President?

Mr. BARKLEY. The court might direct, I will say to the gentleman from Illinois—a court in which the receivership is pending would have the power to authorize the issue of bonds for the reorganization of a road.

Mr. CANNON. At any interest the court might fix that is legal?

Mr. BARKLEY. Yes.

Mr. CANNON. Is there any question about that? Is that disputed by anybody? I would like to be satisfied now upon that point. What does the gentleman in charge of the bill say?

Mr. SIMS. This bill does not undertake to interfere with the action of the court in receivership cases so far as the merits of the receivership and legal questions involved are concerned. But if the Government takes over a railroad in receivership it pays for the use of it such just compensation as place and circumstances may entitle the railroad to.

Mr. CANNON. So that in section 7, for the purpose of providing funds, and so forth, or for improvements of railroads in receivership, and so forth, this revolving fund may be used?

Mr. BARKLEY. Yes. For instance, if there was a reorganization of a road in receivership and an issue of bonds were authorized, but by any reason or any circumstances, either that the Government was at that time seeking to monopolize the money market for its own bonds, or that reorganized railroad could find no market to purchase its bonds, the Government would come to the rescue and purchase those bonds so that it could proceed without embarrassment.

Mr. HARDY. Will the gentleman yield?

Mr. CANNON. I will.

Mr. HARDY. Before the gentleman from Kentucky has prepared his amendment, which was intended to meet the objection of the gentleman from Wisconsin [Mr. LENROOT], which was to the effect that the first sentence or phrase of this paragraph authorized an unlimited contract by the President for the purchasing of bonds, I had prepared this amendment, which I thought would cure the defect, if it was a defect:

The President may, out of any sums available from the revolving fund provided in section 6, purchase for the United States all or any part of such securities at prices not exceeding par, and may sell such securities—

And so forth. The question I wanted to ask the gentleman was if that was the equivalent?

Mr. BARKLEY. That is exactly the equivalent, except I do not say out of any fund. I say out of the fund created by this act.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Illinois [Mr. CANNON] asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. CANNON. I think I understand. Let me put a case. There are some railroads that have receivers, and some very good ones. As I understand it, a decree might be entered and the road sold, of course, independent of the President or the Director General. Suppose they would authorize in the decree that from the proceeds of the sale certain obligations should be paid and would authorize the issue of bonds at 6 per cent. I take it the decree would have to be sufficient so it could be successfully carried on. Now, those bonds drawing 6 per cent, if the Government was floating liberty bonds at 4 or 4½ or 5

per cent, presumably would be taken over by the Director General at par and sold at par, within his discretion. Am I correct in that?

Mr. DEWALT. Yes. He can buy them at par, but can not sell them at less than par.

Mr. BARKLEY. He can buy them at less than par.

Mr. CANNON. At less than par, and probably if they would run at 4½ per cent he would buy them at less than par. Now, that protects the Government in its financial transactions when it puts Government bonds upon the market, and that same thing is true, as I understand it, if there had to be an indebtedness incurred by a railroad for maintenance or for the payment of maturing obligations—notes, and so forth.

If that is true and your amendment is adopted, I want to ask what is the objection to the legislation that is proposed?

Mr. DEWALT. Mr. Chairman, may I just say a word to the gentleman?

Mr. CANNON. Yes.

Mr. DEWALT. I suppose the gentleman from Illinois will admit that a great many of these outstanding obligations of the railroad companies are now held by banks and by private individuals as well.

Mr. CANNON. Yes.

Mr. DEWALT. Now, conceding for the moment that the Government does not back up and uphold these maturing obligations, would they fall upon the market and depreciate very much?

Mr. CANNON. I have no doubt about it.

Mr. DEWALT. That would create instability, would it not, as to all these securities?

Mr. CANNON. Yes.

Mr. DEWALT. If the Government had the right to back all these securities outstanding, would not that stabilize the market?

Mr. CANNON. Yes; it would seem to me to accomplish a double object: First, stabilize the market for the bonds issued by the road and not embarrass the Government when its bonds are placed on the market.

Mr. DEMPSEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York moves to strike out the last word.

Mr. DEMPSEY. Mr. Chairman, I intended, as I indicated, to offer an amendment substituting, in line 7, the word "only" for the word "any," which would have had the effect of limiting the amount that the President can use to the fund of $500,000,000 created by this bill. But the amendment suggested by the gentleman from Kentucky [Mr. BARKLEY] accomplishes the same result and in perhaps a more logical and better literary way, so that I will not offer my amendment.

Now, we come to the consideration of what the situation is. The gentleman from Wisconsin [Mr. LENROOT] has offered an amendment, and the gentleman from Michigan [Mr. FORDNEY] has also offered an amendment to accomplish the same purpose. The gentleman from Wisconsin proposes to limit the sum which may be used here to express appropriations by Congress. Then the other gentleman from Wisconsin [Mr. STAFFORD] limits that to $200,000,000.

Mr. LENROOT. No; he appropriates $200,000,000 outright.

Mr. DEMPSEY. Yes; he appropriates $200,000,000 outright. Then the gentleman from Michigan [Mr. FORDNEY] offers an amendment by which he strikes out the entire sentence.

Now, as between these various amendments, I am for the Barkley amendment. I believe that the President should have the right to use this revolving fund for this purpose, and the only objection I have heard urged to it is this, that the President might utilize the entire $500,000,000 for that purpose. That is a very violent and wholly unwarranted supposition, with nothing on which to base it. We have to assume that the President would utilize that fund for all the purposes for which he is given the right to use it and in the best way that he can see to use it from time to time as he needs it, so that I think we need give ourselves no uneasiness upon that score.

Then we come to the other amendments. I am against them, because I believe the President should be given a broad scope and the right to utilize this sum; but as between the two amendments, that of the gentleman from Michigan [Mr. FORDNEY] and that of the gentleman from Wisconsin [Mr. LENROOT], I am frankly for the amendment of the gentleman from Michigan, for this reason: I think the amendment of the gentleman from Wisconsin is open to this criticism, in addition to others: I think it is in conflict with itself. I think the latter part of the sentence is in conflict with the first part. It says in the first part of the sentence, "He may use only such sums as are appropriated by Congress," and in the second part he says, "He may utilize the revolving fund." What does the sentence mean as a whole? Any court would have to construe it, and the meaning would be very doubtful indeed.

But of course that is a technical constructional objection. It does not go to the broad merits of the question. It comes, then, to the objection of the gentleman from Michigan [Mr. FORDNEY], that the Committee on Ways and Means is considering a means of relief. Well, it is entirely proper for the Committee on Ways and Means to provide a means of relief, but that should not be in conflict at all with the right of the President to utilize this revolving fund in this way as well as in other ways. But if you are going to cut out that measure of relief, if you are not going to allow the President to utilize this revolving fund, then strike out the sentence and make the meaning clear and indisputable.

But I say, on the other hand, let us take a broad view of this situation. So long as we are giving the President this revolving fund we are not adding to our liabilities a single cent. The fund has been created. Why not give the President a broad power to use it for this purpose as well as for other purposes? What objection could there be? There might come a time when it would be more important to utilize some part of this fund for this purpose than for any other purpose, to stabilize values, to make the market firm and stable, to prevent disaster. I say so long as we do not increase the liability, so long as the amount is limited, so long as the fund is created, let us make it possible for the President to utilize this amount for every beneficial purpose, and this may prove to be the most beneficial of all. [Applause.]

Mr. SIMS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

Mr. MONDELL. Does that include the Fordney amendment?

Mr. GREEN of Iowa. Does that include the motion to strike out, made by the gentleman from Michigan [Mr. FORDNEY]?

Mr. SIMS. No. I understand that to be a substitute. This applies to the Lenroot amendment and all amendments thereto.

Mr. GREEN of Iowa. Mr. Chairman, a parliamentary inquiry.

Mr. LENROOT. Mr. Chairman, I wanted to inquire of the Chair, parliamentarily, whether or not the Fordney amendment is not a separate amendment by itself, to strike out?

The CHAIRMAN. It is.

Mr. SIMS. Is the Barkley amendment a separate amendment?

Mr. MADDEN. No.

The CHAIRMAN. The Chair will state the parliamentary situation. There are three propositions pending; you might say four: The amendment offered by the gentleman from Wisconsin [Mr. LENROOT] and an amendment to that amendment offered by the gentleman from Wisconsin [Mr. STAFFORD]; then the motion to strike out, made by the gentleman from Michigan [Mr. FORDNEY]. That is considered as pending, but merely pending. Then a substitute was offered by the gentleman from Kentucky [Mr. BARKLEY]. Now, when we reach the voting stage, the vote will first be taken upon the amendment to the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD]. After that has been voted upon, then the vote will come on the substitute offered by the gentleman from Kentucky [Mr. BARKLEY]. When that proposition is finally settled and the Lenroot and Barkley amendments are disposed of, as the committee may determine, then the motion of the gentleman from Michigan [Mr. FORDNEY] to strike out is in order. The gentleman from Tennessee [Mr. SIMS] asks unanimous consent that all debate on the pending amendment and amendments thereto, not including the Fordney amendment, do now close.

Mr. FESS. Reserving the right to object, Mr. Chairman——

Mr. SIMS. What does the gentleman wish to debate?

Mr. FESS. The Barkley amendment.

Mr. SIMS. Therefore, I will ask, Mr. Chairman, that all debate on the amendments, with the exception of the Fordney amendment, close in five minutes, the gentleman from Ohio [Mr. FESS] to have the five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that debate on all pending amendments, except the Fordney proposition, to strike out, be concluded in five minutes. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, there was some confusion in my mind as to how much was comprehended in the term "revolving fund." The confusion was very largely suggested by the discriminating discussion of the gentleman from Pennsylvania [Mr. DEWALT] when he spoke of the two sources, and did not include at the time the proceeds in the form of profit for the operation of the railroads as a part of the revolving fund. If those are

in the revolving fund, then there can be no doubt in my mind of the wisdom of the amendment of the gentleman from Kentucky. It gets precisely what I think this side of the House over here would like to have.

I will say frankly to the members of the committee that I would not vote for an amendment that would in any way cripple the President in stabilizing these securities, for the purpose of this is not only to take care of these maturing obligations, as was suggested a moment ago by the gentleman from Pennsylvania [Mr. DEWALT]. It is much broader than that. In addition to maturing obligations we say—

Or for other legal and proper expenditures.

That is a blanket authorization. There is no limitation there—

Or for reorganizing railroads in receiverships.

So it can not be simply to take care of the maturing obligations. There may be a much larger fund than would be stipulated for that purpose.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. FESS. I will yield.

Mr. GREEN of Iowa. If I understood correctly the motion of the gentleman from Michigan, it would not apply to the last part.

Mr. FESS. I am speaking now of the motion of the gentleman from Kentucky [Mr. BARKLEY], which I think comprehends language that I would like to vote for. I would like, however, to say to the members of the committee that we are now in a stage of legislation here that I think is exceedingly important to note, and that is to hold up the price by Government action of an article that is going to be in the market, and in order to do it we are supplying the purchaser, and that purchaser is the Government, and the Government is limited in the amount it is to pay, and it is also limited in the minimum that it is to receive. Now, here is the delicacy of that situation: In order to stabilize these securities you must find a buyer, and in case you can not find a buyer in the open market, Uncle Sam comes in and takes it, and he must not take it at a price above par. We assume by that that he will take it at par, if the purpose is to stabilize, and we have got a certain purchaser. Now, with the securities in our hands to be paid for, not above a certain price, suppose that we can not get the amount that we paid for them. We can not by this act sell them below it. There is a limitation on the purchase price. There is a limitation on the sales price, and if we can not sell the securities for less than we paid, it simply means that Uncle Sam is to become the holder of these securities without limit. In other words, the Government proposes to become the owner of these holdings in order to prevent their value depreciating. Therein is the danger of this sort of fiat legislation, to by Government decree supply value which is lacking in the law of supply and demand.

Mr. MADDEN. Will the gentleman yield?

Mr. FESS. Yes.

Mr. MADDEN. Of course, he would become the holder, but when the railroads are turned back to their owners, of course, these securities would be turned back as a part of the settlement of the account.

Mr. FESS. Yes; that is a relief that helps me a little. The point that is troubling me is this, that we are arranging to hold up the price of securities without any assurance that the Government may ever get from under the obligation. That is my fear.

Mr. MADDEN. Legislation would have to follow the surrender of the roads to their owners, which will adjudicate all the differences.

Mr. FESS. That is true. That is some relief. But after all, Mr. Chairman, this is a fiat price fixed.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD] to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

Mr. STAFFORD. I ask unanimous consent that the amendment of my colleague [Mr. LENROOT], as modified by my amendment, may be read.

The CHAIRMAN. Without objection, the Stafford amendment, and then the Lenroot amendment as it would read if modified by the Stafford amendment, will be read.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD to the Lenroot amendment: Insert before the pending amendment the following amendment, "to the extent of $200,000,000," and insert the word "further" before the word "limit," so that the Lenroot amendment, as amended, would read: "to the extent of $200,000,000, and within the further limit of appropriations hereafter made therefor by Congress."

The CHAIRMAN. The question is upon the Stafford amendment to the Lenroot amendment.

The question being taken, the amendment to the amendment was rejected.

The CHAIRMAN. The question now is upon the amendment offered by way of substitute by the gentleman from Kentucky [Mr. BARKLEY].

Mr. LENROOT. Is the Chair stating that correctly? The amendment proposed by the gentleman from Kentucky [Mr. BARKLEY] is not only a substitute for the language that I incorporate in mine, but also seeks to strike out other language in the section, and therefore I submit to the Chair that it is not a substitute for mine in the sense that it is to be voted on before mine. Will the Chair just put it the other way?

The CHAIRMAN. The Chair proceeded upon the theory that it was offered by way of substitute. That being the case——

Mr. BARKLEY. I will withdraw so much of my amendment as seeks to strike out language in order that we may separate them and vote upon them separately.

The CHAIRMAN. The gentleman from Kentucky [Mr. BARKLEY] asks unanimous consent to modify his substitute by withdrawing so much of the same as proposes to strike out certain language.

Mr. BARKLEY. To strike out the language in lines 7, 8, and 9.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. Now, the question is upon the substitute offered by the gentleman from Kentucky [Mr. BARKLEY] for the amendment proposed by the gentleman from Wisconsin. The question is upon the amendment by way of a substitute.

The question being taken, the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question now is upon the amendment as amended.

The amendment as amended was agreed to.

The CHAIRMAN. The gentleman from Kentucky now offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BARKLEY: Page 10, line 7, after the word "thereof," strike out the following: "Any sums available from the revolving fund provided in section 6 may be used for such purposes."

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Kentucky [Mr. BARKLEY].

The question was taken, and the amendment was agreed to.

Mr. BARKLEY. Mr. Chairman, after the word "thereof," on page 10, line 7, the semicolon should be stricken out and a period inserted.

The CHAIRMAN. Without objection, the amendment will be made.

There was no objection.

The CHAIRMAN. The question now is on the amendment of the gentleman from Michigan [Mr. FORDNEY] to strike out. There has been one argument made in favor of the motion.

Mr. SIMS. Mr. Chairman, I will take the floor in opposition to it if no other member of the committee wishes to speak. Mr. Chairman, I think the proposition to strike out ought to fail. You will remember that the gentleman from Michigan gave as his chief argument the statement that the Committee on Ways and Means is preparing legislation that will cover this purpose. We are passing this legislation now, and I do hope and believe that the railroad-control bill will be passed before the bill reported by the Ways and Means Committee will be passed. But the Ways and Means Committee does not propose to deal with this particular proposition; that is, for the use that we shall make of the revolving fund. I understood the gentleman from Michigan to say that the money might be used for a great many purposes, and that this would be included under the terms of their bill if passed in its present form. But nobody can tell whether it will pass in its present form or not. This revolving fund under the provisions of this bill is intended to make this bill a workable proposition so far as financing the securities and other purposes mentioned by the gentleman from Ohio.

Mr. FORDNEY. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. FORDNEY. What does the gentleman say about these conflicting propositions? The war finance board is only permitted to loan 75 per cent of the value with the indorsement of the local banks, and here the President will be permitted to loan 100 per cent without any indorsement.

Mr. SIMS. This bill only authorizes the President to purchase such securities as may be issued by a particular railroad while under Government control. Your proposition provides that they may loan on these railroad securities whether they were issued after the war or prior thereto.

Mr. FORDNEY. The powers of this board provided in the bill now before the Ways and Means Committee must cease directly after the war.

Mr. SIMS. And this one will not cease until Federal control ceases, and therefore is very different from your bill.

Mr. DEMPSEY. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. DEMPSEY. The railroads in the past have not been limited to any one bank or to any one source from which they borrow, and there is no insuperable objection to their borrowing from the two funds, is there?

Mr. SIMS. No.

Mr. DEMPSEY. I say that in answer to the objection of the gentleman from Michigan.

Mr. KITCHIN. Mr. Chairman, if the gentleman will permit an interruption, I would like to say in regard to the war finance appropriation bill, to which the gentleman from Michigan refers, that in my opinion there are other industries than the railroads that will practically exhaust the resources of the loaning power; and while we hope that it will be sufficient to help out the railroads and the public utilities, I am sure if it exempts all public utilities and railroads and other war industries it will need other help.

Mr. SIMS. That is the line of argument that I was making, and also the line of argument of the gentleman from New York [Mr. DEMPSEY]. We will endanger the perfect and complete and successful operation of this bill if we strike out this provision. It ought not to be done. I think it would prevent the President in the use of the revolving fund from acquiring facilities for the operation of waterways which may be taken over. It is as dangerous as it can be to come here with these limiting propositions, because when you undertake to particularize what may be done you will exclude all except those specified. That is the rule of law. I hope, therefore, that the amendment of the gentleman from Michigan will fail in toto.

Mr. STEPHENS of Nebraska. Will the gentleman yield?

Mr. SIMS. Certainly.

Mr. STEPHENS of Nebraska. Would it not be an incongruous situation to have the President charged with the responsibility of operating these roads and have to go through the process of begging the bankers of the country to loan him the money to finance the roads in receivership or otherwise?

Mr. SIMS. Undoubtedly.

Mr. STEPHENS of Nebraska. The gentleman from Michigan spoke about the board being limited to 75 per cent of the par value. Is it not a fact that the Government is in possession of the railroads and will have a large standard return, which will be as much security as the indorsement of the banks?

Mr. SIMS. Yes; and I think much better.

Mr. GREEN of Iowa. Mr. Chairman, I rise to support the motion of the gentleman from Michigan. The portion of the section which he moves to strike out ought to be eliminated for two reasons: First, it is entirely unnecessary if we grant every statement made as to the need of the railroads by gentlemen on behalf of the committee. In the second place, it is utterly unsound under every principle of finance.

The Ways and Means Committee, as has been said, is preparing a bill presented by the Secretary of the Treasury for the purpose of making advances to railroads and other purposes. When the Secretary came before the committee he stated that the needs of the railways was one of the special reasons why the War Finance Corporation ought to be organized. He desired to use a considerable portion of the money for that purpose. Now, if this money is to go out of the Treasury it is either to go out on sound security or it is to go out on unsound security. If it is going out on sound security, it is going out on security which will have back of it collaterals in the manner provided in the bill before the Ways and Means Committee. If it is to go out on unsound security—if the object of this bill is to bolster up unsound security—then, as the gentleman from Ohio [Mr. FESS] said, you are creating a sort of fiat currency or fiat bonds bolstered up by the Government credit. It becomes an inflation scheme; a plan to make good securities out of bad ones. Possibly there was a time when the Nation's Treasury could easily take care of millions in bad investments and its credit still remain good, our resources unshaken. But to-day we are engaged in a war which taxes every power and strains every resource. Every day we are told that we need a billion here, five hundred millions there, and still gentlemen go on and on as if the money and credit of this country were bounded only by infinity. I warn the House that there is a limit, and we are approaching it.

The bill which is before the Ways and Means Committee provides fully for all exceptional cases. It is true that ordinarily only 75 per cent of the value of the securities can be loaned by the Government, and the loan must be secured by collaterals; but the bill also provides that in exceptional cases where in the judgment of the Secretary of the Treasury it is necessary, 100 per cent, the full face value, may be loaned to the concern. The fundamental proposition of the bill which is before the Ways and Means Committee is this: That there are certain corporations that are perfectly solvent, with ample assets behind all of their obligations, but in this period of enormous demands for money which exists in war times, they can not now be financed in the ordinary way. Such corporations, I grant you, ought to be sustained, but only that kind of corporation. If there is some kind of corporation, railroad or otherwise—I care not what it is—that can only be sustained by the Government because it has nothing else to back it, then the Government never ought to put its money into it, and for that reason this motion to strike out offered by the gentleman from Michigan [Mr. FORDNEY] ought to be sustained.

Mr. SNYDER. Mr. Chairman, will the gentleman yield for a question?

Mr. GREEN of Iowa. Yes.

Mr. SNYDER. I would like to know if in the calculations before the Committee on Ways and Means at the present time any provision is being made to take care of corporations and business institutions outside of those involved in governmental activities?

Mr. GREEN of Iowa. Oh, yes. That is expressly understood and provided, and I might say in reference to any question as to there being money enough, this bill before the Ways and Means Committee provides for the issuance of $4,000,000,000 in notes that can be discounted by the Federal reserve banks. In heaven's name how much money do you want; what kind of inflation are we to have if that is not enough? The gentleman from Pennsylvania [Mr. MCFADDEN] contended the other day that it could be extended up to $32,000,000,000. I do not know whether he is correct or not; I doubt whether he is; but there will be money enough.

Mr. SNYDER. The gentleman says that money is going to be provided for activities outside of governmental activities.

Mr. GREEN of Iowa. Oh, yes; for public utilities and all that sort of thing.

Mr. SNYDER. But I am speaking of corporations who are manufacturing so-called nonessentials. What is going to become of them?

Mr. GREEN of Iowa. I do not know just where the gentleman would draw the line.

Mr. SNYDER. No one seems to know, and that is what I am trying to draw out.

Mr. GREEN of Iowa. I presume the Government would not advance the money to help out a corporation that is manufacturing perfumery.

Mr. SNYDER. Is there not a feeling before that committee that nonessentials are not to be taken care of?

Mr. GREEN of Iowa. Oh, yes; that is the understanding.

Mr. SNYDER. That is the understanding—that they are simply to be permitted to shift for themselves and have the right to live as they can, with all of the restrictions that are being thrown around them?

Mr. GREEN of Iowa. I think that is correct; but we are now considering the railroad matter. The bill before the Committee on Ways and Means will fully take care of the railroads.

Mr. SNYDER. I just wanted to find out the idea of the gentleman and what the sentiment before the committee was in respect to nonessentials.

Mr. MONDELL rose.

The CHAIRMAN. Does the gentleman rise in opposition to the amendment?

Mr. MONDELL. No; I desire to support the amendment.

The CHAIRMAN. Does any gentleman desire to be heard in opposition to the amendment?

Mr. SIMS. I have just been recognized.

Mr. MONDELL. I desire to support the amendment offered by the gentleman from Michigan.

Mr. SIMS. Mr. Chairman, I ask unanimous consent that all debate on this close in five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate upon this section and all amendments thereto shall close in five minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I desire to support the amendment offered by the gentleman from Michigan [Mr. FORDNEY], and I desire to support it without reference to any action that may be taken by the Committee on Ways and Means in reference to the industrial stabilizing measure now before that committee. We are none of us as yet, I assume, pledged to that legislation. Whether it shall be provided or not, in my

opinion, it is both unnecessary and unwise to legislate as now proposed. Under section 6 of this bill the President is authorized out of the $500,000,000 revolving fund to furnish the railways with all of the sums necessary for extensions, improvements, betterments, motive power, and rolling stock, so that the provision which the House is now considering is intended to cover only maturing obligations or securities issued in lieu of maturing obligations, though the language of the provision is rather broad. It is a rather curious and altogether uncomplimentary commentary on Federal control of railways to suggest at the very outset of that control that it may not only be necessary for us to loan money needed for all purposes of betterment and improvements, and to guarantee a definite return, but that in addition to that we must sustain the credit of the roads under Government control by buying their obligations with the people's money. If those obligations are good and sound, or reasonably so, they can be floated. If they are not, the Government is under no obligation, and is doing a very unwise thing when it proposes to take the people's money raised by taxation and the sale of bonds and use it in the purchase of such securities. The effect under the language of the bill would be to enable the Director of Railroads to buy these securities, whether they are sound and stable or no; and if they were not good, if they were not sound, if they did not have sufficient values behind them, then the Government would have unloaded upon its hands, practically for all time, securities of which it could not dispose. It is to be assumed that under Federal control and the stablizing influence of the Federal operation the roads will be able to finance their maturing obligations.

They ought to be able to do it and they will be able to do it unless there arises a condition in the country so disastrous, not only to railway but to all other industrial securities, that it would be useless to attempt to interpose the funds of the Federal Treasury in an effort to stabilize the industrial conditions of the country. We could not do it if we tried. If a condition arose under which any such action would seem to be necessary, it would be futile. It is proposed to do something which in the first place it is not necessary to do and the doing of which is exceedingly dangerous from every standpoint of the public interests.

Mr. TOWNER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. All debate on this section and all amendments thereto has been closed under unanimous-consent agreement.

Mr. TOWNER. By unanimous-consent agreement?

The CHAIRMAN. Yes. The question is upon the amendment offered by the gentleman from Michigan to strike out certain words.

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. GREEN of Iowa) there were—ayes 12, noes 47.

So the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. LENROOT. Mr. Chairman, I did not take time to change the heading. The amendment is, in line 4, after the word "interest," strike out down to and including the word "purchases," in line 9, and insert——

Mr. SIMS. We have voted on that once.

Mr. LENROOT. I have incorporated all the amendments. Mr. Chairman, I ask unanimous consent to return later for this purpose only. It is a perfecting amendment, that is all.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that this paragraph may be passed temporarily, with permission to return at a later time for the purpose of offering a perfecting amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. LENROOT. I withdraw my amendment for the time being.

The Clerk read as follows:

SEC. 8. That the President may execute any of the powers herein and heretofore granted him with relation to Federal control through such agencies as he may determine, and may fix the reasonable compensation for the performance of services in connection therewith, and may avail himself of the advice, assistance, and cooperation of the Interstate Commerce Commission and of the members and employees thereof, and may also call upon any department, commission, or board of the Government for such services as he may deem expedient. But no such official or employee of the United States shall receive any additional compensation for such services except as now permitted by law.

Mr. PARKER of New Jersey. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Page 10, line 25, at the end of section 8, after the words "permitted by law," insert "that the carriers shall retain their officers, agents, corporate existence, and management, subject to control of the President, except when otherwise particularly ordered by the President."

Mr. PARKER of New Jersey. Mr. Chairman, I desire to say only a word. If some of the Members here think about this as I did, there will be a question whether all the agents of the various carriers did not become, under this bill, employees of the Government, subject to political or civil-service appointment, holding all civil-service rights with all sorts of obligations. It is not intended by this bill that that should be so, and this amendment provides that the carriers retain their officers, agents, employees, management, and corporate existence, subject only to the control of the President, except where the President issues a particular order, which means as to any particular employee.

The CHAIRMAN. The question is upon the amendment.

The question was taken, and the Chairman announced the ayes appeared to have it.

On a division (demanded by Mr. SIMS) there were—ayes 26, noes 38.

Mr. PARKER of New Jersey. Mr. Chairman, I ask for tellers.

The CHAIRMAN. Tellers are demanded. The Chair will count. [After counting.] Fifteen gentlemen have arisen; not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. LENROOT. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 10, after line 25, insert a new paragraph to read as follows:
"No person employed in connection with the operation of railroads or systems of transportation under Federal control, except those persons referred to in the preceding paragraph of this section, shall be deemed to be an officer or employee under the United States for the purpose of title 2 of an act entitled 'An act to provide revenue to defray war expenses, and for other purposes,' approved October 3, 1917, commonly called the war excess-profits tax, nor shall he be deemed to be a civil employee of the United States within the meaning of the act entitled 'An act to provide compensation for employees of the United States suffering injury while in the performance of their duty, and for other purposes,' approved September 7, 1916."

Mr. SIMS. Mr. Chairman, I have no objection to that amendment. I have given it study.

Mr. LENROOT. I do not care to discuss it.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 9. That nothing in this act shall be construed to affect the routing instructions over and the traffic arrangements of such railroads as may not be taken under Federal control by the President unless such arrangements and instructions prejudice the transportation of war materials or of Government supplies; in which case the President may change the routing of such materials and supplies as the war and national interests demand. If the President should deem it necessary temporarily to suspend such arrangements and instructions as to freight other than war materials and Government supplies, he may thereafter, so far as practicable, cause to be diverted sufficient unrouted freight to such road as will compensate it in revenue for such temporary suspension.

Mr. SNOOK. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 11, line 4, after the word "control," insert the words "or the control of which may be relinquished."

Mr. SNOOK. Now, Mr. Chairman, under section 14 of the bill the President has power to relinquish the control of certain railroads after July 1, 1918, and this amendment is simply to give those roads the benefit the same as those which are not taken over. It meets the approval of the committee.

The CHAIRMAN. The question is upon the amendment proposed by the gentleman from Ohio.

The question was taken, and the amendment was agreed to.

Mr. SWITZER. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the Interstate Commerce Committee a question. Section 9 of this bill as originally drafted has been stricken out. I have been informed that this was done at the request of the representative of the heads of the railway brotherhoods, and that it was upon their insistence that no workmen's compensation provision is incorporated in this bill.

Mr. SIMS. I think I can state it correctly; and that is not exactly correct. One gentleman representing the railway trainmen appeared before the committee and opposed any legislation on the subject at all, so as to leave the employers' liability act to apply. But there was no representative of other members of the brotherhood that came before the committee and made any statement whatever. But I have myself received a number of letters and requests and resolutions from local bodies

of railway trainmen, perhaps some of all of them, opposing any legislation in reference to the workmen's compensation act in this bill. But I would not say it was stricken out on account of their opposition or approval, but after studying the whole matter as best we could we thought it was a good thing to strike it out and not undertake to deal with it at all, because it is no essential part of the operation of railways while in Federal control.

Mr. SWITZER. Did not Mr. Doak, who appeared before the committee, as shown by the hearings, represent the four brotherhoods?

Mr. SIMS. No, sir; he did not.

Mr. SWITZER. What did he represent?

Mr. SIMS. I have forgotten what it was.

Mr. BARKLEY. Mr. Doak stated that, while he only represented one brotherhood officially, he was spokesman for all four.

Mr. SIMS. He did not come to represent them. He said he was the spokesman. In other words, he was representing what they approved, but their official representative did not appear before the committee and make any statement.

Mr. SWITZER. But they did send Mr. Doak?

Mr. SIMS. I have it here. I may be in error, as I am stating it from my recollection.

Mr. SWITZER. Your committee did not come to any decision to strike this out until he made the request?

Mr. SIMS. We had not acted on any provision in the bill at all. He came before us in the hearings before we had acted on any section.

Mr. SWITZER. One other question. Was not the bill redrafted after it was referred to your committee, and did not the redraft still contain the workmen's compensation provision?

Mr. SIMS. The bill was drafted three different times, for this reason: In order to have all amendments which the committee had agreed to in one bill, and not have the Members come in here and offer them as separate committee amendments; and that was done by unanimous consent after the bill was reported—that is, the final draft—so as not to have so many committee amendments offered that the committee had already agreed to. The bill was drafted first before any amendments were offered at all. Afterwards it was introduced again as the committee then agreed to report it, but after that had been done the committee still decided to make further amendments, which were made, and then it was introduced in its final form. But what the gentleman says was not the cause of this redraft, but it was redrafted with reference to what amendments the committee had decided to put in the bill. Now, what Mr. Doak said——

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SWITZER. Mr. Chairman, I have not had a minute's time during the consideration of this bill, and I ask unanimous consent for 10 minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. SIMS. Mr. Doak said:

> In appearing here to-day I do so in behalf of the four railroad brotherhoods and especially for the purpose of discussing briefly the provision pertaining to workmen's compensation.

Mr. MONTAGUE. Will the gentleman permit me one moment?

Mr. SWITZER. Just two more questions, and then I will yield to the gentleman. This bill was originally drafted by a representative of the administration and is known as the administration railway bill?

Mr. SIMS. You mean as it was originally drafted?

Mr. SWITZER. Yes.

Mr. SIMS. As originally drafted it was drafted with a view of carrying out the President's proclamation.

Mr. SWITZER. So the redraft I referred to carried the workmen's compensation?

Mr. SIMS. The redraft covered simply amendments that were agreed to by the committee after the original bill was introduced.

Mr. SWITZER. I yield to the gentleman from Virginia [Mr. MONTAGUE].

Mr. MONTAGUE. I wish to say to the gentleman, and I think I do not betray the confidence of the committee, I made the motion in the committee to strike out section 9. There were two considerations impelling that motion, one that I thought it was unconstitutional in that it delegated legislative power to the President, and second, to preserve the idea carried in the amendment offered by the gentleman from Wisconsin [Mr. LENROOT] a few minutes since.

Mr. SWITZER. Mr. Chairman, I agree with the gentleman from Virginia, that I believe that this section 9 as originally drafted delegated to the President legislative powers and that therefore it was clearly unconstitutional. I made some remarks upon the floor of this House a few weeks ago, and I further opposed this section 9 as originally drafted, for the reason that I believed that the administration of the compensation law would be freer from political influences and interferences if it was placed under the jurisdiction of the United States courts; that is, if the initial complaint was lodged before a referee appointed by a United States district judge, and have a right to review, and transfer of jurisdiction, with the ultimate right of trial by jury; that in this way the interests of all parties, the employees and the railways and the Government and the people, would be best conserved. But I regret very much that the spokesman, as we will call him, for the railway brotherhoods at this time assumed the antagonistic attitude indicated by the chairman of the Committee on Interstate and Foreign Commerce, for I believe that this is the opportune time to have passed a national workmen's compensation law, covering under it the employees of the interstate railways of this country, certainly with a representative of the administration appearing here and personally requesting certain legislation. If, then, the brotherhoods would have given the principle involved their support it would have been easy to have substituted a workable and acceptable compensation provision for the original draft of the law, and there would have been a certain, adequate, uniform compensation on account of disability or death as a result of injury in interstate railway service throughout the whole country. Now, so far as the spokesman of these railway brotherhoods is concerned, he represented the Railway Trainmen.

Of all the men who need the benefit of a workmen's compensation law it is the railway trainmen. Some one has misled this order and had them go on record against the workmen's compensation law. But so far as the locomotive engineers are concerned, they are unanimous for a workmen's compensation law. The conductors are passive. I believe the firemen have taken no action on it.

Here is a man who says he represents 130,000 employees out of probably 1,400,000 employees of the interstate railways of this country. I believe that merely upon the request of that spokesman this provision has been eliminated from this bill. I know it is futile to offer an amendment. I presume it would be ruled out if a point of order were made, and if a point of order is not made, with the activities of these railway brotherhoods against it, it would fail. I recognize that, but it seems to me that the heads of the railway brotherhoods, if they at all favor such a proposition, have made a serious mistake, and I think now, over and above all other times, it is necessary that we should have such legislation.

I think the representative of the administration was right in recommending a compensation system, while I do not agree with his proposed method for its initiation and administration. There will be transported over these railroads thousands and thousands of tons of high explosives, and there will be congestion of freight, as there has been this winter, and so long as the war goes on, and the employees will be subjected to greater dangers than heretofore, and with the additional instances of danger it will be impossible for the railway employee to prove the injury suffered is any fault of the carrier. It will be impossible to prove negligence, and it will continue, as it has been in the past, that about one-third of those who are injured and about 15 to 20 per cent of the dependents of those who are killed by accidents will receive compensation, and those who do finally recover against the railroads will probably have to pay one-third or one-half of what they receive to their attorneys.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SWITZER. Yes.

Mr. COOPER of Ohio. I would like to say to my colleague from Ohio that that part of the workmen's compensation law was stricken out of this bill. I do not believe the President had any power at all under the wording of that section to take in the employees of the railroads of this country in workmen's compensation.

Mr. SWITZER. I so stated. I believe that the original draft of the section delegated powers that are unconstitutional. I do not think it should have been placed under the Federal Workmen's Compensation Commission, because I believe that a system ought to be originated at this time and adopted that would apply to these railroads after we release them and after they go back to private control, something that would be workable in peace times as well as in war times.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. SWITZER. I yield.

Mr. TOWNER. In the bill H. R. 8172, where I think it was perhaps the first amendment, I noticed not only the objection of the gentleman from Virginia [Mr. MONTAGUE], but, it seems to me, it would be objectionable also upon the ground that by inference, at least, it would take away from the employees the benefits conferred under the employees' liability act.

Mr. SWITZER. I think they should be taken away, and we should substitute therefor a proper workmen's compensation law.

Mr. TOWNER. That may be; but a workmen's compensation act was not a suitable substitute for the workmen's liability act.

Mr. SWITZER. Mr. Chairman, I am in accord with the railway brotherhood heads when it comes to the provision as proposed in this bill. I believe it should have been eliminated. But I believe that this is the time and this is the hour, when the administration was demanding something in their behalf, when they should have joined hands for the principle, and instead of having a few of their subordinates out in the country telegraphing you to oppose this measure, they should have telegraphed to you that they were against the provision in the bill but favored a liberal compensation system, and it would easily have been put into this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. LENROOT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 11, line 11, strike out the words "nothing in this act shall be construed" and insert "the President, in the exercise of the authority given to him by this act or by the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes,' approved August 29, 1916, shall not."

Mr. LENROOT. Mr. Chairman, the importance of section 9——

Mr. CALDWELL. Mr. Chairman, a point of order. Has the section been read?

Mr. LENROOT. This is section 9. The importance of section 9 is not as great, of course, now, since the amendment of my colleague [Mr. ESCH] has been adopted, taking in all the short-line roads that are competing roads. But nevertheless this amendment, which is merely a perfecting amendment, ought to be adopted, as it seems to me.

What is the language that I seek to strike out? "That nothing in this act shall be construed to affect the routing instructions," and so forth. The intention of course, was to deprive the President of any power to affect the routing instructions except in the cases mentioned later on in this section.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Certainly.

Mr. BARKLEY. What is the necessity for your amendment? because the act of 1916 does not touch the question of routing instructions and traffic agreements. Why is it necessary to go to the extent of more detail and stating what the President can not do under these two acts when the language in the bill already indicates it?

Mr. LENROOT. Mr. Chairman, I am very glad, indeed, to find so many Members on that side give the same construction to the act of 1916 that I have given to it in the past, namely, that the act of 1916 does not give to the President any greater powers than the railroad themselves had prior to being taken over.

Mr. BARKLEY. I hope the gentleman will not construe my question as indicating that I approve of that construction that he places upon the act of 1916. My point is that, in view of the fact that the act of 1916 does not go into detail as to how the President shall control the roads and this is the only act which mentions that in detail, it is not necessary to mention any other act except this one in this particular section.

Mr. LENROOT. Let me say then, was it the gentleman's idea, inasmuch as the act of 1916 did not go into detail, but that the President had absolutely plenary power to affect routing instructions as well as other matters, that it was the intention of the committee to leave that power in the President, that he could affect routing instructions as he saw fit?

Mr. BARKLEY. The power that the act of 1916 conferred upon the President is limited by whatever provisions are included in this bill. In other words, the act that we are now attempting to pass is a limitation upon the powers that may have been conferred in the act of 1916; and, granting the suggestion that the President had plenary power to affect routing instructions under the act of 1916 if unamended, this provision and the provisions of this entire bill limit his authority under that act, even if construed to be entirely plenary.

Mr. LENROOT. Very well, then. Let me see if I get the gentleman's position. If the President then had the power under the act of 1916 to affect routing instructions as he saw fit, the gentleman then desires that he continue to have that power to affect routing instructions except as limited by this bill. Is that true?

Mr. BARKLEY. That is necessarily true, not only as to routing but as to all other powers conferred by the act of 1916.

Mr. LENROOT. Then it was not the intention of the committee to afford the protection to the short-line roads as to routing instructions by limiting the power of the President, except as it might be limited by other provisions of the act.

Mr. BARKLEY. Our contention is that the language of this section as now written does limit the President's authority in accordance with its own terms, and that he can go no further under the act of 1916 than he is allowed to go under this section in the matter of rerouting traffic and instructions.

Mr. LENROOT. Then, may I ask the gentleman what the committee meant in the very next section of the bill, wherein the language is found that nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President? In one breath the gentleman says this bill now does limit the power of the President under the act of 1916, and in just a few moments he will declare that the power of the President is not limited.

Mr. BARKLEY. Except as provided in the bill. You have got, of course, to put a reasonable construction on the language, that, in so far as the bill itself does not restrict the President, he shall not be limited.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LENROOT. I ask five minutes more.

Mr. SIMS. Does the gentleman think he needs it?

Mr. LENROOT. I do not think I need it; but it seems difficult to convince some gentlemen upon that side upon a very plain and simple proposition.

Mr. SNYDER. May we have the amendment read?

Mr. CHAIRMAN. If the gentleman will yield, without taking it out of his time, the amendment will be again reported.

The Clerk read as follows:

Page 11, line 1, strike out the words "nothing in this act shall be construed" and insert "the President, in the exercise of the authority given to him by this act or by the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1916, and for other purposes,' approved August 29, 1916, shall not."

Mr. LENROOT. Now, Mr. Chairman, my amendment will simply say in plain language that the President shall not have the power to affect the routing instructions over or traffic arrangements of such railroads, except as is particularly given in this section. That is all my amendment does. And why should the President be given any greater power? Why should we resort to any implied powers if you are going to give any protection to short-line roads by this section? And that is the only purpose of it. Why should not the powers of the President be directly restricted rather than to say "Nothing in this act shall be construed to affect" when there is a serious question whether there is anything in the act that will.

Mr. SIMS. Has the gentleman concluded his remarks?

Mr. LENROOT. Yes.

Mr. SIMS. Mr. Chairman, the gentleman from North Carolina [Mr. WEBB], in general debate, explained fully about this section; but, as always happens in general debate, Members do not attend as well as they do when we are reading the paragraphs of the bill for amendment, and perhaps some of the gentlemen here did not hear the statement of the gentleman from North Carolina [Mr. WEBB]. But I can say from my own knowledge that the bill, before section 9 was put in as here drawn on page 11, had provisions covering short-line railroads—weak roads, roads in receiverships, and so forth, taken over, where it would be an injustice to them to apply the provisions of the standard return. But there was no legislation in the bill to prevent the taking over of roads from injuring other roads not taken over; and the representatives of 115 roads—I think, all of those in the South—and some presidents of short-line railroads came to me with the gentleman from North Carolina [Mr. WEBB] and brought this provision, just as it is in this bill, and asked that it be included in the bill.

The gentleman from North Carolina [Mr. KITCHIN] was also consulted about it, and the provision that is in here now was prepared by the attorneys and officials representing short-line railroads that might not be taken over or might be relinquished after they were taken over. Now, if the gentleman from Wisconsin [Mr. LENROOT] knows better what these men want than they know themselves, if he knows better than their lawyers know what it will take to get it, perhaps he can convince the House; but after the amendment was prepared with so much

care by those to be affected by it I do not want to consent to any kind of an amendment; and where it is mere verbiage, mere trimmings, mere frills, even though the gentleman may have had the assistance of the most expert bill drafter in the country, I do think that, where those interested and those to be affected by the legislation have prepared and accepted it, the House is going pretty far to amend it in any way whatever. Therefore I am opposed to any amendment, because this is the finished product of those who knew what they wanted in this bill, and I hope the amendment will be voted down.

Mr. LENROOT. Mr. Chairman, I desire to be recognized in reply to the gentleman from Tennessee.

Mr. SIMS. But the gentleman has already had 10 minutes.

Mr. LENROOT. Yes; but the gentleman has made some statements that I want to reply to. I move to strike out the last word. I want to say, Mr. Chairman, that the gentleman from Tennessee, instead of replying to the argument I made, has told you how this paragraph was drafted. I am not going into the merits of the case, because the gentleman did not go into the merits or attempt to reply to the argument I made as to the necessity of the amendment. But certainly I am surprised at the gentleman from Tennessee making a statement that because some group of interested men handed into the Committee on Interstate and Foreign Commerce an amendment that was satisfactory to them, therefore the House of Representatives, representing the general public, should not be at liberty to make such amendments as it sees fit.

The gentleman made another statement—that I had the benefit of one of the most expert draftsmen of the country in preparing the amendments that I have offered. That is true. I am glad that I had the assistance of that gentleman, and I want to say to the eminent chairman of this committee that if the committee had had the assistance of the same gentleman we would have expedited the passage of this bill and there would not have been in the bill the crudities and absurdities that are now found in it.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn, and the question is on the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 10. That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President to take possession and assume control of any or all systems of transportation; and the President, in addition to the powers conferred by this act, shall have and is hereby given such other and further powers necessary or appropriate to give effect to the powers herein and heretofore conferred. The provisions of this act shall also apply to any carriers to which Federal control may be hereafter extended.

Mr. BLACK. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 11, after figure 10 in line 14, strike out the language down to and including the word "transportation" in line 17, and insert the following in lieu thereof:

"The provisions of the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, approved August 29, 1916,' shall remain in force and effect, except as modified and restricted by this act."

Mr. BLACK. Mr. Chairman, in the discussion to which we have just listened, between the gentleman from Wisconsin [Mr. LENROOT] and the gentleman from Kentucky [Mr. BARKLEY], section 10, which I now seek to amend, was referred to. The act of August 29, 1916, "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," contained a section under which the President, by his proclamation, has taken over the possession and the control of the railroads. Able lawyers have given it as their opinion that the Interstate Commerce Commission, for instance, was shorn of its regulatory power by the act of the President in taking over the transportation companies of the country under the provisions of the law which I have mentioned. Now, what does section 10, as written in this bill, provide? It says—

That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President to take possession and assume control of any or all systems of transportation.

Now, then, suppose that the House, when we reach the section of the bill dealing with freight rates, decides to give the President the power to initiate freight rates, fares, and charges by filing the same with the Interstate Commerce Commission in such form and at such time and upon such notice as he shall direct, but that in the same connection we should see fit to retain the jurisdiction of the Interstate Commerce Commission in its power to determine as to the justness and fairness of rates. Then we are at once confronted with the provisions of section 10 of the bill to which I have already referred, which says that nothing we do in this pending bill shall be held to modify or limit the authority given the President under the Army appropriation act of 1916. It seems to me that the language is an error, in view of what we are seeking to accomplish in the legislation which we are now considering.

Therefore, I propose an amendment which says that the authority and power which we conferred upon the President in that act of 1916 shall remain in full force and effect, except where it is modified and restricted by the limitations of this act; and therefore, if my amendment is adopted, there would be no ambiguity in the language of the bill and its meaning would be clearly and perfectly understood.

Mr. BARKLEY. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. BARKLEY. Is it not a principle of law that always the last announcement of the legislature on any subject is the law; that it repeals by implication any other law inconsistent with the provisions of the subsequent act?

Mr. BLACK. As a general proposition, that is true; but the language of section 10 is peculiar and I think unusual, and I think it would be better to state in this bill, as my amendment does clearly state, that all the powers we conferred on the President in that act of August 29, 1916, shall remain in full force and effect except where restricted and modified by this act.

Mr. BARKLEY. The object of it is to reserve all the implied powers under the act of 1916, and this act which may be necessary to carry out the powers given to the President. I think this language is as far as it is necessary to go in limiting the President and leaving in him the implied necessary powers.

Mr. BLACK. Would not my amendment make clearer the intent of Congress, because it provides that all authority and power which the President now exercises in his control of railways under laws heretofore made shall remain unimpaired except as herein modified?

Mr. BARKLEY. No; there might be implied power in the act of 1916 which ought to remain.

Mr. BLACK. Under my amendment it would undoubtedly still remain. Unless it is changed or modified by some specific provision of the act which we are now about to pass. The bill as now written says that nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President, by the act of 1916.

Mr. BARKLEY. In taking possession and assuming control.

Mr. BLACK. That is the power that was indeed given the President in that act, and, as I said in the outset of my remarks, the interpretation that some eminent lawyers have placed upon the effect of the President taking control of the railroads under such act was to sweep away all jurisdiction and power that have been granted to the Interstate Commerce Commission under laws heretofore passed. I therefore take the position that Congress ought to make it clear that what we intend to do in this act is to leave to the President all the powers he has under the act of 1916, except where they are modified and limited by this particular act. That certainly is the intention of Congress, and it should be made quite clear, so that no confusion may arise in interpreting the two acts. I therefore hope that my amendment will be adopted.

Mr. LENROOT. Mr. Chairman, I wish to support the amendment.

Mr. SIMS. I am opposed to the amendment, but if the gentleman from Wisconsin is to support it I will wait until I hear what he says.

Mr. LENROOT. Mr. Chairman, this amendment proposed by the gentleman from Texas [Mr. BLACK] certainly ought to be adopted. Unless the amendment is adopted, we have this situation, that this bill says in one section one thing and in the next section directly the opposite. The gentleman talks about this being the usual language that is found in all bills. I challenge the gentleman to point to any law that was ever passed by Congress that had any such language in it as this. What is the language?

That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President—

And so forth.

Yet, in the preceding section, they frankly state that by that section they do modify and restrict the powers of the President. Later on, in section 12, they again state that in that section they do modify and restrict the powers of the President. Yet in this section they say nothing in the act shall be construed to limit or modify or restrict the powers of the President. Mr. Chairman, with all due respect to the chairman of the committee and the gentleman from Kentucky [Mr. BARKLEY], a high-school debating society would not think of supporting such a contention as the gentleman now makes. What possible objection is there to the amendment proposed by the gentleman from Texas, which is merely that the powers of the President under the act of 1916

shall not be in the slightest degree affected except as they are modified by this act. Is not that what you mean? Is not that what you want? Why not say so in the English language? You have not said so, but you have said something directly the opposite. You are trying to get the committee to say something that you yourselves say ought not to be true. In other words, you are saying that although in a part of this bill we have modified and restricted the powers of the President, you insist now in putting into the bill a provision that we have not done what we say we have done.

Mr. SIMS. Mr. Chairman, before commencing a reply to this I desire to make a statement in regard to what the gentleman from Wisconsin [Mr. LENROOT] said a few moments ago upon another matter, so that the House may not misunderstand. The gentleman said that if the chairman of this committee had had the advantage of the gentleman's advice to whom he referred there would not have been as many objectionable things in the bill as there are. I think, in justice to the House and in justice to the gentleman referred to—and I am not going to mention the name, but the gentleman from Wisconsin knows who is referred to—I should say that as chairman of the committee, upon the recommendation of Members of the House as to his ability to assist in the proper framing of legislation, I invited this gentleman to attend the hearings on this bill all the way through, and he did so, and when we began to consider the bill in executive session I proposed to the committee that he be invited to come in and remain during those sittings, not for the purpose of asking what ought to be in the bill in the way of legislation or anything of that sort, but to assist the committee in using the proper language to clearly express what the committee desired to express.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. SIMS. Wait until I get through with the statement.

Mr. JOHNSON of Washington. I want to get the name of this gentleman.

Mr. SIMS. Mr. Chairman, I would like to have order. I would like to have the attention of the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Chairman, I am listening.

Mr. SIMS. I submitted that proposition to the committee.

Mr. JOHNSON of Washington. Was this in the gentleman's committee?

Mr. SIMS. In the Committee on Interstate and Foreign Commerce, and gave the reasons for it fully.

Mr. RAYBURN. Mr. Chairman, I protest. I ask the gentleman from Tennessee if he thinks this is a proper discussion?

Mr. SIMS. Mr. Chairman, I want the facts. This is not a discussion, it is a statement of the facts.

Mr. RAYBURN. Is it proper to disclose matters that happened in that committee in reference to a man who is not connected with it in any way?

Mr. SIMS. I want to say, in justice to the gentleman who has been referred to, and to let Members know that he was not rejected on account of any objections to him; but it was stated by some members of the committee that it was an unusual proceeding with that committee, and the bill might be submitted to him for his advice after it was perfected. Some gentleman of the committee offered a motion to admit him, and I said "No"; it would be embarrassing to him and an injustice to him, unless it could be done by the unanimous consent of the entire committee. That is the only reason he was not invited and why we did not have the benefit of his presence. But I want to say that that gentleman did not indicate that he wanted to in any way control the legislation or to shape any provision of the bill, but only to aid us as we ourselves might want his advice as to the framing of the bill, and the implication that might be drawn from what the gentleman from Wisconsin [Mr. LENROOT] said, that we thought we did not need any help, is erroneous. As one member of the committee, I was very glad to get assistance from any source, and that is the reason why the gentleman whom the gentleman from Wisconsin consulted was not consulted by us as a committee.

Mr. LENROOT. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Mr. Chairman, I object to any further discussion of this representative of somebody here to instruct the committee how to draw a bill.

Mr. MADDEN. What is this gentleman's name?

Mr. SIMS. The gentleman from Wisconsin can give the name of the gentleman.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMS. There has been objection to further discussion of the incident.

Mr. JOHNSON of Washington. Will not the gentleman yield for a question? I want to ask the name of this gentleman.

Mr. SIMS. I suggest the gentleman ask the gentleman from Wisconsin.

Mr. BARKLEY. Mr. Chairman, I object.

Mr. SIMS. Mr. Chairman, this is an amendment proposed to section 10. The committee has not considered this amendment; it has not been offered to the committee. It has not been discussed; it is not among the amendments which the gentleman from Wisconsin proposed, as printed in the RECORD.

Mr. KNUTSON. Will the gentleman yield? The gentleman was speaking about some outsider who was invited to sit in with the committee. May I ask the gentleman who that party was?

Mr. SIMS. There has been objection to my saying anything about what transpired in the committee. The gentleman can find out by asking the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. He is a very good man.

Mr. SIMS. My opinion would confirm every word the gentleman has said [laughter] as to his being a very good man.

Mr. STAFFORD. This is a mutual admiration society.

Mr. SIMS. I hope we may now have attention to the amendment itself.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr. Chairman, may I ask unanimous consent to have five minutes more?

Mr. KNUTSON. May I ask the gentleman another question?

Mr. SIMS. No.

The CHAIRMAN The gentleman declines to yield.

Mr. KNUTSON. The gentleman has not declined to yield.

Mr. SIMS. I have on this matter.

Mr. KNUTSON. I only want information, I will say to the gentleman.

Mr. SIMS. The gentleman will not get it on that point.

Mr. KNUTSON. Was this a star-chamber session?

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. SIMS. Mr. Chairman, the amendment proposed by the gentleman from Texas, striking out a portion of section 10, just referred to, and inserting other language has not been considered by the committee. It may have been considered by some members of the committee, but I mean it has not been considered by the committee as a committee. I never heard of it until read.

Mr. SHERLEY. Will the gentleman yield for a question?

Mr. SIMS. Certainly.

Mr. SHERLEY. What is the gentleman's construction of the language that he has in his bill? What does the gentleman say in definition of the language that is moved to be stricken out?

Mr. SIMS. I do not think it needs any definition.

Mr. SHERLEY. Some of us do.

Mr. SIMS. I can not prevent gentlemen from having that opinion.

Mr. SHERLEY. But the gentleman is in charge of the bill.

Mr. SIMS. I am going to state to the gentleman, if given a chance, that this language with reference to the power of the President was submitted to the legal authorities that advised the President——

Mr. SHERLEY. Oh, well, if the gentleman will permit——

Mr. SIMS. It was submitted to some of the ablest lawyers I know of in the United States who were available, and it has been considered by the committee and accepted in its entirety just as it is, and therefore I am pinning my faith to the ability of the gentleman who framed this section, who has passed upon it in its entirety, and I am not willing, even if I individually took the same position that the gentleman from Texas does in his amendment, to insist on it over the advice of those who have passed upon this question and put my own judgment over theirs. I would still let this section remain as it is. The Senate passed this section as it is without any amendment whatever, and they certainly have some able lawyers in the Senate and some of its Members know what the language used means, and even though an expert on these matters may have given a different opinion I am not willing to overrule what has been adopted by the committee and has passed the Senate, and which I can see no reason whatever to change.

Mr. WINGO. Will the gentleman yield for a question?

Mr. SIMS. Yes.

Mr. WINGO. As I understand, the gentleman's bill covers two propositions. One is the provision for the operation of transportation systems while under Federal control, and the other is for compensation to the owners of those systems.

Mr. SIMS. Yes; and other matters.

Mr. WINGO. That is the point I want to ask the gentleman about.

Mr. SIMS. Compensation is a contract provision.

Mr. WINGO. I am talking about the broad substantive proposition the gentleman's bill deals with, and, as I understand, there are two; one is compensating the owners for the use of these properties and to provide for the operation of the property under Federal control. Has the gentleman provided for anything else in his bill?

Mr. SIMS. We provide for a great many things in this bill.

Mr. WINGO. Name some of them.

Mr. SIMS. I mean details as to how it is to be done.

Mr. WINGO. I am talking about the broad substantive legislation. Does the gentleman undertake to provide anything with relation to the change of the authority of the President in taking over railroad lines?

Mr. SIMS. We aim to give him all the authority he has so far exercised and that contained in this bill and every portion of it——

Mr. WINGO. The gentleman does not answer the question.

Mr. SIMS. And certain enlargements also of authority as contained in this bill.

Mr. WINGO. What I want to know is if this bill deals with anything except two things—one the operation of these transportation sys ems in the first place, and then as to the compensation to the owners. Is there any other substantive legislation?

Mr. SIMS. There are the financial provisions in the bill in reference to the purchase of securities and selling them and everything of that kind.

Mr. WINGO. That comes under the head of operation, does it not?

Mr. SIMS. Not necessarily at all.

Mr. WINGO. Is there any provision in the bill that undertakes to change the authority of the President in reference to the power he has under prior acts?

Mr. SIMS. No; only to supplement them and add thereto.

Mr. WINGO. If there is one, point it out to me. I can not find it——

Mr. SIMS. I will confess to the gentleman that his inquiry calls for such details I can not do so right now.

Mr. WINGO. I am asking the gentleman in a broad way to show me some——

Mr. SIMS. It is intended to be very broad, and, if necessary, to execute and carry out the provisions of this bill.

Mr. WINGO. I am not talking about this section. I am asking about the bill. Show me any other section of the bill that will provide anything other than the two things I have named, in a substantial way; that is, operation of these lines and consequent compensation to the owners.

Mr. SIMS. In addition to the authority for taking them over?

Mr. WINGO. Have you any section that will give the President authority to take them over? I thought you covered that by prior legislation.

Mr. SIMS. They were taken over by prior legislation.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I have listened with great interest to the discussion of this legal proposition. It seems to me that there is one difficulty springing from the too broad interpretation given to the first part of section 10. In reading section 10 we find it says:

> That nothing herein contained shall be construed as modifying or restricting the powers heretofore conferred upon the President to take possession or assume control of any or all systems of transportation.

Now, that section has been discussed as though it read that nothing said in this act shall limit the power of the President. But the language is used in a very limited sense—it shall not limit the power of the President but only in the matter of the taking possession and assuming control. And the purpose of the bill is to guard that power sacredly, because that is the essence of the prior law. I do not think there is anything in section 10 that is in conflict with section 9, but both can be read and interpreted together. Section 9 relates to an unrelated subject; section 10 relates to the taking over and control of the roads that are to be taken over. Section 9 relates particularly to and affects those roads that are not taken over, and therefore it would seem to me, not having the benefit of conference in committee or discussion of the bill except here upon the floor, as though the amendment which has been proposed is quite unnecessary to carry out the purposes and intent of this bill.

One word further, and that is that if section 11 were changed by this committee that would not interfere with the language of section 10, for that would relate to the making of rates and not to the "taking possession and control," which in my interpretation means taking physical possession and physical control, or, in other words, the operation of the roads.

Mr. LENROOT. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. LENROOT. My interpretation is the same as the interpretation of the gentleman from Pennsylvania, but I want to ask the gentleman whether he does not know that the President, under the terms "possession and control," assumes the power to make rates, to make traffic arrangements, and do everything there is in connection with the railroads; and in that construction is not this amendment necessary?

Mr. GRAHAM of Pennsylvania. No; for the reason that I do not know that the President does assume to do these things. I am now as a legislator reading the language of the bill that is before the House, and reading that language only, it would seem to me the meaning I have stated is the reasonable and natural interpretation of the language and the one which any court of this land would adopt.

Mr. DEMPSEY. Will the gentleman yield for a question?

Mr. GRAHAM of Pennsylvania. I will.

Mr. DEMPSEY. How would you possibly construe this as affecting rates when a separate section deals with rates? Does not that in and of itself negative the possibility of any such interpretation?

Mr. GRAHAM of Pennsylvania. Certainly, and any court reading the entire bill would say that that was true.

Mr. GREEN of Iowa. Will the gentleman yield for another question?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. GREEN of Iowa. The power conferred upon the President to take possession and assume control of systems of transportation is derived solely from the act which was referred to in the amendment of the gentleman from Texas [Mr. BLACK], is it not?

Mr. GRAHAM of Pennsylvania. The act of 1916 says:

> The President in time of war is empowered through the Secretary of War to take possession and assume control of any system or systems of transportation or any part thereof.

Mr. GREEN of Iowa. So that, as it seems to me, under the amendment of the gentleman from Texas, it comes right back to that same thing. He referred to that act.

Mr. GRAHAM of Pennsylvania. It is not the point as to whether his amendment refers to that act or not. The point is, Is that amendment necessary to make this piece of legislation clear or is the language which the committee has in this bill sufficient to carry the thought through? I merely suggest that the amendment is not necessary.

Mr. SHERLEY. Mr. Chairman and gentlemen of the committee, I care not, touching the quarrel as to who should be selected to do our work for us, whether it is the distinguished adviser of the gentleman from Wisconsin or the adviser of the gentleman from Tennessee. Neither am I satisfied with an answer that tells me that the advice was wise and given by distinguished gentlemen, and therefore should be accepted.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. SHERLEY. No. If that position is to be followed, this committee ought to dispense with the reading of the bill and pass it as it is. [Applause.] Of course, nobody seriously contends anything of that kind.

I think the language as stated here ought not to be in the bill, notwithstanding the statement made by the gentleman from Tennessee [Mr. SIMS] and the gentleman from Pennsylvania [Mr. GRAHAM]. I think the amendment offered by the gentleman from Texas [Mr. BLACK] ought itself to be modified by having added to it the word "express," so that you would not be modifying the act under which the President took over the railroads, by implication, but only by express provision. But you ought not to put in here a statement that is either meaningless or untrue. Because this act does modify some of his power——

Mr. GRAHAM of Pennsylvania. Will the gentleman permit a question?

Mr. SHERLEY. In just a moment.

Some of his power to take possession and assume control.

Mr. GRAHAM of Pennsylvania. Well, does it modify his power to assume control? That means taking possession physically and assuming control of the road.

Mr. SHERLEY. Assuming control means something more than what the gentleman undertakes to limit the words to. At least, it may mean very much more than that, and it strikes me as an unwise proposition to write into an act that you are passing that it shall not be construed as modifying this previous act. Now, the amendment of the gentleman from Texas [Mr. BLACK], after designating the act under which the President got the power to take over the railroads, says that such

act "shall remain in full force and effect, except as modified and restricted by this act." Now, I would modify his amendment by putting in front of the word "modified" the word "expressly," so that it would read, "except as expressly modified and restricted by this act"; and I ask the gentleman from Pennsylvania [Mr. GRAHAM], who is a good lawyer, whether the amendment so modified could by any possibility interfere with those powers that the President got under the former act and which we desire through this legislation to let him continue to have and exercise?

Mr. GRAHAM of Pennsylvania. No; I do not think they would interfere, but I say that the language that the committee has reported to the House is sufficient to protect those rights. Hence the amendment is unnecessary.

Mr. SHERLEY. Well, I do not agree to the gentleman's premise, that the assumption of control means literally assuming control in the sense of taking possession only. Assumption of control means the management of these railroads, and among other things the fixing of rates and other matters concerning which we are expressly laying down a rule for, and therefore I am not willing to take the chance that his construction of the language would require, and I ask this House not to take it.

Mr. BLACK. Mr. Chairman, I ask unanimous consent to modify my amendment by inserting the word "expressly" before the word "modified," so that the amendment will read——

The CHAIRMAN. The Clerk will report the amendment as modified, and indicating how it will read.

The Clerk read as follows:

Modified amendment by Mr. BLACK: On page 11, after figure "10" on line 14, strike out the language down to and including the word "transportation" in line 17, and insert the following in lieu thereof: "The provisions of the act entitled 'An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes,' approved August 29, 1916, shall remain in force and effect except as expressly modified and restricted by this act."

Mr. SIMS. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BLACK].

The question was taken; and the Chairman announced that the "ayes" appeared to have it.

Mr. SIMS. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 87, noes 21.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 11. That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act, or any other act applicable to such Federal control, or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law. Suits may be brought by and against such carriers and judgments rendered as now provided by law; and in any suit against the carrier, no defense shall be made thereto upon the ground that the carrier is an instrumentality or agency of the Federal Government. But no process, mesne or final, shall be levied against any property under such Federal control.

Until and except so far as the President shall from time to time otherwise order, the rates, fares, charges, classification, regulations, and practices of carriers under Federal control shall during the period of Federal control continue to be and to be determined as hitherto. But when in the judgment of the President it is necessary in the public interest he may initiate rates, fares, charges, classifications, regulations, or practices, or changes therein by filing the same with the Interstate Commerce Commission in such form and at such time and upon such notice as he shall direct. All rates, fares, charges, classifications, regulations, and practices, or changes therein so ordered, shall be fair, reasonable, and just; and the Interstate Commerce Commission shall upon complaint make investigation and grant full hearings concerning the fairness, justice, and reasonableness of any rates, fares, charges, classifications, regulations, or practices, or changes therein so ordered by the President; and shall make report of its findings and recommendations concerning the same (which findings and recommendations shall prima facie be taken as correct) to the President for such action as the President may deem required in the public interest. That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

Mr. JOHNSON of Washington, Mr. JOHNSON of Kentucky, Mr. SWEET, Mr. COOPER of Ohio, and Mr. DEMPSEY rose.

The CHAIRMAN. The gentleman from Iowa [Mr. SWEET], a member of the committee, offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SWEET: Strike out all on pages 12 and 13, commencing with the word "Until," in line 12, on page 12, and ending with the word "interest," in line 8, page 13, and insert in lieu thereof the following:

"That the jurisdiction and power over the rates, fares, charges, and classifications of common carriers which prior to Federal control were lodged in the Interstate Commerce Commission by the act to regulate commerce, approved February 4, 1887, and the amendments thereto, shall continue in the Interstate Commerce Commission, and said commission shall retain full jurisdiction over the rates, fares, charges, and classifications of the said carriers and all governmental agencies referred to or created by this act; but during the period of said Federal control said commission in determining any question arising under this act shall consider all the facts and circumstances arising under the war emergency and growing out of the unified, coordinated Federal control occasioned thereby. This shall not be construed as interfering with the control by the President or any agency created by him of the operation as distinguished from the rates, fares, charges, and classifications of said carriers subject to Federal control."

Mr. SIMS. Mr. Chairman, I want to see if we can not get a unanimous-consent agreement. I would like to ask the gentleman from Wisconsin [Mr. ESCH] if we can not make an agreement as to the amount of time for debate on this amendment and any amendment that may be offered thereto or to this portion of the bill, the gentleman from Wisconsin to control the time agreed to on that side and myself to control the time on this side?

Mr. ESCH. I will consult gentlemen on this side and inform the gentleman.

Mr. JOHNSON of Kentucky. Mr. Chairman, reserving the right to object, I would like to ask the gentleman [Mr. SWEET] who just offered the amendment if he does not think an amendment just preceding his had better come first? I desire to offer one in line 9, just after the words "Federal Government." It in no wise treats of the same feature as his.

Mr. LENROOT. Let us dispose of one at a time.

Mr. SWEET. The general opinion seems to be that we will take up this rate question first.

Mr. JOHNSON of Kentucky. Then it is understood this will not cut me out from offering that amendment?

The CHAIRMAN. The gentleman from Kentucky will have the opportunity to present his amendment.

Mr. ESCH. I think we would require at least an hour on this side.

Mr. SIMS. Then, Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from Iowa [Mr. SWEET] and other amendments to this section shall close in one hour, the gentleman from Wisconsin [Mr. ESCH] to control half the time and I to control the other half.

Mr. ESCH. I said we would want an hour on this side.

Mr. SIMS. Mr. Chairman, I ask that all debate on this amendment and other amendments to this section close in two hours, one hour to be controlled by the gentleman from Wisconsin and the other hour to be controlled by myself.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the debate on the pending amendment and other amendments to the section close in two hours, one half of the time to be controlled by the gentleman from Wisconsin and the other half to be controlled by himself. Is there objection?

Mr. STEPHENS of Nebraska. Reserving the right to object, Mr. Chairman, I would like to ask the chairman of the committee if it is understood that we are to pass this bill to-day?

Mr. SIMS. There is no agreement to do it; but we want to do all we can toward it, and I hope that we may complete the consideration of the bill in Committee of the Whole, and such will be my purpose.

Mr. STEPHENS of Nebraska. I think we should do it to-day.

Mr. McKEOWN. Mr. Chairman, reserving the right to object, I wish to inquire if other amendments to this paragraph after this one will be permitted.

Mr. SIMS. This request goes only to the amendment offered by the gentleman from Wisconsin and amendments offered to his amendment.

Mr. STEVENSON. Reserving the right to object, which I hardly ever do, I should like to inquire how the time on this side is to be divided. Sometimes some of us disagree with the position of the committee on some matters, and we are not given time. I hardly ever ask for time, but I may want five minutes.

Mr. SIMS. Those who are in favor of the Sweet amendment will get time from the gentleman from Wisconsin [Mr. ESCH]; those opposed to it will get time from myself.

The CHAIRMAN. Is there objection to the amendment of the gentleman from Tennessee?

Mr. RAYBURN. That would cut off everybody over here who wants to speak in favor of the amendment.

Mr. SIMS. Not at all.

Mr. RAYBURN. The gentleman from Wisconsin [Mr. ESCH] says he has requests for an hour on that side. The gentleman from Tennessee [Mr. SIMS] says he is not going to yield to anybody who is supporting the amendment. That will cut off everybody on this side who wants to support the amendment.

Mr. SIMS. When the gentleman from Wisconsin [Mr. ESCH] said "this side" I thought he meant the affirmative of the amendment.

Mr. RAYBURN. I do not suppose anybody over here would go to the gentleman from Wisconsin for time.

Mr. ESCH. I said "on this side." If there are others on that side who want to speak in favor of the amendment——

Mr. RAYBURN. A member of the committee wants 10 minutes in favor of it.

Mr. ESCH. In that case we will have to extend the time.

Mr. RAYBURN. If the gentleman from Tennessee [Mr. SIMS] can take care of this side of the House in his one-hour proposition, that is different; but gentlemen on this side who support the amendment do not want to be cut out entirely.

Mr. SIMS. The rule about dividing time is always that those in favor of an amendment are considered together, and those against the amendment are considered together, without regard to which side of the House they may be on.

Mr. TILSON. It seems to me that in a matter of this importance that ought to be the line of demarkation, and then there can be no claim of unfairness in regard to the matter.

Mr. SIMS. That is, that half the time shall be controlled by those who favor the amendment, and half by those who oppose the amendment. That is the only way I know.

Mr. TILSON. It seems that on an important matter like this that ought to be the method of dividing the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. MADDEN. I object.

The CHAIRMAN. The gentleman from Illinois objects.

Mr. ESCH. May I make a counter proposition, that we may have an hour and a half on a side, to be divided as heretofore, the gentleman from Tennessee controlling one-half the time and myself one-half the time?

Mr. SIMS. That does not settle the question as to dividing the time between those in favor of the amendment and those opposed to it.

Mr. ESCH. I will try to take care of those who favor the amendment, either on that side or this.

The CHAIRMAN. Let the Chair put the proposition. The gentleman from Wisconsin [Mr. ESCH] asks unanimous consent that the debate upon this amendment and all amendments thereto shall be limited to three hours, one-half to be controlled by the gentleman from Tennessee [Mr. SIMS] and one-half by the gentleman from Wisconsin [Mr. ESCH]. Is there objection?

Mr. GARRETT of Texas. I object.

Mr. SIMS. We ought to have an agreement about this matter.

Mr. DOWELL. I suggest that we go ahead with the debate.

The CHAIRMAN. The gentleman from Iowa [Mr. SWEET] is recognized for five minutes in support of his amendment.

Mr. SWEET. Mr. Chairman, this is the same amendment that I presented to the committee. It is the same amendment that I referred to in my remarks in general debate. This amendment gives to the Interstate Commerce Commission jurisdiction over rates, fares, charges, and classifications of carriers. The amendment also provides that the Interstate Commerce Commission may take into consideration the facts and circumstances in connection with our present war conditions in arriving at what may be a reasonable and just rate. This amendment does not in any way interfere with the President in the control, possession, and operation of the railways. This amendment preserves to the Interstate Commerce Commission its influence and its power. It is a commission that has excelled all other commissions, and in some respects compares favorably with the Supreme Court of the United States. This amendment preserves the integrity of the Interstate Commerce Commission, which has been the product of 30 years of incessant legislative and railway warfare. This amendment gives to the shipper, to the farmer, and to those who may be interested in rate making and in transportation facilities a place to go where their rights may be determined by experienced men who have been appointed to that position because of their education and their training and because they have studied questions of this character.

This amendment recognizes the line of demarkation between war legislation and peace legislation. This amendment means that the railway rates of this country will not be in a jumbled and irregular condition after the war.

This amendment means that all the railroads, whether under private or Government control, will have the same organization—the same commission—passing upon the question of their rates and charges. It does away with the double-barreled affair referred to by the gentleman from Louisiana.

This amendment means that the men before whom the hearing is had, before whom the arguments are made, will render the final decision and make the final recommendations.

This amendment retains the force, power, and stability of the Interstate Commerce Commission and takes it out of the anomalous position of being simply an advisory board—that it will not be simply a debating society, as was well said by the gentleman from Ohio the other day. This amendment does not interfere in any way with raising the rates. The Interstate Commerce Commission can raise rates or lower rates during the period of Federal control; but it means that all rates will be raised or lowered in an orderly, reasonable, just, and considerate manner.

This amendment does not deprive the President of the right and power to initiate rates, because the President when he took over the carriers took the place of the railways as to control, operation, management, and possession. The railways had the right to initiate rates, and he will have the right to initiate rates. If, without any legislation on this subject, the President has the right to initiate and make rates, he still has the right to initiate rates, for this amendment does not deprive him of that right.

Mr. SNOOK. Will the gentleman yield?

Mr. SWEET. I prefer not to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. SWEET. The Interstate Commerce Commission will have the same jurisdiction over rates, fares, and charges, and classification of carriers that it had before Government control of railways. I want to impress it upon the House that this amendment retains to the Interstate Commerce Commission all the rights and powers that it had before Government control, but it does not interfere with the President initiating rates. The President can initiate a rate, and the Interstate Commerce Commission goes through the same formalities with reference to the proposed rate that it did when the railroads initiated the rates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. The gentleman can get more time. I want to make a motion.

Mr. CHAIRMAN. Does the gentleman from Iowa yield to the gentleman from Tennessee?

Mr. SIMS. I desire to make a motion to limit debate. Then, as soon as that is done, the gentleman from Iowa [Mr. SWEET] can proceed.

Mr. SWEET. I do not yield.

Mr. SIMS. I thought the gentleman's time had expired.

The CHAIRMAN. The time of the gentleman from Iowa has expired, and the Chair will recognize the gentleman from Tennessee to make his motion.

Mr. SIMS. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. SIMS. Is it in order to move to close debate and at the same time to provide that the time shall be equally divided?

The CHAIRMAN. It is not.

Mr. SIMS. I thought that way myself. Mr. Chairman, I move that all debate on this amendment offered by the gentleman from Iowa and amendments thereto close in two hours.

The CHAIRMAN. The gentleman from Tennessee moves that all debate upon this amendment and all amendments thereto close in two hours.

Mr. MADDEN. I wish to offer an amendment to that.

Mr. STAFFORD. I wish to offer an amendment, Mr. Chairman.

Mr. MADDEN. I thought, Mr. Chairman, I was recognized by the Chair to offer an amendment.

Mr. STAFFORD. I will yield to the gentleman.

Mr. MADDEN. I move to amend the motion of the gentleman from Tennessee by making it four and one-half hours.

Mr. SHERLEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. SHERLEY. Was the motion of the gentleman from Tennessee to limit debate upon the amendment offered by the gentleman from Iowa and all amendments to that amendment, or was it a motion to limit debate on that amendment and all other amendments to the paragraph?

Mr. SIMS. It was only to the amendment and amendments to the amendment.

Mr. SHERLEY. If you are to limit debate on the broad subject, why not limit it to all amendments to the paragraph?

Mr. SIMS. I thought it might be hard to get that. I will modify my amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment to the motion of the gentleman from Tennessee that debate on this amendment and all amendments thereto shall be limited to 4 hours and 30 minutes.

Mr. SHERLEY. Mr. Chairman, I offer a substitute, that debate on this amendment and all amendments relative to the rate-making power shall be limited to four and a half hours. My object is to get that one subject disposed of.

Mr. SIMS. That is too much time.

Mr. SHERLEY. The committee can fix the time any way it wants to, but let us do something.

Mr. SIMS. I will ask the gentleman from Kentucky to make it three hours, for his motion puts us into to-morrow.

Mr. MADDEN. It will go into to-morrow anyway.

Mr. SIMS. I will accept the amendment if you make it three hours.

Mr. SHERLEY. Will the committee indulge me a moment? The purpose of my amendment was not to fix the time, but the form of the motion of the gentleman from Tennessee was such as after you got through with the debate a Member could offer an original proposition dealing with the rate-making power, and there would be no limitation of debate on that. I want to limit the time and fix debate on the rate-making side of it.

Mr. SIMS. The only reason I did not do that was that I was afraid we could not carry it.

Mr. MADDEN. Mr. Chairman, if I may be indulged a moment. I would be glad to limit debate to three hours if it can be understood that at the end of the debate we will not proceed any further with the legislation to-day.

The CHAIRMAN. Did the Chair understand the gentleman from Tennessee to accept as a part of his original motion the suggestion of the gentleman from Kentucky——

Mr. SIMS. To fix the time at three hours?

The CHAIRMAN. The Chair understood the gentleman from Tennessee to accept that part of the suggestion of the gentleman from Kentucky which referred to the language, the question of time then being the only issue left before the committee.

Mr. SIMS If the gentleman from Kentucky will state his suggestion over, so that there will be no mistake.

The CHAIRMAN. The motion of the gentleman from Tennessee stands this way: That all debate upon the amendments proposed by the gentleman from Iowa [Mr. SWEET] and all amendments bearing on the rate-making question shall be closed in two hours. The gentleman from Illinois [Mr. MADDEN] moves to amend that by providing that it shall close in four and one-half hours.

Mr. JOHNSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Kentucky. Further along I desire to offer an amendment to page 12, line 9, relative to the jurisdiction of the courts. I wish it to be clearly understood that this motion will not interfere with my offering an amendment upon that subject.

Mr. SIMS. It will not.

The CHAIRMAN. The motion of the gentleman from Tennessee applies only to the rate-making question.

Mr. STAFFORD. A parliamentary inquiry. If the amendment of the gentleman from Illinois is voted down, would it not be in order to offer an amendment making it three hours?

The CHAIRMAN. It would.

Mr. SIMS. Mr. Chairman, I will state that I am perfectly willing to make it three hours instead of two. I now modify my amendment so as to make it three hours to apply to all the rate-making amendments.

Mr. MADDEN. Mr. Chairman, I will accept the suggestion of the gentleman from Tennessee and withdraw my amendment.

The CHAIRMAN. The gentleman from Illinois withdraws his amendment without objection, and the gentleman from Tennessee moves that all debate upon the amendment proposed by the gentleman from Iowa [Mr. SWEET] and upon all amendments relating to the rate-making question shall be closed in three hours.

Mr. COOPER of Wisconsin. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. COOPER of Wisconsin. I thought the Chair was about to put a request for unanimous consent.

The CHAIRMAN. No; it is a motion of the gentleman from Tennessee. The question is on the motion of the gentleman from Tennessee.

The question was taken, and the motion was agreed to.

Mr. SIMS. Now, Mr. Chairman, I ask unanimous consent that one half of the three hours in favor of the rate-making amendment of the gentleman from Iowa, or any other rate-making amendments, be controlled by the gentleman from Wisconsin [Mr. ESCH] and the other half by myself.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the time which has been agreed upon shall be controlled one half by the gentleman from Wisconsin [Mr. ESCH], to be yielded by him as he may see fit to those who are in favor of any rate-making provision other than that contained in the bill, and the other half by himself. Is there objection?

There was no objection.

Mr. ESCH. Mr. Chairman, I yield five additional minutes to the gentleman from Iowa [Mr. SWEET].

Mr. SWEET. Mr. Chairman, I wish to call attention briefly to the paragraph to be stricken out by this amendment. In the first place it refers to the Interstate Commerce Commission having jurisdiction over rates, fares, charges, and classifications of carriers under Federal control. It next refers to the President having authority to initiate rates, fares, charges, and classifications of carriers, and filing the same with the Interstate Commerce Commission. It is then stated that all rates, fares, and charges shall be reasonable and just.

If complaint is made to the Interstate Commerce Commission, it can have full hearings concerning the fairness, justice, and reasonableness of the rates or charges therein ordered by the President. The Interstate Commerce Commission can then report its findings and recommendations to the President for such action as the President may deem required in the public interest. The President can then say to the Interstate Commerce Commission, "Your findings are not reasonable or just, your recommendations are not feasible, and I will adhere to my former decision." Or he can accept the recommendations of the Interstate Commerce Commission.

The Interstate Commerce Commission, as you will observe, simply becomes an advisory board. This paragraph in the bill could just as well be condensed into a few lines so as to read as follows: "The President of the United States is authorized and empowered to make all rates, fares, and charges during the period of Federal control." That language, in my judgment, would express the full meaning of this paragraph in the bill.

Sometimes when I read over the language it seems to me that it is a condemnation of the Interstate Commerce Commission. That it says to the commission you are a body of men appointed for a certain work, appointed because you have extraordinary qualifications and experience in passing upon railway rates, fares, and charges. But when it comes to passing upon rates during this crisis in our country's history you have not the ability, the learning, nor the patriotism to render reasonable and just decisions and make impartial recommendations.

It seems to me that it says to the members of this great commission you are incompetent to perform the duties for which you were appointed.

I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back one-half minute.

Mr. SIMS. Mr. Chairman, I yield five minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT. Mr. Chairman, I hope that section 11 of the bill will remain as reported by the majority of the committee. Considering this section purely from an economic point of view, I believe that initial fixing of rates under the power of the President is essential to the success of the plan of railroad control covered by the bill.

And, of course, every patriotic man, especially every man who is opposed to Government ownership, desires to have the plan succeed.

It seems clear that the fundamental reason why the railroads, during the period of the control of their rates by the Interstate Commerce Commission, did not succeed, and in fact were gradually drifting more and more toward a general state of bankruptcy, was that, on the one hand, they were subject to constantly increasing cost of labor and material and constantly increasing hampering regulations, while, on the other hand, they had no power to recoup themselves by increased rates.

Every manufacturing business and every other business, in fixing its rates for the sale of its product, necessarily first considers the cost of the product and then adds a percentage for profit. If the ordinary business concern can not sell its product at a price greater than its cost, then it has two courses open to it, namely, either to sell for a time at a loss or to stop business. But a railroad can under no circumstances stop business.

Now, the only thing the railroad has to sell is transportation; and if, on the one hand, the cost of transportation is fixed by a power outside the railroads, as has been the case, and if, on the other hand, the price at which it sells its transportation is fixed by another and different power, as has been the case, it is quite obvious that the owners and managers of the railroads have no power to conduct their business on the only possible basis on which any successful business can be run.

In pursuance of this principle it appears to me that it is essential to the success of this plan that the President should be given control of the rates. After this bill becomes a law he is the man who will have to do with fixing the price of labor, and, to a large extent, the price of material, which fix the cost of the product of transportation, and if he is going to make a success of the plan he must be the man who, after he ascertains the cost of its product, can fix the price. It needs no argument to show that for every reason, both public and private, he will not fix the price of transportation any higher than he is actually obliged to do by its cost.

It is essential to the success of this plan and to prevent Government ownership that the railroads should succeed and should make a profit during the time when they are run by the President, because otherwise, when the war ceases, if the roads have not been making a profit, and when the time comes to return them, it is quite evident that the price of railroad securities will fall to such an extent as to create a national financial disaster, and, to avoid that, the only recourse would be Government ownership.

In short, the man who will be responsible for the success of this plan is the President, and it always has been and always will be a sound business principle that you can not divorce responsibility and power if you want to hold any man responsible for success, and so I hope the bill, in this particular, will be allowed to stand as it is reported by the majority of the committee. [Applause.]

Mr. ESCH. Mr. Chairman, I yield one minute to the gentleman from Wisconsin [Mr. VOIGT].

Mr. VOIGT. Mr. Chairman, I am heartily in favor of the amendment proposed by the gentleman from Iowa [Mr. SWEET]. I see no good reason for robbing the Interstate Commerce Commission of the power that the commission now has to fix the rates. This bill proposes to put that power into the hands of the President. The President himself has no experience in fixing rates, and if that power is left to him, he will have to delegate the power to some other person or to some commission or board, and very naturally the President would call on the Interstate Commerce Commission. That is the only body that has expert experience on this subject. If you take away from the Interstate Commerce Commission the power to fix the rates you will reduce that body practically to a set of office boys, and I am not in favor of taking away a power that the commission has so well exercised in the past. I hope this amendment will be adopted.

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, considering this proposition, I desire to read the following telegram from the Chicago Association of Commerce, signed by Lucius Teter, president:

CHICAGO, ILL., *February 25, 1918.*

Hon. WILLIAM E. MASON,
Representative, Washington, D. C.:

Referring to legislation now pending in respect to Federal control of railway transportation, we respectfully suggest if the President or his representative be given authority to initiate rates, rules, regulations, etc., that the same should be filed with the Interstate Commerce Commission, as now provided by the commerce act, and that public notice be given thereof; that upon complaint the commission may enter into a hearing, to be speedily determined, and make recommendations to the President. The President may, however, be authorized to disregard the conclusions of the commission, and by Executive order put such said rates, fares, or charges into effect if in his judgment such action is necessary during the period of the war.

THE CHICAGO ASSOCIATION OF COMMERCE,
By LUCIUS TETER, *President.*

The activities of the service rendered by this great association are the reasons why I have placed this in the RECORD, that we may have the benefit of their advice in this matter.

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Chairman, this bill defining the terms of the control and operation of the railroads of the United States by the National Government, the agreement to be made with their owners for compensation, and so forth, during the period of the war, is one of the most important measures that has ever come before the Congress. It confers very great powers upon the President, as have the food control and other war measures already on the statute books, but it seems to me that the great powers are necessary, and I am opposed to the amendment which would strike from the bill the President's power of initiating and of determining rates. Much has been said on both sides of this question, and I am sorry to differ in this matter from the majority of the minority members of the Committee on Interstate and Foreign Commerce, who have done such good work in preparing the bill, but it is not a party question in any sense. The argument that the power of making rates should be lodged with the same authority that has control of the expenses of operation seems to me stronger than any argument made in favor of leaving the rate making wholly with the Interstate Commerce Commission. It may be necessary for the most efficient conduct of the war to promulgate rates with regard to some particular commodities or some particular territory promptly, and the Interstate Commerce Commission is constitutionally and traditionally incapable of acting quickly. It always wants to investigate and investigate for what seems an interminable period before acting, and in time of war it is often necessary to act first and investigate afterwards. I am not afraid to trust the President with this great power, because railroad rates are governed in the main by economic principles which can not be very much departed from without disaster, and because the Interstate Commerce Commission remains, according to the terms of the bill, as a check upon the President's power, charged with the making of investigations and reports upon any complaints.

I freely admit that my opposition to this amendment is to some extent due to a feeling and conviction that has been forming for some time that the Interstate Commerce Commission has fallen into a rut in the matter of regulating railroad rates from which it seems impossible that it can free itself even at the imperative call of war. Railroad rates are an exceedingly technical matter, but it seems clear to me that the commission has disregarded certain economic principles and has failed to deal with the matter along broad lines; has failed to allow rates to respond to great economic changes such as general increases or decreases of prices, and therefore by holding them practically rigid through a period of increased prices, prices due in some measure to inflation, has decreased the purchasing power of the railroads beyond reason, and has prevented them from preparing for the emergency which is upon us. Perhaps I can not do better than to read a letter which I wrote during the very serious crisis of a few weeks ago in the matter of supplying coal to the people. It is an extreme statement, and I admit not wholly just, and after writing it to relieve my feelings I laid it aside and did not mail it, but in the main I think the criticism merited:

To the INTERSTATE COMMERCE COMMISSION,
Washington, D. C.

GENTLEMEN: Why can't a little common sense be used in dealing with the railroads, now that they have been placed above the hampering restrictions of antiquated State and National laws by Government operation? Why can they not be dealt with in accordance with universally recognized economic principles? With the demand for transportation taxing every eastern line to the breaking point, why are not rates raised? Why were they not raised before the condition became acute, for the purpose of checking the demand for the transportation for non-essentials?

The treatment of the rate question as a whole for several years, from the standpoint of the student of economics, can only be described as idiotic. You have considered everything in determining the general level of rates but the matters which alone should have governed. You have lowered rates when demand for transportation was greatest and when all prices were high, and you have increased rates when prices were falling and when demand for transportation was declining. In general treatment of the question you have left undone the things that you ought to have done, and have done the things that you ought not to have done, and there is no business common sense in you. You have devoted yourselves to the tithing of mint, anise, and cummin, like the Pharisees of old, to the neglect of the weightier matters of the law.

At the present time in the passenger service efforts are being made to prevent people from traveling by every mean device imaginable and without using the one common-sense plan of raising the rates. Trains are taken off so that those remaining will be overcrowded and made as uncomfortable as possible. Every convenience and comfort has been removed, but still the rates remain so low that crowds of excursionists continue to come to Washington purely for pleasure, congesting beyond safety the already overtaxed hotel and living accommodations of the city.

The present plight of the railroads, including the coal famine, with its serious hardships, sickness, and deaths, are chargeable in some measure to you, and to-day it is a debatable question whether the Nation would not be better off and better fitted to cope with the tremendous problems that confront us if the Interstate Commerce Commission had never been given any power over rates beyond the abolition of unfair discrimination between persons or places.

Yours, very truly, ——— ———.

Mr. BARNHART. Mr. Chairman, will the gentleman yield there?

Mr. PLATT. Yes; I yield to the gentleman from Indiana.

Mr. BARNHART. The gentleman did not intentionally omit charging the epidemic of measles now prevailing to the Interstate Commerce Commission?

Mr. PLATT. Oh, there were a few things I thought I could not fairly charge them with. I admit that the letter is not wholly just. It is an extreme statement.

Mr. DILLON. Mr. Chairman, I take it that the Interstate Commerce Commission has no power to commit anyone for contempt.

Mr. PLATT. I am sorry for that.

Mr. HICKS. Mr. Chairman, is not the crux of the gentleman's contention, favoring the Presidents' initiation of rates in preference to the Interstate Commerce Commission, in which I agree with him, the fact that the President will arrange the rates and will expedite the adjustment of the rates without unnecessary delay, and also give a wider latitude and greater field from which to ascertain what are correct rates? As I understand it, whatever rates are initiated they are subject to review by the courts and are not absolutely fixed until a court has rendered a decision.

Mr. PLATT. That is about it.

Mr. GORDON. Will the gentleman allow me to ask him a question?

Mr. PLATT. Certainly.

Mr. GORDON. There is a provision in the bill which limits the President to fixing a rate that is just and reasonable, just as it limits the Interstate Commerce Commission. Would the gentleman strike that out?

Mr. PLATT. I would not, but I think the President could still judge as to whether the rates are just or reasonable; and if he wants to fix a rate for the purpose of shutting off certain traffic, he can do it, in my opinion.

Mr. GORDON. Then the gentleman's point is that the President will fix rates without evidence, while the Interstate Commerce Commission will follow the law and fix them from the evidence. That is the gentleman's complaint?

Mr. PLATT. If the President has the common sense I think he has, that is exactly what he will do.

Mr. GORDON. Disregard the evidence?

Mr. PLATT. Fix the rates on broad general evidence, and let the Interstate Commerce Commission do the technical investigating afterwards.

Mr. GORDON. They have no power except to investigate.

Mr. PLATT. That is all they need.

Mr. DENISON. Will the gentleman yield?

Mr. PLATT. I will.

Mr. DENISON. I would like to ask the gentleman why the Interstate Commerce Commission could not do that as well as the President.

Mr. PLATT. Because it would take them a year to do it, and it may be necessary to get the rates fixed right away. The Interstate Commerce Commission is constitutionally unable to act promptly.

Mr. DENISON. Why does the gentleman assume that the Interstate Commerce Commission will not recognize conditions?

Mr. PLATT. Because they have had conditions thrust upon them time and time again and have not recognized them.

As I have said, this letter expresses an extreme view and is not wholly fair to the commission. Nobody can read the reports of the commission without realizing that it does a great deal of very good work. Railroad rates present an exceedingly complicated fabric, which there are reasons for disturbing as little as possible, as one change generally involves a lot of others, but the very fact that the commission does much good work in investigating and determining the fairness or unfairness of rates in individual cases, or in certain territory, makes it apparently unable to handle with promptness enough to do any good questions of broader aspect. It did great harm in allowing the purchasing power of the railroads to decline to the point where many of them were not able to finance needed additions to equipment or needed betterments. It was in some measure due to this fact that the railroads had to be taken over by the Government, though undoubtedly the main reason was the absolute necessity of obtaining freedom from the restrictions of the antitrust laws of State and Nation, so that freight and earnings could be pooled. These laws had to be broken, and the President was the only person who could be given power to break them. He is operating the roads, through the Director of Railroads, and I see no reason for withholding from him the power of determining their income by fixing rates. I feel sure that he will so handle the matter that there will be no deficits and no resort to general taxation of the people for the support of the railroads. [Applause.]

I yield back the remainder of my time.

Mr. SIMS. How much does the gentleman yield back?

The CHAIRMAN. Three minutes.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Chairman, probably all that will remain of 30 years of legislation on interstate commerce at the close of this war will be the Interstate Commerce Commission. I do not believe, therefore, this is a good time to take from that commission any of the powers or responsibilities that have been from year to year and from one growth of legislation to another reposed in that great commission. Every rate they agree to must square with the law and must be just and reasonable. You can not arrive at a just and reasonable rate with a hop, skip, and jump. Even the President of the United States or the Director General of Railways can not do that. No man, no bureau, commission, or other creation of the law is so well qualified to fix railway rates as the Interstate Commerce Commission. Its members were appointed for their fitness and for their ability with respect to this particular work. There never was a time when just and reasonable rates were more essential than now while we are undergoing this transition with the facilities of interstate commerce, and to impose the responsibility upon the President of making rates is to impose upon him a thing that he can not do and do according to the law—make them just and reasonable. His rates would be a guess. Every man who has argued for the making of rates by the President says they must be made quickly, that they must be done immediately. The power to initiate rates rests with the President under his power of control of the railroads. The railroads now have the power to initiate rates and file schedules with the Interstate Commerce Commission, and the President has that power. It is said, Why not permit the President to make the rate? You permit the body that he creates to make it. But he does not create the Interstate Commerce Commission. That is the creation of Congress. But if it is argued that the President would expect the Interstate Commerce Commission to agree to the rates that he suggested, the reverse of that proposition will well be true. If the President files according to law, as he has a right to now, or the Director of Railways, rates with the Interstate Commerce Commission, if they are just and reasonable, the rates will be made the rates for the railroad and upon the commodity.

Mr. BLACK rose.

Mr. CAMPBELL of Kansas. No; I can not yield. Mr. Chairman, I dislike the tendency of these times to dump everything on the President. We are passing too much responsibility to and imposing too many duties upon the President of the United States. Congress can not and ought not to abdicate. We have some responsibilities left, and we ought not to delegate to a single individual in an hour that which has taken us 30 years to delegate to the Interstate Commerce Commission—the rate-making power.

There is no greater power reposed in any body except the Supreme Court of the United States than in the Interstate Commerce Commission, that of finally settling upon a just and reasonable rate upon the railways and upon the common carriers of the country. The shippers of the country, I take it, without very much dissention would rather have the rates fixed, high or low, by the Interstate Commerce Commission than any one individual. The country has confidence in the President and in the Director General of Railways, but no one will go so far as to say that the Interstate Commerce Commission can not better arrive at a just and reasonable rate than either the President of the United States or the Director General of Railways. The President is much absorbed with other and with great matters. The Director General of Railways is not only clothed with duties and responsibilities with respect to railways but he is the Secretary of the Treasury, and has many duties and responsibilities aside from that, and to add to these duties, multitudinous as they are, the additional duty of finding a just and reasonable rate upon the traffic that is carried in the interstate commerce of the country, would be imposing too great a responsibility and power upon them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman and gentlemen of the committee, I will attempt to pass by and not for a second time deal with questions that have been already discussed when the bill was under general debate. It was well said by the gentleman from Kentucky that the President stepped into the footsteps of the carrier and that on that account he has the right to initiate rates, and we come then to the single question, whether rates made by him shall be absolute or shall be subject to be set aside by the Interstate Commerce Commission. That is the question that is presented here. It was presented in the Senate and it is presented again here in the bill which we are now considering. We have lost sight, so far as the discussion has gone, of one thing which, it seems to me, is vitally important and controlling, and that is this bill provides that a rate shall be fair, just, and reasonable. Now, if we have the right to make such legislation as that, if we have the right to pass such an enactment, when passed it means exactly what the words purport. It means that the rates must be fair, must be just, must be reasonable, and must not be discriminatory between different shippers. Now, that being so, the general impression here from this debate has been that when you allow the Interstate Commerce Commission to act simply in an advisory capacity you have taken away the right of review.

That is not true at all. You have shifted the right of review, but that right remains and can not be taken away. The courts still have the right to insist that the rate shall be just, shall be fair, shall be reasonable, and shall not be discriminatory. And the only difference is this, that, instead of waiting in these war times, instead of waiting when you are changing your whole system of transportation, instead of waiting when you are unifying and consolidating the various lines of transportation and making them a unified whole, instead of operating them

as you have heretofore, as separate and competing systems, at a time when you are making that momentous and vast change, you shall not wait to investigate in each case, to take testimony, to hesitate and defer as to what a rate shall be, but you put the rate into effect at once, and then the shipper has the right to appeal to the courts, and, if the rate is not fair, if it is not just, if it is not reasonable, it has the right to set it aside; if the rate is discriminatory, it has the right to set it aside.

Mr. DEWALT. Will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. DEWALT. The argument the gentleman is pursuing is clearly logical, from the fact that the bill proposed does not contain the words to fix rates. He has no need to initiate rates. Therefore he can not absolutely fix them. They are subject to review.

Mr. DEMPSEY. And if we were providing that the President could make a rate which shall be fixed and unalterable we would use the word "make," but we would not use the word "initiate."

Mr. STEVENSON. Will the gentleman permit a question there?

Mr. DEMPSEY. Yes.

Mr. STEVENSON. If he can not fix them, but merely initiate them, and under this bill the Interstate Commerce Commission can not fix them, then who can? That is a question I would like to have settled.

Mr. DEMPSEY. He has the right to make rates subject to review by the court. He would have had the right previous to the enactment of this law to make rates subject to review by the Interstate Commerce Commission.

Mr. STEVENSON. Then the gentleman contends——

Mr. DEMPSEY. Wait one moment. You simply shift it. In one case it is the Interstate Commerce Commission, and in this case it is the court. And you shift it in another sense. To adapt yourself to the exigencies of the time, to enable you to make new rates in a wholesale way, as will be necessary, owing to the fact, as I say, that you have now consolidated and united all the systems and made them a unified whole, instead of competing units—in order to adapt yourself to these new conditions it is necessary that rates should be made quickly, rates should be made at once, rates should be made to meet these new conditions. And, then, you have a right. What right is it? It is the right to review those rates. It is a sacred right, and it is protected by this act. It is the right the shipper has to appeal to any court. Is not that infinitely better than a review by the Interstate Commerce Commission?

Let me refer for one moment to what is said by Senator CUMMINS and by Senator POINDEXTER. Perhaps there is no man more eminent in the country than Senator CUMMINS upon this question. He says this right of review which is asked here by the Interstate Commerce Commission would be futile. Here is what he says about it:

> Anyone who is familiar with the subject must know that if the President is given authority to establish rates and put them into immediate effect, subject only to review by the Commission upon complaint, the review is of little practical value.

And I turn to Senator POINDEXTER, who goes still further. He says:

> It is a little too much to expect of human nature that officials who owe their official existence to the President will be able, however much they may try, to exercise any real independent judgment or action in setting aside the President's orders in the matter of rates. * * * To provide that a commission appointed by the President may set aside the rates made by the President is wholly illogical and will be unworkable in practical application.

Mr. BLACK. Will the gentleman yield?

Mr. SCOTT of Michigan. Will the gentleman yield?

Mr. DEMPSEY. If the gentlemen will wait just one moment, until I finish this, then I will yield.

Now, gentlemen, which would you rather have, the right to appeal to a commission, as Senator CUMMINS and as Senator POINDEXTER both point out, composed of the appointees of the President, or would you rather have the right to appeal to the courts wherever you wish throughout this broad land of ours; to appeal to men who may have been appointed 20 years ago, men who have the independence of the judiciary, not men who are simply holding places as commissioners?

Mr. GORDON. Who appointed the court?

Mr. DEMPSEY. Who appointed it?

Mr. GORDON. Yes.

Mr. DEMPSEY. Perhaps Mr Taft, perhaps Mr. Roosevelt, and perhaps back of that, Mr. McKinley. They hold positions for life. They do not hold them for a short tenure or at the whim of any President. They hold them during good behavior, and they will be on their good behavior here just as much as they will be at any other time.

Gentlemen, the right which you seek by this amendment is a right which has no value. You are getting more in the bill than is proposed. You are getting a greater right and a more valuable one. And, more than that, we are putting these railroads into the hands of the President.

Now, I want to say a word to you gentlemen on the Republican side, who call yourselves the conservatives of this body. Will you say to the President, "You may have all the rights here to incur obligations by the Government, to plunge the country into debt, but you can not have the right to establish rates sufficient to keep these railroads out of bankruptcy?" Are you going to bring about a condition where you are going to force Government ownership by the fact that the roads will become insolvent through the inability to fix quickly and expeditiously the necessary rates?

Mr. SCOTT of Michigan. Now, will the gentleman yield?

Mr. DEMPSEY. And I say to you, gentlemen on the other side, that you have trusted your President in all other things, and now are you going to deny him this power? Are you going to say to him, that you will put these roads in his hands, that you will charge him with their betterment, you will charge him with their upkeep, you will charge him with everything that can be charged with ownership, and then deny him the only right to raise the needed revenue?

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. Mr. Chairman, I will state to the gentleman from Wisconsin [Mr. ESCH] that he is now entitled to use 10 minutes.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for five minutes.

Mr. MONDELL. Mr. Chairman, under no conceivable conditions, under no possible combination of circumstances, can it be or become necessary or essential to clothe the President with the power to fix railroad rates in order to enable him to successfully conduct or win the war. That being true, I am at a loss to understand how anyone should desire to place upon the shoulders of an already overworked and overburdened Executive this enormous and dangerous power.

As the outcome of years of contest and controversy, political and legislative, the Congress placed in the hands of the Interstate Commerce Commission the tremendously important, intricate, and perplexing question of determining whether under all the circumstances and conditions a given rate was fair and just. That commission, in the discharge of the duties thus laid upon it, has commended itself and its decisions to the good sense and sound judgment of the American people to an extent almost unparalleled in the history of administrative or judicial tribunals.

Is this new departure in rate making proposed on the theory that the President may be prevailed upon or persuaded to approve a general advance of railroad rates which the Interstate Commerce Commission would not recommend or approve——

Mr. GORDON. And has refused.

Mr. MONDELL. And has refused? If that is the thought lying back of this proposal, then the sooner we scotch it the better. Some advances may be necessary. Few should be necessary if we are to have the benefits we expect from unified and coordinated Federal control. The rates should be high enough to pay operating expenses, make needed repairs, and provide funds to meet the guaranteed return. Any advance of rates above that is a new and novel and entirely unjustified form of taxation.

Mr. GORDON. And unlawful, too.

Mr. MONDELL. Yes; and unlawful taxation, which no one can defend.

Is it the thought of some that under this power the President may be persuaded to suggest and propose and carry out a general reduction of rates, without regard to the necessary revenues? If that is the thought underlying this proposed grant of authority it is a tremendously dangerous one, having no purpose except a purely political one, that of making the Government management of the roads appear favorable to the shipper; that of making Government management and control pleasing and satisfactory to those who desire its continuance without regard to its actual advantages. Nothing would be more harmful to the interests of the public than the lifting from the shoulders of the shippers the payment of their just burdens and laying them upon the shoulders of the taxpayer. To sum up, this is the situation:

The authority to fix railroad rates would not be helpful and is not necessary to the prosecution or winning of the war, and therefore should not be added to the present burdens of the President.

The Interstate Commerce Commission now has and is exercising that authority, subject to review by the courts. It has per-

formed that duty to the general satisfaction of the majority of the people and should retain the authority it has been exercising

To place this great responsibility, not necessary to the successful prosecution of the war, upon the shoulders of the President is to invite the dangers that arise out of autocratic power for no good reason or purpose. In my opinion, such a proposal should meet the opposition of every friend of the President, and everyone sincerely anxious for the successful operation of the railroads under Government control. [Applause.]

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. GREEN].

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. GREEN of Iowa. Mr. Chairman, all over the country those interested in increasing the profits of railways and raising the price of railway stocks and bonds have raised their voices in notes of glee over the prospect that through and by this bill the Interstate Commerce Commission is to be deprived of the power of fixing rates. I am not surprised at this, but I am surprised at the boldness with which they have expressed these views in the public press.

Something more than 30 years ago, I think it was, when the Interstate Commerce Commission was established to stand between the people and the arbitrary power which the railroads then possessed of fixing any rate which they chose, which they commonly fixed at "all the traffic would bear." The establishment of this commission was bitterly opposed by the railroads. They fought its creation by every means in their power, legitimate, and illegitimate. Where they could buy legislators, cases which I am happy to say were few, they bought them. Where they could bully or frighten them, they attacked them. Where they could defeat them for election, they used all their powers for that purpose. Fortunately for this country, the honor and integrity of Congress and its ability to solve great problems were successfully maintained. The establishment of the Interstate Commerce Commission was an epoch-making act and one of the greatest glories of a long line of Republican administrations. Ever since this commission was created the railroads have been trying to get rid of it by fair means or foul, but without the slightest prospect of success until they were able to conceal their design and purpose under the cover of this bill.

If this bill is passed as it stands, it absolutely eliminates the Interstate Commerce Commission during the period of the war, and the real purpose of the paragraph under consideration is to enter a wedge which ultimately will entirely drive the Interstate Commerce Commission from existence. The amendment offered by my colleague [Mr. SWEET] ought by all means to be made. If the bill is left in its present form it undoes the work of years and leads us backward instead of forward. I can not understand how anyone but the most reactionary can favor its present form. The amendment offered by my colleague simply keeps the law as it is and merely preserves to the commission the powers which it now possesses. During all the years that they have acted, nobody has ever had to such an extent the support of the people at large, and especially those who must in the end pay the compensation of the railways—the shippers and the traveling public. Time and time again it has protected them from unjust and unreasonable, even from outrageous and extortionate rates. No high court in all our broad land has ever so enjoyed the confidence of our citizens. There never has been a whisper against the integrity of any member. There never has been an intimation that it was unfair, and never has it been charged that it has been biased or prejudiced except by those who are seeking to obtain an unreasonable advantage through which they could pay high dividends upon watered stocks and upon bonds and obligations created without any fair consideration being received therefor. I need not repeat here the story of the looting of the New Haven, the Frisco, the Pere Marquette, the Dayton, the Louisville & Nashville, and other roads, nor even that of the Rock Island, with which I am so familiar, having uncovered the evidence which supported the resolution which I had introduced for its investigation, and also because I assisted in the investigation itself. The history of these roads ought to be and probably is familiar to you all. You know the slimy trail of graft which the officials who wrecked these roads left behind them. All these investigations were conducted by the Interstate Commerce Commission, and while the exposures did not bring back the money stolen they made it impossible to repeat the same kind of robbery. I say now that the Interstate Commerce Commission alone stands between the people and a repetition of those palmy days for railroad magnates when the motto was, "The public be ——," and "charge all the traffic can bear."

The amendment proposed by the Senate will not, in my judgment, help the situation in the least. It provides that the President shall initiate rates and that the Interstate Commerce Commission may review them, but as the gentleman from New York [Mr. DEMPSEY], quoting, in substance, from the report of Senator CUMMINS, asked, "Who is expecting the commissioners, appointed by the President and depending upon him for their positions in office, to overrule his findings?" As he is not satisfied with the Interstate Commerce Commission, the gentleman from New York apparently views the Senate amendment with favor. I am opposed to it for the very reasons that he stated, that in effect it would make the Interstate Commerce Commission merely a rubber stamp to ratify the findings of the President.

For many years the Interstate Commerce Commsision seemed so firmly established that it was useless to openly oppose it. Then the railroads took another turn to stealthily and craftily destroy it. They succeeded in getting a commerce court established with power to overrule its decisions, the court, which I may say, had for its members some judges whose conduct was so notorious as to compel this Congress to impeach and revoke. It lasted but a few years when such a storm of indignation arose against it that it was abolished by a bill passed by so large a majority in Congress as to overrule a presidential veto. I thought then that we would never again hear of any attempt to abolish the Interstate Commerce Commission, but I was mistaken. The railroads took another plan. It was to continually attack it through the newspapers and by insidious means impugn the action of the commission with reference to rates. For several years this propaganda has been financed and carried on by the railroads. The Interstate Commerce Commission had no way of protecting itself from the unjust attacks that had been made upon it. Nothing ever appeared in the great papers of the country which was favorable to its action. Somehow and some way, no matter what it did, it was criticized, even though it raised rates, as it did repeatedly. Everywhere one could see paragraphs to the effect that it had always denied a raise to the railroads and that it was prejudiced against them.

Absurd as this contention was, it seems to have had its effect upon many. Assert a proposition often enough, and no matter how false it may be, if it is not denied, many will come to believe in it, and the Interstate Commerce Commission had no one to present the case on their behalf. It controlled no newspapers. It had no financial connections, while its opponents had every owner of railroad stocks and every great financial institution that possessed them against it.

Nothing was further from the truth than this charge. There were no influences which surrounded the commission which could influence it against the railways. If anything, the tendency was to lead them in the opposite direction. It was impossible that they should have any motive in failing to decide as the railway officials desired. They have not been subject to elections. On the contrary, they have always been appointed by Presidents who were never suspected, much less accused, of being unfriendly to the railways. The real difficulty was that the demands of the railways were so exorbitant and unreasonable that no men of character, ability, and reputation could be found who would sanction them. To anyone who claims that the commission has been unfair to the railroads I say read the evidence taken in the Fifteen Per Cent cases and other cases heard by the commission.

I do not mean to intimate that every person who imagines that the Interstate Commerce Commission is prejudiced against the railroads is himself prejudiced in their favor. The fact is that this railway propaganda against the Interstate Commerce Commission has been carried on to such an extent that a large proportion of our community have been completely misled and deceived by it. They have been led to believe that the railroads were doing poorly; that they were losing money; that they were unable to maintain their lines in proper condition; that their credit was bad; that money could not be obtained for railways when it could be obtained for other purposes. Not one of these statements so often repeated are true. Railways never made so much money as they did during the fiscal years of 1916 and 1917—the two years ending June 30, 1917, the last for which we have any complete reports. In each of these years their operating income was over a billion of dollars. By operating income I mean the profit left after paying all expenses of operating and keeping up the roads. This is far larger than it had ever been before and almost three times what it was in 1890. It resulted in many roads piling up an enormous surplus—I could easily name four or five each with a surplus of over a hundred million dollars, much of which could have been used, if they so desired, for maintenance purposes. It was sufficient

to pay 6½ per cent on all of the capital that had ever been invested in railways, including the millions that had been stolen from them. Even roads like the Rock Island, unfortunate victims of stock-jobbing pirates whom even the Wall Street Journal said ought to have been wearing stripes—these roads have been making a good profit.

Of course, there were roads like the New Haven, which had been so completely loaded down with stocks and bonds of other corporations sold to it at fictitious values by unscrupulous profiteers, that although the operation of the road paid splendidly, it has been difficult to find money to pay dividends upon all of the vast sums which were added to its liabilities without any return being received therefor. Then there are other roads, like the Trinity and Brazos, which never ought to have been built and by no possibility can ever be made to pay. Raising rates would do them no good, as it would simply drive away what little traffic they now have. On the whole the railroads have had of late a period of remarkable prosperity. In the last 20 years there is nothing to compare with 1916 and 1917. Never have they received as good returns or been as able to pay good dividends; never was their surplus so large.

But it is said that railway credit is poor, and as an example it is said that railway stocks and bonds have greatly fallen, and that it is difficult for the railways to obtain needed funds. All this is true, but I would like to inquire of what business it is not true where funds are needed in large amounts. As to bonds, there is no bond market. It has been entirely absorbed by the Government issues. Bond house after bond house in the city of New York has either closed its doors or discharged most of its salesmen because there was nothing for them to do. Railway bonds have depreciated, but no more than other bonds—no more, in fact, than Government bonds and municipal bonds, all of which have fallen greatly. And where is the concern, except some "war babies" that are making exorbitant profits of from 50 to 100 per cent, that does not find difficulty in obtaining funds at the present time. The Ways and Means Committee were told that a very large public utility, unquestionably solvent, which has for many years shown good profits and paid good dividends, was compelled to pay 13½ per cent for money in New York within the last few weeks. This gigantic war, which has absorbed sums so prodigious as to even stagger the imagination, has produced such a demand for money that we have found it necessary to create a Government-controlled corporation, which is expected to supply funds, if necessary, to the amount of $4,000,000,000 to relieve the strain.

I do not contend that no provision should be made to meet the pressing maturities of the obligations of the railroads. The war has destroyed the free and open market for their securities. The Government has absorbed all the available funds which usually seek this market and left none for them, unless it be some held by unscrupulous profiteers, who, seeking to take advantage of war's necessities, are demanding rates which no legitimate business can pay and live. We must and will take care of them, but not by unreasonable fares and rates which penalize part of the people and unduly burdens all. For this purpose we have provided $500,000,000 in this bill, and expecting soon to pass a bill creating a war finance corporation, for which the Government will furnish another $500,000,000 as capital, authorized to issue $4,000,000 in bonds. This corporation will furnish a means of borrowing the necessary funds. Of course this must be repaid, as it should be, and as much of it can easily be paid from the hundreds of millions of surplus which the more profitable roads have accumulated.

But various speakers on the bill have said, "Are you unwilling to trust the President to make these rates?"

I can not understand how any man who has ever made any study of the subject can suppose for a moment that the President is going to make these rates. There is no science under the sun, I care not what it is, that is so highly technical as that of making rates. The change of a single rate may, and often does, require the change of a hundred and sometimes a thousand others. Yet you hear gentlemen state that the President, without any investigation, without considering the matter particularly, is going to make these rates and fix them.

I say the President will not make these rates. He can not make these rates. If he did, he would do nothing else. They will be made by some other body or by some other persons whom he may select other than the Interstate Commerce Commission—somebody or some persons whom the railways at this time evidently believe will make the rates higher than they are now. And what reason is given for this astonishing proposition? Is it necessary to carry on the war? What has a rate to do with carrying on the war when the President can order a train to pass over a road at any time he desires regardless of what the rate may be? Who can stop the movement of munitions or, indeed, any material that the President considers necessary to pass over a road for the purposes of the war, or who can say where they shall go differently from what he directs?

No, gentlemen, this is not for that purpose. It is not for the purpose of enabling the war to be more vigorously carried on. This provision is not here for the purpose of adding to the efficiency of our preparations. It is here because the railways of the country think they will get some higher rates by reason of it, and it will do away with the Interstate Commerce Commission—at least for the period of the war, after which they hope to have it finally dispensed with.

So much do I desire to use every resource possible to win the war; so unwilling am I to in the least hamper or restrain the President in any way which could in the least prevent him from using all our resources to bring the war to a successful conclusion, that I would favor the bill as it stands even though it inflicted hardship on many and burdens on all, if this provision contributed in the least degree to our ultimate victory. But it does not and can not. I therefore feel constrained to vote for the amendment offered by my colleague [Mr. SWEET] and hope it will prevail. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIMS. I yield 10 minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, I think the provision in the bill which authorizes the President to initiate and to reach a final conclusion regarding rates is the wiser legislation. The record of the Interstate Commerce Commission offers no commendation that it will meet this emergency. The conditions which brought about the necessity for the Government taking over the operation of the railroads, as I interpret them, were due in part to legislation by Congress and to inertia or cowardice upon the part of the Interstate Commerce Commission. We have seen burdens placed upon the railroads which increased their operating expenses, and the Interstate Commerce Commission has failed to provide a remedy by permitting them to charge higher rates.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. SMALL. Just for a question.

Mr. MONDELL. The gentleman desires the President to have the power, then, on the theory that there will be a general advance in rates under his direction?

Mr. SMALL. I am not afraid to meet that question, and I will do so directly. In the face of these conditions the Interstate Commerce Commission declined to grant increased rates. The gentleman from Wyoming [Mr. MONDELL] a while ago spoke of our duty to provide a sufficient rate to pay operating expenses, to pay fixed charges, and to leave a reasonable dividend for the capital invested. In that proposition he is right as far as he goes; but I may add one other factor, and that is enough to provide a surplus for facilities in the way of terminals and engines and rolling stock for the purpose of meeting an emergency or congestion of traffic such as has arisen during this war. This emergency, which caused the taking over of the railroads, has been the product of a combination of action and inaction of Congress and inertia by the Interstate Commerce Commission, and we have no reason to hope or believe that the majority of the Interstate Commerce Commission are equal to the present emergency. The railroads must have increased revenues. If that means the raising of rates in order to enable the railroads to provide for the public the facilities which the public are entitled to have, then I stand in favor of raising railroad rates. The railroads constitute the chief instrumentalities of transportation. They are the servants of the public, and they must have the facilities and the income with which to serve the public if they are to do so adequately

Mr. GORDON. Mr. Chairman, will the gentleman yield at that point for a brief question?

Mr. SMALL. I have another thought which I wish to develop, but I will yield for a question.

Mr. GORDON. There is simply this provision in the bill which restricts the power of the President, to the fixing of a rate that is just and reasonable, which is the law now. Are you in favor of retaining that in the bill?

Mr. SMALL. I am in favor of the section just as it stands. Now, Mr. Chairman, there is another reason why I am opposed to this amendment. This bill seeks to add to the facilities of transportation—water transportation. We are appreciating today the lack of facilities for water transportation. If we had now upon the Mississippi River and its great tributaries water transportation, if we had upon these thousands of miles of rivers along the Atlantic seaboard and the Gulf and the Pacific the water movement which ought to exist, if we had, for instance, along the Atlantic seaboard a safe, inside route con-

necting these 10,000 miles of navigable rivers with each other, equipped with boats for water transportation, we would not be confronted to-day with this congestion of traffic.

Mr. MONDELL. Will the gentleman yield at this point?

Mr. SMALL. I am afraid I can not just now. I will develop this thought, and then I will be glad to yield. We realize that there are some essentials for the development of transportation, that there must be water terminals, that there must be transportation lines, that there must be interchange of traffic between water lines and the railroad. The River and Harbor Committee are striving with constructive work and legislation to bring about these conditions. When they are provided there will still remain one obstacle to the development of water transportation, and that obstacle is the fact that there exist railroad rates competitive with water rates in many sections of the country which in years past were reduced so low that it is unprofitable to endeavor to operate water lines.

Mr. MONDELL. Will the gentleman yield?

Mr. SMALL. In just a moment I will. Wherever those railroad rates are so low as to prevent water competition, they must be advanced and readjusted. [Applause.] I see no economic reason why a railroad rate competitive with water should be any lower than an interior rate. But that is not all. Not only have the railroad rates competitive with water been reduced to this abnormally low point, but interior rates by rail have remained the same, and not only remained on a parity but have actually increased, so that interior sections have been penalized.

Mr. MONDELL. Now will the gentleman yield?

Mr. SMALL. I can not just at this minute. In that lies the crux of some of the opposition to river and harbor legislation and appropriations for interior rivers. I do not blame the man from an interior section who opposes an appropriation for an interior river, the only effect of which is to give lower rail rates competitive with that river, and produce no water transportation upon the river. It is an unjustifiable appropriation of the public moneys.

Mr. MONDELL. Now will the gentleman yield?

Mr. SMALL. If the gentleman will be brief.

Mr. MONDELL. Would the gentleman have the shippers of the country generally, through an increase of rates, pay for the development of river and canal transportation?

Mr. SMALL. No; but I would equalize the rates, and I would remove the burden of discrimination from the shippers of the interior sections. Now, when the canal bill was passed in 1912 it contained a provision forbidding railroads to increase their rates competitive with water lines except with the assent of the Interstate Commerce Commission. We thought we had enacted a wise piece of legislation. But have we? Since 1912 not a railroad has applied to the Interstate Commerce Commission to have those water competitive rates increased, and they never will apply, because those rates were originally reduced for the purpose of driving out water transportation, and some railroad managers are not yet wise enough to regard water lines as coordinating instrumentalities of transportation and not competitors.

Under that legislation we will never have any readjustment, and we can not have readjustment without some further legislation. One reason why I favor this bill is because the President will under it have the power to increase railroad rates competitive with water lines. This will result in the establishment of water lines and enable them to operate with assurance of a reasonable profit. This result will be ample justification, but another public benefit will ensue. There will be established joint traffic rates and interchange of traffic between the water carriers and the rail carriers, thus making the interior sections sharers in the benefits of cheap water transportation. [Applause.]

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK. Mr. Chairman, I am sure that we have all listened with interest to the argument of the gentleman from New York [Mr. DEMPSEY] and the gentleman from North Carolina [Mr. SMALL] on the amendment that we are now considering, but I dissent from some of the arguments which they have made. For instance, the gentleman from New York takes the position that it would place the Interstate Commerce Commission in an embarrassing attitude to make a decision as to the justice and reasonableness of a rate which the President had initiated, because of the fact that the President is the appointing power of the Interstate Commerce Commission. The gentleman went so far as to argue that the Interstate Commerce Commission is the creature of the President; at least that was the effect of his argument, as I understood it. Why, if I understand the situation at all the Interstate Commerce Commission is a creature of the Congress of the United States, and the President appoints the membership of that commission just as he appoints the membership to the United States Supreme Court, and, like the judges of the Supreme Court, the appointment of the members of the commission is confirmed by the Senate.

I understand further that the matter of judging as to the reasonableness of rates is not an executive function. The President of the United States is an executive officer and vested with executive powers by the Constitution, and that same Constitution says that Congress shall have the power to regulate interstate commerce, and that is where Congress gets its power to prescribe just and reasonable rates, which it does through the Interstate Commerce Commission. The matter of making rates is a legislative function, and for very proper reasons it has been delegated to the Interstate Commerce Commission, and it is certainly an erroneous statement to say that the commission is a creature of the President.

Mr. DEMPSEY. Will the gentleman yield?

Mr. BLACK. I will.

Mr. DEMPSEY. Is not there this important difference in the manner of the appointment of the Interstate Commerce Commission and of the members of the Supreme Court—that the latter august body is appointed for life while the members of the Interstate Commerce Commission have only a limited tenure?

Mr. BLACK. I do not think that affects the question at all. The tenure of office is fixed by law and not by the President.

Mr. DEMPSEY. Men are human and men, as a rule, like continuance in power.

Mr. BLACK. I will say to the gentleman that that seems to me to be an irrelevant inquiry.

Mr. RAYBURN. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. RAYBURN. Does not the gentleman think it is a reflection on the President of the United States to say that he would appoint an Interstate Commerce Commission who would act according to the policy of the Government in these matters?

Mr. BLACK. Why, yes; and, as I said a moment ago, the matter of fixing rates is not an executive function, and while the Interstate Commerce Commission is an administrative body, it is an administrative body with regulatory powers, and these powers are such as have been vested in it by the act of 1887 and other acts amendatory thereto, enacted by Congress under the Constitution of the United States, and it gets none of its jurisdiction from the executive powers of the President.

Mr. SIMS. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. SIMS. Does the gentleman believe that the President of the United States in time of war should go to the Interstate Commerce Commission and state that he believes that this rate is necessary as a matter of military efficiency, and that the commission itself then would refuse to adopt the rate or approve it and put up their judgment as to what military necessities required against the Commander in Chief?

Mr. BLACK. I will say that I think the Interstate Commerce Commission would give most respectful consideration and the greatest weight to any rate that might be initiated by the President. I favor and approve the provisions in the bill, which has already passed the Senate, which permits the President to initiate the rate subject to the power of the Interstate Commerce Commission upon complaint of the shipper to inquire and review the justness and reasonableness of the rate, and after it has taken the testimony, and otherwise fully reviewed the information on the subject, let it determine as to the justness and reasonableness of the rate. [Applause.]

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Vermont [Mr. GREENE].

Mr. GREENE of Vermont. Mr. Chairman, it is doubtful at this stage of the debate whether anyone can contribute any information on the subject that has now been discussed for nearly a week. It may be that some additional emphasis may be made upon some particular point, but it seems to me that pretty much the whole ground on the subject has been covered.

I was interested in the remarks of the gentleman from North Carolina [Mr. SMALL], who reminded me of my old friend of years ago, Mr. Dick, in David Copperfield, that unfortunate gentleman who never set out to draw one of his memorials to Parliament that the head of Charles the First did not sooner or later pop up in it. [Laughter.]

And so my good friend from North Carolina [Mr. SMALL], starting out to argue the military necessity for taking over the railroads of the United States, finally gets to settling his favorite problem of water-and-rail competition by getting the President of the United States to raise the freight rates.

Mr. SMALL. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Vermont. I prefer not to do so at this time, as I have only five minutes. Somehow or other, there are other sinister or equally harmless shadows lurking around about this thing. It seems to me that some of our friends are mighty eager to seize upon this war emergency as a pretext for legislation that is by no means related to it and to accomplish some purpose by raising the popular slogan "Stand by the President" that they could not hope to have seriously considered at any other time and in any other way. I do not now pretend to bring you any special information on the subject, and we all understand that in five minutes it would be practically impossible; besides, the matter has been so well discussed as it is.

Thirty years ago when the interstate commerce law was born, or when it first went into effect, I was the chief clerk in the general freight department of a railroad, and I saw the first effects of the interstate commerce act when on a Sunday noon all of the tariffs of the whole United States, covering transcontinental, local, or joint traffic, went with one accord into the wastebasket; and for four years after that I abided in that same position. While I do not pose as an expert on railroad rates, and, after many years of retirement from the business, it would now be absurd to do so, still I remember enough of the old trade so that some of the things I have heard here to-day and during the past week about one man making the rates for the vast and complicated transportation systems of this country have sometimes tended to amuse me.

We are not now called upon to say whether the railroads of this land have been fairly or unfairly treated by Congress in years past. We are not now called upon to determine whether freight rates are in some cases too low and railroads have suffered unjustly because of that fact. My own opinion is that we probably have gone too far in our drastic laws and otherwise and have oppressed railroads somewhat at times or hindered their healthy and proper growth and development in some respects. But that is all beside the question here and now before us.

I have only one suggestion to make to this company. I have only one bit of emphasis to lay upon one point that has been brought out here so many times and yet seems so strangely to be overlooked when its proper application should be made. If, as is the purport of the policy behind this bill, we are simply taking over the railroads of the United States because of a dire military necessity and emergency, why are we not then content with putting into the hands of the Executive the power to operate the rolling stock and the motive power and the transportation systems as transportation systems, and forbid, if necessary, certainly never authorize, his going to the point of reaching his hand down to muddy the waters of our national commercial and business life besides? The power to fix freight rates is almost wholly in itself the power to control the industrial and commercial business of the country. Why should we give him authority to do that which is in nowise whatever associated with the military necessity? I do not understand how my good friend, the chairman of the Committee on Interstate and Foreign Commerce, can rise here and blandly suggest to this House that the making of a rate may be some serious and critical point involved in the President's capacity as Commander in Chief of the Army and Navy of the United States, and hinder some military project, when, as he knows and as we all know, that same President of the United States as Commander in Chief of the Army and Navy under the Constitution of the United States can move any freight car or engine anywhere in the United States, rate or no rate, with nobody's consent, asking nobody's opinion about it. Then, why is this question of rates smuggled in at the back door in this fashion?

It seems to me when you get right down to brass tacks, as we say in New England, that somebody is holding up the edge of the canvas so that the camel's head can get under the tent, and that after this tremendous military emergency is out of the way, this military emergency that is so urgent, so critical, that we must have somebody pottering with rates in the White House, then we may see what becomes of some other parts of the interstate commerce law and the Interstate Commerce Commission, and see how many more footpaths must of necessity be beaten toward the Great White Lot at the other end of Pennsylvania Avenue. [Applause.]

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. Mr. Chairman, I would not be a very good waterways man if I was not fair to the railroads. There is a prejudice against the railroads which I do not indulge. There is a desire in some sections to cripple privately operated railroads, a desire which I do not encourage. I want to see more railroads, a larger service, and more trackage; no section of the country needs it more than mine. Along the Atlantic seaboard, east of the Appalachian chain, we do business for one-third of all of the people of this Nation upon one-fourth of the mileage of the United States. Gentlemen say nothing new has developed in this debate. My friend from Vermont [Mr. GREENE] is one of those who made that suggestion; but there is something new in this debate, and I have not heard it explained yet. When the gentleman from Wisconsin [Mr. ESCH], the able ranking minority member of the Committee on Interstate and Foreign Commerce, held the floor on Thursday last I asked him whether it was true, as suggested by the gentleman from Pennsylvania [Mr. DEWALT], that the President had the power and would use it to increase the wages of the railroad men 20, 30, or 40 per cent, the gentleman from Pennsylvania, having indicated that it was understood that the railroad men's wages, which would be a charge against the railroads, would be incresed at least 20 per cent.

And the gentleman from Wisconsin [Mr. ESCH] said:

I suppose there will be increases of wages; I can not talk advisedly on that matter.

Whereupon the gentleman from Wisconsin [Mr. LENROOT], who is adept at railroad legislation, undertook to explain the situation.

He said:

Mr. LENROOT. Will the gentleman yield?
Mr. ESCH. Yes.
Mr. LENROOT. I would like to suggest that when under private ownership the railroads had the power of increasing rates; that the rates had to be passed upon by the Interstate Commerce Commission.

I think, perhaps, there is a typographical error in the answer of the gentleman from Wisconsin.

Mr. LENROOT. That first "rate" should have been "wages." It is evidently an error. The wages are made by the railroads, but the rates are passed upon by the Interstate Commerce Commission.

Mr. MOORE of Pennsylvania. So that the Interstate Commerce Commission had the power to fix rates heretofore, but did not attempt to adjust the wages. Now, it is quite probable that the taking over of the railroads by the President of the United States includes a program to increase the wages of employees, an important and dominant factor in the operation and direction of railroad property. I want to see the wages of railroad men increased. I do not see how the railroads of the country, under Government control or under private ownership, can successfully stand the increase of wages to the extent of 20 per cent, which seems to be conceded, or to 30 or 40 per cent, which is demanded, without having a corresponding increase in rates to offset the charge. No gentleman has explained that situation to my satisfaction, and the question has been put to two of the best railroad lawyers in this House.

Mr. LONGWORTH. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield.

Mr. LONGWORTH. I understand it to be the gentleman's argument that if we give to the President the exclusive power of making rates, the rates will certainly be increased, whereas if we leave them with the Interstate Commerce Commission they probably will not be?

Mr. MOORE of Pennsylvania. No; I do not take that position arbitrarily, because the bill as written provides that when in the judgment of the President—"when in the judgment of the President"—rates may be initiated, and so forth. No power is taken away from the Interstate Commerce Commission, except "when in the judgment of the President it is necessary in the public interest he may initiate rates, fares, charges, classifications," and so forth, and even then, "when in the public interest." What is the public interest? This bill is a war bill. We have been voting only war bills in this session—bills in the public interest. This bill is one of those. It is in the war interest. The President, who is superior to the Interstate Commerce Commission, decides whether he shall initiate rates. When he so decides he is to have the power to do it; but even so, rates fixed by the President in emergency cases, in war cases, may go back to the Interstate Commerce Commission for review.

Mr. GORDON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I yield to the gentleman from Ohio.

Mr. GORDON. The gentleman is mistaken about that last statement he made, because it is the very question we are discussing.

Mr. MOORE of Pennsylvania. The bill states that the Interstate Commerce Commission shall upon complaint make investigation and grant full hearings concerning the fairness, justice, and reasonableness of all rates, fares, charges, classifications, and so forth. Special war service will be required——

Mr. GORDON. It is all it can grant.

Mr. MOORE of Pennsylvania (continuing). When ordered by the President.

Mr. GORDON. It has no decision.

Mr. MOORE of Pennsylvania. I quote the minority report on that point where it cites the demurrage case. It refers to the fact that the Director General of Railroads fixed a higher rate of demurrage on cars which were serving as storage warehouses. This question went to the Interstate Commerce Commission, and even after the new rates were fixed it came back to the Interstate Commerce Commission. Much as I appreciate the hard labor and intelligence put upon the report by the minority of that committee, I am inclined to think this citation shows a weakness in their argument.

Mr. GORDON. Will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. GORDON. There is anotner provision in this bill the gentleman is talking about that provides that, notwithstanding all this war power and the fixing of rates, any rate fixed by the President or anybody else must be just and reasonable. Does the gentleman think that ought to be retained?

Mr. MOORE of Pennsylvania. The "just and reasonable" clause is here, and if the President's rates are not just and reasonable those who have complaints go to the Interstate Commerce Commission in the usual way.

Nobody is hurting the Interstate Commerce Commission. Gentlemen have tried to distinguish between the Interstate Commerce Commission and the President. From my point of view, as I read this bill and both reports, there is really no difference between them. They act together; they operate as one, except that in certain cases where an emergency exists, when the going before the Interstate Commerce Commission takes time—months and months it may be—and an injustice may be done to the railroads, then the President may initiate rates and if they are wrong or unjust or inequitable, then the complainants go back to the Interstate Commerce Commission and try out their case. They get their hearing after the war emergency has been met.

Mr. CAMPBELL of Kansas. Does the gentleman from Pennsylvania concur in the opinon of gentlemen that the Interstate Commerce Commission, being appointed by the President, would not find that the President had filed a rate that was either unjust or unreasonable?

Mr. MOORE of Pennsylvania. I think the Interstate Commerce Commission would agree with the President most of the time.

Mr. GORDON. It will have to, if the majority report is adopted

Mr. MOORE of Pennsylvania. I think they will. Now, gentlemen, so long as we are at war and voting all kinds of power to the President of the United States, and have given him the power to increase the wages of the employees, why should not the President also have the power to make a corresponding increase in rates, so that the railroads will be able to pay the increase in wages due to the war? That is the situation. It is a set-off. And to show that some laboring men are fair upon this subject, apart from the railroads which are most interested, let me quote from T. L. Lewis, former international president of the United Mine Workers of America. He says:

> If necessary, Congress should instruct the Interstate Commerce Commission to grant relief to the railroads by a general increased freight and passenger rates for a stipulated period of time. This would enable the railroads to rehabilitate their transportation facilities. Would it not be better to increase freight and passenger rates and permit the traveling public and the shippers help pay for the improving transportation than to take off trains, suspend the operation of industry, close places of business, when people must travel, when there is a demand for manufactured articles, machinery, and equipment, and enough coal in sight to meet every demand for fuel, if transportation facilities are provided? The efficiency of our military and naval forces and the welfare of the people demand prompt action.
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> We have no right to expect the highest standard of efficiency from a worn-out, sick, physically weak individual. The railroads of the United States are worn out, sick, and disabled from too much Government regulation, and apparently the indifference of the Interstate Commerce Commission to an inevitable condition, which has developed disastrously to the railroads, to industry and commerce, and to the people of the United States.

Cut the Gordian knot; play fair with the railroads; if this war necessitates it, give the workmen an increase in wages, and let the President do it under this bill.

Mr. DILLON. Mr. Chairman, I discussed this question very fully in general debate and only want to make one or two observations now.

The Interstate Commerce Commission, in my judgment, has the confidence of the American people. It is a court to which the people may go. I have failed to hear a single reason advanced why this court should now be disbanded and placed in the dump heap. This bill provides that up to the 1st of July, 1918, the President may relinquish control over any road or system of roads. If we adopt that provision, we will allow the Interstate Commerce Commission to fix the rates upon the roads released from the Federal control and we will allow the President to initiate rates and control rates as to the roads under his control. Thus confusion will follow. It seems to me that there is a clear division between the control and operation of the railroads and the rate-making power. The rate-making power does not in any manner interfere with the operation of the railroad. The rate-making power ought not to be disturbed. There is no necessity for setting aside the laws upon the statute books. If we turn this power over to the President, I take it that we will turn it over to the military power of the Government. It will then cease to be a civil power. There is a distinct line between the military powers of the Government and the civil powers of the Government. These two authorities ought to cooperate. There should be no contest between them. Yet the military power, with its control and with its operation of the railroads, can everlastingly eliminate all rate-making power and destroy it absolutely. When we thus destroy the Interstate Commerce Commission the shipper will have no appeal anywhere to any court under the heavens. Where will these shippers, representing the commerce of this country, from every hamlet in all the broad land, go for their remedy when the rates are fixed by the military power of this great Government? No court, no commission, nobody to hear their grievances; without the right to go into any court. Does this Congress want to do that? Does this Congress want to grant that power and thus take away the right of appeal to the courts? You can not appeal to the courts from the military department of the Government, because the military power is supreme. The military power can destroy the power of the courts. It can arrest the judge upon the bench, prevent the court from deciding cases in favor of the enemies of the country, and confine the offending officer until the close of the war. Its power is supreme. This Congress ought not to destroy the rights of the people that are purely civil, that are purely administrative, that are largely commercial. The commercial interests of this country command some consideration at the hands of this Congress, and we ought not thus to disturb and confuse the commerce of the country and bring confusion and chaos into all the industries of the land. [Applause.]

The CHAIRMAN. The gentleman yields back one minute.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. TOWNER. Mr. Chairman, the provision of the bill under consideration gives the President power to fix rates, fares, and charges, and to make such classification, regulations, or practices as he may deem fair, reasonable, and just, on all the railroads of the United States during the period of Government control. By this provision this power, hitherto exercised by the Interstate Commerce Commission, is taken away from that body and is lodged exclusively with the President. The commission can act only in an advisory capacity.

The last section of the bill declares that its provisions are "expressly declared to be emergency legislation enacted to meet conditions growing out of the war." But rate making is not emergency legislation to meet conditions growing out of the war. To make and change rates, fares, and charges is part of the ordinary commercial business of the country. Such action relates only to transactions entirely civil in their nature. The Government is given the control of the railroads because the success of its war work is dependent in large part on transportation. So far as the transportation of troops, of munitions, and of war supplies are concerned, the demands of the Government are supreme and the transaction of all ordinary civil business must be made subordinate. We have granted ample power in this regard. But the ordinary travel, the ordinary shipment of farm products, of merchandise, and the articles which supply the every-day demands of the people should not be taken out of the usual well-settled course of procedure. The laws and regulations, the charges, and rates should remain as they are, or, if changed, should be changed in the manner prescribed by law. To assume the duty of rate making on ordinary business transportation is not part of the warlike preparations of the Government.

Every power the President needs he may exercise to use the railroads in any possible way for the carrying on of the war. If the President desires to transport war material or supplies, he can do so without rates. If he desires to make a rate, say, of coal to a munition plant, he can do so under the powers given him in the act of 1916 and in other provisions of this bill. But that is special, not general. That relates to Government

business, not private business. That is a military measure, not a civil regulation. The power to fix rates on the general commerce of the country—the common, private business of the land—that is a thing entirely apart from the exercise of the war power, to which this bill by express provision is limited. The President has granted to him by legislation already enacted and which is contained in this bill absolute and unlimited power to control and operate the railroads for all and every war purpose. He can take off or put on trains. He can give priority to all war orders. He can make every other kind of traffic secondary. He can run all trains on war schedules.

But the railroads must be used by the people in the meantime for other than war purposes. The commerce of the country must be carried. The necessities of the people not engaged in war must be supplied. It is as necessary now as in times of peace that rates and charges should not be exorbitant. It is necessary that changes should be made only after careful investigation and a full hearing. To secure these results we have established the Interstate Commerce Commission. It has become a part of our governmental system. To its jurisdiction and control have become adjusted all the busines interests of the country. It is the development of 30 years of lawmaking and court interpretation. Many attempts have been made to destroy the usefulness of the commission, but they have proved unavailing, because it has obtained and now holds the confidence of the people. The farmers' associations, the stock growers' associations, the grain shippers' associations, the farm journals, representing the agricultural interests of the country, are now urging Congress to maintain the present jurisdiction of the Interstate Commerce Commission. Manufacturers' associations and the chambers of commerce of the great cities have also petitioned Congress to the same effect.

Gentlemen who advocate the abrogation of the functions of the Interstate Commerce Commission can hardly realize, I am sure, the consequences of such action. To deprive the people of the right to have determined upon a hearing by an impartial tribunal whether a given rate is just and reasonable is an act of such grave moment that nothing except absolute necessity would justify it. It is said that it is safe to lodge such power in the President. But this is not done. The President will have no hearings. In fact, the President will not act at all except as he is advised. The chief value of the commission consists of the fact that decisions are made upon public hearings conducted as a court is conducted, with fixed and orderly procedure. Evidence is submitted, arguments are heard, and final determination made after conference and deliberation, as are judicial decisions. The rates now fixed are the result of patient study and careful investigation. They have been made in many cases as findings on hearings that have extended over months. They have been presented and argued by the ablest lawyers the country affords.

I hold in my hand the last volume, volume 44, of the Interstate Commerce Reports, a series of decisions that would do credit to any court of last resort in the land. More than 10,000 cases have been decided by this great court and reported in this series. This volume contains more than 500 pages and reports many cases. Among them is a great case, the Pere Marquette case, the report of which alone covers 250 pages. I ask gentlemen whether or not it is possible for the President to consider and determine that class of cases? And if he will not consider them, who will? Will it be wise or expedient to have such great questions determined by some unknown adviser of the President, who may be interested and biased, and who is necessarily irresponsible? Should we without necessity throw away three decades of legislation, this large body of decisions and precedents, and the methods of orderly procedure established by long years of experience and trial?

Those who defend the proposed abolition of the Interstate Commerce Commission have not shown, nor can they show, how the retention of the present jurisdiction of the commission with regard to rate making will in the slightest degree interfere with the full control by the Government of the railroads for war purposes. It is not because the President desires such power that it is proposed. He is not to be complimented or pleased by granting it to him. He would not exercise it personally if granted. The President was granted power to take over and control the railroads. He exercised that power by making Mr. McAdoo the director. Who will be placed in charge of the rate-making power if granted to the President we do not know. It is safe to say, however, that it will not be the Interstate Commerce Commission, for if that were intended no provision would have been made for taking away the power from the commission.

It must be apparent that an effort is being made to commit to some one else the rate-making power, to be exercised through the President. It is because powerful influences are determined to destroy the commission or to take from it the power it has so wisely and impartially exercised. Some of the reasons for this are not far to seek. On this floor we have heard it said that because the commission did not advance rates as much as was desired that for that reason the President must be given the power so he could do so. In the 15 per cent advance rate case the railroads asked for about $400,000,000 increase in rates and revenue. The commission granted an increase to certain roads amounting to about $100,000,000. The refusal to grant all that was asked excited deep resentment in certain quarters. And now we have this condition presented: Because an impartial tribunal, after patient hearing, with due regard both to the railroads' demands and the people's rights, have fixed certain rates which they found to be just and reasonable, but which were unsatisfactory to the railroads, its power shall be taken away under the guise of a war measure and given to some one who will do what is desired. Being dissatisfied with the decision of the court, they would forthwith abolish the court.

It is said that the railroads should be self-supporting; that in order to make them so rates should be increased; and that as the Interstate Commerce Commission will not do so, some other way must be found to secure such result. In answer to that it may be said that no one can now tell what the results will be under the new management. It is hoped that with the reduction of high salaries, the abolition of useless expenditures, the elimination of waste and duplication and favoritism that expenses will be materially decreased. It is probable that an increase of wages of at least some of the employees should be made. How we shall come out when these things are done under conditions that will then exist it is impossible to anticipate. But, however that may be, if rates should be raised or lowered, the determination can better be made by an impartial tribunal such as the Interstate Commerce Commission than by an unknown person who may be appointed for that purpose by the President. The people have rights as well as the railroads. They do not ask favors, they only demand justice. They know they ought and must pay a full compensation for the service rendered. But it is one of the chiefest benefits of our institutions and our laws that all public-service corporations are subject to regulation in the interest of the people. The people in this case only ask that the jurisdiction and power of the Interstate Commerce Commission should be retained in civil transactions between the railroads and the people as it has existed in the past. In order to accomplish that result the amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SIMS. Let the gentleman from Wisconsin use some time. I am still one minute ahead.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. DENISON].

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes.

Mr. DENISON. Mr. Chairman and gentlemen, I am in favor of the amendment that has been offered. I have listened to a great deal of debate on the bill and I have failed to hear anyone tell the committee yet who would in fact fix the rates if the bill is passed in its present form.

Now, they say that the power to fix the rates is given under certain conditions to the President, and we, of course, know that the President can not do it himself. Perhaps it will be exercised by Mr. McAdoo, the Director of Railroads. I understand that Mr. McAdoo at the very best can give only about two hours a day to those duties which are imposed on him by reason of being Director of Railroads. We know, then, that Mr. McAdoo himself will not do this work. Then who will do it? It does seem to me that if Congress is going to grant this extraordinary power to some one, the Congress and the people ought to know who it is that is going to fix the rates. Evidently the President will not do so, nor will the Director of Railroads; but he will have to refer it to some one else, and we do not know who that is. I think if it has got to be referred to some other person or some other tribunal, it ought to be to the Interstate Commerce Commission, who have had this power all the time.

Mr. LAZARO. And they are the creature of the President.

Mr. DENISON. Mr. Chairman, just here I want to make some brief general observations on the bill, as I did not have a chance to do so under general debate.

It seems to me that there are a great many, or at least some, Members in the House who have an idea that this legislation will lead ultimately to Government control of railroads and perhaps of other public utilities, and there are some who think

that this legislation ought to be used for a sort of experimental purpose in Government control. Now, I think that there ought not to be any provisions in the bill except such as are necessary to carry out the single purpose of the bill, and that is emergency war legislation. Therefore I am opposed to that provision of the bill which would extend the time for returning the properties to their owners to two years after the war, and I am opposed to this provision in the bill which gives this power to the President to fix the rates, because I can not see, and I have heard no argument yet from anyone that has convinced me, that the power of fixing a rate for the shipment of freight or any other rate is a war power.

Now, I can not conceive of any sort of circumstances arising under which it will be absolutely necessary for a rate to be fixed on the moment. If the statement of the gentleman from Iowa [Mr. SWEET] is true, that if his amendment carries the President will still have the power to initiate rates, it seems to me that any necessity that will grow out of the state of war will have been met by the President having that power to initiate rates.

Mr. SMITH of Michigan. What is the difficulty about letting the Director of Railroads fix the rates?

Mr. DENISON. Because it will be absolutely impossible for him to do it. The Director of Railroads is the Secretary of the Treasury. He is also the head of the Federal Reserve Board and of the Farm Loan Board, and I understand that they are going to make him head of this new financial corporation that will control all the finances of the country.

Mr. WILLIAMS. And he is a candidate for the Presidency.

Mr. DENISON. I understand so. And with all his manifold duties it will be impossible for him to give the matter of fixing rates any attention. He will have to leave it to some one else.

Mr. Chairman, I have listened with a great deal of interest to the discussions of the bill by the different Members. It is apparent to me, as I have said, that there are some Members who consider this as purely temporary legislation, made necessary by the existence of a state of war and justified only by reason of that fact.

There are others who would treat it as permanent legislation, precipitated by the state of war but justified as an economic and governmental reform, leading ultimately to Government ownership and operation of all public utilities. These are the two extreme views. There are still others who would consider it as war legislation, temporary in character, but who would so shape its provisions that it can be utilized as an experiment in Government operation and control to guide future Congresses in the consideration of that great question. If I may be permitted to hazard a guess, I would say that those who were responsible for this bill in its original form—the President and the Director of Railroads—are among those who would treat it as war legislation to be used at the same time as an experiment in governmental operation, to the end that, if successful as a war measure, it may ultimately become a permanent part of the economic policy of the Nation. I think the provisions of the bill as originally drawn clearly show this. Why else should anyone want the Government to continue operating the railroads indefinitely after the war has ended and peace has been restored?

So the question is squarely up to Congress whether we shall enact this legislation as a mere temporary measure made necessary by the war or as permanent legislation launching the policy of Government ownership, or as a war measure, to be continued indefinitely or to some definite but unnecessarily distant time, for experimental and possibly for political purposes. When the bill is finally passed its provisions will reflect the views of a majority of Congress as to which of these three purposes or policies the legislation should represent.

Now, I am opposed to any experimental legislation on an important and vital question of this kind. I am opposed to using the necessities that arise out of this war to try out any illusive dreams or theories of socialism. Some sort of legislation of this kind is of course necessary, since the President has already, under the exercise of his war powers, taken control of the railroads of the country. We must provide for compensation for their use, for their management during the period of Government control, and for their return to their rightful owners. But I do not think the Government should keep the railroads a day longer than is necessary to accomplish the purpose it is claimed justified the President in taking them over.

Mr. Chairman, I have for years been opposed to any form of Government ownership or operation of railroads. My observation since I have been a Member of this House has made me even stronger than before in this conviction, and nothing has been said during the debate on this bill that has convinced me to the contrary.

I do not think the Government has any business owning or operating any kind of a business enterprise like the railroads. I believe that competition and the desire for profit have given our country the best transportation service in the world. And I believe that competition and the desire for profit are under our form of government and in a country like ours absolutely necessary to the maintenance of good railroad service and to continued improvements in the service.

Neither competition nor the incentive for profit are possible under Government ownership or control.

I have listened with deep interest to discussions by different Members of the success or failure of Government ownership of railroads in other countries. I do not think the experiences of other countries are of any important value to us on this question, because no other country that has tried it has the same natural or economic conditions, nor the same forms of government that we have. There will be enough grave and important questions growing out of the war and for the next 20 years following the war that are really and properly governmental questions to occupy all of the time and attention of the Government, without its going into the railroad business.

While I believe the President had and should have had the power to take over the railroads and temporarily operate them as a war necessity, I do not think the necessity for such action had arisen when the President acted. I think it was a mistake for the President to take possession when it did. The owners of the roads can operate them any time better, more efficiently, and more economically than the Government can. Congress could, upon recommendation by the President, have acted just as quickly and enacted such legislation as might have been necessary to temporarily relieve the railroads of any legal restrictions imposed upon them by the Interstate Commerce Commission and the Sherman antitrust law, which would have interfered in any manner with the free use of the railroads for war purposes. If this had been done, Congress would have been spared the perplexing problems that are involved in the legislation now under consideration, and in my judgment many others that are sure to follow.

The railroads are in far worse condition and transportation service is far more inefficient than before the roads were taken over by the President. So I think it was a mistake to take them over at all. There was no necessity for it that could not have been fully met in a better way.

I am opposed to Government ownership of railroads because the property values of the railroads of this country amounts in the aggregate to from eighteen to twenty billion dollars and there are 1,700,000 employees now in their service. That is too much money and too many men to be used as a football in the political game in a Republic like ours. We can not afford to determine questions of this kind on the assumption that there will always be wise men and good men in control of the Government. We must do so rather with the possibility in mind that men unwise and overambitious or weak and unscrupulous may be in control. And power is a dangerous thing in the hands of weak or overambitious men.

But the 1,700,000 railroad employees are, or some day will be, federated with many million others employed in other fields of industry. It would be an unfortunate thing, in my judgment, for that many men to be in the service of a Government like ours. All questions of wages and welfare would usually if at all be adjusted on political rather than economic or industrial grounds. With a strong and determined man at the head of the Government the great army of railroad employees might be unjustly dominated and their best interests submerged, and this would be a bad thing for the railroad men. With a weak or overambitious man at the head of the Government, the railroad employees could completely dominate the Government. Either condition would be unfortunate if not dangerous for the country. I do not think this bill should be passed with a single provision in it that could be construed as an encouragement to those who believe in Government ownership.

Let us be candid with ourselves and with the country and make it plain that this legislation is a war necessity only.

I will support the bill if it is amended so as to be what it is represented to be—legislation necessarily resulting from the state of war—and if some of the provisions of the bill that are absolutely inexcusable are eliminated from it.

I am opposed to the Government keeping possession of the railroads two years after peace has been declared. I think that length of time is unreasonable and would be so held by the courts; it is also unnecessary, and is intended as a compromise with those who believe in Government ownership, or who would experiment with it. And I will not vote for the bill unless it is amended so as to provide for the return of the railroads to their owners in a less time than two years after the close of the war.

I am unalterably opposed to giving the President or the Director of Railroads, or any other one man, the power to fix

railroad rates. The fixing of railroad rates is a legislative and not an executive function. It requires a most fertile imagination to conceive of the rate-fixing power as a necessary war power. It is not a war power at all. It is nothing more nor less than an abdication by the Congress of one of its legislative powers, and the conferring it upon one man who we all know could not himself exercise it and would not exercise it.

I have not heard one sound reason given during this debate why the Interstate Commerce Commission, that has heretofore had the right by act of Congress to finally fix railroad rates, should not do so while the roads are under Government control. Certainly the Interstate Commerce Commission is better qualified than any other person or any other tribunal in this country to determine reasonable rates. I see no reason why they could not, when requested by the President, determine rates just as equitably and as speedily as any other person or tribunal could possibly do.

I am willing to give the President the power to initiate rates during the continuance of the war and as a war necessity. But the Interstate Commerce Commission should under any circumstances retain its authority to finally determine the reasonableness of the rates.

To give the President or the Director of Railroads this extraordinary power of fixing railroad rates, in addition to the other unusual powers they now possess, would be conferring upon them more power than is now possessed by the Kaiser or any other person in the world. And I will not vote for the bill if it contains the provision giving the President this power. I hope the amendment of the gentleman from Iowa [Mr. SWEET] will be adopted.

Mr. Chairman, I have already since the beginning of the war voted for various bills conferring extraordinary powers upon the President. I have done so because I thought those measures were necessary to enable the country to more effectively prosecute and terminate the war. But we have conferred about as much power on the President as we should confer, and about as much power as we will confer, so far as my vote is concerned. Last session we passed legislation giving the President general control over the food and fuel of the country. With practically a unanimous vote Congress conferred this power upon the President because we thought it necessary as a war measure.

And yet this winter we have seen the President, through the Fuel Administrator, issuing orders that were not only beyond and outside of any powers conferred upon him by the act of Congress, but were arbitrary, unwise, and, in my judgment, inexcusable and subversive of the public interests. And the Food Administrator has issued orders restricting the grinding of wheat by country mills that have not only been disastrous to the interests of the country millers and wheat growers in the great wheat belt in Illinois and the Middle West, but which have not, in my judgment, contributed materially to any better conservation or distribution of the country's bread supply.

These extraordinary powers can be easily abused or unwisely exercised. And we should not confer them upon anyone unless there is a clear case of necessity for it.

So far as I am concerned, I shall not vote for any measure that will confer upon the President, or Mr. McAdoo, or any other person any greater power than they now have unless I am convinced beyond all doubt that it is absolutely necessary to help us successfully prosecute and speedily terminate the war. And I will not vote for this bill if it retains the provision giving the President the power to fix rates for the railroads of the country.

I think, too, the bill provides compensation to the railroads for the use of their properties during the government control that is excessive and is unjust to the people who will have to pay the bills.

Mr. ESCH. I yield five minutes to the gentleman from Ohio [Mr. SWITZER].

Mr. SWITZER. Mr. Chairman, it seems to me that the gentlemen who have expressed themselves as being so solicitous as to the success of the President in the operating of these railroads were remiss in their duty when the question of the consideration of the standard return was before this body. Who is selected by this bill to fix the maximum standard return? The proponents of this measure placed that duty upon the Interstate Commerce Commission, because they recognized that they had the information, that the commission was composed of gentlemen of ability and training for that work. At that time they did not want to trust the President to fix the maximum standard return, but they put a limitation upon the President by a provision which referred the whole matter to the Interstate Commerce Commission, and a certificate from that commission is binding upon the President. If you wanted the President to be sure to make the operation of these railways a success and not allow the expense of operating to exceed too far the returns from the freight and passenger traffic, why did you put a maximum limit upon the President's right to fix the standard return? Was it because you did not want to trust him? Is that it? You say that we who favor a limitation upon the rate-making power do not want to trust the President. We can with equal propriety say that in fixing the standard return you did not want to trust the President. But I think we are all willing to trust the President. I agree with those who believe that the railways were taken over chiefly to save the credit of the railways and not so much that it was expected that the Government would successfully operate them. I do not believe for the next year that there is any power on earth that can make a success of the operation of the railways of this country. I do not believe the railways broke down. There was simply an inordinate demand on their capacity that they did not have the facilities to fulfill. You can say that the War Department broke down; you can say that when the Government has ordered a lot of uniforms for the soldiers and they have not been received for five or seven months that the uniform-making departments of the country broke down. You can say that all these munitions factories that have been built up by English and French orders all over the country making thousands and hundreds of thousands of pounds of explosives and arms for war purposes broke down. Why? Because of the exorbitant demands upon them.

The railways were able to carry the ordinary traffic of the country as it was developed before the declaration of war, but we by the declaration of war put upon them more than they could do. They have not broken down.

I do not think that anyone believes that the railroads will be any more successfully operated under the Director General appointed by the President than they were under the great railway heads of this country, any further than they are given more power by the legislation that we enact here to make through rates over the country and by pooling, but, so far as the operation is concerned, the President and Director General must depend upon those who have experience in that line. [Applause.]

Mr. SIMS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DEWALT].

Mr. DEWALT. Mr. Chairman and gentlemen of the committee, there is no one provision in this bill which in my judgment deserves more careful consideration than this does. I recognize very fully the immense importance of the provision granting to the executive power the right to initiate rates. I recognize with equal force the great gravity of taking away from a long-established tribunal, the Interstate Commerce Commission, this right to revise and finally settle upon the rates.

I am frank to say that, primarily, my sentiment was against the idea of lodging this great power in the hands of the Executive. Every man who thinks logically must come to one conclusion ultimately, and that is that we must have due regard and respect for established forms of procedure, and that all innovations and alterations of that which has been established by long custom, and found to be efficient, should be regarded with a great deal of caution and not adopted except after weighty consideration. Therefore, I am frank to say now to this committee that, were it not for the immense necessity of this matter, if I were not deeply impressed with the urgency of the occasion, I would unhesitatingly cast my vote in favor of the amendment of the gentleman from Ohio.

Mr. SHALLENBERGER. Will the gentleman permit an interruption?

Mr. DEWALT. Not just now; I will in a moment answer all questions if I have time. I have tried with an unbiased mind, without any reflex action in regard to partisan fealty, or without any regard even of upholding the executive power simply because the executive power is now democratic, to look at this matter squarely from the standpoint of what is the best thing to do under the circumstances.

Let me start by saying that the act of 1916, in my judgment at least, gives the President of the United States the power to fix rates. The act of 1916, by its provisions, in brief, says this:

> That the President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system of transportation.

In looking at the legal definition of the word "control," I find that it is defined by an Illinois decision (185 Ill.) as this:

> The words "manage" and "control" are held to be synonymous. Manage is defined to mean "direct, control, govern, administer, or oversee." That is a decision in 144 Pa., page 377.

Webster defines the word "manage" as follows:

> Meaning "to have under control and direction, to conduct, to guide, to administer, or to handle."

I take it as a logical sequence of the wording of this act, which says "the President shall have possession and control," and in the following words, in the same section, "exclusive possession and control," that he has the right to administer. If he has the right to administer he has the right over the financial transactions of the company. If he has the right to administer the financial transactions of the company it follows as clearly as daylight follows the night that he must have the right to fix the charges for freight and passenger traffic. There can be no other logical conclusion. That is the act of 1916. Whether it be wise or unwise, you now have it on the statute books. The question now presents itself, will you, by implication or by direct legislation, by the adoption of the Sweet amendment, revoke what you did under the act of 1916?

Mr. SHALLENBERGER. That is the act under which we took the railroads over?

Mr. DEWALT. Yes; and the proclamation of the President followed. That is the war act. If that be true, then the question presents itself, what reason is there for maintaining the statute as it now is? I want to be brief and I shall try to present in a few words what those reasons are.

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. SHALLENBERGER. I have listened to what the gentleman has said, and I have been trying to find a reason why the President should be given this power as a war measure. The intent is not, as I understand it, to lower the rates. The intent must be to give him authority to raise the rates. Why is it necessary as a war power to give him that authority when it is admitted that the income of the railroads since the war is the greatest since we had railroads in this country?

Mr. DEWALT. Right there I can not agree with the gentleman. I think the power should be given not only to lower the rates but to raise the rates. I think I can show why it should be so. In the first place, let us take this undoubted fact. There is now existing, and there will be in the future, a diversion of freight upon the railroads of this country. We know now from the newspapers and from reports from the railroads themselves that there has been a diversion of passenger traffic to the Pennsylvania and of freight traffic to the Baltimore & Ohio—necessitated by what? By the emergency. In other words, certain lines have been devoted almost exclusively to freight traffic and others again have had diverted to them the passenger traffic. We know another thing, that passenger traffic is not the paying traffic on the railroads. They do not make money out of the passenger traffic; they make money out of the freight rates. Therefore it may be necessary for the President of the United States to initiate rates by which he increases the passenger rates in order to equalize things and decrease freight rates in order to equalize these roads.

Mr. SHALLENBERGER. He could not do that as between the railroads.

Mr. DEWALT. Why, yes; he could if he had financial control.

Mr. SHALLENBERGER. Give a higher passenger rate to one road than to another?

Mr. DEWALT. Certainly; under the provisions of this bill.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Not at this time. It may be necessary, as it was in England, to decrease the passenger traffic, and why? Because some of these roads are the main trunk lines and of necessity must be used for the transportation of foodstuffs and munitions of war. In England what did they do? They raised the passenger rates in order to prevent passenger traffic, and it may be necessary for the President of the United States to initiate high rates for passenger traffic in order to keep people at home from pleasure trips and unnecessary travel.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. MADDEN. There would be an easier way to do it than that, and that would be to cut off the trains.

Mr. DEWALT. Certainly; but you do not want to stop the flow of blood through the arteries. You might as well say that the easiest way to do it would be to bury the individual by cutting off his head.

Mr. MADDEN. On the question of rates, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. MADDEN. Does the gentleman have any fear that the Interstate Commerce Commission would refuse to grant a just rate?

Mr. DEWALT. I have not the slightest fear of that.

Mr. MADDEN. Then why should we worry?

Mr. DEWALT. But I have this fear: Prolonged investigations will follow, and the necessities of the occasion demand speedy action. I am with the gentleman on the broad proposition.

Mr. MADDEN. Why?

Mr. DEWALT. Excuse me, but I do not want to be interrupted in the logical conclusions I want to present.

Mr. MADDEN. But this in in line with what the gentleman is presenting. I say why would the necessity arise for an immediate occasion?

Mr. DEWALT. I will give the gentleman one instance. There are now 1,700,000 employees in the railroad service, according to figures. I understand—I do not know with authority—that these 1,700,000 employees are now demanding an increase in wages ranging from 20 to 40 per cent. Suppose that to-morrow morning a majority of these 1,700,000 employees, through the intervention or intercession of their chiefs, say, "We will stop work unless we are paid higher wages."

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SIMS. Mr. Chairman, I yield the gentleman five minutes more.

Mr. DEWALT. Suppose that to-morrow morning a majority of these men, through their labor organizations, should say, "We will cease work unless you pay us"; the President might by the necessities of the occasion say, "We will raise the wages." Under the Adamson bill the wages were raised for railroad employees $60,000,000 in one year. How are you going to meet that emergency? By going to the Interstate Commerce Commission and asking for a raise of rates and waiting three or four or five months until a decision comes, or will you say that the President shall have the power to initiate rates—not to fix them, but to put them into operation?

Mr. MADDEN. Will the gentleman yield for one more question?

Mr. DEWALT. I will.

Mr. MADDEN. Is there any more reason why the President should have the right, without any delay or interference, to raise a rate because wages were raised than the railroad companies had?

Mr. DEWALT. I did not quite catch the gentleman's question.

Mr. MADDEN. Is there any more reason why we should give the President the right to raise rates because of increased compensation to the men than the railroad companies should have that right, which they did not get?

Mr. DEWALT. Why, at that time the railroad companies were not confronted with the condition of war.

Mr. MADDEN. They were confronted with the question of increased compensation to men by reason of legislation.

Mr. DEWALT. Exactly; that is the right given under the Adamson Act, and it cost the railroad companies $60,000,000; and now you propose to legislate and take away this power from the President of the United States and refer it again to the Interstate Commerce Commission, and all this time the trouble has been going on and everything disorganized.

Mr. SNYDER. Will the gentleman yield?

Mr. DEWALT. I will.

Mr. SNYDER. Is it not a fact that after the Adamson law went into effect the railroad companies did ask for an increased rate of the Interstate Commerce Commission? Did they get it?

Mr. DEWALT. They did not get it.

Mr. LENROOT and Mr. WINSLOW rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. DEWALT. I yield to my colleague on the committee first.

Mr. WINSLOW. I would like to ask if they ever did ask for an increase in rates after the Adamson Act went into effect?

Mr. DEWALT. My recollection is that they did, but I am not certain.

Mr. WINSLOW. Will the gentleman yield for a further question?

Mr. DEWALT. Certainly.

Mr. WINSLOW. Is there any more reason to think that the members of the Interstate Commerce Commission under the strain and exigency of war will not get a gait on themselves as much as the President?

Mr. DEWALT. Well, they are pretty speedy individuals at times.

Mr. WINSLOW. Does the gentleman think we would have any more reason to feel that the President would act any more promptly in this matter than he did in meeting the question of preparedness?

Mr. DEWALT. I am frank to say I do not know that. Let me give another reason why I think the President should have this right. We have provided in this bill, and the gentlemen should clearly remember this, that the President would have the right to use a portion of the revolving fund for the purchase of bonds and also that he shall have the right to issue

obligations for maturing obligations that might become due during the term of Federal control. Now, the money is not provided for that, except in so far as the revolving fund is concerned, $500,000,000. I take it that if he deems it necessary to purchase or to issue, if you please, new obligations for these maturing obligations there should be reposed in the President the power to initiate rates—not to fix them, if you please—because the right to review still remains. If this were an absolute grant to the President of the United States ultimately, conclusively, and definitely to fix rates without appeal, I would be unalterably opposed to it; but the right of appeal would still remain in the courts and the right of review in the Interstate Commerce Commission.

Mr. LENROOT. Will the gentleman yield?

Mr. DEWALT. I will.

Mr. LENROOT. I would like to ask the gentleman what right the President or any other authority has to raise rates for the purpose of paying the indebtedness of the railroads?

Mr. DEWALT. None whatever.

Mr. LENROOT. The gentleman so stated.

Mr. DEWALT. Except in the operation of the road.

Mr. LENROOT. The gentleman so stated.

Mr. DEWALT. Oh, no. My friend from Wisconsin has a very delightful way of picking out one word in a sentence, or possibly one phrase in a sentence, and distorting the same to his own views or purposes, but that is not the way to argue a question. The way to argue a question is from the four points and four corners of it, just as you would construe a will. You do not construe a will by taking one phrase of it. You take the whole will together and if you take this whole act together you find that the President is to have control of the financial department of these railroads, and if he has control of the financial department of them, he ought to have control of the initiative power with respect to rates.

Mr. LENROOT. Did not the gentleman state that in order to purchase these securities of railroads it might be necessary for the President to raise the rates?

Mr. DEWALT. I still say so. The gentleman asked me about the initial power.

Mr. LENROOT. The constitutional power.

Mr. DEWALT. That is a different proposition.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ESCH. I yield five minutes to the gentleman from South Carolina (Mr. STEVENSON).

Mr. STEVENSON. Mr. Chairman, there is one thing that is certainly evident in this discussion, and that is that those who are proponents of the bill as it stands expect it to be used for the purpose of raising rates. Now, there need not anybody get mixed up about that. There has nobody here offered any reason that amounts to anything for this power except the reason that it may become necessary to raise the rates. The gentleman who has just spoken said that it might become necessary to raise passenger rates in order to keep people at home, and it would not do to rely upon the Interstate Commerce Commission to raise those rates. Well, now, if the gentleman has kept up with current history he will know that within the last 20 days passenger fares on mileage books have been raised a quarter of a cent a mile by this same Interstate Commerce Commission. Therefore, the argument that the Interstate Commerce Commission will not make and raise any rates if it becomes necessary is certainly begging the question.

The gentleman from Pennsylvania [Mr. MOORE] said a while ago that he was unable to see any reason why rates should not be raised; that if transportation systems break down it would be necessary, and it would be probable that wages would be raised; and he wanted to know why rates should not be raised also, and that nobody had given him any reason why they should not be raised. Now, I want to know why they should be raised; and that is a very important question to the business of this country. And the other is, how they shall be raised. In the last 12 months, the last fiscal year, the railroads that are called railroads, 230,000 miles of them, made a net income—I mean their railway operating income, which is with all expenses and taxes, and all of that paid, and the balance that is left—made an operating income of $1,069,000,000 on $18,000,000,000. In other words, as a whole they made over 5 per cent. Now, that is considered a fair net return for any operating property.

The Government will pay as a standard return to the roads under this bill $945,000,000, leaving on the above basis $124,000,000 margin to care for increased wages.

Now, why should we be talking that we have got to raise rates? There is no evidence that business is decreasing. And that is on the whole system. They have been taken over and unified and made into a system, and in making rates the Supreme Court of the United States has said that you can not hold that a rate is confiscatory unless all the operations of the road, regardless of this rate along with it, are not sufficient to bring in an adequate return. The fact that one rate on one commodity makes it a loss when they carry that commodity does not destroy all the rates if all the other operations of the system make a fair return. So if all the operations of the system we have taken over make a fair return, where is the necessity for raising the rates? And if you are going to raise them, my friend from New York says, they will have to be raised quickly and without investigation. Now, if you are going to raise rates without investigation, let us give the commission that has the information, that is expert at the business, the right to raise them, and not the President, who has had no experience. And if any of you have been up against the rate business you know that a man has to have experience before he knows anything about it.

The gentleman also stated that the necessity for raising rates would have to be exercised at once. I want to call the attention of this House to the fact that the raising or changing of rates is the most demoralizing thing on the business of the country that can possibly be imagined. If you make a rate that is not a proper one, you will demoralize business, because all the business of the great manufacturing concerns are conducted on the proposition that they will make their contracts based upon the rate to the place where they sell. That enters into every contract for sale, and if the rate is too high you will cause millions of dollars of loss to the manufacturing interests of this country, because you have a rate which will make unprofitable every contract that is outstanding. [Applause.]

I have offered as an amendment the provision adopted by the Senate, which gives the President the right to initiate and put into effect rates, subject to be reviewed and finally fixed by the Interstate Commerce Commission. There are two sets of people only that know enough to make rates in this country—the Interstate Commerce Commission and the experts of the railroads. The President will have to rely on one set or the other. Manifestly, the commission is more likely to deal fairly with the people, because they are not interested. The railroad experts will want to put rates high in the hope that after Federal control they will continue high. The commission should be charged with this, because it has no selfish interest to serve. This rate matter may be so manipulated as to destroy towns, manufacturing establishments, and ports, and carries the powers to levy, in the form of transportation charges, millions of taxes on the people, and should be carefully guarded. [Applause.]

Mr. ESCH. I yield five minutes to the gentleman from Michigan [Mr. SCOTT].

Mr. SCOTT of Michigan. Mr. Chairman, there is only one question involved in the amendment now before the committee, and this is the question: "Shall the Interstate Commerce Commission continue to establish the rates of common carriers engaged in interstate commerce or shall that function be performed by the President?"

In a controversy it is usual that two or more parties are interested, but an unusual situation presents itself in this matter now before us, because only one party is vitally and materially interested in the decision which this Congress shall make on this feature of the bill. That one party comprises every manufacturing establishment, every producer, and every consumer in the United States. The railroads have no interest in who shall make the rates during the time the Government controls and operates their roads, because their compensation is fixed under the terms of this bill and in no way depends upon the revenue obtained during this period of governmental control and supervision. The President can have no real interest in fixing the rates, because under his constitutional power he can compel the carrying of any commodities necessary or incident to the military program, and with his complete control and supervision of the railroad systems of the country the matter of rates can not be material to him. It is simply a question of taking money out of one pocket and putting it into another, whatever the rates may be. No one is deluded with the idea that the President will ever fix these rates, even if he is given the authority to do so in this bill. That is a human impossibility, which even the oratorical proponents of the bill can not overcome. This duty must be assigned and must be performed by some commission who will possess virtually the same powers now possessed by the Interstate Commerce Commission. You will strip the Interstate Commerce Commission of all its powers and duties—everything but its salary—and you will delegate the powers and duties to a commission appointed by the President who will not have, and can not have, the invaluable experience and knowledge which years of training has given to the members of the Interstate Commerce Commission. The manufacturer, producer, shipper, and consumer will pay tribute to the inefficiency of this new organization. There is every reason to expect and believe that this new board, which will be appointed

if you pass this bill as it now stands, will offer the pathetic spectacle of unavoidable incompetency which appears in a number of similarly appointed boards called upon to do a character of work with which they are entirely unfamiliar. I do not doubt the sincere efforts of these men, but the country is unwilling to educate new men, and to suffer their shortcomings during the education, where the Government has in its employ men already educated and the machinery fully and completely equipped to handle the character of work to be done.

Last winter when people were suffering and freezing in various sections of the country, due to the lack of shipping facilities for coal and a general shortage of cars, one of these newly appointed boards took 40 cars and turned them over to a cabinet file manufacturing company in North Carolina to be used in the shipment of file cases to the various exemption boards throughout the country. Those cars were used in that service for over three months, and in instances unnumbered the file cases could have been purchased by the various exemption boards in their home towns for less money than was actually paid by the Government, thereby saving not only in the purchasing cost but also allowing the congested traffic of the country to be relieved with those 40 cars so needlessly occupied. Some gentlemen indicate that this is an exceptional case. About the same time that those 40 cars were needlessly congesting the traffic of the country another order was issued by this newly appointed board, with decidedly greater power than ability, in which they gave 150 cars to a manufacturing concern located in one of the largest cities in the United States to be used in the transportation of lumber for the construction of buildings incident to the performance of a Government contract. Those 150 cars were used by that company to obtain the lumber and clog the already congested railroad facilities. At the very minute the order was made and all during the time those cars were in transit the same quality of lumber could have been purchased in the town where this concern is located for exactly the same amount of money as was actually paid for the lumber purchased.

Some one may suggest that these instances occurred last winter. Very well, let us get one up to date. Last week the Priority Board, upon the request of the Director of Inland Transportation, issued an order for 140 cars to be placed at different Michigan points for hay shippers. Fifteen of these cars were given to a man buying hay in a small town in the upper peninsula of Michigan. In that same small town there are at least four other concerns buying hay for the Government on the same kind of a contract held by the gentleman who was favored with a priority order for 15 cars. All of the other buyers have their hay ready to be shipped and are unable to get cars until this one favored gentleman has exhausted his supply of 15 cars. Why were they not prorated? I can not answer the question and have been unable to find anyone on the Priority Board or in the War Department who would even attempt to answer it. Every man's action was based on the recommendation or order of some one else. In tracing matters of this character through the various departments I venture the assertion that my experience just related has been the experience of every Member of Congress. It is about time that Congress stopped authorizing these new educational bureaus and boards and allowed the work to be done by those who have had the experience and whose past efforts have proven their ability and efficiency.

The CHAIRMAN. The time of the gentleman from Michigan has expired. If there is no further discussion desired, the Clerk will read.

Mr. ESCH. Has the gentleman from Tennessee concluded debate on this amendment?

Mr. SIMS. No; unless all quit it. Are you willing to have a vote?

Mr. ESCH. The gentleman has 30 minutes. I have 29.

Mr. SIMS. I am perfectly willing that a vote should be had.

Mr. ESCH. We have two or three gentlemen on this side to whom I would like to yield before a vote is taken.

Mr. SIMS. I will yield to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. I do not desire to speak on this amendment. I desire to point out that this debate was limited only to the rate-making provision. I have an amendment to the tax clause. The Chairman was asking the Clerk to read.

The CHAIRMAN. Nobody was ready to proceed apparently.

Mr. PARKER of New Jersey. I am ready to proceed with the tax matter.

The CHAIRMAN. The time is in control of the gentleman from Tennessee [Mr. SIMS] and the gentleman from Wisconsin [Mr. LENROOT]. The gentleman from Tennessee is entitled to recognition.

Mr. SIMS. The gentleman from Wisconsin can go ahead and use some more time.

Mr. ESCH. I have already used more time than the gentleman from Tennessee.

Mr. SIMS. I know. I am willing to have a vote right now.

Mr. ESCH. I yield five minutes to the gentleman from Pennsylvania [Mr. ROBBINS].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for five minutes.

Mr. ROBBINS. Mr. Chairman and gentleman of the committee, I favor the adoption of the Sweet amendment. I take the position that the Congress is the only authority that has the power to make railroad rates. Under the decision in the Minnesota Rate Case, reported in Two hundred and thirtieth United States Reports, page 433, the Supreme Court announced this principle:

> The rate-making power is a legislative power, and necessarily implies a range of legislative discretion. We do not sit as a board of revision to substitute our judgment for that of the legislature or of the commission lawfully constituted by it as to matters within the province of either.

Now, it was pursuant to the provision in the Federal Constitution which granted to the Congress, which is an organization of delegated authority, the power "to regulate commerce among the States" that we have taken up the subject of regulating commerce at all. In 1887 Congress under this clause in the Constitution created the Interstate Commerce Commission, which is a commission that has been established now for more than 30 years, and has investigated the railroad properties of the country, ascertained their value, and fixed rates for all of them, and has compiled a large and extensive system of reports and decisions for guidance in this rate-making proposition. In 1906 the Hepburn bill enlarged and extended the power of the Interstate Commerce Commission, and since that time it has been recognized by the carriers and by the public as the proper authority to regulate rates, the rates being promulgated always by the shipper or by the carrier and ratified and approved or disallowed by the commission. Now, the gentleman from Pennsylvania [Mr. DEWALT], who is on the committee, has sought to give a very strained and extended construction to the act under which the President assumed control of the railroads of the United States. I refer to the act of August 29, 1916. I submit to the good judgment of this House that no man in this body thought that when we passed the act of August 29, 1916, which was a war-emergency act, that we were giving to the President of the United States even the right to take over the railroads and retain them in time of peace, but we all thought we were giving him the right only to take them over in time of war.

Not one of us dreamed that we were giving him the right to make rates for the transportation of troops or commodities or freight over those railroads. The gentleman says that this right is found in the words "assume control" contained in the bill. Not so. If we had been going to give the President the right to make rates, we would have used the well-known phrase used in the Federal Constitution which the Supreme Court says gives that right, namely, "the right to regulate the commerce amongst the States," which, in this case, would be between the shipper and the consignee. We used this term in that act, "assume control," not the word "regulate," and we went on to say that it was for the purposes of "war emergency," dealing at that time not with the proposition that confronts us today, of a war with Germany, but a little war that we had on the borders with Mexico, assuming that we were giving the President the right to take over the lines of transportation only that lead into Mexico.

Now, gentlemen of the committee, do we propose to say that the power of Congress shall be vested in one individual, to make rates for all the railroads of the United States? This rate-making proposition is a complicated one. The men who deal with the rates on our great railroads are all experts, and the men who surround and serve on the Interstate Commerce Commission, with its 30 years of precedents, are also experts, and they resort to its decisions for their authority just as the courts quote the decisions in construing and enforcing the law. We have had some experience with the Executive in making rates. The price of coal was fixed by a meeting of 400 coal operators of this country assembled here in Washington, with a member of the Cabinet presiding during their deliberations. They fixed the price at $3 per ton for coal, and a short time thereafter the President, without consulting and without notice—he will have no reason to consult in this instance—reduced the price from $3 to $2. We have had some other experience with the President fixing prices. He fixed the price of wheat at $2, and there is a great clamor and objection all over this country from

our farmers that the price of wheat is fixed too low. He admittedly fixed the price of coal too low, because he increased the price to $2.45, and a second time increased it to $3.05, the present price, and the result of the price of $2 a ton that he fixed for coal has been the distress that we have experienced all over this country, and the suffering, without precedent, that has occurred during the cold months of this winter.

We have had more experience, too, in this matter of price fixing by one man, as here proposed. If you are going to leave it to the President—or, as some say, that it will go to the Director of Railroads, who fixed the price of demurrage on cars one Saturday night and raised it two or three dollars per car per day without hearing, without investigation, and without notice—that is the sort of thing we shall meet with if we are going to give this rate-fixing power into the hands of the President or any other individual. Here are three examples—the price of coal, the price of wheat, and the cost of demurrage. They have been fixed by the President or the Director of Railroads. In each instance they were fixed without notice, arbitrarily, and in each instance they have either given universal dissatisfaction or they have been admittedly wrong, because they have been changed afterwards upon further investigation because of the great suffering and public clamor in each instance against the action taken.

It has been argued that section 11 of the bill, which authorizes the President not only to fix rates but to initiate rates, gives also the right to the Interstate Commerce Commission to investigate the same. It is true that it does give the Interstate Commerce Commission the right to investigate the rates when changes were ordered by the President, but lines 4 to 8, inclusive, page 13 of the bill, provides:

And shall make report of its—

The commission—

findings and recommendations concerning the same to the President, for such action as the President may deem required in the public interest.

It will be seen by this quoted language that the President is the judge as to whether the public interest requires any action upon his part; if he thinks it does not, he can disregard any recommendation that the Interstate Commerce Commission may make. In other words, the Interstate Commerce Commission is powerless to either suspend or modify any rate that the President may make. It is a very skillfully and cunningly concealed stab in the back for the Interstate Commerce Commission, but it is nevertheless fatal. It strikes down this commission and puts it clear out of business.

Thus this great commission that has been stimulating and regulating commerce, that has been investigating the cost of the railroads, that has adjudicated rates in every system, railroad and water, in the United States engaged in interstate commerce, and has at hand in its reports, orders, opinions, findings, and decisions complete data that will enable it quickly to make and adjust any reasonable and proper rate on any railroad or water route in the country, is by this bill simply legislated out of existence, and their power to investigate vested in the President exclusively.

Of course, no one supposes that the President could or would assume or endeavor to make railroad rates. He is engaged in greater things, let us hope, than railroad rates. He is thinking about great international problems, meditating upon the destinies of our people, and deeply and constantly concerned with the great issues of winning this war for America and for liberty.

What must happen, then, is that some new rate-making power must be created to act for him. Is it possible that it is the intention of the party in power to create a new Interstate Commerce Commission or a new set of commissioners and impose upon the taxpayers the expense and cost of an entirely new tribunal, to ascertain and fix rates, and at the same time to permit the Interstate Commerce Commission to continue without work and without jurisdiction still on the public pay roll? If this is the purpose of the bill, the advocates of section 11 ought to be frank enough to say so.

I am opposed to the bill as it stands and in favor of the SWEET amendment, which is to be inserted on page 12 in lieu of the second paragraph beginning at line 12 and ending in the middle of line 8 on page 13. The amendment, proposed by Representative SWEET, of Iowa, simply provides in brief that while the President shall take over and operate the railroads, under the act of August 29, 1916, which states, "The President in time of war is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same for the transportation of troops and war materials and equipment, etc.," and further provides that the Interstate Commerce act, approved February 4, 1887, and its amendment approved June 29, 1906, known as the Hepburn Act, shall remain in full force, thereby continuing the Interstate Commerce Commission in full control of the question of determining "fair and just rates," the President's power being limited to the operating of the railroad alone, to the same extent and with the same power, that the railroad companies owning the same had at the time they were taken over, December 28, 1917. This is certainly just and right. Shippers and the general public and the railroad companies all know and understand the powers of the Interstate Commerce Commission over their rates; and to disorganize this whole established system by setting up a new tribunal must mean the disorganization of business and the casting away of 30 years of rate-making progress in the United States.

The great criticism that is put up by the committee and the majority Members of this House is that the Interstate Commerce Commission is not quick enough. That is mere subterfuge. This is a mere play on words, it is not borne out by the facts. The Interstate Commerce Commission has acted in many cases for the convenience of companies immediately upon their presentation of a case, although the law requires 30 days' notice to the public of a change of rates; yet this can be waived, and now, when the Government has control of the railroads, which in a way is another way of stating that the public has taken over the railroads, the reason for the 30-day notice entirely disappears, and the commission, out of the abundance of its knowledge, information, and experience as found in its adjudicated cases, can hear and determine at once the question of rates that may be submitted to it during the war.

Mr. Chairman, I wish to urge most earnestly the striking out of the latter part of clause 11 of this bill, and substituting in lieu thereof the amendment proposed by Representative SWEET, of Iowa, which in nowise restricts the power of the President but protects the shipper, the public, and the railroads by retaining the Interstate Commerce Commission in authority with full power to fix and adopt fair, reasonable, and just freight rates during the period of Federal control.

Mr. SIMS. I yield 10 minutes to the gentleman from Kentucky [Mr. BARKLEY], a member of the committee.

Mr. BARKLEY. Mr. Chairman, let us see for just a minute what this amendment of the gentleman from Iowa [Mr. SWEET] proposes:

That the jurisdiction and power over the rates, fares, charges, and classification of common carriers which prior to Federal control were lodged in the Interstate Commerce Commission by the act to regulate commerce approved February 4, 1887, and the amendments thereto, shall continue in the Interstate Commerce Commission, and said commission shall retain full jurisdiction over the rates, fares, charges, and classifications of the said carriers and all governmental agencies referred to or created by this act; but during the period of said Federal control said commission, in determining any question arising under this act, shall consider all the facts and circumstances arising under the war emergency and growing out of the unified, coordinated Federal control occasioned thereby. This shall not be construed as interfering with the control by the President or any agency created by him of the operation, as distinguished from the rates, fares, charges, and classifications of said carriers subject to Federal control.

Now, let us see, if the amendment be analyzed, what that means. It has been assumed by some gentlemen—and I agree to that—that under the act of 1916 the President had the power to initiate and fix rates. Under this amendment, if it is adopted, it does not confer upon the Interstate Commerce Commission any power to initiate a rate. It simply retains the jurisdiction they had prior to Federal control, which was merely jurisdiction to approve of any rate that was initiated by the carriers themselves, because there has never been any law authorizing the Interstate Commerce Commission to initiate a rate. As has been so repeatedly stated in this debate, the Interstate Commerce Commission was created to stand between the railroads in their selfish interests and the people, who had the right to depend on the Government for protection.

Mr. McKEOWN. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. McKEOWN. Under the provisions of this bill, what remedy is there in the event that the President fixed a rate that was unjust to the shipper? What remedy is there under the bill?

Mr. BARKLEY. The same remedy that would exist in reference to any unjust rate fixed in any other instance. If the President fixes an unjust rate the first step is to make complaint before the Interstate Commerce Commission; they investigate and report back the facts to the President, and the bill makes their finding prima facie evidence of its correctness. Of course, that recommendation will have great weight with the President in determining whether to modify the rate, nullify it, or leave it as it is. But in spite of the recommendations of the Interstate Commerce Commission to the President, the bill does not take away from any citizen or shipper any remedy at law which he

may have had prior to the Federal control, if the Interstate Commerce Commission should have approved of an unjust rate.

Mr. DILLON. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DILLON. Would not the determination of the President arise out of the military power of the Government?

Mr. BARKLEY. Not necessarily; the point I am trying to impress upon the committee is that if this amendment is adopted, nobody has the power to initiate a rate.

Mr. DILLON. If the military power of the Government fixes the rate, how are you going to get into the courts?

Mr. BARKLEY. The power to fix a commercial rate is not necessarily a military power. We have conferred on the President by reason of necessity the carrying on of commercial business by the railroads notwithstanding they were taken over for military purposes.

Mr. DILLON. He is to act in this matter as a military power.

Mr. BARKLEY. Not at all. As far as the commercial rates are concerned he is acting as a civil authority and not as a military authority.

Mr. DILLON. He acts partly as a military power and partly as a civil power.

Mr. BARKLEY. Absolutely. He acts in the place of the representative of the railroads, and, on the other hand, as a representative of the people. He occupies a dual capacity.

Mr. DILLON. At the same time he fixes the military and civil rate?

Mr. BARKLEY. His powers are both military and civil. The fact that the war is in progress does not deprive him of his character as a civil officer.

Mr. DENISON. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. DENISON. Does the gentleman think that if the amendment is adopted the President would still have the power to initiate rates as the railroads heretofore have?

Mr. BARKLEY. He has that authority under the act of 1916, and this bill certainly affirms that authority. If the amendment is adopted the president could not initiate a rate.

Mr. DENISON. Why?

Mr. BARKLEY. Because the amendment says, "this shall not be construed as interfering with the control by the President or any agency created by him of the operation as distinguished from the rates, fares, charges, and classifications of said carriers subject to Federal control."

In other words, if this amendment is adopted it takes away from the President the power he got by reason of the authorization to take over the railroads.

Mr. McCORMICK. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. McCORMICK. If this amendment was amended specifying that the President might initiate a rate subject to the decision of the Interstate Commerce Commission, would that satisfy the gentleman from Kentucky?

Mr. BARKLEY. It would not. I am against it in that form. I am in favor of the provision remaining as it is, because we have attempted not only to coordinate and unify the physical control of the roads, but we are seeking to unify and coordinate the financial control of the railroads. It is manifestly important that the relationship between the income and the outgo shall be maintained as nearly in the same proportion while the Government is controlling these roads as existed prior to their taking over. It seems to me an anomaly that the President is given the undisputed right to increase the expenses of operating these roads, for he may increase the railroad wages, which in all probability will happen, and of course that increases the railway expenses, and yet when it comes to increasing the revenues to take care of these expenses the power to do that is divided and taken away from him and given to the Interstate Commerce Commission. The importance of this would not be so apparent, perhaps, during Federal control, because the Government has a Treasury out of which it may pay any deficit, although I think it is an unwise business policy to increase the expenses of these roads without increasing the income also, so that these additional expenses will be taken care of without direct taxation of the people. But if we do increase the expenses without increasing the rates, and therefore create a deficit in the management of these railroads, when they are turned back to private control they will inherit an increased expense without any increased revenue, and immediately they will flood the Interstate Commerce Commission with a demand for a horizontal raise in all rates in order that they may be able to make up the deficit that the Government handed down to them, and which was created when the Government was in control of them. When that comes at the very period of the ending of the war and the reorganization of all of our industrial relations, it will have a much more baneful effect on business and commerce than to give the President the authority to gradually increase the rates if necessary in order to meet the expenses of the railroads.

Mr. McCORMICK. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. McCORMICK. The companies had the power to increase the expenditures before, but the revenue was limited by the decision of the Interstate Commerce Commission.

Mr. BARKLEY. That is true.

Mr. McCORMICK. What, fundamentally, is the reason for changing that relation? The President, in effect, is trusted with their operation. If he must increase the cost of operation, then the same tribunal which found the revenues for an increased cost before will under this amendment find the revenues for an increased cost afterwards.

Mr. BARKLEY. Because under Federal control these railroads are not going to initiate any rates. There is no occasion for them to do it. Their compensation is guaranteed. They are no longer interested in it. Under this amendment the President would be deprived of the authority even to initiate a rate, and the Interstate Commerce Commission inherently can not initiate a rate, so nobody can initiate a rate under this amendment, and there would be no opportunity even for the Interstate Commerce Commission to pass upon it.

Mr. McCORMICK. Then, let me return to my first question: If the gentleman says the President is deprived of the power under this amendment, will not an amendment to the amendment which specifically sets it out remedy the situation?

Mr. BARKLEY. The objection I have is to the policy of robbing the President of the power to increase the revenues. That is an anomalous division of power that ought not to be enacted into law by Congress.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. SANDERS].

Mr. SANDERS of Louisiana. Mr. Chairman, the entire question that is raised in this amendment is whether or not the law, as has been administered in regard to rate making, shall continue or whether we shall initiate a departure therefrom. This is a Government of law and not a Government of executive decrees. I am in favor of giving to the President every bit of power in the world necessary to win this war, and no more. This bill gives to the President all the power of operation. He has complete and absolute control over railroads, over their management, care, service, everything, but I can not get my own consent to vest in the Director General or in the President the power to make rates. Rate making is a science within itself. There is only one governmental agency that we have that knows anything about rate making, and that is the Interstate Commerce Commission. The question naturally arises right at this time, Why should this governmental agency, that knows its business, that knows what effect rates have on industries throughout this land, why should its knowledge and experience be dispensed with during this war emergency?

Mr. ALEXANDER. Will the gentleman yield at that point?

Mr. SANDERS of Louisiana. Yes, sir.

Mr. ALEXANDER. Now, the railroads at the present time have the right to initiate rates, have they not?

Mr. SANDERS of Louisiana. Absolutely.

Mr. ALEXANDER. Would not the gentleman give the President that power subject to review and approval by the Interstate Commerce Commission?

Mr. SANDERS of Louisiana. He absolutely has it.

Mr. ALEXANDER. That is a question on which the gentleman seems to differ from his colleagues on the committee.

Mr. SANDERS of Louisiana. For this reason: To-day under the law the owner of the road, the controller of the road, has the power to initiate rates. Under this bill the President is put in the same position as the owner of the road because he controls the operation of the road. [Applause.] Now, there is no question in the world that he has, and ought to have, the power to initiate rates, but there is likewise, in my opinion, no question but what that right should not become effective until the only governmental agency in America that knows anything about the science of rate making, that knows anything about rate making in relation to the railroads, the shipper and the people shall have passed upon that rate and shall have given it the sanction of the governmental agency which the people created in order to stand between them and the selfish interest of the railroads. [Applause.]

Mr. ALEXANDER. But would he have that power if the Sweet amendment is agreed to in its present form?

Mr. SANDERS of Louisiana. I think so.

Mr. BARKLEY. Will the gentleman yield?

Mr. SANDERS of Louisiana. If I can have five minutes I would like to yield to the gentleman and answer any question that I possibly can.

Mr. BARKLEY. I have not the time or I would be very glad to yield to the gentleman all the time he wants, but I do not want to take up his five minutes in asking questions.

Mr. SANDERS of Louisiana. Go ahead.

Mr. BARKLEY. I was going to ask the gentleman if he paid careful attention to the reading of the latter part of the gentleman's amendment, which distinctly stated that the President is not to be interfered with so far as the physical operation of the roads is concerned——

Mr. SANDERS of Louisiana. Yes; I have read it over carefully.

Mr. ALEXANDER. But so far as the financial operation is concerned, there are restrictions——

Mr. SANDERS of Louisiana. Oh, I have read it, and I have studied it, and I believe I understand it; and I know this about the amendment offered: That it means what it says, and I know that the paragraph of the bill that is sought to be amended is nothing but legislative camouflage. [Applause.] It says a whole lot and means nothing, except that it takes away from the Interstate Commerce Commission the power now conferred by law, and that it does away with that principle of rail-rate control which the people of this country have contended for until it was finally written into law, and which the gentleman and others are now seeking to wipe from the statute books. [Applause.]

Mr. ESCH. Will the gentleman use some of his time?

Mr. SIMS. How much more time has the gentleman which he feels he is compelled to use?

Mr. ESCH. All of it. How much have I remaining?

The CHAIRMAN. The gentleman has 17 minutes remaining, and the gentleman from Tennessee 23 minutes.

Mr. CALDWELL. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. CALDWELL. I would like to make a point of no quorum, if we are going to have a vote to-night. If we are not, I withdraw the point.

The CHAIRMAN. The Chair can not inform the gentleman.

Mr. CALDWELL. I withdraw the point of no quorum.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, I have had a good deal of sympathy with much of the dissatisfaction of the past few years over some charges that the Interstate Commerce Commission had not dealt as fairly as it might have dealt with the railroads. I have had a good many letters from business men who have thought that the Interstate Commerce Commission had broken down, and they asked that it be abolished. In other words, I recognize fully that there has been a movement throughout the country generally antagonistic to the continuance of the Interstate Commerce Commission. When such movement comes up openly for decision upon its merits it will be fully considered. And I stated a moment ago that I had some sympathy with the complaint that the railroads had not been treated fairly on questions of the increase of rates. However, I am not ready now to say that this commission shall be emasculated in this way. Here is an opportunity that is afforded under the stress of war to eliminate the Interstate Commerce Commission. It is hoped to put it out of business, a hope long entertained by certain of our people, but down to this day little chance to do so. There is no doubt about it, and it is done under the charge that in time of war, in order to be effective, we must make this modification. The old play to use the war for every cause whose success is desired. Now, I can not be a party to that. I think that the Interstate Commerce Commission is an institution which is to-day probably the greatest body of scientific investigation on questions of rate making that is known anywhere in the world. It has built up a body of thought difficult to duplicate.

Mr. BORLAND. Will the gentleman yield?

Mr. FESS. I will.

Mr. BORLAND. Does the gentleman understand, as I do, that this bill was drawn by the aid of a member of the Interstate Commerce Commission, and does the gentleman use the words "emasculate the commission" with knowledge of that fact in his mind?

Mr. FESS. I do not want to assume that either a member of the commission or the commission itself is responsible for this bill, notwithstanding the active part Mr. Anderson has had in the drafting of the measure.

Mr. BARKLEY. If the gentleman will allow me to make the suggestion, I could tell him that a member of the commission drew it, with the approval of the commission.

Mr. HAMILTON of Michigan. May I interrupt the gentleman a moment?

Mr. BARKLEY. I do not mean to suggest that the commission as a commission drafted it.

Mr. FESS. There is no doubt that this effort to modify rate making and take it out of the hands of the Interstate Commerce Commission and put it in the hands of some other person is designedly to eliminate ultimately the Interstate Commerce Commission. There is no doubt about that. The powers back of the proposal are those who are now and have been antagonistic to the commission.

Mr. BARKLEY. There is no basis in fact for that idea.

Mr. FESS. There is no doubt about that. There is a campaign, of long standing, that I have noticed—and as I said before, I have had some sympathy with it—on the part of the railroads, which complain that they had not been treated on the question of the increase of rates as they thought they ought to be treated, and of course they would rather leave this to some other body or authority than the commission that they thought heretofore had not been favorable to them in the matter of increase of rates; and this purpose is none other than to take a step, under stress of war, to eliminate that body as a rate-making power and put it in the hands of some other person, namely, either the President or the Director General.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes; I yield to my colleague.

Mr. LONGWORTH. Even if it were not true that this bill was written by the Interstate Commerce Commission, is it not about time that Congress was beginning to write its own bills?

Mr. FESS. Yes. I certainly agree on that point.

Mr. HAMILTON of Michigan. And how about the Committee on Ways and Means?

Mr. FESS. I mentioned that fact a moment ago, that I did not want to assume that a member of the Interstate Commerce Commission or the commission itself wrote this bill. I do think, I am frank to say, that this body is suffering from a state of decay approaching atrophy simply because we have gotten into the habit of letting some outside authority hand down a bill here and tell us to ratify it without any special consideration. [Applause.] I did not want to charge that somebody outside of this body is entirely responsible for the writing of this measure, but since members of the committee have openly admitted it, it does not change the fact in the case that we are here taking a step to emasculate the only rate-making body that has a standing, which it has built up through a series of investigations of all phases of the railroad question covering a period of 30 years. I do not intend to be a party to that emasculation, under the stress of war, and thereby take a step which if proposed at any other time would be repudiated, and I shall vote for the amendment which retains the rate-fixing function with the existing authority for that purpose. [Applause.]

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. LENROOT].

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. LENROOT. Mr. Chairman, I want to say, in the first place, that the gentleman from Kentucky [Mr. BARKLEY] is absolutely and clearly wrong in his construction of the Sweet amendment, or else he is wrong as to his conclusion regarding the powers that the President now has. The Sweet amendment leaves the President exactly the same power that he now has, except the final power of making rates.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Yes.

Mr. BARKLEY. Will the gentleman point out in this Sweet amendment any provision authorizing the President to initiate rates?

Mr. LENROOT. I will answer the question. The President does not get his power to initiate rates from this bill. He gets it from the act of August 29, 1916, which places him in the same position that the railway president or manager is in; and no one has claimed, unless it be the gentleman from Kentucky, that the President has not the power to initiate rates in the same way that the railroad officials could initiate them before the Government took over control of the railroads. Of course, he has that power. The question is whether he has the power to make final rates, and that is the only question that the Sweet amendment deals with.

Now, the arguments of all the gentlemen on that side goes upon entirely false premises. You have been very tender of the rights of the railroads in this bill. You have been very careful that they shall have full compensation. But you of the majority now propose to ignore absolutely any rights of the shipper. I want to say to you on that side that the shipper has rights in this business as well as the railroad companies.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Kentucky?

Mr. LENROOT. No; I can not yield. You have ignored them. You yourselves, man after man, have said that the reason why you want the President to have the right to overrule the Interstate Commerce Commission is because, perhaps, as the gentleman from Pennsylvania [Mr. DEWALT] said, the President ought to have money to purchase securities of the railroads.

Do you want to take the position that you have the right to raise the rate to the shippers in order that railroad bonds and stocks shall be purchased by the President? The gentleman from Pennsylvania pointed to the example of England, where they raised passenger rates in order to discourage traffic. Will you tell me what right under the Constitution of the United States the Government has to raise passenger rates so that you may take my property, take money out of my pocket, for traveling upon the railroad in order that some one else may not travel?

But the gentleman from Pennsylvania [Mr. DEWALT] found fault with the question that I asked him and said I was unfair. The gentleman from Pennsylvania made the statement that the President might need to increase rates in order to purchase railroad securities. I asked him whether we had any power to enable the President to raise rates for any such purpose. I say we have not. There is one fundamental proposition in all rates. The shipper is entitled to have his commodity carried on a railroad upon such terms and no higher terms than will pay a fair return upon the value of the property. Whenever you exact from the shipper one penny more than that you are taking his property without just compensation, just the same as if you attempt to take the use of railroads without giving the owners just compensation.

Mr. Chairman, this is the first time since I have been a Member of Congress that I have seen railroad officials aiding a committee of this House to secure the passage of a bill in this form; and the railroads or the larger systems, as we know—and we might as well make no secret of it—are doing everything to assist the majority of the committee in keeping this provision in the bill as it now stands. And why? Because they expect that the President will raise the rates when the Interstate Commerce Commission would not, so that after this war is over and the roads are again turned back into the hands of the railroads these increased rates shall still prevail. They talk about raising the wages of railroad men, the $60,000,000 increase under the Adamson law. Why were not the rates raised because of that? Because the income of the railroads was sufficient without raising the rates. And if the President now shall increase the wages of railroad employees, it does not follow that rates should be increased. That will depend upon whether their income then justifies it or not.

Mr. SIMS. I yield five minutes to the gentleman from Michigan [Mr. DOREMUS].

Mr. AUSTIN. Mr. Chairman, I should like to ask the chairman of the committee if we are to have a vote to-night?

Mr. SIMS. Just help us defeat this amendment.

Mr. AUSTIN. I want a direct answer. Are we going to have an opportunity to vote on this amendment to-night?

Mr. SIMS. You certainly are, if I can give it to you.

Mr. DOREMUS. Mr. Chairman, I think it will lead us all to a clearer understanding of the question now presented if we keep constantly in mind the contract that is provided for in this bill. This bill authorizes the President to make contracts with these railroads and to fix the compensation within the limits prescribed by the bill. When the President of the United States affixes his signature to this contract—a contract to which the Interstate Commerce Commission is in no sense a party—it becomes the contract of the Nation. It is not the contract of the manufacturers of the East. It is not the contract of the cotton growers of the South. It is not the contract of the wheat and corn growers of the West. It is not the contract of a combination of shippers and their paid attorneys, but it becomes the contract of 110,000,000 people who are heart and soul behind the President in the successful prosecution of this war. [Applause.]

Now, what will be the situation if this amendment prevails? The President will control the operating expenses during Federal control and the Interstate Commerce Commission will control the operating revenues. In other words, you put the Interstate Commerce Commission at the intake pipe and leave the President of the United States at the spigot. And they seek to justify this serious division of authority by eulogizing the Interstate Commerce Commission. No Member upon the floor of this House has a higher regard for the Interstate Commerce Commission than I have. I freely acknowledge all their virtues and all their accomplishments; but the trouble with our friends upon the other side is that they are talking in terms of peace when we are in the midst of war. But they say, "Oh, it is too much power to give to any living man." And yet we have freely given the President power over ten millions of American boys. We have given him the power to go into every home in the land. We have given him the power to send these boys against the enemy on land, in the air, or under the sea. We have made him controller of the destinies, the hopes, the aspirations, and the lives of these boys. Yet when it comes to a question of giving him authority to fix the rates on such a sacred thing as inanimate freight, these gentlemen pause and say that it is too much power to give to any one man. [Applause.]

I submit, gentlemen of the House, the control of this question ought to be left to the President, to be exercised whenever in his judgment the interests of the Nation require it. I submit to you that on the determination of this rate will depend the success or failure of the operation of these roads during the period of the war. For my part, I am willing to trust to him the exercise of this power as his judgment may dictate, and so far as deciding whether I will follow the Executive or follow the shippers of the West and their paid attorneys, I choose to follow the President of the United States. [Applause.]

Mr. LONGWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONGWORTH. How much time is remaining?

The CHAIRMAN. The gentleman from Tennessee has 17 minutes and the gentleman from Wisconsin 7 minutes.

Mr. LONGWORTH I would like to call attention to the fact that we made the agreement to limit debate at about quarter past 3.

The CHAIRMAN. The debate actually began, as the Chair noticed, at half past 3. We began the discussion of the agreement at a quarter past 3. The time has been kept very accurately.

Mr. ESCH. Mr. Chairman, I expressed my views so fully in general debate that I do not care to again address the committee. I am willing to have a vote now.

Mr. STEVENSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. STEVENSON: Page 12, beginning with line 12, strike out all down to and including the word "interest" in line 8, page 13, and insert in lieu thereof the following:

"That during the period of Federal control whenever in his opinion the public interest requires the President may initiate rates by filing the same with the Interstate Commerce Commission. Said rates shall be fair, reasonable, and just, and shall take effect at such time and upon such notice as he may direct, but the Interstate Commerce Commission shall, upon complaint, enter upon a hearing concerning the justness and reasonableness of so much of any order of the President as establishes or changes any rate, fare, charge, or classification of any carrier under Federal control, and may consider all the facts and circumstances existing at the time of the making of the rate. After full hearing the commission may make such findings and orders as are authorized by the act to regulate commerce as amended."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina as a substitute.

The question was taken; and on a division (demanded by Mr. STEVENSON) there were 16 ayes and 89 noes.

So the amendment by way of a substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Iowa [Mr. SWEET].

The question was taken; and on a division (demanded by Mr. SWEET) there were 83 ayes and 90 noes.

Mr. SWEET. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed the gentleman from Tennessee [Mr. SIMS] and the gentleman from Iowa [Mr. SWEET] to act as tellers.

Mr. SIMS. Mr. Chairman, there were many gentlemen who were very anxious to leave, and I promised them that if they would wait and let us have a vote, if tellers were demanded I would move to rise. I therefore move that the committee do now rise.

Mr. HUDDLESTON. Mr. Chairman, I make the point of order that the vote was being taken by tellers.

The CHAIRMAN. The motion to rise is always in order.

The question was taken, and the committee determined to rise.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9685) for the operation of transportation systems under Federal control and had come to no resolution thereon.

PORTO RICO (S. DOC. NO. 185).

The SPEAKER laid before the House the following message from the President of the United States, which was read,

ordered printed without the documents, and referred to the Committee on Insular Affairs:

To the Senate and House of Representatives:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," I transmit herewith copies of the acts and resolutions enacted by the Ninth Legislature of Porto Rico during its first session (August 13 to November 26, 1917, inclusive).

These acts and resolutions have not previously been transmitted to Congress.

WOODROW WILSON.

THE WHITE HOUSE, *February 25, 1918.*

The SPEAKER. The Chair has received from the gentleman from Massachusetts [Mr. FULLER] a letter resigning his membership on the Committee on Expenditures in the Interior Department. Without objection, the resignation is accepted.

There was no objection.

Mr. SIMS. Mr. Speaker, there is a special order to-morrow, it being Calendar Wednesday, and I ask unanimous consent that when that special order is disposed of we take up the railroad bill for further consideration.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that after the alien-slacker bill is disposed of to-morrow the railroad bill shall be considered, notwithstanding the rule as to Calendar Wednesday. Is there objection?

Mr. JOHNSON of Washington. I object.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 37 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 27, 1918, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. CALDWELL, from the Committee on Military Affairs, to which was referred the bill (H. R. 9901) to give indemnity for damages caused by American forces abroad, reported the same without amendment, accompanied by a report (No. 341), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. KAHN, from the Committee on Military Affairs, to which was referred the bill (H. R. 9932) to amend an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," reported the same with amendment, accompanied by a report (No. 342), which said bill and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 10258) granting a pension to Mary Underwood, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXI, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FLOOD: A bill (H. R. 10264) to prevent in time of war departure from or entry into the United States contrary to the public safety; to the Committee on Foreign Affairs.

By Mr. CLARK of Florida: A bill (H. R. 10265) to authorize the Secretary of Labor to provide housing, local transportation, and other community facilities for war needs; to the Committee on Public Buildings and Grounds.

By Mr. CAMPBELL of Pennsylvania (by request): A bill (H. R. 10266) to provide for the substitution of the oath required of enlisted men for the oath required of officers, in order to relieve those who object on conscientious grounds to the oath prescribed by law; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 10267) to grant certain lands to the city of Pocatello, State of Idaho, for a municipal park and for the protection of its water supply; to the Committee on the Public Lands.

By Mr. GANDY: Concurrent resolution (H. Con. Res. 38) authorizing the printing of 2,000 copies of the soil survey of western South Dakota; to the Committee on Printing.

By Mr. AYRES: Joint resolution (H. J. Res. 253) to amend sections 1, 10, and 13 of the food-control act by empowering and authorizing the President to control the distribution and prices of wearing apparel, hides, leather, cotton, wool, utensils, implements, machinery, and equipment; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10268) granting an increase of pension to Amanda De Gray; to the Committee on Invalid Pensions.

By Mr. BELL: A bill (H. R. 10269) granting a pension to Leonora Forney; to the Committee on Invalid Pensions.

By Mr. BESHLIN: A bill (H. R. 10270) for the relief of Gilbert Smith Galbraith, a commander on the active list of the United States Navy; to the Committee on Naval Affairs.

By Mr. BOOHER: A bill (H. R. 10271) granting an increase of pension to William F. Elam; to the Committee on Invalid Pensions.

By Mr. CLARK of Pennsylvania: A bill (H. R. 10272) to ratify and confirm a lease given by the Seneca Nation of Indians for the right to excavate sand on Cattaraugus Reservation in the State of New York; to the Committee on Indian Affairs.

By Mr. DENISON: A bill (H. R. 10273) granting a pension to Margaret Wilkins; to the Committee on Pensions.

Also, a bill (H. R. 10274) granting an increase of pension to Margaret Fletcher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10275) granting an increase of pension to Robert Craig; to the Committee on Invalid Pensions.

By Mr. DEWALT: A bill (H. R. 10276) granting an increase of pension to John J. Wisner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10277) granting a pension to Ella Frees; to the Committee on Pensions.

By Mr. GANDY: A bill (H. R. 10278) granting an increase of pension to Henry B. Tonner; to the Committee on Invalid Pensions.

By Mr. HENSLEY: A bill (H. R. 10279) granting an increase of pension to Ruben Sumpter; to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 10280) to authorize the President of the United States to appoint Hughie S. Hemmingway captain of Infantry; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 10281) granting an increase of pension to Mrs. Henrietta A. Forbes; to the Committee on Invalid Pensions.

By Mr. LUNN: A bill (H. R. 10282) granting an increase of pension to William H. Smith; to the Committee on Pensions.

By Mr. MOON: A bill (H. R. 10283) granting an increase of pension to James Williamson; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 10284) granting a pension to Edmund Capron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10285) granting a pension to Jane McMahon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10286) granting a pension to Cornelia Johnson; to the Committee on Invalid Pensions.

By Mr. TEMPLETON: A bill (H. R. 10287) granting a pension to William P. Williams; to the Committee on Pensions.

By Mr. VAN DYKE: A bill (H. R. 10288) for the relief of Irving Anderson; to the Committee on Claims.

By Mr. WELTY: A bill (H. R. 10289) granting a pension to George F. Swob; to the Committee on Pensions.

Also, a bill (H. R. 10290) granting an increase of pension to Abraham Mott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10291) granting an increase of pension to Luther H. Angleberger; to the Committee on Invalid Pensions.

By Mr. WOODYARD: A bill (H. R. 10292) granting an increase of pension to Spencer Mullins; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the St. Louis Live Stock Exchange, relative to prices of live stock which has been fed by its members; to the Committee on Agriculture.

Also, petitions of sundry literary clubs and organizations, against increase in second-class mail rates; to the Committee on Ways and Means.

By Mr. CARY: Resolutions of the Saturday Club, of Plymouth, Ind.; the Woman's Federation Club, Long Pine, Nebr.; the Woman's Literary Club, Evansville, Wis.; and the New

Mexico Federation of Women's Clubs, urging the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also, memorial of Federated Trades Council, of Milwaukee, favoring continuance of Government control and Government ownership later; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Milwaukee Real Estate Board protesting against House bill 9248; to the Committee on the District of Columbia.

By Mr. Dale of New York: Petitions of sundry clubs and press associations against increase in second-class mail rates; to the Committee on Ways and Means.

Also, petition of Dr. W. E. B. Du Bois and a memorial of the Springfield (Mo.) Council of National Congress of Mothers and Parent-Teachers' Associations, urging the repeal of the zone system as applied to second-class postage; to the Committee on Ways and Means.

By Mr. DYER: Petition of members of Merchants' Exchange of St. Louis, Mo., against any increase in present price of wheat; to the Committee on Agriculture.

Also, petition of Merchants' Exchange of St. Louis, Mo., favoring House bill 8421, relative to conserving of foodstuffs and alcohol; to the Committee on Agriculture.

By Mr. GRAY of Alabama: Evidence in support of House bill 9472; to the Committee on Invalid Pensions.

By Mr. HAMILTON of Michigan: Petition of Woman's Home Missionary Society of St. Joseph's Methodist Church, against railroad tracks crossing square No. 673 in Washington, D. C.; to the Committee on the District of Columbia.

By Mr. KAHN: Petition of Col. J. S. Irby and 325 citizens of San Francisco, Cal., urging an increase of pay for Government employees; to the Committee on Appropriations.

By Mr. MOON: Papers to accompany a bill for the relief of James Williamson; to the Committee on Invalid Pensions.

By Mr. RANDALL: Resolution of the Ebell Club of Los Angeles, Cal., protesting against the zone postal amendment in the revenue bill; to the Committee on Ways and Means.

By Mr. SANFORD: Papers to accompany H. R. 10179, a bill granting an increase of pension to James C. Moore; to the Committee on Invalid Pensions.

Also, papers to accompany H. R. 10223, a bill granting a pension to John J. Burke; to the Committee on Pensions.

By Mr. SNELL: Petition of churches of Reber and Whallonsburg, N. Y., favoring national prohibition; to the Committee on the Judiciary.

By Mr. SNOOK: Memorial of the Railway Mail Association, fifth division, Toledo (Ohio) branch, favoring an increase in compensation for railway mail clerks; to the Committee on the Post Office and Post Roads.

Also, resolution adopted by the Ohio Rural Letter Carriers' Association of Western Ohio, petitioning for an allowance for equipment; to the Committee on the Post Office and Post Roads.

Also, resolution adopted by the farmers' institute held at Cecil, Ohio, on February 8, 1918, favoring a vigorous prosecution of the war; to the Committee on Military Affairs.

By Mr. STINESS: Petition of sundry citizens, members of the Methodist Episcopal Churches in Providence, R. I., protesting against the passage of Senate bill 3476, providing for railroad tracks crossing First Street, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. TILSON: Petition of New Haven Woman's Club, favoring repeal of law providing for zone postal rates for second-class matter; to the Committee on Ways and Means.

SENATE.

WEDNESDAY, *February 27, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek Thy guidance for the duties of this day. Look upon us as an organized society. Bless every department of our National Government. We pray Thee, through Thy grace, Thy wisdom and direction, that every department may be so coordinated as that there may be at the center of it a great heart and a great mind expressive of the highest aspirations and the broadest and deepest thought of the people of this land.

We lift our hearts to Thee and pray that Thy blessing may rest upon those who abide under the shadow of a great sorrow; that Thy grace and presence may comfort and cheer them; that all who are put to the test, the uttermost test, of sorrow and of distress in this life may find in the companionship of God their solace and their comfort. Save us out of all our distresses and fit us for an everlasting life. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

POLITICAL ACTIVITIES.

Mr. SHERMAN. Mr. President, I present a clipping from a newspaper for the authenticity of which I vouch. It shows that the activities of certain Republican authorities which have been regarded as quasi criminal by some gentlemen who have commented on them are not confined to Republicans, but our Democratic brethren show great signs of activity in various parts of the country in organizing for a partisan campaign. I ask that this clipping from a newspaper be published in the RECORD that Senators who indulge in the criticisms may at their leisure digest and absorb this item.

The PRESIDENT pro tempore. The Senator from Illinois asks that the clipping which he has sent to the desk be published in the RECORD. Is there objection?

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

DEMOCRATIC NATIONAL LEADERS PRACTICE PARTISANSHIP THEY DECRY IN THE REPUBLICAN PARTY IN THE MIDST OF FOREIGN WAR.

STATEMENT GIVEN OUT OCTOBER 16, 1917.

While the cry is being raised that Republicans should at this time entirely forget the interests of their party, on the assumption that Republican activity at this time is unpatriotic, the Democratic national organization is active to an unprecedented degree. The chairman of the Democratic national committee is Vance McCormick, recently named by President Wilson chairman of the national export council. His presence in Washington seems to have stimulated Democratic national activities. Some 40 employees are busy at Democratic national headquarters in the Woodward Building at Washington. The following bulletin was recently put out by the Democratic national committee, showing what the Democratic leaders are doing while they are decrying Republican organization activity as "unpatriotic":

"WASHINGTON, *October 16.*

"A regional system of organization recently adopted by the executive committee of the Democratic national committee for use in the future campaigns will be considered at a series of zone meetings to be held in various parts of the country, beginning this week.

"The first meeting will be held at the Brown Palace Hotel in Denver on Wednesday, October 17, and the second at the Parker House in Boston next Monday, October 22. Dates of the other meetings will be announced later.

"The plan is to organize the national committee into eight subcommittees, each of which will choose its regional chairman and perhaps establish zone headquarters.

"W. R. Hollister, assistant secretary, and W. D. Jamieson, assistant treasurer of the national committee, who are the directors of the permanent Democratic national organization in Washington, will attend the regional meeting and consult with the national committeemen and State chairmen in the different zones.

"Following is the system under which the country has been divided under the new plan, which establishes an innovation in major political party management:

"Zone 1: Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

"Zone 2: Connecticut, New Jersey, New York, and Porto Rico.

"Zone 3: Delaware, District of Columbia, Maryland, Ohio, Pennsylvania, Virginia, and West Virginia.

"Zone 4: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin.

"Zone 5: Alabama, Florida, Georgia, and North Carolina.

"Zone 6: Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas.

"Zone 7: Colorado, Idaho, Montana, New Mexico, Utah, and Wyoming.

"Zone 8: Alaska, Arizona, California, Hawaii, Nevada, Oregon, Philippines, and Washington.

"National committeemen representing the States and Territories in the various zones, under the new system, will cooperate in the direction of future campaigns in their respective regions, while all of the subcommittees will operate under the supervision of the permanent headquarters of the national committee in Washington.

"Under this announced plan meetings are being held throughout the country preliminary to the congressional campaign of 1918 by Democratic leaders. The following account of a meeting held in New England, taken from the Boston Globe of October 23, is typical:

"'Prominent Democrats representing State and national organizations of New England met at the Parker House yesterday and formed an organization which, it is believed, will enable the Democrats of New England to look after local political affairs and present their needs to the national organization of the party more effectively than in the past. New England headquarters will probably be opened in Boston before the opening of the congressional campaign of 1918.

"'The New England district, the second to be organized, consists of Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island. At the meeting to-day Dr. John W. Coughlin, of Fall River, was elected chairman and Francis E. Sullivan, of Providence, secretary.

"'Those present were Senator HENRY F. HOLLIS, and Alexander Murchie, of New Hampshire; William R. Pattangall, of Maine; Francis E. Sullivan, chairman of the Rhode Island State committee; Patrick H. Quinn, the Connecticut member of the Democratic national committee; James E. Kennely, the Vermont member of the national committee; Michael A. O'Leary, chairman of the Massachusetts State committee; Marcus A. Coolidge, of Fitchburg; and W. R. Hollister, assistant secretary of the Democratic national committee.'"

PETITIONS AND MEMORIALS.

Mr. BECKHAM. I present a communication in the nature of a memorial from citizens of Clay County, Ky., which I ask to have printed in the RECORD, omitting the signatures, and referred to the Committee on Post Offices and Post Roads.

There being no objection, the memorial was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

GARRARD, CLAY COUNTY, KY.,
February 19, 1918.

Hon. J. C. W. BECKHAM,
United States Senate, Washington, D. C.

DEAR SENATOR: We the undersigned unite in asking you to use all your influence to have the new postal rates on second-class matter repealed. We do not see why the cost of mailing a magazine or newspaper should be made burdensome for those far away from the place of publication while near-by readers escape.

Is it not true that the Postal Department shows a surplus even with the present rates on second-class matter? And how is it then in Canada, with only 6,000,000 people, second-class postal rates are just half of what they are in the United States and yet the Canadian Post Office operates at a profit? It seems like an unjust imposition to us to tack this zone-system clause on to a war-revenue bill. By means of magazines and newspapers we learn how best to serve our country in this her hour of need of every citizen, man and woman.

Please do all in your power to have this zone-system clause repealed when Congress convenes.

Yours, very truly, Mrs. NELLIE L. HORTON,
(And others).

Names are coming in daily over the phone or signed once to be used on three letters—two Senators and one Congressman—so I have had to copy the names. Yours for victory through justice to all.

Mr. NELSON presented a petition of sundry citizens of Viking, Minn., and a petition of sundry citizens of Fisher, Minn., praying for an increase in the amount of tax on excess war profits to a larger extent than provided in the revenue bill, which were referred to the Committee on Finance.

Mr. KENYON presented a petition of sundry citizens of Marion, Iowa, praying for the enactment of legislation to prohibit the manufacture and sale of all alcoholic stimulants, including wine and beer, during the war, which was referred to the Committee on Military Affairs.

REPORTS OF COMMITTEE ON NAVAL AFFAIRS.

Mr. PENROSE, from the Committee on Naval Affairs, to which was referred the bill (S. 3399) to amend an act approved May 27, 1908 (35 Stats., pp. 417, 418), and for other purposes, reported it without amendment and submitted a report (No. 290) thereon.

Mr. POINDEXTER, from the Committee on Naval Affairs, to which was referred the bill (S. 180) granting an honorable discharge to Owen S. Willey, reported it with amendments and submitted a report (No. 291) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 3125) for the relief of certain enlisted men of the United States Navy, reported it without amendment and submitted a report (No. 292) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEW:

A bill (S. 3971) granting a pension to James K. Waltermire (with accompanying papers); to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 3972) granting an increase of pension to James F. Byard (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 3973) to authorize the Supreme Court to prescribe forms and rules, and generally to regulate pleading, procedure, and practice on the common-law side of the Federal courts; to the Committee on the Judiciary.

A bill (S. 3974) granting a pension to Margaret E. Gibboney (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 3975) granting a pension to Nathan L. Brass (with accompanying papers); and

A bill (S. 3976) granting a pension to John F. Jackson (with accompanying papers); to the Committee on Pensions.

WAR FINANCE CORPORATION.

The PRESIDENT pro tempore (Mr. SAULSBURY) submitted an amendment intended to be proposed by him to the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, which was ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS—EDWIN MARVIN CARTER.

On motion of Mr. SMITH of Georgia, it was

Ordered, That the papers in the case of Senate bill 8036, Sixty-fourth Congress, granting a pension to Edward Marvin Carter, be withdrawn, no adverse report having been made thereon.

PROTECTION OF SOLDIERS AND SAILORS' CIVIL RIGHTS—CONFERENCE REPORT.

Mr. OVERMAN. I submit a report of the committee of conference on the disagreeing votes of the two Houses upon House bill 6361, and I ask for its adoption.

Mr. SIMMONS. If my colleague will permit me, I should like to call his attention to the fact that the Senator from Massachusetts [Mr. LODGE] gave notice that he would address the Senate this morning.

Mr. OVERMAN. Then I will merely submit the report. If there is objection to its consideration now, of course I will ask that it go over to be taken up at some other time.

The PRESIDENT pro tempore. The request of the Senator from North Carolina will be complied with.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, 11, 12, 22, 23, 24, 25, 26, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 7, 8, 9, 10, 14, 16, 17, 18, 19, 20, 21, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 42, and 43, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Army field clerks; field clerks, Quartermaster Corps; civilian clerks and employees on duty with the military forces detailed for service abroad in accordance with provisions of existing law"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "or against a person secondarily liable under such right"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 103. Whenever pursuant to any of the provisions of this act the enforcement of any obligation or liability, the prosecution of any suit or proceeding, the entry or enforcement of any order, writ, judgment, or decree, or the performance of any other act, may be stayed, postponed, or suspended, such stay, postponement, or suspension may in the discretion of the court likewise be granted to sureties, guarantors, indorsers, and others subject to the obligation or liability, the performance or enforcement of which is stayed, postponed, or suspended.

"When a judgment or decree is vacated or set aside in whole or in part as provided in this act, the same may in the discretion of the court likewise be set aside and vacated as to any surety, guarantor, indorser, or other person liable upon the contract or liability for the enforcement of which the judgment or decree was entered."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the word "chiefly"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter stricken out and the matter inserted by said amendment, strike out the following in lines 10, 11, 12, 13, and 14, page 13: ", and in all cases where under the terms of the contract of insurance any person other than the insured has a vested interest therein the consent of such other person shall be included in such application"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In line 1, page 18, after the word "settlement" insert the words "or payment of dividend"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter inserted by said

amendment insert the following: "Before any dividend is paid or any loan or settlement is made the written consent of the Bureau of War-Risk Insurance must be obtained"; and the Senate agree to the same.

LEE S. OVERMAN,
D. U. FLETCHER,
KNUTE NELSON,
Managers on the part of the Senate.
E. Y. WEBB,
C. C. CARLIN,
A. J. VOLSTEAD,
Managers on the part of the House.

SHORTAGE OF COAL AND SUGAR.

The PRESIDENT pro tempore. The morning business is closed.

Mr. LODGE. Mr. President——

Mr. NELSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Nelson	Shields
Bankhead	Johnson, S. Dak.	New	Simmons
Beckham	Jones, N. Mex.	Norris	Smith, Ga.
Brandegee	Jones, Wash.	Nugent	Smith, Mich.
Calder	Kellogg	Overman	Smith, S. C.
Colt	Kendrick	Page	Smoot
Culberson	Kenyon	Penrose	Sutherland
Curtis	King	Phelan	Swanson
Dillingham	Kirby	Pittman	Thomas
France	Knox	Poindexter	Tillman
Frelinghuysen	Lodge	Pomerene	Townsend
Gallinger	McCumber	Ransdell	Trammell
Gronna	McKellar	Reed	Underwood
Hale	McLean	Saulsbury	Vardaman
Harding	McNary	Shafroth	Wadsworth
Hardwick	Martin	Sheppard	Warren
Henderson	Myers	Sherman	

Mr. McNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of illness. I ask that this announcement may stand for the day.

Mr. GRONNA. I announce the absence of the Senator from Wisconsin [Mr. LA FOLLETTE] due to illness in his family.

Mr. ASHURST. The senior Senator from Arizona [Mr. SMITH] is absent from the Senate by reason of personal illness.

Mr. HALE. I wish to state that my colleague [Mr. FERNALD] is absent on official business.

Mr. CURTIS. I desire to announce the absence of the Senator from California [Mr. JOHNSON] on official business.

Mr. BECKHAM. I wish to announce the absence of my colleague [Mr. JAMES] on account of illness. I will let this announcement stand for the day.

Mr. TRAMMELL. I desire to announce the necessary absence of my colleague [Mr. FLETCHER] on official business.

Mr. CURTIS. I wish to announce the absence of the senior Senator from Iowa [Mr. CUMMINS] on account of the death of his wife. I need not say that he has the sympathy of all Senators in his great bereavement.

Mr. SUTHERLAND. I desire to announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], owing to illness.

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present. The Senator from Massachusetts will proceed.

Mr. LODGE. Mr. President, I desire to discuss at no greater length than is absolutely necessary the testimony taken by the subcommittee of the Committee on Manufactures in regard to the shortage of sugar and coal pursuant to Senate resolution 163. When I introduced the resolution I was spurred thereto by conditions in that portion of the country which I in part represent. But I also rested my action on far broader grounds which sustain and justify all the investigations and inquiries ordered and held by the Senate and the House. My action was based on the principle laid down by the elder Pitt in 1740, when he said in the House of Commons:

> Our time can not be more usefully employed during a war than in examining how it has been conducted, and settling the degrees of confidence that may be reposed in those to whose care are intrusted our reputation, our fortunes, and our lives.
>
> There is not any inquiry, sir, of more importance than this; it is not a question about an uncertain privilege or a law which, if found inconvenient, may hereafter be repealed. We are now to examine whether it is probable that we shall preserve our commerce and our independence, or whether we are sinking into subjection to a foreign power.
>
> But this inquiry, sir, will produce no great information if those whose conduct is examined are allowed to select the evidence, for what accounts will they exhibit but such as have often already been laid before us, and such as they now offer without concern? Accounts, obscure and fallacious, imperfect and confused, from which nothing can be learned, and which can never entitle the minister to praise, though they may screen him from punishment.

The subcommittee began its hearings on the 12th day of December, 1917. Those hearings were continued until January 23, 1918. The subcommittee sat all through the holidays and during the period which elapsed between the first hearing and the last they were in session nearly every day, and generally all day, and took testimony which fills some 2,000 pages. It is not my intention to weary the Senate with tables of figures or with long citations from this mass of testimony. I intend merely to set forth the conclusions at which I have arrived after hearing the witnesses and giving to the subject many hours of thought and consideration. The general facts upon which I base my conclusions are all to be found in the evidence and in no case, so far as the facts are concerned, have I gone outside the record.

Before entering upon a discussion of the policy adopted during the past year in regard to the production, price, and distribution of sugar and coal it seems to me that we ought to recall and have clearly in our minds the general economic conditions of the world which existed prior to the war in Europe and also the same economic conditions, as changed by the war, between August, 1914, and April, 1917. Following the Spanish War there came a period of very great prosperity not only in this country but throughout the civilized world. Coincident, roughly speaking, with this period of prosperity began a general advance in prices and consequently in the cost of living. This advance in prices continued until the beginning of the war, in August, 1914. I do not draw a line at this point because the advance in prices ceased but because there was then a new and violent change in economic conditions. During this period, extending from the end of the last century to 1914 and covering practically fifteen years, there were, of course, fluctuations, but the general movement of prices with few exceptions was steadily upward. In this country, at least, strong efforts were made to check the advance in the cost of living by legislation, such as the regulation of railroad rates, better enforcement of the laws against trusts and combinations, and severe tariff reductions. Despite these attempts to lower prices by law and despite the occurrence of a serious business depression in 1907, the level of prices continued to advance. This fact indicates that there were fundamental economic causes at work which were carrying prices upward and which could not be permanently checked either by business depression or by the artifices of legislation. One of these causes no doubt was to be found in the period of prosperity itself, which was accompanied by increased profits and advancing wages, conditions which always produce among all classes of the community a general willingness to spend more and a general desire to live better. This increased expenditure, of course, must move, and always has moved, prices upward. It has been very obvious, for example, in the matter of the consumption of meat. More than ten years ago it was pointed out by authorities upon the subject that the consumption of meat was outrunning the increase in edible animals. Having more money to spend, people ate more meat and better meat, and ate it oftener. What is true of meat is equally true of all other articles which enter into the cost of living.

Another and far more powerful influence was the increase in the circulating medium. It is not necessary to stop to discuss the quantitative theory of money, because, whether that theory be sound or not, there can be no question that if the circulating medium increases beyond the normal demands and the legitimate necessities of the community it is certain to advance prices. The advance may be made violently by huge issues of irredeemable paper, as happened in the French Revolution as well as in our own, and both in the South and North at the time of our Civil War, or it may come gradually by a disproportionate increase of the circulating medium through natural causes.

Let me briefly call attention to the increase in credits and in the circulating medium, for we are apt to forget it. In 1879 the circulation of the United States in all forms was $16.92 per capita. January 1, 1918, it was $48.76 as against $43 in 1917, an advance of $5.76 per capita in one year. These figures tell their own story. The world's annual gold production in 1896, just on the eve of the period of prosperity, was $202,251,600. In 1915 the world's gold production on a yearly ascending scale was $470,466,214, the largest ever known. It will be seen from these few figures that there has been an immense increase in the world supply of gold, to go no further, and as gold is the foundation of circulation and the standard of all civilized countries it brought with it an enormous expansion of credits and of currency based on gold. If the medium of exchange cheapens by becoming too plentiful, prices are certain to advance, just as they are certain to decline if the circulating medium is unduly contracted and becomes correspondingly dear.

Other causes may have been at work, but it is sufficient to mention these two, and neither of these was a cause which could be dealt with by the artifices of legislation or could be checked

more than temporarily by the fluctuations of business. To show what the advance in prices has been, I present the following table:

Percentages of decrease and increase in wholesale prices of farm and food products, 1900 to 1910, plane of 1900 prices.

DECREASE.	Per cent.
Molasses	22.4
Raisins	19.5
Sugar	7.0

INCREASE.	Per cent.
Potatoes	14.4
Beans	14.4
Prunes	19.7
Codfish	21.4
Onions	22.1
Bread	25.0
Sugar beets	26.8
Fresh beef	27.7
Rye flour	29.1
Milk	34.3
Cattle and sheep	34.4
Evaporated apples	35.9
Butter	36.7
Cheese	39.4
Wheat flour	43.0
Herring	43.9
Timothy hay	49.3
Barley	49.5
Salt beef	49.7
Rye	50.2
Mutton	51.9
Corn meal	52.4
Corn	52.5
Wheat	55.9
Cotton	57.3
Hams	60.4
Eggs	64.8
Oats	69.8
Hogs	76.0
Bacon	77.1
Lard	81.6
Salt pork	89.8

It will be observed that in this long list, embracing almost every article of food, there were only three articles which decreased in price during that period, namely, molasses, which decreased 22.4 per cent; raisins, which decreased 19.5 per cent; and sugar, which decreased 7 per cent.

This table does not come down to date, but it shows the course of prices for the first decade of the century, and since that date there has been no change in the general price movement. Anyone who will take the trouble to look at the reports on wholesale and retail prices just published by the Bureau of Labor Statistics will find that the average retail prices for food, on the basis of 100 in 1916, rose from 82 in 1910 to 90 in 1914, and that in wholesale prices the movement of commodities from 1910 was upward, except in the year 1911, when there was a slight falling off.

Such, then, was the economic situation in regard to prices, which had existed for some fifteen years, when the war broke out in Europe. That war brought with it a necessary reduction of the purchasing power of the nations involved, but this effect, tending to lower prices, was gradual in its operation and, although it will undoubtedly be felt with intense severity after the close of the war, it has thus far in no degree offset the other effects which the war produced. Millions of men—it has been estimated as many as 40,000,000—were taken by the war in the course of three years from the class of producers and were converted into consumers. Other millions were taken from reproductive industries and forced into industries wholly nonproductive; that is, industries which were engaged in making shells and explosives, for example, which were immediately destroyed and which, of course, earned nothing. This absorption of millions of men in war and war industries produced inevitably a great shortage of labor in all the ordinary and reproductive occupations. There could be no more powerful cause than this for a violent advance in prices, and this movement was still further accelerated by the increase of the circulating medium in Europe through the issue of paper currency and the expansion of national credits, and in this country by the pouring in of enormous quantities of gold to pay for the purchases made here by the belligerent nations. The general upward movement of prices, therefore, which had been going on steadily before the war was greatly and abnormally quickened by the unnatural effects of war conditions.

This was the situation which confronted us when we entered the war last April, and when we undertook to check the operation of these great economic forces by the artificial and arbitrary methods of law and by executive action. It was proposed to reduce prices in spite of the overwhelming economic forces which were working always steadily and relentlessly toward their advance and at the same time to stimulate production. Nothing could be more desirable than both these purposes, but there was much doubt in the minds of those who reflected upon these subjects whether such an experiment as this could possibly succeed. The artificial regulation and fixing of prices have been tried over and over again in the past and history shows only a record of failure in the attempts. In this war price fixing was tried both in France and Germany, and in both cases, if we may judge from the best authorities and from the admissions made, the attempt was a failure.

In this connection I am going to cite Gustave Le Bon, who is one of the great scientific men of France, a distinguished biologist and also a publicist. Some of his books on psychology are very well known—for instance, one which he wrote some years ago, which was translated into many languages, called "The Psychology of the Crowd." He wrote another book called "The Psychology of Education," and another "The Psychology of Politics," and still another "Of Socialism." He has made a very elaborate study of the mental operations of masses of men in contradistinction to the individual mind. He has published recently another book, "Les Premieres Conséquences de la Guerre," in which he collects data on the psychologic conditions of the nations engaged in war. Among the many things operating upon the public mind of which Mr. Le Bon treats is the price fixing which took place in France and in this country at the close of the eighteenth century. He lays great emphasis on the reversion to the old ideas of the French Revolution, and he points out in his citations of authorities the effects on the price of sugar, among other articles, both in France and in Germany. The authorities he cites all seem to show that price fixing was not successful and was in a large measure abandoned in both countries.

While Mr. Hoover was on the stand I had some discussion with him about price fixing in Europe, and he thought it had gone somewhat further and had rather more success than I had stated, but it appeared when we went into the details that there were very few articles, if any, where the Government had fixed the price without either taking possession of the product or sufficient control of it to regulate the price by their ownership; that is, by the familiar method of monopoly. This is a different situation from naked price fixing with the commodity left in the market to be dealt with in the usual way. I quote briefly from the testimony so that without going into it elaborately I may give the substance of the points which Mr. Hoover and I discussed:

Senator LODGE. In the hearing before the Agricultural Committee you say that a maximum price has proved a total failure in Europe in every case except where the Government owned enough of the commodity to control the market.

Mr. HOOVER. I believe that is the case, but price fixing is capable of a great deal of definition by way of nomenclature. Maximum prices, I do not think, have an effect—that is, the simple regulation that a price shall not exceed a certain amount. On the other hand, in the organized control of the distribution of a commodity it may be necessary to agree on a maximum-profit base in order to prevent profiteering, but it must be backed by some other engine than pure legal definition of price by regulation. (Hearings, p. 583.)

I must pause here a moment to make clear the distinction of which I have spoken between the regulation and establishment of prices by artificial means of general application to the trade and commerce of a country and such action as was taken by the British Government, for example, in regard to wheat. There, as I understand, the British Government bought up the wheat—certainly all the imported wheat—and then sold it to the people at a fixed price, below the market price, making up the advance from the treasury to the extent, as I am informed, of $200,000,000. In that case the true price was the market price, but the Government became the largest if not the only purchaser and sold wheat to the people at a loss, the difference being made up, as I have said, out of the treasury—in other words, out of the money of the people taken from them by taxation instead of over the counter of the dealer. This may or may not have been beneficial and wise, but it did not involve an artificial fixing of prices in the operations of business. It only illustrated the truth of the fact that in this disagreeable world it is not possible, as a rule, to get something for nothing—a desire which is strong in the hearts of humanity, which people insist on believing to be possible, and which has led the race into more economic pitfalls than any of the many will-o'-the-wisps which mankind is delighted to follow in its childlike faith that it is possible to find gold pieces in the gutters and take money from the air. In the English case the money came out of the consumer, from whom it must always ultimately come, the only difference being that it was taken from him in the disguised form of taxation. The fixing of prices simultaneously with the stimulation of production, which was the enterprise we undertook in the United States, was of an entirely different nature. It proceeded on the pleasant theory that high and advancing prices were not due to deep and irresistible economic causes but were wholly owing to the fact that somebody was making undue profits. Undoubtedly there were people who were making exorbitant profits, but this was not the case with the great volume of business. Profits on an advancing market were good, but they were kept within bounds by corresponding advances in the wages

of labor and in all running expenses, as well as by the good sense and intelligence of the mass of those engaged in business. The theory which we as a Government seem to have adopted, that the advance in prices and the high cost of living were due to those persons who were making exorbitant profits, was fatally defective, as any theory must be which is based on exceptions and not on the general rule established by the vast majority of facts and cases. Assuming, for the sake of argument, that all persons who, either honestly or dishonestly, were making large or undue profits, were wholly vicious, and that we swept them out of existence, it would have had as little effect upon the general course of prices under existing conditions as the killing of a few ground sharks or dogfish would have upon the destruction of edible fishes, which is due to the reckless improvidence of civilized mankind. Killing the dogfish would be helpful, no doubt, but it would not avert the fatal reduction and eventual extinction of the food fishes, which is owing to larger and more powerful forces. The slaughter of all makers of undue profits would undoubtedly check speculation and tend to give stability to prices, but it would not stop their advance, which arises from fundamental and universal economic causes which can not be suppressed by laws or decrees or even by lungs and language. However, we entered upon the experiment of reducing prices and at the same time increasing production with general acclaim, except from skeptical persons, who doubted the power of man by statutes or executive orders to overthrow natural laws, and who for obvious reasons held their peace when the search for the new Eldorado began. Since then months have elapsed, and the time has come when we can profitably discuss the efforts which have been made to reduce prices and at the same time stimulate production by laws and decrees.

Briefly, then, I wish to consider the results of the experiment in the case of sugar and coal in the order in which I have named them.

In the general review which I have given of prices it will be noted that sugar was one of the three articles which had not risen in the first decade of the century, showing that the world's supply of sugar was in advance of the world's demand. This situation was, of course, completely revolutionized by the war. From the sugar market of the world the war took at once all the beet sugars of the central powers, confining their consumption to Germany and Austria. The Russian supply—and there was said to be a large surplus of sugar in Russia—was excluded from the market of the western nations by the practical cutting off of opportunities for transportation. The Belgian crop of beet sugar was also largely reduced, and so was the French crop. England, therefore, which depended entirely upon outside sources and which had taken large amounts of sugar from the Continent of Europe, was thrown back on the Western Hemisphere, which included her own West Indian Islands, and upon the product of the East Indies, which came chiefly from Java. At the very beginning of the war the English Government bought up large quantities of sugar both in Java and in the West Indies, but as the war went on transportation became more and more difficult as tonnage diminished and when we entered the war and began to deal with the sugar question it may be said broadly that the Java supply was inaccessible. During the past year there has been something like 900,000 tons of sugar in Java, but it has not been found possible to move it; and there is also some sugar in the Philippines and perhaps an inconsiderable amount in other quarters in the East Indies. These conditions forced England, France, and Italy into the American field, and the chief burden fell upon what may be called the field of the United States, which includes Cuba. The year 1917 opened with every promise of a very large crop in Cuba, and the price of sugar in the United States declined as the new crop began to flow in. In February there were strikes in some of the refineries, which caused a flurry in the sugar market, and prices advanced. At that period the American Sugar Refining Co. made a vigorous effort to assure their customers and the trade generally that there was no real shortage of sugar. Then came the troubles in Cuba, which led to another advance in price. Gomez, who was the leader of the revolution, surrendered on March 8 and the disturbances were practically over, but it was not known how much cane burning there had been and the experts reduced their estimates of the coming crop from 3,466,000 tons to 3,000,000 tons. On May 7 Mr. Hoover went before the Committee on Agriculture and predicted a scarcity of sugar, and this was the position which was held by the Food Administration. The result was that prices of sugar, speaking broadly, after some fluctuations stiffened, as prices always do when people begin to be afraid that there is going to be a scarcity in any article. The wholesale price of granulated rose in July to 7.50 in New York. Then it went to 7.65 on the 19th of July, on July 26 to 7.75, and then during the week from July 26 to August 2 it jumped to 8.15. Then it went as high as 8.40, and even touched 9.15. This means to the consumer, at 8.40, a price of from 9 to 9½ cents a pound, and at 9.15 from 10 to 10¼ cents a pound. On the 16th of August Mr. Hoover closed the exchange and, of course, dealings in sugar came to a standstill. On the 27th of August an agreement was announced with the beet-sugar manufacturers fixing the price of beet sugar at 7.25 at seaboard points, such as New York, Philadelphia, New Orleans, Boston, and San Francisco, with a differential for freight to interior points.

On October 1 the sugar refiners agreed with the Food Administration that they would buy all their sugar through the International Sugar Committee, which consisted of two Englishmen and three Americans—Mr. Rolph, the manager of the California & Hawaiian Sugar Refining Co.; Mr. Babst, the president of the American Sugar Refining Co.; and Mr. Jamison, representing the Arbuckle Co. The refiners also agreed that they would sell all sugar refined by them at a price not more than 1.3 cents a pound advance over the price of Cuban sugar. At the same time the International Committee fixed the price for Cuban raws—and the price for Cuban raws establishes the price for Porto Rican and Hawaiian sugars—at 6.90, and under their agreement the refiners were not permitted to buy sugars at 6.90 or higher and closed down. Later they were permitted to buy at 6.90, but it was then too late to have much effect on the supply of granulated, because there had been a period of idleness in the refineries. On October 23 the Food Administration came to an agreement with representatives of the Louisiana planters for a basic price of 6.35 at New Orleans, which meant 6.70 at Boston, which made the price of refined sugar 8.15, so that the Cuban sugars and the Louisiana sugars were brought into practical harmony as to price. The International Committee, whose membership I have already given, was formed on September 21. On October 1 they made the agreement with the American refiners by which they fixed a price of 6.90 for Cuban raws in New York, duty paid. They then entered into negotiations with the Cuban Government to fix the price of raw sugar for the coming crop of 1917–18. On November 30, 1917, the International Committee and the representatives of Cuba agreed on a price for Cuban raws of 4.60 f. o. b. Cuba. Personally I think the committee made a very good arrangement in the interest of the consumers abroad and in the United States, but I should have been quite as well satisfied if they had given the Cubans 4.75 f. o. b. instead of 4.60, because it seems to me of the last importance to encourage the production of sugar in Cuba. Sixty per cent of the Cuban sugars are produced by the colonos, small planters making a living of a few hundred dollars a year from their crop. If they can not do well with sugar they can turn easily to other crops. It would be much better for the American consumer to pay one-fourth or even one-half cent a pound more for sugar than to have the Cuban crop fall off. Therefore, I should have been content to have seen 4.75 fixed on as the price instead of 4.60. I asked Mr. Hoover whether they had considered the colonos, and he said they had done so. They certainly did not consider the beet grower when they made the arrangement fixing the price of beet sugar. The price was determined after consultation with the manufacturers alone, and no steps were taken effectively to consider the claims of the beet growers until after the Senate committee began its investigation. Yet the production of sugar can not be increased unless the beet growers of the United States and the colonos of Cuba are encouraged and given good prices. The beet planting begins so early in the year that if the dissatisfaction of the beet growers is not allayed we shall be in danger of a serious reduction in the crop of beet sugar, which might easily absorb the estimated and greatly needed increase in the Cuban crop.

The fact is that this necessity of encouraging the growth of cane and of beets, which are the raw material of sugar, is only a part of a general policy where I venture to think a very mistaken course has been pursued. The objects of all the legislation and of the action in regard to food and fuel were to reduce the cost of living and stimulate production. The two purposes are stated in the wrong order. The first thing to do is to stimulate production. I think I shall show very conclusively before I finish that attempts to lower prices by executive decree or by law can not with the present economic forces at work possibly succeed. On the other hand a great deal can be done to stimulate production. If production is stimulated, then the natural laws, which are much more powerful than Congresses and Presidents, begin to work. A large production will certainly steady prices and prevent famines. If carried to the point of oversupply it will lower prices, and it is the only thing in the long run that will. Therefore we should have addressed our-

selves to the stimulation of production, and if anything could be done to lower prices it could be done in that way. Unfortunately the reduction of the cost of living has a most enticing sound. Success in such an undertaking is obviously popular, and popularity has meanings and results which I need not explain, certainly not to a body like the Senate. Therefore, in the search for popularity the difficult, if not the impossible, was undertaken, and the simple and direct method of aiding the war situation and of at least stabilizing prices was set aside or pushed into the background.

It will be seen from this outline that the Food Administration fixed the prices on practically all sugars in the market and showed an apparent reduction on the wholesale price of granulated from its highest point in August of about a cent, which may have meant a reduction to the consumer of a cent to a cent and a half. But after all these arrangements were made there ensued in the Eastern States a scarcity of sugar at times amounting to a famine. It is the belief of the Food Administration that by their action they prevented sugars going to very high prices, which, of course, would come out of the consumers of the United States. It is at this point that the doubt arises as to whether any advantage was gained by this price fixing. Speaking broadly the sugar market in normal times rises in the autumn to its highest point. The explanation of this is very simple. The rise represents the gap between the exhaustion of the old crop of cane sugars, which by the autumn has been practically consumed, and the new crop which begins to come in December and in large quantities after the opening of the new year, when, as a rule, the price of sugar declines. This gap between the old and new crops of cane sugar has been largely filled of late years—certainly prices have been much affected—by the coming on the market at that period of the beet sugar. In this past year most of the beet-sugar crops were late, and that extended the gap. Therefore it was certain that if there never had been any interference at all with the price of sugar there would none the less have been an advance in the price to the consumer in the autumn months of 1917, which would have been met and checked by the coming of the beet sugars and of the new cane crop. The position of the Food Administration is that there was a shortage of sugar, but these figures are disputed. Setting aside all the estimates and predictions which were made, and coming down to the actual facts, now that the year has closed, the crops of the United States field, with which alone we are dealing, were for the year 1916–17 as follows:

	Long tons.
Louisiana	271,339
Texas	6,250
Porto Rico	448,567
Hawaiian Islands	579,302
Virgin Islands	7,787
United States beet sugars	734,577
Cuba	3,023,720
Total	5,071,542

To this must be added the foreign imports of sugar, amounting to 204,665 tons, which came into the United States from countries other than Cuba and our outside possessions, and which are shown in the following table of the Bureau of Foreign and Domestic Commerce:

Imports of cane sugar into the United States during the year ending Dec. 31, 1917.

Country from which imported:	Long tons.
Central America	14,393
Mexico	8,602
British West Indies	2,883
Dominican Republic	41,098
Dutch West Indies	96
Haiti	1,715
Peru	23,431
Other South America	20,371
China	259
Hongkong	116
Japan	13,181
Philippine Islands	78,415
All other countries	105
Total	204,665

The annual normal consumption in the United States, according to Mr. Hoover's estimate, which I believe to be a fair one, for the figures differ and there is some confusion in the statistics, is 3,700,000 tons. Deducting this from the total supply, we have 1,576,207 tons of what may be called sugar for export.

The total exports from the United States to every country in the world was 451,221 long tons, as will be seen from the following table of the Department of Commerce:

Exports of refined sugar from the United States to all countries during the year ending Dec. 31, 1917.

Countries:	Pounds.
Belgium	8,452,880
Denmark	3,091,356
France	372,812,708
Greece	1,130,295
Iceland	5,723,233
Italy	28,075,412
Malta, Gozo, etc	600,000
Gibraltar	560,000
Netherlands	19,506,219
Norway	76,408,182
Portugal	19,869
Russia in Europe	11,020,701
Spain	57,282,491
Sweden	21,485,566
Switzerland	21,503,960
England	118,993,257
Canada	708,253
Panama	4,431,199
Mexico	42,032,165
Newfoundland	7,037,575
West Indies	4,054,138
Argentina	143,628,561
Uruguay	46,711,472
Philippine Islands	254,939
British Africa	4,131,170
All other countries	11,080,400
Total	1,010,736,101

Or 451,221 long tons.

Deducting this amount and the 107,920 tons consumed in Cuba, as well as the 10,000 tons destroyed by fire, leaves 1,007,066 tons of free raw sugar for export. The exports of raws from Cuba to all countries other than the United States were 940,708 tons, thus leaving a surplus of 66,358 tons, if our consumption is normal. This, however, takes no account of the sugars on hand from previous years, what is known as the invisible supply, and it is only guesswork as to what that supply amounted to, but that there was a certain amount of sugar on hand is undoubted and that, of course, would increase the surplus. This, again, takes no account of the savings due to the work of Mr. Hoover's administration, which he was inclined to think about equaled the extra amount used in the canning recommended by the Food Administration. This computation, based not on estimates but upon actual facts of imports, production, and exports, certainly does not seem to justify the drastic measures which were taken in price fixing and which tended to cause a famine in certain parts of the country while there was an abundant amount of sugar in other portions of the United States, for it shows a surplus and not a shortage.

Mr. Hoover in making up his figures and in his testimony before the committee said that it was necessary for us to provide for the consumption of Canada 320,000 tons, which, of course, would show a shortage not only on his figures but on those which I have given and which I believe to be correct, as they are taken from the official statistics of the past year. If those figures are examined—and they show all our exports—it will be seen that we exported to Canada 708,253 pounds, or 316 tons of sugar.

Mr. THOMAS. The Senator means 316,000 tons, does he not?

Mr. LODGE. No; 316 tons of sugar. The figures from the Department of Commerce are 708,253 pounds, which I reduced to 316 long tons.

There was also exported to Canada 6,054 tons of sugar which had been imported to the United States and then exported to that country. Adding to this Canada's own production of 12,500 tons of beet sugar and the 3,515 tons of Cuban raws which she took in violation of the international committee price, makes a total of 22,385 tons which she actually received during the year 1917 from her own production and the United States field. It is obvious, therefore, that the balance of the 320,000 tons must have been procured by Canada from some other source, and the examination of the following table will at once disclose where she obtained it:

Production of sugar accessible to Canada during 1917 in the American hemisphere outside the field of the United States.

	Tons.
Trinidad	70,000
Barbados	50,000
Jamaica	28,331
British West Indies	30,000
San Domingo	130,000
Demerara	101,650
Venezuela	15,000
Ecuador	8,000
Peru	250,000
Brazil	300,000
Total	982,981

Many of these figures that I have read are not the crop, but the actual export. We could not in some cases get the figures of the whole crop. This shows, of course, that Canada was not supplied from the United States last year. She got her sugar somewhere else, and she will get it somewhere else again. It is just as easy for the English ships and the Canadian ships to go to the West Indies and to South America as it is for our ships. As a matter of fact, Canada bought a large amount of sugar under contract from Peru.

Mr. BRANDEGEE. What was that amount?

Mr. LODGE. That she had available? Nine hundred and eighty-two thousand tons accessible, and she needed 300,000 tons, in round numbers. I have, of course, not been able to examine the export tables for those countries; but I merely show the field from which she got it, and she got it somewhere, because she did not get it from us.

Let us, in this connection, first consider the amount of sugar available and visible in the United States field in September, October, and November, apart from the small remaining remnant of the Cuban crop which amounted to about 50,000 tons and which ultimately came chiefly into the markets of the United States. That is the amount available in the autumn months, when the famine came. It appears from the testimony (page 402) that including what was on hand September 1 and what was subsequently received the Western Sugar Refining Co. of California had altogether 60,285 tons during that period and the California & Hawaiian Sugar Refining Co. had 67,498 tons. These were Hawaiian sugars and were all sold in the western country. During those three months the Louisiana crop of 271,339 tons came on the market, as is shown by the agreement made with the Louisiana planters as to prices on October 23. Within that same period the beet-sugar crop began to come on the market and the total of that crop, according to the official figures, was 734,577 long tons. In other words, in the United States alone there was available either in or coming into the market 1,139,699 tons of sugar. To this must be added the 50,000 tons still remaining in Cuba, at least 40,000 tons of which finally came on the market and some Peruvian sugars which the committee was told might have been obtained but were not. Taking the normal consumption of 310,000 tons a month in round numbers, based on Mr. Hoover's estimate of 3,700,000 tons for annual consumption, there would have been required about 930,000 tons, or 200,000 tons less than the total amount of sugar in the country, for those three months during which the scarcity was at its worst in the East, and I am unable to see any good reason on these figures for a scarcity of sugar at that time anywhere in the United States. What then was the cause of the scarcity east of the Alleghenies? In the first place the Hawaiian sugars of the two great California refineries were all sold in the West, chiefly west of the Missouri River. Of the Louisiana crop 26,000 tons were secured by the American Sugar Refining Co. for the eastern market and the rest of that crop was refined in Louisiana and in the form of plantation granulated or pure refined sugar went chiefly into the western country. Some went to the East, but it is impossible to say how much, and there was such difficulty in getting figures at all that it was obviously a comparatively small amount. The beet-sugar production was also held in the West, and this holding of sugar west of the Alleghanies was done deliberately. On October 20 it was announced from Chicago (hearings, page 1011) that the Food Administration sugar-distributing committee authorized a public announcement that the beet sugar would come to the rescue of New England and the North Atlantic States east of Buffalo and Pittsburgh and north of and including Baltimore during the existing exhaustion of cane supplies. It was further said that shipments would come immediately. This dispatch addressed to sugar dealers in the East was signed by the Meinrath Brokerage Co. On October 22 the same company announced to their eastern correspondents that there were no beet-sugar assignments obtainable for any territory, and on the 23d of October they telegraphed to representatives in central and eastern territories that they had been informed by the Food Administration sugar-distributing committee that "they would not allot for distribution any orders received by us on or after this date." On October 25 they telegraphed that orders already submitted were being held up by the Food Administration. This stopped the movement of beet sugars east and it was not until the 22d of November that the eastern trade were notified that the distribution of sugars would be entirely in the hands of the American refiners' committee in New York. These sugars which I have described were all held west of the Alleghenies, and although eastern dealers were told they would have relief they did not get it. Various excuses were given; that there was a delay in the beet-sugar crop coming forward, which was no doubt true owing to the lateness of the season, and that there was a shortage of cars. There was a shortage of cars undoubtedly, but cars could have been procured if the proper effort had been made, as was later abundantly demonstrated. On December 14 the price of beet sugar at Boston was advanced from 7.25 to 8.15, the price of cane sugar at the same point, and the beet sugars began to move. They ceased to lurk behind the Alleghenies and came out into the region of scarcity. In other words, beet sugars followed the natural law of supply and demand. When they got a sufficiently good price they moved in that direction, as all commodities are certain to do when unhampered by artificial restrictions.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. LODGE. Certainly.

Mr. REED. Perhaps the Senator intended to refer to it further on in his address, but he apparently is leaving the immediate topic. The Senator will recall that Mr. Hoover in his testimony finally admitted that it had been his express policy to keep the sugar west of the Alleghenies. The Senator has been proceeding along the line of deduction from the evidence, but the direct statement is in the evidence by Mr. Hoover himself.

Mr. LODGE. I am much obliged to the Senator for calling my attention to that. It ought to be stated here. I used the general phrase "deliberately done."

Another reason for the shortage was the arbitrary closing of the refineries and the refusal to permit them to buy any sugars they could pick up, like the Peruvian, even if they agreed not to advance the price of refined sugar to the consumer. In my opinion the shortage of sugar was artificial and caused by the attempt to establish artificial prices and by interfering to some extent with distribution. There is no sufficient evidence that there was not a sufficient supply of sugar to furnish our allies, as we did, with what they wanted, and at the same time to furnish ourselves with enough for normal consumption.

It ought, in justice to the Food Administration, to be said that they made strenuous efforts to get the 900,000 tons of Java sugar to this country, which would have completely removed any possible danger of a shortage. They tried first to have the German ships used which were lying at Manila and with which they could have brought the crop if they had been allowed to control them and a considerable portion of the crop if they had been permitted to make only one voyage. This was prevented by the action of the Shipping Board and here we cross the trail of the endless organizations which we have created to meet war emergencies. They felt it more important that the German ships should come here loaded with hemp. I am not questioning the wisdom of their action, for I do not know the facts. The Food Administration also made an effort to get permission for some Dutch ships to bring the Java sugar, and here international complications apparently stepped in and prevented relief from that quarter. It may be said in passing that the new crop which is now coming forward is not coming in proper amounts, unless there has been a very recent change, and this slowness of movement from Cuba and Porto Rico is due again to lack of tonnage. No one appreciates more than I do the need of tonnage for carrying men and supplies of all sorts across the Atlantic, but I think the necessity of supplying this country and also our allies with sugar refined here puts the movement of the cane crops of Cuba and Porto Rico on the same basis of importance as that which we must recognize on the Atlantic. I ought, in justice to Mr. Hoover, to say that I believe he made every effort to secure rail distribution in this country just as he endeavored to get tonnage for the Java sugars. How much he was thwarted by the railroad situation and the tangle of priority orders I do not know, but it is certain that if he had been efficiently aided instead of being crossed by the other commissions, there could have been no sugar famine in the Eastern States.

The fact remains, however, that on the face of the official figures we had enough sugar to go through the last three months of the year without a famine. Owing to the gap between the old crop of cane and the new crop of cane and to the delay in beet sugars, there is no doubt that prices would have reached a high point in the autumn and then would have declined, as they did decline when the new crop appeared in the market. We should have had high prices for sugar—there is no reason to suppose that they would have been unreasonably high if there had been a proper distribution of the available sugar in the United States—but admitting that there would have been high prices at the period I have described, there can be no doubt that with the higher prices there would have been sufficient sugar in all parts of the country for the normal consumption of the people of the United States. The promise is for a larger crop next year in the United States field than during the year which has just passed. If the indications in Cuba prove to be correct, it will be a much larger amount, and it may also be possible to secure the Java sugar. I am heartily in favor of husbanding the supply, however large, by the most thorough saving in the consumption of sugar which can be effected, and if that is done to anything like the extent quite reasonably set by the Food Administration we shall have a very large surplus of sugar with which to aid our allies. But if ship-

ping is withheld and price fixing is indulged in again and sugar is diverted or held in one part of the country, when it ought not to be held, owing to at empts of a commission in Chicago or Washington to change the channels of distribution, we shall have another scarcity when the scarcity period arrives next autumn probably of a worse character and wholly needless.

Thus we find the two central facts as a result of the policy adopted by the Food Administration in regard to sugar to have been a slight reduction in the price from the high point reached in August and a scarcity of sugar, amounting in some cases to a famine, in certain parts of the country, and especially those parts where the population is densest. It is quite true that the advocates of the policy insist that the action of the Food Administration saved the country from paying enormous prices for sugar. What those enormous prices were to be varied according to the taste and feeling of the prophet who set them forth, and are profoundly affected by his relations with the Food Administration. We were told that sugar might have been 15, 20, or 30 cents a pound had it not been for the Food Administration's beneficent interfereuce. One eminent refiner pointed with admiration to the decline in sugar at the present time, stating that it had gone to 7.10. The searcher for truth can not resist suggesting to this eminent refiner that the price of sugar has almost invariably declined at the beginning of the new year, with the advent of the new crop of cane. It seems harsh to throw the slightest shadow on such disinterested judgment as that manifested by the witness to whom I refer, and yet it is impossible to escape the conclusion that the natural law which insures a decline of sugar prices on the coming of a new crop, even although the importations, despite a larger crop, have thus far been less this year than usual, brought about the result which is so loyally attributed to the Food Administration. Another enthusiastic refiner, with proper gratitude no doubt for the beneficial effects of the stabilization of prices, wrote me that sugar would have gone to 50 cents a pound if it had not been for the intervention of the Food Administration, which he seemed to regard as a deus ex machina. As I read this warm-hearted prediction I wondered at the writer's moderation. When you are depicting the horrors of a price which never existed, why not paint it in really strong colors? Why stop at 50 cents? Why not say it would have cost a dollar a pound, or even more, if it had not been for the fortunate intervention of authority in Washington? The fact is you can do anything with prices which never existed. That is their great advantage. You can put them up or put them down at pleasure, to suit your hopes, your argument, or your prejudices. But human nature is so weak that the vast majority of people who in a large section of the country were deprived of sugar said, in their unthinking way, that they would rather have paid a higher price and had some sugar. The gratitude which they ought to have felt for the low prices established by the Food Administration did not seem to comfort them when they sat at a table where sugar had become a memory, and where that agreeable condiment had ceased to have an actual existence. They did not enjoy as they ought to have enjoyed this Barmecide feast. On the contrary, their emotions seemed to have resembled those of Tantalus, to whom the knowledge that fruit and water were close at hand gave no satisfaction, because the fruit and the water fled at the approach of his lips. An American humorist many years ago said in one of his newspaper paragraphs that there was probably nothing more unsatisfying than an "unkissed kiss"; but in mere sterility of pleasure I think low prices for sugar and no sugar runs the joke of the humorist very hard.

Let us now consider briefly the short and simple but somewhat painful annals of the coal question. The country had been threatened with a scarcity of coal in the winter of 1916 and 1917, and when war came in the spring the coal market was in a disturbed condition, and this disturbance was increased by the coming of war and the uncertainty as to the future. The market became very nervous; prices of coal began to advance sharply, reaching extreme points, and conditions indicated a still further rise. The advisory committee on coal at that time was headed by Mr. F. S. Peabody, of Chicago, and this committee was made up as follows:

Mr. F. S. Peabody, chairman; Mr. E. J. Berwind, president of the Berwind White Coal Mining Co., of New York; Mr. W. W. Keefer, president of the Pittsburgh Terminal Railroad & Coal Co., Pittsburgh; Mr. Van. H. Manning, Director of the United States Bureau of Mines; Mr. C. M. Moderwell, a coal operator of Illinois, president of the United Coal Mining Co., of Chicago; Mr. E. L. Pierce, vice president of the Semet Solvay Co., of Syracuse, large by-product and coke-product operators; Mr. Erskine Ramsey, vice president of the Pratt Consolidated Coal Co., Birmingham, Ala.; Mr. George Otis Smith, Director of the United States Geological Survey; Mr. James J. Storrow, of Lee Higginson & Co., of Boston; Mr. H. N. Taylor, vice president of the Central Coal & Coke Co., of Kansas City, Mo.; Mr. S. D. Warriner, president of the Lehigh Valley Coal & Navigation Co., Philadelphia; Mr. J. F. Wellborn, president of the Colorado Fuel & Iron Co., of Denver; Mr. Daniel B. Wentz, president of the Stonega Coal & Coke Co., Philadelphia; Mr. George W. Elliott, who was the secretary and the representative of the gas and electric service corporations of the United States; Mr. John P. White, who was then president of the United Mine Workers of America; Mr. Frank Hayes, vice president of the United Mine Workers of America; Mr. William Green, secretary of the United Mine Workers of America; Mr. John L. Lewis, the statistician of the United Mine Workers of America; Mr. James Lord, who is with Mr. Samuel Gompers, and is president of the mining department of the American Federation of Labor; Mr. John Mitchell, who is an ex-labor leader; Mr. H. L. Kerwin, secretary to the Secretary of Labor, Mr. Wilson; Mr. Herbert Addison, vice president of the Big Horn Collieries, Wyoming; Mr. L. S. Storrs, president of the Connecticut Co., of New Haven, Conn.; Mr. George W. Reed is Mr. Peabody's secretary and vice president of his company.

I think anyone who has examined the subject with as much care as the subcommittee which held the hearing will agree that this was a very well chosen committee. It is the only one that I happen to know of where not only operators were represented but also the labor employed in the mines, and, which was most remarkable, the consumers. There were two gentlemen representing public utilities and one, Mr. Storrow, of Boston, who spoke for the consumers of New England, both domestic and industrial.

The prices proclaimed on August 23, 1917, for anthracite coal were practically those agreed to by the operators themselves in April of that year, and ranged on the white ash, red ash, and Lykens Valley grades from $4.45 to $5.30 per ton at the pit mouth. Pea coal, priced by error in the proclamation at $4.30, was later reduced to $3.40. With trifling exceptions all the anthracite comes from the Pennsylvania field, which is not of large extent, and Dr. Garfield testified that there was only one case of complaint of prices relating to anthracite. With prices established in this way by the voluntary agreement of operators anthracite was not affected by the Government price fixing, and in what I am about to say it will be understood that I am discussing bituminous coal alone.

Under the auspices of Mr. Peabody's committee, the coal operators controlling nearly all the bituminous coal production of the country—over 90 per cent—were invited to Washington in June. Some 350 to 400 were present. They were addressed by Secretary Lane, by Gov. Fort, of the Trade Commission, and Mr. Peabody. They were urged to come to an agreement as to a maximum price for run of mine bituminous coal. After a day or two of discussion they adopted a resolution prepared by Gov. Fort by which they agreed substantially that the price of run of mine coal should in no case exceed $3 a ton in the East and $2.75 in the West at the pit mouth. The arrangement was understood to be tentative, but it made a very large reduction, because bituminous coals were then selling as high as $5.50, and even up to $6 a ton. There was no attempt to fix a minimum price or an absolute price, and below $3 or $2.75 coal operators could make any price they pleased, which gave sufficient elasticity, as some of the mines could produce coal at a much lower rate than $3 or $2.75 and make a good return. This agreement was reached on the 28th of June. Two days later Secretary Baker, head of the Council of National Defense, made public announcement that this maximum price of $3 was oppressive and extortionate, and the whole scheme which had been so carefully prepared, and which was a wise scheme, because it interfered as little as possible with the ordinary laws of trade and yet cut off undue profits, was practically disavowed. Some of those who had come into the agreement regarded the whole matter as at an end and charged such prices as they could get, but most of the operators who had agreed to it held to their agreement. The action of Mr. Secretary Baker of course had the effect of throwing the general market for free bituminous coal into complete confusion and of forcing a reduction in production. At the same time the promise was held out that the price of coal would be still further reduced and large numbers of people, domestic as well as industrial consumers, instead of laying in coal in the summer when the demand was at its lowest and the railroads could carry more easily than at any other season, refrained from filling their bins, with the inevitable result that they became buyers at a later time and were competing for the purchase of coal in the winter when the stress was most severe.

Dr. Garfield was appointed Fuel Administrator on the 23d of August and immediately issued a table of prices which had been approved by the President and compiled by the Trade Commis-

sion and which fixed the basic price of run of mine bituminous coal at $2 a ton at the pit mouth. The great difficulty of the coal situation then as now was in the shortage of cars as well as the shortage of movement on the railroads. Strong and effective efforts, with large beneficial results, were being made by the war railroad committee to improve the traffic situation, but in addition to the other difficulties were the priority orders. If those orders had been left in the hands of the priority board and no one else had been permitted to issue them, the business could have been managed probably with advantage, certainly without any injury to the coal situation. But the right to issue priority orders, unfortunately, was not confined to the priority board. So far as your committee could learn, officers of the Army and Navy, Food and Fuel Administrations, directly or indirectly, and the Shipping Board had the right to issue priority orders and to put the "blue tag," as it was called, on the articles which they wished shipped. Some of these agents also gave these envelopes and tags to manufacturers engaged on Government work, who did not always confine their use to public business. The result of this delightful and intelligent scattering of great powers was that the railroads were blocked with priority shipments of all kinds, sometimes for articles of immediate necessity and also for many where the necessity was far from immediate. It was stated that over 80 per cent of the freights being carried by the railroads were on priority orders, and this complicated enormously the bad conditions of transportation and severely hampered the remarkable work of the railroad committee. Behind all this, and worst of all, was the fundamental trouble of the railroad situation, arising from the fact that when the war broke out they were at least ten years behind the requirements of normal and peaceful times. The railroads had been forced, as a rule, to reduce their rates to the lowest possible point, while at the same time the wages they paid and all their general expenses were increasing like all other prices and commodities. This produced great difficulty in getting new money, either by selling stocks or by borrowing, and the railroads, reduced practically to no resources except their surplus, which in some cases was very small, in all cases insufficient, had been wholly unable for some years past to make the necessary extensions which the business of the country required. The railroad situation was therefore very bad, owing to the manner in which freight rates had been dealt with over a considerable period of years; in addition, they were burdened with the sudden and greatly increased demands of the war, and were still further hopelessly embarrassed by the priority orders. The committee of railroad presidents, as I have said, were doing their best to relieve the situation and effected some extraordinary and very important but still inadequate improvements. Total relief was perhaps impossible, but a considerable, a much larger, measure of relief might have been obtained if the efforts of the Government had been addressed solely to the railroad problem; for, I repeat, the condition of the railroads, the shortage of cars and the shortage of movement were the fundamental and dominant difficulties affecting the coal supply. Upon this complicated and difficult situation the untried men known as the Fuel Administration were suddenly imposed. The Fuel Administration came in with no power whatever to deal with the railroad situation, which was the very center and heart of the problem. They could procure priority orders, divert coal shipments, and add to the tangle which those orders had created; and this they did, but they had no railroad control and could only make the movement of freight more labyrinthine than it already was. They had neither the authority nor the capacity even to loosen the knot, and thereupon into this situation, which might have had great relief by straight dealing with the railroad problem as a whole and by itself, the Fuel Administration entered and proceeded to fix a price which made it impossible to work many mines and which thereby frightened the producer and tended to reduce production when it was unprotected by contracts.

Not content with this, they also set to work to change the whole system of distribution. No more reckless experiment could have been attempted or one better calculated to make the railroad difficulties, so far as coal was concerned, insuperable. The distribution of coal from the mine to the consumer had been slowly built up by the experience of nearly seventy-five years into a great and intricate system, covering the whole country. The channels through which the coal flowed had been during this long time established. In a moment, by the action of the Fuel Administration, this vast network of distribution was suddenly thrown out of gear so that it either did not work at all or worked very badly and clumsily. At a single blow they crippled and partially paralyzed all the machinery of distribution and deprived themselves and the country of the great driving power of private interest never so valuable as in a period of disturbed transportation. I am not blaming the Fuel Administration for their failure to substitute a new and better system of distribution for the one which they overthrew. To have done that successfully in a few weeks was beyond the power of man. No one lives, or ever lived, who could have done it. I blame them for attempting it. Only ignorance of simple economic laws could be offered as an excuse, and I think this is a case where the old maxim, "Ignorantia legis neminem excusat" properly applies. In any event the results were deplorable. The attempted substitution of artificial channels for those made smooth by long practice, the diversion of coal from one part of the country to the other, instead of relieving the difficulty created by the railroad situation enormously enhanced it. It was found that the basic price of $2, even with variegated exemptions and exceptions, was too low, and the Fuel Administration itself was compelled in October to advance it to $2.45 a ton. Within a few days they have issued another order raising the price at the mine to $2.65, but cutting off, as I understand, the moderate 15 cents per ton commission of the wholesalers and jobbers. It would seem as if this would throw out of business thousands of honest, industrious men, great and small, who constitute the machinery of distribution. They will suffer loss and the country will suffer still more when the distribution machinery is thus wrecked and scattered.

Another thing which has led to a great interference with the coal distribution and the coal business in every direction are the orders which have been showered upon the country ever since the Fuel Administration came into existence. We have had contradictory orders, explanatory orders, new orders, and all supplemented by statements through the press. The whole producing force which furnishes coal to the country was kept in utter confusion, and there is nothing so numbing to business as suspense and uncertainty. The Fuel Administration has supplied uncertainty in unlimited quantities. I hold in my hand, as an example, Order No. 383, published on February 15. There have been several, I believe, since then. The number 383 means that orders in regard to coal have been falling upon the unhappy persons engaged in the work of producing and distributing coal and upon a guileless public at the rate of more than two a day. No. 383 fixes a new price for the Clearfield district of Pennsylvania of $2.60 run-of-mine and 5 mills additional per ton for a fund for all operators. This is a belated attempt to recognize the difference between thin veins and thick veins. Let me give one or two more as illustrations of special arrangements and exemptions in which the coal business has been wandering for the last six months. No. 371 is the one which lifted the heatless Mondays from North Carolina, Tennessee, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana, the warm part of the country, where coal was apparently but little needed for heating, and left it on densely populated parts of the country where they were very cold. The other two that I have are No. 366 and No. 367. One—No. 367—classifying bituminous coal mines in the upper Potomac, Cumberland, and the Piedmont fields, affecting all the coal in the State of Maryland and in the counties of Mineral, Grant, and Tucker, and the extreme eastern and southeastern portion of Preston County, W. Va., has made changes in the prices. No. 366 affected coal mines in Kenova and Thacker fields, the extreme southern part of Wayne County, the extreme northwestern part of McDowell County, W. Va., and the extreme northern part of Buchanan County, Va. This changed and rearranged prices of coal in those fields.

And now, by Order No. 383 of the 15th of February, in the Clearfield district of Pennsylvania, the price has been increased by 60 cents and it appears from publication "No. 4–B–5–1918" of the Fuel Administration that this price does not include the 45 cents per ton for wage increase allowed under the President's order of October 27, 1917. I understand that the words "does not include" mean that the 45 cents are not deducted; that the price fixed does not include the 45 cents which still remains on.

Mr. REED. Is that the 45 cents on account of the wage increase?

Mr. LODGE. Yes; and the price fixed did not include the 45 cents for increase of wages.

Mr. REED. That is perfectly clear. I have run that out pretty carefully. Forty-five cents on account of increase in wages applies to all bituminous mines in the United States. Correctly stated, there was an advance of 45 cents made on every ton of bituminous coal, the statement being made that it was made for and on account of an increase of wages.

Mr. LODGE. Precisely; that was in October.

Mr. REED. And that went on the price, and stayed on, and still applies.

Mr. LODGE. They have raised the price in the Clearfield district—I have a list of the mines here—to $2.60, and, as I understand, that does not include the 45 cents they allowed for the wage increase.

Mr. REED. That is correct.

Mr. LODGE. There is no doubt about it. This then is the situation: On August 21 the price was fixed at $2; on October 27, 45 cents per ton was added; on February 15, 60 cents more was added, making the present price $3.05 per ton, 5 cents more than the price made by an agreement of operators under the leadership of Secretary Lane and Mr. Peabody, which Secretary Baker characterized as unjust, exorbitant, and oppressive. Is it any wonder in view of these orders which have been flying over the country like the migratory birds in spring and autumn—is it any wonder that the coal of the country has failed to reach the furnaces and the fireplaces of the consumers?

Mr. SMITH of Michigan. How much did the price the Senator just announced exceed the price fixed by Secretary Lane?

Mr. LODGE. It exceeded that price by 5 cents.

Let me pause here a moment to discuss briefly the attempt to fix prices for coal. A flat basic price is an impossibility. The great coal fields of the country differ widely in costs of production owing to natural causes. Mines in the same field differ. A price which would be ruinous to one mine would give an exorbitant profit to another. To fix the same price for the mines of Illinois, with their wide veins ranging from 8 to 20 feet, as for the mines of Pennsylvania, Maryland, and West Virginia, some of which have veins only 18 inches to 3 feet wide, is absurd on its face. And yet these thin veins in certain districts of West Virginia, Pennsylvania, and elsewhere in the East contain in many instances the very finest coal. The low volatile coals, which are used on battleships and give very little smoke, and the high volatile coals, with which the coking is done and from which we get many of our most important explosives, are found very largely in narrow veins. A price which would be very high for the broad veins of Illinois would be destructive to such veins as I have just described. Moreover, it was difficult to see that any proper distinctions had been made as to quality in the coals, and any plan of price fixing which is not based on quality and cost of production must be unsound and unjust.

There was another very bad result from this attempt to fix a low basic flat price without regard to or with a very insufficient allowance for differences in quality. As the producer could get in bituminous coal the same price substantially for low-grade as for high-grade coal, inferior coals filled with impurities or taken from culm banks and low in thermal units were sent out in large quantities, probably sufficient to account for the increase in the total production of bituminous coal. In this way cars and locomotives were wasted in carrying tons of slate, ash, and other impurities to the consumer, and thereby the shortage of cars was increased and the railroad movement still further diminished. The outcome of all this confusion was, of course, that some mines were making a great deal of money; that others were making none, but were just managing to live; while still others were only kept in business by their contracts made before the advent of the Fuel Administration. It became perfectly evident to the committee that it was necessary either to adopt the system employed by Mr. Hoover in regard to the beet-sugar factories and make a price which would allow the weakest and least profitable properties to live and produce, and which, of course, made the profits of the large factories and mines, and particularly of the factories and mines of the highest efficiency, enormous and disproportionate, or else to fix a price for each separate factory or mine—an undertaking which, as in the case of coal, where you are dealing with 20,000 mines, is of such extreme difficulty that it would cause delays wholly intolerable in time of war. The system adopted by Mr. Hoover had at least the merit of maintaining production. The system of making a different price for each mine based on its costs was impracticable. Hardly less impracticable would be the scheme of having the Government buy all the coal produced and sell it at an average price which would guard the Government against loss. This scheme, of course, would have involved an enormous expenditure of money in the first instance and would have caused great delays. The plan of having the Government, with its really notable business incompetence, work all the mines would simply have meant that hardly any coal would have been obtained. We therefore come back either to the scheme adopted by Mr. Hoover in regard to beet-sugar factories or to allowing the natural laws of supply and demand to work, so far as possible, without artificial interference. The latter solution undoubtedly might have led to higher prices than we have actually been obliged to pay for coal, although it seems improbable that this would have happened. But even if this had happened, it would have brought coal; for a commodity, whatever it may be, which is of wide distribution will follow the direction to which it is invited by profitable prices as surely as water will flow down hill. The result of the Fuel Administration's policy was to add to the already enormous railroad difficulties by creating chaos in distribution and adding to all this, suspense, alarm, and uncertainty due to fixing an arbitrary price. Even if we admit that they kept prices down, which is purely guesswork, they brought a coal famine with this nominal fixed price.

The total production of bituminous coal for the year 1917 as given by the Geological Survey was nearly 41,000,000 tons more than for the previous year and of anthracite nearly 11,000,000 tons. Undoubtedly the consumption, owing to the abnormal activity of certain industries, was much increased in the country, and the additional 52,000,000 tons was probably not sufficient to meet the demands. If the increase in production was sufficient not only to meet the larger consumption but also to make up for the decrease in thermal units due to placing upon the market inferior grades of coal, then it would follow that the shortage of coal and the consequent loss and suffering were wholly due to the defective distribution caused by the Fuel Administration, for very little, if any, coal is ever stored at the mine. It is safer, however, to assume that the increase in production largely composed of inferior coals was wholly inadequate fully to meet the increased demands. But in either case, if the mines could have worked, not to their possible capacity, but to the full capacity of the labor they actually had, it is perfectly evident from the testimony before the committee that this increase in the production of 1917 could easily have been doubled in coals of high quality. The mines could not work to capacity—and I am speaking always of the capacity with the labor that they actually had—because they could not get cars. And so we come back again to the railroad difficulty, which certainly might have been greatly relieved if the Government had established no Fuel Administration but had simply devoted itself last summer to relaxing the railroad congestion and reducing priority orders to the lowest terms. The most important thing, of course, was to get coal to the ships. The Government had power to take coal; the Government had power under existing law to compel the railroads to carry any freight that was ordered. The amount of coal needed for the ships and for transport could be readily estimated, for the departments knew the possible tonnage and knew, of course, of the departure and arrival of vessels. And yet when we got into the dead of winter it was shown in the testimony before the committee that there were from 100 to 150 ships tied up in New York Harbor because the bunker coal could not be delivered. Then came the brilliant solution of shutting down factories in Maine and sawmills in Mississippi in order to relieve congestion at the port of New York. It may have been that nothing could have been done with the situation, that the railroad problem was beyond solution. Personally I do not believe that to have been the case. I think the railroad difficulties could have been much relieved, especially if the work of the war railroad board in the summer had not been hampered. But nothing can be more certain than that the policy of the Fuel Administration, its attempt to substitute a new scheme of distribution for the one which had been the slow creation of nearly seventy-five years, and its reckless price fixing brought on a coal famine in a country which has more coal than any other country in the world, and led to the "heatless-days" order, which in itself was a complete confession of impotence and failure. It may be said, "It is easy to criticize and find fault. What would you have substituted?" That question, in my opinion, can be as easily answered as asked. If instead of undertaking to fix an abnormally low price for coal in order to say to the country that by an order, by a ukase, we were going to reduce the cost of living, a vain and empty promise, we had addressed ourselves to the railroad problem, and nothing else, the coal shortage would have been very much reduced and the loss and suffering very much less. If in addition we had let alone the system of distribution, so long established, we should have been saved from the chaos and confusion into which we were thrown by the Fuel Administration. If, grasping the railroad situation in the summer, the Government had seen first that the supply of coal for shipping, which is useless without coal, had been secured, and then, instead of denouncing hoarding, as they call it, had advised everyone to buy and store coal in the summer months the stress and suffering and loss which have come upon us in a hard winter and which are still far from being relieved would have been in large measure avoided.

The lesson which all this teaches is that we should address ourselves to doing what is reasonably possible. It was reasonably possible to mitigate the railroad situation to a very considerable degree. It was not possible to force an artificial [illegible]uction of prices. You might declare a price, but if it was effec-

tive you would pay for it in some other way. You can no more stop the advance of prices under war conditions, with many millions of men withdrawn from reproductive industry, to be made either consumers or the makers of unproductive commodities, than you can divert the course of Niagara by putting your finger in at the edge of the water. I do not blame men charged with responsibility for failing to accomplish the impossible. I do blame them for making promises which never could be fulfilled and in searching for something popular, to give to the people a nominally low price accompanied by a total inability to buy the commodity. In the weeks we have just been passing through the people of the United States would much rather have paid more for coal even than they did and have had the coal. They have paid high prices—the highest ever known—but have been unable to get coal. There is not much warmth in being told that a thoughtful Government has lowered the cost of coal when you have no coal to keep the fires burning.

Now, as an illustration of the practical effects of the reckless order closing down factories and industries of all sorts for five days I give two concrete examples of factories in my own State, both large, well-established, and well-run organizations. The first is as follows:

We believe that you may be interested in knowing the results of the order of the Fuel Administrator with reference to the consumption of coal at our plant during the period of shutdown. By way of comparison we state the amount of coal consumed by us during the same days in the week previous. The consumption was as follows:

	Pounds.	
Friday, Jan. 11	102,310	
Saturday, Jan. 12	73,500	
Sunday, Jan. 13	71,230	
Monday, Jan. 14	104,625	
Tuesday, Jan. 15	105,600	
		457,265
Friday, Jan. 18	73,335	
Saturday, Jan. 19	45,635	
Sunday, Jan. 20	55,735	
Monday, Jan. 21	55,205	
Tuesday, Jan. 22	70,140	
		300,050
		157,215

This means that by maintaining our power plant merely for the purpose of keeping our pipes from freezing and for a very small amount of necessary power we were able to save about 15 tons a day. The loss in wages to our employees was about $7,000 a day and our loss in production and profit was obviously considerably in excess. The situation in our case was undoubtedly the same as many other manufacturers. We have sufficient coal on hand to keep our employees busy and to give them full compensation for their services. An order by the Railroad Director withdrawing transportation facilities would have meant the operation of our plant without financial loss. A system could have been devised by which the material which had accumulated for transportation could have been gradually released.

The second relates to an industry which is largely engaged in Government work, and I think the following figures are worth consideration:

The loss of production for the four working days, January 18, 19, 21, and 22, was (net)	$340,000
The loss of wages to our employees was	80,000
The loss to our stockholders by reason of overhead expenses was	50,000
Against which we made a saving of fuel of 146 tons, or practically	1,500

It would seem that the sacrifice was not commensurate with the saving obtained, and that the delay upon necessary and desired materials for war work will be seriously noticed in the immediate future.

These two examples represent thousands of other industries throughout the country and I introduce them to show what a loss and shock to our whole industrial fabric were caused by this ill-considered and violent action of the Fuel Administration.

In this connection I quote an editorial from the New York Times bearing on the results of this order.

The PRESIDENT pro tempore. Without objection, permission is granted.

The editorial referred to is as follows:

PROFIT AND LOSS OF COAL SAVING.

Figures compiled for the Director General of Railways indicate that the five-day coal saving campaign in New York City saved $31,500,395 worth of coal, at the cost of $357,498,000 in wages and over a billion loss of production. For 18 leading cities the economy of coal totaled $137,000,000, and the loss of wages $1,221,415,000. The manufactures' loss exceeded three billions. Each dollar's worth of coal cost labor $9 in wages and employers $23 in production. There are no authoritative figures for the entire country, nor is the cost of coalless Mondays known with any precision.

Although the report is by an expert, it is not above criticism. Only in form is it a debit and credit statement, and there are omissions which lessen its worth. The 18 cities for which profit and loss are estimated are all eastern cities necessarily, for the suspension was in the East. The loss in the East had compensation in the West, both directly and indirectly, in the gain to the West of the betterment of transportation. The greatest and fatal omission is that of the worth of breaking the ocean blockade. What was it worth to get hundreds of cargoes of supplies across the seas? What was it worth to have the movement of coal made nearly normal? What was it worth to relieve the railroad congestion, the real motive of the coal order? It is easy to say that the same benefits could have been had more cheaply, but that is discussion of something else than the profit or loss of this plan.

It is true that not even Germany resorted to general industrial arrest as a means of railway relief, but it is also true that no other country than ours undertook to serve the world or experienced such weather troubles. The defects of the Garfield plan are too plain to be denied, and the wisdom of the hindsight criticism is easy. But there was no suggestion of any alternative when it was adopted, and Canada adopted it after our own experience of its objectionable features. Now is the time for the critics of the Fuel Director's plans to say what they would do with the problem of the future.

There is no reason to suppose that the coal problem will end with winter unless spring should bring peace. The coal problem is with us for the war at least, and many think for long after. There is some danger that Mr. Garfield may embark upon an adventure of greater scope than the restriction plan, whatever its merits or demerits. The coal trade was against him originally; it came to his support after an explanation by him of his plans, and it turned against him when it thought it detected signs that he was committed to propaganda rather than to winning the war. Is the Fuel Director embarking upon plans for Government distribution of a necessary of life, thus supplanting the trade of coal production and distribution? The coal trade may be dodging before it is hit. And the profit-and-loss statement of such a plan may be as defective as the one which has suffered such criticism. But propaganda and winning the war ought to be compartmented, and their profits and losses separately considered.

Moreover, the real difficulty when this order was issued and which existed six months ago was with the railroads. Between last summer and the present moment a Director General with the largest powers has been appointed to take charge of the railroads of the country, and yet here is the condition on the 1st of this month, as stated on the 6th of February in Commerce and Finance, an important financial and industrial journal published in New York City:

Reports from 70 per cent of the bituminous mines show that in two days last week, Friday and Saturday, the car shortage caused a loss in production of more than 582,000 tons and that 42,546 miners were forced to be idle. With munition and industrial plants offering miners tempting wages and full time, the continuance of cold weather, the prospect that floods may cause further loss, the outlook is not cheerful.

On the other hand, reports from Washington are that the railroads made such progress in hauling coal on Sunday that Fuel Administration officials are encouraged to hope for the discontinuance of "heatless Mondays."

The condition of New England continues serious, but orders have been issued giving preference to shipments for that section from Newport News.

Gas companies have outdone themselves supplying heat as well as light during the cold snap. Eugene C. Miles, editor of the American Gas Engineering Journal, reads in this fact "the most striking and spectacular justification and indorsement of private ownership that has been revealed in many decades."

It will be observed in the first place that the difficulty is still with the railroads; that what we needed was not a shutting down of industries, with all the enormous losses and dislocations of business thereby entailed, but a freight embargo on the railroads. The country could have stood that and the industries could have borne it much better than the policy adopted. It is striking evidence of the mischief done by the interference of the Fuel Administration with difficulties which could only be solved through the railroads. It will also be noticed in this article the allusion to the gas companies and how extremely well they have done under these adverse conditions in supplying heat and light. This is attributed by the writer to the fact that in that case private interest was at work using all its energy to meet the complications of the time. It shows in a conspicuous manner how much harm has been done by paralyzing private interests and undertaking to solve the difficulties by one bureau largely composed of amateurs in the city of Washington instead of encouraging the spirit of self-reliance and independence, as well as the ardent energy which have made the material prosperity of the United States and which ought to be marshaled behind the Government as an assistant instead of being reduced to impotence by an all-powerful and uninformed Fuel Administration at Washington.

Let me summarize the general conclusions at which I have arrived in these brief reviews of the sugar and coal situations.

Mr. KNOX. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Pennsylvania?

Mr. LODGE. Certainly.

Mr. KNOX. Before the Senator takes up another topic, I should like to inquire if there was any other reason assigned for increasing the price in the Clearfield district of Pennsylvania, except the thinness of the vein?

Mr. LODGE. Yes; it says here that the Fuel Administrator had announced a reclassification of certain coal-producing counties in the thin-vein district of Pennsylvania.

Mr. KNOX. Were not those veins just as thin when the price was originally fixed as when the 50 cents was added?

Mr. LODGE. They have not changed in width, to my knowledge, in that interval.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. LODGE. Certainly.

Mr. SUTHERLAND. Does the Senator from Massachusetts know that they now propose to further affect the price of coal to consumers by abolishing all middlemen?

Mr. LODGE. I referred to that.

Mr. SUTHERLAND. The Senator discussed that?

Mr. LODGE. I have referred to that already—by abolishing the 15 cents commission to all middlemen.

Mr. SUTHERLAND. And they propose to make a further effort by creating a zone system, under which the producers of one region may not ship to the consumers in a certain other region, a great danger existing that if that is done they will prevent consumers in certain localities from getting the proper qualities of coal that their particular needs require.

Mr. LODGE. I have heard that a zone system was under consideration. I have had no opportunity fully to examine it; but from what I have had an opportunity to examine, I am satisfied that it will make the existing confusion worse confounded.

Mr. WADSWORTH. Mr. President, will the Senator state to the Senate if he knows what agency the Government hopes to establish as a substitute for the middleman?

Mr. LODGE. I do not know. As I understand, they expect the middlemen to get their commission, whatever it may be, from the mine owner.

Mr. WADSWORTH. My information is that the jobbers, as we say, the wholesale dealers in coal, are to be eliminated entirely.

Mr. LODGE. Yes; I understand that they are to be eliminated entirely; but I say all these things with caution, because I am never quite sure what they do mean.

Mr. WADSWORTH. I can well understand the caution of the Senator.

Mr. LODGE. I do not want to commit myself to any decision on the meaning of any coal order.

Mr. WADSWORTH. Then, Mr. President, I certainly will not press this question upon the Senator or upon anyone else.

Mr. REED. Mr President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Missouri?

Mr. LODGE. I do.

Mr. REED. I think I can answer the question of the Senator from New York by reading a paragraph from a paper which I have here. The Senator asked what it was proposed to substitute for the ordinary machinery of distribution. Perhaps the answer can be found in this:

> The multiplication of bureaus and commissions is becoming perplexing and distressing. We shall soon require a bureau to explain bureaus, a commission to elucidate commissions. When a bureau once gets started it throws off sub-bureaus with a rapidity and process akin to the lower biological order in which a cell simply throws off a section of itself, which immediately becomes a new cell, and repeats the operation. Much of this organized activity is moving against the real needs of the Nation. We require concentration, not distribution, of intelligence; centralized, not diffused, authority; a national brain, not imperfectly related masses of nervous ganglia. But the biological process is apparently dominant in Washington to-day. Hordes of sub-bureaus may be expected to appear at any time.

I think perhaps the biological process is the best term to answer the Senator's question.

Mr. LODGE. Mr. President, let me summarize the general conclusions at which I have arrived in these brief reviews of the sugar and coal situations:

Let the idea of price fixing by law or edict for domestic consumption be so far as possible abandoned.

Interfere as little as possible with the natural laws of supply and demand.

Let the international arrangement with Cuba for sugar be maintained and ships be furnished at once to bring the Cuban and Porto Rican crops to this country.

Leave the domestic and Hawaiian crops and, above all, their distribution alone. Unless all signs fail there will be ample sugar for us and for our allies and a large surplus if the Food Administration's restriction on sugar consumption is carried out as it ought to be.

Abolish the Fuel Administration and leave the management of the coal situation to the Secretary of the Interior and Mr. Peabody.

Encourage the purchase and storing of coal for both domestic and industrial use during the summer when the demand is lowest and transportation easiest. I saw that the head of the Fuel Administration had come out in favor of our buying coal yesterday. The day before it was stated that we were to have it rationed.

Above all, direct every effort to supplying rail-and-water transportation for coal during the summer and at all times.

Do not interfere with established methods of distribution and do not make the fatal mistake of destroying distribution machinery.

Enforce thoroughly the laws against profiteering, but in seeking to prevent undue profits do not permit the destruction of reasonable profits.

Stimulate production. This can best be achieved by allowing reasonable profits.

No more valuable work has been done for ourselves and for our allies than the prevention of waste and the large savings in foodstuffs through the exertions of the Food Administration. But it is well to remember that if through price fixing and interference with the regular methods of distribution, as in the case of coal, a scarcity or a famine arrives saving becomes impossible. You are forced to go without coal, but you can not save coal or sugar or money unless you have some of those things to save. I mean, of course, real savings. Imaginary savings are as easily created as imaginary prices and are of as little worth.

Do not indulge in useless meddling with domestic life and do not harass needlessly the domestic consumer of coal. This arouses anger and discontent, both dangerous to the maintenance of a public opinion thoroughly in favor of the war and is perilous to war measures. Ominous signs are not lacking of organized efforts to cripple war measures and to bring about peace at any price. Do not give these efforts aid by causing discontent among patriotic and loyal people through wholly needless and useless interference and by rapidly shifting orders which bring uncalled-for suffering and anxiety, as has been done in the case of coal.

Having thus reviewed in general terms the policies of the Food Administration in regard to sugar and of the Fuel Administration in regard to coal, I desire to make some suggestions or criticisms, if the word is preferred, upon the subject of the grant and the exercise of great and abnormal powers necessary, or demanded as necessary, for the purpose of carrying on the war. That it was immediately necessary to deal by unusual methods with the vital questions of the production and supply of food will not, I think, be questioned by anyone. Whatever the defects or the merits of the legislation passed by Congress in regard to food I think there can be no doubt that such legislation required imperatively to be passed. The successful operation of the law depended, of course, almost altogether on the selection of the Food Administrator, and for that most important place Mr. Hoover was the person naturally indicated. He had had a very severe and extensive experience in the distribution of relief in Belgium, and his work there had met with high and deserved commendation both at home and abroad. In this way he became very familiar with the needs of the allies, and one of the first duties of the Food Administrator was so to husband and distribute the food supply of the United States as to make it possible to feed the allies on the western front—that is, England, France, and Italy—whose fleets and armies were fighting the battle of civilization, were fighting our battle, and had been protecting us as well as themselves for nearly three years from the German onslaught. Although Mr. Hoover disclaimed on the witness stand the title of economist, he showed by his testimony that he was familiar with economic laws and had given them much thought. From the time he came to Washington, before he was formally appointed to his present position as well as afterwards, he addressed himself to the two great questions of feeding the allies and at the same time effecting such savings in our own consumption as to prevent the infliction of any serious hardship in the way of food upon the American people. Speaking for myself, I think that Mr. Hoover has done a very great work in the direction of the conservation and distribution of food by his arguments and appeals widely addressed to the good sense and patriotism of the American people. Feeling very naturally keen indignation at the small minority of people who were deaf to his arguments and his appeals, he was inclined, I think, to base his theory and practice in action too much upon the small dissentient minority instead of upon the large patriotic majority of the people who were only eager to help when the way was once marked out before them. Mr. Hoover's general administration in the great field of conservation was not, however, within the jurisdiction of the committee nor was it within the province of the committee to inquire into the way in which the special problem of wheat had been dealt with. We were confined by the terms of the resolution to the subject of the shortage of sugar, and there, for the reasons which I have already given, I found myself compelled to the conclusion that the policy adopted in regard to sugar was a mistake. But in differing with Mr. Hoover as to the policy of abandoning the natural laws of supply and demand, instead of trusting to the penal statutes to break up those who were seeking to make

illicit and extortionate profits, I differ only as to economic policy.

In the case of the Food Administration, therefore, we have an example of abnormal powers which it was absolutely necessary to confer, and which have not only been exercised patriotically and with the best intentions but, barring the sugar question, have been exercised wisely and well and, no doubt, with great benefit both to the American people and their allies. The case of the Fuel Administration furnishes an example of large and abnormal powers which is equally instructive, but in a diametrically opposite way. The grant of far-reaching and unusual powers to the executive department of the Government can only be excused or sustained by the imperative requirements of a great war. In peace they would be intolerable and would quickly make an end of free and ordered government as we understand it. But these powers, which may be very beneficent in forwarding the cause we all have most deeply at heart, are dangerous in themselves. They should never be granted or used unless they are absolutely necessary and unless it can be shown that the prosecution of the war would break down if they were not employed. The body which grants such powers should grant them only after thorough examination and hedged in with every proper precaution and reasonable limitation. The department which exercises them should be very slow to use them and in the highest degree careful in their exercise. The mere grant and possession of great and unheard of powers to one branch of a constitutional government will not advance the war one step toward victory unless the exercise of those powers is in the largest degree able and efficient, and should never be entered upon unless the absolute necessity of the employment of such powers is demonstrated.

Epictetus said that "great power is always dangerous in a beginner," and human nature is so unchanging that what the famous stoic philosopher said eighteen hundred years ago is as true to-day as it was then. The fact that the man intrusted with extraordinary powers is a beginner implies inevitably that he is abundantly ignorant of the subject with which he has to deal. There is no doubt of the truth of Gray's familiar line that "where ignorance is bliss 'tis folly to be wise," but when ignorance is associated with great political and administrative powers it means anything but bliss for those who are subjected to the vagaries of large powers wielded by untrained hands. It has been suggested that ignorance of a difficult subject intrusted to a government officer was desirable in order to secure impartiality. It is no doubt true that the scales of the mind will hang even when there is nothing in them. And yet it seems as if it were better to have as a judge one who knows the law than a layman, and this appears to be a sound general principle in the selection of any man for the performance of duties which affect the welfare of millions of people. The instinct of the untrained and ignorant beginner is not only to use but to use in an extreme manner the immense authority and power which have drifted into his possession. He is like a child with a mechanical toy. He wants to see the wheels go around. However honest his intentions may be, however patriotic his purposes, the results of the wild efforts of a beginner intrusted with enormous powers are almost certain to be prejudicial to the community at large.

As I have already tried to show, there was no need of the Fuel Administration, no reason why it should exist at all, and the powers, however amiable the purposes of their possessor might be, have been employed in such a way as to make a bad situation worse and do nothing but harm. I know that in what I have just said I am open to the suggestion that my criticism is purely destructive. So it is, but it is the destruction which is intended to precede construction.

I think I have shown that the vital point in the whole coal problem was the railroad situation. Instead of waiting until midwinter to get rid of the chaos of the priority orders and giving a free hand to the Railroad War Board or to a director to deal with the railroad situation, we were saddled with the Fuel Administration, which could do nothing whatever about the railroad situation upon which all the difficulties practically hinged. So far as the coal situation was concerned, it ought to have been turned over to the Secretary of the Interior, within whose department it naturally came. Mr. Lane is a skilled administrator at the head of a trained organization requiring only the extension needful to deal with the new work. With the Secretary of the Interior as an expert adviser should have been placed Mr. Peabody, who was the head of the advisory committee. Mr. Peabody had been dealing with the question. He had made up, as I have pointed out, the best and fairest committee of advisers that I have heard of in my investigation, a committee upon which he had representatives of the miner, of the operator, and of the consumer. He showed on the stand, in my opinion, a wider knowledge and a more thorough grasp of the great and difficult problem involved in the coal supply than anyone who appeared before us. Secretary Lane and Mr. Peabody, through machinery which they had set in motion, had already made an arrangement tentatively which lowered the prices of bituminous coal nearly 100 per cent and yet established only a maximum price sufficiently high to permit flexibility of prices beneath. In other words, they had interfered with the natural laws as little as possible. They are both eminently competent men. Why they were set aside I do not know. They are both undoubted Democrats.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Colorado?

Mr. LODGE. Certainly.

Mr. THOMAS. If I am correctly informed—and I think I am—a very large proportion of the prerogatives of the Secretary of the Interior has been transferred to other departments in practice.

Mr. LODGE. That may be the case.

It is true that Mr. Peabody by character, ability, foresight, and intelligence has been honestly and largely successful in business. I am aware that such a record is thought objectionable by some persons, but it seems hardly a sufficient reason for his displacement from a position for which he was so peculiarly fitted. I can not say why the coal problem was taken from him and the Secretary of the Interior and consigned to Dr. Garfield. It is not for me to try to scale Olympus and seek to penetrate its mysteries. It is enough to record the fact that the change was made. In my opinion, if the coal situation had been left in that way in the hands of Secretary Lane and Mr. Peabody, without building up a new fabric of clerks and deputies, a very large proportion of all the troubles we have had and of the suffering and loss which have been inflicted upon the American people during this winter would have been avoided. If that change were made now, if we were to return to Mr. Lane and Mr. Peabody, despite all the complications which have been created by the Fuel Administration, I believe the situation would improve, and that by next winter with the aid of the work done on the railroads we should be practically without anxiety as to the production and distribution of coal.

In the discussions which have been heard in Congress as to the grant of powers the argument is always advanced in the form of a question, "Can you not trust the President?" Certainly the President is to be trusted; that goes without saying. But the fact is that the President, except on the most important questions, does not and can not exercise the powers granted. They are exercised by persons to whom he delegates them in ninety-nine cases out of a hundred. In the case of coal, for example, the powers granted in the act are delegated by the President to the Fuel Administrator. Then the Fuel Administrator delegates powers to the heads of his various bureaus and departments. Then he further delegates powers to the State fuel administrators. So far as I could learn, the only absolute qualification required of these last gentlemen is that they should be Democrats, and with that qualification, so important as a guide to the management of the coal industry, fulfilled, there appears to be no other insisted upon. I have no doubt that the State administrators are very excellent men, but they are clothed with great powers. These powers they in turn delegate to a fuel administrator in each county, and I think, roughly speaking, there are some 3,000 counties in the United States and to a city administrator in the larger cities. Then the county administrator selects a committee, and large powers therefore pass in this way into the hands of county committees, and they exercise them. To suppose that all these men, scattered over the face of the country, who have never, as a rule, had any experience in public administration or in the exercise of great governmental powers, should use them wisely and not ignorantly, and use them without local or personal prejudices, is to imagine an impossibility. The city administrator also has his committee or corps of assistants. Let me take one simple example from the testimony as to the result of this infinite subdivision in the delegation of powers. On page 297, in the portion of the hearings relating to coal, we find the following statement by Mr. Thorne, a very able man, probably well known to many Senators, and this is what he said:

Mr. THORNE. Yes. I want to say here that shortly after the statement to which I have referred was filed with Mr. Nims the Federal Trade Commission wired the postmaster at Des Moines, Iowa, to report immediately what the prices on coal were August 1 in that territory. That telegram was sent, I believe, September 12. All of this is a part of the record in the Iowa hearings. We produced the clerk in the Post Office Department that gathered the data, a man with absolutely no experience along this line of work, especially on the subject of cost accounting, or analyzing evidence produced by people when they are trying to put over a proposition.

Senator KENYON. Where did he get his facts?

Mr. THORNE. He went around and asked a number of people he thought would know, and then he sent a telegram to the Federal Trade Commission. We made him produce the substance of that telegram and state the prices he wired. We then produced signed letters from all of the coal operators in the State who had written to the governor before the schedule of August 21 was established, and these signed letters showed that in not one instance was the average price at which they were selling coal as high as the lowest price this man telegraphed the Federal Trade Commission.

The CHAIRMAN. Don't you think that a post-office clerk, particularly if he is under the civil service, is duly qualified to ascertain any matter that concerns humanity?

Mr. THORNE. That will be conceded without argument.

I quote this one example to show how these vast powers are administered in practice and the danger of rashly conferring them. This is particularly true of the powers to fix prices, an attempt to set aside economic laws which has always been attended throughout history with injury, with perils of every kind, and generally with complete failure.

The danger of the delegation of powers to which I have been referring is shown in the fact that to local administrators was left absolute power to fix prices for what are known as wagon mines or "country banks," which are classified by the Geological Survey under the heading of "local" and "semicommercial." The semicommercial mine produces from 500 to 3,000 tons and probably ships a small amount of coal by rail. The wagon mine, or local mine, produces less than 500 tons, but these mines are of immense importance, out of all proportion to their output, to the comfort and well being of the neighborhood they serve. It costs much more to operate these wagon mines than it does to operate with the best machinery one of the mines of high efficiency, but by not paying any freight and through distributing by wagon or, in the case of the semicommercial mine, perhaps by a short haul on the railroads, the coal reaches the consumer at a much lower price than if he bought through the regular channels coal which was produced by a high-efficiency mine but which paid heavy freights. According to the Geological Survey there are 511 semicommercial mines in the country and 14,834 wagon mines. To leave all these small mines, which serve such a useful purpose in the economy of the country, at the mercy of local administrators, many of whom have had no experience in the operation of mines or in the coal business, appears to me to be in the highest degree perilous.

Let me now, in conclusion, speak of three matters which have come out in this investigation and which seem to me to have had a very injurious effect upon all operations of the Government. One is the danger of acting upon theories based upon exceptional cases and not upon general conditions. The principal excuse for departing from dependence upon voluntary action in response to appeals from the Government is that there is a small minority of people who are not patriotic and who do not respond to the appeal. It is common to sum up these people as "profiteers." Let me pause just a moment over the word. It was born in England and has followed the English language round the globe. Whatever may be its linguistic or etymological defects, it seems to have filled a gap. The misconduct or crime, if you choose to use the harsher word, is an old one, but the terms of former days, such as "regraters" and "forestallers," have become antiquated and out of fashion, while "speculator" has seemed not only inexact but insufficient. "Hoarder" is another well-known word employed in the same connection, but it has become difficult of use in this country, because by statute the farmer is permitted to hoard, and hoarding is denounced only when it is indulged in by some one not a farmer. There is an obvious awkwardness in using a word which is virtuous by statute and vicious in all other connections. Hence, I think we may say that "profiteer" as defining those persons who make inordinate profits by taking undue advantage of war conditions has its value and it also has the merit at this moment of being well understood. My own belief is that profiteering on a large scale by business men has practically ceased, because when practiced by great firms or still greater corporations it is necessarily very public and very flagrant, is not tolerated by public opinion, and is easily reached by law. The President has recently used the word in connection with some of the demands of organized labor, but most of the profiteering in food and fuel, so far as I can learn from the testimony, was found among retailers, and was practiced by only a small minority of that class. To base action upon it would be to base action upon a small minority, whereas action should always rest upon the practices of the great majority. Moreover, profiteering can be dealt with in another way. We have abundant power in law to punish those who take advantage of the situation to charge undue or extortionate prices and to make money out of the distresses caused by the war, an almost unpardonable offense. Let them be punished under the law. A few severe and well merited sentences of the court would bring it to an end, and we should then be spared the dangers of altering an entire system of distribution and disturbing the natural economic laws because a comparatively small number of persons decline to support voluntarily the necessary policies of war times. To alter a whole system, throw great trades and occupations into disorder and change the well-established channels of distribution because a small percentage of the population are not as patriotic as they ought to be is like using a trip hammer to kill flies. The resulting damage from this method is wholly out of proportion to the result obtained. This course should be avoided and especially when the same end can be reached by other methods.

Another catch word which has been creeping in and which seems to me full of danger, as shown in the performances of the Fuel Administration, is this talk about "essential" industries. The industries directly concerned in supplying munitions, in producing ships, in feeding and clothing our soldiers, and in aiding our allies with supplies must have not only preference but also the right of way; but where is the line to be drawn if you are going to enter upon a harsh and destructive treatment of many industries because some person in Washington dressed in a little brief authority chooses to define them as "nonessential"? There should be preference among the industries, but none should be destroyed or gravely injured if it can possibly be avoided, because the industries which clothe and house the people are necessary to the well-being of the people, and the well-being of the people is the support of the Army and Navy. Vast as is the demand for labor in munition factories and shipyards and huge as are the sums expended by the Government, they can not begin to take care of all the labor in the country or pay all the wages. That the people should be as well employed as possible and therefore as contented as possible we all must admit to be vitally important, and what they are called upon to suffer by the death of those whom they love in the service of the United States and by the discomforts they are themselves compelled to endure, by the economies they are forced to practice and from which they can not escape, are a sufficiently grievous burden, without needlessly imposing upon them the additional deprivations and suffering which would follow from the destruction of the normal industries of the country. It is entirely wrong to talk about "business as usual," but it is equally wrong to force people to needless deprivations, discomforts, and even to suffering, on the general proposition of economy in expenditures and the necessity of sacrifice being good for the soul. All the necessary sacrifices will be made courageously and cheerfully by the American people, but needless, useless sacrifices forced upon them by blunders of administration will impair unanimity of feeling, lower enthusiasm, and tend to diminish the grim determination which is imperative if we are to win this war, as I believe we shall win it. That was the most vicious feature of the fuel order establishing the heatless days, because, not content with trying to bring about a saving of coal, the Fuel Administration undertook, as appears by Dr. Garfield's testimony, to produce what they called equality, and because somebody else had no water power and no coal, to shut down mills which were run by water power, applied directly or indirectly, and factories which had abundant coal, which they were not summoned to distribute. All were involved in one common injury inflicted by their own Government; and then came a series of exemptions, published at large in the Official Government Bulletin, so as to make clear to our enemies, among other things, just what our munition plants were, and which simply enhanced the inequalities already produced by the order of the Fuel Administration.

Thus the question recurs as to this arbitrary power to say what industries are essential and what "nonessential." Amusements, for example, are not a war industry—the time may come when they must be closed—but there is something to be considered now besides the mere fact that they do not turn out munitions of war, and that is the moral effect upon the temper of the people of suddenly depriving them of all innocent and legitimate amusements. England and France and every nation engaged in the war recognize the fact that it is not well to depress the spirit of the people needlessly. The making of children's toys again is what our officeholders in Washington would call nonessential. Is it well to darken the life of children by depriving them of harmless toys and games before it becomes absolutely necessary? Would it not be better for the spirit and temper of the people to keep the children happy as well as healthy just as long as we can and to keep the people who furnish amusements and the men and women who make toys employed as long as it is reasonably and properly possible? I have taken extreme cases in order to show that this loose talk about essential and nonessential industries can not be trusted and carries with it great perils if blindly acted upon.

But there is one other much more serious objection to the legislation and the administrative action which is deduced from talk about profiteering and nonessential industries, and that is that if you lower any more than is absolutely necessary the normal business activity of the country you are at the same time lowering the earning capacity of the country, you are lowering the saving capacity, you are drying up the sources from which your revenue by taxation must come, and to which you must look for your loans. This seems to be something which is wholly overlooked. The fear, which was acute in certain quarters that somebody might make money, if carried into irrational action dictated by prejudice and passion is entirely incompatible with raising the money, without which the war can not go on at all. It is much better to allow people to make profits, even if in some cases there are unreasonable profits, which can all be taken by taxation, than to deprive them of both profits and employment and bring business to stagnation and despair. The fact is that there is a fundamental error in many of these policies which have been put forth by these commissions and by the heads of departments. The one duty of any man, high or low, charged with the conduct of this war or any portion of it, no matter how slight, is to win the war and not to promote other measures, whether good or bad, which are purely social or political. That is the error which has been made both in the Fuel and Food Administrations. They started out with a proposition that they were going to lower prices and at the same time stimulate production. They were going to lower prices, not merely prices to the Government, but prices generally, whether for export or for domestic consumption, and at the same time they were going to stimulate production. There is only one thing, as human nature is now constituted, which will really and surely stimulate production, and that is the hope of making, first, a living, and, second, a profit. The experiment was an interesting one. Prices were reduced with a blare of trumpets in the newspapers; but, with a reduction of prices, we have had a famine in sugar and in coal. We have had no reduction of coal prices, because, whatever the figure fixed arbitrarily at the mines, by the time the coal reached the consumer he paid more than he had ever paid before. In the case of sugar there was a slight reduction of a cent to a cent and a half a pound from the top price reached in August, 1917. But in certain parts of the country there was no sugar. I am not speaking of what prices might have been. It is the easiest thing in the world to raise or reduce an imaginary price. It reminds me of what Mr. Reed said once about the tariff, that "the best tariff politically was the unmade tariff, for that suited every district." The same is true of prices. It is the easiest thing in the world to reduce a price which has never existed as a matter of fact, and with these newspaper reductions of prices, this lowering the cost of living, which, with the great fundamental causes at work for an advance, was about as possible as stopping the ocean's rising tide with a mop, came scarcities and even famines, and the scarcity and the famines were facts—they, at least, were not imaginary. To have low prices announced for sugar and for coal and then produce in return a scarcity and a shortage of both is a very barren pleasure to the consumer. The average man would rather pay a little more for his sugar and have it and a little more for his coal and be warm than to see a delightfully low price announced in the newspapers and be very short of both coal and sugar.

These two articles of universal consumption are merely examples. The mistake in policy goes much deeper than that, because, as I have already pointed out, it is striking at the savings and the earnings of the country, and if you can not keep business productive and earnings ample you will raise no loans and your revenue will rapidly decline. It all comes from undertaking to do two things at once. It is not the duty of an administrative officer to promote political fortunes or political principles or socialistic doctrines. His one duty is so to conduct his department or his bureau that he will help the war in the most effective way.

But there is one other cry which has been raised, which I am sorry to say has even been heard on the floor of the Senate, that any man, be he Democrat or Republican, who ventures to criticize what he believes to be shortcomings, and who in his desire to quicken our preparations and to strengthen us in the field advises a change in organization or in policy is a friend of Germany. Mr. President, I think it will be wise to omit attacks upon the patriotism of other men merely because we differ from them as to the manner in which the war is being conducted. I think we are safest in assuming that the American people and their representatives are patriotic. Patriotism is not confined to those who have recently had the good fortune to be appointed to more or less important offices here in Washington. It is perhaps to be expected that they should be more or less dazed and overcome by the solemn plausibilities of official rank and title, but they have no monopoly of patriotism. There are thousands upon thousands of people in this country who are making the hardest of sacrifices for the sake of the country who hold no office and never will hold any. There are many men upon this floor at this moment who are making sacrifices, although they say nothing about it, which wring their hearts and which involve those who are far dearer to them than their own lives. They are not to be told by the heads of bureaus and commissions that they fall short in patriotism because they criticize, in the interest of the country as they believe, some of the doings of these departments or commissions or bureaus. It is very easy for some of these gentlemen in office to display a somewhat vociferous patriotism. I have no objection to their doing it, but they must not reflect on the patriotism of other men who differ from them on public policies. There is a tendency, perhaps more than a tendency, to make the test of patriotism a blind unquestioning support not only of the President himself but of everyone whom he sees fit to appoint to a position of responsibility. It is our duty to support the President as the representative in the highest office of the American people to the utmost of our power, but never beyond what our conscientious convictions of duty to the country and the cause demand. Many years ago in a very familiar poem Lowell wrote:

> The side of our country must ollers be took,
> An' President Polk, you know, he is our country,
> An' the angel thet writes all our sins in a book
> Puts the *debit* to him, an' to us the *per contry*,
> An' John P. Robinson, he
> Sez this is his view o' the thing to a T.

The first four lines involve a syllogism of which the conclusion, although obvious, is lacking, but the John P. Robinsons are as plentiful now as they were then. The highest allegiance, as I said the other day, is to the country and the cause and then to the President and to the men who represent that country and that cause in the field. Criticism may be false, malevolent, and harmful, just as the falsehood which drips from the lips of interested flattery may be pernicious, but honest criticism may well be helpful. The man who tells the truth as he believes it in a proper way to those charged with responsibiiity must not be regarded as an enemy by the men to whom he offers the truth or the facts as he understands them. He is laboring for the same end. He had much rather give unstinted praise, but he would be false to his highest duty if in order to give praise he concealed the truth. The greatest men are those who have always looked facts in the face, as Washington did. A truly great man is anxious to hear what is unpleasant even more than what is pleasant because if anything is wrong it is by the knowledge of it and by remedying it that he carries his cause to triumph. Absolutely complete veracity of mind is rare and is found perhaps only in the very greatest men, but any man ought to have the courage to seek the truth and not shrink from hearing the truth because it may be disagreeable to listen to it. "An uncomfortable truth is a better companion in life than a pleasing falsehood." The American people I believe are a brave people and wish to hear the truth and are not afraid to face it, although some who would win their favor seem to think so. If there is anything wrong or anything that can be improved, let us know it and let us set about the work of improvement at once. To lull ourselves with harmonious pæans that everything is for the best in the best of all possible worlds would be fatal. This is a troubled and distracted world. We are battling for the very life of civilization and everything we hold dear. We are engaged in a life and death struggle with barbarism in war and with tyranny in peace. We need to strain every nerve to win a complete victory, but there is no road to that victory except by facing facts as they exist and meeting them with all the strength of body and soul that there is in us.

WAR FINANCE CORPORATION.

Before the conclusion of Mr. LODGE's speech,

The PRESIDENT pro tempore. The Senator from Massachusetts will please suspend for a moment. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. SIMMONS. I ask that the unfinished business be temporarily laid aside.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Massachusetts will proceed.

After the conclusion of Mr. LODGE's speech,

ADJOURNMENT.

Mr. GALLINGER. Mr. President, I move that the Senate do now adjourn.

The motion was agreed to; and (at 2 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Thursday, February 28, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *February 27, 1918.*

The House met at 12 o'clock noon.

Rev. James L. Gordon, D. D., of the First Congregational Church, Washington, D. C., offered the following prayer:

O God, our help in ages past, our hope for years to come,
Our shelter from the stormy blasts, and our eternal home,

We come to Thee, and we thank Thee that Thou hast revealed Thyself in nature, that Thou hast revealed Thyself in us, that Thou hast revealed Thyself in the Old Book, that Thou hast revealed Thyself in the heart of Thy Son, Jesus Christ, the peerless personality of all the centuries and of all the years, and we thank Thee that Thou hast revealed Thyself and that Thou art nigh unto us. We come unto Thee to-day in one of the greatest hours in the history of the world, and we thank Thee that we are living in such a time as this.

We are living, we are dwelling
In a grand and awful time;
In an age on ages telling,
To be living is sublime.

We bless Thee for our residence in this great country, this gathering together of the nations of the earth, this family of States, this blending and mingling of all nations and tongues and races and peoples, and we bless Thee that we are living in such an hour as this when the whole world stands face to face with a new epoch in the history of the world.

We do ask of Thee that Thou wilt grant that the eternal distinction 'twixt right and wrong shall be enthroned in every heart and in every soul. Help us to believe and grant us the faith to believe that the right shall triumph over the wrong, and that eternal good shall be eternally enthroned in this Nation and in this world. Help us to sing,

God moves in a mysterious way His wonders to perform,
He plants his footsteps on the sea and rides upon the storm.

We pray for our Republic, for our flag, for the President of the United States of America, for our Senators, for Members of this House of Representatives, for our soldiers, for our sailors, and for the absent Chaplain—for all. O God, bless us and draw nigh unto us in this great hour, and grant that for each and for all and for every one of us there may be enthroned in the heart and mind and soul and the personality of each one of us a consciousness void of offense toward God and man. In this hour reveal Thyself, and grant that we may be true, true to the best instincts of heart and of soul. Lead us on in the way everlasting and grant that as a result of all the trials, tribulations, difficulties, perplexities, and problems there may come out of the turmoil and conflict one God and one humanity, a race united, to serve and to worship Thee. Keep us till the day dawns and the shadows fly away, and then grant us all admission to Thy presence at last. We ask it in the Redeemer's name and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

PENSIONS.

Mr. SHERWOOD. Mr. Speaker, I present herewith a report (H. Rept. No. 343) from the Committee on Invalid Pensions on the bill H. R. 9959, increasing rates of pensions of soldiers and sailors of the Civil War.

The SPEAKER. The gentleman from Ohio presents a report upon a pension bill, which will be referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to have printed my views in connection with the report submitted by the gentleman from Ohio [Mr. SHERWOOD] on the pension bill, H. R. 9959.

The SPEAKER. The gentleman from Indiana asks unanimous consent to file his views as a minority member on the pension bill. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire, and to sell or otherwise dispose of improved or unimproved land, houses, buildings, and for other purposes.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3915. An act to reimburse Benson County, N. Dak., for money expended in the care of three insane Indians.

The message also announced that the President had approved and signed bill and joint resolution of the following titles:

On February 21, 1918:

S. 1418. An act to authorize the President of the United States to appoint Harry Graham captain of Infantry.

NOTE.—This bill was presented to the President on February 7, 1918; and not having been returned to the House of Congress in which it originated within the time prescribed by the Constitution, it has become a law without his approval.

On February 12, 1918:

S. J. Res. 128. Joint resolution granting to certain persons in the active war service an extension of time within which application for insurance may be made under section 401 of the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3389. An act to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire, and to sell or otherwise dispose of improved or unimproved land, houses, buildings, and for other purposes.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. THOMAS F. SMITH for 10 days, on account of death in family.

QUESTION OF PRIVILEGE.

Mr. DIES. Mr. Speaker, I rise to a question of privilege touching the dignity of the House of Representatives and the integrity of its proceedings. I send to the Clerk's desk a newspaper clipping and ask that it be read.

The SPEAKER. The Clerk will read.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is not.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anthony	Eagle	Hood	Nicholls, S. C.
Capstick	Fairchild, B. L.	Husted	Norton
Carew	Fairchild, G. W.	Johnson, S. Dak.	Porter
Chandler, N. Y.	Fields	Jones, Tex.	Riordan
Clark, Fla.	Flynn	Kahn	Robinson
Coady	Garland	Kraus	Rowland
Copley	Good	Kreider	Sabath
Curry, Cal.	Gray, N. J.	LaGuardia	Scott, Iowa
Dallinger	Gregg	Langley	Scully
Dempsey	Hamilton, N. Y.	McCormick	Smith, Thos. F.
Doremus	Heflin	Maher	Snell
Drukker	Heintz	Mann	Wilson, La.
Dunn	Hollingsworth	Mudd	

The SPEAKER. On this roll call 379 Members, a quorum, answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from Texas.

Mr. DIES. Mr. Speaker, I ask that the Clerk read the extract from the article sent to the Clerk's desk.

The Clerk read as follows:

CONGRESSMEN SEEK SPITTING RECORDS, SAYS ALVAN FULLER.

Asserting that "the majority of our Congressman are here telling stories and practicing to see who can spit the farthest, Congressman ALVAN T. FULLER, of Massachusetts, the only Independent in both Houses, to-day characterized Congress as "the most inefficient and expensive barnacle ever attached to a ship of state."

In a letter of vigorous protest to Speaker CLARK against the present system of legislative work, FULLER resigned from the Committee on Expenditures in the Interior Department, saying it hadn't met this session.

Mr. DIES. Mr. Speaker, if the newspaper article which I just caused to be read by the Clerk stood singly and alone I am sure I would not take up the time of the House to comment upon it, but it has become quite the fashion in recent times for every penny paragrapher in the country to make light of the American Congress and seek to belittle it in the eyes of the country. This belittling and aspersion has usually been from persons who knew nothing of this great legislative body or the personality of its membership. The penny paragraphs written by these anemic ink shovers, who could probably earn ten or fifteen dollars a week [laughter and applause] usually spring from brains somewhat prescribed in their limits, both as to intellectual ability and the opportunity to observe this body, but now a Member of the body itself has been found who declares the decadence of the Congress, that it is no longer a useful body in the Republic for the maintenance of the liberties of the people and the conduct of the people's business, and because I know that the penny liners and funny paragraphers will take up what a Member of this body has said and write many funny paragraphs, because there will be old, effete men and young, immature children, and some Bolsheviki, and some scattering ignorance in the country that will believe it and thus despair of the usefulness of the most popular branch of our Government. For that reason, Mr. Speaker, I have felt you might not resent it if I commented briefly on this article or letter written by the gentleman from Massachusetts [Mr. FULLER] to the Speaker. Mr. Speaker, it might not be amiss to propound the question, What is the Congress, this body of 435 men, one branch of Congress, the House of Representatives? I believe in every instance they are chosen—they must be chosen—by a free and untrammeled suffrage of those whom they represent. They represent in the aggregate 100,000,000 of people, and they are chosen for this service every two years. They are chosen by what I conceive to be the most enlightened electorate in the world, and chosen often enough that the people can replace them, or parts of them, as they show themselves inefficient or unworthy of the place they hold. And I may say, Mr. Speaker, that the position of Congressman is sufficiently dignified, carries with it sufficient responsibility and sufficient remuneration to challenge the ambition of the best and brainiest men who are in the several congressional districts of the United States. A reflection upon this body, Mr. Speaker, is a reflection upon those who sent us here. If this body, as the gentleman from Massachusetts [Mr. FULLER] has said in his letter to the Speaker, is a barnacle upon the ship of state, whose Members engage in no more weighty or worthy occupation than seeing who can spit the farthest, if that is true, what must be true of the fallen citizenship of those who sent men of that character into this Chamber. Here, sir, are being determined and have been determined the weightiest questions of state; here are being determined questions of the highest moment affecting the destinies of 100,000,000 of free people; and if it is true that the people have fallen to such a state of decadence of citizenship that they have sent unworthy, lazy barnacles to Congress to represent them, then that must give occasion for despair to those who seek the perpetuity of the Republic. And before I am willing that the people should accept the estimate of the gentleman from Massachusetts, I would like to know in what particular he can qualify as a critic of the American Congress.

I know Charles Dickens came here in an early day, long before the Civil War, I believe; I do not know just when, but probably in 1846; and he made some little light of the American Congress, but probably he was smarting under the defeat of Pakenham by old Andrew Jackson at New Orleans, or probably his national pride had been wounded by the blaze of glory in which our flag had swept the world. Dickens might qualify as a foreign critic of the American Congress, but I would like to know, before we accept this new apostle of iconoclasm [laughter], what qualification he possesses that entitles him to sit in judgment upon this great body, a body from which men have gone to the Presidency, a body from which men have gone to the Supreme Court, a body from which men go almost every four years to the Cabinets of Presidents, to fill the most responsible places as foreign ambassadors in the courts and embassies of the world. It must be some colossal intellect; it must be some man deeply learned in the history and philosophy of the world; it must be some man who has given the world some token of his prowess who essays thus to dub the Congress of America "a lot of barnacles and spitters." [Laughter.] Now, in what I am going to say, Mr. Speaker, I need not assure the House there will be no bitterness. How could a man be bitter against a man he never saw in his life and never heard of, I believe, until this matter came up. [Applause.] When my attention was called to this arraignment of Congress by the gentleman from Massachusetts, I immediately began to inquire among the membership as to who this gentleman is who was so high and holy, so pure and mighty, that he could not sit with "a lot of spitters and barnacles."

Believe me, Mr. Speaker, I had a great deal of difficulty in finding anybody who had ever seen the gentleman. [Laughter.] But that did not prejudice me against the gentleman from Massachusetts [Mr. FULLER], because he is a new Member of this House and the body is numerous, consisting of 435 Members. There are many of them whom I do not know, and that would be no reflection upon him. And so I said that I would go to the Congressional Directory and surely I would get some trace of him in there. And I did. I found he had served a term in the Massachusetts Legislature and that he was the owner of the Packard Motor Car Co., of Boston.

Now, the service in the Massachusetts Legislature is of some value to him in this body. His ownership of the Packard Motor Co. is none. Then I went to the RECORD clerk, and I said, "This man must have been making some speeches and protests against the decay of a great Republic in order to have come now and call attention to its decay to the American people. Surely before he told the men and women of America that this body was rotten he would come before this body and make some protest, even as Demosthenes did before the decay of the Greeks." [Laughter.] But I searched the CONGRESSIONAL RECORDS in vain. I called to the pages of the RECORD for FULLER of Massachusetts, and the answer was silently entombed in the RECORDS there—silence, simply that and nothing more. [Laughter.]

Then I said, "This gentleman who despairs of the Congress surely has introduced some measures here for the relief of the people," and I went to the proper officer of the Congress to secure copies of the bills that he had introduced. I found that on January 11 of this year Mr. FULLER of Massachusetts introduced a bill to establish a common-commodities commission.

This bill is very short, and I want you to read it, because before a man can qualify as a critic of the Congress of this country he must have some knowledge of statecraft. The people of America, no matter if they thought we did spit a little [laughter], and that some of us did not get as many miles out of a gallon of gasoline as we ought to get in the performance of our duties here, would not tear this great edifice of the people down at the beck and call of a man or men who evidenced no knowledge of statecraft. You are not going to let anybody tear your Ford, or Packard, either, down unless they know how to build up another as good as that. You ought to know before you let your machine be torn down that somebody is tearing it down who can rebuild it. The following is the bill:

A bill (H. R. 8633) to establish a common commodities commission.

Be it enacted, etc., That there shall be established a common commodities commission, consisting of five members, to be appointed by the President and confirmed by the Senate, whose duties shall be to establish and regulate the maximum price which shall be paid for the common necessities of life.

This commission shall submit to the President of the United States each month a list of articles which it has designated as common necessities of life, and such a list shall, when approved by the President, be considered as the official list of articles on which said commission shall fix the maximum price for which they shall be sold.

The salaries of such commission and any necessary employees, which it is hereby authorized to employ, shall be established by the President, as well as the terms of office for which they shall be appointed.

The rules and regulations by which this commission shall be governed shall be established by the President of the United States, who is hereby authorized to take all necessary steps to see that the recommendations of the commission are carried out.

Of course, the introduction of that bill would be incongruous by any man who did not think the Congress was not a bunch of barnacles. That would entirely relieve the human family, without any further adoo, from the law of supply and demand. All he would have to do would be to have a book with thousands of articles printed in it relating, among other things, to potatoes, whether frostbitten or not, and eggs, whether more or less spoiled, and the price thereof. And if you had time, and were not blind then, to look it up, before you went to market you could tell whether you had enough money to buy breakfast with or not. [Laughter.]

I found that this bill was referred to the Committee on Agriculture. Naturally, I supposed that the gentleman from Massachusetts, viewing the crumbling of the Government with some alarm, no doubt had gone over to the chairman of that committee posthaste to get a hearing and see if he could get this legislation enacted into law. But I find that the chairman of the Committee on Agriculture did not even know the gentleman, and had not seen him so far as he was able to know. He had not requested a hearing on the bill and had not done anything in the direction at all of causing it to be written on the statute books of the country. Probably the gentleman was ashamed of the child and did not want anybody to know seriously down here that he was the father of it. [Laughter.]

Mr. VENABLE. Will the gentleman yield?

Mr. DIES. Yes.

Mr. VENABLE. I wish to inquire if the gentleman's information is that the reason the gentleman from Massachusetts had not pursued his bill was because he was too busy spitting?

Mr. DIES. I take it from what I learn from the gentleman's letter to the Speaker that he is too decent to spit [laughter], and that if he did spit he would not spit far. [Great laughter.]

The next bill was to require Members of Congress, in obedience to the false clamor of the newspapers, based on false information, to pay an excess-profits tax on their salaries. Well, now, of course we all voted for it, and nobody wants to avoid any sort of tax. The first thing we did when we made an income tax was to tax ourselves. Everyone knew that for a man who came here with no income except his salary and had to pay campaign expenses every two years and go to and from Washington $7,500 a year, if he were fit to be a Congressman, was as low a salary as the Government ought to give him. But we voted to tax ourselves under the provisions of the income tax. Then this gentleman introduced a bill to levy an excess-profits tax on us. I think probably they are going to do that. Let them do it.

Mr. REED. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. REED. We have exempted the State officials of all the States.

Mr. DIES. Yes. The salary of a Congressman should never have been subjected to an excess-profits tax. Who ever heard of an excess profit in a Congressman's salary [laughter], especially when he has to pay 70 cents a pound here in Washington for butter and 80 cents a dozen for eggs, against one-fourth of that amount that we paid before the war? No more foolish thing could be said than that there should be an excess-profits tax on a Congressman's salary.

Now, there were two other little bills introduced by the gentleman from Massachusetts.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. FLOOD. I would like to ask the gentleman a question. Did the gentleman from Massachusetts follow this bill up?

Mr. DIES. I thank the gentleman for that suggestion. He did not. My understanding from the committee is that he made no effort to have his bill written into the law.

Then, one other bill was to increase the pension of some worthy soldier to $75 a month, but I understand that no brief or evidence or sworn testimony was ever submitted to the committee, and that the increase was not given.

The only remaining bill I have been able to find is one that was referred to the Committee on Claims, allowing $1,100 to some gentleman who is no doubt entitled to receive it for damages done by the Federal Government. [Laughter.]

Mr. FULLER of Massachusetts is a member of the Committee on Claims, and also a member of a subcommittee of that committee, whose duty it is to handle these claims. I understand that the chairman of that committee is not even acquainted with the gentleman from Massachusetts. [Laughter.] I also understand that as a member of that subcommittee he has a box there of claims of citizens against the Government, a number of important claims, waiting to be considered by the gentleman from Massachusetts, a member of the subcommittee, but that he has never gone there to get acquainted with the chairman or to look into the box and see how many claims are awaiting his attention. [Laughter.]

Now, Mr. Speaker, this gentleman resigned from the Committee on Expenditures in the Interior Department. Let me say that there are no more important committees in this House than the Committees on Expenditures. They are generally inactive, thanks to the fact that there is but little graft and misgovernment in the departments. They were created back in 1816 and later as the departments were created. Let us see what the duties of these committees are. As I said before, they are often quiescent. Often these committees take no action for months and months, and sometimes for a year at a time.

Mr. GORDON. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. GORDON. The inactivities of these committees are frequently due to the absence of members from the Capital and their inability to obtain a quorum, is it not?

Mr. DIES. Well, I confess that there may be something in that. [Laughter.]

Now let me read, so that it may go into the RECORD, the duties incumbent upon a member of the Committee on Expenditures in the Interior Department:

> The examination of the accounts and expenditures of the several departments of the Government and the manner of keeping the same; the economy, justness, and correctness of such expenditures; their conformity with appropriation laws; the proper application of public moneys; the security of the Government against unjust and extravagant demands; retrenchment; the enforcement of the payment of moneys due to the United States; the economy and accountability of public officers; the abolishment of useless offices; the reduction or increase of the pay of officers, shall all be subjects within the jurisdiction of the nine standing committees on the public expenditures in the several departments.

I went to the chairman of this committee, the gentleman from Oklahoma [Mr. HASTINGS], and I inquired of him what effort the gentleman from Massachusetts had made to have the committee take up the investigation of these matters. He said he did not believe he would know the gentleman from Massachusetts if he should see him. [Laughter.] I found that the gentleman from Massachusetts had made no effort to have a meeting of the committee on these matters. But he needed no committee meeting to institute an investigation. As a member of that committee, the great Department of the Interior was open to him for investigation and examination and criticism.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. STEVENSON. I am a member of the committee which the gentleman says never met. We had a meeting and took action to discharge some very important matters, and the gentleman was not there. I have never seen him myself. [Laughter.]

Mr. FULLER of Massachusetts. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. FULLER of Massachusetts. I rise to answer that false statement that was made.

The SPEAKER. You can not do it that way.

Mr. STEVENSON. I would like very much for the gentleman to make a statement.

The SPEAKER. The House will be in order. The gentleman, if he has anything to say, will get time after the gentleman from Texas is through. The gentleman from Texas will proceed.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Texas yield to the gentleman from Kentucky?

Mr. DIES. I would rather not now; just in a moment.

Now, Mr. Speaker, I have not called attention to these matters in order to be funny, or in order to make a speech at the expense of the gentleman. I have done it because I believe, as a Member of this Congress and as a citizen of this Government, there ought to be something done to put a stop to the querulous, the unjust, and the silly criticism of this body. [Applause.] Why, here is a body of men that possesses more brains and more patriotism, and more information than any other legislative body on earth. How can you value anything except by comparison? Compare the Congress of the United States with any other body that exists in the world; compare it with the French Chamber of Deputies, the German Reichstag, and the British House of Commons, and I undertake to say that both in the patriotism of its Members, their intelligence, and their integrity they bear favorable comparison with any other body that exists upon the earth. I will name just a few of the Members that are here before me: CLARK of Missouri, CANNON, KITCHIN, FORDNEY, COOPER of Wisconsin, SAUNDERS of Virginia, RODENBERG, MANN, GLASS, GILLETT, GARNER; and I could name a hundred others if your patience would not be exhausted while I proceeded to do it, men who are as fearless in the discharge of their duties, men who are as competent to sit in judgment upon the destiny of a great people, men who are as well informed, and better informed, probably, on the great legislative affairs that occupy the arena of the world than any equal number of men in the world.

Why, do you know, I was riding along in my little jitney out in the park last year or the year before——

Mr. KING. Was it a Packard?

Mr. DIES. No; mine was a Maxwell. I noticed a gentleman in a Ford, rattling along like a tin peddler, and I said to my wife, "There goes the chairman of a committee that is going to appropriate more money this year than will be appropriated by any committee of any other legislative body on earth." That was the gentleman from Tennessee [Mr. PADGETT], chairman of the Naval Affairs Committee. Not long ago I was riding up Pennsylvania Avenue in a street car, trying to hang onto a strap, and I saw the gentleman from Alabama [Mr. DENT] hanging to a strap and wabbling back and forth, and later I told my wife, "That little fellow you saw there hanging to that strap for dear life is at the head of a committee that is going to appropriate more than $8,000,000,000 of the people's money in this Congress."

Not long ago the gentleman from New York, Mr. Fitzgerald, who was then an honored Member of this body [applause], resigned from it to go back into his profession, because he wanted to make enough money to educate his children and to have something to keep the wolf from the door in old age. He was chair-

man of the great Appropriations Committee that handles and has handled for years the colossal appropriations of the Government. No one ever heard a breath of suspicion against Fitzgerald, against DENT, against PADGETT, or against any other Member of this body. Honest as Paul! A legislative body without reproach! And I think that can not be said as completely of any other legislative body in the world. In my almost 10 years in this Chamber I believe I have served with 1,500 or 2,000 Members of Congress, and as God shall judge me at the last great day, I do not believe I have ever known a man in this body who was venal or unfaithful to his conception of his duty. There are lots of Members with whom I do not agree, but, after all, it is their constituents principally that we do not agree with, because a man comes here to represent the views and ideas and traditions and history of his district, and I respect the opinions of every man here, because I know that if he differs from me it is merely because his constituents differ from my constituents as well as he differing from me.

The gentleman from Massachusetts [Mr. FULLER] does not look upon his seat in this Chamber as the great Speaker of the House looked upon his 10 years ago, before he ascended to his present high position—a gentleman, I may say, who came so near to being President of the Republic that at least half of the people think he ought to have been. [The Members rose and applauded.] Let me read you an excerpt from an extemporaneous speech made on the floor here by the then Mr. CLARK of Missouri. He said:

I have heard a distinguished Member of this House, now a Member of the United States Senate, say on the floor of this House once that he hoped the time would never come when the salary attaching to a public office was the chief inducement to an American citizen to accept that office. [Applause.] I indorse that. I am as proud of my seat in this House as any man here. I will stay here, if I can, at $7,500 a year, and I would stay here if you cut the salary down to-morrow to $5,000 a year. I would stay here if you cut it down to $4,000, if you cut it down to $3,000—I would stay here if you took the salary away, as long as I had bank account enough left to stay. That is because I like the service here. It is the thing that I looked forward to from a time that I can scarcely remember, when I was a poor, barefoot, ragged boy hoeing corn on a rocky hill in Kentucky.

I had never seen a lawyer, I had never seen a Congressman. I had never seen a courthouse, but I made up my mind then that I was going to be a lawyer and that I was going to be a Member of the House of Representatives, and I made good on both propositions. [Applause on the Democratic side.] The picture of that little, ambitious boy working as a hired hand, dreaming of the day when he would be here, abides with me to this day and will abide with me forever.

[The Members again rose and applauded.]

There are many of us, Mr. Speaker, who never have climbed and never will climb life's ladder of fame as you have done, but many of the humble Members of this body have had almost the same experience you had as an humble aspirant. What man would give up his service here? What man would give it up as a heritage to his children, an honorable service in the great Congress of the great Republic? I had rather hand it down to my sons and my daughters than to give them the wealth of Crœsus, King of Lydia. [Applause.] And I will say to my friend [Mr. FULLER], for whom I have nothing in this wide, wide world except charitable feelings, that in the years to come, when his children shall gather about the firesides of their homes to mention the father who shall have gone to the great beyond, they will be proud to refer to him not as the owner of the Packard Motor Co. of Boston, but as a Member of the great Congress of the United States of America. [Applause.]

Mr. Speaker, if I may be permitted to do so, let me reminisce for a moment about the House of Representatives. This is not only a wonderful body of men, but a peculiar body of men. Some men come here from agricultural, some from mining, some from manufacturing districts. They come from all over the country. It is a superficial observer who thinks that each of these men has not some strong point and some strong thing about him that has justified his great constituency in making a Member of Congress out of him. I know ofttimes I have been too hasty in my appraisement of Members. I would think there was not much in them, and presently they would flash forth like a meteor across the sky in some great public service for the country. Why, I remember CARTER GLASS. Certainly I never looked upon him as a thing of beauty. [Laughter and applause.] I sat around here, Mr. Speaker, and I did not know there was very much in CARTER GLASS until he became chairman of the Banking and Currency Committee, and in advocacy of that great constructive financial measure that all the world recognizes now as a wonderful piece of legislation I saw him reach down under his more or less plebeian vestments and draw out a rapier and wield it upon the floor of this House, and it was as keen a blade as ever flashed in the morning sun. [Applause.] And then once there came from Maryland a little, short, sawed-off gentleman here, who began to talk to us in a new line about the parcel post, and I heard the Members say, "Who is that little Tom Thumb from Maryland?" But he kept talking to us, and he had something in his head, as well as patriotism in his heart, and David Lewis continued to talk until he helped to write the great parcel-post law in its amplified form upon the statute books of the country. [Applause.]

I would say to my friend, Mr. FULLER, in all charity that a new Member is entitled to have the mantle of charity thrown about him. We have all been new Members. [Laughter]. And it is one of the characteristics of this body of men, with all sorts of sense and all sorts of charity and common sense and horse sense, that they do not hold anything against anybody here. You can make a fool of yourself and get away with it, because they have all done it more or less when they first started. [Applause and laughter.] This is a very charitable body. And I will say further, Mr. Speaker, that the way to get along in this body, the only kind of coin that passes current here, is the coin of brains and of integrity.

Men come here worth millions and we never know it. I sat by the side of a man that afterwards became ambassador to France, and I believe we spit together, too. [Laughter.] He was a most excellent gentleman, and after I had served a number of terms with him and he was appointed as ambassador somebody said that he had several million dollars. I never knew it; it did not make any difference. There is no aristocracy here except of intellect and integrity. [Applause.]

We poor folks have nothing against the rich folks. Nay, nay. I wish I had plenty of money; I would like to have it; I think it would give me more leisure to study the great problems of the Government and do a lot of other things, but it would not help me to get on here, because God neither gives more daylight or more brains to a man on account of his wealth. If a man comes to Congress and wishes to win his way to success and fame, he must come prepared to do service.

I will say, Mr. Speaker, that the gentleman from Massachusetts complains in his letter to the Speaker "that when I am with my constituents they usually greet me with the expression, 'My, you must be busy down in Washington.' I would like to be a little busy, and I am very sure if the proper steps were taken by the present Congress this needless waste could be changed into real agencies for service to the Government."

If I might modestly do so, I might suggest to the gentleman how he could put in his time. Mr. Madison, who wrote, I believe, the majority of the articles in the Federalist, laid down a number of subjects with which a Congressman should be familiar who comes here to make or unmake the laws of the country. I will not undertake to enumerate them all, but I will advert to certain branches in which a man can use his time very profitably. He might work a while on the history of the numerous republics that have existed in the world and the rocks upon which the ship of state went to pieces in these ancient realms. He might get a general view of the philosophy of history by gleaning somewhat its general phases, and then when he had finished his reading of the political side of the question, to show the effectiveness of the bill fixing the maximum price of hairpins, or some other article in the country, he might take down Adam Smith, Ricardo, or John Stuart Mill, and when he got through he might take up the study of the formation of this great Government. He might take up the discussions that gathered around each article of the Constitution; he might take up the Federalist, the articles by Madison, Hamilton, and one article by Jay; and very helpful would be the book written by Mr. McCall, once a Member of this body, on Constitutional Government. I will say that I am proud to have served with Gov. McCall. I look upon him as a great man. [Applause.]

Massachusetts has produced a great galaxy of illustrious names.

The predecessor of the gentleman from Massachusetts [Mr. FULLER], I may say to my friend, because hereafter I shall call him my friend [laughter], your predecessor, Mr. Roberts, had an honorable service of 16 years in this body and stood at the very top of the membership of this House, and in point of intelligence and in point of information and patriotism and ability. [Applause.] My friend from Massachusetts should not despair because Congress did not send a band to meet him at the station. A lot of gentlemen who come here overestimate their importance. I had a friend who came here at one time and he missed the train at Cincinnati. He thought that if he did not get here on time some of the pillars of the Republic would be missing, and so he got a special train to get him here on time. [Laughter.]

Speaking of the characteristics of Congress, why, do you know, you have not got time to be barnacles? The idea of a man being a Member of Congress and having nothing to do! Suppose he did not read about the foundation of the Government, suppose he wanted to tinker a watch without being a watchmaker, suppose he tried to run a locomotive and never

had seen a locomotive, suppose he wanted to go up in an airship before he had any experience or training. Still there are a hundred and one things he can do for his constituents—250,000 in most of our districts, on an average. The requests that are made upon us by our constituents may sound silly to the paragrapher. They may write about a breed of cattle or a breed of chickens; how to set a hen; how to grow tomatoes; they may write for a package of flower or garden seeds, but their requests upon us are as important to them as the request of some business man who wants to know how to escape millions of excess-profit taxes. [Laughter and applause.] Every citizen of this Republic, man, woman, and child, has a right to call on the Congressman. Whom would they call upon? They have no other representative at the Capital to call upon. The Congressman from every district is the ambassador of his people, and it is his duty to read the letters that they write to him. Sometimes you get them in the handwriting of a little child to send out seeds. Sometimes they want a package of seeds, sometimes they want an old coin tested. Then it is that we all remember that we are their Representatives at Washington, and if they can not call upon us to do their bidding, whom can they call upon? So if a man answers all these letters of his constituents, sends out all of the literature, manufacturing and agricultural, that they want, keeps his nose clean all the time, he will earn his salary, believe me, whether he ever served at the head of a committee or not. [Laughter.]

I do not know whether it is true or not, but some one told me that my friend from Massachusetts [Mr. FULLER] never drew his salary, would not have it, would not take it. I do not know upon what theory he goes. He says he is a business man, and I think he must be a good business man. Probably he goes upon the theory that he has not done anything to earn it yet. [Laughter.] I know the Bible says that the laborer is worthy of his hire, and I know that a Member of this great body, who sits upon the destiny of a hundred millions of people, if he is an honest and fearless man and does his duty, is entitled to his salary, and I recommend to the gentleman that he take it. It will be the cleanest and best money he ever had in his pocket. [Laughter.] I do not mean by that to say that he ever had any unclean money in his pocket, but I mean to say that a man who puts Uncle Sam's dollars in his pocket for honorable and patriotic service here not only should be proud of what they will buy, but he should be proud of what they have already bought in the way of honorable and patriotic service. [Applause.] Mr. Speaker, our erring brother has formed a hasty notion of us. You know men sometimes jump at conclusions. First impressions are not always the best. If this gentleman who was elected to the Sixty-fifth Congress had stayed down here and answered to his name when it was called on the roll, had looked into the faces of his fellow Members, and had listened to the debates on public questions, had gotten acquainted with the membership it would never have occurred to him to refer to them as barnacles on the ship of state. In the first session there were 83 roll calls, and the gentleman from Massachusetts [Mr. FULLER] missed 38. In the second session of the Sixty-fifth Congress, up to February 25, there have been 56 roll calls, and the gentleman has missed 33. Now, if the gentleman has never gone to the committees upon which he is appointed to serve, and even gotten acquainted with the chairmen of those committees, if he has never asked a committee to write his bills into law, if he has not even done us the courtesy to come down and sit with us as brethren on a mission of great importance to the American people, I ask him in all fairness if he should indict us for uselessness. Ought he in good charity to dub us barnacles on the ship of state? Mr. Speaker, how much time have I occupied?

The SPEAKER. The gentleman has five minutes remaining.

Mr. DIES. Mr. Speaker, I shall take those five minutes to say that never in my life would I have taken up the time of this Congress to say what I have said on account of what the gentleman from Massachusetts said alone; but I do say, and I repeat again, that the idle talk all over this land, in the newspapers and magazines, that this is a shiftless, idle, unpatriotic body of men is a wrong to us who represent the people here, is a wrong to the people who send us here, and is a wrong to the great Republic whom we serve. More ought to be said about it. I am proud of my service here. May I say, in something of imitation of what the Speaker said, that I, too, fit the description of his career—that is, his career up to the time he got off the farm, not since he has been here—that I, too, in reading the school histories, Davies first, second, third, fourth, fifth, and sixth readers, in reading the great debates in Congress by Hayne and Webster, by Clay and Calhoun, and the great debaters of that time—that I, too, retired often to the barn and pranced up and down making embryonic congressional speeches, with the hope that I might become a Member of this great body; and, as I said a moment ago, I would not give my service here, I would not give my clean, unimpeachable record for integrity and patriotism here as a heritage to hand down to my children, for all the balance that I have ever had, put together. [Applause.] No, Mr. Speaker; this body is not decadent, it is not a bunch of barnacles upon the ship of state, and it never will be until the people who send us here fit the description the gentleman seeks to fasten upon us. Let us hope that in the providence of God that rules the nations of the world, the citizenship whom we represent will not fall into such a state of decadency that they will send barnacles to Congress to fasten themselves upon the ship of state. [Applause.]

Mr. STEVENSON rose.

The SPEAKER. For what purpose does the gentleman from South Carolina rise?

Mr. STEVENSON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. STEVENSON. Mr. Speaker, awhile ago I made a statement in respect to a meeting of a committee, and the gentleman from Massachusetts [Mr. FULLER] rose and stated that he wanted to reply to that "false statement." I want only a minute, but I do not propose to have that inference go out about me in this House.

I did not intend to inject myself into this matter. I am one of the new Members, and I do not believe in interfering in matters generally, but there was a statement in the paper that was read here that said that he resigned from the Committee on Expenditures in the Interior Department, and that the committee never had had a meeting. That is the way I understood the reading of the paper. The committee had a meeting at the office of the chairman, Mr. HASTINGS, at which were present Mr. HASTINGS, myself, Mr. KREIDER, Mr. PURNELL, and Mr. WELLING, of Utah. If the gentleman from Massachusetts [Mr. FULLER] was there, I have done him an injustice when I said that he was not there; but if he was there I do not remember it. But I desire to call attention to this: If he was there, then he knew there was a meeting of the committee, and his statement that was made that the committee never had met was deliberately untrue, and I did not propose to charge him with that. That is all I have to say. If he was there, then I apologize to him for saying that he was not there; but I call upon him to retract the statement that that committee has never met, because if he says that he was there, then necessarily he admits that that statement is incorrect, and if he was there he knew it was incorrect, and he deliberately said so. [Applause.]

Mr. FULLER of Massachusetts. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. FULLER of Massachusetts. Mr. Speaker, I would like to reply to the statement just made by the gentleman from South Carolina.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent that the gentleman has such time as he wishes to reply.

The SPEAKER. The gentleman from Massachusetts [Mr. GILLETT] asks unanimous consent that his colleague [Mr. FULLER of Massachusetts] may proceed for——

Mr. FULLER of Massachusetts. Two minutes.

The SPEAKER. For two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FULLER of Massachusetts. Mr. Speaker and Members, apparently this is my busy day. I contradicted the gentleman—I have forgotten his name—who said that in my letter I stated there had not been a meeting of that committee. There have been so many misstatements in regard to the letter that I ask as a matter of justice that it be printed. The gentleman said that I made a statement in the letter that there had been no meeting. I made no such statement. There was a meeting, and I was there. I regret I have not the oratorical ability and composure to answer the gentleman in detail. I shall hope to do so later. But I do ask that as a matter of justice my letter and just what I said shall be printed in the RECORD, because it has been badly mangled here this morning. [Laughter.]

The SPEAKER. The gentleman from Massachusetts [Mr. FULLER] asks unanimous consent——

Mr. MOORE of Pennsylvania. Mr. Speaker, may I interrogate the gentleman from Massachusetts?

The SPEAKER. Let the Speaker state the case. The gentleman from Massachusetts asks unanimous consent that the letter which he wrote to the Speaker be printed in the RECORD. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, reserving the right to object, I would like to ask of the gentleman from Massachusetts, apart from his controversy as to the activities of this

committee, whether in his letter he made the broad charge that the House was a barnacle upon the ship of state?

Mr. FULLER of Massachusetts. Absolutely no, sir.

Mr. MOORE of Pennsylvania. I understood that to be in the gentleman's letter—that he made the direct charge against the entire body of the House, indicating that it was a barnacle upon the ship of state.

The SPEAKER. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, I object.

Mr. QUIN. Mr. Speaker, I object.

Mr. STAFFORD. Mr. Speaker, I demand the regular order.

Mr. QUIN. Mr. Speaker, I withdraw the objection as far as I am concerned.

Mr. FULLER of Massachusetts. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. There were at least a dozen Members objected, and the Chair will put the question over again. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, reserving the right to object, I do not want to do the gentleman an injustice——

Mr. SNYDER. Mr. Speaker, I object.

Mr. JOHNSON of Washington. Mr. Speaker, I ask as a matter of order that the gentleman has asked to be heard upon a matter of personal privilege.

The SPEAKER. The Chair heard that, but the Chair can not do everything at one time. If the gentleman rises to a question of personal privilege, he will please state the basis for it.

Mr. FULLER of Massachusetts. Mr. Speaker, I would ask that the letter be read now.

The SPEAKER. The Chair knows, but the House has just objected to the letter being read. The gentleman from Massachusetts asks that the letter which he wrote to the Speaker be read to the House. Is there objection?

Mr. SNYDER. Mr. Speaker, I object.

Mr. RAINEY. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts be allowed 20 minutes to address the House.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from Massachusetts may proceed for not more than 20 minutes. Is there objection?

Mr. KITCHIN. Mr. Speaker, reserving the right to object——

Mr. MOORE of Pennsylvania. Reserving the right to object, I want to ask the gentleman from Massachusetts if he intends reading the letter in his own time? I have no objection to his doing that.

The SPEAKER. The gentleman can not read it without permission of the House, if anybody objects.

Mr. MOORE of Pennsylvania. If he is given the 20 minutes——

Mr. KITCHIN. Mr. Speaker, reserving the right to object, I hope the gentleman from Illinois will modify his request and ask unanimous consent that the gentleman from Massachusetts [Mr. FULLER] have all the time he desires to say anything he sees fit to say. [Applause.]

Mr. RAINEY. Mr. Speaker, I so modify my request, that the gentleman have all the time he desires and in that time he be permitted to read this letter.

The SPEAKER. The gentleman from Illinois [Mr. RAINEY] asks that the gentleman from Massachusetts be permitted to proceed until he concludes, and in that time that he shall be permitted to read the letter if he wants to do so. Is there objection? [After a pause.] The Chair hears none.

Mr. FULLER of Massachusetts. [Applause.] Mr. Speaker, I shall proceed to read the letter.

FEBRUARY 25, 1918.

Hon. CHAMP CLARK,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Expenditures in the Interior Department. This committee has had no meeting during the present Congress, excepting one short smoke talk (in this respect I believe it is similar to about half the committees of the House), and, so far as I can judge from inquiry and investigation, will have no public business to justify its existence, and that being the case I do not wish by accepting the honor of membership in it to appear to give even my tacit consent to the existence of a committee which has no real, justifiable reason for existing other than to entail a needless and unjustifiable expense upon the people who pay the bills.

As you know, there are 60 standing committees in the House organization, and more than half of them are as useless and unnecessary as the committee from which I am resigning. At a time like this, when we are passing through a grave national crisis, the House should take account of matters of efficiency and economy within its own confines with a view to increasing efficiency and reducing expense. I am a business man and accustomed to looking at these things from a commonsense standpoint. I was somewhat fearful about my qualifications for undertaking the duties of a Congressman because of a lack of political experience. I find that the duties I have fallen heir to as a Congressman are of an entirely different nature than those I anticipated. When I meet any of my constituents, they usually greet me with the expression, "My, but you must be busy down in Washington!" Now, I would like to be really busy, and I am mighty sure if the proper spirit animated our present Congress that these needless committees could be changed into real agencies for the service of the Government. Why could not some of these needless committees that never meet and that are occupying valuable room and employing secretaries and messengers that have no work to do be utilized for various useful purposes, such as inspecting camps, soliciting labor for shipyards, doing any one of the hundred and one things that the Government is in need of to-day? Instead of this, you and I know that two-thirds of our committees are useless, and, instead of being really busy, the majority of our Congressmen down here are telling stories and practicing up to see who can spit the farthest.

Quite aside from all other aspects, there is a dominating element of political deception in the existing House system. The people have been taught to believe that a Member's standing should be judged by his committee appointments. According to that standard, my constituents, having no means of knowing the truth, might conclude that my membership on the committee in question carries with it some implication of opportunity to advance public interests. As a matter of fact, it means nothing at all, excepting that such committees serve to carry out that kind of pretense.

The public should know that Congress is overorganized with standing committees that do no work, whereas the basis should be efficiency, with the people getting full value for every bit of legislative machinery that exists. As it is now, these dead committees are nothing more than their chairmen, who control whatever clerical and office perquisites attach to each of them. Certainly this is no time for such a condition to exist and continue.

In this connection, it is pertinent to suggest that the present parliamentary system of the House operates to make the average Member little more than a figurehead. There should be such a reconstruction of the system as to give each Member a legitimate chance to represent his constituents and the larger public interests of the whole country.

I am making this protest against conditions as they are, not merely to make my own position clear, but also with the hope that Congress may soon rid itself of these practices which do not conform to the principles of economy and efficiency in the interest of those we serve.

The President is asking our business men to economize and become more efficient while we continue to be the most inefficient and expensive barnacle that ever attached itself to a ship of state. Could there be a more appropriate time to initiate economy and efficiency in our governmental affairs?

Faithfully, yours, ALVAN T. FULLER.

Mr. MOORE of Pennsylvania. Mr. Speaker——

The SPEAKER. Does the gentleman from Massachusetts yield to the gentleman from Pennsylvania?

Mr. FULLER of Massachusetts. I do.

Mr. MOORE of Pennsylvania. Mr. Speaker, I asked the gentleman when he was on his feet if he had not indicted the entire House of Representatives as a barnacle or barnacles upon the ship of state, and the gentleman said emphatically he had not. Does not the letter which the gentleman has just read prove that he did make that statement against the entire House of Representatives?

Mr. FULLER of Massachusetts. I can assure the gentleman that was not the intent.

Mr. MOORE of Pennsylvania. Does it not so read? I am glad to get the gentleman's statement of his intent, but the impression which the public draws from the statement the gentleman made in that letter is that he intended to indict the entire House of Representatives as a barnacle upon the ship of state.

Mr. FULLER of Massachusetts. I do not think so, because the subject of my letter is the useless committees, which I intended to refer to all the way through.

Mr. MOORE of Pennsylvania. Does the gentleman advance the idea that the entire membership is a barnacle upon the ship of state?

Mr. FULLER of Massachusetts. I do not think so.

Mr. MOORE of Pennsylvania. Was it the gentleman's intent to do so?

Mr. FULLER of Massachusetts. If that is so, I withdraw it now. My reference was to the useless committees of the House.

Mr. MOORE of Pennsylvania. I would like to ask the gentleman one other question while he is on his feet. He said he did attend a meeting of the Committee on Expenditures to which reference has been made. Has the gentleman attended a meeting of the Committee on Claims, of which he is a member?

Mr. FULLER of Massachusetts. There has been no meeting.

Mr. MOORE of Pennsylvania. It has been stated here that there have been meetings and that the gentleman did not attend.

Mr. FULLER of Massachusetts. There has been one, and I did attend. There have been no meetings of the Committee on Claims.

Mr. MOORE of Pennsylvania. The gentleman from Texas [Mr. DIES] indicated that the gentleman from Massachusetts had introduced a bill which had been referred to the Committee on Claims, of which the gentleman is a member. Did the gentleman attend the meeting of the Committee on Claims in view of the fact that he had introduced a bill that was referred to that committee?

Mr. FULLER of Massachusetts. I did not know of the meeting.

Mr. MOORE of Pennsylvania. The gentleman did not attend any meeting of the Committee on Claims?

Mr. FULLER of Massachusetts. No.

Mr. CAMPBELL of Kansas. Mr. Speaker, on what theory does the gentleman from Pennsylvania cross-examine the gentleman from Massachusetts [Mr. FULLER]?

The SPEAKER. Because the gentleman from Pennsylvania asked if the gentleman from Massachusetts would yield—or he pitched in without asking. [Laughter.]

Mr. MOORE of Pennsylvania. I beg the Chair's pardon.

The SPEAKER. The Chair asked the gentleman from Massachusetts the usual formula—if he yielded, which he did, and having yielded the gentleman proceeded to ask him questions.

Mr. CAMPBELL of Kansas. He placed himself at the mercy of the gentleman from Pennsylvania?

The SPEAKER. It is entirely in the hands of the gentleman from Pennsylvania [Mr. MOORE] after he yielded to shut anybody out or let them in, as he pleased.

Mr. MOORE of Pennsylvania. Which the gentleman from Kansas often does.

Mr. RAKER. Will the gentleman yield for a question?

Mr. FULLER of Massachusetts. I yield.

Mr. RAKER. I would like to ask the gentleman whether or not he has made an investigation of the rules as to the duty of the committees he refers to as useless?

Mr. FULLER of Massachusetts. What is your question, again?

Mr. RAKER. Have you made an examination of the rules of the House as to the duty of the committees that you say are useless?

Mr. FULLER of Massachusetts. No. I understood that they probably would not meet again, and that one year had gone by and they had met only once.

Mr. RAKER. Now, what committee or committees of the House does the gentleman say are useless?

The SPEAKER. The gentleman from Massachusetts can proceed if he desires to do so.

Mr. FULLER of Massachusetts. I yield.

Mr. LUNN. Will the gentleman from Massachusetts yield?

Mr. FULLER of Massachusetts. I will; yes.

Mr. LUNN. I do not know how far I can proceed by the gentleman yielding. Was it simply for a question?

The SPEAKER. That is all he yielded for.

Mr. FULLER of Massachusetts. I would like to yield to the gentleman from New York and allow him such time as he desires.

Mr. LUNN. I wanted simply to say this, Mr. Speaker, that I also am a new Member, and I want to feel that the House is always fair. I am sure that it endeavors always to be fair, but as I heard the speech made by the gentleman from Texas I received an entirely different impression than I received from the letter which has just been read by the gentleman from Massachusetts [Mr. FULLER]. It seems to me that in the light of the letter that there was but one charge made, and that in regard to committee dispositions, concerning which the gentleman stated that the House was inefficient and expensive, and so forth and so on; but if I remember aright, in my study of recent history there have been many legitimate criticisms of that kind. I do not believe, in the light of that letter, that the severe arraignment of the Member was justified. It was too sweeping to be fair. I know the House desires to be fair, and for that reason I have made this statement. I am decidedly opposed to any Member bringing wholesale condemnations against the Congress of the United States. It is too important a body. Its influence ought to be tremendous, and it is tremendous, and anything that leads the people at large to feel that we are not doing the right thing is unfortunate. But I do think we would be unfair by allowing the speech by the gentleman from Texas to go without protest from any Member. [Applause.]

The SPEAKER. The gentleman from Massachusetts will proceed.

Mr. FULLER of Massachusetts. Mr. Speaker, I have nothing further to say.

The SPEAKER. This is Calendar Wednesday.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GILLETT. On what subject?

Mr. WALSH. Reserving the right to object——

Mr. HASTINGS. On this same subject. I am chairman of the Committee on Expenditures in the Interior Department.

Mr. KEARNS. I object.

The SPEAKER. The gentleman from Ohio objects.

LEAVE TO PRINT.

Mr. BRITTEN rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. BRITTEN. To ask unanimous consent to extend in the RECORD the report of the proceedings of the Interparliamentary Union, which took place yesterday in the House Office Building, at which the gentleman from Texas [Mr. SLAYDEN] presided.

The SPEAKER. The gentleman from Illinois asks unanimous consent to insert in the RECORD the report of the proceedings of the Interparliamentary Union held in the House Office Building yesterday, over which Congressman SLAYDEN presided. Is there objection?

Mr. MILLER of Minnesota. Reserving the right to object, will the gentleman from Illinois kindly withhold that or withdraw that for a moment? I am interested in the subject, and I would like to see what it is.

The SPEAKER. Does the gentleman from Illinois withdraw it?

Mr. BRITTEN. Yes; I will.

The SPEAKER. This is Calendar Wednesday.

Mr. TREADWAY rose.

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. TREADWAY. I ask to proceed for two minutes relative to a statement of the amount of war-risk insurance.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to proceed for two minutes relative to a statement in regard to war insurance. Is there objection?

Mr. BURNETT. Mr. Speaker, I must object.

CALENDAR WEDNESDAY.

The SPEAKER. The gentleman from Alabama objects. This is Calendar Wednesday, and under a special order the House automatically resolves itself into Committee of the Whole House on the state of the Union.

Mr. BRITTEN. Mr. Speaker, one moment, before that motion is carried out. I think the gentleman from Minnesota [Mr. MILLER] has withdrawn any objection he might have to my request.

The SPEAKER. Is there objection?

There was no objection.

ALIEN-SLACKER BILL.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5667, the alien-slacker bill, with the gentleman from Missouri [Mr. RUSSELL] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes, with Mr. RUSSELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

SEC. 3. That after 30 days from the passage of this act no alien who is a native or subject of any country that is engaged in the war with Germany, or with any of the central powers of Europe and who is subject to military duty in the country of his nativity or of which he is a subject, shall be permitted to enter the United States except by permission of the President of the United States, and any such alien so entering in violation of this section shall be deemed unlawfully in this country and shall be deported at the expense of the steamship company, railroad company, or other transportation company by which such alien entered the United States. Any steamship company, railroad company, or other transportation company of any nature whatsoever, or any individual who brings in or aids or assists in bringing in any alien excluded by this section shall be fined not less than $1,000 or by imprisonment for not exceeding one year, or both such fine and imprisonment, and any steamship or other water transportation company against which this fine is assessed shall not be granted clearance papers until such fine is paid or secured in such manner as the Secretary of Labor shall prescribe.

The Secretary of Labor is empowered to hear and pass on all violations of this section and to assess and collect the fine provided herein, and to adopt such rules and regulations as may be necessary to carry out the provisions of this section.

Mr. BURNETT. Mr. Chairman, I have an amendment that I desire to offer.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

Mr. BURNETT offers the following amendment: Amend by striking out all after the words "United States." in line 14, page 3, down to and including the word "section," in line 3, page 4, and insert in lieu thereof the following:

"That it shall be unlawful for any steamship, railroad, or other transportation company of any nature whatsoever, or for any person, company or corporation, to bring in, or to aid or assist in bringing in, any alien included by this section. If it shall appear to the satisfaction of the Secretary of Labor that any steamship or any vessel or any officer or employee thereof has violated any provision of this section, such violator shall pay to the collector of customs of the district in which the port of arrival is located the sum of $1,000 for each and every such violation, and no vessel shall have clearance from any port of the United States while any such fine is unpaid, nor shall such fine be remitted or refunded. If a violator is a person, company, or corporation not using vessels as means of transportation, there shall be forfeited and paid for every such offense the sum of $1,000, which may be sued for and recovered by the United States as debts of like amount are now recovered in the courts of the United States."

Mr. BURNETT. Mr. Chairman, the purpose of section 2, beginning on line 14, page 3, is to penalize steamship and other transportation companies for bringing in those who are excluded by the first part of the section. It was thought that perhaps the penalties could not be enforced by the Labor Department, and an amendment was suggested by that department that would make it workable. It imposes a penalty of $1,000 for those violating the law, to be recovered in the courts of the country in the way that such sums are usually recovered against transportation companies and individuals who violate the immigration law. In case of steamship companies that are given clearance papers they are held up until they pay this penalty. That is all this amendment is. It is merely for the purpose of perfecting and carrying out those provisions better than the bill as it now stands does.

Mr. ROBBINS. Mr. Chairman, I would like to ask the gentleman a question.

The CHAIRMAN. Does the gentleman yield?

Mr. BURNETT. Yes.

Mr. ROBBINS. As I understand it, it takes away the penal laws entirely and relegates the remedy to a civil suit for the penalty?

Mr. BURNETT. That is true as to individuals and transportation companies, except steamship companies, and their clearance papers are withheld. The idea of this is that with these severe penalties the Department of Labor would perhaps not have the power to impose them. There is a fixed penalty. They can impose that penalty on steamship companies; but suppose it is a transportation company that runs across to Canada, or suppose it is an individual running a bus line. The Department of Labor could not enforce the penalty on them and they could not hold up the transportation line, and therefore they are allowed to bring civil suits for the recovery of the penalty. The imprisonment feature is cut out.

Mr. ROBBINS. May I further interrogate the chairman of the committee?

Mr. BURNETT. Yes.

Mr. ROBBINS. Does the gentleman think that would be a practical remedy to correct the evil?

Mr. BURNETT. A thousand dollars penalty for each person they bring in, I think, would be sufficiently practical.

Mr. ROBBINS. How can you enforce it on those who simply assist or aid in bringing immigrants from Canada across the line into the United States, or from Mexico? I think if you do not impose a penalty by imprisonment and fine, as in the case of any other Federal statute, you are going to strike out the means of enforcing this law.

Mr. BURNETT. The Department of Labor, in recommending the amendment, says this policy has worked well in the enforcement of the immigration laws across the border, as well as across the sea.

Mr. ROBBINS. I think it will work very well against steamship lines, where you can hold up the steamship in the port and refuse to issue clearance papers; but against the railroads that run into Mexico and Canada, and against the underground methods that are pursued to get immigrants across the line, and to avoid the regular ports of inspection, I think your bill is going to be weak, and the enforcement of it is going to be futile unless you have the teeth of a criminal statute and the right to prosecute in the criminal courts of the United States.

Mr. BURNETT. The department says this provision in regard to crossing the line from Mexico and Canada has worked well, and they recommend it in this bill for that reason.

Mr. FLOOD. Mr. Chairman, on the 6th of this month, and again on the 13th, when this bill was before the House, I opposed its consideration on the ground that it violated existing treaties between this country and some of our cobelligerents, particularly with Italy, and that its passage through the House would obstruct the negotiation of treaties which the Secretary of State was in process of concluding with England, for herself and Canada, and with Italy and France. Two weeks ago, on the 13th, the matter was postponed until to-day on account of the statement I made with reference to this and the letter I read from the Secretary of State. I desire to communicate to the House the progress that has been made by the Secretary of State by reading a letter that I received from him yesterday:

THE SECRETARY OF STATE,
Washington, February 25, 1918.

MY DEAR MR. FLOOD: Referring to the negotiations which the department is carrying on with certain of our cobelligerents regarding military service conventions, I desire to state for your information that on Tuesday last I signed with the British representative two conventions, one for Great Britain and one for Canada, and that I am now in receipt of telegrams from the American ambassadors at Rome and Paris practically accepting with a few minor changes the proposal of the United States to enter into similar conventions with Italy and France. I am not expecting that any serious obstacle will be placed in the way of early signature to these conventions.

Very sincerely, yours,

ROBERT LANSING.

Hon. HENRY D. FLOOD,
House of Representatives.

Mr. Chairman, the Secretary of State was very appreciative of the action of the House taken two weeks ago in postponing the consideration of this matter until to-day to enable him to conclude these negotiations. I am justified in stating that while the Secretary of State thinks that this matter should be dealt with by negotiation with our cobelligerent Governments and not by legislation by Congress, that officials of the State Department feel that the purpose the Secretary had in asking the delay has been practically accomplished, and I do not believe that action by the House now will interfere with the conclusion of the treaties with the most important of our cobelligerents. The treaties with Great Britain and Canada were sent to the Senate on the 19th, and those with France and Italy have reached a practical conclusion.

Mr. SLAYDEN. Do I understand the gentleman to say that action of the House will not interfere with them?

Mr. FLOOD. I stated that was my opinion. The Secretary stated in the letter I have just read that he was in receipt of telegrams from our ambassadors at Rome and Paris practically accepting the American terms of the treaties by Italy and France. A few minor changes may be made, but the treaties are practically agreed upon, so action by the House to-day would not be considered by those three nations as violative of the comity that should be maintained between friendly and allied nations.

Mr. FOSS. I want to ask the gentleman whether or not the State Department approves of this bill as now amended?

Mr. FLOOD. The State Department does not approve of this bill, either in substance or form, but the official with whom I talked thought that the negotiation of the convention had proceeded so far that the passage of the bill would not prevent their conclusion.

Mr. FOSS. Has the State Department any objection to it?

Mr. FLOOD. It has various objections to the bill, to the form in which it is drawn, to the subject with which it deals, and to the fact that it violates treaty obligations, but the purpose that the Secretary of State had in view in asking a postponement was that the passage of this bill by the House might not interfere with the negotiation of the treaties that were then in progress. If the bill had passed two weeks ago that would have been the result. That is not the case now, and the real object the State Department had in asking for a postponement has been attained.

For myself, I stated to the House two weeks ago that if the bill was postponed until to-day—the time asked for by the Secretary of State—that I would content myself with voting against it. I want to add now that I shall vote for the Rogers amendment, because it carries a simple declaration that this House will not pass a measure that violates a treaty obligation. If the Rogers amendment is adopted I shall vote for the bill, not that I think it will ever become a law, but as an expression of my sentiments on the subject dealt with in the bill. If the Rogers amendment is defeated I will vote against the bill, because I believe it violates treaties we have with some of the nations with which we are associated in this war, and I do not intend to cast a vote to violate or disregard or to make a scrap of paper of solemn treaties of our Government.

Mr. WALDOW. Does not the gentleman believe the Rogers amendment ought to be retained in this bill?

Mr. FLOOD. I do believe so.

Mr. WALSH. Has the gentleman any information as to whether any treaty negotiations are under way with Portugal?

Mr. FLOOD. I have not. The important negotiations were with Great Britain in reference to British subjects, and a separate treaty with reference to Canadian subjects, and with Italy and France.

Mr. WALSH. Portugal is in this war, is it not?

Mr. FLOOD. Yes; but nearly the whole world is at war.

Mr. ROGERS. There are about 18 powers, are there not, which are making common cause against Germany to-day? My information is that the State Department intends to negotiate treaties with every one of these 18 powers, but it thinks very naturally that its best course is to begin with the nations the populations of which in this country make them the most important.

Mr. FLOOD. The nationals in this country of many of these nations do not make it a matter of importance to us or to them.

Mr. SLAYDEN. Am I correct in having gathered from the gentleman's statement a few minutes ago that these negotiations with Great Britain, with Canada, with Italy, and with France have advanced so far that the department is now indifferent as to what we do in this bill, because it will not interfere at all?

Mr. FLOOD. That it will not interfere with the negotiations of these conventions.

Mr. SLAYDEN. Have the British and Canadian treaties reached the Senate?

Mr. FLOOD. Yes; on the 19th.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FLOOD. I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. SLAYDEN. Has the Canadian treaty been sent to the Senate?

Mr. FLOOD. On the 19th.

Mr. SLAYDEN. Have these treaties been acted on?

Mr. FLOOD. They have not. I understood that the Senate Committee on Foreign Relations would have a meeting this morning to consider them.

Mr. HUDDLESTON. The treaties necessarily provide what nationals of these countries may be put in our Armies and how they may be dealt with. Can the gentleman then see any field for the operation of any bill on the subject? Whatever we do must be done under these treaties after they have been negotiated.

Mr. FLOOD. I think the gentleman is right so far as nationals of the nations are concerned with whom we have negotiated these treaties. They constitute the bulk of the aliens in this country who will be affected by this legislation. I can see very little need for this legislation.

Mr. HUDDLESTON. Has the gentleman such information as enables him to know whether this bill is in accordance with the terms of these treaties that we have negotiated?

Mr. FLOOD. I was at the State Department, and the gentleman from Alabama [Mr. BURNETT] was with me. We discussed informally what the treaties were. I do not think there is anything in this bill that is in conflict with those treaties.

Mr. HUDDLESTON. If we put those aliens into our Armies, it must be under the treaties and not under this bill.

Mr. FLOOD. I think that is undoubtedly correct.

Mr. BURNETT. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. BURNETT. Mr. Chairman, in regard to the treaty, I have said over and over again that I have no desire to interfere with the State Department in its efforts to negotiate the treaties. I stated before that they began to negotiate treaties last August. It came on up to the time the bill was reported, and then the Chamberlain bill came over from the Senate, and I went before the Committee on Military Affairs, to which it was referred, and urged them to report it, so that it would be in time for the first draft. The Secretary of State appeared before the Military Affairs Committee of the House and made the same statement on the 26th day of September as to treaties being negotiated. The statement has been made time and time again that these treaties were pending, and that this bill would interfere with them. The Secretary told the Military Affairs Committee that by the 1st of December he thought they would have the treaties negotiated. That committee deferred action on the Chamberlain bill, and I stated then that neither I nor my committee had any pride of authorship in the bill, but what we wanted was to get speedy results.

The State Department is still engaged on some of the treaties. I am not making any reflection on that department; I think the other countries have been mighty slow in this work. The gentleman from Virginia [Mr. FLOOD] has done all he could, and I have no reflection to make on him. On the 30th of last month, when this matter was first called up, the gentleman from Virginia [Mr. FLOOD] stated about what he has stated to-day as to the treaties with Italy and France.

Mr. FLOOD. Oh, no.

Mr. BURNETT. What the gentleman said to-day he said substantially then, that he had been called up by the Solicitor of the State Department and told that not only had an agreement between Great Britain and Canada been concluded, but that our Government was almost in agreement with France and Italy.

That is substantially the same statement that he makes here to-day.

Mr. FLOOD. No; the statement to-day goes further than that. They have just received a telegram from the ambassador at Rome and the ambassador at Paris that there has been an agreement. There have been some verbal changes like there was in the British treaty. As I stated to the gentleman, the situation in reference to the French and Italian treaties is about the same as that of the British and Canadian treaties two weeks ago, that there were some verbal changes to be made. They completed them and sent them to the Senate on the 13th of February. I expect in a few days the Italian and French treaties will be sent to the Senate.

Mr. BURNETT. That is the point I make, that they had concluded the treaty with England and Canada, and now, 30 days after the conclusion of the treaty, they have just got it to the Senate, and the Senate committee is to-day to meet for the first time to consider it. What do we know as to what will become of it in the Senate? The gentleman stated, and no doubt correctly, a month ago that the conscription of the subjects of Great Britain and Canada between 20 and 40 years of age had been agreed on. This treaty will not be self-executing, and will require additional legislation to carry it out and enforce it. You are going to find that you must have legislation to execute it. Such legislation will require time. If it takes 30 days more to get through a treaty with Italy and with France, that carries us up to the 1st of April.

Mr. FLOOD. May I interrupt the gentleman?

Mr. BURNETT. Yes.

Mr. FLOOD. I will say that the information I got was that the treaties were drawn so as to be self-executing in this country, and as to the young manhood of other countries, and there will not have to be other legislation. We will take into our draft any nationals of those countries between the age of 20 and 40 years.

Mr. BURNETT. It seems to me the gentleman is mistaken and the State Department is mistaken if they think the treaties are self-executing. As much so as they are when they say that this bill is in violation of treaties. It is not. In the One hundred and thirtieth United States, in the Chinese-exclusion case, where this very question was raised, the Supreme Court of the United States said:

> The power of exclusion of foreigners being an incident of sovereignty belonging to the Government of the United States, as a part of those sovereign powers delegated by the Constitution the right to its exercise at any time when, in the judgment of the Government, the interests of the country require it, can not be granted away or restrained on behalf of anyone. The powers of government are delegated in trust to the United States and are incapable of transfer to any other parties. They can not be abandoned or surrendered. Nor can their exercise be hampered, when needed for the public good, by any considerations of private interest. The exercise of these public trusts is not the subject of barter or contract.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BURNETT. Yes.

Mr. JOHNSON of Washington. Does the gentleman contend that that applies to the taking into the military service of the nationals of countries having a treaty with the United States which states that the nationals shall not be taken into our Army?

Mr. BURNETT. The gentleman does not remember the terms of this bill. The Chinese case was one of deportation. That is what our bill is. We have all the time, in this bill, avoided any interference with the obligations of a treaty. We only say to an alien subject of a cobelligerent country, "If you are a shirker, a dodger, a slacker, if you will not fight for the very existence of your own country, you are undesirable in this country; get out right now." [Applause.]

Mr. FLOOD. Mr. Chairman, it was never contended on this floor by any gentleman who opposes this bill that this Government does not have control of the question of deportation, and therefore the case cited by the gentleman is no answer to our argument. The contention is that we have a specific treaty with Italy and with other countries that prevented us from compelling the nationals of those countries to render military service of any kind to this country, and that this bill contains a moral and a physical compulsion to render military service—a moral compulsion by the denial of the right to become a citizen: a physical compulsion by deportation. The compulsion is not direct, not open and manly, but, nevertheless, it is a compulsory military service in violation of our treaty with Italy of 1871 and in violation of treaties with other nations. I think this

proposition is clear, and no subtlety of reasoning can change it. This is the opinion of the Secretary of State and his legal adviser, and I believe it would be so held by any court in the world, especially by our courts, in view of the construction put upon it by our State Department. Now, I want to say, Mr. Chairman, that I am not raising the slightest objection to the passage of this bill. I reserved two weeks ago my right to vote as I see fit, but otherwise I agreed then not to oppose it, and I am not now opposing it; but I can not allow the gentleman's contention in reference to the violation of a treaty to go by without making this statement.

Mr. BURNETT. Mr. Chairman, the gentleman from Virginia [Mr. FLOOD], in his remarks a while ago in reply to questions propounded to him, launched into the question as to whether this bill violates a treaty, and I will answer his argument. My contention is that it violates no treaty with any country. The right to deport undesirable aliens, as I have often said during the consideration of this bill, is inherent in the very sovereignty of our Government and could not be contracted or bartered away by any treaty. The gentleman from Massachusetts [Mr. ROGERS], who offered the amendment the other day, admitted that he did not believe it was in violation of a treaty, and yet he does the inconsistent thing of asking this House to adopt his amendment which would, in effect, submit that question to the State Department. He says in one breath that it violates no treaty, and in the next says he is willing to leave that vital question to an unfriendly court.

That is the ridiculous attitude that the Rogers amendment would place us in, and the gentleman who offered it, who, perhaps, has occupied as many pages of New England newspapers as any man in favor of this proposition of dealing with alien slackers. Of course, the legal questions involved would be decided by the courts, but who will be the primary advisor of Gen. Crowder? Who will be the advisor of the War Department on these questions? Certainly the State Department. The gentleman from Virginia [Mr. FLOOD] and the gentleman from Massachusetts [Mr. ROGERS] admitted that the State Department would be the one that would advise in regard to it, and yet the gentleman from Massachusetts [Mr. ROGERS] tells us that while he does not believe it is in violation of a treaty, he wants to refer it to a judge who has already prejudged the case.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. BURNETT. Yes.

Mr. GARD. I wanted to ask, after the gentleman has read what he has from the decision of the Supreme Court, whether he has any information that the present treaties, so far as they have been concluded, will be invaded by the passage of the law which the gentleman now proposes?

Mr. BURNETT. I am glad the gentleman has asked that. The treaties now pending?

Mr. GARD. Yes.

Mr. BURNETT. Mr. Chairman, I think not. Here is my contention and my earnestness in regard to this matter——

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. BURNETT. Yes.

Mr. HUDDLESTON. I want to find out what the gentleman knows about the treaties. I have been trying to find out something about them. They have not been given to the public, and I do not see how anyone can know what they are.

Mr. BURNETT. That is true, but the gentleman from Virginia [Mr. FLOOD], in his statement three or four weeks ago in this House, and no doubt he had authority from the State Department, gave some important facts in regard to the treaties to which I have called attention. For instance, in regard to the age limit; and if my colleague from Alabama, Mr. HUDDLESTON, will read the gentleman's speech in the RECORD, either on the 6th or the 13th of this month, he will find the statement, which, I have no doubt, the gentleman from Virginia was authorized to make to this body.

Mr. Chairman, I have all the time desired that the State Department should negotiate its treaties, and we have been waiting now for six or eight months for them to do so. Last Wednesday, after a conference with the gentleman from Virginia [Mr. FLOOD] and the Secretary of State, I thought perhaps there was a possibility of their being concluded and ratified by this time, and I did not make any resistance to letting the matter go over until to-day. But now the matter comes up and what do we find? The Senate adjourned last Saturday and was not in session at all. Why could they not have continued their session or at least the committee have acted upon these treaties? It was my purpose if the treaties had reached a state of confirmation by this time, if I could be assured that they were self-executing, to have offered as an amendment to section 1 that it should not interfere with treaties that had been consummated providing for conscription of aliens.

But the time is coming and coming mighty soon when there will be another call for our young men to answer the draft, and my anxiety and earnestness is, like that of other gentlemen who have been pressing this matter, that these slackers shall not be permitted again when the next call comes to sit back and say, "Me no fight; me take your job, you go fight." We not only represent native-born Americans in our efforts to rid the country of the cowardly alien slacker but naturalized Germans and naturalized people from other countries, who have been responding to this call to arms. Many naturalized aliens have volunteered into our armies to fight against their own flesh and blood. Perhaps you gentlemen received a circular from an Irish gentleman a short time ago, in which he analyzed the statement of Gen. Crowder, which shows that more of the Irish waived exemption than any other nationality, that the lowest in point of numbers of those who waived exemption were the Italians, and the British were away down the line, also. People from Canada and from England were claiming exemptions, while the good old Irishman was not. I refer, of course, to people who are not naturalized and who have the right to claim exemption under our laws.

Mr. FLOOD. The gentleman's bill will get the Irishman.

Mr. BURNETT. Of course. The argument that was made in the circular just referred to was that England ought not to treat with us, and that we ought not to treat with them to conscript their people here, because Australia twice has repudiated conscription, because under the English conscript laws the Irish are exempted, and that therefore England ought not to barter away the rights that they would have in Ireland and in Australia. But my bill says to the Australian and to the Irishman, "You are here under the Stars and Stripes, you are here enjoying the blessings of our great country, we believe that you ought to waive your right to exemption from conscription, and if you do not, you ought not to stay here among your brothers and fellows who are being called." [Applause.]

I know many naturalized Germans and Austrians who are to-day following the Stars and Stripes into the trenches of France and Flanders. Before we entered the war the hearts of those people no doubt beat in sympathy with the fatherland, but the very day we declared war they said, "I am now with the country to which I swore allegiance when I became an American citizen." I know a young Jewish gentleman in my own home town, a native of Germany, who, when the classification for the draft was going on, said, "I have a little property from which my wife and babies can draw a support if I am called, and I shall not ask to be placed in the fourth class, but am willing to go to the second class, where men with families not dependent on them are being placed." This he did, while Italians and Englishmen all around him were claiming exemptions from the draft, and refusing to fight for the very existence of their own countries. This he did also when many native Americans, who were loudest in their demand for war were hiding behind dependent families to escape the draft.

Mr. Chairman, I am not opposing the treaties, but I am showing that if we wait for treaties that are not self-executing, perhaps the ides of November will come before we will get anything that will carry these aliens either out of our country or into our armies.

Mr. GARD. If the gentleman will permit, I do not like to be insistent, but I am sure that I, and I know many Members, would like to know whether these treaties as concluded will be at all in conflict with the gentleman's bill.

Mr. BURNETT. I think not; and not only that, Mr. Chairman, but the Senate when this bill passes this House will have the treaties and the bill both, and they can properly amend them so as to make them conform if there should be any conflict. I do not want to clash with the State Department. I would rather they would handle it; but, Mr. Chairman, I do not want to see the time come when the call is made and our men have to go and these cowardly aliens escape because the treaties have not been ratified and put into execution. Gentlemen hug to their hearts the danger of violating some treaty with the devotion that a young mother hugs to her breast her first-born babe, and yet some of these same gentlemen last year voted for a bill—the conscription bill—in which there was a violation of the very treaties that they now invoke. Yesterday there was a bill reported from the House Committee on Military Affairs to repeal the provision in the draft bill passed last year to conscript aliens with first papers. We had no more right, under our treaties, to conscript those with first papers than we had to conscript any other alien, and yet some of these gentlemen who are now shouting to observe the treaties never thought then that they ought to protect the treaty rights of the man who had made his first declaration and had at least lifted one eye to the Stars and Stripes. Now, when we come with this bill and say that the man who has always had his eyes

focused upon the ground, and never lifted them to the Stars and Stripes, should either fight or get out, these gentlemen hug a treaty to their hearts and say wait till the State Department can possibly, at some future time, get an agreement with those countries.

That is what you are really up against. It is not so serious in the South, although Gen. Crowder shows that in the next classification 433,000 men can be reached, if they do not escape on the ground of alienage. How many farmer boys would that enable us to keep at home if we could call this 433,000 aliens to the colors? In that respect the boys of the South, as well as those of the North, are interested. Gentlemen, when you go back home and when the next draft is called and you see the fond mother as she bids good-by to her devoted boy, bids him Godspeed because the laws of the country take him, and then she turns and sees the alien, who is exempted, with gleeful eyes and with ghoulish grin say, "I get that boy's job to-morrow," can you look with satisfaction on a condition that by your vote you have helped to continue?

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BURNETT. I do.

Mr. JOHNSON of Washington. The gentleman says he hopes these aliens will be in our Army before fall?

Mr. BURNETT. Which ones?

Mr. JOHNSON of Washington. These aliens in the United States who are to be subjected to draft or deportation under this bill.

Mr. BURNETT. If they are not in our Army I hope they will be well on their way somewhere else. [Applause.]

Mr. JOHNSON of Washington. Now, let me ask the gentleman: Suppose we put into our Army an alien who has not taken out his first papers or declared any form of allegiance to the United States; that while in our Army he assassinates a general of the Army of the United States; that we then subject him to military trial and death. What is our relation with his country?

Mr. BURNETT. Well, if he waives his exemption we get him anyhow just the same under the draft law which the gentleman voted for.

Mr. JOHNSON of Washington. Only last Saturday a conspiracy was discovered in a cantonment out in the district which I have the honor to represent, the details of which are not entirely given out, but enough to show that a conspiracy was on foot with some of these first-paper men, and some others, to assassinate the officers of the United States Army in charge of that cantonment and other work of that kind.

Mr. BURNETT. The gentleman, then, would be opposed to the new treaties also, because, according to his view, they ought to stay here and take the wages from the men who do go, and if they would murder a general in the field, they would not hesitate to murder the wife and children of a soldier left behind.

Mr. JOHNSON of Washington. Oh, no; I do not say that.

Mr. BURNETT. You let him stay and escape everything, and carry on his work of destruction and of murder here. I say at least send him where he can not ply his fiendish trade among the defenseless people left here at home.

Gentlemen, the country demands this law. A long-suffering people endured the presence of these alien slackers through one draft, and in the name of right and justice do not let them have to pass through those scenes again. A workingman in Alabama City, a beautiful little cotton-mill town near my home, told me that when the tocsin of war sounded last year his son-in-law felt it his patriotic duty to respond to the call, and is now in the trenches "somewhere in France," and that a few days afterwards an alien slacker got his job.

The only protest that I have had against this bill outside of official Washington was by a manufacturing establishment in Philadelphia, and the argument made in that letter was that they needed the labor of these aliens. I replied by suggesting that they keep some American boys home to work in their industries and let some of the alien slackers go and fight in their stead.

One or two gentlemen in this debate have made the same insistence as to the need of labor. Gentlemen, let us not weigh the blood of American boys in the scales against sordid wealth. Let us not measure the bleeding hearts of American mothers with a dollar mark. Let us think about those of our own flesh and blood. "He that provideth not for those of his own household is worse than an infidel."

The men and women of my district are just as patriotic as any beneath the sun, but they would deem me unworthy of the commission that they have kept in my hands for these 20 years were I to sit idly by and see our young men taken from their homes to fight and die in foreign lands while cowardly aliens fill their pockets here in security, far from the cannon's rattle. It is no pleasant duty for me to press this bill against the wishes of the President and the Secretary of State. But, gentlemen, a brave constituency has not sent me here to be the rubber stamp of any man or of any department.

If we as representatives of the people are to be mere automatons and have no right to act and vote as our convictions of duty lead us, then we had better abolish Congress and admit to our constituents that they have no use for us here.

Any man who comes here or declares his intention to come here to be a mere tool in the hands of anybody is unfit to represent a brave and honest people. So long as my people intrust me with their commission I expect to try to protect their best interests; to act for them, with the fear of God and the love of those whose servant I am as my guiding star. I can do no more; I will do no less. [Applause.] In this fight that I have been making for our young manhood I have been comforted and encouraged by many expressions of approval from all over our broad land. I will insert one letter from a representative of one of the patriotic organizations of the land. This is only a sample of hundreds of others of a similar tenor that I have received. I will also insert a portion of a splendid article written to the New York American by John Temple Graves, one of my long-ago Georgia friends.

Mr. Chairman, I voted against war and against conscription, and I have no apologies to make for either of those votes. But we are now in the war, and it is the patriotic duty of every true American to help to win it.

We now have conscription. I have advised my people to obey the law, and they have; but it makes my blood boil to see cowardly aliens who have not thought enough of American liberty and American opportunity to try to become American citizens take advantage of that very fact, while my constituents are called from homes and loved ones to fight and perhaps to die, not only for America but for the very existence of the countries of those renegades and slackers.

PENNSYLVANIA STATE CAMP,
PATRIOTIC ORDER SONS OF AMERICA,
Philadelphia, Pa., February 21, 1918.

Hon. JOHN L. BURNETT,
Chairman Committee on Immigration and Naturalization,
House of Representatives, Washington, D. C.

DEAR MR. BURNETT: May I, on behalf of the 120,000 native-born members of the Patriotic Order Sons of America of Pennsylvania, which in two days last May furnished over 2,000 trained recruits in Scranton, Pa., to the United States Army, and who to-day has many over 10,000 of its members fighting for the democracy of mankind, commend you for the splendid fight you are making in pressing for passage your alien slacker bill?

We are aware of the opposition you are encountering. At our State meeting last August, with close to 1,200 delegates in attendance, the principle of your bill was considered and unanimously indorsed. Similar action was taken at our national camp meeting in Chicago the following month.

It appears to me that the day has arrived when "America should be for Americans," either native born or those who come to our shores with the idea of becoming American citizens and living up to the principles and ideals of American institutions.

It is difficult to understand why any of our allies should object to such legislation, for it merely proposes to treat, with the liberal option of departures, foreign-born aliens as we have already, months ago, treated our own native born by the conscription act. That act specifically applies to aliens who have taken out their first papers, but I understand in administration is not being applied to such aliens because of treaties. Members of Congress who voted for that law, regardless of treaties, are now opposing this slacker bill of yours because of treaties.

It is our contention that if there are any treaties that stand in the way of the pending bill such treaties ought to be abrogated as the treaty with Russia was abrogated several years ago and as our treaties of peace were abrogated by a declaration of war last April, in order that justice may be done to our own, as we would have it done to the whole of mankind. As a matter of fact, is such abrogation necessary? Do not foreign countries, in making treaties with the President and the United States Senate find in our Constitution, which defines the treaty-making power, a clear-cut description of Congress's legislative power? And can they object to Congress treating their aliens, who are using this country as a "slacker's haven," precisely as we treat our own native born? One may justly ask if any nation which so construes a treaty and insists that their physically fit citizens of military age and of like condition shall stay in this country in good jobs, while our own native born are sent to their territory to defend it from further invasion and to fight to make the world safe for democracy and democracy safe for the world, is worth having treaties with. It is for this reason that we strenuously object to the Rogers amendment. This is a time in our opinion when the men we honor in Congress should demonstrate to the world that we stand four square for justice to mankind and a "square deal" to our own native born and our naturalized.

The fact that Great Britain has just made a treaty with us agreeing to the principle of your bill in a way shows that you and your committee were right in reporting the measure favorably to the House last summer, and that no nation could justly object to such important legislation.

I want to extend to you our hearty and sincere appreciation for the splendid stand you have taken on this patriotic proposition, and our earnest prayer is that patriots such as you may increase in number in Congress.

For America and American principles first, last, and forever,
Sincerely and fraternally, yours,

C. B. HELMS, *State Secretary.*

[From the New York American.]

DEMANDS FOR SLACKER LAW GO UNHEEDED—MYSTERIOUS DELAY IN BILL THAT WOULD SEND 1,000,000 ALIENS TO FRANCE IS INEXPLICABLE—MEASURE STAYS BEFORE CONGRESS 10 MONTHS, AND EVEN NOW IS RECEIVING LITTLE ATTENTION.

(By John Temple Graves.)

WASHINGTON, *February 22.*

The delay in the presentation and expedition of the alien-slacker bill is one of the distinct mysteries in the legislative and executive branches of the Government and of the present Congress.

In the mightiest war in which our country ever has been engaged or ever will be engaged, and with a steady and increasing clamor among our allies and our own Military Establishment for an ever-increasing man power it is utterly impossible to understand the procrastination and delay which has wrapped itself about a measure practically designed to gather and send to the French front somewhere between 750,000 and 1,000,000 men who ought by every right to be there.

It is a fact that no other legislation of nearly equal importance, of such self-evident justice, and of such vital necessity to the war in Europe has had anything approximating the delay, the apparent indifference, and the incomprehensible procrastination which has wrapped itself about this measure.

NEWSPAPERS FAVOR BILL.

Six weeks after the war began and in the latter part of May the Hearst newspapers, in voicing a simple and general demand of the friends of the American soldier, of our conscript army, and of our allied troops upon the western front of Europe, urged and at frequent intervals continued to urge the rounding up of the million or more of alien slackers who had taken refuge in this country to escape the duty and danger of serving their own countries in the vital emergencies of this war.

Other newspapers took up the appeal, and public opinion, through thousands of voices of parents and friends of the American Army, fervently indorsed the cry to the American Legislature and to the departments to speed the effort to gather and forward these alien slackers to the front—for the sake of their own nations who were our allies and friends and for the purpose of diminishing in some degree the numbers of our own men whose blood and life were being freely offered upon the battle fields of Europe.

From first to last this matter, the importance of which cried aloud to the common sense and humanity of the American people, has been treated with an apathy, with a delay, and with an apparent indifference which no American has been able to understand.

To-day, 10 months after the declaration of the war, the alien-slacker bill is still in the air, with no definite period fixed for its consideration, except in the House, where Congressman BURNETT, of Alabama, has succeeded after consistent and commendable energy in forcing a bill for consideration on Wednesday of next week.

AGREEMENT REACHED.

It was stated some months ago the State Department had requested a delay in the consideration of the measure to give time for diplomatic negotiations with the other allied nations concerned in the matter and with whom our existing treaties presented some difficulties to positive action by this Government.

More than a week ago notice was sent to the Military Committees of both Houses that an agreement had been reached between Great Britain and Canada and the United States by which the alien slackers of these countries, numbering perhaps 400,000 fighting men, could be speedily rounded up and sent to the fighting fronts.

One would have thought, in view of the urgent clamor voiced on both sides of the sea, that every agency of both Governments would have been speeded to the limit to develop and utilize this magnificent addition of man power to what is universally conceded as the very crisis of the war.

But the fact is that with astonishing delay, both in the establishment of the agreement and in the action of the legislative body, the matter has simply been referred to committees in both Houses, an opportunity which it seems should have been swiftly and eagerly seized has been leisurely laid over, and probably will be reported some time during the next week, when as an emergency matter it should have been immediately reported and immediately acted upon.

NO CAUSE FOR DELAY.

I have been unable to find any explanation of the delay which satisfies my judgment of legislation or my interest in the war. With the utmost loyalty toward the Government and the administration and the greatest respect for the Senate and the House, I have been unable to discover any reason why Executive vigor and congressional vigor could not have facilitated long ago the diplomatic arrangements which would have concluded a matter in which all nations, including our own, are so vitally interested. I can not account for the technical and personal divisions which would justify Congress in delaying action upon a question which involved a considerable portion of a million man power to be added to the allies in their supremest need.

I am sure that the Hearst newspapers would wish me once more through their columns to protest against further delay and to appeal for expedition in this matter.

I am very sure that with this matter now at last in diplomatic shape in the hands of the present Congress, the two Houses of that Congress could do nothing more popular or more necessary than to speed up this as an emergency measure with all possible expedition through both branches of our National Assembly and send it without further delay for the signature of the President.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. I would like to ascertain what the parliamentary status of the bill is at the present time.

The CHAIRMAN. An amendment has been offered by the gentleman from Alabama to strike out and insert, page 3, in line 14, after the word "States," to the end of section 3, page 4, and insert an amendment that the Clerk has reported to the committee.

Mr. BANKHEAD. It is an amendment to section 3 of the bill?

The CHAIRMAN. Yes; to section 2. Section 3, by unanimous consent, has been changed to section 2. This is section 3 as printed in the bill, but it is now section 2. The gentleman from Alabama has concluded, the Chair supposes.

Mr. ROGERS. Mr. Chairman, I ask to be recognized.

The CHAIRMAN. The gentleman from Massachusetts [Mr. ROGERS] is recognized.

Mr. ROGERS. Mr. Chairman and gentlemen of the committee, I have said before when this bill was up for consideration that I favored it. I do not wish to be thought to be in the position of a Greek bearing gifts. I sincerely echo the sentiments which the gentleman from Alabama [Mr. BURNETT] has just voiced. I hope that this bill will speedily be passed and become law.

On two different occasions I have found on my desk in the morning a letter signed by the gentleman from Alabama, which I assume was sent to most Members of the House, in which he called upon Members to vote against the "vicious Rogers amendment." It is not entirely clear from the language whether he was characterizing the offerer or the amendment, but I am willing to accept the gentleman's assurance that he was referring to the amendment and not to the author of the amendment. [Laughter.]

But, Mr. Chairman, let us see what this "vicious" amendment is, if we accept the construction of that phrase which I prefer. Let us see what iniquity is proposed in the "vicious Rogers amendment." My amendment is as follows:

Insert the following after the word "citizens," page 2, line 4:

"*Provided*, That this act shall not be construed to supersede the provisions of any existing treaty with such country, the terms of which stipulate that the United States shall not subject the subjects of such country to compulsory military service."

Mr. Chairman, we have a treaty with Italy, made in 1871, and in force to-day, by which each country stipulates that it will not subject the subjects of the other residing within its borders to compulsory military service. Is it "vicious" to suggest that as a Nation we are in honor bound to observe the terms of that solemn covenant? I should expect that Von Tirpitz or Von Hindenberg would characterize my amendment as vicious, but I am very much surprised, I confess, to find that sentiment voiced by the gentleman from Alabama [Mr. BURNETT]. My amendment simply and solely proposes that we as a Nation shall keep our solemnly plighted word.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. ROGERS. Certainly.

Mr. KELLY of Pennsylvania. Does the gentleman from Massachusetts contend that this amendment in any way supersedes the treaties we have in force? Is there any necessity for the Rogers amendment?

Mr. ROGERS. I am frank to say that my judgment, after such study as I have been able to give the question, is that the Burnett bill is not in violation of the treaty with Italy or of any other existing treaty. In that respect the gentleman from Alabama was entirely correct in quoting me as thinking that the Burnett bill does not violate any treaty.

Mr. KELLY of Pennsylvania. Is there any necessity for the interpolation of this amendment?

Mr. ROGERS. I am not an international lawyer. I have not been intrusted by the President of the United States with the task of administering our foreign relations. That function has been put not upon me, not upon the gentleman from Alabama [Mr. BURNETT], but upon the Secretary of State and upon the Department of State. The Secretary of State has definitely and positively said that in his judgment the Burnett bill does violate the Italian treaty. If that is true, we ought in honor to retain my amendment, and thus to save the United States Congress from being open to the charge of having deliberately made the Italian treaty a "scrap of paper."

Mr. McCULLOCH. Is there any other reason why the gentleman believes we should give the Italian the benefit of the doubt?

Mr. ROGERS. We are not going to give the Italian the benefit of the doubt. We have made a treaty with Italy. That treaty is in force. There is a prescribed and orderly way by which we can proceed to abrogate that treaty. But we have not the right as an honorable Nation, which is appearing before the world as the exponent of the doctrine of the maintenance of treaties, to fly in the face of that treaty so long as it is in force. We can not as a Nation be a champion of the "scrap of paper" doctrine. We are at war at this moment with a nation because we can not trust her to observe the treaty obligations into which she has entered.

Mr. DOWELL. Does not the Secretary of State in the communication read here to-day approve of the bill that is now before the House for consideration?

Mr. ROGERS. The gentleman from Iowa knows, of course, that the amendment to which I have alluded, and of which I am the author, is already in the bill.

Mr. DOWELL. But without reference to that amendment?

Mr. FLOOD. No.

Mr. ROGERS. Perhaps the gentleman from Virginia [Mr. FLOOD], the chairman of the Committee on Foreign Affairs, who has talked with the Secretary of State, as I have not recently talked with him, can answer the question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FLOOD. The Secretary of State simply says in his letter that the negotiations that were in progress in regard to these treaties had been practically concluded; two of them had been signed and sent to the Senate and the other two were almost entirely completed, with the exception of some minor changes. He did not approve the bill. But I want to ask the gentleman if I understand his position correctly. During the last two or three weeks we have been discussing this bill he has expressed himself as heartily in favor of it and did not concur in the view expressed that the bill violated the Italian and Japanese treaties, but yielded his judgment in that respect to the positive statement of the Secretary of State and his legal adviser that it did violate the Italian treaty. He does not want to put his country in the position of violating a treaty, where there is any doubt, and there must be doubt when our own State Department would have to decide against our position. Is that the gentleman's position? I think it is highly honorable and patriotic.

Mr. ROGERS. That is not exactly my position, but perhaps it approximates an accurate statement.

I think we must trust the State Department to administer the affairs of state. Now, the State Department has in a preliminary way, at least, expressed the opinion that this Burnett bill violates the Italian treaty. I do not think it does. I do not think it follows, when the question comes squarely before the State Department, when the State Department must consider the question and reach a decision, that it will itself adhere to its informal opinion. But my position is that we in this House must beyond peradventure exclude the possibility of violating our solemn troth. For that reason we must write into this bill a simple provision excluding any intent upon our part to break our given word.

Mr. BURNETT. Did not the gentleman vote for the draft bill, and did not we violate a treaty in regard to the drafting of aliens with first papers?

Mr. ROGERS. I voted for the draft bill, and the gentleman voted against it.

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. Yes; I yield to the gentleman.

Mr. KAHN. It is true there was a provision in the draft bill which violated some of our treaties, but the Committee on Military Affairs yesterday reported out a bill to correct that, so that we would not be in that invidious position.

Mr. BURNETT. What the gentleman from Massachusetts said is correct, and I stand on that.

Mr. ROGERS. I will say to the gentleman from Alabama that the international phase of the question was not presented to me and I do not recall that it was presented to the House last April or May, at the time the draft bill was before the House.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. Yes.

Mr. KEARNS. Is the Italian Government objecting to this bill on account of the fact that it is in contravention of some treaty that we have with Italy?

Mr. ROGERS. The chairman of the Committee on Foreign Affairs says that the Italian ambassador declares that this bill violates the treaty of 1871 between the United States and Italy. But the Italian Government has negotiated a treaty with England for the service in the armies of England of Italian subjects resident in England, and vice versa. There is no question that Italy is willing and indeed eager to enter into an agreement with us similar to that which she has entered into with Great Britain and which we have entered into with Great Britain and Canada. But she desires to do it in her own way. She will quite naturally deplore legislation by Congress which she says unblushingly contravenes a treaty with her, nearly 50 years old, and hitherto scrupulously regarded by both countries.

Mr. Chairman, if this Burnett bill does not violate any treaty, it can do no possible harm to state fairly and squarely that we propose to keep our plighted word. If the Burnett bill does violate a treaty, I have too great faith in the honor of the membership of this House to believe it will not indorse an amendment preventing any such Prussianism in our legislation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The debate on this section is exhausted.

Mr. SAUNDERS of Virginia. Mr. Chairman, if the debate is exhausted, how comes it the gentleman from Massachusetts got time?

The CHAIRMAN. By unanimous consent.

Mr. SAUNDERS of Virginia. I did not hear anything about unanimous consent, but I will ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman can move to strike out the last word.

Mr. SAUNDERS of Virginia. I will do that. I thought the chairman referred to some agreement. I move to strike out the last word in the amendment.

The CHAIRMAN. The gentleman from Virginia moves to strike out the last word.

Mr. SAUNDERS of Virginia. Mr. Chairman, there are two questions involved in the pending measure. One is a question of authority, or power, the other a question of propriety.

I think we are all agreed, whether we favor, or oppose this bill, that if it proposes in any wise to do anything that infringes a treaty, or is in derogation of our national honor, we are, one and all, opposed to it. With respect however to the question of power, I wish to take issue with the contention that has been advanced to the effect that we lack the authority to enact this legislation. In this connection I desire to say that should we chose to exercise our constitutional power—and I do not suggest for a moment that we should do this, if the propriety of its exercise is in doubt—it is perfectly competent for the Congress to avoid every existing treaty. The discussion upon this bill seems to have proceeded, for a time at least, upon the theory that if there is a valid subsisting treaty, we are powerless to take any steps in contravention of its provisions. Nothing could be further from the fact. Congress has the right to pass bills that relate to and provide for the common defense. It has the right to provide for the establishment and maintenance of armies and navies. Further, it has the right to take all the steps necessary to make effectual the powers specifically confided to it by the Constitution. Hence, when the Congress enacts a law in conformity with the Constitution, that law becomes paramount law.

Under the Constitution the President can negotiate a treaty. When that treaty is ratified by the Senate, that treaty becomes paramount law. Both laws are paramount, and if they happen to conflict, the one that is later in point of time, operates a repeal pro tanto of the prior enactment.

The inquiry has been propounded here to-day whether the bill under consideration will violate the treaties that are pending in the Senate. Why, of course not. Whatever may be enacted in the way of statute law, prior to the ratification of treaties negotiated by the Senate, and in conflict with the terms of those treaties will, immediately upon their ratification, be thereby abrogated. So that it is utterly impossible for us by any present action to violate a treaty which is inchoate, which is as yet in the womb of the future, and which, when ratified will thereby, by that very act, abrogate all antecedent and conflicting legislation.

But, Mr. Chairman, while it is perfectly true, as I said, that the Congress possesses ample authority to abrogate the treaty with Italy, without giving that country notice of our intention to that effect, I do not for a moment suggest such a course. As a matter of propriety and national honor, we should hold to the view which is the general view of the modern world, with one flagrant and odious exception, that treaties ought not to be regarded as "scraps of paper," but maintained as solemn and binding obligations. If there is anything in the proposed legislation that is in derogation of our treaty with Italy or of our treaties with any other country the way of our duty is manifest. With one voice this legislation should be rejected. But, Mr. Chairman, I wish to dissent in the most emphatic terms from a suggestion heretofore projected into this debate to the effect that this body should be controlled in its judgment of the constitutionality of pending legislation by the views entertained with respect to such legislation by the State, or any other department of the Government. We are a coordinate branch of the Government, and in connection with the enactment of laws, it is a part of our constitutional function to determine for ourselves whether acts under consideration are, or are not constitutional.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Certainly.

Mr. MOORE of Pennsylvania. Suppose a treaty had been entered into with the usual good faith, which required six months' notice of intended abrogation, and we should pass a law in advance of that six months' notice. Would the gentleman regard that as an act of good faith toward another Government?

Mr. SAUNDERS of Virginia. Certainly not. As a matter of power, we could take such action. But I have just said that if there is anything in the pending bill that is in derogation of

any existing treaty, then as a matter of national honor, and high propriety, the bill should be rejected.

Mr. MOORE of Pennsylvania. In connection with the treaty with Russia, Congress did act but it gave notice that it intended to abrogate the treaty.

Mr. SAUNDERS of Virginia. Yes. That was the proper thing to do—and we did it, but we could have abrogated the treaty without any preliminary notice.

Mr. MOORE of Pennsylvania. Would not the State Department be put in the position of violating a treaty if this House were to pass a bill not in accordance with the treaty?

Mr. SAUNDERS of Virginia. But if this bill does not violate a treaty, how will its enactment put the State Department in the situation suggested by the gentleman's question?

Mr. MOORE of Pennsylvania. That is true if it does not violate the treaty; but the suggestion has been made that this bill does.

Mr. SAUNDERS of Virginia. I intend to discuss that suggestion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAUNDERS of Virginia. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. SAUNDERS] asks unanimous consent that he may proceed for five minutes. Is there objection?

There was no objection.

Mr. SAUNDERS of Virginia. I dissent in toto from the view that the suggestion by the Secretary of State, or the Secretary of the Interior, or the Secretary of any other department, that pending legislation is unconstitutional, should cause this body to abandon its own well-considered opinions, fold its hands, so to say, and discontinue its legislative activities on the subject under consideration. That would be a surrender of our proper constitutional function.

Mr. MADDEN. Will the gentleman yield?

Mr. SAUNDERS or Virginia. I yield, Mr. Chairman.

Mr. MADDEN. What is the fact with respect to the terms of the treaty? Would this law in fact violate the terms of the treaty?

Mr. SAUNDERS of Virginia. No. I intend to discuss this question of suggested conflict, but preliminary to that discussion I wished to say a word or two with respect to what I deem to be the proper constitutional authority, and the appropriate action of this body when engaged in the enactment of legislation presenting constitutional, or other difficulties.

Mr. MOORE of Pennsylvania. That brings up the question that the gentleman from Illinois [Mr. MADDEN] has raised. Should not the bill include some notice that we intend to abrogate the treaty?

Mr. SAUNDERS of Virginia. Yes, if we proposed to abrogate a treaty.

Mr. MOORE of Pennsylvania. Rather than simply pass it without notice?

Mr. SAUNDERS of Virginia. But if we do not propose to abrogate a treaty, why should any notice be given? If we are perfectly clear that our legislation will not be in abrogation of a treaty, why should we discount the sincerity of our action by giving a notice that is proper to be given only when the abrogation of a treaty is in contemplation?

Mr. MOORE of Pennsylvania. Our treaty may say "We will give you six months' notice." but our bills says "We will give you no notice." That is the point.

Mr. SAUNDERS of Virginia. If we do propose to abrogate a treaty, why should we give a notice of abrogation? I deny that by this act we will violate any treaty, or moral obligation.

Mr. GALLIVAN. Have any of these other powers intimated that we are violating the treaty? Does the gentleman know whether they insist that we are likely to?

Mr. SAUNDERS of Virginia. I have heard it stated on the floor of the House that the Italian Government or some representative of that Government has intimated that the pending bill is in violation of our treaty with Italy.

Mr. GALLIVAN. But the gentleman does not know whether that is official or not.

Mr. SAUNDERS of Virginia. Pardon me, for a moment—I have wondered since hearing this statement whether it did not relate to the bill as it was originally reported, and not to the bill in its present form. The bill reported by the committee contained a provision for the conscription of aliens. Should we pass the bill with this provision included, it would clearly be in violation of the Italian treaty. Congress would have the authority to pass it, even in that form, but good faith and national honor forbid such action. The offending section has been stricken from the bill.

Mr. GALLIVAN. But the gentleman can not say with any certainty that any of these powers have intimated that the present act under consideration violates any treaty.

Mr. SAUNDERS of Virginia. I know nothing more than what has been stated on this floor. No protest from the Italian Government has been presented to this body or to the Senate, certainly so far as I am aware. The statement to which I referred was made in debate two weeks ago. I do not even know whether this statement could now be made, in view of the present form of the bill.

Mr. GALLIVAN. I notice that the chairman of the Committee on Foreign Affairs has just returned to the Chamber, and I hope he will answer the question which I have just put to the gentleman from Virginia.

Mr. SAUNDERS of Virginia. Now, Mr. Chairman, I stated a moment ago that if this House is sure of its ground and firmly of opinion that this legislation is constitutional and morally proper, it should not be deterred from action by difficulties suggested by the functionaries of another department. Should this body decline to take the action that its own judgment and conscience suggest, when confronted with the critical suggestions, and opposing views of officials in other branches of the Government, much wholesome legislation would remain unenacted. I well recall that when the Webb-Kenyon bill was before this body, the Attorney General of the United States pronounced that measure to be unconstitutional, and so advised the then President. Later that President vetoed the bill on the ground of unconstitutionality. In the exercise of our own proper authority, and fully persuaded that the bill was constitutional the Congress proceeded to pass the same over the President's veto. What was the sequel of that action? The Supreme Court sustained the constitutionality of the act in a decision of the most sweeping possible character, thereby fully vindicating the judgment of the Congress against the opposing view of the Attorney General and the President.

So much then for the suggestion that this body ought to hesitate to act, merely because an official, or officials at the departments maintain an opposing view upon questions that we are perfectly competent to determine. These preliminary remarks may serve to draw attention to the fact that on the question of the constitutionality of this bill, we should exercise our own judgment, and not be frightened away, or deterred from taking action on the suggestion that the Secretary of State differs with us with respect to the propriety and constitutionality of this legislation. We respect the judgment of the Secretary, but we must act on these high matters on our own judgment, and following the suggestions of our own consciences.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SAUNDERS of Virginia. I have been interrupted so much by questions that I will ask for 10 additional minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that he may proceed for 10 minutes. Is there objection?

There was no objection.

Mr. SAUNDERS of Virginia. Returning to the discussion of the propriety of this bill it will be noted, on examination, that what the treaty with Italy denounces is the conscription of Italians in this country.

Mr. MADDEN. Will the gentleman yield there?

Mr. SAUNDERS of Virginia. Certainly.

Mr. MADDEN. While we are not providing for the conscription of the nationals of Italy in this bill, we are in effect doing that same thing, are we not?

Mr. SAUNDERS of Virginia. Not at all, but that is the very question I am now proposing to discuss, and which I have started several times to discuss, but from which I have been diverted by the questions which have been propounded. Looking, as I have said, to the treaty, it will be seen that it specifically provides against the conscription of the subjects of Italy in the United States. There is not a line of this bill in its present form which provides for conscription. It relates to a situation which, it is fair to say, neither of the contracting parties had in mind at the time the treaty was negotiated, and a situation therefore with respect to which the minds of the contracting parties never met.

Mr. GORDON. Will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. GORDON. Does not the joint resolution deal with the condition created by the conscription law, to wit, the status of men who have registered but pleaded their rights under the treaty; does not the joint resolution impose pains and penalties on men who plead their rights under that very treaty?

Mr. SAUNDERS of Virginia. Mr. Chairman, I will endeavor to answer this, and all other questions frankly and fully. As I

have said, the situation that now confronts us is one that was never fairly in contemplation by the parties to the treaty. We are at war, with Italy on our side. This war presents possibilities of far graver consequences to Italy, than to this country. Victory will mean more to that country than to the United States. Under war conditions we find hundreds of thousands of aliens in the United States, the subjects of other countries engaged in a life and death struggle, but who are neither aiding this country, nor the countries to which they owe allegiance. They have scorned to become naturalized citizens of the United States. They are beyond our authority for the purposes of waging war. They are fighting neither in the armies of this Republic, or of the motherland to which they belong.

This Republic is conscripting the sons of America to fight the battles of America, and incidentally the battles of the countries to which these aliens belong. What does this mean for the native American, this inability to put on the firing line either in the armies of the United States or of our allies, this vast aggregate of aliens? It means that in every community of the United States, where these aliens are found, they constitute an occasion of irritation, of dissatisfaction, and of heartburning. It breaks down that solidarity of sentiment, so essential to the successful conduct of the war, its successful prosecution, and speedy conclusion. We should be at this time a united people, free from the canker of irritating comparisons. How can this state of mind exist when in so many communities American parents see their boys going to war, when aliens protected by treaties from conscription, remain to hold their jobs? This is the situation that confronts us. What are we going to do about it? Can we conscript these people? No. Existing treaties hinder us from taking that action. What then? Are our powers as a sovereign nation paralyzed in all other directions? Are we hindered from taking action on lines not covered by these treaties? Of course not. We can not move in any direction where these treaties block the way, but in all other respects we are still sovereign, and can exercise all of the attributes of sovereignty. What then can this country do, in this time of critical exigency? The answer is easy.

We can say to these aliens who cause heartburnings, these aliens whose presence in so many communities is a festering sore, that while we can not conscript them and put them into the Armies of the Republic, side by side with our sons, we can invite them to withdraw from our country. We can say to them that their further presence is not desirable under present conditions. We can say to them that they are hindering us in the great task of winning the war, by preventing a continuous contrast between their favored condition, and that of our sons in the trenches of Europe. They are neither with us, nor with their own countries. We can not conscript them, and their own countries can not reach them. Under these conditions they are not desirable inmates of our country. They are an offense, and a stumbling block. Have we no right under these circumstances to invite them to withdraw or if they wish to remain to come into our Armies? Why not? Is it possible that we have ever agreed to any treaty which renders it impossible for this country in the exercise of its sovereign powers to invite undesirable persons to withdraw from our borders, and if necessary to deport them?

Mr. PLATT. Will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. PLATT. Does the gentleman mean that he actually wants to deport these people?

Mr. SAUNDERS of Virginia. Yes, if necessary.

Mr. PLATT. You could not run the coal mines of Pennsylvania three weeks without them.

Mr. SAUNDERS of Virginia. It is more important to have soldiers at the front, than to maintain aliens to dig coal in Pennsylvania. I am more interested in our own boys, our patriotic native born Americans, than in alien coal miners. If these people were in our armies, or the armies of the countries to which they owe allegiance, it would not be necessary for so many of our young men to be drafted.

Mr. PLATT. You can not win the war without the operation of the coal mines.

Mr. SAUNDERS of Virginia. The gentleman is getting away from the question of our authority and rights under the treaties.

Mr. GORDON. Will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. GORDON. Is it the gentleman's judgment that the Government of the United States can not win this war without drafting aliens into the military service?

Mr. SAUNDERS of Virginia. We can win this war without the aliens, but as a matter of justice to American boys, I wish to see these people either fighting in the armies of this country to which they have come of their own choice, or in the armies of the allies' countries to which they owe allegiance. Should our boys fight in Europe to make this country a safe domicile for aliens, where they may wax fat, and flourish, secure against danger?

Mr. GORDON. The gentleman is a good lawyer, but he has not answered my question.

Mr. SAUNDERS of Virginia. I have stated that we can win the war, without calling upon the aliens. But I desire to call upon them.

Mr. GORDON. What authority have we to force aliens into the Army?

Mr. SAUNDERS of Virginia. We are not seeking to conscript them. We give them a choice.

Mr. GORDON. You are or you are driving them out of the country.

Mr. SAUNDERS of Virginia. We say to them "Your presence is not desirable under these circumstances but if you choose to enter our armies, and fight shoulder to shoulder with our boys, you will by that act, remove the objection to your continued presence."

Mr. FESS. Will the gentleman yield?

Mr. SAUNDERS of Virginia. No, I can not yield further. My only reason for not yielding is that I have already been obliged to ask one or two extensions, and I do not care to ask for further time.

Mr. FESS. I wanted to ask the gentleman a question on this line.

Mr. SAUNDERS of Virginia. Very well, I will yield.

Mr. FESS. I want the gentleman's opinion as a lawyer upon one question upon which I am considerably confused in my mind. I am in sympathy with what the gentleman is saying, and still I am withholding my support because of some doubt.

Mr. SAUNDERS of Virginia. What is the gentleman's doubt?

Mr. FESS. Suppose the bill is passed with the Rogers amendment; we can not do under the law with that amendment what I think my friend would like to do.

Mr. SAUNDERS of Virginia. Not if construed by a hostile department, no.

Mr. FESS. In case the law is passed and the negotiations of the State Department will relieve inability by treaty, must there be some additional legislation in order to make it operative upon the person that it is now inoperative upon because of treaty obligations?

Mr. SAUNDERS of Virginia. The difficulty in answering that question is that we do not know what the provisions of the treaty will be. I have pointed out that even should this bill become law, any subsequently ratified treaty will be the law of the land, and will override all antecedent laws of the land, just as this bill if passed, will be the law of the land, and repeal all other laws with which it may happen to conflict.

Mr. FESS. Then the law as passed to-day would be operative on cases that the treaty now would forbid if a future treaty would relieve it?

Mr. SAUNDERS of Virginia. This law would not operate against any treaty ratified subsequent to its enactment. Taking up again the thread of my argument, I repeat that we can say to these aliens, "We do not want you in this country under present conditions. You neither wish to fight with us, nor with your native country. Under these circumstances we will be glad for you to withdraw." To this statement we can add the further statement that if, preferably to withdrawing, they are willing of their own motion to become a part of the military force of this country, we are willing for them to remain. This puts the matter up to them—as a matter of voluntary choice. You may say that the choice is a hard one. That may be, but it does not touch the question of our right in the premises.

It is competent for this country to remove them without giving them the choice of coming into our armies. I suppose that the gentleman from Ohio [Mr. GORDON] will agree that morally, and constitutionally we possess that authority. The greater always includes the less. If as a matter of authority, and without violation of propriety, we can deport these aliens as undesirables, then assuredly we enjoy the lesser power to give them the opportunity to remain, by becoming by voluntary action a part of the armies of the Republic, thereby removing the objection to their continued presence. That is all this bill proposes to do.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. FLOOD. Suppose a Member of Congress thought that it did infringe the treaty?

Mr. SAUNDERS of Virginia. Then, he ought to vote against it, just as every Member who thought that the Webb-Kenyon bill was unconstitutional, ought to have voted against it.

Mr. FLOOD. Is it not a fact that this country has negotiated a treaty with Italy that covers this proposition, and does not that take it out of the question of whether we are violating the treaty or not?

Mr. SAUNDERS of Virginia. No; because the old treaty with Italy endures until the proposed treaty is ratified. We do not know when that ratification will take place. In the meantime, and by way of anticipation we ought to take some action.

Mr. FLOOD. The gentleman does not suppose that the Senate of the United States would at the same time ratify a treaty negotiated between this country and Italy and pass a law that violated that treaty, does he?

Mr. SAUNDERS of Virginia. I will say this, and it is an answer to many of the questions that have been propounded: Why concern ourselves with possible conflicts between this bill, and the treaty now being negotiated with Italy, when both the new treaty and this bill will be before the Senate. That body will be in a position to take care of any conflicts, and make the necessary reconciliations.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. SLAYDEN. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. SAUNDERS of Virginia. Yes.

Mr. HARDY. I would like to know if the gentleman believes that strict good faith permits us to do indirectly what our entire good faith declares we ought not to do directly?

Mr. SAUNDERS of Virginia. There is no answer to that, but no.

Mr. HARDY. If this law would by moral compulsion enforce conscription, if it would force these people into the Army although we can not conscript them, are we not keeping the letter of the law and breaking the spirit?

Mr. SAUNDERS of Virginia. No. Whatever is not covered by the treaty either in terms, or spirit, can be dealt with by appropriate legislation. I have tried to point out that doubtless what the Italian Government had in mind, when it objected to this bill was the second section of this bill, the one that provided for conscription. But that section has been stricken out. Neither the Italian Government, nor any other Government could suppose for a moment that this country had ever surrendered its right to deport undesirable aliens. The right is of the essence of national authority. I have tried to point out how undesirable these aliens are under present conditions, when they can not be reached either by this Government, or their own. I will ask the gentlemen who have asked me so many questions, whether they question the power or the right of the United States Government to invite these aliens to go, and to remove them if necessary. I take it for granted there is not a Member of this body who would claim——

Mr. GORDON. I challenge it myself.

Mr. SAUNDERS of Virginia. Then in the gentleman's own time I hope he will support his contention.

Mr. GORDON. If I can get the time, I shall explain why.

Mr. SAUNDERS of Virginia. If we possess this power of removal how can it be in anywise considered that we run afoul of the treaty when we give the alien an opportunity of his own choice to stay with us? That is all we propose to do. We have the power and the moral right to remove them, but we say to them, "If you do not wish to be deported but prefer as a matter of choice to stay in the United States and become one of us in this war, you may exercise that choice." The question of whether it is a hard choice, is not relevant or important. It may be a harsh action toward these aliens to remove them, when they would so much prefer to stay safely in this country far from war's alarms, while our boys are in France, but it could not be argued that the power of deportation is lacking, merely because its exercise would press hardly upon the persons deported.

Mr. McCULLOCH. Mr. Chairman, is it the gentleman's opinion that the Rogers amendment should be eliminated from this bill?

Mr. SAUNDERS of Virginia. I do not think it should have been put upon the bill. We might just as well have put upon the Webb-Kenyon bill that it should not be operative, if it was held to be in violation of the Constitution of the United States.

Mr. McCULLOCH. The gentleman regards the Rogers amendment as unconstitutional?

Mr. SAUNDERS of Virginia. I voted against it, and I think it ought to be eliminated. However I do not believe that if this amendment remains as a part of the bill, it will operate to kill it. It is not expected that this bill should be enforced if it is in violation of a treaty.

Mr. HARDY. Will the gentleman yield for another question?

Mr. SAUNDERS of Virginia. Yes, I will yield.

Mr. HARDY. Does the gentleman recognize that there is duress in this bill? Would not the gentleman make the same defense of a provision in this bill which would say that any alien of this class who should refuse to volunteer might be imprisoned for six months?

Mr. SAUNDERS of Virginia. No, the situation is entirely different. There is a measure of duress in this measure, but it is duress with respect to a matter that is within our constitutional authority, and within our moral rights.

Mr. HARDY. Would not the gentleman recognize we had the constitutional authority to imprison a man who refused to volunteer?

Mr. SAUNDERS of Virginia. But not the moral right. I was careful to include both of them in my answer. I have undertaken to maintain the proposition that this bill is neither a violation of moral propriety, or a treaty obligation.

Mr. KEARNS. Will the gentleman yield?

Mr. SAUNDERS of Virginia. I will.

Mr. KEARNS. Then the conscription law which we passed to conscript American boys, there was duress in that, also?

Mr. SAUNDERS of Virginia. Of course, of the most direct and effective kind.

Mr. KEARNS. In that if he refused to be conscripted we could put him in jail.

Mr. SAUNDERS of Virginia. We have no right to use duress to compel something to be done that can not, and ought not to be done directly. But when moral propriety does not interfere with the exercise of constitutional authority, then in the exercise of that authority we can use duress. We have the constitutional authority to deport these aliens, if we regard them as undesirable, and their presence under present conditions as a hindrance to the successful prosecution of the war. No treaty obligation, or moral duty interferes with the exercise of this authority. This being so this country can put up to these aliens, call it duress if you will, the choice between deportation and service by voluntary action, in the Armies of the United States.

Mr. KELLY of Pennsylvania. Mr. Chairman, the gentleman from Massachusetts [Mr. ROGERS], in answer to my question a moment or two ago, stated that he did not believe that this measure in any way supersedes our treaties with the nations concerned. That being true, what is the advantage or necessity of the so-called Rogers amendment? It can do no good and may do much harm. I believe it should be eliminated from the bill.

Mr. Chairman, this proposition embodied in the bill under discussion deals solely with the right of America to classify and deport undesirable aliens. Surely it is a gross violation of all the principles of fairness and justice to permit the citizens and subjects of our allied nations, who have taken all the advantages of an American welcome to this country, to now refuse to serve either their native land or their adopted country. Surely they shall not be permitted to stand as onlookers while the self-sacrificing youth of America marches to the trenches. Either those aliens who are fit for military service must serve under the Stars and Stripes of their adopted home or they must leave our shores for some country in which they have a deeper interest.

I maintain that the command to these aliens to either "serve or leave" is not only a fundamental right of a sovereign nation but it is a most pressing American duty. This country has long been known as the melting pot of the world. Now is the time to see whether the melting pot has done its work. We have lighted underneath it the fires of patriotism, of noble ideals, and of American safety. Now, we want to know whether the metal of our peoples has been fused into the steel ingot of common purpose. In this bill we declare that the alien slacker, the elements that will not fuse into Americanism, shall be skimmed off and thrown on the slag heap.

It is repeated on this floor that to serve or leave is a bitter alternative. The process of melting is bound to be painful. Steel is not made by asking the ore if it wants to be melted. But the ore is needed for worthy service of mankind, and it is put into the melting pot so that good metal may be molded and the dross thrown away. So, too, with these aliens in our midst who come from our allies in war. They are tested as by fire, and in this moment of national need and national peril they must either fuse into the forces of Americanism or be cast out. The man who does not think enough of this country to defend it now has no right to live upon its soil.

We have heard much of our treaty with Italy. Let me read a statement sent out by Secretary Lansing in answer to a letter

from the gentleman from Michigan [Mr. JAMES]. It is as follows:

Naturalization of an Italian subject in a foreign country without the consent of the Italian Government is no bar to liability to military service.

A former Italian subject may visit Italy without fear of molestation when he is under the age of 16 years, but between the ages of 16 and 39 he is liable to arrest and forced military service if he has not previously reported for such service. A former Italian subject who returns to Italy after the age of 39 is not liable for service. However, his exemption from punishment for past failure to appear is contingent upon his having complied with certain formalities which may be performed at an Italian embassy or consulate.

A petition for pardon of the offense of desertion or evasion of military service should be sent to the Italian Government directly, as this department does not act as the intermediary in presenting such a petition.

* * * * * * *

There is no naturalization treaty between the United States and Italy defining the rights of citizens or subjects of either country who may obtain naturalization in the other country. It may be stated, for your information, that in the absence of a naturalization treaty between the United States and Italy the Italian Government has taken the position that children born abroad to Italian subjects must be considered subjects of Italy and liable for the performance of military service in the army of that country.

Now, this attitude on the part of Italy simply means that that nation does not admit that former Italian citizens can be made full-fledged American citizens. There is the doctrine of dual nationality, and it shows that the Italian Government has no undue delicacy in its policy of dealing with those whom we regard as citizens of this country. To my mind the absence of a naturalization treaty with Italy at the present time is evidence that Italy will be the last country in the world to enter any protest to our undoubted right to deport undesirable aliens. I have a large number of former Italians in my district, and I want to say that they are loyal Americans and are with America in this war with all their hearts. At the very beginning of this war I received resolutions from a great mass meeting of former Italians held in my district, declaring earnest allegiance to the American cause and offering themselves for service in any way possible. I addressed a meeting on Washington's Birthday, last week, where some 14 different nationalities were represented. I went into the details of this "alien slacker" bill at length, and those present expressed their full approval of this measure. Those aliens who have appreciated the advantages of American citizenship and have taken out their papers of naturalization want that citizenship to mean something. They do not want unjust immunities and advantages to go to those who have never applied for citizenship.

The gentleman from New York [Mr. PLATT] injected the remark a moment ago that the coal mines of Pennsylvania could not run if this measure is passed and carried out. I come from a district where many coal mines are operated, and I want to say that the number of aliens working in them will be lessened tremendously when it is emphatically understood that American citizenship means something and that remaining an alien does not assure unjust advantages over an American citizen. One of the main barriers to greater efficiency and production in the coal mines is that very thing, the absence of the feeling that citizenship means protection and rights as a member of the Nation over those who deliberately choose to remain outsiders. Let the word go out that aliens must either serve here or leave, that they shall not escape their obligations, and you will see renewed efforts in mine and mill and factory. You will see a more whole-hearted and eager response to the stern demand of to-day on the part of American citizens from every home affected by selective conscription.

Justice to Americans demands the passage of a measure to put value into American citizenship, to make it mean rights as well as obligations, and to make alien slackers either serve or get out of America. [Applause.]

The CHAIRMAN. The Chair desires to state that he has noticed that some of the occupants of the galleries are indulging in applause. That is in violation of the rules of the House. The occupants of the gallery have no right as visitors in the gallery to express their approval or disapproval of what takes place on the floor, and the Chair hopes that occupants of the gallery will observe this rule. The Chair will recognize the gentleman from Ohio [Mr. GORDON].

Mr. GORDON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GORDON. Now, Mr. Chairman, I just want to answer a few questions that have been propounded by the previous speakers.

The gentleman from Virginia [Mr. SAUNDERS] is a good lawyer and an able parliamentarian, but his whole contention here, his whole argument, is based upon the erroneous assumption of the legal liability of aliens to render military service in the country in which they are domiciled. Now, any lawyer that will stand upon the floor of the American Congress and make such a contention as that confesses his entire ignorance of international law and the rules and customs of this or any other nation, so far as diplomatic relations are concerned. What is the undisputed truth? During the Civil War we passed a conscription law similar to the one now in force, covering those who had declared their intentions. Secretary of State Seward, after the war was over, in a formal statement declared that in every single instance where an alien declarant was conscripted into the military service of the United States he was discharged if a demand was made by his government that he should be discharged. Unfortunately we embodied that same provision in our draft law. What is the result? The Commander in Chief of the Army and Navy is discharging these aliens on the request of their government. Of course he would discharge them. They are not legally liable to render military service.

Mr. MADDEN. Of course they could not make application to discharge themselves, and they have to apply through their own governments.

Mr. GORDON. They have to apply through their own governments. That is the unfairness and meanness of this legislation. It is taking advantage of the people that are in this household of ours at our invitation. In many instances we are lending enormous sums of money to their governments, which adds materially to the embarrassment of the situation. I do not like to say that we are attempting to take advantage of men who are here by our invitation, and because we are loaning money to their governments, because no alien can come into a country without consent of that country, and nobody can question but that we have given consent.

Mr. JOHNSON of Washington. In an effort to straighten out that situation, the Committee on Military Affairs has reported a bill to the House correcting it, based on the statement of the President himself.

Mr. GORDON. The Secretary of War and the Secretary of State have sent a bill down to the committee, and we have reported it out.

Mr. JOHNSON of Washington. We have not gotten through with one branch before we are forced to take up another bill in regard to the first-paper aliens.

Mr. GORDON. While you are deliberating here and talking about this the President of the United States, in order to avoid trouble with foreign nations, is simply ignoring the law you have already passed and dismissing these men from the military service because they are not legally liable to render it. And the one main point about this whole matter that every speaker insists upon ignoring for the purpose of pandering to the voters of his own district is that you have no legal authority to conscript an alien into the military service. Why should aliens fight for the American flag? Will somebody tell me?

Mr. BURNETT. Will the gentleman yield?

Mr. GORDON. Yes.

Mr. BURNETT. If they are here and will not do it, why should our boys be sent over there and they be allowed to stay here?

Mr. GORDON. I will tell you why. Our men have got to fight the battles of our Nation. They are the only ones liable. The idea that an alien is under obligation to fight for a foreign flag is a mistake. That is a new discovery in international law. They are under no obligation to do it.

Mr. KEARNS. You have not answered the latter part of the gentleman's question. Why should they remain here?

Mr. GORDON. They should remain here, because, in the first place, if you deport these men across this submarine zone without a convoy at this time it means certain death. We can not furnish them with a convoy. It is a breach of faith on our part. They are here on our invitation. The most practical objection to this legislation, against its passage through the House—and it will never get further—and I want you to consider it, is that you will prostrate the industries of this country in all of the large cities, including the one in which I reside. Thirty-two thousand aliens between the ages of 21 and 30 in the city of Cleveland registered under our conscription law. We had a right to require them to register, because we had a right to identify them. We had a right to intern the alien enemies, and it might be necessary for you to do so for the protection of the country during the time of the war, because a state of war between two nations puts at war legally all the citizens of one nation with all the citizens and subjects of another nation. But just because we require them to register confers no right to impress them into military service. There is no such right. Every single authority on international law, regardless of treaties, holds you can not do that. If we were

invaded suddenly, if there was a great insurrection, you perhaps might call upon aliens resident here to assist in suppressing it, but the idea that a sovereign nation can conscript an alien into its military service in order to fight a foreign war is a new discovery of the gentleman from Alabama [Mr. BURNETT] and the gentleman from Virginia [Mr. SAUNDERS] in this debate.

There is no authority for it; none whatever. Our own State Department has thundered against it since the foundation of this Government, and, of course, the reason for it is perfectly obvious. If we insist upon the right to draft aliens into our military service we must concede the same right to foreign nations. And I do not care to be the citizen of a country that will permit its citizens to be drafted into the military service of foreign nations. James Madison, when Secretary of State, discussed this question fully and said that under no circumstances would it be permitted. The War of 1812 arose out of the actual impressment of American seamen into the British Navy more than from all the other causes combined. The assertion was made by the English that "once an Englishman, always an Englishman," and that their citizens could not throw off their allegiance to their mother country and become naturalized citizens of the United States. They did not assert the right then to draft native American citizens into their army or impress them into their navy. They simply claimed this right over men born in England who were naturalized under our laws. We denied their contention, and the War of 1812 was largely fought upon that question. James G. Blaine, in words that burned, denounced the proposition to draft an American citizen into the military service of a foreign country. Thomas F. Bayard did the same thing. It is not a party question. There is no authority anywhere on earth for the proposition that you have a right to compel an alien to enter the military service of a foreign nation in which he is domiciled.

Of course the President of the United States understands that. He is an authority upon history and upon international law. And what is he doing? What is he compelled and required to do? To ignore legislation that you have already enacted in order to keep the country out of war with other foreign nations who are challenging our right to draft their citizens and subjects into our military service, and a bill has been brought in here, at the request of the War Department and of the State Department and the President of the United States, to amend your draft law so as to exempt aliens coming from neutral countries from the provisions of that law. It is a constant source of irritation in connection with the drafting of our Army, although the President merely discharges them. But the unlawful laying of hands on them and subjecting them to the necessity of appealing to their Governments for protection under the rights they have under treaties and international law is a source of great embarrassment.

We have a pretty good-sized war on our hands now. I do not think we should needlessly attempt to take on another. We have denounced the enemy of the United States in this war because he has violated the rights of our citizens under international law and has violated treaties we had with him, but that is exactly what we are attempting to do here by this sort of legislation. Gentlemen, it is a mere pandering to the same sentiment which in the days of President John Adams led to the enactment of the alien laws and which aided to bring about the destruction of the old Federal Party; and I want you to remember that the time will come when some of you will regret this. Of course just now, in time of war, the aliens are a very unpopular proposition in the United States. The alien has no vote in most of the States. In nine of them, I will say to you, he may vote by declaring his intention. That is a situation which ought to be changed by constitutional amendment at once. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last two words.

Mr. GALLAGHER. Mr. Chairman, at last it appears that Congress is to remedy a condition regarding alien slackers. This problem has caused a great deal of trouble and dissatisfaction in many of the draft districts where there are a large number of aliens registered. The bill now before Congress provides for the deportation of certain aliens who want to escape military service, and for other purposes. I hope the bill will pass, and I believe it ought to pass.

One of the principal objects of the bill is to prohibit aliens who are natives or subjects of countries who are at war with Germany or with any of the other central countries of Europe from ever becoming American citizens when they claim or hereafter claim exemption from the selective draft, and further it requires the deportation of such aliens as soon as it is practicable to do so. We understand and appreciate that it is impossible at the present time to deport many of these aliens on account of the impracticability of securing immediately ships and other means of deportation, but under this bill it will be done as soon as these means are available.

I am in favor of the passage of this bill without the amendment by the gentleman from Massachusetts [Mr. ROGERS], which is as follows: Insert the following after the word "citizens," page 2, line 4:

Provided, That this act shall not be construed to supersede the provisions of any existing treaty with such country the terms of which stipulate that the United States shall not subject the subjects of such country to compulsory military service.

I do not believe that such an amendment is necessary in view of the statement by the chairman of the Comimttee on Foreign Affairs regarding existing treaties between this country and some of our cobelligerents, particularly Italy, and further because of a letter received by him yesterday which reads as follows:

THE SECRETARY OF STATE,
Washington, February 25, 1918.

MY DEAR MR. FLOOD: Referring to the negotiations which the department is carrying on with certain of our cobelligerents regarding military service conventions, I desire to state for your information that on Tuesday last I signed with the British representative two conventions, one for Great Britain and one for Canada, and that I am now in receipt of telegrams from the American ambassadors at Rome and Paris practically accepting with a few minor changes the proposal of the United States to enter into similar conventions with Italy and France. I am not expecting that any serious obstacle will be placed in the way of early signature to these conventions.

Very sincerely, yours,

ROBERT LANSING.

Hon. HENRY D. FLOOD,
House of Representatives.

In view of all this I had supposed that the opposition of our cobelligerents had been removed until our friend from Ohio [Mr. GORDON] took the floor. He is very much concerned about the industries that are going to stop because these aliens are likely to be deported if the law passes, as I hope it will. What about the industries in a district such as I represent, where perhaps all of the natives between the ages of 21 and 31 will be compelled to render military service under the selective-draft law as it exists. He tells us that these foreigners are here by our invitation, whereas everybody who has served in this House for any length of time knows that for the last 10 years there has been an effort on the part of Congress, much to my regret, to deny immigrants admission to this country. I have always been and am still in favor of liberal immigration.

Now, let me give you an illustration of conditions as I find them. I represent a district in the very center of the city of Chicago, composed largely of foreigners and the children of foreigners. The great majority are patriotic citizens, with many more anxious to become citizens. Quite a large number are aliens. In my own draft district nearly 60 per cent of those registered of draft age are aliens. Now, you have to get the quota for that district from the 40 per cent of natives or those naturalized and those with first papers. Quite a percentage of those selected have taken out only their first papers. In such a district, or in any like district, nearly all the natives will be drafted to make up the quota for the district. Is that fair? I do not believe you think so.

I had a telegram shortly after the selective-draft law went into force from the local exemption board of the district in which I reside saying that the conditions were such that they would not serve there. Let me read you their telegram:

CHICAGO, ILL., *July 22, 1917.*

Hon. THOMAS GALLAGHER, M. C.,
Washington, D. C.:

We desire to call your attention to the fact that in the forty-second division, comprising the first, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, twenty-fifth, twenty-sixth, twenty-seventh, and twenty-eighth precincts of the nineteenth ward; there is a total registration of 3,768; of this number there are 2,242 aliens, constituting 59.5 per cent of the total registration, leaving 1,526 citizens to draw from. If quota to be furnished is based upon the total number registered it will be impossible to comply with same. The unfairness of such a request is apparent in due justice to our fellow citizens of this district. The quota should be based upon the number of citizens registered and not upon the total registration unless quota to be furnished is based as suggested above. We, the undersigned members of local exemption board No. 42, of the city of Chicago, county of Cook, State of Illinois, do hereby and herewith tender our resignation, to take effect immediately.

RAOUL R. HAAS, M. D., *Chairman.*
WALTER ARNOLD AMBERG, L. L. Bh., *Clerk.*

I took the matter up with Gen. Crowder, and he said they will have to serve, they can not resign. I wired them back to that effect and told them they must serve to avoid trouble.

Congress did not know of such a condition as this when the selective-draft law was passed, and I have told the people of

the district on several occasions that Congress would remedy the condition, and this bill, if enacted into a law, is a remedy.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. Yes, sir.

Mr. HARDY. Can the gentleman tell us what proportion of the aliens in his district are either alien enemies or alien neutrals?

Mr. GALLAGHER. A large proportion, in the particular district of which I speak, are Italians. The native boy of Italian parents or the boy whose father became a naturalized citizen is as anxious to fight for the Stars and Stripes as any in the country. We also have quite a large number of Greeks there, and as near as I can learn the percentage of exemptions almost equals the number of aliens in this and like districts.

Mr. HARDY. Are there no Germans or Austrians?

Mr. GALLAGHER. Very few; they are scattered.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. With pleasure.

Mr. FESS. Are there not a great many Slovaks and Slovenes and Czech that are very loyal but who would stand under our law as alien enemies?

Mr. GALLAGHER. Yes; and a great many of them are offering to serve and are willing to serve.

Mr. FESS. That situation ought to be cured.

Mr. GALLAGHER. Take the Poles, for instance. Perhaps the largest colony of Poles in this country are in my district, and they have national headquarters there for many of their organizations and associations. There are no people in this country that are as anxious for us to succeed in this war as are the Poles, and none more loyal, either.

Mr. FESS. Yet they are technically alien enemies?

Mr. GALLAGHER. Yes; they are technically alien enemies.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. Yes, sir.

Mr. BARNHART. These loyal so-called alien enemies have a perfect right to enlist.

Mr. GALLAGHER. Yes; and the Poles and Italians are enlisting in large numbers. Many, very many who are out of the draft age. It is the fellow who is taking advantage of our exemption laws and is trying to stay here and take the job of the boy who is drafted that this bill will regulate. These are the ones we are after.

Mr. FESS. Suppose they were taken prisoners at the front when enrolled in our service. What would happen to them?

Mr. GALLAGHER. They would have a bad time of it, I expect, if captured by Germany.

Mr. GORDON. They would be executed for treason.

Mr. GALLAGHER. Well, they are willing and anxious to take the chance. I do hope that this Congress will remedy the condition I complain of and such as I have described.

If, as President Wilson says, we are fighting "for the rights of small nations, for freedom in the world, for justice and for peace," then, in my opinion, it is the duty of all who love liberty to fight for these principles.

I believe it to be the duty of all men who have come to this country to better their conditions and share with us the blessings of a free government, and especially those who come from a country which is now at war with Germany, to fight with us under our flag, where they will receive adequate pay for their services, compared with that which they would receive in the service of the country from which they came, and where they will receive also the pension or insurance that our law provides and which our boys will receive. If they will not fight under these conditions, they should be made to go back home and fight, and I feel almost certain that the treaties that are now in the making will provide that they be drafted in the service of the country from which they came, if they do not enter our military service. I am simply expressing the indignation of my constituents about the injustice of the condition that I have described in my draft district and which exists to a certain extent throughout the whole congressional district. They do not believe it is fair to fight the battle of liberty, justice, and right for men who will not fight for themselves.

I hope this bill will pass, and pass without the amendment of the gentleman from Massachusetts, because according to the statement made by the chairman of the Committee on Foreign Affairs there is no necessity for that amendment in this bill. It is a proper law, and we ought to pass it, as suggested by the chairman of the committee reporting it. [Applause.]

Mr. HARDY rose.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BURNETT. Mr. Chairman, I would like to have an agreement about the time of debate. Will the gentleman from Texas yield for that purpose?

Mr. HARDY. I will.

Mr. BURNETT. I would like to have 15 minutes agreed upon for debate. The gentleman from Missouri [Mr. MEEKER] is a member of the committee, and I should expect to yield to him. I think this is all there is to it. None of this debate is germane to the amendment I have offered, but I have not objected to it.

Mr. JOHNSON of Washington. But it is very illuminating. I am sure the gentleman is inclined to be liberal. There will be no attempt to consume the time unnecessarily.

Mr. BURNETT. Twenty-five minutes, then, Mr. Chairman.

Mr. JOHNSON of Washington. We should have 15 minutes on this side.

Mr. BURNETT. Thirty minutes, and the gentleman may control 15 minutes.

Mr. JOHNSON of Washington. Let it be controlled by the gentleman from Wisconsin [Mr. STAFFORD].

Mr. BURNETT. Will you allow the gentleman from New York to come in under your time?

Mr. STAFFORD. We have already requests for 15 minutes on this side.

The CHAIRMAN. What is the request?

Mr. STAFFORD. Make it 18 minutes.

Mr. BURNETT. I will make it 20 minutes on a side, and ask that it be upon the entire section and all amendments thereto. There is no amendment pending except the one that I have offered.

The CHAIRMAN. Twenty minutes on a side?

Mr. BURNETT. Yes.

The CHAIRMAN. And who is to control the time?

Mr. JOHNSON of Washington. For this side, let the gentleman from Wisconsin [Mr. STAFFORD] control it.

Mr. BURNETT. Twenty minutes to be controlled by myself and 20 minutes by the gentleman from Wisconsin [Mr. STAFFORD].

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that debate on this section and all amendments thereto be concluded at the end of 40 minutes, half the time to be controlled by the gentleman from Alabama [Mr. BURNETT] and half the time by the gentleman from Wisconsin [Mr. STAFFORD]. Is there objection?

There was no objection.

The CHAIRMAN. Does the gentleman from Alabama desire to use his time now?

Mr. BURNETT. The gentleman from Texas [Mr. HARDY] has been recognized.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] had five minutes before the agreement was made?

Mr. BURNETT. Yes. The gentleman from Alabama [Mr. BANKHEAD] has an amendment to make this section conform to the amendment that was made to the first section, and I would ask that he be allowed his five minutes without it being taken out of the 20 minutes.

The CHAIRMAN. Is there objection to that request?

Mr. RAKER. Reserving the right to object, I ask that I have five minutes in opposition to the amendment of the gentleman from Alabama.

Mr. STAFFORD. I think that would be eminently unfair. The other side would then have 35 minutes to 20 minutes on this side. We are not objecting to the arrangement to allow the gentleman from Alabama to have an additional five minutes, but everybody will be asking five minutes.

Mr. RAKER. Everybody is not going to ask five minutes. I am a member of the committee and I am opposed to the amendment of the gentleman from Alabama. I do not believe the amendment ought to go on to the bill.

Mr. STAFFORD. They will have more time on that side, then.

Mr. BURNETT. Upon that question.

The CHAIRMAN. Is any further time asked?

Mr. BURNETT. I ask that there be 25 minutes on each side.

The CHAIRMAN. The gentleman from Alabama now asks unanimous consent that there be 25 minutes on each side—the time on one side to be controlled by the gentleman from Alabama [Mr. BURNETT] and on the other side by the gentleman from Wisconsin [Mr. STAFFORD], and this does not include the five minutes already granted to the gentleman from Texas [Mr. HARDY]. Is there objection?

Mr. RAKER. Reserving the right to object, does that include five minutes to the "gentleman from California"?

The CHAIRMAN. The Chair knows nothing about that. The time has been extended five minutes on a side.

Mr. RAKER. The chairman of the committee agrees to yield to me five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] is recognized for five minutes, not to be taken out of the time agreed upon.

Mr. HARDY. Mr. Chairman and gentlemen, I want to address myself to the Rogers amendment. There have been clearly expressed two views as to the operation of the bill before the House without that amendment. One opinion is that it will not violate any treaty of ours with any other nation. Another view is that it does clearly violate our treaty with Italy and perhaps other countries. I will not undertake to discuss which one of those views is right as a legal proposition, although in my judgment it does clearly violate our treaty; but I will say this, that if it does not violate a treaty the Rogers amendment does no harm. If it does violate a treaty, then the Rogers amendment is very essential if we wish as a nation to preserve good faith. Now, let me say what the Rogers amendment is. In substance it simply provides that if this bill in any particular does violate any treaty, it shall be so far inoperative and void. We as a Nation have contended that the highest international obligation is good faith, and we have denounced the German Imperial Government because it tore up a treaty as a scrap of paper. Yet forsooth, because the present conditions may not be to our fancy, and many aliens in our midst have not volunteered for our Army, we propose to refuse to attach to this bill a provision that it shall be inoperative if it violates a treaty, which by its express terms agreed that we would not force or compel the citizens of another country to serve in our Army. Let me make this statement, further, that good faith does not depend upon legal obligations. Good faith is a moral question, and if this law violates the moral obligation of the treaties we have entered into, or the moral obligations of international law, which we profess to adhere to, we ought not to pass it. There is not only our obligation of good faith to nations, but under our laws the aliens from all climes and countries who meet the conditions of our immigration laws have been invited to settle among us and locate here and build up their homes and their fortunes here. The very terms of our law are an invitation to them to come and obey our law and live with us under the well-understood obligation on our part that we would not force them to serve in our Armies. These men from other countries have come. They are here with us, and now we propose to say that "We have the legal right, notwithstanding our treaty, to deport you if you do not volunteer, and we will hold over you the threat of deportation.

These gentlemen who say there is no violation of the treaty forget that you may morally break a treaty though you keep it to the letter. They forget that you can compel a man to do a thing by duress as well as by taking him by the nape of the neck; and when a man has his all here, you as much compel him to join your Army when you tell him that you will deport him and confiscate his property as if you had conscripted him.

You may salve your conscience and say that he is not serving by compulsion—because you leave him the choice of volunteering or being deported—but you would quickly take the other side of that question if one of our citizens rightfully in a foreign country, which had agreed with us not to compel our citizens to enter her army, were to be given the same choice. Then there is one other subject I want to call attention to. The gentleman from Alabama [Mr. BURNETT] argues that this bill will do away with the foreigners getting the jobs of the Americans. You recognize that you can not apply this law to the neutral or to the enemy alien. Now, I would like to know what percentage of aliens in our midst belong to Italy, France, or England. Why, the German will go scot free under this law and so will every Austrian who is living here, as well as all neutral nationals.

Mr. JOHNSON of Washington. And where do the Finnish people come in?

Mr. HARDY. I do not know; but every Russian, I think, to-day would be exempt from this law, and only a minor per cent of the aliens would be affected by it. Surely, when the administration tells us that they have about completed negotiations with France, England, and Italy for an amendment of our treaties with them, and when the administration evidently does not want this law passed, we ought not to pass it without the amendment. From every standpoint the Rogers amendment ought to be incorporated into the bill, and then we could hold our skirts so clear from the stigma of violation of our national faith that no man could shake his finger at us and say, "Thou, too, art the guilty man." [Applause.]

Mr. BURNETT. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman, I ask that my amendment be read for the information of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

Page 3, lines 5 and 6, strike out the words "or with any of the central powers of Europe" and insert in lieu thereof "Austria-Hungary, Bulgaria, and Turkey."

Mr. BANKHEAD. Mr. Chairman, when this amendment, in identical language, was offered to section 1 at the time we had the bill up for consideration on the 6th of the month, it seemed to have caused some misapprehension in regard to the purpose for which it was offered. The only purpose I had in view was to clarify and make definite the real purpose of the language of the act.

Mr. ROBBINS. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. ROBBINS. Is there any declaration of war against Turkey? Why should we include that country?

Mr. BANKHEAD. That is what I want to make clear, as to what the committee intended. I am not wedded to the amendment, but I think in justice to the bill it ought to be made clear, so that there will be no misunderstanding. The words "central powers" only refer to the geographical location. It is not in capital letters, so as to give it political significance. It ought at least to be capitalized, so that we will understand what autonomy is intended and what specific countries it refers to. The bill as it stands here says:

That after 30 days from the passage of this act no alien who is a native or subject of any country that is engaged in the war with Germany, or with any of the central powers of Europe—

What are referred to here as the central powers of Europe? Is it Germany and Austria-Hungary, or is it to be taken in its broader acceptation of the term and include Bulgaria and Turkey? I asked a distinguished scholar of the House when the matter was called to my attention what he understood to be meant by "central powers," and he said Germany and Austria-Hungary. I said what classification would you put Bulgaria and Turkey into, and he said they were Balkan powers and, according to the strict political construction, are not included in the words "central powers." My only purpose was to make clear and specific the intention of the committee as to this part of the bill. If we intend to include all the four powers, we ought to so declare it, or at least have the words "central powers" capitalized. I offered it to the first section of the bill. I had no purpose in offering the amendment except to make specific the intention of the committee. I think it is of sufficient importance to clarify it by this amendment. I will ask the chairman of the committee what was the purpose of the committee in using the words "central powers"?

Mr. BURNETT. The committee thought it was all these powers that were at war against the allied powers; that they should be regarded as the central powers.

Mr. BANKHEAD. In other words, Germany, Austria-Hungary, Bulgaria, and Turkey?

Mr. BURNETT. Yes.

Mr. BANKHEAD. If that was the intention and purpose of the bill, it ought to be set out in that language. I want to submit it to the judgment of the House and call attention to it. I think the amendment ought to be adopted.

Mr. BURNETT. I yield five minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Chairman, this same proposed amendment was offered when the bill was up before to lines 5 and 6, section 1. The only objection is that it is not exactly what the committee wants, but what the bill intends. We do not want to designate those that are not at war with the United States or those we have not declared war against. The gentleman from Alabama has clearly covered the matter. I imagine the committee would have no objection to capitalizing the words "central powers." It seems to be more in harmony with the bill than it would to distinguish by putting in Germany and Austria that we have declared war against and then in addition putting in Bulgaria and Turkey, two countries that we have not declared war against

Mr. BANKHEAD. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. BANKHEAD. If you will read the text, it does not relate wholly to countries that we have declared war against, but to those countries with which ourselves and allies are at war.

Mr. RAKER. As we understood, and it has been so presented by all of the parties, we are not an ally with any country, and therefore that may be an unhappy expression in the bill. I do not believe anything in this bill says we are the ally of any of these countries.

Mr. FESS. We do not use the word "ally" in the bill, but in the explanation we are trying to cover those citizens of the countries that are at war with the central powers. Now, who are the central powers?

Mr. RAKER. Let us be frank, and let us legislate upon matters as they exist.

Mr. FESS. Here is the point. Some of those powers are at war against Germany and Austria, and not against Bulgaria and Turkey.

Mr. RAKER. That is true, and why not let us meet the thing face to face and legislate upon the matter and against the countries we have declared war against?

Mr. BANKHEAD. Then you would exclude a lot of aliens?

Mr. RAKER. I mean the countries that we have declared war against. Why pick out the countries that England and France and Italy have declared war against?

Mr. FESS. That is not the purpose of the committee.

Mr. RAKER. No. Then why complicate the bill by naming Bulgaria and Turkey, because we as a Nation have not declared war against those countries, while England and France have declared war against those two countries. All of the central powers——

Mr. FESS. What does the gentleman include in that?

Mr. RAKER. It is my view of the matter that includes Germany and Austria-Hungary.

Mr. BANKHEAD. That is the very confusion I was seeking to clear up.

Mr. ROMJUE. Mr. Chairman, I think the gentleman is quite right in that, and it is immaterial whether it includes Austria and Germany alone or all the powers. Certainly, Austria and Germany are the central powers, and there is no nation in this war as our ally but what has declared war on Germany and Austria. Of course, there is an exception in the Balkan States.

Mr. RAKER. Yes; and I do not believe that we ought to complicate it, although the gentleman's suggestion that we capitalize the words "central powers" could do no harm, but why include in this bill a specific designation as to Bulgaria and Turkey when the bill clearly specifies what we want and what we are intending to accomplish and will bring about, as I believe, the relief that is sufficient to take these aliens who are here and will not join our own forces abroad. This, of course, is not vital in any way. It can do no harm, though the bill as reported by the committee is plain. The thing we want is this proposed legislation enacted into law and placed on the statute books. It will relieve the present embarrassing situation. The American people are firmly convinced that this legislation should be enacted and enforced. Those who are receiving the benefits of our Nation should be willing to assist in our present troubles. If not, they should not become citizens of America, but should be sent home where they belong. It is entirely optional with them. But when they decline to assist us, then we know they never would make proper citizens of this country, and so state in this bill, and in addition we assist in getting rid of their presence, which is harmful to the Nation. We treat all just and fair. We want like treatment in turn. From all angles I feel myself much impressed with the objects and purposes of the bill. As a member of the committee having consideration and charge of this bill I voted to report it to the House and shall continue to assist all I can in securing its final passage by the House.

Mr. STAFFORD. Mr. Chairman, I yield three minutes to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman and gentlemen of the committee, I want to call your attention to a condition which existed in the city in which I live during the first draft. When they called for the registrations there were 25,000 young men between the ages of 21 and 31 who registered. Ten thousand of those registrants were aliens, not subject to serve with the United States Government at all. By reason of the registration of these 10,000 aliens this city was compelled to furnish almost twice as many young Americans as it would have had to furnish if those 10,000 aliens had not registered. I claim that is unfair. I want to see something done. I either want to see the means of raising the draft quota changed or else I am going to support this bill. I do not believe that it is fair to compel the young Americans to go to the war while these men stay at home and take their places in the great industries and shops in the district which I represent. I listened to the speech of my friend, the gentleman from Ohio [Mr. GORDON], and I believe it was one of the very best speeches I have ever heard him make, up until the last sentence, and then what did he say? He said, "Some of you men are going to be sorry; the day will come when you will regret voting for this bill." He said a great many of the aliens are not voters now, but they will be some day, thereby intimating that if we dared to vote for this measure we would suffer, as far as these votes are concerned, when the election time rolled around.

Mr. GORDON. Oh, Mr. Chairman, will the gentleman yield? He is entirely mistaken.

Mr. COOPER of Ohio. I yield if I am mistaken.

Mr. GORDON. Certainly. I had no reference to any election in my mind. These men are not voters.

Mr. COOPER of Ohio. Did the gentleman not say that some men would live to regret this day?

Mr. GORDON. Yes; when this war is over and this feeling against aliens has all died out, then gentlemen will see the wrong in it. You are seeking to impose an obligation that these men are exempt from under the law of nations.

Mr. COOPER of Ohio. Why does the gentleman say that these men were not voters now, but soon will be? What do you mean?

Mr. GORDON. I said a lot of gentlemen were supporting this thing because these aliens had no power to assert their rights, because they are not voters. That is what I meant.

Mr. COOPER of Ohio. I want to say to my friend from Cleveland, and I like him, that I come from a district that has probably as many aliens in it as his own district, but that as far as I am concerned I care not what my political future may be, I am going to stand here and do what little I can to protect the American boys and make these men do their part. [Applause.]

Mr. Chairman, we all feel proud of the brave young Americans who have answered the call of our country and stand ready to give their life's blood for the great cause which we are contending and fighting for to-day. These young men have been selected from the finest blood in our land; they are the pick of our young American manhood, and as they leave to fight our battles in a foreign land we realize that many of them will never return again; and, Mr. Chairman, realizing this as I do, I feel that there is no too great a sacrifice for me to make in order to help these young men in the great, noble, patriotic service which they are performing to-day. [Applause.]

The district which I have the honor to represent in this Congress has furnished about 5,000 young men, who have answered the call of our President to follow the Stars and Stripes into a foreign land. I honor and respect these boys, and for that reason I am going to vote for this bill. It is a matter of principle and justice to me, for it is not fair and right to draft our American boys to fight the battle of our country and at the same time allow thousands of able-bodied young aliens who are subjects of the countries that are now at war with Germany and who intend to make this their home for all time enjoying the privileges of our country and taking the place of our young men who are going to a foreign land to fight their battle. I shall vote for this bill as a matter of justice and fair play to our brave boys who are now fighting, shedding their blood in the trenches on the blood-soaked battle fields of France. [Applause.]

Mr. BURNETT. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. MEEKER].

Mr. MEEKER. Mr. Chairman, I think, in the consideration of the bill there are two or three matters that we should keep very clearly in mind as regards not only our right but the wisdom of taking some action of this nature. In the first place, it will help us all the time if we remember that when it comes down to the real fact of the case that we have declared war against Germany and Austria because of what they did to our citizens and because of their attempt to destroy our Nation, and that we would be compelled to fight them and would fight them if nobody else was in the war. To that extent it is our war, so far as we are concerned. In the second place, we certainly, as a Government, have a right to say to men who are within our Government who are not citizens whether they shall remain during such times as this or not. Now, all we say in this bill is this. "We are getting ready to deport men who are not citizens of the United States and send them back to their own countries until this war is over unless those men see fit to join with us in this war." It is not the same thing as saying to a man, "You must serve or go to prison." It is saying to everybody, in giving notice, "You can prepare to pack your trunk until the trouble is over in the family unless you want to help us save the house."

Mr. BUTLER. Will the gentleman yield for one question?

Mr. MEEKER. Yes.

Mr. BUTLER. Could an American complain if a foreign country said to the American resident of that country, "You will either fight with us or go home"?

Mr. MEEKER. I wish they would say it. [Applause.] I wish the foreign countries would say to our men who are there, "You are encumbering the earth. Now, you must pack your bag and return home until our trouble is over, unless you want to help us."

Mr. JOHNSON of Washington. Suppose the Mexican Government did that?

Mr. MEEKER. To our people?

Mr. JOHNSON of Washington. Yes.

Mr. MEEKER. Certainly.

Mr. JOHNSON of Washington. Then what?

Mr. MEEKER. If Mexico stated, so far as the protection of the rights of our people are concerned down there, we are protecting the right of any alien here, certainly Mexico has the right to say to anyone in Mexico at the present time, or any other Government would have, if they did not desire the presence of certain citizens there, that they must go. If we can not say that, then the alien has a greater right in America than we have ourselves. Who is running this Government, aliens?

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. MEEKER. Yes.

Mr. COOPER of Ohio. Does the gentleman believe there is any red-blooded young American in any foreign country to-day but what has offered his services?

Mr. MEEKER. No "red blooded"; the gentleman put in the words "red blooded" with his question, but there are some Americans who have a yellow streak; but when the gentleman says "red blooded," of course not. But now I think we should divest this whole argument of all the question of our associations in the war and simply serve notice on the men in the United States who are here from other countries that we are going to issue a general order of deportation, and these gentlemen will be given the privilege and the opportunity of deciding for themselves whether they want to stay and assist in this program, and if they do not care so to do why should not they go? That is the one question, why should not they go if they are not willing to fight here. It is none of our business whether they are put in the army of their own nations when they get back. It is very evident many of them are not going back, because they know they will be put in the service there, and the way the situation is now they can not be put into service here and their own country can not take them back. They are the "fortunate" men of the struggle who have gone beyond the reach of their own nation and yet are insisting we can not touch them because they are aliens. Now, we simply issue a general order for all aliens of military age to go in 60 days. We do that for the protection and welfare of our own Nation. If the alien comes and says, "I prefer to fight; I want to join your military forces," very well, then. If they want to join our military forces, well enough. If they want to join our military forces, we will accept them in the Army. When this becomes a law, it will no longer leave a twilight zone for the alien slacker who will not fight in our Army because he happens to be here and stands on a technical treaty right. [Applause.] Now, then, we are violating no treaty any more than when we put a city under martial law in a time of great fire or danger. We say to the party, no difference whether he is an alien or who he is, "If you will not help us to fight this fire, we will throw you in the fire," and he ought to be thrown in. That is the one point of this bill. We are violating no treaty; we are standing on our rights, serving notice we will empty this country of aliens within 30 days for the good of the country unless those men want to fight with us. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I want to see in good faith what I understand the situation. As I understand it, all the people of draftable or conscriptive age in the United States have been registered. I think that is so, is it not?

SEVERAL MEMBERS. Yes.

Mr. CANNON. Whether they are citizens of the United States, Germany, Italy, Bulgaria, or any other country. Now, then, as I understand it, we have a treaty, made in time of peace with the principal nations with whom we are at war, that they shall not, notwithstanding the war, force our citizens who may be in such country into their army and we shall not force their citizens into our Army. Is that right?

Mr. GORDON. That is correct.

Mr. CANNON. The gentleman says it is correct. Now, then, I want to understand further. It was stated, whether true or not, that our ally, Italy, refuses to recognize the naturalization of Italian citizens in this country between a certain age, and the gentleman stated the maximum age to be 39 and the minimum age I do not recall—probably 18 or 20, whichever it was. Am I right about that?

The gentleman says it is correct. Now, I understand further, and without information, that there are a great many citizens of countries with which we are at war, and citizens of neutral countries and citizens of our allied countries, in the United States and not naturalized. Now, in that condition it seems to me the trouble as to the slackers comes about very largely from the fact that the Congress of the United States when it passed the law for conscription did not provide for the condition. And in many of our districts there are people in the coal mines, perhaps, and in the munition factories, and upon the railroads that have been registered but exempted on the ground of noncitizenship in the United States. I understand there are some cases, and it has been admitted, where the Italians have gone into our service voluntarily and are subject to be taken as Italian subjects. Whether Italy would take them or not, being an ally, I do not know. Now, it seems to me we can not say that all of these people who under treaties with foreign governments not American citizens shall get out in 60 days. Well, they can not get out. Some of them might, here and there, but we will have great trouble in convoying our soldiers to the other side and shipping munitions and food products to them and to our allies in Europe on account of our insufficient shipping. The dissatisfaction with the present condition arises from the failure of Congress to enact proper legislation when we enacted the draft law under which we enrolled all our population, United States citizens and those who are not citizens, between the age of 21 and 31, and the noncitizens are exempted where drafted, throwing on the citizens the burden of furnishing the quota for themselves and also for the noncitizens. [Applause.] The noncitizens were not evenly distributed among the citizens in the various localities throughout the country.

Mr. BURNETT. Mr. Chairman, I yield five minutes to the gentleman from New York, my colleague on the committee [Mr. SIEGEL].

Mr. SIEGEL. Mr. Chairman and gentlemen, the gentleman from Washington [Mr. JOHNSON] was greatly in error when he stated here a few moments ago that the bill that has been offered by the chairman of the Committee on Military Affairs [Mr. DENT] applied to any alien of any of the countries that are engaged in the war with Germany. That bill applies only to neutrals, and the present bill which——

Mr. JOHNSON of Washington. It applies to first-paper neutrals. It applies to declarants of neutral countries in the United States who have, as a result of being first-paper men, been taken into the Army.

Mr. SIEGEL. The countries that are not at war with Germany.

Mr. JOHNSON of Washington. Yes.

Mr. SIEGEL. And the bill we now have under consideration expressly and exclusively applies to all of those aliens who are natives or subjects of a country engaged in the war with Germany. And therefore both measures are not in contradiction with each other. The Dent measure applies to men who have come here from countries that are still neutral and not fighting Germany, and this measure applies to those men who are in the United States from such countries as are fighting Germany.

Now, the situation that confronts the average man from a city district, particularly New York, or in any other large city, is this: Take my congressional district, for example, or take the congressional district that is represented by my worthy colleague, Mr. LAGUARDIA, who is now in Italy and is doing his bit over there, fighting for America. [Applause.] In Mr. LAGUARDIA's district about 40 per cent of the men are aliens between the ages of 21 and 31. In my district the percentage is 42 or 43. What has been the result? We have found that in those districts the boy who was born here or the boy whose father became naturalized was taken at the ratio of 1 out of 6, while in other States, particularly the Southern States, only 1 out of 10 was selected, caused by the fact that the native born is greater in numbers and that the percentage of aliens is very small. And then we have another condition of affairs. We have men who came here 20 or 25 years ago, and brought along with them children, did not become citizens. And that applies a good deal to our friends from Great Britain and several of the other belligerent countries. They did not become citizens, with the consequence that their children are aliens to-day, so far as this country is concerned, and they neither enlist in our forces or go abroad to fight for Great Britain. And I feel that either a man coming from a country which is at war with Germany should fight under our flag, the same as our boys are doing, or he should go abroad and fight there. [Applause.] We can not go to work to make a selected class of those who will not become citizens of our own country, and who, when our own boys are going to war, sit idly by in the same block, in the same tenements, or on the same street and laugh at or ridicule the boy whose father became a citizen when he came here years ago.

Now, there has been some discussion here as to whether aliens have voluntarily enlisted, and I say, as far as the forces are concerned, that we have at the present time 76,000 men who are in the military forces of the country to-day. In times of war aliens can and have enlisted. Those 76,000 men are of the high type of aliens that you and I desire to have in this country. I know of no man here in the House who has stood for more

liberal immigration than I have. I stand for that kind of liberal immigration which is represented by our colleague, Representative LAGUARDIA, who is of Italian descent [applause], and when our Republic is in danger goes forward and fights. I do not stand for that kind of immigration which desires to have our protection and then refuses to fight for the country which has given them liberty, justice, a fair deal, and the same opportunity that all have here. [Applause.] We have the same benefits, and we should give the same service. I know that practically all immigrants and their children feel the same way, and are even now making every sacrifice that we require. It is because there are some with different ideas that the question is before us. The proper spirit is shown in the following from the New York Times of Sunday, February 24, 1918:

THE PARADE OF THE DRAFTED MEN.

On Washington's Birthday, in a snowstorm, 10,000 New York City men of the National Army marched down Fifth Avenue.

The marching men, the fighting men,
Glorious youth to the fore again!
A nation's hopes in the rolling beat
Of the drums and the tramp of marching feet;
A nation's heart with the men who go
In quest of a dream through the whirling snow.

Glorious youth to the fore again!
Courage battling with death, as when
Washington faced in a fateful hour
The doom pronounced by a haughty power.
On they go, on they go,
In quest of a dream through the whirling snow.

The marching men, the fighting men,
The soul of Lincoln alive again,
Alive in the sleet of the buffeting North,
Spurring the dark-skinned legions forth,
Shackled no longer, to rise and go
In quest of a dream through the whirling snow.

Glorious youth to the fore again
In the march of the Nation's fighting men!
Erin's host, Judea's sons,
Gaul and Slav with shouldered guns,
Welded in purpose bravely go
In quest of a dream through the whirling snow.

Men of America! Is it a dream—
The peace of the world and the fireside gleam?
A world from the Teuton curse released?
A world set free from the scourge of the beast?
Merely a dream as on ye go,
Tramp, tramp, tramp through the whirling snow?

Men of America! East and West,
North and South, have given their best
To mold as one a will of steel
That shall make the dream we fight for real!
Soldiers of justice, on ye go
For humanity's dream in the whirling snow!

(Elias Lieberman.)

[Applause.]

Mr. BURNETT. Mr. Chairman, how much time have we on this side?

The CHAIRMAN. The gentleman from Alabama has 5 minutes remaining and the gentleman from Wisconsin has 17 minutes.

Mr. SIEGEL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. ROGERS. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Massachusetts makes the same request. Is there objection?

There was no objection.

Mr. COOPER of Ohio. Mr. Chairman, I also ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER of Ohio. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Ohio makes the same request. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. TREADWAY].

The CHAIRMAN. The gentleman from Massachusetts is recognized for two minutes.

Mr. TREADWAY. Mr. Chairman, I have already expressed myself as being in favor of the Burnett bill. It seems to me that we have delayed its passage long enough. I hope before the afternoon is over the final vote may be taken upon it.

I wish to use the short space of time allotted to me in calling the attention of the committee to some interesting statistics which came to my attention yesterday in reference to the amount of war-risk insurance that has been taken out by soldiers and sailors. I happened to call at the office of Commissioner Nesbitt yesterday and was given these figures, which seem to me to be extremely interesting.

The total mail received by the bureau on February 25 was 11,291 letters. There was in force on that date $10,229,685,000 of insurance. There was in force last night—I called up this morning to see what the addition was overnight, or within 24 hours—and there was in force to-day $10,400,313,500. The number of applications, including day before yesterday, was 1,262,447. Last night it was 1,284,665, showing the receipt yesterday of over 22,000 applications. The average amount of these policies day before yesterday was $8,103. Yesterday the average was $8,096. The highest number of applications received in any one day was 54,000. The highest amount written in any one day was $501,622, or an average of $9,289, showing how nearly all the men applying for insurance were taking their full allotment of $10,000. In addition to the insurance there have been filed 1,327,342 applications for allotments and allowances. There have been 518,282 awards sent to the disbursing officer, of which 19,101 were sent day before yesterday. The number of employees in the department yesterday was 2,383, and in addition to that there are about 400 employed during the evening by the hour.

It seems to me that these statistics of the value of the war-risk insurance to the men in the service are well worth the House having a knowledge of. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. STAFFORD. Mr. Chairman, I yield three minutes to the gentleman from Michigan [Mr. JAMES].

The CHAIRMAN. The gentleman from Michigan is recognized for three minutes.

Mr. JAMES. Mr. Chairman, at the outset I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. JAMES. Mr. Chairman, it is true that we welcome aliens here to avoid oppression.

I do not believe that the fathers of the Constitution ever intended that we should offer any "harbor of refuge" to people who refuse to fight for the land that befriended them when they needed a friend.

It was never intended that our native born should do all the fighting and the alien slacker go "scot free."

We know what is in this alien-slacker bill; we do not know what is in the proposed treaties.

Those of us who favor this bill want our boys to do part of the easy work here at home and part of the fighting abroad, whereas men of the same views as those expressed by the gentleman from Ohio [Mr. GORDON] would have the alien slacker stay here and do all the easy work and hold down all the light jobs while our boys do all the fighting.

There has been a good deal of talk here about the Italians. I have thousands of them in my district, and few of them are slackers. They want to fight for this country and not for Italy.

I have been in correspondence with Hon. Robert Lansing, Secretary of State, for over two years in regard to the status of Italians and their sons.

According to our treaty with Italy a man who takes out his first and second papers is still regarded as a subject of Italy, according to the Italian law; and when these Italians were ordered to go back, although they were American citizens, they refused to go; but they want to fight for this country.

If a man were born here of Italian parents, even though he were a Member of Congress, and should go back to Italy he could be compelled to fight in the Italian Army; and, according to the statements of our Secretary of State, we could do nothing in such a case. I understand, however, from a letter received from him to-day that he intends to take care of those who have taken out their first and second papers and also those who are of American birth, and yet who, as I have said, according to our treaty with Italy, can be compelled to serve in the Italian Army.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. JAMES. Yes.

Mr. FLOOD. I think the gentleman is mistaken.

Mr. JAMES. At present such an American-born boy is not recognized as an American in any treaty with Italy. If he was a man born here of Italian parents—although a Member of Congress, as I say—if he got to Italy he could be compelled to fight in the Italian Army.

Mr. FLOOD. But that is in accordance with the Italian law.

Mr. JAMES. Yes. The Italian Government does not recognize our citizenship.

On January 10, 1916, I wrote the Secretary of State, in part, as follows:

MY DEAR SIR: Among my constituents are several thousand people of Italian birth. Many of them are American citizens and hundreds more have taken out their second papers. Many of them have been asked to come back to Italy and fight under the Italian flag. Very few have gone because they consider themselves American citizens. Seeing that they have not responded to the call to arms, they are afraid in case they went back to Italy they would be tried for desertion. * * * They have asked me to write you and see what their standing would be in case they went back for a visit. * * *.

Yours, respectfully,

W. FRANK JAMES.

Under date of January 13 Mr. Lansing replied and sent me a copy of a circular entitled "Liability for military service in Italy of Italians in this country who have obtained or intend to obtain naturalization."

One statement in this circular reads in part:

Italian subjects are liable for service in the army between the ages of 18 and 39. * * * Naturalization of an Italian subject in a foreign country without consent of the Italian Government is no bar to military service. * * * A former Italian subject may visit Italy without fear of molestation when he is under the age of 16 years, but between the ages of 16 and 39 he is liable to arrest and forced military service if he has not previously reported for such service. * * * There is no treaty between the United States and Italy defining the status of former Italian subjects who have become American citizens.

Have several other letters regarding the matter, and when we declared war against Austria took the matter up again and called attention to the fact that it was even more important then, as it was likely that we would send some of these Italian born to Italy to fight for us against Austria, and they wanted to be positive that they could not be arrested for refusal to come back to fight for Italy when called several years ago.

Under date of December 14 Mr. Lansing stated that the matter would be taken up with the War Department and would then write me again.

Several days ago I received the following letter from Mr. Lansing, which indicates that our Government expects to take care of these Americans of Italian birth:

DEPARTMENT OF STATE,
Washington, February 21, 1918.

MY DEAR MR. JAMES: I have received your letter of February 16 inquiring further with regard to the status of Italian subjects in the United States, former Italian subjects who have become American citizens, and native American citizens of Italian parentage, who may enlist or be drafted in the United States Army and subsequently be sent to Italy. As I informed you in my letter of December 14, it was considered necessary in the first instance to obtain the views of the War Department on this matter. The War Department has expressed the view that it would be desirable to conclude an agreement with the Italian Government providing that such persons would not be regarded by that Government as liable to military service in Italy or liable to any penalty for failure to respond to the call of the Italian Government for the return of such persons to Italy for service in the Italian Army. The department is now undertaking to negotiate a general agreement with the Italian Government with respect to the conscription of Italian subjects in the United States, and an effort is being made to settle this question in conjunction with the proposed agreement.

Very sincerely, yours,

(Signed) ROBERT LANSING.

The Hon. W. FRANK JAMES,
House of Representatives.

The alien slacker holding down a good job, and who is willing to have the boys in the land of his birth shed their blood for liberty and the boys in this land do the same while he lives in safety and ease, should have only one man in favor of him, and that is the Kaiser. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. STAFFORD. Mr. Chairman, I yield four minutes to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio is recognized for four minutes.

Mr. FESS. Mr. Chairman, in the first place, I would like to call attention to the confusion quite evident in the committee on the significance of comprehension of the phrase "central powers." Some say that it includes only Germany and Autria-Hungary. Others claim that it includes more. Evidently the meaning of the author of the bill is more than Germany and Austria-Hungary, because it says, "in war with Germany or with any of the other central powers," making it plural in meaning, so that I would suggest that this be made clear, to be set out so as to include Germany, Austria-Hungary, and Bulgaria and Turkey.

Mr. BURNETT. That was the purpose of the Bankhead amendment, which was satisfactory to me for the very reason suggested by the gentleman.

Mr. FESS. I think that is wise.

Now, Members of the House, I am in entire sympathy with what has been said here about the necessity of requiring those who come for the shelter of the Government to be willing also to undergo its burdens. I am in entire sympathy with that idea, but I hope that all of us will recognize this embarrassment, that, while the status of a resident of the country, whether a citizen or not, can be fixed by Congress by the authority of this Government, yet it is true that the relationship between citizens of other countries with this while resident here and the reciprocal relationship of our citizens with the same countries while resident outside of our own country is not so much a matter of legislation as of negotiations. That is a matter of treaty. Such relations are fixed by negotiations between nations.

If there is any violation of a treaty now existing, by this legislation, I recognize the strength of what has been said, and will certainly refuse to vote for any measure which does violate a treaty, because I do not think any Member of the House is willing to vote in direct violation of a treaty stipulation if he knows it to be such, and especially when that incubus or embarrassment is in process of being adjusted by negotiations now in action by the State Department.

Mr. BUTLER. Mr. Chairman, will the gentleman yield for a question?

Mr. FESS. Yes.

Mr. BUTLER. Would the gentleman submit the question of interpretation to the House of Representatives?

Mr. FESS. I will say to my good friend from Pennsylvania that on a diplomatic question that must be determined by the State Department I would prefer to leave it to the trained diplomats and the counselors of the State Department rather than to the best lawyer in this House, because, while the best lawyer in this House comprehends more than the technicalities in the State Department, yet he will not see the delicacy of the problem of the State Department as clearly as the Secretary of State and his counselor will, since their main business is confined to such questions. Therefore, with the Rogers amendment, I will have no hesitancy in voting for this bill, but if that amendment goes out it will be quite serious. I note a strong contention that this does not violate a treaty. Then I can not understand why we should hesitate to leave the amendment in the bill, for it can not hurt anything. But in case the bill does violate a treaty, then the amendment saves our good faith in the force of a treaty obligation. Mr. Speaker, I repeat my entire sympathy in the purpose of this measure to compel alien residents to either do their part toward bearing the burdens of the country or submit themselves to deportation. But I should very much prefer to leave the matter with the State Department to be worked out through diplomatic channels than to supersede that method by action by this House, especially so long as there is a doubt of our clear right in the face of existing treaties.

Mr. STAFFORD. I yield one minute to the gentleman from New York [Mr. HICKS].

Mr. HICKS. Mr. Chairman, it seems to me that this whole question resolves itself down to this proposition: Shall aliens who have not patriotism enough to go home to fight for their own country, or who have not manhood enough to fight for the country of their adoption, be allowed to remain here to enjoy our opportunities while our boys are fighting for liberty and for justice and righteousness on foreign fields? Under this bill we do not compel anyone to join our Armies. We merely say to these aliens, who for their personal profit are living among us, "If you will not share our burdens you shall not enjoy our benefits." These profiteers at the expense of American manhood should either stay and fight or go and fight. [Applause.]

Mr. STAFFORD. I yield one minute to the gentleman from Massachusetts [Mr. PAIGE].

Mr. PAIGE. Mr. Chairman, I am in favor of this bill, and I am opposed to the amendment offered by my colleague [Mr. ROGERS]. The Rogers amendment does not voice the sentiments of Massachusetts. The Rogers amendment does not voice the sentiment of the homes that have sent the pride and hope of uncounted households out to fight for the flag. If the Rogers amendment is adopted, in my judgment we might as well have saved the time which has been occupied in discussion for the last two sessions of the House on this amendment, because it leaves the situation practically where it was when we commenced the consideration of the bill. I trust that the bill will pass, and that the Rogers amendment will be defeated. [Applause.]

Mr. STAFFORD. I have only one more speech. I hope the gentleman from Alabama will use his time.

Mr. BURNETT. I yield three minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. GALLIVAN. Mr. Chairman, time and again in this discussion statements have been made that if this bill becomes a law certain nationals who are exempt from conscription in their old land will be conscripted under this bill, and particular reference has been made to the Irish. Now, may I be permitted to say that, in my opinion, in view of the fact that 30 per cent of our draft army are now of the Irish race, any Irish alien,

or any other alien, who, enjoying the protection of the Stars and Stripes here in America, is unwilling to fight for this country ought to be brought within the scope of this bill, and my words refer to all aliens. The Irish alien who is afraid to fight, if there be such a man, is unworthy of the land of his birth and the blood that flows in his veins. [Applause.] For that reason, representing a district which has a large and patriotic Irish-American element, with thousands of boys now under the colors "over there" and over here, and speaking for that district, I am in hearty accord with this bill, and I believe my district to a man stands back of me. [Applause.] The mothers and the fathers of these boys want this bill passed to-day. We have too long delayed, and I fervently hope that this day will see this bill enacted into law in this House.

Mr. BURNETT. Will the gentleman use his time? We have only one more speech.

Mr. STAFFORD. I yield five minutes to the gentleman from New York [Mr. DEMPSEY].

The CHAIRMAN. That is all the time the gentleman has. The gentleman from New York is recognized for five minutes.

Mr. DEMPSEY. Gentlemen, it seems to me that the House is proceeding upon an erroneous basis when we debate what shall be done with the alien slacker. We all agree that the alien slacker shall be made to respond to service. We differ only as to the means which shall be employed to reach that end. Now, as I understand it, the State Department and the executive departments say to us that we are allies of Italy, Great Britain, and France, and they say to us that Great Britain, France, and Italy are to-day at the front fighting this war. It is not Americans as yet who are bearing the brunt of the fighting. It is the British, it is the French, it is the Italians who are bearing the brunt of the war at the present time. As I understand it, the State Department say to us that they believe they can make treaties with all of these, our allies, who are fighting our battles at the present moment, which will accomplish in good faith, in friendship, in amity with these, our allies, that which we seek to do by force. Now, gentlemen, is there any haste to force their hand? Is there any reason why we should do instantly and out of hand that which we seek to do by this bill? Can not we do it in a way to agree with our allies and friends? They have millions at the front where we have hundreds of thousands. Should we run the chance of having a disagreement and discord with them as a result of this?

Now, I am not saying that this bill should not pass; I am talking about the haste with which it should pass. I am talking about whether it should pass now or not. We are not going to be able to send any considerable number of men abroad until December. So that all this talk about our boys being at the front, shedding their blood, being in danger, is all anticipatory. But with our allies, with Great Britain, with France, and Italy, it is realization; it is not imagination; it is not anticipation. So I say there is not this haste except so far as we are concerned, and that, I am sure, we do not want to consider whether we shall make ourselves popular with our constituents and in the Nation at large, but whether we shall do that which is right and just and advisable as between us and our allies.

Now we come to a more serious question. We do not, any of us, differ as to what shall be accomplished. I am in favor of making the alien slacker do his part. The question is whether this is the advisable way to do it. If we are going to do it at all, if we are going to pass the bill, there can be no excuse whatever for excluding the Rogers amendment. There can be no excuse, particularly in view of this fact, that one of the circumstances that will be taken into consideration in construing this act will be the discussion upon this floor, and the fact that that amendment was offered; and if we fail to pass the Rogers amendment, it is a direct statement by this House that we do intend to flaunt our treaties, that we do intend to dishonor them, that we will not regard them. If the amendment had not been offered, if there had been no discussion, that could not be said. Now it can be said, and can we afford to permit that? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURNETT. Mr. Speaker, as I have said all the time, if these treaties had been ratified and in operation there would be no use for this legislation, and the whole speech of the gentleman from New York who has just taken his seat is a temporizing policy. This does not interfere with treaties the Senate may ratify. If we pass this bill and send it to the Senate, the Senate will have the bill and the treaties also before it. If they ratify the treaties and if they are self-operating, they can amend the bill; but, gentlemen, for God's sake, do not let this legislation go over and let men from your district, boys in khaki, fight the battles of this country and of democracy and the alien slackers here dodge. Do not adopt the Rogers amendment, which will virtually emasculate the bill. Members who are in favor of this legislation, let us have a straightforward, heroic, courageous bill that means something. [Applause.]

In conclusion I desire to say that this debate has gone far afield, and I have not tried to suppress it. The amendment that is pending is an amendment that I have offered, and I do not want anybody to misunderstand it. It was recommended by the Department of Labor, and I hope that it will pass. The distinguished gentleman from Illinois, the able ex-Speaker, referred to the impossibility of deporting these aliens. That is provided for and taken care of by permitting the President to make such rules and regulations as are necessary to carry it out. Not only that, but in the last section of the bill it is provided that the law shall not end at the expiration of the war, so that if these fellows undertake to throw themselves back here and say you can not deport me and that you can not conscript me, we can answer them by saying, "Just as long as you stay here you are subject to this deportation and it must be carried out." I ask for a vote, and hope that the amendment will be adopted. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired, all time has expired, and the question is on the amendment offered by the gentleman from Alabama [Mr. BURNETT].

Mr. DYER. Mr. Chairman, I ask unanimous consent that the Burnett amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk read the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GORDON. Mr. Chairman, I make the point of order, if it is in order to do so, against that amendment as not being pertinent to the bill.

The CHAIRMAN. The Chair thinks it is too late to raise the point of order. The amendment has been discussed for hours.

Mr. GORDON. That amendment does not apply to anybody covered by this bill.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment proposed by the gentleman from Alabama [Mr. BANKHEAD].

Mr. ROBBINS. Mr. Chairman, let us have that amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk reported the Bankhead amendment.

Mr. ROBBINS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROBBINS. Would it be in order to amend that by striking out the words "Turkey and Bulgaria"?

The CHAIRMAN. That amendment would be in order.

Mr. ROBBINS. Then I offer that amendment, because we are not at war with those two countries.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amend the Bankhead amendment by striking out the words "Bulgaria and Turkey."

Mr. ROBBINS. And the word "and" should be substituted for the word "or."

The CHAIRMAN. Without objection, the amendment will be so modified. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Alabama [Mr. BANKHEAD].

The question was taken; and on a division (demanded by Mr. BANKHEAD) there were—ayes 107, noes 6.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. That this act shall not apply to accredited officials of foreign Governments nor their suites, families, guests, or servants.

Mr. MILLER of Minnesota. Mr. Chairman, I move to strike out the last word. I have been in the House quite a number of years, and in these years that I have had the privilege and honor of being a Member there have been many votes upon which gentlemen were sharply divided. I can not recall that there has ever been a vote when I could not reasonably understand why a man was led to his conclusion, but I frankly say that I can not understand how any man can look that flag in the face and vote for this bill. I can not understand how any man

can think of his country and vote for this bill. I can not see how any man with his hand on his heart and with knowledge of his country in his mind can vote for this bill. I say that in all seriousness and earnestness. Such reasoning as I can command leads me violently away from such a course. Many Members evidently believe in the bill, but I can not follow or understand their reasoning.

When this measure was first proposed last summer it was treated as a joke, as it ought to have been. The Committee on Foreign Affairs of the House took up the matter, considered it, and found plainly and clearly their limitations and the limitations this House ought to feel under, and stopped. I find that this bill was introduced on August 3, referred to the Immigration Committee, and reported back to the House on the following day. A magnificent lot of attention and care and study it must have received from the Committee on Immigration! It does not reflect, it can not reflect either the combined judgment or patriotism of that committee. If there is anything this country has had to fight since the Declaration of Independence was acknowledged by Great Britain it is that a man who is a citizen of this country shall not be coerced into the military service by any other country in the world. You can take the reports of the State Department of any year you choose, and I defy you, taking any year at random, with your eyes shut, to find one where three-fourths of the work of the State Department has not been directed to preventing Austria or Italy or Germany or Russia, and, years back, England from compelling our own citizens who were abroad into the military service of that country from which they or their immediate ancestors had come.

And we won. Many of the cases were left undecided, but somehow we won, as far as the individuals were concerned. If you pass this bill you stand up and repudiate your country and your history and the spirit of American institutions. You repudiate everything that has been done for 110 years to make the citizenship of this country stand for something in the world. You tell the nations of the world that all that we have been claiming in the past was rotten buncombe, and that we are a Nation of four flushers.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Minnesota. I have only five minutes. I would be glad to yield if I can get more time.

Mr. WALSH. I would like to ask the gentleman what he thinks in respect to the effect of the treaties negotiated with England permitting this to be done?

Mr. MILLER of Minnesota. I am just about to come to that. That is an entirely different proposition, an avenue along which we should move. There is a right way and a wrong way to proceed. This way is the wrong way. The right way is to make treaties with countries concerned, just as our State Department is now successfully doing.

Mr. DEMPSEY. You do not need anything except the treaty for that?

Mr. MILLER of Minnesota. Not at all. And these treaties are being made now—already two are before the Senate for ratification. The Secretary of State says others will follow. You could not get Austria and Germany to consent to anything now, because we have no relations with them, but our allies are now making treaties with us to accomplish all the purposes of this bill. Then, too, Norway and Sweden and Denmark, I want to say to you, are not only interested in what you propose to do in this bill but have it very deeply at heart. And there are hundreds of thousands of their people in this country. These nations with whom we are at peace and amity we can, as we are, make treaties with them that will settle the whole question and settle it right according to law.

The rights of citizens of another country domiciled in the United States are fixed, first, by treaties; second, by international law. It is quite probable that the terms of this bill conflict with certain treaties we have made. It is certain that these terms conflict with such citizens' rights given them by international law. Treaties with sovereign nations whose nationals these citizens are is the only legal, the only American, way to proceed. We curse Germany, and rightly, because she violated treaties when she thought their observance no longer served her purposes. In this bill are we not doing precisely the same thing?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FLOOD. Mr. Chairman, I ask that the gentleman may have five minutes more.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent that the time of the gentleman may be extended five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the time of the gentleman from Minnesota be extended for five minutes. Is there objection?

Mr. BURNETT. Mr. Chairman, I object. The gentleman has just come in, and if he had been here listening to the debate on this bill he would have more knowledge about it.

Mr. MILLER of Minnesota. Mr. Chairman, wait a minute. [Cries of "Vote!"] Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER of Minnesota. When a gentleman objects to a unanimous-consent request has he the right, under the rules of this House, to cast aspersions upon another Member and make a speech?

Mr. BURNETT. I withdraw any statement I made, and I object to the extension of time.

Mr. MILLER of Minnesota. The gentleman will have to do some more objecting before he gets this bill through.

The CHAIRMAN. The gentleman from Alabama objects.

Mr. MILLER of Minnesota. He has a right to object.

The CHAIRMAN. The Chair will state he understood the remark of the gentleman from Alabama was withdrawn.

Mr. MILLER of Minnesota. No; he did not withdraw it; he can not withdraw it.

Mr. TEMPLE. Mr. Chairman——

The CHAIRMAN. The gentleman from Pennsylvania.

Mr. BURNETT. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BURNETT. I desire to move that all debate on this section be closed in 15 minutes.

The CHAIRMAN. The gentleman from Pennsylvania has been recognized. Does the gentleman yield for that purpose?

Mr. TEMPLE. Provided that it does not affect my rights under the recognition.

Mr. BURNETT. To this section and all amendments thereto.

The CHAIRMAN. The debate to close when?

Mr. BURNETT. In 10 minutes.

The CHAIRMAN. The gentleman does not intend to include within the 10 minutes the 5 minutes now allowed to the gentleman from Pennsylvania?

Mr. TEMPLE. I would say, if I may have the gentleman's attention, I will yield for the chairman of the committee to make that motion, provided it does not affect the rights I have under the recognition that has been already granted.

Mr. BURNETT. I will yield five minutes of that time to the gentleman.

The CHAIRMAN. The gentleman from Alabama moves——

Mr. CANNON. Did the gentleman have recognition?

The CHAIRMAN. The Chair had recognized the gentleman from Pennsylvania before the gentleman from Alabama.

Mr. CANNON. Then his motion is not in order.

Mr. MILLER of Minnesota. I make the point of order the motion is out of order, that the Chair had already recognized the gentleman from Pennsylvania.

The CHAIRMAN. But the gentleman from Pennsylvania yielded for that purpose, the Chair understood.

Mr. MILLER of Minnesota. I will say to the gentleman I propose to offer an amendment to the motion, if it is put, and it may take some time before the amendments are all disposed of.

Mr. TEMPLE. I consented on a condition, and I am afraid the condition can not be met.

Mr. RAGSDALE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RAGSDALE. The gentleman from Pennsylvania has the floor, and nobody else can be recognized except by unanimous consent.

The CHAIRMAN. No one can take the gentleman off the floor except by his consent. The Chair understood he yielded to the gentleman from Alabama to make a motion.

Mr. CANNON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. The gentleman from Pennsylvania having been recognized and entitled under the rule to five minutes, he loses the recognition if he yields. Under the rule he can not barter away the rights of the balance of the members of the committee for his specific purpose without losing his recognition.

Mr. TEMPLE. My statement was that I would yield only on the condition that I would not lose those rights.

The CHAIRMAN. The Chair will recognize the gentleman from Pennsylvania for five minutes.

Mr. TEMPLE. Mr. Chairman, I am very much interested in this bill, and I do not understand it as it is understood by the gentleman who spoke last. This is not a bill to compel aliens to serve in the armies of the United States against their will. It is true the supporters of the bill hope that it will have the effect of bringing some of these aliens into the Army, but it does not require them to serve. It merely says that if any alien claims the exemption which we recognize that he has the right to claim, on the ground of alienage, he shall thereafter be ineligible to become an American citizen.

Now, we have the right to say what kind of alien we are willing to naturalize. We have a right to say if a man will not fight for us when we need him that he need not ask us for the privilege of citizenship. [Applause.] This bill does not propose to compel him to serve as a soldier in the Army of the United States, and for that reason I feel quite sure that it does not violate the treaty under which we have bound ourselves not to compel aliens to serve in our armies. Italy does not recognize our naturalization. That is a matter for Italy to determine. It is up to us to protect an Italian-born naturalized American citizen if the occasion ever arises to do so. We have never had any trouble with Italy of that kind to amount to anything. We are not at all likely to have any trouble in the future. This bill is not going to make trouble, for in passing it we are not violating any treaty.

Mr. JOHNSON of Washington. Will the gentleman yield for a question?

Mr. TEMPLE. Just for a question.

Mr. JOHNSON of Washington. It is being recognized now that we have been violating treaties with first-paper citizens of neutral countries who are drafted into our Army and that these men are now being dropped out of the Army.

Mr. TEMPLE. Yes; aliens are being discharged from the Army.

Mr. JOHNSON of Washington. For fear of violating treaties.

Mr. TEMPLE. For fear of violating treaties.

Mr. JOHNSON of Washington. Thereby making one kind of fish out of that form of alien and another kind of fish out of the other kind.

Mr. TEMPLE. That action has to do with citizens of neutral nations; this bill, on the contrary, applies only to citizens or subjects of nations now at war with Germany.

The gentleman who immediately preceded me said that Sweden, Norway, and Holland are vitally interested in this bill. They need not be. It does not touch a citizen of any one of those countries. It applies only to the subjects of nations that are at war with Germany or with other of the central powers. Sweden is not at war with Germany; Norway is not at war with Germany. It does not touch a citizen or a subject of any one of those neutral powers.

Mr. MILLER of Minnesota. The gentleman is entirely correct. Their interest arises from this fact: That we departed from our traditional policy—the principle heretofore followed by us and insisted upon by every nation of the world.

Mr. TEMPLE. We have not departed in the slightest. We have never——

Mr. MILLER of Minnesota. I differ with the gentleman.

Mr. TEMPLE. We have never asked any nation to grant our citizens naturalization in their country on any terms except the terms that might please the Government of that country. [Applause.] And they can not ask us.

Mr. HARDY. Will the gentleman yield for one question?

Mr. TEMPLE. Very gladly.

Mr. HARDY. When Germany says to the women of Belgium, "If you do not work in the trenches, we will give you no bread," is that forcing them to work in the trenches?

Mr. TEMPLE. I do not care to discuss with any kind of approval the policies of the German Government nor to find any parallel whatever between that course of conduct and that which is proposed in this bill. There is no parallel. [Applause.]

Mr. HARDY. Is not there such a thing as a moral force as well as physical force?

Mr. TEMPLE. There is, and the moral force, let me say, lies with us. We have the right to say to an alien that will not assume our burdens that he can not share in our privileges. [Applause.] The moral right is with us.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. I have not time to yield further. There is one other matter in this bill which I would like to refer to.

The CHAIRMAN. The time of the gentleman from Pennsylvania has just expired.

Mr. TEMPLE. Mr. Chairman, may I ask for five minutes more by unanimous consent?

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Chairman, a few minutes ago the gentleman from Minnesota [Mr. MILLER] was taking the opposite side of the question and was delivering a very interesting talk upon this subject, and he asked unanimous consent to proceed for five minutes more, and the gentleman from Alabama [Mr. BURNETT] objected. I would like to know if he is going to make fish of one and fowl of the other?

Mr. BURNETT. Mr. Chairman, I object to that statement.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for five minutes more.

Mr. TEMPLE. Mr. Chairman, if I believed that this bill would violate any treaty of the United States, I would vote against the bill. For that reason I am very much in favor of putting into the bill the Rogers amendment, which distinctly affirms that it does not violate and shall not be so interpreted as to violate a treaty. I believe that the bill without that amendment is not a violation of a treaty. I believe that it is not at all out of harmony with the promises we have made. Therefore I am willing to say so in the bill itself. What objection can there be to that on the part of a man who believes that it is not violating a treaty?

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. MOORE of Pennsylvania. Does it not make us perfectly safe on the international question?

Mr. TEMPLE. Yes. It makes us perfectly safe on the international question. I am in favor of the bill, because we have a right to say on what terms we shall make American citizens of foreigners who come to our country. I am in favor of the amendment because it places us where we have always stood—on safe, moral ground. [Applause.]

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. KELLEY of Michigan. I would like to inquire how long it would take to determine whether this violates any treaty?

Mr. TEMPLE. I do not care how long it takes. If a moral question is involved I will take all the time that is necessary to determine it. It is more important than the service of 100,000 men.

Mr. KELLEY of Michigan. But the practical value of this legislation is its immediate need.

Mr. TEMPLE. The practical value of it is not going to be very great.

Now, in regard to the last clause of the first paragraph in the first section, "as soon as practicable to be deported to the country of which he is a subject or citizen," I would be better satisfied with the bill if that clause were not there, but I do not think that it is particularly dangerous, because it will not be practicable to deport them. In the district that I have the honor to represent, according to the census of 1910 there were 92,000 men over 21 years of age, and 38,000 of these men over 21 were foreign born. Our mills and our mines—the coal mines that we needed this winter, that we shall need next summer—would practically stop operation if those aliens were deported. I am going to vote for the bill in spite of that clause, because I do not think it will be practicable to deport them. We can not get ships enough to take food and munitions and our own soldiers. It will not be practicable to deport these aliens very soon. Therefore that particular clause will not hinder my voting for the bill, especially if the Rogers amendment stays in it. [Applause.]

Mr. BURNETT. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. The gentleman from Alabama moves that all debate on this section and all amendments thereto do now close.

Mr. MILLER of Minnesota. Mr. Chairman, I move to amend by inserting after the language used by the gentleman, "to be closed," the words "in two hours."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MILLER of Minnesota. A division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 7, noes 44.

Mr. MILLER of Minnesota. Tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota demands tellers.

Mr. TEMPLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TEMPLE. The amendment that was presented to the House was an amendment offered by the gentleman from Minnesota [Mr. MILLER] to strike out the last word. I ask if the debate on that amendment has been exhausted?

The CHAIRMAN. The pro forma amendment was withdrawn. The gentleman from Minnesota [Mr. MILLER] asks for tellers. All those in favor of taking this vote by tellers will

rise and stand until they are counted. [After counting.] Six gentlemen have arisen—not a sufficient number.

So the amendment was rejected.

The CHAIRMAN. The question now is on agreeing to the motion of the gentleman from Alabama [Mr. BURNETT] that the debate on this section and all amendments thereto be now closed.

Mr. MILLER of Minnesota. I offer another amendment—to insert, after the language used by the gentleman in his motion, the words "in 20 minutes."

The CHAIRMAN. The gentleman from Minnesota moves to amend the motion made by the gentleman from Alabama by inserting the words "in 20 minutes." The question is on the amendment of the gentleman from Minnesota.

The question being taken, on a division (demanded by Mr. MILLER of Minnesota) there were—ayes 12, noes 89.

Accordingly the amendment was rejected.

Mr. MILLER of Minnesota. Mr. Chairman, I offer another amendment—to insert, after the language used by the gentleman from Alabama, the words "in five minutes."

Mr. WALSH. Mr. Chairman, I move a further amendment.

The CHAIRMAN. What is the amendment proposed by the gentleman from Massachusetts?

Mr. WALSH. The time to be used by the gentleman from Minnesota [Mr. MILLER].

The CHAIRMAN. The gentleman from Massachusetts [Mr. WALSH] moves to amend the amendment by providing that the five minutes shall be used by the gentleman from Minnesota [Mr. MILLER].

Mr. CRISP. Mr. Chairman, I make the point of order that it is not in order to make a motion to close debate, coupling up with it a statement of who shall control the debate, and I make the further point that the motion of the gentleman is dilatory. [Applause.]

The CHAIRMAN. The Chair sustains the point of order made by the gentleman from Georgia. The question is on the motion of the gentleman from Minnesota.

Mr. MADDEN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Illinois rise?

Mr. MADDEN. To make a parliamentary inquiry.

The CHAIRMAN. The gentleman will please state it.

Mr. MADDEN. I want to know whether the gentleman from Georgia can make two points of order at the same time.

The CHAIRMAN. The Chair understands he made only one point of order. The Chair sustains the point of order. The question is on the amendment offered by the gentleman from Minnesota.

The question being taken, on a division (demanded by Mr. MILLER of Minnesota) there were—ayes 71, noes 44.

Accordingly the amendment was agreed to.

The CHAIRMAN. The question now is on the motion of the gentleman from Alabama as amended.

Mr. BURNETT. I ask unanimous consent that the gentleman from Minnesota may have five minutes [applause], and that I may have five minutes for reply, and that all debate on the section be then closed.

Mr. KEARNS. I object.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that the gentleman from Minnesota be allowed five minutes, and that he, the gentleman from Alabama, be allowed five minutes in reply.

Mr. BURNETT. And that all debate on this section shall then be closed.

The CHAIRMAN. And that all debate on this section shall then be closed. Is there objection?

Mr. WALSH. I make the point of order that that request is not in order until the motion has been disposed of.

The CHAIRMAN. A request for unanimous consent is always in order. Is there objection?

Mr. DYER. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri objects. The question is on the motion made by the gentleman from Alabama as amended.

The motion as amended was agreed to.

The CHAIRMAN. The gentleman from Minnesota [Mr. MILLER] is recognized for five minutes.

Mr. MILLER of Minnesota. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman has the floor.

Mr. BURNETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BURNETT. I would like to know whether the gentleman has the right to the floor or not. I make the point of order that he has not.

The CHAIRMAN. The Chair has recognized the gentleman.

Mr. FOSTER. I make the point of order that the gentleman from Minnesota [Mr. MILLER] having once spoken on the amendment has no right to speak again. His motion was to strike out the last word, and that has not been withdrawn.

Mr. MOORE of Pennsylvania. I make the point of order that the gentleman's point comes too late.

The CHAIRMAN. There is so much confusion in the Hall that the Chair can not hear what gentlemen are saying. The Chair would like to hear what the gentleman from Illinois [Mr. FOSTER] is saying. The committee will be in order.

Mr. FOSTER. I make the point of order that the gentleman moved to strike out the last word and spoke five minutes upon that amendment, and that amendment has not been withdrawn. Now he rises again to speak on the same amendment. I insist that he has no right to recognition.

The CHAIRMAN. The Chair understood that the gentleman from Alabama [Mr. BURNETT] made a motion that all debate close. Then the gentleman from Minnesota moved to amend, to close debate in five minutes, and that amendment offered by the gentleman from Minnesota was agreed to. The Chair thought, and believes now, that the intention of the committee was to give the gentleman from Minnesota that five minutes. [Applause.] The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER of Minnesota. Mr. Chairman, when the gentleman from Alabama [Mr. BURNETT] a few moments ago objected to the request for unanimous consent, so kindly made by one of our colleagues, that I might have five minutes more, he coupled with the objection the very generous observation that had I been on the floor this afternoon where I belonged I would not now be asking for five additional minutes. Now, I do not blame the gentleman from Alabama at all for making that observation. I know that he is so interested in this bill that he is absolutely blind to everything else on the face of the earth. [Laughter.] I have been here on the floor of the House all the afternoon, ever since the House convened. I have not sat directly in front of the gentleman from Alabama, for that is not where I belong. I have been here attending to business. I have not been trying to inject myself into the debate every two minutes, but I did hope that before the debate closed I would have an opportunity to express my views briefly and tersely. I know that the gentleman from Alabama is very glad to apologize for that observation which he made, and his apology is now accepted, with many thanks. [Laughter and applause.]

But, seriously, gentlemen of the House, I believe that we are going to turn the clock a long ways back. I understand the temper of the membership of the House, and have understood it for three weeks. It is the disposition to pass this bill anyhow. I think I know from whence comes the voice asking for its passage, and it is no credit to them and less credit to us if we do not sit down carefully and analyze the situation and take that firm stand our judgment leads us to.

Now, let us see as to one or two things. In the first section of the bill it says that any alien eligible under existing law to become a citizen, who does not enter the United States Army but asks to be exempt or for whom some one else asks exemption is to be deported and never can become a citizen of the United States.

Now, take some cases, and there are hundreds of them. Here is a Greek, an Italian, an Englishman, an Irishman, if you please, who is here in this country, of military age, and who is willing to fight. He is desirous of fighting. He is drafted. He wants to go, however, and fight with his own people in his own country. I know of many such cases, and I have asked for some to be exempted myself on the condition that they would be immediately transferred to the army of the country that they came from. Now, that can not be done under this bill, and they could never thereafter become citizens of the United States. This does not say that they may be deprived of the right of citizenship; it says that they shall be deprived of the right of citizenship. This takes from them a right guaranteed by treaty and international law. To deny a person the right to citizenship under such conditions would be to deny him all rights under the favored-nations clause.

Do not talk to me about there being no coercion in the bill. It is coercion with a big club and sharp nails in the club. Why, when you give to a man the option whether or not he will go to a foreign country or stay here and fight in the Army, that is coercion. Let us exercise that coercion under the authority we get from treaties made, not in violation of treaties. Very likely it may be that he is in a condition where he can not get out without a serious loss, in which event there is serious coercion. I do not want to defend any slacker. If there is one

thing on earth that I hope to see it is that every man capable of bearing arms will be fighting in the army of one of the allies until victory comes.

Mr. MEEKER. Will the gentleman yield? How many years does the gentleman think it will take for these fellows so eager to fight to get there?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of Minnesota. I wish that I had time to answer the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 5. That this act shall only remain in force during the continuance of the war with Germany, except as to the provisions of section 1 hereof.

Mr. RAKER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, line 8, after the word "the" and before the word "war," insert the word "existing," and, on the same line and page, strike out the words "with Germany."

Mr. BURNETT. Mr. Chairman, that amendment is satisfactory.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken, and the amendment was agreed to.

Mr. BURNETT. Mr. Chairman, I move that the committee do now rise and report the bill with amendments to the House, with the recommendation that the amendments be adopted and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RUSSELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes, and had instructed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BURNETT. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. BURNETT. Mr. Speaker, I demand a separate vote on the Rogers amendment, and on that I demand the yeas and nays.

The SPEAKER. Is a separate vote demanded on any other amendment? [After a pause.] If not, the Chair will put them en gross. The question is on agreeing to the amendments, except the Rogers amendment.

The question was taken, and the amendments were agreed to.

The SPEAKER. The Clerk will report the Rogers amendment.

The Clerk read as follows:

Page 2, line 4, after the word "citizen" insert the following:
"*Provided, however,* That this act shall not be construed to supersede the provisions of any existing treaty with such country the terms of which stipulate that the United States shall not subject the subjects of such country to compulsory military service."

The SPEAKER. The question is on agreeing to the Rogers amendment, and on that the gentleman from Alabama demands the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 131, nays 234, not voting 63, as follows:

YEAS—131.

Anthony	Dupré	Helm	Morin
Ashbrook	Edmonds	Hensley	Mott
Barkley	Elliott	Hersey	Mudd
Barnhart	Esch	Hicks	Nelson
Beakes	Evans	Holland	Olney
Beshlin	Fess	Humphreys	Osborne
Black	Fields	Igoe	Parker, N. J.
Blanton	Fisher	Johnson, Wash.	Peters
Borland	Flood	Juul	Platt
Buchanan	Foss	King	Pou
Caldwell	Foster	Kitchin	Ragsdale
Cannon	Francis	Lehlbach	Rainey
Cantrill	French	Lenroot	Randall
Cary	Gandy	Linthicum	Rayburn
Claypool	Gard	London	Reavis
Collier	Garner	Lonergan	Rogers
Connally, Tex.	Garrett, Tenn.	Longworth	Romjue
Connelly, Kans.	Gillett	Lunn	Rose
Cooper, Wis.	Glass	McArthur	Rouse
Cox	Glynn	McKinley	Sanders, N. Y.
Crago	Godwin, N. C.	Madden	Sanford
Cramton	Gordon	Mansfield	Scott, Pa.
Davidson	Green, Iowa	Mapes	Shackleford
Davis	Greene, Vt.	Merritt	Shallenberger
Dempsey	Griest	Miller, Minn.	Sherley
Denton	Hamlin	Montague	Sherwood
Dixon	Hardy	Moore, Pa.	Shouse
Doremus	Harrison, Va.	Moores, Ind.	Snook
Stafford	Sumners	Venable	White, Me.
Stedman	Temple	Volstead	White, Ohio
Sterling, Ill.	Templeton	Waldow	Wilson, Tex.
Stevenson	Tilson	Watson, Pa.	
Strong	Vare	Watson, Va.	

NAYS—234.

Alexander	Ellsworth	Little	Schall
Almon	Elston	Littlepage	Scott, Mich.
Anderson	Emerson	Lobeck	Scully
Aswell	Farr	Lufkin	Sears
Austin	Ferris	Lundeen	Sells
Ayres	Focht	McAndrews	Siegel
Bacharach	Fordney	McClintic	Sims
Baer	Frear	McCulloch	Sinnott
Bankhead	Freeman	McFadden	Sisson
Bell	Fuller, Ill.	McKenzie	Slayden
Blackmon	Fuller, Mass.	McKeown	Slemp
Bland	Gallagher	McLaughlin, Mich.	Sloan
Booher	Gallivan	McLaughlin, Pa.	Smith, Idaho
Bowers	Garland	McLemore	Smith, Mich.
Brand	Garrett, Tex.	Magee	Smith, C. B.
Brodbeck	Goodall	Martin	Smith, T. F.
Browne	Goodwin, Ark.	Mason	Snyder
Browning	Gould	Mays	Steagall
Brumbaugh	Graham, Ill.	Meeker	Stephens, Miss.
Burnett	Gray, Ala.	Miller, Wash.	Stiness
Burroughs	Greene, Mass.	Moon	Sullivan
Butler	Hadley	Morgan	Sweet
Byrnes, S. C.	Hamill	Neely	Swift
Byrns, Tenn.	Haskell	Nichols, Mich.	Switzer
Campbell, Kans.	Hastings	Nolan	Tague
Campbell, Pa.	Hawley	Norton	Taylor, Ark.
Candler, Miss.	Hayden	Oldfield	Taylor, Colo.
Caraway	Hayes	Oliver, Ala.	Thomas
Carlin	Heaton	Oliver, N. Y.	Thompson
Carter, Mass.	Heflin	O'Shaunessy	Tillman
Carter, Okla.	Helvering	Overmyer	Timberlake
Chandler, Okla.	Hilliard	Overstreet	Tinkham
Church	Howard	Padgett	Treadway
Clark, Fla.	Hull, Iowa	Paige	Van Dyke
Clark, Pa.	Hull, Tenn.	Park	Vestal
Classon	Hutchinson	Parker, N. Y.	Vinson
Cooper, Ohio	Ireland	Phelan	Voigt
Cooper, W. Va.	Jacoway	Polk	Walker
Costello	James	Powers	Walsh
Crisp	Johnson, Ky.	Pratt	Walton
Currie, Mich.	Jones, Va.	Purnell	Ward
Dale, N. Y.	Kearns	Quin	Wason
Dale, Vt.	Kehoe	Raker	Webb
Darrow	Kelley, Mich.	Ramsey	Welling
Decker	Kelly, Pa.	Ramseyer	Welty
Denison	Kennedy, Iowa	Rankin	Whaley
Dewalt	Kennedy, R. I.	Reed	Wheeler
Dickinson	Kettner	Riordan	Williams
Dies	Key, Ohio	Robbins	Wilson, Ill.
Dill	Kiess, Pa.	Roberts	Wingo
Dillon	Kincheloe	Robinson	Winslow
Dominick	Kinkaid	Rodenberg	Wise
Dooling	La Follette	Rowe	Wood, Ind.
Doolittle	Langley	Rubey	Woods, Iowa
Doughton	Larsen	Russell	Woodyard
Dowell	Lazaro	Sabath	Wright
Drane	Lee, Ga.	Sanders, Ind.	Young, N. Dak.
Dyer	Lesher	Sanders, La.	Young, Tex.
Eagan	Lever	Saunders, Va.	

NOT VOTING—63.

Britten	Fairfield	Johnson, S. Dak.	Rowland
Capstick	Flynn	Jones, Tex.	Rucker
Carew	Good	Kahn	Scott, Iowa
Chandler, N. Y.	Graham, Pa.	Keating	Small
Coady	Gray, N. J.	Knutson	Snell
Copley	Gregg	Kraus	Steele
Crosser	Hamilton, Mich.	Kreider	Steenerson
Curry, Cal.	Hamilton, N. Y.	LaGuardia	Stephens, Nebr.
Dallinger	Harrison, Miss.	Lea, Cal.	Sterling, Pa.
Dent	Haugen	McCormick	Talbott
Drukker	Heintz	Maher	Towner
Dunn	Hollingsworth	Mann	Watkins
Eagle	Hood	Mondell	Weaver
Estopinal	Houston	Nicholls, S. C.	Wilson, La.
Fairchild, B. L.	Huddleston	Porter	Zihlman
Fairchild, G. W.	Husted	Price	

So the Rogers amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. HAMILTON of New York (for Rogers amendment) with Mr. SNELL (against).

Mr. DUNN (for Rogers amendment) with Mr. DALLINGER (against).

Until further notice:

Mr. WILSON of Louisiana with Mr. ZIHLMAN.

Mr. CAREW with Mr. BRITTEN.

Mr. COADY with Mr. CHANDLER of New York.

Mr. CROSSER with Mr. COPLEY.

Mr. DENT with Mr. CURRY of California.

Mr. EAGLE with Mr. BENJAMIN L. FAIRCHILD.

Mr. ESTOPINAL with Mr. GEORGE W. FAIRCHILD.

Mr. FLYNN with Mr. FAIRFIELD.

Mr. GREGG with Mr. GOOD.

Mr. HARRISON of Mississippi with Mr. GRAHAM of Pennsylvania.

Mr. HOOD with Mr. GRAY of New Jersey.

Mr. HOUSTON with Mr. HAMILTON of Michigan.

Mr. HUDDLESTON with Mr. HOLLINGSWORTH.

Mr. JONES of Texas with Mr. HUSTED.
Mr. KEATING with Mr. KAHN.
Mr. LEA of California with Mr. MONDELL.
Mr. MAHER with Mr. ROWLAND.
Mr. NICHOLLS of South Carolina with Mr. STEENERSON.
Mr. PRICE with Mr. TOWNER.
Mr. RUCKER with Mr. SCOTT of Iowa.
Mr. SMALL with Mr. DRUKKER.
Mr. STEELE with Mr. CAPSTICK.
Mr. STEPHENS of Nebraska with Mr. JOHNSON of South Dakota.
Mr. STERLING of Pennsylvania with Mr. KNUTSON.
Mr. TALBOTT with Mr. KREIDER.
Mr. WATKINS with Mr. HEINTZ.
Mr. WEAVER with Mr. HAUGEN.

Mr. DENT. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman in the Hall listening?

Mr. DENT. I was not.

The SPEAKER. Then the gentleman can not vote.

Mr. CROSSER. I desire to vote "aye."

The SPEAKER. Was the gentleman in the Hall listening?

Mr. CROSSER. I was in the Hall, but I do not know whether my name was called when I was in the Hall or not.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. KNUTSON. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the Hall listening?

Mr. KNUTSON. I was called out just for a few moments——

The SPEAKER. The gentleman can not vote.

The result of the vote was announced as above recorded.

Mr. JOHNSON of Washington. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. JOHNSON of Washington. I desire at the proper time to offer a motion to recommit.

The SPEAKER. The Chair will let the gentleman know. The question is on the engrossment and third reading.

The bill was ordered to be engrossed and read the third time, was read the third time.

Mr. JOHNSON of Washington. Mr. Speaker, I desire to move to recommit the bill with instructions.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JOHNSON of Washington. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JOHNSON of Washington moves to recommit the bill to the Committee on Immigration and Naturalization, with instructions to report the same forthwith with an amendment striking out all after the enacting clause and inserting the following:

"That during the existing emergency the duly accredited military representatives of any country engaged in war with any country with which the United States is now, or during the continuation of said emergency may be hereafter, at war, may, subject to the provisions of this act, draft into the military or naval service of their respective countries such of their citizens or subjects domiciled or resident in the United States as are not already in the military or naval service of the United States, and for the purposes of said draft of aliens domiciled or resident in the United States the President shall, on the request of said countries, presented through their diplomatic representatives, furnish to said representatives a full and complete list of all the citizens or subjects of the country making the request who registered under the provisions of an act entitled "An act to authorize the President to increase the Military Establishment of the United States," approved May 18, 1917. The President is further authorized and empowered to procure within 90 days of the passage of this act the registration of all other male aliens between the ages of 18 and 45, both inclusive, domiciled in the United States, and upon the completion of such supplemental registration shall on request furnish a full and complete list thereof to the respective diplomatic representatives of said countries of which the said aliens may be citizens or subjects. For the purposes of said supplemental registration the President shall have all the authority conferred by said act of May 18, 1917, and he may prescribe such terms, conditions, and regulations for the operation of said draft as he may deem necessary.

"SEC. 2. That within 15 days after the passage of this act the President may notify all countries engaged in a war with any country with which the United States is now or may be hereafter at war of the enactment of same, and through appropriate diplomatic channels shall ascertain what action said countries may desire to take under the provisions of this act.

"SEC. 3. That the President is authorized to detail such officers and men of the military forces of the United States to cooperate with and assist the military representatives of foreign countries in the operation of the draft as he may deem expedient, and he may cause aliens drafted to be summoned and to be detained temporarily at such places of concentration as he may designate, and may render such assistance in transporting or deporting such aliens as he may think proper.

"SEC. 4. That the penalties prescribed in the aforesaid act of May 18, 1917, shall apply to violations of this act.

"SEC. 5. That any alien who shall willfully refuse or fail to present himself for registration, or to submit thereto, or to appear in answer to any summons issued under authority of this act, shall be taken into custody, and delivered either to the military representatives of the country of which he may be a citizen or subject, or to such commanding officer of the United States military forces as the President may direct.

"SEC. 6. That citizens or subjects of the enemy country or of countries allied with the enemy may be drafted for and assigned to such nonmilitary occupation as the President may prescribe.

"SEC. 7. That the provisions of this act shall not apply to the citizens or subjects of countries who by the provisions of any treaty with the United States are protected from draft for military purposes.

"SEC. 8. That this act shall take effect upon its passage."

During the reading of the above,

Mr. BURNETT. Mr. Speaker, I think enough of the bill has been read to show that it is subject to the point of order, and I make the point of order against the bill that it is not in order. It is a conscription bill and not in order on this bill. The same kind of a question came up in the Committee of the Whole House on the state of the Union, something similar to that, and it was so ruled by the Chairman of that committee.

Mr. JOHNSON of Washington. Mr. Speaker, I do not care to contest the point of order, although I think it is in order. I desire to ask unanimous consent that the remainder of the bill may be placed in the RECORD.

The SPEAKER. The gentleman from Washington asks unanimous consent that the remainder of the amendment or instructions be printed in the RECORD. Is there objection? [After a pause.] The Chair hears none. The point of order is sustained. The question is, Shall the bill pass?

Mr. BURNETT. Mr. Speaker, on that I demand the yeas and nays.

Mr. WALDOW. Mr. Speaker, I demand the yeas and nays on that vote.

The SPEAKER. The gentleman from New York——

Mr. BURNETT. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Alabama demands the yeas and nays. Evidently there is a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 344, nays 21, answered "present" 2, not voting 61, as follows:

YEAS—344.

Alexander	Dillon	Hicks	Morgan
Almon	Dixon	Hilliard	Mudd
Anderson	Dominick	Holland	Neely
Ashbrook	Dooling	Howard	Nelson
Aswell	Doolittle	Hull, Iowa	Nichols, Mich.
Austin	Doremus	Hull, Tenn.	Nolan
Ayres	Doughton	Hutchinson	Norton
Lacharach	Dowell	Igoe	Oldfield
Baer	Drane	Ireland	Oliver, Ala.
Bankhead	Dupré	Jacoway	Oliver, N. Y.
Barkley	Dyer	James	Olney
Barnhart	Eagan	Johnson, Ky.	Osborne
Beakes	Edmonds	Jones, Va.	O'Shaunessy
Bell	Elliott	Juul	Overmyer
Beshlin	Ellsworth	Kearns	Overstreet
Blackmon	Elston	Kehoe	Padgett
Bland	Emerson	Kelley, Mich.	Paige
Blanton	Esch	Kelly, Pa.	Park
Booher	Evans	Kennedy, Iowa	Parker, N. J.
Borland	Farr	Kennedy, R. I.	Parker, N. Y.
Bowers	Ferris	Key, Ohio	Peters
Brand	Foss	Kiess, Pa.	Phelan
Brodbeck	Fields	Kincheloe	Polk
Browne	Fisher	King	Powers
Browning	Focht	Kinkaid	Pratt
Brumbaugh	Fordney	Kitchin	Purnell
Buchanan	Foss	Knutson	Quin
Burnett	Foster	La Follette	Ragsdale
Burroughs	Francis	Langley	Rainey
Butler	Frear	Larsen	Raker
Byrnes, S. C.	Freeman	Lazaro	Ramsey
Byrns, Tenn.	French	Lee, Ga.	Ramseyer
Campbell, Kans.	Fuller, Ill.	Lehlbach	Randall
Campbell, Pa.	Fuller, Mass.	Lenroot	Rankin
Candler, Miss.	Gallagher	Lesher	Rayburn
Cannon	Gallivan	Lever	Reavis
Cantrill	Gandy	Linthicum	Reed
Caraway	Gard	Little	Riordan
Carlin	Garland	Littlepage	Robbins
Carter, Mass.	Garner	Lobeck	Roberts
Carter, Okla.	Garrett, Tex.	Lonergan	Robinson
Cary	Gillett	Longworth	Rodenberg
Chandler, Okla.	Glass	Lufkin	Rogers
Church	Glynn	Lundeen	Romjue
Clark, Fla.	Godwin, N. C.	McAndrews	Rose
Clark, Pa.	Goodall	McArthur	Rouse
Classon	Goodwin, Ark.	McClintic	Rowe
Collier	Gould	McCulloch	Rubey
Connelly, Kans.	Graham, Ill.	McFadden	Russell
Cooper, Ohio	Gray, Ala.	McKenzie	Sabath
Cooper, W. Va.	Green, Iowa	McKeown	Sanders, Ind.
Cooper, Wis.	Greene, Mass.	McKinley	Sanders, La.
Costello	Greene, Vt.	McLaughlin, Mich.	Sanders, N. Y.
Crago	Griest	McLaughlin, Pa.	Saunders, Va.
Cramton	Hadley	McLemore	Schall
Crisp	Hamill	Madden	Scott, Mich.
Currie, Mich.	Hamilton, Mich.	Magee	Scott, Pa.
Dale, N. Y.	Hamlin	Mansfield	Scully
Dale, Vt.	Haskell	Mapes	Sears
Darrow	Hastings	Martin	Sells
Davidson	Hawley	Mason	Shackleford
Davis	Hayden	Mays	Shallenberger
Decker	Hayes	Meeker	Sherley
Dempsey	Heaton	Miller, Wash.	Shouse
Denison	Heflin	Mondell	Siegel
Denton	Helm	Montague	Sims
Dewalt	Helvering	Moon	Sinnott
Dickinson	Hensley	Moore, Pa.	Sisson
Dill	Hersey	Moores, Ind.	Slayden

Slemp	Sullivan	Van Dyke	Welty
Sloan	Sumners	Vare	Whaley
Smith, Idaho	Sweet	Vestal	Wheeler
Smith, Mich.	Swift	Vinson	White, Me.
Smith, C. B.	Switzer	Voigt	White, Ohio
Smith, T. F.	Tague	Volstead	Williams
Snook	Taylor, Ark.	Waldow	Wilson, Ill.
Snyder	Taylor, Colo.	Walker	Wilson, Tex.
Steagall	Temple	Walsh	Wingo
Stedman	Templeton	Walton	Winslow
Steele	Thomas	Ward	Wise
Stephens, Miss.	Thompson	Wason	Wood, Ind.
Sterling, Ill.	Tillman	Watkins	Woods, Iowa
Sterling, Pa.	Tilson	Watson, Pa.	Woodyard
Stevenson	Timberlake	Watson, Va.	Wright
Stiness	Tinkham	Webb	Young, N. Dak.
Strong	Treadway	Welling	Young, Tex.

NAYS—21.

Anthony	Flood	London	Sherwood
Black	Gordon	Lunn	Stafford
Caldwell	Hardy	Merritt	Venable
Claypool	Harrison, Va.	Miller, Minn.	
Connally, Tex.	Humphreys	Mott	
Dent	Johnson, Wash.	Platt	

ANSWERED "PRESENT"—2.

Morin	Sanford

NOT VOTING—61.

Britten	Fairchild, G. W.	Husted	Price
Capstick	Fairfield	Johnson, S. Dak.	Rowland
Carew	Flynn	Jones, Tex.	Rucker
Chandler, N. Y.	Garrett, Tenn.	Kahn	Scott, Iowa
Coady	Good	Keating	Small
Copley	Graham, Pa.	Kettner	Snell
Cox	Gray, N. J.	Kraus	Steenerson
Crosser	Gregg	Kreider	Stephens, Nebr.
Curry, Cal.	Hamilton, N. Y.	LaGuardia	Talbott
Dallinger	Harrison, Miss.	Lea, Cal.	Towner
Dies	Haugen	McCormick	Weaver
Drukker	Heintz	Maher	Wilson, La.
Dunn	Hollingsworth	Mann	Zihlman
Eagle	Hood	Nicholls, S. C.	
Estopinal	Houston	Porter	
Fairchild, B. L.	Huddleston	Pou	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. HAMILTON of New York (for) with Mr. SANFORD (against).

Until further notice:

Mr. LEA of California with Mr. CURRY of California.

Mr. STERLING of Pennsylvania with Mr. HEINTZ.

Mr. HOUSTON with Mr. JOHNSON of South Dakota.

Mr. COX with Mr. MCCORMICK.

Mr. DIES with Mr. CAPSTICK.

Mr. GARRETT of Tennessee with Mr. BRITTEN.

Mr. KETTNER with Mr. COPLEY.

Mr. POU with Mr. FAIRFIELD.

Mr. RUCKER with Mr. GOOD.

Mr. ROGERS. Mr. Speaker, my colleague, Mr. DALLINGER, is detained at his home in Massachusetts on account of illness. He has requested me to announce to the House that he is in favor of this bill and would have voted "yea" had he been able to be present.

Mr. SIEGEL. Mr. Speaker, I am requested to announce for my colleagues, Mr. LAGUARDIA, Mr. DUNN, and Mr. SNELL, that they would have voted in favor of this bill if they had been present.

The result of the vote was announced as above recorded.

On motion of Mr. BURNETT, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. JONES of Texas, by unanimous consent, was granted leave of absence for three days, on account of illness.

HOUR OF MEETING TO-MORROW.

Mr. SIMS. Mr. Speaker, I want to submit a request for unanimous consent.

The SPEAKER. The gentleman will state it.

Mr. SIMS. I want to ask unanimous consent that when the House adjourns to-night it adjourn to meet at 11.30 a. m. to-morrow.

Mr. GILLETT. Mr. Speaker, I am very sorry, but I think a great many Members expected that the House was going to meet at 12 o'clock to-morrow.

Mr. SIMS. Let me explain. I understand there is going to be some time in regard to the change of reference of some bill, and I only wanted to get that in at that particular place before we take up the railroad bill.

Mr. RAKER. Mr. Speaker, reserving the right to object, there are two or three committees, particularly the Committee on the Public Lands, that want to have a meeting——

Mr. MOORE of Pennsylvania. Mr. Speaker, I object.

SOLDIERS AND SAILORS' CIVIL RIGHTS.

Mr. WEBB, from the Committee on the Judiciary, submitted a conference report on the bill H. R. 6361, the soldiers and sailors' civil rights bill, for printing under the rule.

EXTENSION OF REMARKS.

Mr. KELLY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a patriotic address made in Pittsburgh by the gentleman from Michigan [Mr. JAMES] on Washington's Birthday.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to print in the RECORD a patriotic address made by the gentleman from Michigan [Mr. JAMES] on Washington's Birthday. Is there objection?

Mr. WALSH. I object.

Mr. RAKER. Mr. Speaker, I rise for the purpose of presenting a unanimous-consent request. I ask unanimous consent that I may extend my remarks in the RECORD on the bill H. R. 9053, known as the Pacific coast military highway bill, a bill introduced by myself, and also other remarks upon that bill.

The SPEAKER. The gentleman from California asks unanimous consent to print a speech of his own in the RECORD on the bill H. R. 9053, known as the Pacific coast military highway bill.

Mr. RAKER. The speech and remarks in regard to it.

The SPEAKER. Is there objection?

Mr. WALSH. Reserving the right to object, I would like to ask the gentleman if this measure has been reported out by any committee?

Mr. RAKER. It has not been reported.

Mr. WALSH. Then I object.

Mr. HUMPHREYS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter on the subject of cotton.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD by printing a letter on the subject of cotton. Is there objection?

Mr. WALSH. Mr. Speaker, I object.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill just passed, including the motion to recommit the same.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks on the bill just passed, including his motion to recommit. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from California makes the same request. Is there objection?

Mr. WALSH. Mr. Speaker, I object to all these.

The SPEAKER. Does the gentleman object to the request of the gentleman from Washington [Mr. JOHNSON]?

Mr. WALSH. Yes; I object to them all.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p. m.) the House adjourned until to-morrow, Thursday, February 28, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

A letter from the chairman of the board of trustees, National Training School for Boys, transmitting annual report for the fiscal year ending June 30, 1917; to the Committee on the District of Columbia.

A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation for increase in compensation of Senior Assistant Chief of Division of Customs, fiscal year ending June 30, 1919 (H. Doc. No. 960); to the Committee on Appropriations.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRIEST: A bill (H. R. 10293) to amend all existing pension laws granting pensions to minor children of soldiers and sailors of the Civil War, the War with Spain, and the Regular Establishment; to the Committee on Invalid Pensions.

By Mr. STEENERSON: A bill (H. R. 10294) to authorize free transportation for officers and men of the Army, Navy, and

Marine Corps of the United States when on furlough to and from their homes; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 10295) to authorize absence by homestead settlers and entrymen, and for other purposes; to the Committee on the Public Lands.

By Mr. JOHNSON of Kentucky: A bill (H. R. 10296) authorizing the Post Office Department to acquire and extend the telephone system of the District of Columbia; to insure the Government complete control of such means of communication in safeguarding its military and executive affairs within the seat of government; and promote the service to the public; to the Committee on the District of Columbia.

By Mr. SIMS: A bill (H. R. 10297) to amend an act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Michigan: A bill (H. R. 10298) to prevent and punish the desecration, defamation, mutilation, or improper use of the flag of the United States of America; to the Committee on the Judiciary.

By Mr. HOLLAND: A bill (H. R. 10331) to credit officers in the United States Naval Reserve with the time served in the naval auxiliary; to the Committee on Naval Affairs.

By Mr. EMERSON: Joint resolution (H. J. Res. 254) requiring the War Department to return to America the bodies of soldiers who die in Europe during the war; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOOHER: A bill (H. R. 10299) granting a pension to Hattie C. Huntington; to the Committee on Invalid Pensions.

By Mr. BRODBECK: A bill (H. R. 10300) granting an increase of pension to Mary J. Spate, helpless child of Joseph Spate; to the Committee on Pensions.

Also, a bill (H. R. 10301) granting a pension to Frank A. Smith; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 10302) for the relief of Ray Markey; to the Committee on Claims.

Also, a bill (H. R. 10303) granting an increase of pension to James Dougherty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10304) granting an increase of pension to George B. Amann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10305) granting a pension to Mrs. C. Silberberg; to the Committee on Pensions.

By Mr. DOOLITTLE: A bill (H. R. 10306) granting a pension to Charles W. Cross; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 10307) for the payment of certain claims for services rendered the United States in the construction of a building at Mare Island Navy Yard; to the Committee on Claims.

Also, a bill (H. R. 10308) granting a pension to William Deable; to the Committee on Pensions.

By Mr. KNUTSON: A bill (H. R. 10309) granting an increase of pension to Henrietta Archer Forbes; to the Committee on Invalid Pensions.

By Mr. KREIDER: A bill (H. R. 10310) granting a pension to Ida M. Cunkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10311) granting a pension to Katie Clifford; to the Committee on Pensions.

Also, a bill (H. R. 10312) granting an increase of pension to William M. Moore; to the Committee on Invalid Pensions.

By Mr. McARTHUR: A bill (H. R. 10313) granting an increase of pension to James Cunningham; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 10314) granting an increase of pension to Peter Minihan; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 10315) granting an increase of pension to William W. Robinson; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 10316) granting a pension to John Taylor; to the Committee on Invalid Pensions.

By Mr. PRICE: A bill (H. R. 10317) granting an increase of pension to John S. Griffith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10318) granting an increase of pension to William J. Windsor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10319) granting a pension to Isaac James Riggin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10320) granting a pension to George W. Willey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10321) granting a pension to Martin Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10322) granting a pension to Joseph R. Bamberger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10323) for the relief of William H. P. Steward and Emma S. Wise, heirs of John T. Steward; to the Committee on War Claims.

Also, a bill (H. R. 10324) for the relief of the heirs of Elijah Evans; to the Committee on War Claims.

Also, a bill (H. R. 10325) for the relief of the heirs of William E. Bradshaw; to the Committee on War Claims.

Also, a bill (H. R. 10326) for the relief of O. P. Gibson & Co.; to the Committee on Claims.

By Mr. RANDALL: A bill (H. R. 10327) granting an increase of pension to Eric Johnson; to the Committee on Invalid Pensions.

By Mr. REED: A bill (H. R. 10328) granting a pension to Herbert B. Holloway; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 10329) granting an increase of pension to Alexander Roe; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 10330) granting an increase of pension to George H. Young; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 10332) to pay certain taxes to the county of Stevens, State of Washington; to the Committee on Indian Affairs.

Also, a bill (H. R. 10333) to pay certain taxes to the county of Ferry, State of Washington; to the Committee on Indian Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRODBECK: Evidence to accompany a bill granting a pension to Frank A. Smith; to the Committee on Invalid Pensions.

Also, evidence to accompany a bill granting an increase of pension to Mary J. Spate; to the Committee on Invalid Pensions.

By Mr. CAREW: Petition of railroad employees against fixing time limit for turning railroads back to private ownership; to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER of Ohio: Petition of voters of Trumbull and Ashtabula Counties, asking for the passage of Senate bill 352 relating to the granting of pensions to the members of the United States Life-Saving Service who have been injured or incapacitated while in the line of duty; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAGO: Resolution adopted by the council of the city of Pittsburgh, Pa., in favor of improving the Ohio River and the immediate construction of the Lake Erie and Ohio River Canal; to the Committee on Rivers and Harbors.

Also, resolutions adopted by Philadelphia Chamber of Commerce, favoring proper housing facilities for mechanics employed at Hog Island shipyard, and urging early construction of drydock facilities; to the Committee on Appropriations.

By Mr. DALE of New York: Petition of the Pierian Club of Seymour, Tex., against increase in postage on second-class matter; to the Committee on Ways and Means.

Also, memorial of the Square Turn Tractor Co., Chicago, Ill., and resolution of the Santa Fe Woman's Club, Santa Fe, N. Mex., urging the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also, petition of Army and Navy Union, Captain Charles V. Gridley Garrison, No. 4, Erie, Pa., favoring passage of Senate bill 3063, to save Commodore Perry's battleship, the *Niagara;* to the Committee on Naval Affairs.

By Mr. DOOLING: Petition of Central Federated Union of New York, against the Borland eight-hour bill; to the Committee on Agriculture.

By Mr. ELSTON: Petition of citizens of Berkeley, Cal., favoring passage of the Kelly bill, House bill 8761; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Petitions of clerk and letter carriers of La Salle and Branch No. 245, National Association of Letter Carriers, of Rockford, Ill., favoring passage of House bill 9414; to the Committee on the Post Office and Post Roads.

Also, petitions of the Mishawaka Woman's Club, of Mishawaka, Ind.; the Woman's Federation Club of Long Pine, Nebr.; Harry P. Stoeckell and Lottie Boree, of Wood River, Ill.; the Illinois Woman's Press Association, of Chicago; the Woman's Club of Granby, Mass.; the Pierian Club, of Seymour, Tex.; the

Kappa Alpha Theta Alumnæ Club, of Greencastle, Ind.; and the Woman's Club of San Angelo, Tex., asking the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. GALLIVAN: Petition of the Page Kindergarten Alumnæ Association, urging appropriation to provide for the Federal maintenance of the kindergarten division in the Bureau of Education; to the Committee on Education.

By Mr. LINTHICUM: Petition of Mrs. James W. Flack, jr., and A. D. McCommas, secretary of the Baltimore Real Estate Board, protesting against the passage of House bill 9248; to the Committee on the District of Columbia.

Also, petition of Jacob L. Newcomer, of Baltimore, Md., urging the pasage of the Keating bill, House bill 7356; to the Committee on Appropriations.

Also, petition of C. W. Hendley, W. W. Boyer & Co., Tidewater Portland Cement Co., the Frederick W. Lipps Co., the Blueridge Knitting Co., John R. Lemmert, Edward A. Strauf, Jones & Lamb Co., the Horn-Shafer Co., the Baltimore Pulverizing Co., B. Nicoll & Co., Enterprise Fuel Co., Henry G. Loewer, and John J. Reahl, protesting against the proposed elimination of fuel jobbers; to the Committee on Agriculture.

By Mr. MORIN: Petition of the Oakland Board of Trade, D. A. Jones, secretary, urging that no change be made in the present postal legislation until same has had thorough trial and that any changes made later be with the view of a rate upon second-class matter that will more nearly cover cost of service; to the Committee on Ways and Means.

By Mr. POWERS: Petition of Mrs. W. T. Horton and others, of Clay County, Ky., relative to increase in second-class mail rates; to the Committee on Ways and Means.

By Mr. TEMPLE: Petition of members of the Methodist Episcopal Church of New Bedford, Pa., favoring national prohibition; to the Committee on the Judiciary.

SENATE.

THURSDAY, *February 28, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we thank Thee for the truth of life, the truth that not only pertains to our physical being but for that which has pushed back the curtain and given to us glimpses of the life eternal and of the infinite possibilities of life. We thank Thee for the truth tellers among men, men of vision, men of far-seeing wisdom, who understand and read the signs of the times, and lead on as God's light illumines the way. Now, we pray Thee to guide us this day in all truth, that we may come to its close with a consciousness of having done the Divine will. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. MCKELLAR and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PERSONAL EXPLANATION—MEMPHIS AVIATION FIELD.

Mr. MCKELLAR. Mr. President, some week or 10 days ago the New York World published an article by its Washington correspondent concerning me and certain other Senators. The article, so far as I am concerned, is wholly inaccurate and largely untrue. It is not my custom to notice such articles, and I would not do so in this case, except for the fact that it has since been republished in Tennessee, and for the further fact that I have since learned that the article was prepared largely by a young man who was the former secretary of former Senator Luke Lea, one of my opponents in the late senatorial primary in Tennessee. This subordinate of Senator Lea now represents Senator Lea's paper, the Nashville Tennessean, in Washington. The profiteers and their champions must be hard put to it when they are forced to employ such agencies to villify and abuse a man who has fought them in the open. I therefore ask unanimous consent that the article as it appeared in the World and copied in the Chattanooga Times be printed in the RECORD immediately after this statement. In addition I now desire to read the statement that I have made in reference to said article.

"FEBRUARY 26, 1918.

"THE CHATTANOOGA TIMES,
"*Chattanooga, Tenn.*

"GENTLEMEN: As a rule I do not attempt to answer criticism of the kind that recently appeared in the New York World and republished in your paper of last Sunday, and I would not do so now but for the fact that the Chattanooga Times has always been so loyally my friend, editorially and in its news columns, that I do not wish that you should be misled as to my actions by any such statement.

"I am not complaining of your publishing the article, for your paper is one paper that has a perfect right to criticize me whenever it sees fit, but I do wish you to know the facts.

"The article is adroitly worded, and is not only misleading and untruthful in character, but it is so craftily worded as to conceal the real truth. It gives a garbled statement of the RECORD, it publishes only a part of the RECORD, and it wholly falsifies my position, either by direct statement or by innuendo in three important particulars: First, as to my attitude toward the President of the United States; second, as to my attitude toward the War Department; and, third, my attitude toward the contract for the aviation field at Memphis and the system of letting contracts formerly in vogue in the War Department, now happily dispensed with.

"Mr. Editor, as you know, I have always supported President Wilson. There is no law on the statute books, so far as I can recall, which he has approved since he has been President that I did not vote for or support. I admire and esteem our great President very much. There is no man who could fill his position better in this great crisis. I doubt if anyone could fill it nearly as well. It seems providential that we have as our President in this the greatest crisis of the world's history a wonderfully able, calm, vigorous, determined, splendid man like Woodrow Wilson. My opinion of him is upheld by the records here, which show that every war measure that he has approved has received my vote. I have never publicly or privately criticized him, because I believe he is entitled to praise and support.

"Again, I have no grudge against the War Department. During this war it has done much for which it can be justly praised. It has also done or left undone things for which it has been very greatly criticized, and, in my judgment, properly so. Since the senatorial investigation the War Department has brought about a very complete reorganization of itself, and I believe it is doing better work now than ever before. It has adopted many important, effective, and far-reaching changes, which I think are the result of the Military Committee investigation.

"As to what this article says about the Memphis aviation field contract and my attitude toward contracts let by advisory committees of the Council of National Defense, I beg to say:

"When gentlemen come here from Tennessee seeking a contract, I either give them a letter of introduction or introduce them to the proper contracting officer. When Mr. Harmon, of the Harmon Co., referred to in the article, came here seeking a contract for the aviation field and telling me that he was a resident of Memphis and bringing letters from Memphis citizens, I gave him a formal letter of introduction to Mr. W. A. Starrett, the chairman of the emergency construction committee. There were a number of Memphis contractors wanting this aviation contract, and they all received the same kind of letters of introduction, or were introduced personally by me or by my secretary. I carefully explained to each one of these contractors, including Mr. Harmon, that I did not recommend any particular one for a contract, but that I hoped the contract would go to a Tennessee concern, because the camp was to be built in Tennessee.

"After I had given Mr. Harmon a letter of introduction, upon the faith of letters handed by him to me from Memphis friends, I found that Mr. Harmon had misstated the fact of his residence to me; that while he had done some work in Memphis, his firm was really located in St. Louis, and he himself lived elsewhere than in Tennessee. Upon learning this I protested to the War Department against Mr. Harmon receiving the contract, believing that Mr. Harmon had gotten the letter of introduction from me under a misstatement of facts. The falsity and maliciousness of the article published in the World and republished in your paper is shown by the following letter that I wrote to Capt. C. G. Edgar, of the Aviation Service, on August 24, 1917. This letter was in the RECORD, and if the World correspondent had wanted to be fair about the matter he should have published this letter, and then no statement from me would now be necessary. The letter is as follows:

"'MY DEAR CAPT. EDGAR: Your letter of the 23d about the Memphis contract received and noted.

"'The statement that you refer to in the third paragraph of your letter, which is as follows:

"'"Paragraph 3 of their (the emergency construction committee) letter states that this company was chosen upon recommendation by you."

"'This statement of the emergency construction committee is an absolute, unqualified, and unmitigated falsehood. There is not a word of truth in it. It is a subterfuge for the carrying

out of their nefarious and, as I believe, crooked plans. It is in exact line with what they have been continually doing since it has been managed by these people.

"'A number of contractors from Memphis called to see me about this matter, among them Mr. Harmon, who told me that he was a Memphis contractor. He asked for a letter of introduction, which I gave and which is as follows:

"'"This will introduce to you Mr. I. G. Harmon, who has been in the contracting business for some time and is a member of the firm of Thomas-Harmon Co., of Memphis, Tenn.

"'"He wants to talk to you about building the aviation camp at Memphis. Mr. Harmon is a most excellent gentleman and entirely trustworthy and reliable, and I will appreciate any courtesies you may extend to him."

"'Mr. Alexander called in person, and I sent my secretary down to Mr. Starrett to introduce him.

"'Mr. Young, of Young & Son, came to see me, and I sent my secretary down with him to introduce him. There were perhaps other contractors who either came or wrote me, and to each one I stated that I was taking no part in the matter as to which contractor was selected, but that all I desired was that a Memphis contractor should receive the contract. To make absolutely sure on August 12 I wrote Mr. Starrett as follows:

"'"Inclosed I hand you an editorial from the Memphis Commercial Appeal, of date August 9, 1917. I have heretofore sent you a number of telegrams and letters of various Memphis contractors who desire to build the aviation school at Memphis.

"'"I have not recommended any particular one of these Memphis contractors. I make it a rule never to do this. However, I desire to commend this editorial to you, and earnestly insist that the work be given to a Memphis contractor or contractors. I believe the work can be done by them cheaper, quicker, and better than any outside contractor. This is naturally so. I stand willing to aid you in any way in giving you information as to any of these Memphis contractors."

"'And on August 16 I wrote Mr. Starrett as follows:

"'"In reference to the aviation camp, I wish to speak to you about two matters. There have been a number of Memphis contractors who have been to see me about the matter and a number more who have written or telephoned me about the matter. These letters and telegrams I have filed with you. I have uniformly told these gentlemen that I had nothing in the world to do with individual contracts and would not take any part as between them, but that I would recommend to you that this contract be given to some contractor in Memphis, to be selected by you, because I believe that, being there on the ground, familiar with prices there, familiar with labor conditions there, such a contractor could do the work more quickly and more cheaply to the Government than any outsider. If it were a small place, the situation might be different; but Memphis being a city of 175,000, what I have said is unquestionably true. In this connection, I herewith inclose you two telegrams that I have just received which explain themselves. It seems that all the contractors in Memphis have gotten behind the James Alexander Construction Co. They are very reputable people and can carry out any contract which they may make. So much for this.

"'"As you know, Memphis is one of the largest lumber markets in this country. The lumber for these camps can be bought more cheaply right there than elsewhere. I am not recommending any particular lumber firm, but I do know that the lumber that goes into these camps ought to be bought in Memphis, provided only that it can be bought there cheaper than it can elsewhere. In other words, the Government's interests should unquestionably be first both as to contractors and as to material. I know that that camp can be built more cheaply by utilizing Memphis contractors and Memphis materials.

"'"With much respect, I am,

"'"KENNETH MCKELLAR."

"'You will see from this last letter that when Mr. Starrett writes you that the Thomas-Harmon Co. received the contract upon my recommendation he writes you what is a deliberate and willful falsehood, as above stated, and which is here reiterated.

"'I have since learned that the Thomas-Harmon Co. is not a Memphis concern and that the only work of any importance that it ever did in Memphis was to dig a tunnel there; that it is a St. Louis concern and in no sense a Memphis concern.

"'I desire to protest against this contract going to this company and to say that if it is awarded to the Thomas-Harmon Co., I shall seek an investigation in the Senate by which the true facts can be ascertained and established.

"'I am informed that this contract was let by reason of influence that had nothing in the world to do with Memphis. As a matter of fact, its letting was a fraud upon Memphis and an outrage and a shame, for which I do not believe your department will for a moment stand.

"'I am sending a copy of this letter to Gen. Squier.

"'With much respect, I am

"'Very sincerely, yours,

"'KENNETH MCKELLAR.'

"Upon the receipt of this letter the contract with the Harmon Co. for the Memphis aviation field was very properly canceled by the War Department, and that contract was afterwards carried out by some other contractor, the name of which I do not now recall, but it was not a Memphis contractor at all. This letter gives the true facts and it speaks my attitude absolutely. I stand by it. I have no apologies to make for it, and I believe that you would have acted the same way if you had been in my place.

"Some time after the foregoing incident, I think probably during the recess of Congress or just before it adjourned, the War Department was appealed to by the Harmon Co. to get another contract, and I was informed that it afterwards received one. If it did, it was simply one of those acts for which the department was frequently criticized some time ago, and for which it deserves to be criticized.

"The man who gave out all of these cantonment contracts was W. A. Starrett, chairman of the emergency construction committee, Council of National Defense, formerly of the Thompson-Starrett Construction Co., of New York City. This Mr. Starrett was before the Senate Military Affairs Committee a few days before this article was published in the World, and I examined him at length about his method of letting contracts. Whether he was the instigator of the article or not I do not know. However, his testimony disclosed the fact that the George A. Fuller Co., of which his brother, Paul Starrett, is president, received several contracts, the fees of one contract alone being $250,000, and all the fees amounted up to considerably over one-half a million dollars—perhaps near three-quarters of a million dollars. It also disclosed that the Thompson-Starrett Co., of which Mr. W. A. Starrett was formerly a member, received in fees from the Government on contracts recommended by W. A. Starrett for building a portion of these cantonments, the sum of $1,002,500 for the 'know how.' The testimony also disclosed that a Mr. Mears was clerk for Mr. Starrett's emergency construction committee, and that he was a representative of the F. T. Ley Co., which got one of the cantonments and made a quarter of a million dollars out of it for the 'know how.' When asked by me what his connection was with these firms, Maj. Starrett replied:

"'We are architects and designed buildings that George A. Fuller Co. build; that the Thompson-Starrett Co. build; that the Fred T. Ley Co. build, Bentley.'

"Stone & Webster was one of the firms which received a cantonment contract at the hands of Mr. Starrett. This is the same Stone & Webster that also received the Hog Island contract. The contracts received by Stone & Webster from the Government amounted, as I am informed, to some $200,000,000 in all.

"There were also 11 men indicted the other day in New York for stealing $5,000,000 worth of uniform cloth from the Government. These gentry received contracts under the peculiar secret system of contracting that was recommended by the committee on supplies, and, I suppose, they and those who will defend them will also soon be saying that I am opposed to the President because I aided in the original investigation which opened the Government officials' eyes to their pilfering.

"Mr. Editor, in letting these Government contracts, one-quarter of them were let in New York State and one-half of them in the three States of New York, Pennsylvania, and Ohio. All the rest of the country received only as many contracts as these three States alone. Can it be wondered that we have railroad and industrial and labor congestion with one-fourth of all Government contracts in one State?"

Mr. KING. If the Senator will permit me, I noticed in a New York paper a few days ago an advertisement that the Thompson-Starrett Co. had a contract for $30,000,000. Is this the same Thompson-Starrett Co. to which the Senator refers?

Mr. MCKELLAR. I know of no other. I know that the company known as the Thompson-Starrett Construction Co. has received in fees on these cantonments $1,002,500 for the "know how."

Mr. KING. It advertised in the New York paper—an advertisement which occupied a third of a page—that it had a contract now with the Government for $30,000,000. I was wondering if the man Starrett to whom the Senator referred had anything to do with letting a contract to the Thompson-Starrett for the erection of a powder plant costing $30,000,000.

Mr. MCKELLAR. I can not say.

"I plead guilty, therefore, to the fact that I desired that Tennessee contractors should be treated fairly and on the same terms as all other contractors. I plead guilty that I stood up for Tennessee and Tennesseans. If my own people think that I ought to be abused for standing by them and for their rights and their interests, they are to say.

"Again, I plead guilty to being opposed to the supply committees of the Council of National Defense and their methods of dealing for the Government with themselves. I have not a word of criticism for the patriotic volunteers who come here and work for the Government without working for contracts or gains for themselves. They are entitled to great credit. It was the "dollar-a-year" volunteer who was feathering his own nest out of the Government that I opposed and to whom I am still opposed.

"I was opposed to the secret contracting system instituted by these supply committees. I was opposed to the letting of contracts with exorbitant fees to friends, favorites, relatives, or business associates who had the "know how" and the pull. I was and am opposed to robbing the Government at any time, at any place, under any pretext, in any way, by anybody. I have been opposed to these profiteers on the supply committees, and I have fought them since they first came here getting contracts, as above stated, and I believe that they have now all been dismissed.

"The Secretary of War has recently notified me of the following changes in his department: First, that the secret contracting system, which was recommended by these volunteer 'dollar-a-year' supply committees, has been abolished; second, that the 'dollar-a-year' patriots (?) serving on these supply committees, supposedly for nothing, but selling enormous quantities of goods to the Government, and who at the same time drew salaries or dividends from their employers while thus serving the Government in purchasing from themselves, have been dismissed; third, that our boys in the Army, many of whom during the recent cold weather were without warm clothing, had been furnished with clothing under the resolution which I got the Military Affairs Committee to adopt; fourth, that the whole Army purchasing system has been reorganized, and that all safeguards against inefficiency, dishonesty, and corruption have been taken in such reorganization. In other words, the War Department itself, by its own acts, has indorsed these several fights that I have been making.

"In addition to this, the President has recently ordered an investigation of the Hog Island contract iniquities, and I am prouder than ever of him for having done so. I am sure he is as much opposed to the profiteers as even I am. The efforts of these profiteers, or their excusers, or the efforts of those puny subordinates of the War Department who are friendly to them to try to make it appear that anyone who opposes their nefarious and profiteering schemes is opposed to the President of the United States is as infamous as it is untrue, because in making these claims these profiteers undertake to place our President in an attitude of approval of them.

"It begins to look, Mr. Editor, as if these profiteers have concluded to make a war on me because I have fought them and have fought their methods and have fought their system of contracting. If they have, I am ready for the fight. I have no apologies to make. Let the truth come out. If they had published all the facts I would have been content.

"If I am to be villified for standing up for the rights of Tennessee and Tennesseans; if I am to be villified for standing up for our Government against these profiteers, grafters, and thieves; if I am to be villified for standing up for our Government against secret contracts let to relatives, friends, favorites, or allied interests, costing the Government many millions of dollars; if I am to be villified for feeling that our boys in the Army should have warm clothing in winter and should always have proper medical attention when sick, then I am willing to stand the villification, knowing that I am right and my traducers are wrong.

"Yours, very truly, KENNETH MCKELLAR."

There being no objection, the article referred to was ordered to be printed in the RECORD, as follows:

[From the Chattanooga Times, Feb. 24, 1918.]

MCKELLAR IS UNDER FIRE—NEW YORK PAPER REVIEWS HIS MANY ACTIVITIES—THEORY AS TO SENATOR'S CRITICAL ATTITUDE—MORE THAN MERELY INTIMATED THAT TENNESSEAN AND OTHERS OPPOSED WAR DEPARTMENT'S METHODS BECAUSE OF FAILURE TO GET JOBS.

The activities of Tennessee's junior Senator, the Hon. KENNETH D. MCKELLAR, were reviewed at length the other day by the Washington correspondent of the New York World, and the story was given great prominence by that newspaper. It was stated that Senators MCKELLAR, WEEKS, and HITCHCOCK, who have led the opposition to the War Department's methods, have admitted they had failed to get Army contracts or positions for constituents, and a speech by JOHN SHARP WILLIAMS intimating that the opposition of the Senators was due to such failure is quoted. Senator MCKELLAR'S attitude toward the National Council of Defense is also dealt with at length. Here is the World's story as it relates to the Tennessee Senator.

[Washington correspondence New York World.]

Senator MCKELLAR received a rebuff at the hands of the Council of National Defense about the time the war started. He has persecuted it and tried to destroy it ever since. His cross-examinations of witnesses before the Military Committee, in an effort to prove that the members of the council were not actuated by patriotic purposes but by a desire to feather their own nests, have smacked of police-court hearings when common criminals are on trial.

Members of the committee have joked about his ferocity whenever the Council of National Defense came up for consideration.

Senator HITCHCOCK gave Gen. Sharpe a caustic examination to find out just why the War Department did not accept a hot-meal container offered by a constituent about whom the Senator wrote a letter to Sharpe.

Senator WEEKS revealed the fact that he had written a letter for a constituent who had a patent device for measuring feet. He thought that if the invention had been accepted, thousands of pairs of shoes too small to be worn would not have to be shipped to Army camps.

Senator MCKELLAR made his first open attack upon the Defense Council on July 17 last when he tried to curtail its powers. He discussed the question of permitting the council to make contracts.

The law does not permit the council to sign checks, and Secretary Baker testified that it had not signed any.

"I found a remarkable thing when I came to look into the matter," said MCKELLAR in the Senate. "I represent a State of 2,300,000 people, but it seems that no one of the Council of National Defense or its committees has ever found a Tennesseean whom he thought capable of serving on any committee in that body

"That seems rather a remarkable thing to me. In my State we have manufacturers, we have great lumber interests. We have cotton interests. We have cotton mills and great mills of all kinds all over the State. We have great steel mills in east Tennessee, and yet no one from Tennessee has been put on any committee on the Council of National Defense."

ELECTED ON SLOGAN "STAND BY PRESIDENT."

On June 13 Mr. MCKELLAR sent to Secretary Baker 26 questions about the advisory board of the Council of National Defense. He repeated the questions to the various members of the council. Mr. Baker acknowledged the receipt of the questions and promised to have some of them answered. He described the task of answering them as one of "great magnitude." From that time on Mr. MCKELLAR has nagged the council. He has hardly let up a day.

Mr. MCKELLAR is a newcomer in the Senate. He was elected for the term beginning March 4, 1917. One of his campaign slogans was "Stand by the President." That appealed to the stalwart Andrew Jackson Democracy of Tennessee, and Mr. MCKELLAR was elected over his Republican opponent by about 30,000. How well he has "stood by the President" the record discloses.

Early in his senatorial career Mr. MCKELLAR came in contact with the National Council of Defense. The Senator asked that some of his constituents receive a share of war contracts. Members of the council, most of them civilians, captains of industry, unschooled in sentatorial prerogatives, insisted on handling these matters on their merits.

Mr. MCKELLAR became angered on one occasion and wrote a letter to the Secretary of War protesting against the failure of the War Department to select a cantonment site in the swamps of Mississippi adjacent to Memphis, which he had strongly recommended.

Later Memphis was selected as the site for an aviation training field. A Memphis contractor wanted the $1,000,000 job of constructing this camp, and when the award went to a St. Louis firm Mr. MCKELLAR turned his wrath against the chairman of the emergency construction committee of the War Industries Board, which made the award.

He has become one of the most persistent naggers of the administration in the Military Affairs Committee, of which he is a member. The members of the committee who have attempted to discredit the conduct of the war eagerly hailed the Tennessee Senator's grievances.

WITH CHAMBERLAIN VOTED AGAINST WAR CABINET BILL.

When the war cabinet bill was submitted to the committee by Senator CHAMBERLAIN, Mr. MCKELLAR and Mr. HITCHCOCK were the only two Democrats who voted with him to report it out unfavorably.

Senator MCKELLAR'S especial grievance against the War Department is the Memphis aviation field contract. The stenographic report of a hearing held to investigate his charges against Maj. W. A. Starrett and other members of the emergency construction committee held in the office of the Secretary of War October 4 has just come to light. The facts developed at the hearing are interesting in connection with the investigations now being conducted by Senate committees.

When the Government determined to locate the field at Millington, near Memphis, a number of contractors entered the competition. The Thomas-Harmon Co., of St. Louis, received the contract over the James Alexander Co., of Memphis. Mr. MCKELLAR protested vigorously. The emergency construction committee replied by exhibiting a letter written to Maj. Starrett, chairman of the board, on August 7, which was construed as a recommendation of the Thomas-Harmon Co. This letter read as follows:

"This will introduce to you Mr. A. G. Harmon, who has been in the contracting business for some time and is a member of the firm of the Thomas-Harmon Co., of Memphis, Tenn. He wants to talk to you about building the aviation camp at Memphis. Mr. Harmon is a most excellent gentleman and entirely trustworthy and reliable and I will appreciate any courtesies you may extend to him.

"(Signed) KENNETH D. MCKELLAR."

Mr. MCKELLAR vigorously denied that he intended to "recommend" Mr. Harmon's firm for the award. This brought up the question, "When is a recommendation not a recommendation?" Maj. Starrett's committee also exhibited several letters from Memphis citizens recommending the St. Louis firm, which had been transferred by Senator MCKELLAR. The Tennessee Senator detailed in a letter to an officer of the Signal Corps the statement that company receiving the award was chosen upon his recommendation was a falsehood.

"It is a subterfuge for the carrying out of their (the emergency construction committee) nefarious and, as I believe, crooked plans," wrote Mr. MCKELLAR.

He had previously explained that when he wrote his letter he was under the impression that the Thomas-Harmon Co. was of Memphis, as he located them in that letter.

COMMITTEE EXONERATED BY COURT AND BAKER.

This charge aroused the War Department. Maj. Starrett demanded an investigation. The hearing was arranged with the Inspector General, Judge Advocate of the Army, and the Secretary of War sitting as a court. All interested parties were notified to appear. Senator McKELLAR failed to come to the hearing, and the committee was forced to take ex parte testimony. Senator McKELLAR contended that he should have a "congressional investigation."

The Senator declined to produce any evidence or enter into any specification of his charge of "crooked work." The charge rested solely upon his assertion.

The findings of this court, which were approved by Secretary Baker, held "that the charge must fall by the weight of the committee's great accomplishments, involving as it does the letting of contracts totaling about $150,000,000, carried out with unusual competence and without the breath of suspicion against the motives or the fairness of the experts who constitute the committee."

"It is futile and unfair," continued the report, "to challenge the good faith of the work of this committee in this particular transaction. Its recommendation, which resulted in the selection of the Thomas-Harmon Co., was unimpeachably right and could not have been disregarded. Such a charge could not be made by a fair-minded man familiar with the committee, its source of information, and its methods.

"The emergency committee since May has made systematic inquiries through all available sources of knowledge concerning responsible contractors capable of handling heavy construction under the peculiar conditions under which the emergency war building work for the Army must be done. For this purpose it has drawn on the knowledge of leading architects, civil and Government engineers, and members of the American Society of Civil Engineers for information which these authorities naturally would have.

"The soundness of the committee's conclusions in selecting the Thomas-Harmon Co. is entirely justified by the material in the possession of the committee as to the contractors available for the work."

Pending an investigation of the charges made by Senator McKELLAR, an independent contractor was substituted for the Thomas-Harmon Co. by the department.

HOLDS M'KELLAR'S LETTER RECOMMENDED THE FIRM.

"It is impossible to avoid the conclusion that Senator McKELLAR'S attitude was entirely favorable to the Thomas-Harmon Co., and that not only was he not averse to the award of the contract to that company at the time it was made but that it met with his entire approval," continued the findings.

"It is significant in this connection that no word of protest was heard from the Senator until after August 23, one week after the contract had been awarded to the company, when he received from the editor of the Memphis Commercial Appeal, a newspaper, a telegram advising the Senator as follows:

"'Look over St. Louis directory and you will find office of the contracting firm in it. If the Government gives that contract to a St. Louis firm there will be trouble. Kick like a steer and we will back you up.'"

Many other telegrams of similar import were received by Mr. McKELLAR.

TRANSPORTATION OF FOODSTUFFS IN THE WEST.

Mr. BORAH. Mr. President, I have a large number of telegrams here. I am not going to ask to have them inserted in the RECORD, but, if the Senate will indulge me for just a moment, I will state the contents of them, rather than to burden the RECORD with them.

The telegrams are addressed to my colleague [Mr. NUGENT] and myself; they are in reference to a situation in my State, and are in the nature of petitions which are entitled to consideration at this time. The telegrams relate to the food situation and the inability of the people who have a vast amount of foodstuffs on hand in my State to get it to market. One telegram from Payette, Idaho, states that 500 cars of apples in Payette urgently needs getting to market, and then goes on further to state that unless they are soon marketed they will be lost.

Another telegram from another portion of the State says—

Five hundred carloads of potatoes must be moved within 60 days or a total loss will occur.

A telegram from Idaho Falls, Idaho, covers the same subject matter from another part of the State, stating that—

Several thousand carloads of potatoes are waiting to be moved, and unless moved shortly will be lost.

Another telegram from Blackfoot, Idaho says—

Five hundred carloads of potatoes are stored at Blackwood and must be moved within 60 days.

This telegram is signed by the Bingham County Council of National Defense.

Mr. President, without putting all of these telegrams into the RECORD, I will say that they come from almost every portion of our State; and they disclose the fact that there is a vast amount of food supplies which will be lost within a few weeks if means of transportation are not had to transport them to market.

I think I ought also to say that we have presented this matter to the Food Administrator and to the Railroad Administrator, and we have been assured that everything is being done that it is possible to do to relieve the situation. With that statement I am not about to find fault; but, Mr. President, in considering this matter, both upon the part of the Food Administrator and the Railroad Administrator, we ought to take into consideration its seriousness from the standpoint not only of the immediate loss which is to follow to these people who, at great expense, have produced this food, but of the serious consequences which will result in the coming year's production. The loss immediately to be sustained will be great, but the loss from discouragement which must follow will be greater.

It must follow that if these products can not be cared for, if we are not sufficiently organized and systematized to take care of them when they are produced, the production will be reduced accordingly in all parts of the productive field. This will not be by reason, Mr. President, of any desire on the part of these people who may suffer the loss to revenge themselves against the Government, but for the reason that they will simply be incapacitated from going forward and producing as they had done in previous years.

I trust, Mr. President, in the midst of the multitude of affairs which we have on hand, and not seeking to diminish in any respect the other important phases of this war from any standpoint, that it will not be overlooked that, unless the productive forces of this country are taken care of, it will be little use to transport man power across the ocean to undertake to continue the war.

Mr. KELLOGG. Mr. President, before the Senator from Idaho takes his seat I should like to ask him a question.

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. Yes.

Mr. KELLOGG. Is not the condition which the Senator from Idaho states as existing in Idaho substantially the condition in all the other Western States?

Mr. SMITH of Michigan. It is so in Michigan; I know that.

Mr. KELLOGG. From Minnesota I have received telegrams to the effect that hundreds and thousands of carloads of potatoes, many of them needed for seed, can not be moved; that the car shortage in the last 30 days is the worst that was ever known in that State. I am told that that condition exists generally throughout the food-producing districts of the West, and I should like to know if the Senator from Idaho has any information on that subject?

Mr. BORAH. Mr. President, I have no doubt, from what I have read in the newspapers, and so forth, that that is the general condition; but, of course, I was confining myself to the presentation, as it were, of these petitions on the part of these producers. The telegrams I find are sent in the nature of petitions, and, without incorporating them in the RECORD, I took the liberty of epitomizing their contents. I have no doubt that the condition which they represent is the one very generally prevailing throughout the producing region of the West.

Mr. POINDEXTER. Mr. President, I have in mind one instance of the kind which the Senator from Minnesota [Mr. KELLOGG] speaks, in the State of Washington, particularly in the Yakima Valley. An organization of producers there represent that they will need a certain number of cars—which they specify, some 3,000 cars—within a limited period of time to move fruit and the potatoes that are now on hand, and which must be moved within a certain time in order to prevent their loss, because they are perishable products. They state that the Northern Pacific Railroad, which serves them, has furnished a large number of cars, but that the Southern Pacific Railroad system, which also serves them, has furnished a very inadequate number of cars.

I noticed the exchange of communications between Mr. Hoover and Mr. McAdoo on the subject of the distribution of food, and on account of the importance of this matter and the necessity of attending to it immediately, if it is to be attended to at all, I furnished Mr. McAdoo on yesterday, by special messenger, a statement of these conditions, calling his attention to the statement which he had made through the press—that if the places where supplies of food were stored were called to his attention he would guarantee that railroad cars would be furnished to move them. I have hope and expectation that Mr. McAdoo, in accordance with his public declaration, will see that the Southern Pacific Railroad and the Northern Pacific Railroad and their connections which serve this great, productive valley, one of the richest and most productive in the world, will have the necessary cars to move this great supply of food.

It is not only important as it affects the supply of the people of this country and of our allies with necessary and healthful food products, but it is important in its bearing upon the production of food for the coming year and upon the fortunes and conditions of the people who have raised this food, whose entire means are invested in farms and in the business of producing food, who will be ruined if they can not market their crops, and who, if their crops are lost, will be discouraged from going to the labor and incurring the investment which is necessary to produce a crop for the coming year.

I make this public statement in order to emphasize what I have called personally to the attention of the officer of the

Government who now controls all of these transportation agencies, and in order to impress upon him and everybody else who has responsibility in these matters the importance of giving to them immediate and efficient attention.

Mr. JONES of Washington. Mr. President, I simply wish to emphasize what my colleague [Mr. POINDEXTER] and the Senator from Idaho [Mr. BORAH] have said. Some days ago I received several telegrams with reference to this very matter from the Yakima Valley, setting out the conditions there with reference to fruit, and potatoes especially. I took the matter up with the Director General of Railroads and with the Food Administrator, and they both assured me that they would and have given special attention to this situation, and that they have directed the railroads to furnish cars in order to move these products.

The situation can not be emphasized too strongly. The suggestion that my colleague has made is a very valuable one. It is not alone the value of the crops that are already produced, but it is the influence upon future production that taking care of the present situation will have. If the fruit and the potatoes that are now in the pits and in the warehouses are not gotten to market, it will greatly discourage the production of these products for the coming year.

Last year there were special appeals made out in my section of the country, at any rate, and especially in the Yakima Valley, for the production of potatoes, and under the impulse of these appeals many thousands of acres were put into potatoes. Now the producers are threatened with the loss of thousands of tons of these potatoes because of their inability to get them to market. There is a pretty fair market for them; but the cars can not be obtained to transport them. A special effort ought to be made to meet the situation; and, as I have said, I have the assurance of the Railroad Administrator and the Food Administrator that special efforts are being taken to meet that situation.

Mr. SMITH of Michigan. Mr. President, will the Senator allow me to interrupt him?

Mr. JONES of Washington. Certainly.

Mr. SMITH of Michigan. I think we are all impressed with the importance of securing transportation facilities to move these crops; but when the Food Administration arbitrarily classifies farm products and grades this tremendous potato crop and, disregarding a very large percentage of the crop because, forsooth, they have not all grown to just that circumference which, in the judgment of the Food Administration, they should have attained, we are met with a situation that is most perplexing and most discouraging. I know that is the case in my State, where a very large part of last year's potato crop has been utterly disregarded and discriminated against by the Food Administration officials, and our protests are in vain; they disregard common sense and resort to the scientific aspect of potato growing as a justification, and we seem to get no further.

I believe the Senator from Washington is a member of the Committee on Agriculture?

Mr. JONES of Washington. No; I am not.

Mr. SMITH of Michigan. Well, I am sorry; I wish he were.

Mr. JONES of Washington. There are good members on that committee.

Mr. SMITH of Michigan. Yes; that is a good committee; and when that committee appears with the Agricultural appropriation bill and brings in its report, the Senate ought to assert with vigor the rights of its constituency to be heard and not leave this whole question of regulation to the ipse dixit of a few men who have no direct responsibility to the people of the country.

I am thoroughly aroused by the lack of interest shown by the food officials to the pleas of the farmers of the country; and at the first opportunity in this Chamber we are going to have tested the question whether by regulation or by law the rights of these people should be maintained and respected.

Mr. JONES of Washington. Mr. President, with reference to that, I desire to say that while it has not been especially called to my attention by residents of the State of Washington, I have heard something about it. In my judgment, it is extremely unwise to try to impose new regulations and new methods of marketing food products in time of war, when the necessity for getting them to the consumers is so great. It may be important to have potatoes standardized, graded, and so on, but Congress has not yet acted upon that matter; we have not taken steps for the grading of potatoes; and this is not the time to inaugurate a system of that sort, that can only result in delay in getting potatoes to the consumers and also cause irritation upon the part of the producers. If there is any time when potatoes should be marketed as they have been marketed heretofore this is the time. I will not use harsh terms, but it seems to me it is extremely unwise for the Food Administration or any other branch of the Government to try to impose new regulations, and all that sort of thing, that we did not think about imposing in time of peace. It is all right to take them up and consider them in normal times. Apples, for instance, we have graded; and they can be graded without very much trouble; but as to potatoes, it is a very different proposition. I heard some one talking yesterday about potatoes and referring to some nice-appearing large potatoes he was using which, when opened up, were found to have hollows in them. We know how that is, and no system of grading can avoid anything like that.

Mr. SMITH of Michigan. The grading system is unfair to the farmers of Michigan and other sections of the country.

The PRESIDENT pro tempore. The Chair will state that Senators must address the Chair.

Mr. JONES of Washington. No administrative department of the Government ought to try to impose such regulations as this in time of war, when the important thing is to get the products to the consumer. Do not harass the producers now when consumers are longing for products, large or small. Do not try to inaugurate a system of grading potatoes when the people are ready and glad to take them large or small. Furnish cars, let them be gotten to the consumers, and they will take care of the situation so far as grading is concerned. The man who takes advantage of the situation to enforce his ideas of grading food products is aiding our enemy most effectively.

RELIEF FOR CALIFORNIA OIL PRODUCERS.

Mr. PHELAN. Mr. President, I ask unanimous consent to have printed in the RECORD for the information of Congress, which is now considering a relief measure for the oil producers of California, a letter in the form of a petition from the Boston-Pacific Oil Co. The statement is so concise and it puts the question so clearly that I trust it may be read by all Members of this body who desire enlightenment on the subject.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter referred to is as follows:

SAN FRANCISCO, *February 13, 1918.*

Hon. JAMES D. PHELAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR PHELAN: Having before me a copy of a proposed bill, designated S. 2812, and believing that you should at this time be accorded all the information and enlightenment possible relative to the facts upon which a majority of the oil operators in California base their respective claims against the Government, in order that you may be enabled to measure the justice of their said claims, I herewith beg to submit for your consideration a short history of our company's operations and a statement of the facts upon which we base its right to the oil land which is the subject matter of the litigation now pending between the Boston-Pacific Oil Co. and the Government.

During the month of February, 1910, I made an examination of the land, title to which is now in dispute, viz: Two certain 80-acre tracts located in Kern County, Cal., and designated as the south half of the southwest quarter, and the south half of the southeast quarter, of section 32, township 31 south, range 24 east, M. D. B. & M., which land was then considered wildcat territory. Thereafter, and on the 15th day of March, 1910, I secured from our predecessors in interest certain leases, with options to purchase said tracts of land, and thereupon assigned the same to the Boston-Pacific Oil Co., a corporation created for the purpose of financing and developing the same; and said corporation thereupon commenced and prepared said tracts for drilling, and began actual drilling upon one of said 80-acre tracts as soon thereafter as water was available therefor, to wit, about the 15th day of May, 1910.

This first effort in drilling, which was made on the south half of the southwest quarter of said section, resulted in an unavoidable accident, whereby we lost the hole at a depth of about 800 feet, and which accident cost the corporation approximately $50,000; and when it became apparent that we could not recover from said hole the broken tools, etc., which had caused the disaster, we started a new hole or well on the same tract, and within 50 feet of said first attempt, finishing the same on the 25th day of April, 1914, at a cost of approximately $95,000.

During the month of June, 1910, the corporation purchased other and additional material for the rig, then upon the second 80-acre tract, viz, south half of the southeast quarter of said section, hauled additional material for derricks thereon, and commenced assembling; and thereafter the work of drilling a well thereon was commenced, and thereafter projected continuously, in good faith, and as expeditiously as possible under the adverse conditions then prevailing in the field until the discovery of oil thereon in paying quantities, on the 8th day of June, 1912, at a cost of approximately $104,000.

Our said predecessors in interest had, prior to the date of the "Taft withdrawal order" of September 27, 1909, performed the necessary assessment work on said land, under the "placer mining laws," and in addition thereto had graded said tracts for derricks and building sites, purchased and hauled upon said land material for bunk houses, derricks, and other equipment, etc., preparatory to drilling when the necessary water could be made available, pursuant to plans then initiated and put into effect by them for bringing it in from a distance of 12 miles (the completion of which work of bringing in said water in the month of April, 1910, alone cost them approximately forty-two thousand ($42,000) dollars). And said predecessors in interest based their claims to said land, upon said work so performed in good faith, and upon the validity of their locations, which elements are not put in issue by the Department of Justice, in said suits in equity heretofore instituted by the Government as aforesaid. Therefore the directors of the company, being advised by able and reputable attorneys, that, by reason of said valid locations and said work done in pursuance thereof, said predecessors in interest had thus acquired a valid, vested right, as against the Government, in said lands, which vested right was alien-

able; purchased the S. ½ of the SE. ¼ of said section, paying therefor the sum of $124,000, taking a grant, bargain, and sale deed to the same. Subsequently the corporation entered into an agreement to purchase the adjoining 80-acre tract (S. ½ of the SW. ¼ of said section) for the sum of $80,000; and the deed to said tract, duly signed and acknowledged by the grantors thereof, is now in escrow, to be delivered to the corporation upon the payment by it of the balance of said purchase price.

This land was, prior to September 27, 1909, Government land, open to entry, and the United States Government tacitly invited and encouraged its citizens to locate upon and develop the same under the laws then in force governing same. The persons through whom the Boston-Pacific Oil Co. claims title to said oil lands located the same in good faith, and prior to said "withdrawal order" there had been performed thereon all necessary assessment work under and in pursuance of said "placer mining laws." Thereafter the corporation, acting in good faith, purchased all rights theretofore acquired by said predecessors in interest and commenced and diligently continued the development of both of said tracts until its efforts were rewarded by the discovery of oil in paying quantities on both of said tracts, at a total cost of a sum in excess of three hundred thousand ($300,000) dollars, exclusive of the money paid to said predecessors in interest for said lands. And I respectfully submit that—having confidence in my judgment and convictions respecting the potential value of said lands and relying upon the advice given by reputable attorneys relative to the legal status thereof—we were warranted in organizing said corporation, purchasing said oil lands, and selling the shares of stock of said corporation to the public in order to raise money wherewith to develop said land.

Mr. Taft, an admittedly able jurist, at the time of his "withdrawal proclamation" stated that he seriously doubted the validity thereof. Federal Judges Dooling and Reiner, men of great legal learning and experience, decided in cases where they had the issues fairly before them against the validity of said "order"; and learned counsel of the West generally advised their clients that said "withdrawal order" was, and would be held, invalid. Yet the Government, through its Attorney General and Department of Justice, makes the contention in effect that admitting that neither Mr. Taft, Judges Dooling and Reiner, said legal counsel, nor the three dissenting Justices of the Supreme Court of the United States knew the law respecting the validity of said order, nevertheless the locators of said lands should be held strictly to the legal axiom: "Ignorantia legis neminem excusat."

Again, during all the time that we were drilling on both of said tracts the Government's agents and employees at frequent intervals visited our properties to note the progress thereon, and was fully informed relative to all our acts and proceedings, and in particular was informed that we held said land adversely to the United States, but notwithstanding such knowledge the Government made no attempt whatever to interfere with our open and notorious possession of said lands, or to dispute our title thereto, until we had succeeded in bringing in a commercial oil well on each of said tracts of land.

Subsequent to the bringing in of said wells the Government, by proclamation of the President of the United States, has placed a certain portion of the oil lands included in said "Taft withdrawal order" in the Midway district, Kern County, Cal., within "naval reserve No. 2," and now seeks to enforce the contention that by virtue of said "proclamation" the claims of the Government in and to said reserved lands are more strongly fortified, and the rights and interests of the oil operators to said lands are correspondingly weakened, and that by reason thereof the claimants of land in said "naval reserve" are not entitled to the same or equal relief that should be accorded to those holding lands outside of said "naval reserve," which contention, I submit, is not only untenable but unjust.

And now, after having given practically eight years of my time and effort to this enterprise, all the property of the Boston-Pacific Oil Co. is to-day in the custody and under the control of a Federal receiver, to wit: 160 acres of land and approximately seven hundred thousand ($700,000) dollars of impounded money; and the small stockholders of this company who can ill afford to lose their respective holdings are anxiously looking to me as president of the company to help them. You can therefore, readily appreciate the reasons for my anxiety that some fair and just remedial legislation be immediately enacted in order that the corporation may at least be saved from threatened bankruptcy.

What I have herein written respecting the justice of the claims made by, and the status of, our corporation may be applied with equal force to many other oil operators in the Midway field, whose asserted rights are in many instances based upon a state of facts which merit and demand immediate relief from the Government.

Now, my dear Senator, as I have hereinbefore stated my reasons for addressing you on this subject I feel that you will understand without further comment; and thanking you for your defense of the rights of the legitimate oil-land claimants of California, I beg to remain,

Yours, respectfully,

FRED G. KING,
President Boston-Pacific Oil Co.

ESTIMATES OF APPROPRIATIONS (S. DOC. NO. 190).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a letter from the Secretary of War submitting urgent estimates of deficiencies in appropriations in the sum of $30,155,000 required by the War Department, Quartermaster Corps, to complete the service of the fiscal year ending June 30, 1918, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 5667) to provide for the deportation of certain aliens, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire, and to sell or otherwise dispose of improved or unimproved land, houses, buildings, and for other purposes, and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS.

Mr. McLEAN presented a petition of Silver City Branch, No. 227, National Association of Letter Carriers, of Meriden, Conn., and a petition of Local Branch No. 746, National Association of Letter Carriers, of Naugatuck, Conn., praying for an increase in the salaries of postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the Central Labor Union of New London, Conn., and a memorial of the Trades Council of New Haven, Conn., remonstrating against the adoption of the so-called Borland minimum eight-hour provision, which were referred to the Committee on Appropriations.

He also presented a petition of the Equal Franchise Club of Guilford, Conn., and a petition of the Political Equality Club of Meriden, Conn., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. THOMPSON presented a petition of the Wyandotte County Rural Letter Carriers' Association, of Muncie, Kans., praying for an increase in the salaries of postal employees, which was referred to the Committee on Post Offices and Post Roads.

MESSENGER FOR THE MINORITY.

Mr. THOMPSON, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred S. Res. 204, submitted by Mr. NELSON on the 11th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Sergeant at Arms of the Senate be, and he hereby is, authorized and directed, on and after the 4th day of March, 1918, to place on the Senate rolls a messenger for the minority at the rate of $1,200 per annum, to be paid from the miscellaneous items of the contingent funds of the Senate until the 1st day of July, 1918.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

Mr. McNARY. For my colleague, the senior Senator from Oregon [Mr. CHAMBERLAIN], who is confined in the hospital by illness, I introduce a bill and ask that it be referred to the Committee on Claims.

A bill (S. 3977) for the relief of Clarence Chambers; to the Committee on Claims.

By Mr. BANKHEAD:

A bill (S. 3978) to authorize the purchase of a tract of land in the District of Columbia for the purpose of building houses thereon for employees of the United States; to the Committee on Public Buildings and Grounds.

By Mr. ROBINSON:

A bill (S. 3979) to amend an act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911; to the Committee on Interstate Commerce.

By Mr. FLETCHER:

A bill (S. 3980) to prevent interference with the use of homing pigeons by the United States, to provide a penalty for such interference, and for other purposes;

A bill (S. 3981) to establish an Army mine-planter service, and for other purposes; and

A bill (S. 3982) to suspend certain restrictions on the purchase and distribution of military stores and supplies, and for other purposes; to the Committee on Military Affairs.

A bill (S. 3983) to protect Government documents by copyright; to the Committee on Patents.

By Mr. HOLLIS:

A bill (S. 3984) to correct the military record of Samuel C. Rowe (with accompanying papers); and

A bill (S. 3985) for the relief of John Chick; to the Committee on Military Affairs.

By Mr. SAULSBURY:

A bill (S. 3986) to acquire the manuscript of Charles Chaillé-Long, containing an account of the unveiling of the McClellan statue; to the Committee on the Library.

A bill (S. 3987) for the relief of George E. Megee; to the Committee on Claims.

A bill (S. 3988) granting an increase of pension to Caleb S. Woodrow;

A bill (S. 3989) granting a pension to Ada Johnston Cowles; and

A bill (S. 3990) granting an increase of pension to John R. Megee (with accompanying paper); to the Committee on Pensions.

By Mr. STONE:

A bill (S. 3991) granting a pension to Adolphus Lesperance; to the Committee on Pensions.

By Mr. JOHNSON of South Dakota (by request):

A bill (S. 3992) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians; to the Committee on Indian Affairs.

By Mr. TRAMMELL:

A bill (S. 3993) to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a minimum wage board and define its powers and duties, and to provide for the fixing of minimum wages for such workers, and to provide penalties for violation of this act; to the Committee on the District of Columbia.

HOUSE BILL REFERRED.

H. R. 5667. An act to provide for the deportation of certain aliens, and for other purposes, was read twice by its title and referred to the Committee on Immigration.

WAR FINANCE CORPORATION.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 3714, known as the war finance corporation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. HOLLIS obtained the floor.

Mr. GALLINGER. Mr. President, this is a very important bill, and I suggest the absence of a quorum.

Mr. HOLLIS. So far as I am concerned, I should rather the Senator would not do so.

Mr. GALLINGER. Well, I have done so; that is the trouble.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	McCumber	Sheppard
Bankhead	Gerry	McLean	Simmons
Beckham	Gronna	McNary	Smith, Ga.
Borah	Hale	Nelson	Smith, Md.
Brandegee	Hardwick	Norris	Smith, Mich.
Calder	Henderson	Nugent	Sutherland
Colt	Hollis	Page	Swanson
Culberson	Johnson, S. Dak.	Phelan	Thompson
Curtis	Jones, Wash.	Pittman	Tillman
Dillingham	Kendrick	Poindexter	Townsend
Fernald	King	Pomerene	Trammell
Fletcher	Kirby	Reed	Vardaman
France	Knox	Robinson	Wolcott
Frelinghuysen	Lodge	Saulsbury	

Mr. McNARY (when Mr. CHAMBERLAIN'S name was called). I desire to announce the absence of my colleague, the senior Senator from Oregon [Mr. CHAMBERLAIN], on account of illness. I ask that this announcement may stand for the day.

Mr. NORRIS (when Mr. CUMMINS'S name was called). I am requested to announce that both the Senators from Iowa [Mr. CUMMINS and Mr. KENYON] are absent from the Chamber and from the city, in Iowa, in attendance upon the funeral of the wife of the senior Senator from Iowa.

Mr. GRONNA (when Mr. LA FOLLETTE'S name was called). I announce the absence of the Senator from Wisconsin [Mr. LA FOLLETTE] because of illness in his family. I will let this announcement stand for the day.

Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). My colleague, the senior Senator from Arizona [Mr. SMITH], is detained from the Senate by reason of illness.

Mr. GERRY. I desire to announce the unavoidable absence of the senior Senator from Mississippi [Mr. WILLIAMS]. He has a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I ask that this announcement may stand for the day.

Mr. BECKHAM. I wish to announce the absence of my colleague [Mr. JAMES] on account of illness. I will let this announcement stand for the day.

Mr. SUTHERLAND. I announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], on account of illness.

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. The junior Senator from New Hampshire [Mr. HOLLIS] was recognized. Does he yield to the Senator from North Carolina?

Mr. HOLLIS. Mr. President, I am very anxious to give the Senator from North Carolina an opportunity to finish his speech, but my colleague had asked me if I would not yield to him for a few moments, and if the Senator from North Carolina will consent to that, I will then yield to him so that he may finish his remarks.

WOMAN SUFFRAGE.

Mr. GALLINGER. Mr. President, I asked my colleague to do me the courtesy of giving me about 10 minutes this morning to present a matter not connected with the bill under consideration, I having waited patiently three days for an opportunity to present it. I could have presented it in the morning hour quite as properly as many other things have been presented, but I thought it was better not to interrupt the morning business.

Mr. President, I am in receipt of a letter from a gentleman well known to many members of this body, who calls attention to a matter that will soon come before the Senate for action. I will take the liberty of reading the letter and follow it with some brief comments on the important subject which my correspondent discusses. The letter is as follows:

WASHINGTON, D. C., *February 21, 1918.*

HON. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

MY DEAR SENATOR GALLINGER: No argument is needed to convince even the most conservative of men of the inherent justice of the cause of woman suffrage. Some, however, have questioned its expediency, but the logic of events during the past few years must compel a change of heart and mind in even these "Doubting Thomases."

England, ever slow to make radical changes in political thought, has finally recognized both the justice of the cause and the advantage to the Nation in granting woman the vote.

No wise statesman can doubt the ultimate triumph of the cause in this country. Why, then, not concede now what we shall otherwise inevitably be forced to grant after a prolonged and unprofitable contest?

It would be a great misfortune to have this issue injected into our next political campaign, as would be the result of the defeat of the Federal suffrage amendment in this Congress. Winning the war is now the supreme duty of Americans, and the inspiring cooperation of our eager and patriotic women would be of incalculable service in promoting essential legislation by their influence at the polls.

The question is above State, above party; it is national.

JOHN HAYS HAMMOND.

Mr. President, the letter I have read is from the pen of a man of large affairs and broad vision, a man who has doubtless given the matter the most careful and conscientious consideration. When men such as John Hays Hammond reach the conclusion that women have a right to equal participation with men in governmental affairs it is indicative of a growing sentiment on the part of many who have heretofore been indifferent if not hostile to the equal-suffrage movement. When one stops to reflect upon the part that woman is playing in matters connected with the war in which we are engaged it forces one to the conclusion that woman has won for herself the fullest possible recognition in everything that tends to the best interests alike of the home and the State. In all the history of the world there has been no such exhibition of loyal devotion to the cause of liberty and justice as the women have manifested throughout our entire land, a devotion certainly as great as that which our soldiers are showing in the camps and on the battle fields. No sacrifice has been too great, no labor too severe or exhausting, that the women of the country have not accepted cheerfully and performed in a way that can not fail to excite the admiration and gratitude of all lovers of our institutions.

They ask now for full recognition of their political rights. Their request is reasonable and just and should be granted ungrudgingly and without hesitation. Already the House of Representatives, by more than a two-thirds vote, has passed the constitutional amendment submitting to the several States the question of conferring upon them the privilege of full citizenship, so far as suffrage is concerned. It remains for the Senate to take action on the subject, and I venture to express the hope that the requisite number of votes in this body will be secured when the matter shall be submitted for our consideration and action.

For more than 30 years I have been a believer in the right of women to vote, and I have never wavered in my conviction as to the justice of the cause. That right has been denied to women simply because men have had the power to deny it. It has been an illustration of the false doctrine that might makes right, because the principles of justice are not founded on either force or governmental decrees. I have never been able to understand why women who possess every other qualification for suffrage but that of sex should be denied participation in the affairs of the State, and I look forward with pleasant anticipation to the time when the mothers, the wives, and the sisters of men will be given the same rights, so far as the ballot is concerned, that the fathers, the husbands, and the brothers enjoy. A great opportunity is presented to the Senate to wipe out the

inequality that now exists and to submit to the several States an opportunity to make our country a land of absolute equality, based upon the fundamental principles of right, justice, and humanity.

I ask that the letter of Mr. Hammond shall lie on the table, as the constitutional amendment is now on the calendar, from which I trust it will soon be taken and agreed to by the Senate.

While our boys are fighting for democracy abroad let us do our part toward establishing a real, true, genuine democracy at home.

Mr. President, I thank my colleague for his courtesy.

The PRESIDENT pro tempore. The Senator from New Hampshire [Mr. HOLLIS] obtained the floor and yielded to the Senator from North Carolina [Mr. SIMMONS].

Mr. SHAFROTH. Will the Senator from New Hampshire yield to me for just a moment?

Mr. HOLLIS. Giving notice that after the Senator from North Carolina finishes his remarks I hope I may obtain the floor, I will yield the floor to the Senator from North Carolina, and he may yield to the Senator from Colorado.

Mr. SHAFROTH. I wish to say merely a few words.

Mr. SIMMONS. Very well.

Mr. SHAFROTH. Mr. President, I am glad to see that the Senator from New Hampshire [Mr. GALLINGER] is taking a deep interest in the question of equal suffrage. It has been a question in which our people of Colorado have been very much interested for many years. A letter such as has been written by Mr. John Hays Hammond can not help but produce good in making people anxious to establish rights which they recognize in themselves and which belong to all humanity.

So clearly just and equitable is this right that it seems to me only one thing should be necessary to make the action of the Senate unanimous. That is simply to discuss the question. We have recognized and do recognize certain fundamental principles of government relative to the rights of human beings. To say that those fundamental principles are to apply to men but not to women is to deny the very principles themselves. We all recognize and have ever recognized that the just powers of government are derived from the consent of the governed. It is for the establishment of that principle we are fighting in this great war, to make the world safe for democracy. How we can fairly eliminate women—our mothers, sisters, and daughters—from the application of that truth I can not conceive. If we do, it seems to me we repudiate the Declaration of Independence, the creation of our own political being.

Mr. KING. Mr. President——

Mr. SHAFROTH. I yield to the Senator from Utah.

Mr. KING. The Senator recognizes, does he not, that we have a dual form of government, and that if suffrage is so desirable, as I concede it is, each State has the right to give the suffrage to women as well as to men? Does not the Senator know that when this Government was formed the 13 sovereign States delegated certain powers to the Federal Government and certain other powers they reserved to themselves and to the people, respectively? I think the indictment of the Senator ought to be of the sovereign States rather than an indictment of the Federal Government. If suffrage is so desirable, as I said a moment ago it is, the women of the States could get suffrage through the instrumentality of the States as soon as the States themselves desire it, and I have no doubt that in nearly every State in the Union the women could get suffrage if they would address themselves to the electorate of the States in which they reside.

Mr. SHAFROTH. Mr. President, as a matter of fact, I believe firmly that if the procedure were to get equal suffrage by States one at a time, it would come; but I look upon the question of woman suffrage as something more than a privilege. It is true the Supreme Court has decided that the right of a person to vote is a privilege, but it is a privilege that exists after man has assumed all the powers of government and has said: "This right shall not be extended except with my consent." That is not fair; it is simply an assumption, a usurpation of power.

Mr. President, it is true that equal suffrage would come, even by State action alone in each instance; but the Senator from Utah must remember that we have a Federal Constitution which provides the manner in which that Constitution can be amended. It can be amended in any particular when three-fourths of the States agree to it. That is the right of the States, and consequently the adoption of a constitutional amendment can not be an invasion of a State's right. When three-fourths of the States want the Constitution to contain any clause, they have a right to have it, and to deny the right would be an invasion of the rights of three-fourths of the States, and hence of each of the same. It is a question as to whether three-fourths of the States——

Mr. BORAH. Mr. President——

Mr. SHAFROTH. In just a moment. It is a question whether three-fourths of the States will desire a matter of that kind to be in the Constitution of the United States. I yield to the Senator from Idaho.

Mr. BORAH. I understand that there is a proposed amendment to the National Constitution extending woman suffrage now on the calendar.

Mr. SHAFROTH. So I understand.

Mr. BORAH. Why do we not have a vote on it and dispose of it?

Mr. SHAFROTH. I have not any doubt that a vote will be taken in time. I am not the chairman of the committee. I have always believed that it should be brought to a vote whenever those in charge of the measure feel that it is the proper time to bring it up.

Mr. BORAH. I state that for the reason that I do not understand why, if the proposed amendment is here for consideration, it should not be considered and disposed of.

Mr. SHAFROTH. There are a good many bills that are here pending that are not disposed of. I have three or four myself which I have not been able to get up. I think that there will be a vote. I think there ought to be a vote, and that it ought to be taken reasonably soon upon this matter.

Mr. PHELAN. Mr. President——

Mr. SHAFROTH. I yield to the Senator from California.

Mr. PHELAN. I desire to ask the Senator that he inform the Senate what States, by reason of their rigid constitutions, are not in a position by a majority vote to confer suffrage upon women?

Mr. SHAFROTH. There are a number of States that can not submit the question except under most difficult conditions. One of the States I understand provides that a constitutional amendment can only be submitted once in 10 years. Others require the joint resolution must be passed by two successive legislatures before the question can be submitted to the people. There are any number of other obstructions contained in State constitutions. But there is one consideration it does seem to me that ought to satisfy every one. It is a matter of right. It may technically be called a privilege, but morally it is an inherent right, and if the men were deprived of their votes they would insist upon it as being an inalienable right. Man would never be satisfied with a denial of the right of suffrage, except with his own consent.

Mr. President, I hope we will get the amendment soon voted upon, and I hope we shall have a fair discussion of it for a few days preceding the taking of the vote.

Mr. BORAH. Mr. President, I simply wish to say that I do not desire to hurry this amendment in case those who are advocating it have not sufficient votes yet to put it through, but I hope sincerely that it will not be unnecessarily delayed and that we shall have a vote upon the amendment just as soon as those who are favorable to it feel safe to have a vote taken upon it.

WAR FINANCE CORPORATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributary to the prosecution of the war, and for other purposes.

Tuesday, February 26, 1918.

Mr. SIMMONS. Mr. President, this bill is an administration measure. It was worked out very carefully in the Treasury Department with a view to meeting a recognized condition with reference to the financial situation. It was introduced contemporaneously in the House by Mr. KITCHIN, and in the Senate by myself, at the request of the Secretary of the Treasury. Because of the importance of the measure the Finance Committee, to which it was referred, has given very careful consideration and investigation to it. That committee devoted something near two weeks to hearings and to consideration, and I am very glad to be able to say to the Senate that as the result of that investigation and consideration all differences of opinion in the committee with reference to the measure were compromised and reconciled, and the measure comes to the Senate with the unanimous sanction and approval of the committee.

The Secretary of the Treasury himself appeared before the committee. His testimony is a comprehensive presentation of the financial situation and the reasons for and the necessity of the proposed legislation as a means of supplying

the financial requirements of certain great industrial institutions and of public service corporations whose operations are necessary to the war preparations of the Government, and who can not in the present condition of the securities market otherwise secure necessary capital to meet their obligations.

There also appeared before the committee two members of the Federal Reserve Board, Mr. Harding, the governor, and Mr. Warburg, a prominent member of that board, both recognized authorities upon financial questions. Governor Harding told the committee that while the board had not taken official action with respect to the bill, it had approved the general principles involved as appropriate and expedient in the present situation, and he gave personal indorsement to the measure. His testimony is an exceptionally clear and forceful statement of the situation and the necessity of the legislation.

Mr. Warburg, a man of broad grasp as well as a recognized financial expert, also gave his approval to the measure. His discussion of the questions of curtailing unnecessary capital expenditures and of expansion of credit and inflation of the currency is both interesting and illuminating.

Mr. Strong, the Governor of the Federal Reserve Bank of New York, and Mr. Bertron, a banker engaged in the business both in the city of New York and of Philadelphia, both well known and eminent in banking and business circles, also appeared before the committee.

These bankers, representing these great financial centers and speaking from their experience and familiarity with the financial situation of the country, expressed the opinion that legislation along the lines of this measure was necessary, and that the best financial thought of the country approved the bill as an appropriate remedy for the disturbing and threatening situation they pointed out.

There also appeared representatives of the great public-service corporations of the country. One of these gentlemen, Mr. Gadsden, appeared as the chairman of a committee representing the four great associations into which these service corporations are divided. His testimony is a frank and intelligent presentation of the difficulties which confront these corporations and the perplexing handicaps under which they labor.

Mr. Gadsden and his associates, who appeared in behalf of these corporations, strongly represented to the committee the difficulties under which these institutions are now laboring. Undoubtedly a great majority of these corporations are to-day performing indispensable services to the Government in connection with its preparation for war. This service is of various kinds. It relates, however, generally to light, transportation, and power. The tremendous operations of the Government have made necessary large expenditures on the part of these corporations to meet the incidental demands upon them for the extension of their facilities and operations.

In addition to the capital demands for these purposes, many of these institutions, in fact most of them, have large maturing obligations which must be met and liquidated. What is true of the service corporations is equally true of many of the railroad corporations, in fact nearly all of them. On account of the present financial situation growing out of the large operations of the Government and the well-known depression in the securities of these corporations, they find it practically impossible to secure capital for these purposes through the ordinary channels, and where it can be secured the rate of interest is excessive.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. I yield.

Mr. KELLOGG. I have read the testimony before the committee and while I may be mistaken I think I am not. It does not appear that any one appeared before the committee representing any industry in this country except public service corporations and asked for any relief. None of the great manufacturing concerns, none of the concerns manufacturing for the Government, as near as I can find out not one single industry except the public service corporations asked for relief, and I judge nobody but officials of the Government and Federal reserve banks. There may have been one bank in New Hampshire——

Mr. SIMMONS. I will state to the Senator it is true that no one appeared before the committee except the Secretary of the Treasury, the two Federal reserve bank officials, the two New York and Philadelphia bankers to whom I have referred, a number of gentlemen representing public utility corporations and savings banks.

I wish to say to the Senator that the hearings were open to anyone who might desire to come. Wide publicity was given to these hearings by the press. Not only the representatives of the public-utility corporations but the industries of the country must have had knowledge of these hearings. The public-utility companies came before the committee because, I assume, they felt the bill as originally framed would not accord them the relief which they thought necessary. The other industries which will obviously be benefited by the enactment of this bill did not appear before the committee, I assume, because the bill was satisfactory to them.

Mr. KELLOGG. Mr. President——

Mr. SIMMONS. The savings banks came for the same reason that the public utilities companies came. They came because they desired that the provisions of the bill as drawn with respect to them should be amended that they might more fully participate in its benefits. The contention of the representatives of the public-utility corporations and the savings banks was that while the bill took care of the industrial corporations it did not adequately take care of them.

The PRESIDING OFFICER. Will the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. I yield.

Mr. KELLOGG. I wish to ask the Senator if he has any knowledge of any request from any business institutions of the country other than public-service corporations for any assistance, for I believe it to be a notorious fact that the public-service corporations, many of them broken-down concerns, have been hanging around this city for weeks in the hope of getting relief.

Mr. SIMMONS. Yes. I have ample reasons for believing that the business interests of the country heartily approve the bill. I want to say to the Senator, if the statements made to the committee as to the plight of the utility corporations, not only by their representatives, but by others are true, and I believe they are true, they had a right to not only hang around here but to make their situation known to Congress, and it was our duty to hear them, and in the interest of the public protect them and the public as far as possible against the disaster which appears to threaten them. If the situation which confronts them is what I believe it to be and what that evidence showed it to be, it is not a matter of conjecture or speculation, but it is a matter of absolute certainty that without Government assistance these concerns face inevitable bankruptcy, followed by disastrous consequences to every industry dependent upon the service they render, and this includes nearly all the so-called war industries.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I yield to the Senator.

Mr. KNOX. May I not inquire if the purpose of this corporation is not primarily to allow the industries of the country to conduct themselves through their banks by establishing the corporation, and it is only in exceptional cases that the corporation will deal with a public industry or enterprise directly?

Mr. SIMMONS. Certainly; that is the very point, Mr. President. The public utilities corporations said that they would not be adequately protected under the general provisions of the bill, which required that these loans should be primarily secured through the banks, and they came to the committee asking that they be put into a class by themselves and permitted to make direct application to the board for relief instead of being required, as the industries of the country are required under its provisions, to make their application first to the bank.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. SIMMONS. I yield.

Mr. REED. The Senator states that public utility companies appeared before the committee. How many public service companies appeared before the committee.

Mr. SIMMONS. I could not tell how many were represented.

Mr. REED. Was there one out of a thousand?

Mr. SIMMONS. Oh, the committee headed by Mr. Gadsden, who appeared before the Finance Committee, represented practically all the larger corporations of that kind in the country.

Mr. SMITH of Michigan. If the Senator will permit me, is it not a fact that delegates purporting to represent a very large number, if not a great proportion, of the public utilities of the country came before the committee?

Mr. SIMMONS. There were several gentlemen, I do not know how many. Mr. Gadsden and Mr. Crowell were the spokesmen befor the committee.

Mr. SMITH of Michigan. Did not Mr. Crowell say he came officially there?

Mr. SIMMONS. Yes; they both said they came officially.

Mr. SMITH of Michigan. And spoke for the entire body of public utilities companies?

Mr. SIMMONS. Yes.

Mr. REED. Is there any organization the membership of which is made up of public utilities of the country which embraces all public utilities?

Mr. SIMMONS. I will read to the Senator what Mr. Gadsden said in reference to his connection with the public utilities corporations of the country. He said:

I am chairman of a committee representing the four national public utility associations—the American Electric Railway Association, the National Electric Light Association, the American Gas Institute, and the National Commercial Gas Institute.

Mr. REED. The Senator knows as well as I do and as well as everybody else does that those associations are of that loose class that it is hard to tell whether they are social or financial or just what they are. They generally have a meeting about once a year at which a few gentlemen, for the most part some clerk in the office who can be spared, attend. They have some speeches and they go to a theater and are entertained and they go home. I undertake to say that not one of them is organized for the purpose of looking after legislation; that not one of them has any more authority to speak for their constituent members than I have to speak for them.

Mr. SMOOT. The Senator is mistaken.

Mr. REED. I am not mistaken. I know about it.

Mr. SIMMONS. The Senator makes a very broad statement. I do not desire to enter into any controversy with him about it. All I know is that these gentlemen came before the Finance Committee, as a committee, Mr. Gadsden being the chairman, appointed to represent these four different associations which comprise in the main the public utilities corporations of the country.

Mr. SMOOT and Mr. SMITH of Michigan addressed the Chair.

The PRESIDING OFFICER. Will the Senator from North Carolina yield, and if so, to whom?

Mr. SIMMONS. I yield to the Senator from Utah.

Mr. SMOOT. For the information of the Senator from Missouri (Mr. REED) I wish to call attention to what Mr. Gadsden said in relation to this special committee. He states:

This committee has grown out of the critical situation which faces the public utilities of this country. It has been officially organized by the appointment from each association of representatives, so that we are officially representing, as far as it is possible for an industry to be represented, all of the electric railway, gas, and electric interests of the country. We have had a number of conferences before coming to Washington, extending over the last 60 days, in which conferences the leading men of the industry from all over the United States have taken part, in order to work out a common line of action and policy. This special committee of which I speak is composed of myself as chairman, and E. K. Hall, of the Electric Bond and Share Co., of New York, and Mr. H. H. Crowell, of the Commonwealth Co., of Grand Rapids, Mich.

Mr. REED. That sounds well, but it gets nowhere. I have attended meetings of the street railway associations, for instance. I know what they are. It is just the kind of organization I spoke of. They are a sort of social affair. They come together and they discuss the latest kind of a car. Somebody tells them of a new device to get an additional nickel, and somebody tells them of a new device for life-saving, and in that respect they are a very laudable concern. That is the general character of these organizations. Organizations put up in that way and for that purpose, of course, elect officers, and when those officers get together and conclude they want to have some legislation passed, they declare that they come down here officially, but they do not represent a body that is organized for the purpose of looking after legislation of this kind or advising Congress as to what is wanted by the constituent members.

I am speaking of this not because I want to indicate an opposition to the bill, but I have witnessed, at this session of Congress especially, time and again, that men appear here and tell us that they represent somebody, when as a matter of fact they represent only themselves. There are a good many thousand public utilities in the United States, and I say again that I question whether there has ever been a board of directors of a single public utilities in the United States which has passed on this legislation.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I yield.

Mr. KNOX. May I suggest that this does not affect public utilities in the slightest way, except as they want to avail themselves of the provisions of the bill?

Mr. SIMMONS. That is all.

Mr. KNOX. It is immaterial, it seems to me, whether or not these men represented the public utilities, if, in the wisdom of Congress, it is wise to leave the door open so that they may avail themselves of this legislation if the necessity arises.

Mr. SIMMONS. I do not think there can be any question in the mind of anybody who has given any study and investigation to this question, that the public utilities are deeply, I may say profoundly, interested in this legislation; that they look upon this legislation as essential to them and that without some such assistance by the Government they are riding for a fall and the time of that fall is not far distant.

I have no doubt, on the other hand, that the men who appeared before us were thoroughly accredited by the interests which they purported to represent, and that they spoke the sentiments and wishes of the associations they were delegated to represent.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina whether the committee have any data going to show the extent to which these power plants are devoting their energies to the manufacture of munitions of war?

Mr. SIMMONS. I do not think the power plants themselves, as a general rule, are manufacturing munitions of war. They are furnishing the power with which others manufacture such munitions.

Mr. SMITH of Michigan. They are furnishing the power to certain of the munition industries, are they not?

Mr. SIMMONS. Yes. The majority of industrial plants, I will say, who are to-day manufacturing the supplies which the Government requires, get their power from these plants.

Mr. SMITH of Michigan. On the other hand, these power plants are unable to obtain any financial relief through the ordinary channels of commerce?

Mr. SIMMONS. They are unable to obtain new credits either from the banks or the general public. First. Because the Government's borrowings have largely preempted the investment money of the country. Second. Because the securities they can offer are ineligible for discount in the reserve banks, and because for reasons I will later discuss, their securities have suffered exceptional depreciation.

Mr. SMITH of Michigan. I rise to make this one point, if the Senator will pardon me——

Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. As a consequence of the conditions which the Senator from North Carolina has just described, it has become necessary for the Government to advance large sums of money to the industrial corporations which are engaged in the making of munitions and supplies in one form and another, is it not?

Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. And it is to avoid that situation and to create a corporate intermediary that the Senator has reported this bill?

Mr. SIMMONS. Mr. President, let me say to the Senator that the corporation which it is now proposed to establish is an instrumentality articulating with the Treasury and the Federal reserve bank, through which the Government can indirectly extend assistance to certain industries which it can not well extend directly through the Treasury.

Mr. LODGE. I desire to make a suggestion to the Senator, though he may have already met the point, in regard to these public utilities. It is to be remembered that they are all under State laws; that their rates are fixed——

Mr. SIMMONS. I was going into a discussion of that phase of the question, but the Senator's interruption is all right, and I will be glad to have the Senator make his statement.

Mr. LODGE. The rates of these public utilities are fixed; they can not raise their earnings as industrial corporations can in order to meet the increases in wages and materials. They stand in a class by themselves. I only want to say in regard to the official report which has been quoted here that a gentleman came from Boston, who represented a firm having connection with a very large number of public utility companies, they having financed them throughout the United States, and he told me that the views expressed by the committee which the Senator from Utah was reading were the views of the public utilities; that they had $225,000,000 which had to be renewed this year, and that if we could not help them to renew that sum it would bring a crash in the market and a business panic.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I do.

Mr. SMOOT. In that connection, I think it will be very interesting for Senators to refer to the hearings, beginning on page

121. Senators will there find a list of public utility companies whose securities mature during the year 1918. Every company in the United States which has securities maturing during this coming year is named in that list, and the amount of the securities that become due, beginning with March 1 of this year, and down to and including the end of the year, it will be found is $233,000,000. Those are the maturing securities of public utilities, outside of the railroads, which fall due this present year.

Mr. SMITH of Michigan. Will the Senator from North Carolina allow me to interrupt him further?

Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. The Senator from Minnesota [Mr. KELLOGG] has just informed me that there is upward of $2,000,000,000 of indebtedness of public utility companies and power companies coming due this year.

Mr. KING. The amount is approximately $1,700,000,000, but that includes the maturing obligations of all railroads, of public utility corporations, of manufacturing plants, and foreign indebtedness.

Mr. SMITH of Michigan. Of course that would include railroad obligations. The point I want to make is this: By the creation of this corporation a new means by which to get Federal reserve money is opened to public service corporations, is it not?

Mr. SIMMONS. Not necessarily.

Mr. SMITH of Michigan. Well, ultimately it must come to that, or else it does not afford any relief. If it does come to that, I want to know from the Senator whether there is any plan afoot to strengthen the gold reserve and to maintain the parity of our Federal reserve notes? This question gives me some concern, because we have moved very rapidly in the conversion of bills into Federal reserve notes so that there is a strong likelihood that the Federal reserve notes will exceed two and a half billion dollars before the middle of this year is reached. If that is done, and this plan becomes law, the relationship between those notes and our gold reserves will be very seriously affected, and unless some plan is formed whereby this can be offset, it seems to me we are running into great danger of tremendous inflation through our Federal reserve system. Does the Senator have the right to say whether or not the officers of the Federal reserve board look with favor upon this proposed legislation?

Mr. SIMMONS. Yes; the governor of the Federal Reserve Board and Mr. Warburg, a member of that board, both of whom appeared before the Finance Committee, rejected the suggestion that this legislation would lead to either unsound expansion of credits or inflation of currency.

Mr. SMITH of Michigan. What do they call it? Do they call it by some other name?

Mr. SIMMONS. Inflation or expansion—you can take your choice.

Mr. SMITH of Michigan. Well, are we going to do that with perfect equanimity and unconcern?

Mr. SIMMONS. I think the Senator is unduly alarmed.

Mr SMITH of Michigan. I do not want the Senator to misunderstand me.

Mr. SIMMONS. The Senator is anticipating me.

Mr. SMITH of Michigan. I will desist, but I did not want the Senator to get a wrong impression from my inquiry. I really feel that something must be done to strengthen the credit and to afford relief to the public utilities companies, who are facing a very serious situation. I am quite in accord with the general purpose of the Senator, but the suggestion which I made a moment ago seriously affects my disposition toward this bill.

Mr. SIMMONS. If the Senator will permit me, I want to say generally right now—and I shall elaborate that a little later on—that this bill does not enlarge the powers of the Federal Reserve Board with reference to the issuance of Federal reserve notes. The only thing which the bill does is to create additional eligible paper for discount by the Federal reserve banks.

Mr. SMITH of Michigan. Without changing the principle upon which the commercial transactions of the country have been proceeding since we passed the Federal reserve law. I do not want the merchants or manufacturers of this country to suffer any hardship.

Mr. SIMMONS. The Senator does not permit me to finish my statement. The only paper that is added by this bill to the paper eligible for rediscount by the Federal reserve banks is the bonds of the corporation which we propose to create. The bill simply proposes to authorize this corporation to issue a certain number of bonds, namely, not in excess of eight times its capital stock. Those bonds are made eligible for discount in the hands of member banks, but they are not otherwise made eligible

Mr. SMITH of Michigan. They can not go direct to the Federal reserve banks?

Mr. SIMMONS. They can not go direct; they are made eligible for rediscount in the Federal reserve banks, and in that respect placed upon a parity with the Liberty bonds. That is all the bill does in this respect. The Liberty bonds are now eligible for discount by the Federal reserve banks.

Mr. SMITH of Michigan. But not by the purchaser directly.

Mr. SIMMONS. The bonds of the proposed corporation will not be eligible for rediscount by the purchaser directly.

Mr. SMITH of Michigan. I am glad to be informed as to that.

Mr. SIMMONS. No purchaser of these bonds can go to the Federal reserve bank and secure their discount or secure notes upon them. If any of the paper authorized by this act is to be discounted by the Federal reserve bank, or if Federal reserve notes are to be issued upon it, it must come to those banks through a member bank and with an indorsement showing that it is collateral security for the note of that bank; and it must be ninety-day paper; in other words, the only way in which the bonds of this corporation connect at all with the loaning or the issuing powers of the Federal reserve bank, is just exactly as commercial paper connects with them. No commercial paper can be discounted directly with the Federal reserve bank; the Federal reserve bank can not issue notes upon commercial paper, but the commercial paper must come to them as collateral security for the notes of a member bank. So these bonds must come to the Federal reserve bank as collateral security for the paper of the member bank, and, coming to it in that way, the Federal reserve bank may either rediscount them or it may issue Federal reserve notes against them. That is my understanding of the matter.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. SIMMONS. Certainly.

Mr. LODGE. There is a limitation of $2,500,000,000 on the amount of currency that may be issued by the Federal reserve banks.

Mr. SIMMONS. I will come to that. What I meant to say was this, that in view of the fact that this bill simply makes the bonds of this corporation eligible as security for member banks for rediscount, and in view of the further fact that that is a privilege extended to every Liberty bond that we have issued——

Mr. SMITH of Georgia. And, Mr. President, let me suggest on this question that there is a special provision in the bill putting the issue under the control of the Federal reserve bank, and they can put a special tax on the currency that may be issued.

Mr. SIMMONS. Yes. As I was about to say when interrupted, the thing this bill does is to put the bonds of this corporation upon a parity with Liberty bonds and upon a parity with commercial paper for purposes of rediscount by the reserve bank and as a basis of reserve notes.

Now, what has happened in reference to Liberty bonds? We have issued up to this time, I believe, something over $6,000,000,000 of Liberty bonds. These bond constitute what is known as eligible paper. Of the $6,000,000,000 of Liberty bonds, $300,000,000 have found their way into the Federal reserve banks for rediscount or note issue.

Mr. President, of course we have already a great expansion of credits in this country. We can not carry on the big operations of this Government, we can not put into effect the different agencies that have had to be called into existence to supply the abnormal demands of the country at this time, not only for ourselves but for our allies, without producing an inflation of credits. That is an absolutely inevitable incident to the conditions in which we are living and working. There is an expanded credit in this country and there will be, as we go on in this business, a still larger expansion of credits. It is necessary, it is healthy, it is sound. The members of the Federal Reserve Board expressed the opinion that, while there was expansion of credits and would have to be a still greater expansion of credits, yet there was not, up to this time, any unhealthy expansion.

The question of the expansion of currency is a different question. Of course, if we abnormally expand our credits, we have got to some extent expand our circulating medium, and undoubtedly it has been to some extent expanded, but not to an unhealthy extent, not to an abnormal extent. It will have to be further expanded; but, Mr. President, there are ample safeguards, not only in the provisions of this bill itself but in the provisions of the law under which this additional currency is issued. In the first place, this bill provides that the Federal Reserve Board may require a higher rate of interest on loans made upon the security of the bonds of this corporation. That is one brake. Secondly, it provides that the Federal Reserve Board may impose a special rate of interest upon currency issued

against these bonds, just as the Aldrich-Vreeland Act provided for a special tax. In this case there is merely a difference in phraseology. Whenever, in the judgment of the board, which we have made the custodian of our note issue with the power and the duty to protect it against undue inflation, they see fit to exercise the power, they can do it by prescribing what is, in essence, a tax in the form of interest upon notes issued against this security.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. If the Senator will withhold his interruption for a few moments, then I will yield.

Mr. KELLOGG. Very well.

Mr. SIMMONS. That is one of the brakes—a high rate of interest.

Mr. SMITH of Michigan. Higher than the commercial rate?

Mr. SIMMONS. Yes; they make the rate of interest on loans secured by these bonds and on notes issued against them higher than the commercial rate, nigher than the ordinary rates fixed for 90-day paper, that is a currency regulation as was the tax imposed in the Vreeland-Aldridge Act.

Mr. SMITH of Michigan. That is about 5½ per cent.

Mr. SIMMONS. They can make it more, if they see fit, to accomplish the object sought. Secondly, they can impose this special tax; but that is not all; in addition to that every dollar of currency issued by the Federal Reserve Board must be covered by a gold cover of 40 per cent.

That applies to the issues under the present law, and that applies equally to any issue that may be made under this bill. So that the amount of Federal reserve notes that may be at any time issued, either under the present law or under this bill if it shall become a law, will be protected by the requirement that it must be covered by at least 40 per cent of gold reserve held by the banks. That safeguard has been sufficient to protect us against inflation. That safeguard has enabled the Reserve Board to place a limitation upon notes issued against Liberty bonds, and it will be a sufficient safeguard against inflation through the issuance of notes against the obligations of this corporation.

Now, Mr. President, let me come back to the general situation.

The real reason why this legislation is necessary at this time grows out of several conditions connected with our business and financial situation. It is due in part to the fact that the Government must have an enormous amount of ready cash, not only to meet its own expenses but to finance our allies. In order to get this money it has been compelled to go into the markets and sell its securities; with the result it has to a considerable degree preempted the securities market of the country. It is further due in part to the naturally timidity of the ordinary investor on account of the uncertainties brought about by war conditions. I think that is very largely a psychological condition, but it is a condition that always accompanies a situation such as we now find ourselves in. The general investor hesitates, and, if he invests at all, invests in the very highest class of securities, generally Government bonds, State bonds, municipal bonds, and bonds of that character.

A third trouble is the one I have been discussing. In the present conditions banks hesitate to give credit unless they can, in case it becomes necessary, rediscount the security taken; that is, pass them on; and generally they resort for this purpose to the Federal reserve banks. There are to-day but few banks which do not find it necessary to rediscount the paper which they themselves discount.

Mr. SMITH of Michigan. A lot of them would live if they supplied the ordinary demands; but they can not supply the extraordinary demands.

Mr. SIMMONS. They can not do it now. They can only partially supply the present demands by rediscounting their loans, so to speak, and for that reason they are discriminating in favor of paper which is eligible for rediscount by the reserve banks.

Mr. SMITH of Michigan. Oh, Mr. President, I think the Senator is wrong about that. There are many banks that have not rediscounted at all, and do not make it a practice, and never have.

Mr. SIMMONS. In my part of the country for the last several years the banks have been making a practice of rediscounting very largely the paper which they take from their customers. The limitation which the present law places upon the powers of the Federal reserve bank does not permit a member bank which has made a loan to pass up that loan to the Federal reserve bank unless the loan is secured by commercial or agricultural paper or by United States bonds not entitled to the circulation privilege; so that by reason of that fact, if these member banks shall loan money to these industrial corporations and to these public utilities and to the railroads and take their long-term securities, under the present law they can not use those securities as collateral to get money from the Federal reserve bank; and because of that situation it was made to appear clearly to your committee that the banks have for some time practically ceased making loans upon commercial and agricultural paper and Government bonds, leaving the great corporations of the country, leaving the great industries that are manufacturing the things that this Government must have with which to win the war, leaving the railroads and the public utilities, without adequate means of securing advances upon such securities as they are able to offer.

Now we come back to the public utility corporations. These gentlemen came before us and they said: "We have $235,000,000 of maturing obligations. They must be met in the next six or seven weeks. If we can not meet them, we must go out of business. We can not get this money from the banks." Why can they not get it? First, because their securities are not such as the banks are willing to deal in at this time. Secondly, because of the fact that their rates are prescribed by the local commissions where they operate, and can not be advanced to offset the enormous increase in operating expenses. So that while the price of labor they must employ has enormously increased, while the price of new construction and maintenance has likewise enormously increased, their rates remain stationary.

For these reasons and for the further reasons that the paper they can offer for collateral is ineligible for rediscount the banks and the investment public refuse to accommodate them.

Mr. OVERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to his colleague?

Mr. SIMMONS. I do.

Mr. OVERMAN. Suppose in the case of a public utility company having bonds falling due this year, the cost of the entire plant was $100,000, and they had issued bonds to the amount of $200,000. Is the Government's interest thoroughly protected in this bill against the issue of $200,000?

Mr. SIMMONS. Just as thoroughly protected as it would be protected if they were to go to a bank to borrow money.

Mr. SMITH of Michigan. Mr. President, let me add to that just one more suggestion. Suppose their charter is expiring, and, under the present drift of public opinion or governmental action, Government control becomes a dominating feature, and they can not get a renewal of their charter: What are you going to do with a concern like that? Are they to have no rights, or are you to favor them? And if you do favor them——

Mr. SIMMONS. In this bill we have left to this board the matter of advancing money to these corporations.

Mr. OVERMAN. Do they get the money through the banks, or directly from the board?

Mr. SIMMONS In the case of a public utility, they can come directly to the corporation and borrow money.

Mr. OVERMAN. For example, the American Telephone Exchange Co. have $50,000,000 of securities coming due this year. Would they come directly to the board, or would they get the money from the bank?

Mr. SIMMONS. They can borrow from the bank or they can go in the first instance to the corporation and borrow.

Mr. OVERMAN. Does the Senator mean they can go to the member bank?

Mr. SIMMONS. Yes, they can go to any member bank for it and if refused they can go directly to the corporation created by this act or they can apply in the first instance to the corporation.

Mr. KING. Mr. President, will my friend yield to me?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. Yes.

Mr. KING. I have examined this bill with a great deal of care, and have read all of the testimony; and while, if I may be permitted to say so, the bill is a great shock to the views of many who have regarded the activity of the Government along banking lines as being entirely outside of its function, yet it seems to me that a measure of the general character of this bill is required. But what I arose to say was that the only criticism of the bill that I care to express now arises out of the feature that the Senator is now discussing; namely, that public utility corporations may address themselves directly to this corporation—that is, to the Government—and obtain a loan from it without going through some other bank.

Mr. SIMMONS. Yes. The corporation not the Government.

Mr. KING. Does not the Senator think that it is rather a dangerous thing to permit the Government to deal directly with

corporations, even though they may have the standing of a public-utility corporation? Was there not some other method by which some intermediary could have been provided between the corporation and the Government corporation created by this bill?

Mr. SIMMONS. I will say to the Senator that it was made clear to the committee that these utility corporations could not, under present conditions, secure money for capital requirements through the banks, and that if they could not secure it through this corporation they could not secure it at all. Now, the Senator will please direct his attention to the provision that limits loans to such of these public utilities whose operations are necessary or contribute to the prosecution of the war.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. Yes; I yield.

Mr. KELLOGG. I notice subdivision "(d)," on page 9, which provides that this corporation may loan directly—

to any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war.

Now, is it not a fact that that permits this corporation to loan to any company in the United States, because every company contributes to some degree to the war? Was it intended that it should be limited to those having direct contract relations or furnishing something to the Government?

Mr. SIMMONS. Quite clearly, the language shows that it was intended to be confined to those things having direct relation to supply the Government with the things it needs.

Mr. KELLOGG. That is not the opinion of the Treasury Department, as I am told. They understand that this corporation may loan to all kinds of street railways and suburban railways, whether they have any contractual relations with the Government or not.

Mr. SIMMONS. I have heard no such opinion as that expressed. What is the section?

Mr. KELLOGG. Subdivision "(d)," the one that the Senator from North Carolina is talking about, on page 9.

Mr. SIMMONS. That is what was known as the exceptional case. They can not make loans indiscriminately under that section if the concern is engaged in war work.

Mr. KELLOGG. But who decides the exceptional case? I take it that under that the board may loan to any company in the United States engaged in public service or private business. Now I should like to know why——

Mr. SIMMONS. Well, now, let us see:

(d) To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility, and (2) to any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war: *Provided*, That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest.

Mr. KELLOGG. Yes; but the board decides the importance in the public interest.

Mr. SIMMONS. Yes.

Mr. KELLOGG. And it is a notorious fact that these concerns here seeking assistance are in no way connected with any Government work, and it is a notorious fact also that they are many of them what you might call the loosest financially.

Mr. SIMMONS. If the Senator will pardon me, I do not think under this bill advances can be made, unless the operations are connected with the war or contributory to it. They are permitted to make these advances where it appears to be important that it should be done in the public interest—not the private interest of the corporation, but the public interest.

Mr. TOWNSEND. Mr. President, may I suggest further to the Senator from North Carolina that in the cases referred to by the Senator from Minnesota—namely, the suburban or electric lines—it probably would be very difficult to find a case that would come to this corporation for relief that was not in some way, directly or indirectly, connected with the war. All of these corporations furnish power, light, and transportation to men and institutions absolutely necessary to the war.

Mr. SIMMONS. I think that statement is absolutely true in the main.

Mr. KELLOGG. Then it is a fact, as I understand the Senator, that the board decides, and the board may hold that any corporation is contributing to the prosecution of the war, and its decision is final.

Mr. SIMMONS. If it is an established and going concern, and the board shall hold that it is exceptionally important in the public interest, then it may make advances.

Mr. KELLOGG. Now, I do not say that it is not necessary, but I think it should receive the careful attention of the Senator and the Senate. No other country has found it necessary to go into private financing; and whenever the public takes hold of financing, private financing is at an end. Furthermore, it is a notorious fact that the worst over-capitalized balloon concerns in this country are the public-service corporations.

Mr. OVERMAN. That is right.

Mr. KELLOGG. I mean, outside of the railroads.

Mr. SIMMONS. The Senator must bear in mind that they do not loan upon the stocks of corporations. There is not a single line in this bill that authorizes any advances to be made by this corporation upon stocks, the things that have been inflated. The advances can only be made upon the securities of these corporations, the bonds; and, of course, the board in one case and the banks in the other will be the judge of whether these securities are adequate to protect the amount of money loaned.

Mr. President, I do not wish to take up much more of the time of the Senate; but I think I had better not conclude before I allude to the situation of the savings banks.

Mr. KNOX. Mr. President, before the Senator passes to that branch of the subject permit me to say that I was not quite clear about his answer to his colleague [Mr. OVERMAN] with regard to the issue of bonds. Do I understand that the mere fact that there is an issue of bonds outstanding will justify this corporation in dealing directly with that corporation and taking care of that issue, without any regard to the circumstances under which the bonds were issued, the amount of actual value that they represent, the amount for which they were sold, whether at a very great discount or not, or are all those matters to be taken into consideration by the board?

Mr. SIMMONS. Such circumstances as a bank would take into consideration in loaning money to a customer, I understand, will be taken into consideration by this corporation in making these loans.

Mr. KNOX. If that is so—and I assume, of course, that it must be so—it is only by implication that it is so. There is no direct provision in this bill that those matters shall be taken into consideration.

Mr. SIMMONS. No.

Mr. KNOX. And it might be argued that there was an implication quite the other way, from this fact. It is suggested that certain things shall be taken into consideration as the basis for the loan; namely, the public interest.

Mr. SIMMONS. Yes.

Mr. KNOX. Now, to express one thing is to exclude all others, as the Senator knows as a lawyer; and it might be possible that it would be urged that notwithstanding defects in the issuance of these bonds, notwithstanding that they may have been sold for sixty or seventy or eighty cents on the dollar and that the holders of the bonds had not paid full value for them, yet there was such a public interest in carrying on this railroad that the corporation should loan the money.

Mr. SIMMONS. I do not think the legal intendment would lead to the conclusion that the corporation would be authorized to make a loan not properly safeguarded with security. I think the requirement as to the public interest is a limitation upon the power to loan to such a concern at all.

Mr. KNOX. There are so many and such ample safeguards in protection of this corporation in respect to the dealings through the banks that it seems to me they could not be improved upon, because in the first place when the loan gets up to the corporation it has the credit of the bank and the credit of the borrower and the value of the securities, and then the amount can be only 75 per cent; but when you come to dealing with these public utilities there seems to be a paucity of provision in that particular that to my mind stands out in very striking contrast.

Mr. SIMMONS. As the case is to be an exceptional case, I think it was the thought of the Secretary and the thought of the committee that we would have to trust to the corporation, representing the Government as it does, dealing with Government money, to see that the advances made were properly secured. If the case is to be exceptional, you could not very well specify the character of security to be taken. It should be ample, but it would be necessary in such cases to invest large discretion in the board of directors.

Mr. KNOX. What is the Senator's own idea of the form that a transaction of that kind might take? Take the citation of his colleague (Mr. OVERMAN): Suppose a public-utility corporation has a $200,000 bond issue maturing within the next 60 days. It takes those bonds to this corporation, because it comes within the class that may deal directly with the corporation, and says: "These bonds have matured, and we want to bor-

row $200,000, and we want to redeem these bonds. We have to redeem them." Now, they can not borrow, or at least they should not be able to borrow, $200,000 if they are worth only $100,000; and $100,000 would not redeem them, and the bankruptcy and receivership we are seeking to avert would not be averted. There is nothing here to show that the loan would be limited to the market value or to any value that might be determined by the amount that had been paid with relation to the physical property of the corporation or any one of those factors that go to determine the value of securities.

Mr. SIMMONS. But the Senator must not overlook the fact that the corporation may issue bonds for a larger amount than was necessary for meeting the maturity. And these bonds would be good security to the extent of the property behind them.

Mr. KNOX. There would have to be value back of them.

Mr. SIMMONS. There would have to be value back of them, of course, or they should not get the money.

Mr. KNOX. I will not anticipate for one moment that any power conferred under this bill is going to be consciously abused by the directors of the corporation. I am one of those who do not withhold my consent to legislation because I fear the powers conferred may be abused, because if you did you would never get anywhere. All human institutions depend upon personal credit and personal honor. But this is the only point I desire to make. I can see how a case of this kind may be honestly urged upon the board. I do not want to see a $200,000 issue which represents $100,000 of value pressed upon this board, because it is their duty to lend if there is a public interest or it may so happen that a crippled and overcapitalized institution may for the time being stand in a position where it is extremely valuable to the public.

Mr. SIMMONS. I will say to the Senator that the committee was not satisfied with this section (see 7) in the bill as orginally written, and sought to improve it by practically rewriting it. They thought there might be cases in which the public interest required the Government to lend its aid, which would not come under the general provisions of the bill, and that we could trust to the directors of the corporation to properly protect the Government.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield?

Mr. SIMMONS. I yield.

Mr. THOMAS. I wish to say to the Senator from Pennsylvania that I sought to cure the difficulty which he has suggested by an amendment in the committee requiring this corporation to demand the same security as to amount and value as is required by the preceding subsections of the bill, but it was rejected by the committee.

Mr. KNOX. What was the objection to that, if I may be permitted to inquire?

Mr. THOMAS. The objection to it was in substance, as I recall it, that it was exacting too great security for that particular class of exceptional cases.

Mr. SMOOT. Mr. President, I wish also to state to the Senator from Pennsylvania [Mr. KNOX] that I tried to obviate what I considered a loose method in this paragraph by requiring that the loan should never exceed the market value of the security offered. That was disagreed to by the committee. I will state to the Senator the reason for it.

There are a few public utility corporations in the United States that are actually vital to the manufacture of munitions of war and for the successful operation of the war, and there are a few of those institutions that if they were required to put up this security to-day, more than the securities they have upon the bonds issued that will mature in a short time, it would be impossible for them to do so. In other words, it was shown that they are losing money to-day. They are hardly making enough money under the prices that have been fixed by the utility commissions of the States in which they are located to pay the running expenses and pay interest upon the bonds.

I do not want to evade the question, but I think whenever an issue is to be made we ought to meet it squarely. I believe that under paragraph (d) of section 6 of the bill there will be some loans made to public utility corporations of the country that will not be secured. I say that frankly, but I do not think there will be many of them. However, I believe that the case will be presented to the board in such a way that the board will actually feel that for the public interest and for the maintenance of the full production of munitions of war that are absolutely necessary it will be best for the Government to take the chances.

I wish to make just one other suggestion and then I will cease. There was a feeling also, and there is a feeling in the Treasury Department, that the prices the public utility corporations of the country are allowed to charge for their service is too low, taking into consideration the cost of everything that goes into the maintenance and operation of the plants. They feel that there ought to be given time for these public utility corporations to appeal to the commissions of their States and ask them to allow an increase for the service rendered.

I am quite sure, Mr. President, that the Secretary of the Treasury must feel that in most of these cases that request ought to be granted, for I think there are 90 per cent of the public utility corporations of the United States to-day that are serving the public, notwithstanding the wonderful increase in the cost of maintenance and operation, and are only charging what they were charging years before the war began. I want to say frankly that that was taken into consideration in drawing this paragraph (d). The Senator from North Carolina, I am quite sure, will not object if I simply at this time correct a statement made by him, as I understood it, that this corporation could only lend to these public utilities upon their property.

Mr SIMMONS. No, I did not say that.

Mr. SMOOT. I was told the Senator said that, but if he did not say it I have nothing further to say.

Mr. SMITH of Georgia. Will the Senator yield to me for a moment?

Mr. SIMMONS. I yield to the Senator.

Mr. SMITH of Georgia. As I came into the room reference was made to the proviso at the close of page 9. I had been called out for a moment. What I am about to say may have already been stated. Still I wish that it should be in the RECORD. This proviso has no reference to the security. It is provided:

> That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest.

It has no reference to the security at all. It is intended as words of limitation without reference to the security. No matter how good the security, these transactions can not be made direct by this corporation except where the case is of exceptional importance and in the public interest. I do not think the board would be justified at all in saying we will waive the question of good security on account of the importance to the public interest. They are only permitted to loan at all except through the banks in exceptional cases in the public interest. Then—

> Such advances may be made for periods not exceeding five years from the passage of this act, upon such terms and upon such security and subject to such rules and regulations as may be prescribed—

And so forth.

I only wanted during the discussion of the subject to clearly express my opinion that that language is no excuse for a loan on poor security.

Mr. WADSWORTH. Will the Senator venture an opinion as to whether, so far as this bill affects advances to public service corporations—that is, street railroads—it really might be termed a bill to protect public service corporations against the persistent refusal of local regulatory commissions in raising rates?

Mr. SMITH of Georgia. I do not know that I would say that was the case. I can state what influenced me with reference to it.

Mr. WADSWORTH. May I say if the State commissions in many instances would permit the raising of the rate it probably would not be necessary for these public utility corporations to come to the Government for help?

Mr. SMITH of Georgia. Even then I think this provision should be in the bill. We are desiring to occupy almost exclusively the bond market in the sale of our Liberty bonds. We do not desire these public service companies to have a bond so attractive as to cause it to interfere in any way with the sale of Liberty bonds.

Mr. WADSWORTH. The Senator does not think the public service companies are in a position now to offer a bond that is very attractive?

Mr. SMITH of Georgia. I know companies that could make their bonds quite attractive if the rate was high enough. An 8 per cent bond on a good public service company ought to be quite an attractive investment.

Mr. WADSWORTH. What would be back of the bonds to guarantee the payment of 8 per cent interest?

Mr. SMITH of Georgia. The property itself. I speak of a paying concern.

Mr. WADSWORTH. Very few of them are paying concerns. That is the whole point in this bill, as I understand it.

Mr. SMITH of Georgia. They may not be making money just now, but as a permanent investment nothing is better than public service property. They have proved the most lucra-

tive in the country, and I have not any question but that they will do so again.

Mr. SHERMAN. I think the Senator from Georgia is entirely right because I know of some companies whose bonds are now out in a considerable sum, half a million dollars or more, at 4 per cent, and if the Government sell at 4 per cent of course it would very much impair the ability to renew its maturing loans.

Mr. SMITH of Georgia. I felt that they ought not to be forced to go into the market also to sell their bonds now as against our Liberty bonds, and generally the theory was that they were a class of industries that the Government could well aid in financing their affairs during the present unusual and abnormal conditions.

Mr. TOWNSEND. If the Senator will yield to me for a moment, I take it the principal criticism of this provision is that it does not provide for the corporations taking adequate security. I can see no objection at all to inserting the words that it shall be required to take adequate security, because there was no request on the part of any of the utility men that they should be exempt from the provision which requires adequate security. But there might be a question as to the propriety of stating just exactly the same proportion of security that would be offered as in other cases for the very excellent reasons that have been given by the Senator from North Carolina and the Senator from Georgia. These bonds have been artificially affected by the Government itself, State and local. They have put restrictions not only on the money market which has shut it out from these concerns but the local authorities have put restrictions upon their earning power. I do not think any man could conceive of a public interest being served by the destruction of any one of these going concerns that is prosperous in time of peace.

As I suggested a moment ago to the Senator from North Carolina, if Senators on the floor believe that this provision is defective in that it does not require the corporation to take adequate security there can be no possible objection to putting it in because the Secretary of the Treasury said it would be required and the representatives of these concerns said they were ready to offer such security as they would require. If that would relieve the situation those words could be inserted without any difficulty.

Mr. SMITH of Georgia. I recall quite well in considering the subject that we doubted the wisdom of referring to the market value of the security, because the board might well feel that the market value of the securities was not equal to the real value, and might regard certain securities of a public utilities company adequate although their market value might not meet the amount loaned, treating the subject as one where the use of securities to liquidate the debt would not take place at once.

Mr. SIMMONS. Mr. President, undoubtedly the committee and the Secretary of the Treasury felt that in making these exceptional cases the same rigid rule of determining the amount to be advanced upon a given security should not be applied, because if applied it would probably defeat the very purpose of the Government in coming to the relief of these corporations. It was thought also that some latitude, some exercise of discretion, should be allowed with reference to the securities they would demand in this class of cases, assuming, of course, that the board would not loan upon manifestly inadequate securities and assuming, of course, that the board would protect the interest of the Government; but if the interest of the Government in continuing the corporation as a going concern was great and it was necessary for the Government to take some little chances then those chances might be taken.

The situation it seems to me makes that the wise course to pursue. This class of securities is at present depressed. The value behind those securities is probably as great, if not greater, now as it was when the securities were at a higher price. The condition which has depressed them is one for which the Government—either the National Government or the State government—is responsible. Those conditions will obtain only temporarily, it is believed. They would probably not exist but for the inability of these concerns to advance their rates. If the movement now going on all over the country to induce local commissions to permit an advance in rates is successful the trouble will be largely overcome. Only this morning the papers announced that the President had written a letter, I believe, to the Secretary of the Treasury, in which he strongly urged upon the corporation commissions of the States the wisdom and the justice of allowing advances in these rates to meet the greatly increased cost of operation.

If that is done, the securities temporarily depressed will be advanced to normal value based on the property value behind them.

Mr. SMITH of Michigan. Mr. President, if the Senator will allow me, that does not meet the situation described by the Senator from Georgia, who very frankly says that the purpose of this measure is that the field may be vacated——

Mr. SMITH of Georgia. I said that was one of the reasons.

Mr. SMITH of Michigan. I thought the Senator said that was the reason.

Mr. SMITH of Georgia. No, I gave that as one of the reasons.

Mr. SMITH of Michigan. I thought the Senator said that was the reason; that the purpose was to avoid any attempt to market the securities in the open market, and thus deprive the Government of the possession of that market for its own securities.

Mr. SMITH of Georgia. I said that was one of the reasons.

Mr. SIMMONS. I do not think the Senator from Georgia meant that.

Mr. SMITH of Georgia. No; I said that was one of the reasons.

Mr. SMITH of Michigan. I thought it was a very frank statement; and perhaps it may be a good reason.

Mr. SIMMONS. That was the reason for the licensing clause, which appears in the bill, but not for this provision.

Mr. TOWNSEND. May I suggest to the Senator, for his consideration afterwards, in view of what the Senator from Pennsylvania said, namely, that the board might feel itself practically bound to grant these loans to the concerns mentioned, what objection would there be to inserting after the words "make advances," the words "upon adequate security," because I think the record will disclose that all the parties interested in this particular clause were agreed that the loan should be made only upon adequate security? Of course, the corporation must determine what "adequate security" is, but the insertion of the three words which I have suggested will make it clear that they must be required to take security, which they would do in any event.

Mr. SIMMONS. Mr. President, my conception of the purpose was to give the board of directors the right to go somewhat behind the market values and to base their loans upon the value of the assets behind the security.

Mr. TOWNSEND. My suggestion would not prevent that.

Mr. SMITH of Georgia. Upon the market value.

Mr. SIMMONS. Not upon the market value, but the value of the assets behind those bonds.

Mr. SMITH of Georgia. Not the market value of the bonds, but their actual value.

Mr. SIMMONS. Their actual value, yes.

Mr. TOWNSEND. The suggestion I have made will not alter that situation. It will permit that to be done.

Mr. GERRY. Mr. President, if the Senator will yield to me for a moment, it seems to me that when we discuss "adequate security," it simply means that we must rely on the discretion of the board; and that really is the meat of the whole question. If the board is efficient and its judgment is wise, then there is no danger; while if the board is inefficient and its judgment is unwise, then, I think, the whole provision of the bill is bound to fall down. It is really a question of the board.

Mr. SIMMONS. The use of that language does not affect the discretion of the board. The board would have the discretion to pass upon the adequacy of the security offered. I think the suggestion of the Senator from Michigan [Mr. TOWNSEND] is worthy of consideration.

Mr. SMITH of Georgia. It is worthy of very serious consideration.

Mr. SIMMONS. Mr. President, there are other features of this bill which I have not discussed, especially those relating to savings banks and those relating to the granting of licenses. It is late in the afternoon, and it has been brought to my attention that, for reasons not necessary to be now stated, certain Senators on this side of the Chamber desire to leave the Chamber at about half-past 5 o'clock. I think I will discontinue my remarks now, and I may renew them in the morning or I may wait until the sections in the bill that I have not discussed this afternoon are reached, when we take the bill up for consideration and amendment and discuss them at that time. I will not, at any rate, continue my remarks further this afternoon.

Thursday, February 28, 1918.

Mr. SIMMONS. Mr. President, when I discontinued my remarks upon the pending bill on a previous day I gave notice that I would resume at some early period in the consideration of the bill. I was discussing at the time I suspended the section of the bill which relates to advances to public utilities and railroad corporations.

I am afraid, Mr. President, that there is some misunderstanding in the minds of some Senators with reference to the conditions and circumstances under which the finance corporation

created by the bill may be permitted to make advances to the class of corporations embraced in this section of the bill.

It is true that so far as the privilege of making a direct application to the corporation for these advances is concerned, there is a differentiation in this behalf of this class of corporations from industrial and business corporations engaged in other lines of business. These other corporations apply through the intervention of the banks. Public utilities and railroads are permitted under this section to apply directly to the corporation.

I have heretofore discussed the reasons for that differentiation and I need not go into it now, but, Mr. President, while these utility corporations and certain other corporations may go directly to the finance corporation they must be engaged directly or indirectly in war work; that is to say, the bill expressly provides, and I am afraid it has not been sufficiently impressed upon Senators, that in order to procure advances from the corporation the money must be asked by a corporation whose operations directly or indirectly contribute to the war.

I think the impression prevails that these corporations may without reference to the relation of their operation to the war requirement of the Government obtain advances from this corporation. That is not true. They can not, as a rule, get advances unless the loan is for the purpose of aiding a concern whose operations are of assistance to the Government in the prosecution of the war directly or indirectly.

Mr. GALLINGER. If the Senator will permit me, I noticed in the discussion held the other day at a time when I was unavoidably absent from the Chamber the junior Senator from Minnesota [Mr. KELLOGG] made the observation that every broken-down public utility would be coming to this corporation for relief. The Senator distinctly recalls the fact, as do I, that that was discussed very thoroughly in the committee and that both the Secretary of the Treasury and Mr. Warburg of the Federal Reserve Board stated to the committee that they would exercise the greatest possible care and not advance anything in aid of utilities that were not in some way connected with the war, and that broken-down public utilities that were not in any way connected with war operations would certainly not get a very cordial hearing from the corporation.

Mr. SIMMONS. The Senator, I think, is entirely right in his statement with reference to the representations made to the committee.

But, Mr. President, so far from these corporations enjoying with respect to the matter that I have just been discussing an advantage over the industrial corporations under the proviso of the bill they are not likely to be able to secure as liberal consideration from the corporation as the industries. This is intended clearly as the proviso shows to meet an exceptional case. It is not intended, I think, and I think the Secretary of the Treasury made it very clear in his testimony, that the finance corporation shall come to the rescue of these utility concerns if they can secure the capital needed to keep them going from the banks or through other investment channels. It is only when they are unable through the ordinary channels to secure credit that they may come to the corporation and get help. The limitation imposed upon the finance corporation in this particular case not only confines it to advances to concerns whose operations are in aid of the war, but it further restricts these advances to—

such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest; exceptional importance to the public interest, not the private interest of the corporation.

So, notwithstanding they may be engaged in war work when they come and make application, the board is not permitted to loan them a dollar, as it would in the case of an industry, until it has investigated, ascertained, and determined that the advance ought to be made in the interest of the public and decided that it is a case of exceptional importance in the public interest. It will then do so unless the application can not secure the requisite advance from ordinary business sources.

Mr. President, only a few days ago we passed through the Senate what is known as the railroad control bill validating and legalizing the action of the President in taking over the railroads. Why did we take over the railroads? Everybody knows that the Executive and Congress were moved to the very extraordinary action by the fact that the railroads, largely because of their financial troubles, were unable to adequately meet the extraordinary demands upon them, and were approaching a condition of collapse and breakdown. It was to save them and protect the public interests against a disaster that they were taken over by the Government.

When we proceeded to legislate with regard to the action of the President in that particular, the very first thing we did in recognition of the fact that I have stated was to appropriate $500,000,000 out of the Treasury, put it in the hands of the Secretary of the Treasury, and authorized him to use it in such way as his judgment and that of his associates might dictate to assist the railroads in obtaining the necessary relief from the financial dilemmas and difficulties in which they had become involved and put their properties in condition to meet the demands made upon them by the public and the Government. Five hundred million dollars is a large sum of money, but the Director General recognizes the fact that it may not be sufficient, that it may be necessary for the Government to furnish additional money to rescue these corporations from financial wreck, and to meet this contingency railroad corporations are included in this section of the bill.

The public utility corporations of the country are in identically the same situation with reference to financing themselves and their operations as are the railroads. The Senator from New Hampshire [Mr. HOLLIS] has alluded to the fact that the Senator from Minnesota [Mr. KELLOGG] stated that this legislation was sought by the broken-down public utilities of the country. Mr. President, no broken-down concerns have appeared before the committee. If any such concerns have been hanging around this Capitol, I have not heard of it. I know, and I think it is pretty generally known, that the public utility corporations of the country are in a desperate condition, and unless they can obtain some relief through the Government, which it is impossible for them to get through the ordinary business and financial channels in the flotation of their securities and the advancement of capital for capital expenditures and to liquidate maturing obligation, they are riding to a certain fall.

Mr. SMOOT. And that applies to the prosperous corporations as well as to the others.

Mr. SIMMONS. It applies to the prosperous as well as to those who are already crippled. In normal times these companies were generally prosperous; the great power corporations of the country were among our most prosperous industries before the war, and they are so yet, but they are in as much trouble, especially as to their approaching maturities, as are the crippled concerns to which the Senator from Minnesota alluded.

Mr. President, I want to say to the Senator that, so far as obtaining adequate security for advances made to these corporations is concerned, I think we may as safely trust the Secretary of the Treasury and the four directors of this concern to protect the interests of the Government as we have trusted him to disburse the $500,000,000 which was appropriated for the railroads and put into his hands.

I think again, Mr. President, that there is some misapprehension with reference to the advances the finance corporation is authorized to make under the bill. If the application comes from an industrial corporation it would come through a bank. Such bank must have made advances to the corporation, and the advances which it has made must have been for war purposes. It is entirely erroneous to suppose that these banks can come to the corporation with any sort of security. It must appear in the application that the bank applying for advances has made like advances to some industry which is serving the Government in this emergency. The bank must give its own promissory note, secured by the collateral which are the bases of such advances by the corporation.

Mr. President, enough about that. I want now to refer very briefly to the only case in the bill where advances may be made by this corporation for other than war purposes; it is the case of the savings banks. The savings bank invests the money of its depositors in miscellaneous securities. Sometimes it may help a war industry, but its securities as a general thing are not of that character, and its investments are not for that purpose. In fact, I do not suppose those banks are making any large investments just at this time of that kind. The most of their securities probably are securities that were accumulated before the war began, or at least before our scheme of preparation for war was actively begun on a large scale. Anyway, much of the paper they hold is not eligible security under the general provisions of the act, because it has not been as a rule given for advances for war purposes.

The savings banks in many States outnumber other kinds of banks, while in a number of States they probably have deposits larger than all other banks put together, deposits made up very largely from the savings and the earnings of the poor people, and particularly the working classes.

These banks and their depositors have been very large purchasers of Liberty bonds, and, if the rate of interest on these bonds shall be raised in the coming issue there will be an additional inducement to these depositors to purchase these bonds.

These savings banks invest the money of their depositors in long-term securities. When withdrawals exceed deposits these banks have to sell securities, and in the present condition of the securities these sales could only be made at a great sacrifice.

Mr. President, in these conditions it is important to the whole financial and industrial fabric of this Government that these banks should be able to secure ready cash to meet their obligations to their depositors without having to sacrifice their securities. So, Mr. President, we included the saving banks in this provision, permitting them to go directly to the proposed corporation and permitting the corporation, when it shall find that it is to the public interest to do so, to make advances to them upon their securities without regard to whether or not they represent advances to concerns whose operations were necessary or contributory to the war.

There is one other provision of the bill, Mr. President, to which I think I ought to allude before I conclude this statement, which has been intended by me largely to try to get before the Senators the provisions of the bill and the reasons assigned by the sponsors of the measure for those provisions. It is well known—I have explained it and there has been no concealment about it—that this is an Administration measure. It comes from the Treasury Department; it has no special sponsor upon this floor; it is as much one Senator's bill as it is another Senator's bill, and, therefore, in justice to the Secretary of the Treasury that the reasons given by him and those who collaborated with him in its initiation and preparation, should be presented to the Senate.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. SIMMONS. I yield to the Senator.

Mr. GALLINGER. I will venture to assume that the Senator from North Carolina would not ask anything more of the Senate in considering this bill than the consideration that was given to it by the committee, on the part of the majority and on the part of the minority.

Mr. SIMMONS. Absolutely nothing more than that; but we had the views of the sponsors of this legislation, who came before us and gave us their reasons for it; and I wanted to have the Senate put in possession of the reasons given us by them.

Mr. GALLINGER. The Senator was entirely right in doing that. The committee, certainly the minority of the committee—I speak more for myself than for my associates—listened with a great deal of interest to the Secretary of the Treasury, Mr. Warburg and Mr. Harding, of the Federal Reserve Board, recognizing the fact that they were the men best qualified to know what the urgent and absolute necessities of the Government are at the present time in reference to legislation of this nature.

Mr. SIMMONS. I wish every Senator here who has the slightest doubt about this bill would read the testimony of the several witnesses who came before us. I want to say this about them: I do not believe there has ever before been a hearing before a congressional committee, in either House of Congress, where practically every man who appeared to give testimony was a master of the subject which he discussed.

Just one other matter, Mr. President, and then I shall be through. The only other important matter to which I wish to call the attention of the Senate is the provision with reference to licensing, and I shall be very brief about that.

It has been said, and truthfully said, that the duty of this hour, both as it applies to every loyal citizen of this country and to the Government, is to win the war. In order that we may accomplish that great purpose it is admittedly necessary that we should mobilize and conserve capital, labor, and materials—not a part, but we should conserve the whole of it, to the extent that the whole is needed. If all the capital of this country is needed, if all the labor of this country is needed, and all the materials of this country are needed, in order that this Government may prepare itself adequately and sufficiently to successfully wage and terminate the conflict in which we are engaged, then all of it should be conserved and mobilized. Certainly as much of it as is necessary should be conserved and mobilized to that one end.

Mr. President, under those conditions the Secretary of the Treasury and these two distinguished members of the Federal Reserve Board, who appeared before your committee, said that it had become apparent some time ago that in order to secure the necessary finances, even with the ancillary legislation either enacted or contemplated, it was necessary that the Government should exercise a wise but at the same time a plenary supervision over the capital expenditures of the country, to the end that it might curtail and stop the investment of capital and the expenditure of labor and materials in doing things that are unnecessary to be done in this emergency. England started out with the idea—and the world rang with it—I remember, when we were passing the revenue bill here, that I became very much impressed with it, and I know others did—"Business as usual." The result was that the high prices, the big profits, stimulated every line of industry, and especially lines that were not essential to war preparation; and it was not long before England saw that that policy must be modified, and in pursuance of a policy dictated by experience they provided a board invested with the power and authority to regulate, by license or otherwise, the investment of capital.

To-day practically all new business in Great Britain not either directly or indirectly contributory to the war has been stopped.

It has been found expedient to do substantially the same thing in this country. To this end the Secretary established in the Treasury Department a committee composed of several members of the Federal Reserve Board and some outsiders of large business experience to investigate and pass upon the character of the proposed capital issues. Where they have felt that it was not wise that the expenditures should be made, they have been making that fact known to the public; and the banks to a large extent have acted upon their suggestions or findings and withheld loans for new capital expenses found to be incompatible with the public interest. This gives legality to the action of a similar committee. It is not intended that this regulation shall extend to established businesses so far as those businesses are able to carry on their operations without any new issues of capital. It is not intended to interfere with the ordinary borrowings of such institutions through the regular channels of business. It is intended to apply solely to capital issues after the passage of the bill.

Mr. President, I do not think it is possible for us to conserve our resources for the prosecution of the war and its preparation without something of this sort. I think the provision of the bill very important, and that it will immensely aid in conserving our resources in financing of the war.

I think I have covered the important provisions of the bill, and I will not detain the Senate longer.

Mr. HOLLIS Mr. President, I desire to compliment the distinguished Senator from North Carolina [Mr. SIMMONS] for his very fair attitude toward this bill. He assures us that no one on the Finance Committee has any special favoritism for the measure, and that he merely lays it before us for full and fair discussion.

Mr. SIMMONS. Mr. President, if the Senator will pardon, I should say in that connection, as the Senator has spoken of it in that way, that the bill came out of the Finance Committee with the unanimous approval of its members.

Mr. HOLLIS. I understand that, Mr. President.

Mr. THOMAS. "Unanimous consent" is a better way to put it.

Mr. HOLLIS. What I wish to impress upon the Senate is that this is not the bill of any particular Senator; that it is not the bill of any particular committee; that Senators are free to discuss on the floor of the Senate whatever may be involved in the bill, to amend it as it should be amended, and to pass it or not pass it, as they think wise.

This bill requires from me for the first time in my life. I believe, a speech that may be called ultraconservative. I have been known to be radical all the rest of my life, I believe, up to now. I have believed in having the Government perform progressive functions where they could do it better for the people than the people or private corporations could do it for themselves; but I am obliged to rise to-day and address myself in opposition to the extremely radical features of this socialistic, capitalistic bill.

I have noticed for the last half hour a puzzled expression on the face of the distinguished chairman of the Banking and Currency Committee, the Senator from Oklahoma [Mr. OWEN], who has come into the Chamber and picked up this bill and has been reading it; and I thought I saw astonishment in his face. I hope he will wait to hear the bill discussed, because it is a banking and currency measure, and one to which the Senator from Oklahoma should address himself, and one upon which the Senator from Oklahoma should give the Senate the benefit of his very sound views; for the Senator from Oklahoma was, with the distinguished Congressman from Virginia [Mr. GLASS], the author of the Federal reserve act, which this bill undertakes to amend in a most important particular.

What does the bill provide? This bill grants authority to do six things: To create a central United States bank; to stimulate essential industries; to discourage nonessential industries; to manipulate Government securities; to issue tax-exempt bonds, in competition with liberty bonds, with no limitation on the rate of interest; to appropriate four and a half billions of money

to be spent by this United States bank without accounting to Congress.

These are enormous powers. They will revolutionize United States finances. They are likely to break down the Federal Reserve System; they are likely to depreciate the Federal reserve currency; but if we have gotten into a position where it is necessary to pass this bill, and if it can be demonstrated on the floor of the Senate, I am going to vote for it, ultraradical and socialistic as it is.

Mr. President, the consideration of this bill is very timely. For the first time the Members of the Senate are given an opportunity since last summer to discuss a matter of financing this war, to take note of stock and see where we are. I welcome the discussion. I wish it may be thoroughly debated, and I hope every member of the Banking and Currency Committee of the Senate, and every member of the Committee on Appropriations of the Senate, will address himself to the bill and give us the benefit of his views. I undertake to say this is the biggest appropriation bill that was ever brought out on the floor of the Senate. There may be possibly one exception. Now, if this bill passes in its present form Congress turns the full control of business and governmental finance over to this new war bank. No wonder the distinguished chairman of the Finance Committee hesitated to call this a bank. He called it a concern and a finance corporation, but it is a bank, as I shall presently demonstrate. It is a bank because it is given $500,000,000 of capital, because it is allowed to loan that capital to banks, persons, and corporations, because it is allowed to issue bonds, because it is allowed to buy and sell securities. You say it is not allowed to receive deposits, but what need has it to receive deposits when it has got an endless chain in the Treasury of the United States and a sucking pipe into the Treasury of the Federal reserve banks.

Mr. President, this bill is an attempt to solve the problem of converting a slow long-term credit into a quick liquid asset. I approach this subject with some diffidence and I hope with becoming modesty, but it has happened to be my lot for from three to five years, since I have been in the Senate, by direction of the Senate to devote my energy to the investigation of that particular subject. I have done so, and I have learned certain fundamental, economic principles familiar to all of you but which I desire to call to your attention, so that your minds may be refreshed. I claim no special gift in this direction, but I do claim that I have spent more time investigating it than anybody else on the floor of the Senate; that is, when I was set to the task of investigating the farmer's problem, of converting his long-term credit into a quick capital asset.

Let me, in the first place, discuss the subject of capital and credit. There are three kinds of loans—the long-term investment loan, the short-term investment loan, and the commercial or quick capital loan. We have our savings banks for the short-term investment loan and we have our national banks for the quick-term commercial loan. Under the provisions of the national bank act it was absolutely impossible for a national bank to loan any money on real estate and securities, and the first concession made in that regard was when the Federal reserve act was passed and we permitted national banks to loan on farm lands not to exceed 25 per cent of their capital and surplus. That inroad of the national banks was stoutly resisted. We were told that the national banks were commercial banks, that they were banks of deposit, that they were obliged to keep their assets in a liquid condition, so that they could respond readily and promptly to the call of their depositors. That was the first concession, but that brought up the subject of financing the farmer.

I undertake to say that every principle found in the pending war-bank bill is found in the rural-credit bill which was passed in the summer of 1916. The farmer's problem in raising crops is exactly the problem the Government has in conducting this war. There is no essential difference between them. The farmer must have capital and man power for raising his crops. The Government must have capital and man power for fighting the war. The farmer needs men to till the fields, the Government needs men for fighting, and for every man who fights the Government needs four or five others to produce goods for him to consume. The farmer needs horses, motors, trucks, plows. The Government needs horses and motors for the same purpose. The Government needs machinery. The farmer needs farm machinery. The Government must have nitrates to make explosives, the farmer must have nitrates for fertilizer. The Government must have clothing for its soldiers, the farmer must have clothing for his family and for his men. The Government must have barracks to shelter the soldiers, the farmer must have houses to shelter himself and his farm hands. All must have food, all must have ready cash. We approach this problem from precisely the same standpoint.

Now, note the difference between the two bills. In the first place, the Government gave the farm-loan banks capital to start with. I begged and entreated for $12,000,000 to start the great rural-credits banks. I was finally grudgingly given $9,000,000. This bill gives this war bank $500,000,000 to start with. We formed a farm-loan board of five men—the Secretary of the Treasury and four men to help him. Under this bill a war-bank board is formed of five men, of whom the Secretary of the Treasury is one. Under the farm-loan act the land banks are given power to loan to farmers on the security of their farms. This bank is given authority to loan to banks and corporations on the security of creditors. But note the difference between lending to a man who has productive land up to 50 per cent of the value of the land and loaning to banks and other corporations and people on a security of credit, not property, and that is the essential unsoundness of this plan.

Under the farm-loan act the securities of the bank were tax exempt. The securities to be issued by this war bank are tax exempt. Under the farm-loan act the banks were allowed to issue bonds so as to get fresh funds to loan. Under this bill the same power is given to this war bank. I do not object to it so far. I think we are in a position where we have got to do it or go bankrupt, and we are in this position because the Congress of the United States neglected to provide sufficient revenues through taxation for the Treasury of the United States. No wonder Secretary McAdoo is compelled to come down here and ask us to do these radical socialistic things because he has not the money to spend.

We were told last summer if we would not tax wealthy men so much they would buy the Government issues. It was said: "Do not cripple them; do not take away their income in taxation; we will take it from them when we need it, and we can borrow it at a reasonable figure." We started at 3½ per cent. That was well enough, but when we raised the percentage to 4 per cent the savings banks of course began to break down; and if you raise the rate to 4½ per cent, the financial ruin that will come over the country is appalling.

Now, we did not raise half enough by taxation under the war-revenue bill which we passed last summer. I am saying this perhaps with some heat, because I want to impress Members of the Senate with that fact. I am sure the Senate did not understand what it was doing last summer, and some of us here are in a position where we might say now "I told you so," but that is not a graceful attitude to be in. I am calling the attention of the Senate to this proposition now so that Senators will get their minds ready to pass an adequate tax bill to save the Government from financial ruin through the issue of an unlimited amount of inflated credit.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. PITTMAN in the chair). Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. HOLLIS. I yield.

Mr. NORRIS. In calling attention to the fact that we did not raise enough money by taxation, of course the Senator knows I am agreeing with him on that proposition; but it seems to me we ought not to lay all the blame on Congress. There was no quarrel between Congress and the administration or the Secretary of the Treasury on that tax proposition. We raised all by taxes that the Secretary of the Treasury wanted us to raise, did we not?

Mr. HOLLIS. I thank the Senator for his question, and I wish to say I shall be glad to answer any question as well as I can, but I hope no one will interrupt me in order to make a speech. I would be very glad to answer the Senator's question. I have perhaps been known somewhat as an administration Senator. I have voted for every administration measure. I have supported the administration heartily. I wish to say to the Senator from Nebraska that it was never intimated to me by the Secretary of the Treasury or anybody connected with the administration that they thought it was unwise to raise more money by taxation. I did get from some one connected with the administration in a financial capacity—I can not think at this moment who it was; if I could, perhaps I ought not to state it—that if we could not get the money at a fair and reasonable rate so that it would not disturb business, we should take it under the power of taxation. I think if the Treasury Department could have foreseen in the present situation how the wealthy people failed to respond to the calls of the Government for loanable funds at a fair rate of interest, it would have been the first to have insisted on our raising more by taxation.

Mr. NORRIS. Will the Senator yield again?

Mr. HOLLIS. Yes.

Mr. NORRIS. Does the Senator have any doubt that we would have raised more by taxation if the Secretary of the Treasury had asked us to do so, and has he any doubt now that we would increase the income tax on large incomes if the Secretary of the Treasury would ask us to do it? Is it not true that the Secretary of the Treasury before the Finance Committee said he did not want to change the tax law, but wanted to raise the balance of the money by bonds?

Mr. HOLLIS. I did not know that that was so; but I do not think it would change the problem in the slightest. I feel that we have our own duties to perform in discussing financial measures and passing them at this session of Congress.

Mr. NORRIS. If the Senator will permit me, I do not want him to misunderstand me. I agree with that statement entirely. I think we ought to determine such questions to the best of our ability in any bills that we will pass. I am satisfied, however, that with the influence of the Secretary of the Treasury, speaking for the administration, if he had wanted a higher rate or if he should want to increase the rate now, there would be no difficulty in getting it through Congress.

Mr. HOLLIS. I do not wish to commit myself to that proposition one way or the other.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. HOLLIS. I hope Senators will confine themselves to questions. I have been waiting here two days to make this speech.

Mr. SMOOT. I will not interrupt the Senator, if he does not like an interruption.

Mr. HOLLIS. I am willing to answer a question.

Mr. SMOOT. I simply wished to ask the Senator if it is not a fact that this bill is not providing for money to pay the expenses of the Government. The bill simply provides means by which the Government, having monopolized the money market, can assist the people who can not borrow money or secure money in any way to take care of the refunding of their present obligations?

Mr. HOLLIS. That is very true. The cupboard is bare, and it has been swept bare, because the Government swept the money into the Treasury and used it. The distinguished Senator from North Carolina [Mr. SIMMONS] admitted that. The investment pool was sucked dry by the Government, because the Government had to borrow. It did not take it by taxation. The situation is exactly such as a man who studied this problem last summer ought to have foreseen.

When we were trying to get a rural-credit measure passed I was calling loudly all the time for Government aid. I did not believe that the system could be put in force quickly in this country without substantial Government aid. I had a fight to get the $9,000,000 capital. I did not have to fight so hard for tax exemption, perhaps because I think very few realized its importance, but that was substantially Government aid. Then I had put in the Senate draft of the bill, and as the bill passed the Senate, exactly the proposition that is put into this bill in order to link this United States Government bank up with the Federal reserve banks of the country. In the farm-loan act which passed the Senate there was this provision:

> Any bank of the Federal Reserve System may buy or sell farm-loan bonds—

That is still in the bill—

> any member bank of said system may accept time drafts against a deposit of such bonds as security; acceptances of a member bank thus made, or the direct obligation of such bank maturing within 60 days when accompanied by farm-loan bonds as collateral security not less in face value than the amount of such direct obligation, shall be eligible for discount by any Federal reserve bank.

I saw the necessity, if the farm-loan system was to be a complete success, of linking it up with the Federal reserve bank. I got the Senate to pass such a provision, but when we got into conference I was met by the very expert and learned gentlemen who composed the Banking and Currency Committee of the House, headed by their distinguished chairman, and those gentlemen convinced me that that proposition to link up the long-term investment securities of this country with the Federal reserve banks was dangerous. I did not agree that it was dangerous in practice as connected with the farm-loan banks, but I did agree that it was exceedingly dangerous as a precedent. Now, the precedent has been followed, even though it was not established. This bill provides that same endless chain into the Treasury of the Federal reserve banks. This bill provides a way for cashing in long-term securities by sapping the quick assets of the commercial finances of the country, and I say it is absolutely unsound; it is socialistic, dangerous, ultraradical, and the Senate should know it before it agrees to it.

Now, I wish to discuss in a little more detail the features of the bill that I have outlined. I believe that the financial situation at present makes necessary the passage of the bill. I think it is necessary to establish a United States war bank. I think it is necessary to give it the tremendous powers over the business of the country. The powers given to these four gentlemen in addition to the Secretary of the Treasury will make them veritable war lords, as they will be and I think ought to be. It is necessary that we have such men to conduct the finances of the country successfully through the present crisis. But before I give them authority to issue $4,000,000,000 of bonds and make a raid on the Federal reserve banks of this country I want to know who they are, and I want to see how they spend the $500,000,000 that is appropriated in this bill. They can not spend that $500,000,000 in a moment; it will require collection; and after we see how they spend that $500,000,000, then they can come to us, and if they can make out a good case I will vote to allow them to issue bonds. But I hope I shall never be compelled to allow them to issue bonds to be converted into cash through the medium of Federal reserve notes.

The business of the country is put in the hollow of the hand of these five war-bank men. They can turn their thumbs down on any substantial industrial class or they can turn them up as they see fit. It is an enormous power. I am willing to grant it to them. I have confidence that they will be good men and that they will do their duty to the best of their ability. But I do want them before they become members of this great war-bank directorate to sell out their interest in every other banking concern, to purge themselves of the influences of high finance, and to devote themselves patriotically to the service of their country. That is what we require of the members of the Federal Reserve Board. Mr. Warburg himself is a very famous example. There is a man who belonged to one of the great banking concerns of the world and who was trained in business. Of course, it was a tremendous financial sacrifice for him to give up his business connections, but he did it patriotically, and he has been a most valuable member of the Federal Reserve Board ever since. I believe he would have done his work as well if he had not ceased his connection with the banking interests that he had, but you could not have made the people of the United States believe it. I have hoped that the chairman will not press the amendment which cuts out that provision of the bill requiring members becoming directors of this great war bank to cease their financial connection with every other institution. These men are going to be superfinanciers. From their decision there is no appeal. They are not even obliged under the bill to account to Congress for a cent of what they spend or to tell what they have done. They can kill an industry or they can encourage an industry. I think the time has come when we have got to do that. It is not a question of business as usual in the United States. It is a question of luxury as usual. The only way you can make the people stop spending money foolishly is to tax it out of them.

A year ago I made a speech in the Senate finding fault with some grain journal in Chicago that said we ought not to attempt to regulate the price of flour, because people would not save until the pinch came. I objected to that statement coming from the grain journal because it was a statement made in defense of the right of speculation, and I am not willing to have the people of the United States pinched and go without food in order to allow some gentlemen in Chicago or elsewhere to become rich through speculation. But in order to win this war I am willing to get along on one meal a day, and I am willing to compel other people to get along on two meals a day. The situation that we are facing is too serious for trifling. Business as usual, luxury as usual, profits more than usual, and taxation, oh, yes, more than usual. Now, business should be unusual, luxury should be wiped out, and taxation should be unusually high.

Walk through any city. I had two hours in Boston the other day, and I walked out through the poorer parts of the city. Every tenth store was selling candy and gewgaws. On every substantial corner there was a cigar store or a saloon. The amount of candy that is found on display in the shop windows of this city is shameful. I came by one of the theaters last Monday morning at half-past 9, and there was a line of ticket buyers away across the sidewalk. Go into any drug store and see them lining up at the soda fountain. Go to Palm Beach and see the display of dresses and inordinate luxury. This country has not begun to save.

Mr. THOMAS. Mr. President——

Mr. HOLLIS. I yield to the Senator from Colorado.

Mr. THOMAS. If you go to Palm Beach, would it not be a lack of dresses rather than a display of them?

Mr. HOLLIS. That would depend on who went to Palm Beach. I am willing to allow each Senator to decide that for himself. [Laughter.]

Mr. President, this country has not gotten down to business yet. This country will not get down to business until it suffers more than it has been doing. I venture the statement that if we had had ships enough to ship our men and food and supplies out of the country as fast as we needed them on the other side we would be feeling the effect now, but, I am sorry to say, we have not shipped enough evidently to make a noticeable decrease in these things. But it will come, and when ships begin to roll off the ways and go into the water as fast as we are going to produce them, then they will be able to take our food and clothing as well as our men abroad.

I hope the Senate will indulge itself enough to discuss this bill thoroughly. Some one may have an idea that it will be useful to the Treasury in this war crisis. I am not blaming the Treasury Department for asking for this bill. If I were in power in the Treasury Department, I would ask for the bill. But I should be ashamed, as a Senator of the United States, to allow the financial condition as regards taxation to continue any longer than is necessary in a situation that has made this bill necessary.

This bill transfers the money control from Wall Street to Fifteenth and Pennsylvania Avenue, from the house of Morgan, from the house of Kuhn, Loeb & Co., from the house of Kidder, Peabody & Co. to the Nation's war bank. We heard a good deal a few years ago about a Money Trust. Money Trust meant control of the finances of this country, so that a few gentlemen in Wall Street could turn their thumbs down or turn them up on any large financial proposition. I am convinced that that Money Trust existed, and if we have taken it from Wall Street and planted it in the Treasury of the United States as a war measure I say, Amen. But I am very much interested to know who is going to be on the board before I grant the very extraordinary features that are contained in the latter part of the bill.

Now, reverting to the discussion of the credit and capital from which I was a little diverted, what is spent in the war is what is already on hand. We can not fire a cannon until it is produced. We can not use a soldier until we produce him to manhood. We can not have a blanket or uniform until it is ready to be used. The amount of goods on hand to devote to any purpose at any time is strictly limited.

There are two kinds of capital. One is fixed capital, which is locked up in mills and railroads and ships and so on. The other is called circulating capital or capital goods. The Government in war is a tremendous spendthrift. It does not produce anything—it seldom ever does—but in war it is the greatest spendthrift there is. We call in political economy the man a spendthrift who has wasted his money on tobacco and champagne. That is what they tell schoolboys; later we say on wine, women, and song. That is because the spendthrift takes what he can get and expends it without producing anything to take its place. Business takes capital goods and reproduces more than it put into them or else it is not successful. The farmer takes seed in the spring of the year and reproduces it four or five fold. That is what business is. Business is to take capital goods and turn them over so that you will have more capital goods when you get through. In war that position is absolutely reversed. The Government takes horses, motors, food, clothing, explosives, machinery, aeroplanes, and expends them, and you are all the time taking out of the till and you are never putting anything back. It is obvious that if we go on with luxury as usual and taxation as usual we do not save anywhere, and we should have more taxation for the express purpose of paying our bills and also making people pay.

I do not want a consumption tax. I have on my desk a tax receipt for $1 tax on a citizen of New Hampshire for carrying a watch in war time. Evidently every man who carried a watch had to pay $1 a year for the privilege in war time. I hate to see those taxes come. I would first exhaust our resources in the way of taxes on large incomes, on genuine war profits, and we could get two or three billion more out of that if we had the courage to go at it and take it.

Just think what position the Treasury would be in now if instead of having $3,000,000,000 in taxes coming in the 1st of July it was going to have $6,000,000,000! Then it would be well enough to go to the Federal reserve bank to get short-time obligations on currency, because it would be paid back when the taxes came in. No; this bill diverts the stream of productive capital into essential industries and diverts it from nonessential industries. It takes, practically, capital from the control of one group of capitalization and gives it to another.

This control of productive capital makes it a banking proposition and makes it a national money trust; but instead of being a Wall Street money trust it is a Government money trust. Through it the Government will absolutely control the course of industry in the United States. I hope Senators will not blink the fact. We are doing it, and I say, Amen. We must do it to pull out of this lamentable financial condition in which we are. It should have been done long ago.

Mr. President, this is a currency proposition. It permits an inflation of credit and an inflation of currency. Whenever you issue bonds for war purposes you are inflating credit. That is easy to be shown. Suppose a man has a thousand dollars in a savings bank and takes it and buys a Government bond of a thousand dollars. The Government takes his thousand dollars and spends it. The man has his thousand-dollar bond. He can go and sell that bond if he can find a purchaser, or he can borrow on it almost to its entire value. The issue of bonds for war purposes does inflate credit. We can not lay all this inflation on the increase of gold coming into this country. I wish we could, but it can not be done. In the testimony of Mr. Warburg before the Finance Committee he spoke more than once of the tremendous inflation that would result from this bill. He knows it. He did not say this bill was a desirable thing. Mr. Harding, the governor of the Federal Reserve Board, did not say this bill was a desirable thing. They both said that the bill was a necessary thing, and that they did not know where else to turn if it were not passed.

I am not afraid that the Federal Reserve Board will allow the Federal reserve currency to become tremendously inflated. It has become inflated already. That is one trouble with any elastic currency. They are always ready to inflate it, but they are never ready to deflate it. We have got out now about $1,250,000,000 of Federal reserve currency. That leaves us 66 per cent gold reserve. That is the safest paper currency there is. We could, by carrying out the terms of this bill, issue $2,000,000,000 more, and we would still have a 40 per cent gold reserve, and that would still be the safest paper currency in the world. But what have we done? We have not got another bushel of wheat or another cannon or another blanket in the war out of the performance. We have merely issued $2,000,000,000 more of paper currency that will lift prices all over the world.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. HOLLIS. I do.

Mr. SMITH of Georgia. Is not the amount of the additional issue $1,700,000,000, instead of $2,000,000,000?

Mr. HOLLIS. I took Mr. Warburg's statement concerning it. He is pretty nearly right. That is his specialty, and I think he knows, but if it is $1,700,000,000, then it is so much less dangerous. They can not, however, inflate it much more than $1,700,000,000 more than it is now.

Mr. GERRY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Rhode Island?

Mr. HOLLIS. I yield to the Senator.

Mr. GERRY. Does not the Senator think that very likely the mere fact of the creation of this corporation will prevent the use of this power—the sale of these bonds to extend credit?

Mr. HOLLIS. I wish I did.

Mr. GERRY. If the Senator has read the testimony of Mr. Harding and of Mr. Warburg he probably has found that that was their hope.

Mr. HOLLIS. I have studied very carefully the testimony of Mr. Warburg and of Mr. Harding; I have great faith in both those men; but I did not see any evidence of confidence on their part. They said that sometimes when funds were available people did not want them, but I have not any fear that people will be timid under this bill. You will find corporations and individuals all over this country trying to hook on to this great war bank. You will not find any modesty, even on the part of the savings banks or insurance companies from trying to get on in some way. I am sorry to say that I do not believe that the fact that this $500,000,000 or $4,500,000,000 is available is going to abate the appetites of financiers. I think it will rather whet their appetites.

Credit in the form of Government bonds inflates prices. Mr. Warburg said that, and every financier and every economist who has given the matter thought says it. We are putting it in the power of this corporation to take $500,000,000 out of the Treasury. Where will the Treasury get it? The Treasury can only get it by the issue of more bonds. Who is going to buy those bonds? Then we give this corporation the right to issue $4,000,000,000 of bonds on top of its capital. Where is that money coming from? Why, that is merely additional credit; that merely puts those who have those securities in the field to bid against the Government for funds. The reason we have got to do it is because the Government has exhausted the investment field. The Government has got to borrow this $500,000,000, and then it is going to allow this corporation to issue

$4,000,000,000 of bonds without fixing the rate of interest. I had to fix the rate of interest in order to get the rural-credits bill through. Bonds can not be issued by any of the land banks bearing more than 5 per cent interest, but the bonds of the proposed finance corporation can be issued at any rate of interest at which the members of the corporation choose to issue them.

How will it work? We are appropriating this money because we are giving the corporation the right to issue securities by which it can go into the market and buy things—not even things; I wish they were going to buy things; but they are going to buy credit. Credit is nothing in the world but a hope that some one will pay; that is all it is. A credit is a promise to pay; it is faith given to some one that he will pay. How can the men who wish to get money to carry on their essential industries get the money? If they could borrow it from their commercial banks, to be locked up in long-term enterprises, they would bankrupt the commercial banks.

The distinguished chairman of the Committee on Finance [Mr. SIMMONS] complains because the Federal reserve banks are discriminating against this sort of loaning. It is their business to so discriminate, because they are short-term banks.

Mr. SIMMONS. Mr. President, will the Senator pardon me for an interruption?

Mr. HOLLIS. I yield to the Senator.

Mr. SIMMONS. I did not complain. I simply stated a fact; and stated it as a fact.

Mr. HOLLIS. Well, the word "discriminate" carries with it a little tinge of complaint; but it is a fact that these banks do discriminate against locking up their liquid funds in long-term investments.

The captains of industry who want money to put up factories or other enterprises needed to conduct the war can not borrow the money from their regular banks; therefore they go to their respective banks and say, "If you will take our securities, our stock, or our bonds, you can go to this war bank in Washington and they will either give you the funds or will give you their bonds." So the local bank cashes in the securities, and then comes to Washington and finds that the war bank at Washington has exhausted its capital of $500,000,000. The manager of the bank in Washington says, "We can not give you money, but we can give you bonds." That is the scheme of the Hon. David Lubin for financing the rural-credit banks; that is the German landschaften scheme. There a farmer would go to a bank and mortgage his land and he would get a land-bank bond. Then he would sell it in the market for whatever it would bring. That is the great vice of this measure, because the local bank, having come to Washington, cashed in the securities of the local industry for one of these war-bank bonds, or a series of them, at what per cent we do not know, can then go back and dispose of them at 90, 80, or 50 per cent of their face value, depreciating the bonds, or can put them up as collateral security for a note in the Federal reserve bank at a ratio of 1, 2, or 3 to 1. Then the local bank can loan money on the obligation of the local industry, secured by the bonds of the war bank. Then the local bank is in position by giving its note, not to exceed 90 days, to the Federal reserve bank of discounting and drawing from the Federal reserve bank cash on that transaction. Then the Federal reserve bank is in a position to put up the note secured by the bonds and get Federal reserve notes. That is a very long, tedious, and circuituous route; but it will not deceive anybody who really puts his mind on the transaction. It is nothing in the world but an effort to convert the securities of an industrial corporation, with the indorsement of the Government upon them, into a liquid form so that currency can be issued in their stead. That is all it is, and it is all it pretends to be. As I have already said, that will result in greater inflation.

The direct way is the best. I complained two months ago because the Farm Loan Board had not sold its securities on the market. Senators will recall that I came into the Senate and asked permission for the Treasury to purchase $200,000,000 of farm-loan bonds. That was necessary because the investment market had been swept bare. I was told that the Farm Loan Board had not tried to sell the bonds because they did not want to interfere with the liberty-bond drive; and there is something in that, for the farm-loan bonds were a more attractive bond at 4½ per cent than the Government bonds at 4 per cent.

If the proposed Government finance corporation is permitted to issue its bonds, they will come in direct competition with the next issue of liberty bonds—it can not be helped—and they will not sell unless they carry a greater rate of interest than the liberty bonds; but the Government is morally back of them, and the Government will not allow any of these war-bank bonds to be defaulted. We shall be asked to back them up and we will do it. If we have got to have this capital to devote to essential industry in this country for the successful prosecution of the war, the best way to do is to borrow it all on liberty bonds and not place another lot of bonds on the market at a higher rate of interest, possibly, and prevent the Government from borrowing on liberty bonds. I do not want to see the liberty bonds in competition with bonds that carry a higher rate of interest. If the Government is going to finance these great industries, let the Government borrow the money on straight bonds, finance the industries, and take their obligations, for that is all it will get in the end. You can not make credit on such a basis as that. You may deceive some people, but you have not any more back of it by going through all this mummery and setting the printing presses going and issuing these different kinds of bonds. You do not get any more out of it than you do if you borrow the money through the Government direct and loan it to these industries direct.

Mr. SIMMONS. Mr. President, does not the Senator overlook the fact that in all the loans made by this proposed corporation to industries, except public-utilities corporations, the Government receives, in addition to the security of the original borrower, the industrial corporation, the obligation of the bank, through which alone these advances can be made to the industrial corporation?

Mr. HOLLIS. I do not overlook that. The credit of these banks and their soundness are absolutely essential to conducting the ordinary commerce and business of this country; and when those banks are allowed to issue acceptances on obligations of industrial corporations, which is precisely what it is proposed to do, those banks are weakened. If those banks are of any benefit to the community, it is because they serve commerce and business on quick commercial transactions, and when you allow them to write acceptances in an unlimited amount on obligations of this sort you merely allow them to kite securities. Why, they are taking now out of the Federal reserve banks enormous sums——

Mr. SIMMONS. Does the Senator think that the banks of the country would likely be willing to put their indorsement upon the paper that they discount or sell to the finance corporation unless they had carefully investigated and satisfied themselves that the security which they had taken from the borrower was ample and sufficient?

Mr. HOLLIS. Then, if they are satisfied as to that, why do they not lend them the money themselves and not come to the Government?

Mr. SIMMONS. They have not the money, that is the difficulty, and this measure is designed to accommodate that present situation.

Mr. HOLLIS. It is because they have not got the money, and this is to allow them to turn long-term Government securities into quick assets of a commercial bank—something that is unsound.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Colorado?

Mr. HOLLIS. I yield.

Mr. THOMAS. The Senator, I presume, also has not overlooked the fact that the issue of currency upon these securities must be based upon 90-day paper or short-term paper?

Mr. HOLLIS. I am glad the Senator has suggested that, because that is an attempted compliance with the theory of the Federal reserve act, but it is not a compliance with it in its most essential particulars. The currency issued by the Federal reserve banks is based on short-term obligations, but it is, more important still, based on a self-liquidating security. Under the present act there are two classes of securities that can be put up. The principal one that is allowed is the security based on a business transaction, a note for 90 days or less. The other one is more or less of an excrescence; they are allowed to put up Government bonds as security. That, however, was understood to be an excrescence. No one thought that that ought to be done, but it was not desired to discount Government obligations and make them of less value than commercial obligations. The fact that that is not looked upon with favor by financiers is shown by the circumstance that, with all the billions of Government bonds that are now outstanding, the Federal Reserve Board has only permitted $343,000,000 to be put up as security for Federal reserve notes; and I hope that the Federal Reserve Board will stand firm as a rock on that proposition and not permit Federal reserve notes to be issued unless based on a security that is self-liquidating. Of course, Senators understand what is meant by "self-liquidating."

Mr. SMITH of Georgia. Mr. President——

Mr. HOLLIS. I yield to the Senator.

Mr. SMITH of Georgia. The same limitation is placed upon these bonds. The Federal Reserve Board determines whether they may be put up and can also charge an extra rate on the notes issued.

Mr. HOLLIS. Yes; that is true, but the pressure that is already put upon these gentlemen, as appears from their testimony, is enormous. There is nowhere in that testimony a whole-hearted encouragement for or argument in favor of this plan. They are brought in and they tell the bad situation we are in. They say they think this $500,000,000 will tide them over so that they will not need any more, but that if it does not, then they certainly should be given this power to issue bonds up to $4,000,000,000, and that we need not be afraid that they will issue any more than they need, and so on. That is always the argument.

But the vice of allowing these bonds to be put up is that they are to be issued for the express purpose of being put up as security for Federal-reserve notes and that they do not possess the self-liquidating feature. I will explain in a word to the Senate what I mean by "self-liquidating feature." Under the Federal-reserve act a member bank can not get Federal-reserve notes from a Federal-reserve agent without putting up its own obligations secured by notes that have been rediscounted for the member bank, which are payable in 90 days or less, and which are based on a commercial transaction. That means that the man who borrows of any member bank must be engaged in business which will be ended in 90 days, so that the obligation will be paid off with the hope of profit. That is self-liquidating. These long-term bonds are not self-liquidating. I wish they were.

Mr. SIMMONS. Mr. President, I do not suppose the Senator would suggest that liberty bonds, against which notes may be issued, are self-liquidating any more than are the long-term bonds to be issued by the proposed corporation?

Mr. HOLLIS. No; they are not. They are not so quickly liquid, because they run 20 years, while the bonds of the proposed corporation will run 5 years; but 5 years' liquidation in war times is not worth considering.

Mr. SIMMONS. Well, one is as liquid a security as is the other.

Mr. HOLLIS. Just about, and the finance-corporation bonds will be a little more liquid, because they will run for only five years; but I do not call that liquid.

Mr. SIMMONS. I understood the Senator to say that the Federal Reserve Board had not encouraged the issuance of notes against the liberty bonds?

Mr. HOLLIS. That is true.

Mr. SIMMONS. And that resulted, as we all know, in keeping down the additional currency issued on account of the bonds to about $300,000,000. Now, the Senator says he approves of that policy. If the board should apply that same policy to the issuance of notes against these bonds we could not reasonably expect any greater inflation from these bonds than from a like number of liberty bonds.

Mr. HOLLIS. Well, if the Federal Reserve Board had reached its limit in that respect, then it would be useless to issue these bonds with any hope that they are going to be used as a basis for currency—we have got more of it than we can use now—but these bonds are to be issued with the express idea that they are going to be used for that purpose, and these men will be more than human if they are able to withstand the pressure.

Mr. SIMMONS. Does the Senator think he is entirely correct in making that statement? The bonds are to be issued with the express idea that they may be discounted at the Federal reserve bank by the member bank holding them. I do not know that there is any purpose to make them more available or eligible for use for issuing purposes than liberty bonds are eligible for such purpose.

Mr. HOLLIS. The attempt is to hook them up with the commercial banks of the country and get commercial capital to use them for long-term purposes. The Senator speaks of the Federal reserve banks as if they had money to loan. They have not money to loan; they were not created for that purpose. What have they? They have a capital of $73,000,000 that we clubbed out of the national banks, of which we made every national bank pay its share or else go out of business. The Federal reserve banks have that for capital. What else have they? They have Government deposits of just $56,000,000; and if the Government dared to take that away it would do so, as it has use for it. Then, what else have they? All else in the world is the reserves that belong to the national banks. They have $1,460,000,000 of these reserves that were not meant to be loaned and ought not to be loaned. That is the quickest liability this Government has, and it is in the Federal reserve banks. That money belongs to the member banks—it constitutes their reserves—and if there happens to be a run on our banks that money will be needed to put out the conflagration.

The Federal reserve banks were never organized to loan money themselves. The only way that they are in shape to loan anything is by issuing paper currency, which is good paper currency, but nothing but currency. So you can not get any loans out of the Federal reserve banks, because they have not the money to loan. The only thing that can be obtained from them is currency. Their function is to issue currency.

I say this is socialistic, but when I say that I do not mean to condemn it. I am for certain socialistic aims; I am for them when they are sound and when there is reasonable hope that they will work. But I wish to inquire why it is that socialism to help capital and to help the well to do is sound and respectable while socialism to help the poor is unsound and disreputable.

It does not hurt this with me at all to call it socialistic, but I want the conservative gentlemen who have been talking about sound, economic principles during the five years I have been in the Senate to realize that they are doing a socialistic thing. I am proud to have them join me, but I do not want them to ask me to go too far in the path of socialism.

I do not want any Government agency to try to manipulate or stabilize the price of United States bonds. That power is in this bill. They can not do it. If they attempt it, it will be disastrous. The only reason why they should try it is because the price of liberty bonds is declining. Then, if they had money enough they might go into the market and buy liberty bonds and put their price up; but what a foolish thing that would be. That would mean that the people who have bought liberty bonds already and have got credit on them from their local banks will sell them back to the Government and get a lot more credit by borrowing more on the new issue of liberty bonds. I am willing to trust the Secretary of the Treasury and these four superfinanciers if they want to be trusted to that extent, but I hope Congress will stay in session and will watch the proceeding.

I do not want any Government securities indorsed by the Government or permitted to be issued by the Government to be sold in competition with the liberty bonds, especially with no limit on the interest rate. Investors will not buy liberty bonds if they can get other sound bonds at a higher rate. There is no need of other bonds being issued, because we can borrow just as well on liberty bonds.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. HOLLIS. I yield.

Mr. SMITH of Georgia. As these bonds when sold will be practically always under the control of the Secretary of the Treasury, and as he is directing the selling of liberty bonds, does the Senator suppose that there will be any possible conflict in the sales?

Mr. HOLLIS. Unless he can in some way make them more desirable than liberty bonds, they will perform no function whatever, because he has got plenty of liberty bonds. The only way to use these other bonds, these superbonds, is to put them out on a more attractive basis of some sort; and the only way I know by which that can be done is to pay more interest on them.

Mr. SMITH of Georgia. But the Senator was arguing that they might interfere with the sale of liberty bonds, and I ask him if he does not think the Secretary of the Treasury will certainly guard us against that.

Mr. HOLLIS. The Finance Committee has not guarded us against that. The Secretary of the Treasury asked to be allowed to appoint these other four men himself, but the Finance Committee were not willing to trust him to do that; so that they are to be appointed by the President and confirmed by the Senate, and they will outvote the Secretary of the Treasury 4 to 1. That is in the bill, I will say to the Senator.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the junior Senator from New Hampshire yield to the senior Senator from New Hampshire?

Mr. HOLLIS. I yield.

Mr. GALLINGER. May I suggest to my colleague that the Secretary of the Treasury, of his own volition, stated that he was quite willing to have that change made?

Mr. HOLLIS. Yes; I have no doubt he would compromise on almost anything to get himself out of the financial hole that Congress has plunged him in. If he is to get this bill through, it is necessary to have the Finance Committee with him. He agreed to that and agreed to some other things that I believe he did not want to agree to.

Now, about the savings banks. The savings banks are tremendously important institutions. In my part of the country they pay as high as 4 per cent interest.

Mr. SMITH of Georgia. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. HOLLIS. I yield.

Mr. SMITH of Georgia. I should like to call the Senator's attention to the fact that the bill itself provides that the rate of interest and terms of sale of these bonds can not be controlled by the directors, but the directors, with the approval of the Secretary of the Treasury, are required to act. The Secretary of the Treasury can veto their action with reference to the sale of these bonds. I think that was intended, perhaps, to guard the very proposition to which the Senator has referred.

Mr. HOLLIS. I hope it will work in that way. I thank the Senator for calling my attention to that; I had overlooked it.

Now, discussing the savings-bank situation. The poor people save their money, and they save it in my part of the country at great personal sacrifice. They have to economize. The people in my section of the country, however, bought war savings stamps and they bought liberty bonds on the installment plan. There is no stimulation of business up there because of the war; in fact, some businesses are very low, because people can not buy the sort of goods they produce. They put their money in the savings banks and they get from 3½ to 4 per cent interest on it. Now, the Government comes along and offers them a bond at 3½ per cent. They will not draw their funds out of the savings banks to buy 3½ per cent bonds; but when the Government offers a bond at 4 per cent they will begin to draw their money out of the savings banks; and if the Government issues a bond at 4½ per cent, I do not see what any savings-bank depositor is thinking of to let his money remain there.

The savings banks usually invest their funds in long-term securities, because as a rule the savings banks continue to increase their deposits; a large amount of their deposits is never withdrawn at one time and, therefore, it is safe for savings banks to have their investments in semiliquid securities; but at a time like this if a 4½ per cent bond is issued, savings-bank depositors will find it good business to withdraw their deposits and invest them in Government bonds. You can not appeal to their patriotism and ask them not to do it, because patriotism does not extend much further with the poor people than it does with the rich people; it goes just about as far, but no farther.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Michigan?

Mr. HOLLIS. I yield.

Mr. SMITH of Michigan. Does not the Senator think that if this statement is true, the question of the parity of these bonds is very vital? Of course if the bond drops below par, the savings-bank depositor is just as well off with his savings certificate as he would be with his bond, because that is always at par and easily gotten out of the bank. I do not see just the temptation to surrender the savings-bank certificate for the bond at 4½ per cent unless its parity is to be assured.

Mr. HOLLIS. The savings-bank investor puts his money in the savings bank and leaves it there to accumulate. When he buys a Government bond, he knows that it is going to be paid in full when it matures. He is not much interested as to whether it depreciates on the market or not. He is satisfied that it is going to be paid. But the point is this: Because these bonds at 4 per cent may not meet a ready sale, the proposition is to put them up to 4½ per cent, so that they will sell at par; and when a 4½ per cent bond is put out at par, then the temptation is great for the savings-bank depositor to draw his money and put it into the bonds.

I am willing to give this war bank $500,000,000 of capital. I think they will do an enormous amount of good with it. They will encourage essential industries. Through their investment-issues committee they will discourage nonessential industries. I believe that is true, but I do not want to give them more than $500,000,000, and $500,000,000 to start with. If investors, capitalists, bankers, public utilities, and savings-bank trustees know that they have credit up to the amount of $4,500,000,000, the demand on them will be something frightful, and these men will have to be more than superfinanciers to resist it; and we ought to protect them by limiting the amount appropriated under this bill to $500,000,000.

There are two fundamental objects of government in war times. The first is to win the war and the second is to maintain the people during the war. We must produce subsistence for ourselves, our soldiers, and our allies, and we must produce engines of war to destroy our enemies. Capital goods available for production are limited. If we expend them for luxuries, we can not expend them for munitions and necessities. The best way, as I have suggested, to prevent expenditures for luxuries is to increase taxes. By taking from the people through taxation, we take away the power to waste money on luxuries; we take away the power to compete with the Government for capital goods. That is a better way to curb the production of nonessentials than to constitute a capital-investment committee. This taxation should be imposed on consumption as a last resort. The poor should be saved as long as possible. Instead of harming all the people by borrowing, and consequent inflation, we should get the last dollar from, first, income taxes on large incomes, and, second, genuine excess-profits taxes.

Through our own actions on the floor of the Senate and through the action of the conference committee our taxation on excess profits was robbed of its title. It has no claim to be called an excess-profits tax, or at least a war-profits tax. It is merely a graduated income tax on corporations—something that I have spoken against more than once in the Senate. But this year there will undoubtedly be five billions of profits due to the war. If the stories from Hog Island and other parts of the country are true, there will be a great deal more. Now, we evidently are not able to curb the extravagances in war expenditures; we evidently are not able to keep down the prices of subsistence; but we are able to take out of the excessive profits of capital and business a very large share in the shape of excess profits, and we will be recreant to our duty if we do not do it.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. HOLLIS. I yield.

Mr. McKELLAR. A little while ago a question was asked by the Senator from Nebraska [Mr. NORRIS] about the attitude of the Secretary of the Treasury toward this tax bill last summer. I recall very distinctly that the Secretary was very much in favor of a larger measure of taxation then, just as I think the Senator from New Hampshire was, and I was, and various Senators were on the floor. I want to say that in my judgment the Senator from Nebraska is wrong in stating that the Secretary of the Treasury was not then in favor of a higher rate of taxation. My recollection is that he started out with a fifty-fifty proposition on expenditures to be made by our own Government, and I think it is fair that that statement should be made at this time.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. HOLLIS. I yield.

Mr. NORRIS. Nobody would be more delighted than I if the Secretary of the Treasury, representing the administration as he does, had favored such a thing as that. No one would be more delighted than I, if instead of saying, as I understand he did before the Finance Committee of this Congress, that he was not in favor of changing the tax law, but wanted to raise this money by bonds, he had taken the other course and said, "Increase the taxes on large incomes and war profits." I never heard it stated, here or elsewhere, when that bill was pending, that the Secretary of the Treasury asked us to increase taxation on large incomes.

Mr. McKELLAR and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield, and to whom?

Mr. HOLLIS. I yield. I yield to either or both of the Senators.

Mr. McKELLAR. I can only say that I recall very distinctly having talked to the Secretary about it at the time, and he was in thorough accord with raising more money by taxation than the committee had reported out at that time. He was actively in accord with it.

Mr. NORRIS. Mr. President, if that is the position——

The PRESIDING OFFICER. The Chair must ask Senators to address the Chair, so that the Chair may be able to protect the Senator who has the floor.

Mr. NORRIS. I addressed the Chair.

Mr. HOLLIS. I am in the hands of my friends.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. HOLLIS. I do.

Mr. NORRIS. If the Secretary of the Treasury holds that position we can double the tax on large incomes in 10 days from now, if we have a message from the President advocating it.

Mr. SMITH of Georgia. Mr. President——

Mr. HOLLIS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. Will the Senator from New Hampshire allow me to ask the Senator from Nebraska a question?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield for that purpose?

Mr. HOLLIS. I do.

Mr. SMITH of Georgia. What part of the large incomes do we now take? Do we not take over 60 per cent?

Mr. SIMMONS. Sixty-seven per cent.

Mr. SMITH of Georgia. Then, how could wo double it?

Mr. NORRIS. That is not the question involved. If the Secretary is in favor of increasing taxes on large incomes, in my judgment—and I do not believe anyone will dispute it who knows how laws are enacted here and the influence of the administration—if the influence of the administration is behind it, and the President will ask it in an official message, in less than 10 days the law will be changed.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. HOLLIS. I yield.

Mr. SMITH of Georgia. Yes; but I was asking the Senator how you could double it if you take 67 per cent of the large incomes now? [Laughter.]

Mr. NORRIS. Well, that would not be very hard to do, with the administration behind it. [Laughter.]

Mr. HOLLIS. Mr. President, I made a rash remark a little while ago when I said I was willing to yield to both Senators. It does not work very well when both are yielded to at once, because both can not talk at once.

I recall distinctly that some one connected with the administration said to me last summer, "If we can not borrow enough money to finish this war at 3½ per cent, then we believe that the taxation should be raised." I thought I had some assurance there; but I do not recall who said it, and I will not even say that anyone did; but I felt that those who were running the finances of the Government had an idea that they could borrow all the money that was needed at 3½ per cent, because it was obvious to anyone who studied the question that if they put out bonds at 4 per cent they were going to prevent ordinary businesses from getting money for their ordinary obligations; they were going to drain the savings banks.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. HOLLIS. I yield.

Mr. OWEN. I merely wanted to suggest to the Senator that the 3½ per cent bonds, not being taxable, were easily floated, and they have maintained their high price, while the 4 per cent bonds, being taxable, do not sell at so good a figure; and that I am in accord with him that the Government of the United States can not raise the rate of interest above the point which is fixed by the savings banks of this country without having a very serious withdrawal of funds from those banks, which they can not meet.

Mr. HOLLIS. I thank the Senator for his reenforcement of my idea; and since we are on this question of what the Government income is, and how much more it might be, I will submit at this point a few figures.

Under the old revenue laws, as they existed before we passed the war-revenue act last summer, the revenue of the Government was $1,357,000,000. I will give these figures approximately. Under the new revenue law it was estimated that the corporation tax—that is, the excise tax—would yield $360,000.000 additional; that the personal income taxes would yield $450,000,000 additional; that the excess-profits tax would yield $1,500,000,000 additional; spirits, $207,000,000; tobacco, $56,000,000; transportation, $150,000,000; making a total of new taxes of $2,723,-000,000, or a total income of the Government for the current year of $4,080,000,000.

Now, the excess-profits tax was figured on profits of $4,000,-000,000. I believe myself that they will amount to $5,000,000,000 this year. If we should take 80 per cent of the $4,000,000,000, we would get $1,700,000,000 more than we are getting now. We might easily increase the taxes on large personal incomes by $500,000,000. That would make $2,200,000,000 more that we could raise from taxation from these two sources. That would give the Government an income of $6,280,000,000, which would be 50 per cent more than it is now. I believe that if we were raising that amount through taxation we could raise the rest by floating bonds at a reasonable rate.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. HOLLIS. I yield.

Mr. OWEN. I did not hear clearly whether or not the Senator included inheritance taxes there.

Mr. HOLLIS. I did not, because the amount received from them is not very large.

Mr. OWEN. But the receipts from inheritance taxes could be made very large by dealing with some of the gigantic estates, which we know are growing beyond the possibility of the owners of those estates to employ. The Government of the United States could, with great propriety, pass an inheritance-tax law that would appropriate a substantial part of these gigantic estates very profitably for the moral effect upon the country as well as for the effect upon the exchequer; and, besides that, it has the very great advantage of being a tax against which no man kicks, because he is then dead.

Mr. SMITH of Michigan. His estate kicks, however.

Mr. HOLLIS. If he is surely dead, that is true. The Senator has made an investigation of that subject; and I will ask him how much in addition to what we now raise by inheritance taxes he thinks we might fairly raise?

Mr. OWEN. I have no adequate figures with regard to it; but we all have observed, in recent times, the gigantic growth of some of the estates of the country, which have grown as much as an estimated amount of a thousand million dollars, such as the Weyerhauser estate, the Rockefeller properties, and so forth, or like the Bingham estate, which I am told amounted to $68,000,000. There is a proper limit at which the ownership of property serves no useful purpose. After it passes beyond all demands of luxury and of extravagance itself, there comes a time when the ownership of property merely means the unrestrained control over the lives of other people; and I think that the policy of the Government of the United States ought to be adjusted keeping that in view.

The difficulty has been, as I understand it, that the States are to some extent alleged to be jealous of this arrangement; but the fact is that no State can really control that matter, because a very large estate can have itself transferred from one jurisdiction to another whenever the inheritance-tax law promises to be injurious to the heirs of the estate. A man can take his citizenship from one State to another, and evade the law, therefore, until all 48 States have a uniform law, which never will occur; but this matter could be so adjusted that the States should receive a proportionate part of the funds derived from inheritance taxes, and a large inheritance tax on gigantic estates ought to be established as a public policy in times of peace—much more so in times of war.

Mr. HOLLIS. I thank the Senator.

A government is like an individual. If an individual has a large income, he may have enough capital goods at his own disposal so that he does not need to borrow other capital goods, through money or through credits, in order to carry on his business. When such a man goes to a bank to borrow, they will ask him for a statement; and he can borrow or not, and the amount he can borrow will be determined by the showing of his income. If his business is profitable, and he is getting a large income, the bank will loan to him even if he has not very much in the way of investment or fixed capital; and so it is with a government.

The Government gets its money to spend from two sources. One is through its income, which is taxation—and that is substantially all the income the Government of the United States has, through taxation—and it gets its other money to spend through borrowing. If it has a very large income in proportion to its expenditures, of course it can borrow more cheaply than it can if it has a small income and large expenditures; and there is a tremendous difference in the balance sheet of the Government if the Government shows that it has an income of four billions and is spending fifteen billions than if it has income of six billions and is spending thirteen billions. It looks very differently to any financier who looks into it.

We appropriated, last summer, some twenty billions. I was not frightened at that statement, because I knew we could not spend it all in a year. The industries of this country will not produce enough so that you can spend all that money in a year. We have had six months of it, and we have spent about a quarter of the amount we appropriated. We will do well if we produce enough so that we can spend more than a quarter more in the second six months. The expenditures of the Government this year will not exceed ten or twelve billions; and if we could raise six billions by taxes we would be in a splendid financial condition.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. HOLLIS. I yield to the Senator.

Mr. GORE. I will remind the Senator that if we would lay as high taxes now as we did lay during the Civil War, they

would yield an annual income of six billions or a little in excess of that.

Mr. HOLLIS. I thank the Senator for calling my attention to that. In the Civil War we did exactly what we are doing in this war. We started out for two or three years and tried to finance the Government on credit. We did other things in the Civil War that we did in the Spanish War: We exposed our soldiers to typhoid fever, and to embalmed beef, and things of that sort. I thought that when we had the Spanish War we would learn better, and we have in those respects; but here we are conducting, as we think, the chief part in the greatest war of history, and we are repeating the financial mistakes that we made in 1861, 1862, and 1863. It was not until the Civil War had been in progress for three years that the Government of the United States awakened to the fact that the only way to fight a war and do business approximately as usual was to increase taxation; and finally it was done. It seems very strange that with all the information at our disposal, with all the history and the books, with all the political economies that are written, and with all the professors of economics dinning this fact into our ears, we have got to wait and learn the lesson by bitter experience by passing this highly socialistic measure.

The refusal of the Finance Committee to levy as large income taxes and excess-profits taxes as possible has made this war bank and this money trust and this undue inflation necessary. I shall support the bill because it is necessary, but I am not going to support any more of its extreme features than I have to. I shall offer some amendments that I hope will improve the bill. If they are voted down, I am going to vote for the bill anyhow, because we have bankruptcy staring us in the face if we do not put this bill through; and we are going to try to take care of an inflated credit by more inflated credit.

Mr. SMITH of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. HOLLIS. I yield.

Mr. SMITH of Georgia. The Senator, I think very correctly, has stated that our real expenditures during the first year probably will not be more than half of our appropriations. Can the Senator state what he thinks our total expenditures will be for the first year, then?

Mr. HOLLIS. I said ten or twelve billions. Let us call it twelve billions; and we will raise four billions of that by taxation, if we are lucky.

Mr. SMITH of Georgia. Does the Senator think it will be as much as twelve billions?

Mr. HOLLIS. I should think so. We spent at about a 50 per cent rate for the first six months, and we probably will increase that the second six months, because we are getting ready for it.

Mr. McKELLAR. Mr. President, is that exclusive of the amounts loaned to our allies?

Mr. HOLLIS. I thing that includes the whole thing. I think it does. I think the amounts loaned to the allies will bring it all up to about twenty billions, and I think that up to the 1st of January we had spent about a quarter of that.

Mr. SMITH of Georgia. Then the Senator's estimate is that we will have raised by taxes about one-third instead of half?

Mr. HOLLIS. Yes; about a third. Now, if our income is large enough, there is no reason why we should not be able to float these bonds at 3½ per cent. There is no reason why we should be talking about a 4½ per cent rate.

Mr. SMITH of Georgia. Mr. President, the difficulty about it is the tax upon the bonds, is it not? We make the income from the bonds subject to our excess-profits taxes, going up to 68 per cent when the income passes a million dollars, or something like that.

Mr. HOLLIS. That has some bearing on it; but I will call the attention of the Senator to the fact that that is only a difference of about one-half of 1 per cent, because the 3½ per cent bonds, which have the tax-exempt feature to its extreme, are selling on about a parity with the 4 per cent bonds, that do not have the tax-exempt feature in its extreme form, so it is worth about one-half of 1 per cent on the figures.

Mr. SMITH of Georgia. The tax-exempt feature?

Mr. HOLLIS. The tax-exempt feature; it is so considered by the investors, because the market shows it. Does the Senator get my reasoning on that point?

Mr. SMITH of Georgia. Yes; I get the Senator's reasoning, but is not this true: Only a little over $50,000,000 of the bonds of the last large issue have been offered on the market. The great bulk of them have not gone upon the market at all, and just a slightly increased buying capacity would put the bonds now on the market right up to par again.

Mr. HOLLIS. I hope that is so.

Mr. SMITH of Georgia. I will state to the Senator that I have been advised—we were so informed by witnesses before the Finance Committee—that the bonds offered for sale did not reach $6,000,000 in all, so far as they could find out, and that just a small buying movement would put them back to par at once.

Mr. HOLLIS. I am afraid that with the investment pool sucked dry there will not be that buying movement again right away.

Money, bonds, currency, credits, securities, stocks, evidences of debt, banks, financial corporations, money trusts, a United States bank, produce nothing. They are merely tools which direct the flow of real capital into certain productive channels and away from others. The amount of production is determined by the amount of wool, cotton, dyes, ore, coal, logs, iron, copper, lumber, lime, wheat, corn, oats, hay, horses, mules, motors, and other supplies and materials which are available. If we assign them exclusively to one industry, other industries must cease. All the dangers we pictured last summer are real ones. We can not borrow enough money at reasonable rates; there is inflation; capital is not available for ordinary uses, and the remedy proposed is more bonds and more inflation. It should be more taxation.

We wer told last summer not to have high income taxes so that capitalists might have capital for business purposes, so we have small taxes and large borrowings. The result is, we are now asked to finance private businesses because capitalists have no money for private businesses.

When the Government gets a dollar by taxation its assets increase exactly $1. When it gets a dollar by borrowing, it adds that dollar to both its resources and its liabilities. It adds nothing to its net assets, because it has to pay back every dollar with interest. You can not get relief in this situation by swapping credits from the war bank to national banks, Federal reserve banks, and Federal reserve notes. You merely cause inflation.

The proposition is to help an essential industry—called in the bill an industry that is necessary or contributory to the prosecution of the war—to get capital by exchanging war-finance bonds for the corporation's stocks or bonds. Let us see how it works out. Take some essential industry that desires to build a power plant for war purposes. Take an electric-power plant, for example. It can not get funds in the market, because liberty bonds have sucked the investment pool dry. It applies to the war bank. It receives war-finance bonds for its stock or bonds. It can not sell the bonds, because the war bank can not, so it goes to a commercial bank and pays a rate high enough to procure the funds. The bank puts up the war-finance bonds as collateral with the Federal reserve bank, which discounts the note, and is allowed to issue Federal reserve notes based on the collateral. The result is an increase in the currency to the amount of the loan. This is expansion of the currency. If it goes too far, it becomes inflation of the currency; but at least the transaction results in taking liquid assets and putting them into fixed capital, where they lose their liquid form, and in doing this you have perverted the Federal Reserve System.

The only way to get relief is to produce a large amount and to save what you are going to expand in the war. It does absolutely no good to issue long-term securities and draw capital goods away from the commercial banks and away from industries that must have them to perform war functions. When we get the people to save, when people do not consume as much as they did before, and, in addition, if we can stimulate them to produce more, then we get the margin that we must have for the terrible extravagance of war.

The theory of the Federal reserve notes was that they were issued against self-liquidating notes arising from commercial transactions. When the transaction ended the notes were paid. In the case supposed, the funds go into a power plant, and they come out over a long series of years in profits. Notes of this kind are not self-liquidating. The Federal reserve banks were not intended for long-term investments. They were not organized to help fund capital issues, to have their funds locked up in long-term obligations. The intention was to limit their transactions and their currency to the amount of business done in short-time commercial turnovers.

The proposition to use farm-loan bonds as security for rediscounts with the Federal reserve bank was turned down as unsound. I resisted it to the last, but I was finally convinced that it was unsound. There are now outstanding one and a quarter billions of Federal reserve notes, with a 66 per cent gold

reserve. These issues can be increased about two billions more and have a 40 per cent reserve, a safe currency. To issue this additional amount for long-term investment purposes is unsound, and inflation of a dangerous character will result.

The resources of the Federal reserve banks are very limited. They were not intended to loan large sums. They were intended to mobilize the liquid capital of the country and to form the basis for a sound currency.

Now, there is English authority for new issues of capital. It has been done in an unofficial way. There has been a committee formed by the Government without sanction from Parliament, and they supervise the issues of all new capital stock and bonds; but there is no English authority for the rest of this bill as it is proposed. There is no English authority for issuing $4,000,000,000 of bonds and hooking it on the banks of England's currency system. The issue of credit in the issuing of bank bonds or Federal reserve notes increases the price of all notes and is inflation to that amount, and if we continue on this course we shall inevitably come to grief.

I received in the mail after I commenced my remarks a letter from the Association for an Equitable Federal Income Tax, dated February 21 and signed by Benjamin C. Marsh, executive secretary. I ask that it be printed as a part of my remarks. I will not read it at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

ASSOCIATION FOR AN EQUITABLE FEDERAL INCOME TAX,
New York, February 21, 1918.

To Members of Congress.

GENTLEMEN: There is still opportunity to prevent the inflation, high prices, and consequent hard times which would result from the policy of financing the war adopted in the last revenue bill. That was not a partisan measure. Both parties were, and are, equally responsible therefor.

By promptly amending the war-revenue act of October 3, 1917, through imposing heavy taxes upon excess profits and large incomes and a moderate tax upon the privilege of holding land, Congress can convince the American people that it comprehends and approves the principles for which we entered the war.

The President, the Speaker of the House, and many administration officials have urged that at least half the cost of the war should be met by current taxation. The National Grange, the American Federation of Labor, the National Nonpartisan League, and numerous other important labor and farmer organizations have demanded such conscription of wealth as would make it possible to do so.

The privileged classes of our country, however, pulled off an unjust but successful strike against democracy in war time, and won. We are paying less than one-quarter of the cost of the war by taxation because Congress capitulated to these strikers of great wealth.

The American people fear that privilege controls the Congress of the United States. Unless Congress shall amend the revenue bill to bring the financing of the war for current fiscal year to a 50-50 basis the people will believe that their fear is well founded.

As the war is being financed, and if monopoly is permitted to reap annually, as now, billions of unearned profits, the dollar will be worth only 50 cents within a year or so.

As the war is being financed a debt of thirty to forty billions will be placed upon the working people of this country, if it should last for two or three years, with annual interest charges of close to a billion and a half.

The enormous unearned fortunes and incomes resulting from this war constitute nearly as grave a menace to democracy, after Kaiserism in Germany is defeated, as that Kaiserism does to-day. We must remove both menaces.

Gentlemen of the Congress, the American people ask, "Will you now cooperate to make the world safe for democracy or will you continue to obstruct that effort?" Upon your action depends the result of next fall's election, for you can not fool all the American people all the time, not even any large proportion of the people.

Yours, truly,

BENJAMIN C. MARSH,
Executive Secretary.

Mr. HOLLIS. Mr. President, the Senator from Massachusetts [Mr. LODGE] yesterday called our attention to the tremendous increase in the currency of this country. I want to add a little to the figures he gave. In 1896 the per capita circulation was $22. Just before we passed the Federal reserve act in 1913 it was $35. February 1, 1918, it was $47.23. The per capita circulation has more than doubled in this country since 1896, in the space of 22 years.

Mr. President, I hope that I have not been too vehement in what I have said. My chief design in speaking was to call the attention of the Senate to the very unusual features of this bill so that they will be discussed. I hope they will be discussed. If they are discussed at length and each Senator makes up his mind for himself, I am sure we will get a sounder bill.

I wish to say now, whatever the Senate decides to pass as a bill I am going to vote for, but I hope that the worse features of the bill will be eliminated.

Mr. THOMAS. Mr. President, I do not wholly approve of the bill now under discussion. But I shall vote for it. It seems essential to the conditions with which the Treasury Department is now confronted, and because any other system of proposed relief would, in my judgment, after considerably more extended discussion than this bill will receive, be rejected.

If I understand the genesis of this bill and the objects which it seeks to accomplish, it is, due to the financial starvation of many industrial concerns, and is designed, or if not designed will result, in the further mobilization of credit, which through the agency of this proposed war finance corporation will materialize in an increased issue of currency, subject to either direct or indirect taxation, that might well be avoided through the adoption of some other system. That the bill will cause added inflation is a self-evident proposition.

But, Mr. President, in times of war inflation can no more be avoided than fighting can be avoided if the war is conducted upon lines conducive to victory. In war the demand for men and for material is abnormal, and, of course, the demand for public money is abnormal. In war business is active and enjoys a feverish prosperity. In war the needs of a nation require the exercise of extraordinary effort, both toward production and consumption, and consequently abnormal conditions are necessarily substituted for those of peace.

No war has ever been prosecuted during the past 500 years which has not disturbed business, caused resort to various mobilizations of credit, and compelled the issue of currency representing that credit, whether covered or uncovered, and generally the latter.

For men to shrink from the term "inflation" and dread its coming at a time like this is to refuse to recognize the inevitable evils of war. You must mobilize credit and you can not do so without causing inflation. It may not find expression in added issues of money, but it is sure to be reflected in rising prices and in scarcity of labor. There is an invasion of the labor market with every soldier who is enlisted and sent to the front. There is an actual scarcity of labor, in fact; but the effect upon production finds expression in higher prices, and as prices increase money diminishes in value, whether the amount in circulation be increased or not, because of the necessary expansion of credit which finds substitutes for actual money if the circulation remains stationary.

This bill is said to be one designed to prevent undue inflation. My recollection is that the Secretary of the Treasury announced before the committee that one of its purposes was the prevention of inflation, which some of us questioned. He then stated that it was to prevent undue inflation. What is or is not undue inflation depends upon the necessities and the resources of the Government in times of war. If inflation to the extent of billions of dollars is essential for the preservation of our institutions, if it is necessary to enable the Government to perform its duty and accomplish the purposes and objects of the war, which are victory, then the amount of it, however pernicious, must be a secondary consideration. Hence the fact that this bill will result in inflation has no terrors for me. I do object, however, to the manner of it, for it imposes an unnecessary burden upon the taxpayers and consumers of the country.

I have said, Mr. President, that this bill is designed to mobilize the remaining credits of the country, by which I mean those credits, which do not now have access to the banks and which can not now be converted by the banks into Federal bank notes for circulation. The bill expressly says so, and while Federal reserve issues, now limited to two and a half billion dollars, as the maximum of Federal reserve issues, shall soon reach and then be compelled to pass that limitation, provided this war continues, as I fear it will, for the next 12 or 18 months.

The wisdom of the committee, the experiences of the Federal Reserve Board, and the judgment of the Secretary of the Treasury have culminated in this bill. It was amended in some degree, perhaps in some very important particulars, by the committee before reporting it back to the Senate.

Mr. President, my principal objection to this bill is the roundabout way in which it proposes to deal with the subject. Another is the fact that we seek to meet this problem of inflation by imposing expense both upon the Government and those who are to receive relief under the bill.

I know it is heterodox in this body at this time for me to give expression to my own view upon the subject. Nevertheless I do not hesitate to do so. I believe that the time is rapidly coming, and we should recognize it, when the Government must issue its Treasury notes bearing no interest in exchange for its obligations, based upon the credit of the Nation and circulating as legal tender, just as the $346,000,000 of Treasury notes now in existence—and happily never destroyed—have always circulated. That is inflation; there is no question about it; yet what is this bill but a taxed inflation, cumbrous and expensive, cumbrous in execution, and materially increasing the burdens of those who need the relief it proposes to extend?

Mr. President, I know of no nation engaged in this war which has not been compelled to resort in some form to the issue of uncovered paper. I know of none which have officially

suspended specie payments. I do not know that any of them will actually suspend specie payments. I have a statement, which I have unfortunately mislaid, showing the amount of added paper currency in the circulation of Great Britain, France, Italy, and Germany since the commencement of the war. Perhaps it is not necessary to be specific. Suffice it, therefore, to say that the figures mount into the billions of dollars in every one of these nations. Of course the inflation in Russia is beyond the comprehension of man. It never will be redeemed, it never can be redeemed, and in all probability the same is largely true of the issues of the other militant nations.

The plan has this advantage, however, which I know will be challenged, that it imposes no tax upon the people, but is given the same circulation which the normal peace currency receives, subject, of course, to that decrease in purchasing power which always comes either through the inflation of credit or currency or both.

Now we shall pass this bill. I am no prophet, neither am I the son of a prophet, but I venture the prediction that within a twelve month from now we shall be compelled to resort to that power which the Supreme Court of the United States has vindicated in several decisions and to which we turned in the days of the Civil War for the preservation of the Republic. We could never have won that war but for the mobilization of the credit of the people through a circulating legal tender, noninterest-bearing Treasury note.

Mr. KELLOGG. Mr. President——

Mr. THOMAS. I yield to the Senator from Minnesota.

Mr. KELLOGG. Do I understand the Senator from Colorado to assert that England, France, Italy, or Germany has issued direct treasury notes or fiat money?

Mr. THOMAS. I am not prepared to say that they have, for paper circulation there emanates from the Government banks by the authority of the Government. It is practically the same thing. Their currency has been necessarily increased, and with us it is the promise of the Government and not of private institutions that must do it.

Mr. KELLOGG. If I may be permitted to make a suggestion to the Senator, while there has been the greatest inflation in Germany of the four nations, Germany's gold reserve has more than doubled since the war commenced.

Mr. THOMAS. Yes; and ours has more than quadrupled, yet we are inflating the currency by this bill, and we have been in the war less than a year.

Now, I do not refer, Mr. President, to this method of relieving the situation as the best one, because it is not. Unless it is carefully safeguarded it is bound to result in great disaster. But I do not perceive the nonexistence of a single condition which was not present during the Civil War just before the issue, when the policy was denounced far more vigorously than inflation has been or will be denounced in the consideration of this bill.

It is coming if the war continues, because every issue of bonds will be more and more difficult to dispose of. That is the experience of every nation, including our own during the days when we were engaged in issuing bonds in the War between the States.

Mr. GALLINGER. If the Senator will permit me——

Mr. THOMAS. I yield.

Mr. GALLINGER. If I remember correctly—and I have personal knowledge of the matter—I think during the Civil War gold went to 240 at one time.

Mr. THOMAS. My impression was that it went higher than that.

Mr. GALLINGER. I know it went that high, because I had a little transaction, a very small one, at one time during the war.

Mr. THOMAS. I have no doubt that on the market—it was then a marketable commodity at 240.

Mr. GALLINGER. If the Senator will permit me, the Senator from North Dakota [Mr. MCCUMBER] suggests to me that it went to 265.

Mr. THOMAS. I thought it had gone to $3. But, Mr. President, there are other methods than the stock market for testing the value of gold. Gold is now depreciating, if we judge the value by its purchasing power. A gold dollar is beautiful and brilliant and yellow, but it will not buy any more of the necessities of life than our paper dollars, whether covered by a gold reserve or not. Yet gold is appreciating, for all nations are hoarding it. They part with as little as possible.

As the war continues the nations will more and more hoard their gold. Our own Government has recently placed some sort of an embargo upon the exportation of gold. Every nation becomes a coward when its gold reserve is threatened and hides what it has; and as that policy continues, while quotations will not appear upon the exchanges, gold will be more and more valuable as time passes. If we could escape inflation, of course we should do it, but the steady decrease of the gold current in the channels of trade serve to stimulate the inevitable inflation.

I was about to say when interrupted that we will experience difficulty in the sale of the next issue of bonds, and experience more difficulty in the second successive issue of bonds. The burden of the difficulty will be progressive, and the reason is obvious.

I want to say to my friend the junior Senator from New Hampshire that he may pile taxation upon taxation upon people for the purpose of securing the needful money for the carrying on of this war, but he will fail in his object, for taxes are like tariffs—there is a point beyond which they cease to be very productive and there is a point where they become prohibitive. This war is a war of waste, as are all other wars. It is a war of tremendous expense, as are all other wars. It has all the volcanic forces of an earthquake in its effect upon social and political and economic conditions. We can not judge it or meet it from the standpoint of our normal experience. We must meet it from the standpoint of what it is and what it requires. It requires every ounce of gold, every ounce of credit, and every ounce of economy exercised by every one of the 100,000,000 of our people if we are to win it, and win it we must.

Therefore, to my mind there is no need of blinking at inflation. It is coming; it is here. It began before war was declared through an inflation of credit consequent upon the business which this country received from the allies for war equipment.

Mr. President, I shall not at this time attempt to enter into a consideration of the policy of an unsecured issue, because we are not now face to face with it. It would be beside the discussion. But I want to refer to some of the arguments of my friend, the junior Senator from New Hampshire [Mr. HOLLIS], with whom I am almost always in accord, but with whom I am compelled to differ somewhat on this occasion. I do not think the contrast which the Senator has offered between the farm-loan system of banks and this bill is an apt one. The purpose of the farm-loan bank act was to establish a permanent governmental policy, through the exercise of which cheap and easy money could be furnished to men engaged in agriculture on extremely long time. The bill had my hearty support. I think it is one of the best pieces of legislation which has been placed upon the statute books since I have been a Member of this body. But this bill is designed to meet and tide the Nation over what seems to be a rapidly approaching crisis. It is temporary in its character, and must be as extraordinary as the situation which demands it. To draw a parallel or a contrast between an act designed to establish and perpetuate a wise system whereby farmers may be accommodated as is the merchant in time of peace and a bill of this sort which finds its only possible justification in the imperious necessity of the hour is neither illuminating nor instructive. We can not compare it with anything except those other acts of legislation enacted since the war and those which will inevitably confront us before this session is over.

Neither do I think, Mr. President, that we would be either wise or just to carry our power of taxation to the extreme point for which the Senator contends. To my mind we are already raising more money by taxation than is fair to the people who pay it or to the Government which exacts it. It is far more approximate to our expenditures than the revenues of any other nation engaged in the war.

I do not like the revenue act of 1917 a bit more than the Senator from New Hampshire, but I criticize it upon other than the grounds which appeal to him. I think that the act is a confused kaleidoscopic jumble of contradictions of tax requirements which are neither logical nor just. If the bill as reported to the Senate by the committee had been enacted, or if it had been the model for the bill actually enacted, we would have raised more money by it and we would have been more just to the taxpayer and far more scientific in our legislation. As it is, we have evolved an act which in my judgment is a reflection upon congressional intelligence.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from Colorado yield to the junior Senator from New Hampshire?

Mr. THOMAS. I yield.

Mr. HOLLIS. Will the Senator from Colorado allow me to say that while he does not agree in my conclusion about the bill, I thoroughly agree with him in his conclusion.

Mr. THOMAS. I am very glad then that we are not entirely apart.

Mr. President, I had some part in framing the bill, as did my very dear friend the senior Senator from New Hampshire [Mr. GALLINGER], which was first reported to this body last year. The

income-tax provisions were then raised very considerably higher indeed than I thought was just. The war tax—that is to say the tax upon war profits as such—was not as high as I thought it should be, but it was levied upon war profits; and the junior Senator from New Hampshire very aptly said the only thing left in the law concerning war profits is the title to subdivision 2. We have placed a tax upon excess profits, so called, which consists of all the taxpayer makes whether he made it before the war or since the war or both, over and above a percentage, as I recall, of 7 per cent upon capital, which is so rigidly limited by definition that if a man borrows money to carry on his business he is not permitted to count it as capital in determining the percentage to be deducted from the amount upon which his tax is levied.

Moreover, Mr. President, the small-profit man is taxed far more heavily, relatively speaking, than the man whose income is enormous That provision, for instance, of the act which places a flat tax of 8 per cent upon all incomes in excess of $6,000, no matter from what source it comes, no matter how it be derived, unless it be derived from investment of idle capital, which it exempts, is about as iniquitous a piece of legislation as Congress has ever enacted, and its widespread and far-reaching injustice will, I think, bring us many telegrams and letters of protest when the time for actual payments draws near.

Mr. KELLOGG. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. KELLOGG. I suppose the Senator from Colorado knows that neither House of Congress passed that provision; that it was a pure piece of legislation by the conference committee.

Mr. THOMAS. Oh, the Senator means they did not originally pass upon it. They had to pass upon it when they enacted the law. But I know how that was done. The bill came back here from the conference committee just in advance of the time fixed for final adjournment. Nobody read it or had time to read it, and the bill must either pass or fail for that particular session, and so it was put through.

Mr. GALLINGER. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. GALLINGER. Before leaving the city last summer on account of illness the Senate committee distinctly and definitely voted down that proposition in the committee.

Mr. THOMAS. Yes.

Mr. GALLINGER. I was very much surprised to learn afterwards that it was in the law.

Mr. THOMAS. That is true.

Mr. GALLINGER. I have offered a proposed amendment repealing that provision of the law, which is, I suppose, quietly resting in the room of the Committee on Finance. I think we ought to take that up at some time. I agree with the Senator that it was utterly illogical and iniquitous.

Mr. THOMAS. And I have introduced a substitute for the whole title. I left the Senate very shortly after the Senator from New Hampshire, and for the same reason; but, after reading that act, I thought Providence would have been extremely kind to the country if it had eliminated every member of the Finance Committee by illness, thus sparing it the infliction of this law. The Senator and I must congratualte each other that we were too ill to be here to vote for that measure. If we had been present we probably would have voted for it, just as the other Senators did, on the eve of adjournment. Rather than see the bill fail, we might have given it our reluctant support.

Mr. President, while I am on this subject let me say something else: I am unable to see any justification for the definition of excess profits which this bill gives to surplus revenue. If John Smith made $50,000 before the war and is making $50,000 since the war, which is more than 7 per cent upon his capital, how can it be called an excess profit? If a gold mine—and gold is the only thing for which a producer receives just so much for his product, neither more nor less—were producing $100,000 in 1913 and 1914, and is producing a million dollars in 1917 because of the fortunate discovery of another body of gold ore, that is not excess profit and can not be. I do not think that it is either natural, logical, or just to place a large tax upon a man's income and an additional large tax upon the same thing because the law defines it as excess profit.

On the other hand, the extraordinary profit made by many in consequence of the war furnishes a very natural and just source of Government income. The tax on it does not touch the normal income as measured by the past; it leaves a goodly portion of the extraordinary profit to the beneficiary and takes the remainder for the Government. It is the only additional tax, in my judgment, which can be assessed in large percentages upon the business of the country which will not disturb it. That has been the policy in England and it has worked splendidly. We have been told to avoid her mistakes. Would to God we had the sense to follow her wise example whenever it is disclosed.

Mr. President, if the revenue law had been enacted as it was originally reported here, it would, in my judgment, have produced a larger revenue than it will as now framed, with less business disturbance, and it would have been robbed entirely of that sense of injustice which every man must feel who pays the extraordinary tax it imposes. We are raising something like $4,000,000,000 as estimated upon this law. I think if we should increase it 50 per cent or 25 per cent we would not raise as much, but we would practically paralyze the great productive industries of the country. As one member of the committee said during one of our discussions, you can not rob a man and then borrow money from him; and yet that is precisely what we have by this law attempted to do. Our income tax is the highest in the world. When to that you add this excess-profits tax, it is the highest tax, in my judgment, that exists anywhere, and the most indefensible.

I want to tax wealth; I believe in doing that; but I think that, as it is imposed, by this law we have placed upon wealth a heavier burden than is either fair or just. We must have sources of revenue or all the revenue bills on earth will prove barren in their results. In order to get revenue, taxes should be so assessed as to interfere as little as possible with the ordinary pursuits of men.

I believe, too, Mr. President, that every generation should bear its own expenses, whether they be those of war or those of peace, but I am unable to subscribe to the doctrine that in times of war the entire burden of expense must be borne by taxpayers while the war is on. Some of it should be postponed to years of peace and prosperity, the taxes to be so distributed as that the burden can be met, as every other great burden is met, in installments that are fairly just and that do the least amount of economic disturbance.

Mr. President, I want also here to record my testimony to the very liberal way in which wealth has responded to our bond issues. I do not think it is just to say that the wealth of this country has been niggardly or backward in its subscription. I am no defender of wealth, particularly that unjust wealth, that oppressive wealth, which is the subject of so much discussion and of so much denunciation—I have indulged in both many times—but fairness and common justice require an acknowledgment that in bearing its part of the burden of this war wealth has done magnificently.

It has come to the front with a willingness and liberality that excites my most hearty and unalloyed appreciation, and I have no question that it will continue, just as the rest of us will, to the extent of its ability to subscribe to the loans of the Government every cent that can be spared; yet, as I have before stated, the time is coming when the raising of interest rates, necessary as that may be, will not enable us to continue to market our immense bond issues at par.

The Senator from New Hampshire [Mr. HOLLIS] spoke of the effect of an increased rate of bond interest upon the savings banks depositors of the country. The deduction which he makes seems to be a natural one, and yet, if my information is not incorrect, the actual effect of the raising of the interest rate upon bonds during the Civil War did not result in any great depletion of the deposits in the savings banks of the country. A man who is accustomed to hoard his savings and put them in a savings bank, who has made that his practice for years, is not apt to remove them, no matter what the temptation in other and strange directions. The fact that some of our bonds have fallen below their par value would necessarily cause apprehension and anxiety to the average savings depositor, the loss of any amount of whose deposits or fluctuations in the value of his security would arouse his lively apprehension.

There is another source, I was going to say, of revenue; another policy which we might well consider and apply in these times which would very sensibly increase the funds of the Government, so necessary to the prosecution of this war. If this Congress could be induced to institute a policy of economy in appropriations, reducing our average normal expenses wherever possible, repudiating all new enterprises and governmental functions not absolutely essential to the prosecution of the war, and holding down the normal expenditures of the Government to the lowest possible level, at the same time jealously and vigilantly inspecting the expenses of the great departments, and exposing their extravagances wherever apparent, the result would be millions upon millions of dollars saved which the Government would have at its disposal but which now will, in a large degree, be wasted. I do not hope for any such consummation. I see no signs of it. Yet that phase of our duties is quite as important as is the enactment of a bill like this and similar ones demanded by the business interests of the country.

Mr. President, I shall not discuss any particular provision of this measure, with the exception of that to which the attention of the chairman of the committee was directed just before the

adjournment day before yesterday. I refer to subsection (d), which is found on page 9 of section 6 of the bill. It will be noticed that that part of the bill which refers to the subject matter of relief to corporations independent of the medium of the banks has been entirely rewritten. It is one of the most important features of the bill; I think the committee gave to it as serious consideration as it gave to any other part of the bill, and perhaps more than it gave to the remainder of the bill as a whole.

The purpose of it is to give the war finance corporation authority in extraordinary cases to make advances directly to certain semipublic corporations contributing to the success of the war and unable to obtain relief from any other source. I confess that I am not satisfied with the phrascology which we have adopted, but I must also state that it is practically impossible to frame the section so that it will meet the wishes and the purposes of the committee as a whole and at the same time be free from a possible ambiguity, thus necessitating construction which might result in undue liberality of relief.

There are, however, many corporations engaged in pursuits which are semipublic, pursuits which in my opinion should never have been delegated to private hands, but which, nevertheless, are there, and whose continued operation is more or less essential to our war purposes—corporations engaged in the production of electric current and its distribution; corporations engaged in urban transportation, which is necessary now more than ever to transport workmen to and from their homes; corporations engaged in the supply of water to large communities. Some of those corporations are confronted with the early maturity of their bond issues, or some of them.

The liquid capital of the Nation has disappeared in the face of the public demand for money; the market for securities is practically wiped out; the banks have advanced money upon liberty bonds and in aid of their regular customers to the extent of their ability; and the question or one of the questions which confront us and which this bill is designed to meet is whether the Government under these circumstances should come to the relief of such of these corporations as are able to furnish adequate security for the accommodation demanded. If it be necessary, Mr. President, to advance money as provided under paragraphs b and c of the section, it seems to me to be a self-evident proposition that it may become more necessary to come to the relief of this class of business, unless it be that if they go into the hands of receivers the operations of their business and of their productive capacity will be limited or will disappear.

I believe that if any of them should be placed in the hands of a receiver because of their inability to meet their obligations the Government would not suffer directly, because the business would go on; but the danger lies in the effect upon the public credit of the sudden transfer of going concerns into the hands of receivers at this time for winding up and dissolution. We must keep our credit good—and when I say "our credit" I mean the general credit of the people, and especially those engaged in the work of the war—to the extent of our ability.

It is true that many of these corporations have been overcapitalized; it is equally true that many of them have been overbonded.

A Senator on this side of the Chamber told me the other day that the cost of the trolley company operating in his little city was $100,000, but that the bond issue had been swelled to $400,000, and the bonds had been floated. I do not think the Government should aid such a concern; the sooner it is wound up and readjusted the better it will be for the stockholders, for the community, and for the corporation; so I would like this section better if we were able to frame it in such wise as to exclude from its operations those concerns which have abused their corporate privileges and capitalized not only the existing business but the future in the undue issue either of bonds or of watered stock, and I shall, before the bill is submitted to a final vote, attempt to meet that condition, if possible, by an appropriate amendment.

I think, Mr. President, that the word "adequate," as has been suggested, should also be inserted before the word "security," on page 10, line 3, of this bill. As it now reads the board may extend relief to corporations of this character upon such terms and upon such security and subject to such rules, and so forth, as may be prescribed. It may be that the word "adequate" would be meaningless and possibly superfluous; yet I am satisfied that it is the duty of Congress to require, in as definite terms as possible and with as much qualification as possible, the acceptance only of such security as will safeguard the Government from loss. If we convey this power qualified by the requirement of accepting such adequate security as may be necessary, we certainly place a limitation upon the power which without that word would not appear in the statute. I do not for a moment mean to be understood as inferring that the corporation after its creation would intentionally fail to properly safeguard the Government, but they might well be induced in some extraordinary case to take chances. If we say to them, "You can only do this upon adequate security," the board will give heed to the qualifying adjective and see to it that the security is adequate. So much for subsection (d).

Mr. President, I can not leave the floor without referring to another phase of the financial situation or, to speak more properly, to another source of relief for the financial situation, which, I fear, will not be received with any great degree of warmth by this body, because I shall hark back to the old question of silver as money of redemption. Like Banquo's ghost, Mr. President, that question will not down until it is properly settled; and this war has demonstrated, as nothing else ever could, the inadequacy of our basis of redemption or absolute money. Upon the back of the gold reserves all over the world there rests a burden too great in times of peace; that burden becomes intolerable in times of war. How much more rational, how much more economical, it would be if, instead of considering extraordinary bills like this, we should enlarge the volume of our basic money, go back to the standard which prevailed for nearly a hundred years in this country, and by that means steady the inflation which we have now and that which is coming—in the end it can not be regulated otherwise. This most obvious method of relief, at present hopeless of accomplishment, is nevertheless the most sensible and, in my judgment, the most beneficial method of currency reform upon which we could embark.

As I stated at the outset, I shall vote for this bill. The administration feels that it is necessary; the committee has unanimously reported it. It is the best we can do under the circumstances. Yet, finally, after going through this valley of tribulation and resorting to many expedients for tiding our finances over the huge demands of the war, we may, I trust, come back to sober common sense, follow in the footsteps of our fathers, and restore our monetary system to the basis provided in the Constitution of our country.

Mr. SIMMONS. Mr. President——

Mr. WADSWORTH. Does the Senator from North Carolina desire to address the Senate?

Mr. SIMMONS. I do not.

Mr. WADSWORTH. I was going to ask the attention of the Senator to one phase of this bill, and ask it he can not agree with me on the proposal I am about to make. Turning to page 14, commencing on line 4 of that page, we find the language:

> No person, firm, corporation, or association shall sell, or offer for sale or for subscription, any issue, or any part of any issue, of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, except in accordance with such rules and regulations—

And so forth, of the capital issues committee. I was wondering if the Senator would insist that that language should be so all-inclusive?

Mr. SIMMONS. No; in line 6, after the word "issued," I think very likely we ought to insert the words "to such persons, firms, or corporations."

Mr. WADSWORTH. My point is, Mr. President, that that language would prevent, except by the consent of the capital issues committee, not only the issuance and sale of securities in the inauguration of new enterprises, but would also prevent the issue or sale or subscription to securities which are issued simply for the purpose of changing the method of ownership of a going concern. That, I assume, is not the intention of the bill.

Mr. SIMMONS. That is not the intention of the bill. It is not intended to affect a going concern except as to new issues.

Mr. WADSWORTH. As to new issues; yes. But, as will be seen, this language does not confine itself to new issues; it says "any issue." As an example——

Mr. SIMMONS. Mr. President——

Mr. WADSWORTH. As an example, if the Senator will allow me to try to illustrate my thought, it often happens that a man who has been conducting an active business for a generation, as he grows older desires to retire from business, yet he does not want to lose all interest in the business which he has built up. It often happens that men in that position incorporate their business, a business already existing, and invite subscriptions from some of their friends to take a portion of that stock, retaining some of it themselves. A transaction of that character

could not be completed; and I assure the Senator that there must be thousands and thousands of transactions of that and similar kinds. Such a transaction does not involve any new borrowing; it does not involve the inauguration of any new enterprise whatsoever; yet a transaction of that kind can not be completed under this language without the consent of the capital issues committee. My suggestion is that in line 5, after the word "subscription," we insert the words "as a method of borrowing for capital purposes," so that it will read:

No person, firm, corporation, or association shall sell, or offer for sale or for subscription, as a method of borrowing for capital purposes, any issue, or any part of any issue, of securities—

And so forth.

Mr. SIMMONS. I will say to the Senator that until we have finished the committee amendments that amendment would not be in order, but if the Senator will prepare the amendment and hand it to me I will be very glad to consider it and see whether the committee can accept it.

Mr. WADSWORTH. May I say to the Senator from North Carolina, in just one or two sentences more—and I will not delay him nor the Senate beyond that—that on page 15 that same expression, "borrowing for capital purposes," is used in this bill as defining the kind of borrowing transactions which this bill seeks to affect; and I should like to have the two provisions, the one on page 14 and the one on page 15, made alike.

Mr. POMERENE. Mr. President, as one matter has just been called to the attention of the Senator from North Carolina, I should like to call his attention to another matter. On page 8, beginning with line 7, this bill provides for making advances from time to time "to any savings bank or other banking institution which receives savings deposits." Of course, we can all understand how there might be in time of great stress like this large withdrawals from savings institutions, but why should savings banks and banking institutions be favored rather than building and loan associations?

Mr. SIMMONS. I tried to point out this morning that we were relieving the savings banks because the savings bank deposits were liable to be drawn upon to a dangerous extent in the present conditions for the purchase of Government securities, and in that case the savings banks would have no way of raising the money to pay off their depositors except by raising it on the securities they had purchased with the deposits. This provision is intended to enable them to meet a situation of that sort with which they are really threatened at this time.

In the case of the ordinary building and loan association they do not loan in any such way; they are not subject to a run by their stockholders. Their loans are made for the purpose of enabling the stockholders to construct buildings and homes, and I do not see how they would be subject to the danger which threatens the savings banks.

Mr. POMERENE. Mr. President, sometimes the building and loan associations sell their stock to be paid for on the installment plan, and its purchasers can surrender that stock at any time; they are not necessarily borrowers. The situation is substantially this: All the building and loan associations seek to have their funds loaned. Now, if there should be a special demand on the part of those who have subscribed to their stock, and who are not borrowers, it is going to create such a demand upon the building and loan associations that it seems to me they ought to be cared for just the same as are the savings banks.

Mr. SIMMONS. Yes; but the Senator overlooks the fact that the assessments of the building and loan associations are payable at fixed times and periods. They know when they are to be paid. They know where the money is to come from to pay them. They make certain assessments, and those assessments have to be paid. They are not subject to any run at all. The savings banks, when they receive a deposit to-day, may be called upon a hour afterwards to pay out that deposit.

Mr. POMERENE. Most of the savings banks have regulations whereby they can refuse to pay out deposits until after a given length of time, even though demand is made.

Mr. SIMMONS. I am not as familiar with the savings-bank system as the Senator is, but I have understood that the bulk of the deposits in the savings banks are subject to draft.

Mr. POMERENE. I am not objecting in the least to the relief which the bill grants to the savings banks, but I see no reason why building and loan associations should not be treated in the same way. I think it is necessary.

Mr. SIMMONS. Because you can not bring your building and loan associations within the principle that we apply to the savings banks, nor does the reason for which we adopt that principle apply to building and loan associations. Then, there is another phase of this matter: The Senator will remember that we have the licensing system for the express purpose of preventing investment in unnecessary things—things unnecessary to be used as applied to these war conditions. Now, one of the things that I do not think we want to encourage people to do in this situation is to build houses. Under these conditions I think if a man can possibly postpone the building of his home until after the war, it would be mighty well for him to do it. I think that is one of the sources of unnecessary expenditure. People are making a good deal of money, and naturally, having these fine incomes resulting from the high prices of labor and other things, they are tempted to take that money and invest it in a fine home. I think it would be a great deal better if they would wait until after the war, and that is one of the unnecessary expenditures that I think it is the purpose of one of the sections of this bill to discourage.

Mr. POMERENE. Mr. President, I agree that there ought not to be any unnecessary building; but we have just heard of very large appropriations for the purpose of building houses for workingmen in different localities, and in places of that character there will be very great demands on these building and loan associations.

It does not necessarily follow because a man makes a loan that he is therefore going to build a house. His house may already be built. It may be that it is for the purpose of taking up an old mortgage on a building that is already up and occupied, or for some other reason, and they make these loans at the building and loan associations.

I confess that I see no reason whatever for this distinction between the two. I do not think there is a sound reason.

Mr. SIMMONS. Mr. President, I can see absolutely no reason why building and loan associations should be included. On the contrary, I believe that if we were to include building and loan associations not engaged in war work, we ought to include every institution in this country.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. POMERENE. I yield.

Mr. GALLINGER. Will not the Senator differentiate between mutual savings banks, which pay 3½ to 4 per cent interest, and building and loan associations, which pay 6 per cent interest? I will say that I am a friend of the building and loan associations, but it seems to me that there is a very wide difference on that point. In the testimony before our committee the witnesses laid great stress on the necessity of halting building operations during the war, and I know that the Federal Reserve Board is discouraging all building that can possibly wait until after the war is over.

Mr. POMERENE. Of course, I realize that there should not be unnecessary building. I see the difference between a 3½ per cent stock and one that draws 6 per cent; but, at the same time, not all of these building and loan associations pay 6 per cent on their stock. If I may say this, too, I think that if the Senator will examine into the question of the building and loan associations he will find that there is not a very great difference between the building and loan associations, as they exist in some of the States, and these so-called savings banks.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I have not looked into that matter. I simply take up the newspapers of Washington and find that they are offering stock at 6 per cent.

Mr. POMERENE. Oh, yes; that may be.

Mr. GALLINGER. That is what they are paying here; and I thought likely that was the rate throughout the country, or approximately the rate throughout the country.

Mr. POMERENE. I may offer an amendment later on dealing with that matter.

Mr. OWEN. Mr. President, I should like to ask the chairman of the committee whether or not the Committee on Finance has considered, as a means of protecting the savings banks of the country, a method by which money borrowed by the United States on its bonds should carry an interest charge not exceeding 4 per cent, or not exceeding the common rate of the savings banks?

Mr. SIMMONS. Mr. President, I will say to the Senator that the committee has not considered that question. It has not been even mooted or suggested in any way to the committee.

Mr. OWEN. I should like to say, Mr. President, that everyone will have observed that the 3½ per cent bonds, which are not taxable, have maintained practically a par value—within just a cent or two of par value—while the 4 per cent bonds, bearing a higher rate of interest, but which are taxable, have gone down

4 or as much as 5 per cent on one occasion, I believe. There is, therefore, some question as to the policy which we ought to pursue in protecting the rate of interest which is to be charged in the United States; and it seems to me that it would be better to pursue a policy under which these bonds would not be taxable, and under which we certainly would not exceed a 4 per cent rate. If we can get the money at 3½ per cent, we ought to do that, and not have the bonds taxable, rather than to have the bonds go up to 4½ per cent and then have the United States in active competition with the savings banks and leave the depositors of the savings banks, who have thousands of millions on deposit, to be encouraged to withdraw their savings from the savings banks for investment in Government bonds. If we do that, we may cause a very serious disturbance in the settled financial structure of this country, and I think the Senate ought to have that clearly in mind in connection with this bill and in connection with the future policy in raising funds for carrying on the governmental operations in this war.

There is one other suggestion which I should like to make with regard to the control of the issues of new stocks. I think it is a very extraordinary thing, of course, to give to any committee not named by the President of the United States or not approved by the Senate of the United States the right to exercise such an enormous power at all. It would seem to be almost unavoidable, under the circumstances, that such power should be placed somewhere in order to protect the Government's requirements in the matter of funds; but I observe that the bill as it has been drawn contains no method of appeal in case of some denial, and I do not believe we ought to leave the business men of the country feeling that the arbitrary power will be placed in the hands of any board or any committee from which there would be no appeal whatever. Men who have power, where there is no appeal from it, sometimes, by reason of the frailty of human nature, exercise that power in rather an arbitrary and almost tyrannical spirit, and I think we ought to have such an enormous power exercised with great moderation and with great caution and with reservation. I do not think we ought to leave this bill without providing some means of appeal against a board that should exercise the power of saying to men that they shall not issue securities for carrying on what men believe to be their legitimate business.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from Oklahoma yield to the Senator from Minnesota?

Mr. OWEN. I yield to the Senator.

Mr. KELLOGG. Does not the Senator from Oklahoma think it would be much wiser for Congress to limit the rate of interest to 4 per cent and leave the bonds taxable?

Mr. OWEN. I do.

Mr. KELLOGG. It seems to me to be a great mistake to issue eighteen or twenty or thirty billions of bonds the income from which will be subject to no taxes. I do not believe it is necessary to raise the rate of interest to sell those bonds, and I am very sure it would be very disastrous to the savings banks of this country.

Mr. OWEN. I think the rate of interest ought not to go beyond 4 per cent; and if it is necessary to have those bonds nontaxable in order to keep down the rate, I think that ought to be done. I do not believe we ought to permit the rate to go above 4 per cent, and to that extent certainly I am in accord with the Senator. I think these bonds will sell at 3½ per cent, nontaxable.

Mr. KELLOGG. I have not any doubt about it.

Mr. OWEN. The fact that the nontaxable 3½ per cent bonds have a better standing in the market than the taxable 4 per cent bonds I think quite clearly demonstrates that, because those transactions have been going on upon a very large scale.

Mr. SIMMONS. Mr. President, when the Senator asked me a little while ago a question with reference to whether the Finance Committee had had under consideration the matter of fixing the rate of interest on these bonds, I assumed that he had reference to a future issue of bonds not covered by the present authorization. Of course, the Finance Committee has heretofore reported a measure carrying a definite rate, to wit, the 4 per cent rate; but that applies only to the issue authorized in that act. We have not yet discussed in the Finance Committee any rate for any future authorization of bond issues.

Mr. KELLOGG. It was the future authorization that I referred to. Congress ought to limit it to 4 per cent.

Mr. OWEN. I, of course, was referring to the future, not to the past. I am acquainted with the existing statute.

Mr. SIMMONS. I just wanted to make it clear that my answer referred to future bond issues.

Mr. OWEN. But in this case even the particular bonds that are being authorized to be issued by this corporation have no amount of interest fixed in them. To all intents and purposes this corporation is a Government bank, receiving deposits from the Treasury of the United States to the extent of $500,000,000, and then having the right—it being a governmental institution, manned by the Secretary of the Treasury and those chosen by the President to cooperate with him—to issue bonds to the extent of four thousand millions. If those bonds, amounting to four thousand millions, have no limitation fixed upon the rate of interest, obviously they may come in conflict with the savings banks in like manner. To all intents and purposes these are Government bonds. They are just as much Government bonds, morally and ethically, as if they were issued by the Government of the United States directly; and I think we ought to put a fixed limit upon the rate of interest carried by these bonds, so that they shall not come in competition with the savings banks of this Nation.

Mr. McCUMBER. Mr. President, let me say to the Senator that undoubtedly they will be very short-term bonds. They would not issue long-term bonds.

Mr. OWEN. Yes; they will be short-term bonds, but they will be sufficient to withdraw deposits from the savings banks. That is the danger which I think we ought to try to avoid.

Mr. McCUMBER. That is right.

Mr. GALLINGER. Mr. President, I think the chairman of the committee will agree with me that there has been a pretty broad suggestion made that in view of the financial condition existing, and which may be made even more exacting in the future, the next issue is likely to be at 4½ per cent.

Mr. SIMMONS. I have heard the suggestion that probably that might be the rate; but there has been no official statement about it.

Mr. GALLINGER. Oh, no.

Mr. SIMMONS. There has been no discussion in the committee about it.

Mr. GALLINGER. No; and on that point, if the Senator will permit me a word, representing a State which is deeply interested in the mutual savings-bank system, I have had great anxiety about the possibility of the rate being higher than is being paid in New England, which is in many cases 3½ and in other cases 4 per cent. I have had much anxiety about what effect it will have on the savings-bank system.

Mr. SIMMONS. With reference to the rate of interest upon these particular bonds, both the rate of interest and the time of maturity, subject to the five-year limit, are left to the director of the corporation, subject to the approval of the Secretary of the Treasury. The Secretary of the Treasury has very much to do with fixing the rate of interest upon the Government bonds, and he will have very much to do with fixing the rate of interest upon these bonds. That money is to be loaned to the industrial corporations of the country; and in making loans—for that is what it is—to the business interests of the country, I do not suppose the Government would want to prescribe a very low rate of interest; probably not as low a rate of interest as is fixed upon its own bonds. In the one case the Government is to pay the interest, and in the other case the interest is to be paid to the Government.

Mr. OWEN. The question which the Senator refers to there, as to the disposition of the money after the money shall have been raised by these bonds, is one thing, and the rate to be fixed upon the bond is another thing. The rate which is to be fixed upon these bonds is left in the hands of the board of directors of this war finance corporation; and they might put it at 6 per cent, and they might withdraw from the savings banks of this country thousands of millions of dollars, and break them to pieces. We assume, of course that they would not do a thing that would be notably injurious; but when the legislative branch is discharging its function of protecting the interests of the country, I think it would be wise to limit the rate of interest on those bonds.

Mr. SIMMONS. The Senator was talking about one thing and I was talking about another. The Senator was talking about the rate of interest upon the bonds. I thought the Senator was talking at that time about the rate of interest to be charged by the corporation when it loans money.

Mr. OWEN. Yes. Well, I was pointing out that the Senator was speaking of one thing and I was speaking of another; but I think that this bill ought to fix the rate of interest on these proposed loans so that the rate of interest will not be permitted to interfere with the savings banks of the country.

Mr. SMITH of Michigan. Otherwise, if the Senator will permit me, the very object of the bill—which is to stabilize the

industrial and commercial situation—will be defeated, because if they withdraw these deposits from the savings banks in great quantities they must withdraw their accommodations from their customers, and the very situation which we have started out to remedy we have really put in about as bad a position as we could.

Mr. OWEN. Mr. President, it is even much worse than the Senator points out, because it is perfectly notorious that since the war took place the securities of the savings banks have suffered a depreciation so severe that the Comptroller of the Currency has been obliged to make a ruling that there should be no charging down of those sound securities because of the market depreciation, because ultimately they will come back, because they are all right; but the market value of the securities has diminished, and if the savings banks were compelled to sell their securities upon this market it would be extremely dangerous to them.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I think the bill itself furnishes evidence as to what is the basis of fixing the rate of interest—not in express terms, but inferentially. We fix the rate of interest in a modified way on loans made to savings banks by providing that the rate of interest charged on those loans shall be at least one-half of 1 per cent in excess of the rate fixed by the Federal reserve bank upon 90-day commercial paper.

Mr. OWEN. The Senator is again addressing himself to a different subject from the one under discussion.

Mr. SIMMONS. I know I am; but I am saying to the Senator that that indicates the thought in the mind of the draftsman and the thought in the mind of the legislature when it adopts that provision, with reference to the same subject matter.

Mr. OWEN. That deals with the disposition of the funds after they shall have been obtained and not with the rate of interest on the funds when they are being obtained; and that is entirely different, of course.

Mr. SIMMONS. Possibly the Senator and myself are mixed again on what we are talking about.

Mr. OWEN. The Senator can speak for himself.

Mr. GALLINGER. Mr. President, the tremendous importance of the point to which the Senator from Oklahoma has called attention is found in the fact, as I have gleaned the figures from the last report of the Comptroller of the Currency, that the total deposits of State, savings, private banks, and loan and trust companies in 1917 were $16,768,060,159.14. That is, the savings in the entire country were over $16,000,000,000.

Now we will come to the mutual savings banks, in which my part of the country is more particularly interested. There are in the mutual savings banks of the country $4,422,489,384.42. The importance of protecting these banks is found in a couple of illustrations which I will give.

For instance, my own little State, with 420,000 or 430,000 people in it, has 46 mutual savings banks, and there are 206,590 depositors, almost one-half of the entire population of the State.

Mr. SMITH of Michigan. And those mutual savings banks are not profit-making affairs. There is no money to be made on them.

Mr. GALLINGER. Not at all. Their deposits are $105,764,673.14, being an average deposit of $511.95, showing that it is the working people who are putting their money in these banks.

Take Massachusetts: There are 196 banks, with 2,566,467 depositors, which I think is about 70 per cent of the entire population of Massachusetts. They have $1,026,822,448.75 in deposits, being an average to each depositor of $400.09.

That runs all through the States where they have these mutual savings banks; and the average deposit in all of the States having these savings banks is $494.96.

So that the Senator has called attention to a very important matter, something that ought to be safeguarded in every possible way; and while this bill, if it shall pass as it is now written, will allow these banks to borrow money at one-half of 1 per cent—unless that is changed—above the commercial rate of 90-day paper, and that may be a sufficient protection to them, I think the interests of the savings banks ought to be considered very carefully and protected in every possible way.

Mr. President, I ask permission to put in the RECORD the table which I have prepared, covering all the States in which mutual savings banks exist, coupled with the statement that I made in the first place concerning the aggregate of savings in other banks where savings are allowed, in addition to those of the mutual savings banks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

The total deposits of State, savings, private banks, and loan and trust companies in 1917 were $16,768,060,159.14.

Mutual savings banks, June 20, 1917.

[From report of Comptroller of Currency.]

State.	Banks.	Depositors.	Deposits.	Average to each depositor.
Maine	46	240,814	$98,689,825.73	$409.81
New Hampshire	46	206,590	105,764,673.14	511.95
Vermont	20	118,864	59,676,772.53	502.05
Massachusetts	196	2,566,467	1,026,822,448.75	400.09
Rhode Island	15	161,470	92,769,759.33	574.53
Connecticut	81	680,682	363,602,570.50	534.16
New York	141	3,452,111	1,991,489,145.62	576.83
New Jersey	24	308,555	128,265,535.33	415.63
Pennsylvania	11	531,531	256,933,338.37	483.40
Delaware	2	39,318	14,648,253.45	372.50
Maryland	19	259,000	101,917,376.07	407.67
Ohio	3	114,023	68,397,224.00	599.85
Indiana	5	34,003	14,337,222.17	421.65
Wisconsin	4	9,366	2,573,369.30	274.76
Minnesota	7	126,308	29,578,559.32	234.18
California	1	88,410	65,295,941.44	738.53
West Virginia	1	6,542	1,743,335.31	266.48
Total	622	8,935,055	4,422,489,384.42	494.93
Total for New England	404	3,974,887	1,747,326,050.01	439.50

Mr. SIMMONS. Mr. President, if no other Senator desires to speak on the bill, I ask that the committee amendments be taken up for action upon them.

The PRESIDING OFFICER. The Secretary will state the first amendment of the committee.

The first amendment of the Committee on Finance was, in section 1, page 2, line 14, after the word "its," to strike out "affairs" and insert "affairs" with a comma, so as to make the section read:

That for the purpose of affording financial assistance, either directly or indirectly, to persons, firms, corporations, and associations whose operations are necessary or contributory to the prosecution of the war, in cases where such persons, firms, corporations, or associations shall be unable to procure funds on reasonable or practicable terms from the general public or through the regular banking channels, and for the purpose of regulating and controlling the sale and offering for sale or subscription of securities hereafter issued, and for other purposes in aid of the prosecution of the war, the Secretary of the Treasury, together with four additional persons (who shall be the directors first appointed as hereinafter provided), are hereby created a body corporate and politic in deed and in law by the name, style, and title of the "War Finance Corporation" (herein called the Corporation), and shall have succession for a period of 10 years, provided that in no event shall the corporation exercise any of the powers conferred by this act, except such as are incidental to the successful liquidation of its assets and the successful winding up its affairs, after six months after the termination of the war, the date of such termination to be fixed by proclamation of the President of the United States.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 17, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 22, after the words "of the," to strike out "corporation" and insert "Corporation"; and on page 3, line 4, after the words "by the," to strike out "corporation" and insert "Corporation," so as to make the section read:

SEC. 2. That the capital stock of the Corporation shall be $500,000,000, all of which shall be subscribed by the United States of America, and such subscription shall, upon the approval of the Secretary of the Treasury, be subject to call upon the vote of three-fifths of the board of directors of the Corporation at such time or times as may be deemed advisable; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000,000, or so much thereof as may be necessary, for the purpose of making payment upon such subscription when and as called. Receipts for payments by the United States of America for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of stock ownership.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, I ask unanimous consent that the Secretary be directed to change the first letter of the word "corporation" in all the 20 amendments to conform with the first amendment.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

The next amendment was, in section 3, page 3, line 6, after the words "of the," to strike out "corporation" and insert "Corporation"; and in line 9, after the words "by the," to strike out "Secretary of the Treasury, with the approval of the President of the United States. And director or directors so appointed may be removed by the Secretary of the Treasury, with the approval of the President, and vacancies, however arising, may be filled by the Secretary of the Treasury, with the approval of the President" and insert "President of the

United States, by and with the advice and consent of the Senate," so as to make the section read:

SEC. 3. That the management of the Corporation shall be vested in a board of directors consisting of the Secretary of the Treasury, who shall be chairman of the board, and four other persons, to be appointed by the President of the United States, by and with the advice and consent of the Senate. Whenever a vacancy shall occur among the directors so appointed, the person appointed director to fill any such vacancy shall hold office for the unexpired term of the member whose place he is selected to fill. Three members of the board of directors shall constitute a quorum for the transaction of business.

The amendment was agreed to.

The next amendment was in section 4, page 3, line 22, after the words "of the," to strike out "corporation" and insert "Corporation," so as to make the section read:

SEC. 4. That the principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors, with the approval of the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was in section 5, page 4, line 3, after the words "of the," to strike out "corporation" and insert "Corporation."

The amendment was agreed to.

The next amendment was, in line 4, after the word "provided," to strike out "shall devote their entire time to the business of the corporation (except such part of their time, if any, as shall be devoted to other governmental business) and."

Mr. HOLLIS. Mr. President, the consideration of this amendment will fairly go with the consideration of the amendment that strikes out the provision requiring these officers not to continue as officers, directors, or trustees of any other banking institution; and in view of the importance of those two amendments I will ask that they may both be passed over.

Mr. SIMMONS. I do not object to that.

Mr. HOLLIS. I make the request as to this amendment and when the other amendment is reached I will make the same request.

The PRESIDING OFFICER. It will be passed over.

The next amendment of the Committee on Finance was, on page 4, in line 10, after the word "not," to strike out "however"; in the same line, after the word "exceeding," to strike out "the annual salary of the principal officer of an executive department of the United States" and insert "$12,000"; in line 14, after the words "from the," to strike out "corporation" and insert "Corporation"; in line 18, after the words "by the," to strike out "corporation" and insert "Corporation"; in line 19, after the words "of the," to strike out "corporation" and insert "Corporation"; and in line 22 before the words "shall designate," to strike out "Secretary of the Treasury" and insert "President of the United States," so as to read:

shall receive annual salaries, payable monthly, the amount of which shall be fixed by the Secretary of the Treasury, with the approval of the President of the United States, not exceeding $12,000. Any director receiving from the United States any salary or compensation for services shall not receive as salary from the Corporation any amount which, together with any salary or compensation received from the United States, would make the total amount paid to him by the United States and by the Corporation exceed the amount fixed as the annual salary of a director of the Corporation, as hereinbefore provided. Of the four directors appointed, as hereinbefore provided, the President of the United States shall designate two to serve for two years, and two for four years; and thereafter each director so appointed shall serve for a term of four years.

The amendment was agreed to.

The next amendment was, on page 4, in line 25, after the word "years," to strike out "No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers; and, before" and insert "Any director shall be subject to removal by the President of the United States"; on page 5, line 4, before the word "entering," to insert "Before"; and in line 5, after the word "shall," to strike out "certify under oath to the Secretary of the Treasury that he has complied with this requirement, and shall also."

Mr. HOLLIS. I ask that this amendment may go over, because all these amendments are linked together.

Mr. SIMMONS. Very well.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The next amendment was, in section 6, page 5, line 14, before the words "shall be," to strike out "corporation" and insert "Corporation"; in line 16, after the word "make," to strike out "contract" and insert "contracts"; in line 19, before the word "complain," to insert "to"; in line 21, after the words "fix the," to strike out "compansation" and insert "compensation," so as to make the clause read:

SEC. 6. That the Corporation shall be empowered and authorized—

(a) To adopt, alter, and use a corporate seal; to make contracts; to purchase or lease and hold or dispose of such real estate as may be necessary for the prosecution of its business; to sue and be sued; to complain and defend in any court of law or equity, including courts of the United States; to appoint, by its board of directors, and fix the compensation of such officers, employees, attorneys, and agents as are not otherwise provided for in this act, to define their duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its board of directors, subject to the approval of the Secretary of the Treasury, by-laws regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed, and prescribing the powers and duties of its officers and agents.

The amendment was agreed to.

The next amendment was, on page 6, line 18, after the words "by the," to strike out "corporation" and insert "Corporation"; in line 22, after the words "by the," to strike out "corporation" and insert "Corporation"; on page 7, line 2, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 7, after the words "by the," to strike out "corporation" and insert "Corporation"; in line 10, after the word "The," to strike out "corporation" and insert "Corporation"; in line 16, after the words "of the," to strike out "corporation" and insert "Corporation"; on page 8, line 2, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 4, after the words "by the," to strike out "corporation" and insert "Corporation"; and in the same line, after the word "The," where it occurs the second time, to strike out "corporation" and insert "Corporation," so as to make the clause read:

(b) To make advances, upon such terms not inconsistent herewith, as it may prescribe for periods not exceeding five years from the respective dates of such advances, (1) to any bank, banker, or trust company which has made, and which has outstanding, any loan or loans to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes, or (2) to any bank, banker, or trust company which has rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the purchase of its bonds or other obligations: *Provided*, That advances so made by the Corporation on the basis of any such loan or loans shall not exceed 75 per cent of the face value thereof: *And provided*, That any advances so made by the Corporation, in cases where such financial assistance shall have been rendered by the purchase of such bonds or other obligations shall not exceed 75 per cent of the market value of such bonds or other obligations at the time of such advance, as estimated and determined by the board of directors of the Corporation: *And provided further*, That all such advances shall be made upon the promissory note or notes of such bank, banker, or trust company, secured by the notes, bonds, or other obligations, which are the basis of any such advance by the Corporation, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations. The Corporation shall, however, have power to make advances (a) up to 100 per cent of the face value of any such loan or loans made by any such bank, banker, or trust company to any such person, firm, corporation, or association, or (b) up to 100 per cent of the market value at the time of such advances (as estimated and determined by the board of directors of the Corporation) of such bonds or other obligations by the purchase of which financial assistance shall have been rendered to such person, firm, corporation, or association: *Provided*, That every such advance shall be secured in the manner described in the preceding part of this paragraph, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character as shall be prescribed by the board of directors, with the approval of the Secretary of the Treasury, of a market value, at the time of such advance (as estimated and determined by the board of directors of the Corporation), equal to at least 25 per cent of the amount advanced by the Corporation. The Corporation shall retain power to require additional collateral security at any time.

The amendment was agreed to.

The next amendment was on page 8, line 9, after the word "exceeding," to strike out "ninety days" and insert "one year"; in line 12, after the words "whenever the," to strike out "corporation" and insert "Corporation"; in line 17, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 20, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 24, after the word "than," to insert "one-half of"; in the same line, after the words "per centum," to insert "per annum"; and on page 9, line 3, after the word "The," to strike out "corporation" and insert "Corporation"; so as to make the clause read:

(c) To make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank or other banking institution which receives savings deposits, on the promissory note or notes of the borrowing institution whenever the corporation shall deem such advances to be necessary or contributory to the prosecution of the war or important to the public interest: *Provided*, That such note or notes shall be secured by the pledge of securities of such character as shall be prescribed by the board of directors of the corporation, with the approval of the Secretary of the Treasury, the market value of which, at the time of such advance (as estimated and determined by the board of directors of the corporation), shall be equal in amount to at least 125 per cent of the amount of such advance: *Provided further*, That the rate of interest charged on any such advance shall not be less than one-half of 1 per cent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrowing institution is located. The corporation shall retain power to require additional collateral security at any time.

The amendment was agreed to.

The next amendment was, on page 9, after line 4, to strike out:

(d) In exceptional cases, to make advances directly to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war, for periods not exceeding five years from the respective dates of such advances, upon such terms, and upon the security of such bonds, notes, or other obligations, and subject to such rules and regulations as may be prescribed by the board of directors of the corporation, with the approval of the Secretary of the Treasury. The corporation shall retain power to require additional collateral security at any time.

And to insert in lieu thereof:

(d) To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility, and (2) to any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war: *Provided*, That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest. Such advances may be made for periods not exceeding five years from the passage of this act, upon such terms and upon such security and subject to such rules and regulations as may be prescribed from time to time by the board of directors of the corporation, with the approval of the Secretary of the Treasury. The corporation shall have and retain power to require additional security from time to time.

Mr. SMOOT. Let this amendment go over.

Mr. CURTIS. Before that order is made I should like to ask the chairman of the committee a question. In line 19 of the amendment I notice the word "person" is left out. I wonder if it was not the intention of the committee to have the word "person" included before the word "firm." As I read the hearings, I understood the Secretary of the Treasury stated that it was intended to apply to persons.

Mr. THOMAS. I wish to announce that before the amendment is passed over that I shall offer two amendments to it when it is considered. One will occur on line 20, where I shall move to amend by inserting, after the word "whose," the words "bonded indebtedness is not in excess of actual invested capital," so that it will read:

and (2) to any firm, corporation, or association conducting an established and going business whose bonded indebtedness is not in excess of actual invested capital operations are necessary or contributory to the prosecution of the war.

I shall also offer an amendment inserting the word "adequate," on page 10, at the beginning of line 3, so that the amendment will read:

upon such terms and upon such adequate security and subject to such rules and regulations as may be prescribed from time to time by the board of directors of the corporation with the approval of the Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. HALE. I should like to ask a question of the chairman of the committee. Is there anything in this amendment that would prevent banking institutions from coming under it?

Mr. SIMMONS. To which amendment does the Senator refer?

Mr. HALE. Subsection (d), on page 9.

Mr. SIMMONS. It is confined to corporations owning or controlling, directly or through stock ownership, any railroad or other public utility.

Mr. HALE. I see no reason why in an emergency a bank could not come under this provision as well as any firm, corporation, or association.

Mr. SMOOT. They can apply no matter whether it is an emergency or not under paragraph (b) of section 6. It is not required that there shall be an emergency.

Mr. HALE. But there is a provision for security to be given, and in this section there is no provision for security to be given.

Mr. SMOOT. The banks could not get the money unless they gave security.

Mr. HALE. Corporations and firms can do so. If corporations and firms can do so without security, why can not the banks?

Mr. SMOOT. Not without the security in the case of savings banks, and in the case of national banks the percentage of security they shall advance is specifically named, but in the case of railroads and public-utility corporations the same rule can not be applied because of the fact, as I stated the other day, and I now state it again, in some cases it will be impossible for them to put up the same amount of security as required by the bank.

Mr. SMITH of Michigan. But the point the Senator from Maine makes is that, according to this provision, the corporation may make advances to certain artificial persons, and they have a discretionary power to pass upon the character of the security they take. If the term "corporation" in the amendment includes a bank corporation, then the bank has a right to tender to the discretion of the board its application for a loan.

Mr. SMOOT. The paragraph specifically says:

(d) To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility——

Mr. SMITH of Michigan. That is not the point. It turns on the second line on the tenth page:

upon such terms and upon such security and subject to such rules and regulations as may be prescribed from time to time by the board of directors of the corporation, with the approval of the Secretary of the Treasury. The corporation shall have and retain power to require additional security from time to time.

It is a discretionary matter entirely and, in my judgment, the word "corporation" there does include banks.

Mr. HALE. It seems to me this can be taken care of by putting in the words "other than banking institutions." Then there could be no question about it.

Mr. SMOOT. In that case corporations other than banking institutions would have a right to apply under paragraph 2. Only a railroad or public-utility corporation can secure advances direct from the corporation.

Mr. HALE. I think the Senator is referring to the first paragraph of the section, while I am referring to the second paragraph, which reads, "To any firm, corporation, or association conducting an established and going business," and so forth.

Mr. SMOOT. I see now what the Senator from Maine [Mr. HALE] means, and he is right in his conclusions. The language "firm, corporation, or association" might include a banking association in some instances as well as any other.

Mr. SMITH of Michigan. It would include a banking institution, and I am glad it does, because I think that discretionary power should be given. If the Federal reserve bank, for instance, can not cash these obligations for loans, the bank will go directly to the corporation and appeal to them. It is a broad discretion. I think it means just what the Senator from Maine says it means.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 10, line 12, after the word "its," to strike out "notes or obligations" and insert "bonds"; in line 14, after the word "such," to strike out "notes or obligations" and insert "bonds"; in line 18, after the words "of the," to strike out "corporation" and insert "Corporation"; and in line 20, after the word "Such," to strike out "notes or obligations" and insert "bonds"; in line 22, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 23, after the words "and the," to strike out "corporation" and insert "Corporation"; in line 24, after the word "Such," to strike out "notes or obligations" and insert "bonds"; on page 11, line 5, after the word "Such," to strike out "notes or obligations" and insert "bonds"; in line 11, after the word "such," to strike out "notes or obligations" and insert "bonds"; in line 18, after the words "by the," to strike out "notes or obligations" and insert "bonds"; in line 19, after the words "of the," to strike out "corporation" and insert "Corporation"; on page 12, line 9, after the words "by the," to strike out "notes or obligations" and insert "bonds"; and in line 10, after the words "of the," to strike out "corporation" and insert "Corporation," so as to make the clause read:

(f) To issue and have outstanding at any one time its bonds in an amount aggregating not more than eight times its paid-in capital, such bonds to mature not less than one year nor more than five years from the respective dates of issue, and to bear such rate or rates of interest and may be redeemable before maturity at the option of the Corporation as may be determined by the board of directors, subject to the approval of the Secretary of the Treasury. Such bonds shall have a first and paramount floating charge on all the assets of the Corporation, and the Corporation shall not at any time mortgage or pledge any of its assets. Such bonds may be issued at par in payment of any advances authorized by this act, or for any of the purposes of this act may be offered for sale publicly or to any individual, firm, association, or corporation at such price or prices as the board of directors may determine, subject to the approval of the Secretary of the Treasury. Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and Federal reserve banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper and make advances secured by such bonds in the same manner and to the same extent and at the same rates or at such higher rates as the Federal Reserve Board may approve, as they may purchase or rediscount paper or make advances secured by such bonds or notes of the United States under authority of the Federal reserve act. Any Federal reserve bank acquiring by purchase or rediscount such paper secured by the bonds of the Corporation may, with the approval of the Federal Reserve Board, use such paper so acquired for any purpose for which it is authorized to use paper secured by such bonds or notes of the United States: *Provided, however*, That whenever Federal reserve notes are issued against the security of such paper the Federal Reserve Board may make a special interest charge on such notes, which, in the discretion of the Federal Reserve Board, need not be applicable to other Federal reserve notes which may from time to time be issued and outstanding. All provisions of law not inconsistent herewith in respect to the purchase

or rediscount by any Federal reserve bank of paper secured by such bonds or notes of the United States and in respect to Federal reserve notes issued against the security of such paper shall extend, in so far as applicable, to the purchase or rediscount of paper secured by the bonds of the Corporation and to the Federal reserve notes issued against the security of such paper.

Mr. OWEN. I wish to give notice that to-morrow I will suggest an amendment to this section providing that these bonds shall not be taxable and shall not exceed 4 per cent. I will not stop to consider that matter now, but to-morrow I will present the amendment.

Mr. HOLLIS. I ask the chairman of the committee to allow me to direct his attention to a verbal error. In line 17, on page 10, the word "may" should be changed to "to," so as to read:

And to bear such rate or rates of interest to be redeemable before maturity.

The word "may" has not the same construction, the courts have held.

The PRESIDING OFFICER. The amendment will go over.

The next amendment was, on page 12, after line 12, to strike out:

(g) To exercise by its board of directors, and its duly authorized officers or agents, all powers specifically granted by the provisions of this act and such incidental powers as shall be necessary or proper to carry out the purposes of this act: *Provided*, That the powers specifically enumerated herein shall be deemed additional to, and not in limitation of, any implied powers granted by this act: *And provided further*, That it shall not exercise any of these powers or perform any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the President of the United States to commence business under the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 13, line 1, after "SEC. 7," to strike out:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, the corporation may, under rules and regulations to be prescribed by the corporation, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided.

And insert:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital-issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may, under rules and regulations to be prescribed by such committee, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided. Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation.

Mr. SMOOT. As there will be one or two amendments offered to this paragraph, which I do not believe will lead to any discussion. I ask that it may go over.

Mr. SIMMONS. Very well.

The PRESIDING OFFICER. Without objection, the amendment will go over.

Mr. OWEN. I wish to give notice that to-morrow I shall suggest certain amendments to this proposed amendment of the committee so as to provide for a system of appeals from any decision made by the proposed capital issues committee.

The next amendment was, on page 14, line 8, after the words "regulations as," to strike out "the corporation" and insert "such committee"; in line 12, after the words "granted by," to strike out "the corporation. The corporation shall, however, grant licenses for any such sale, or any such offer for sale or for subscription, which it shall determine to be consistent with the foregoing purposes," and insert "such committee"; in line 18, after the word "each," to strike out "Any securities which upon the date of the approval of this act are in the possession or control of, or have been hypothecated by, the corporation, association, or obligor issuing the same, shall not be deemed to have been issued prior to the date of the approval of this act, within the meaning thereof," and insert "Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby"; on page 15, line 2, after the word "from," to strike out "the corporation" and insert "such committee"; in line 10, after the words "prescribed by," to strike out "the corporation" and insert "such committee"; in line 15, after the words "omitted by," to strike out "the corporation" and insert "such committee"; and in line 16, after the words "approval of," to strike out "the corporation" and insert "such committee," so as to make the section read:

SEC. 7. That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may, under rules and regulations to be prescribed by such committee, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided. Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation. No person, firm, corporation, or association shall sell, or offer for sale or for subscription, any issue, or any part of any issue, of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, except in accordance with such rules and regulations as such committee, with the approval of the Secretary of the Treasury, shall prescribe, nor, when required by such rules and regulations, except as permitted by licenses granted by such committee. Shares of stock of any corporation or association without nominal or par value shall for the purposes of this act be deemed to be of the par value of $100 each. Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby. Nothing in this act shall be construed to prohibit, or to require any license from such committee in respect of, any borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes. This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States. This section shall not take effect until rules and regulations shall have been prescribed by such committee, as hereinbefore provided, and may continue in effect until the expiration of six months after the termination of the war, the date of such termination to be determined by a proclamation of the President of the United States. Nothing done or omitted by such committee hereunder shall be construed as carrying the approval of such committee or of the United States of the legality, validity, worth, or security of any securities.

Mr. SMOOT. Let the whole section go over.

The PRESIDING OFFICER. It will go over.

The next amendment was, in section 8, page 15, line 21, after the word "license," to strike out "order" and insert "or of any"; in line 22, after the word "issued," to insert "and duly published"; in line 24, after the word "license," to strike out "order" and insert "or of any"; in line 25, after the word "issued," to insert "and duly published"; on page 16, line 2, after the words "more than," to strike out "$5,000" and insert "$1,000"; and in line 3, after the words "more than," to strike out "four years" and insert "one year," so as to make the section read:

SEC. 8. That whoever shall willfully violate any of the provisions of this act or of any license, or of any rule or regulation issued and duly published hereunder, or whoever shall willfully violate, neglect, or refuse to comply with any such license or of any rule or regulation issued and duly published hereunder, shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000, or, if a natural person, imprisoned for not more than one year, or both; and any officer, director, or agent of any corporation or association, or member of any firm, who shall knowingly participate in any such violation neglect, or refusal shall be punished by a like fine or imprisonment, or both.

Mr. SMOOT. Let the section go over.

The PRESIDING OFFICER. It will go over.

The next amendment was, in section 9, page 16, line 8, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 18, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 23, after the words "of the," to strike out "corporation" and insert "Corporation"; and on page 17, line 2, after the words "thereupon the," to strike out "corporation" and insert "Corporation," so as to make the section read:

SEC. 9. That all net earnings of the Corporation not required for its operations shall be accumulated as a reserve fund until such time as the Corporation liquidates under the terms of this act. Such reserve fund shall, upon direction of the Secretary of the Treasury, be invested in bonds, notes, or certificates of indebtedness of the United States, or, upon like direction, may be deposited in member banks of the Federal Reserve System, or may upon like direction be deposited in any of the Federal reserve banks. The Federal reserve banks are hereby authorized to act as depositaries for and as fiscal agents of the Corporation in the general performance of the powers conferred by this act. Beginning six months after the termination of the war, the date of such termination to be fixed by a proclamation of the President of the United States, the directors of the Corporation shall proceed to liquidate its assets and to wind up its affairs. Any balance remaining after the payment of all its debts shall be paid to and become the property of the United States, and thereupon the Corporation shall be dissolved.

The amendment was agreed to.

The next amendment was, in section 10, page 17, line 3, after the words "and all," to strike out "notes and obligations" and insert "bonds"; in line 4, after the words "by the," to strike out "corporation" and insert "Corporation"; in line 13, after

the word "such," to strike out "notes and obligations" and insert "bonds"; in line 17, after the word "The," to strike out "corporation" and insert "Corporation"; and, in line 23, after the words "of the," to strike out "corporation" and insert "Corporation," so as to make the section read:

SEC. 10. That any and all bonds issued by the Corporation shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of such bonds the principal of which does not exceed in the aggregate $5,000 owned by any individual, partnership, association, or corporation shall be exempt from taxes provided for in subdivision (b) of this clause. The Corporation, including its franchise and the capital and reserve or surplus thereof and the income derived therefrom, shall be exempt from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except that any real property of the Corporation shall be subject to State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed.

The amendment was agreed to.

The PRESIDING OFFICER. This completes the amendments except those passed over.

Mr. SIMMONS. As all the amendments of the Finance Committee have been agreed to except those that have gone over, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Friday, March 1, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *February 28, 1918.*

The House met at 12 o'clock noon.

Rev. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Our Heavenly Father, before the mountains were brought forth or Thou hadst formed the earth or the world, even from everlasting to everlasting Thou art God, and we come to join with all nature this morning in recognizing Thy majesty and Thy wisdom and Thy power. We thank Thee, O God, for the wonderful prominence Thou hast given us among the nations of the earth, for the marvelous way in which Thou hast led us. We thank Thee for the great men of the past who founded the Nation upon the Book of God, and we come to pray that we may be worthy sons of worthy sires. Let Thy blessing, we pray, rest upon this Legislative Hall this day, and may all that is done be done to Thy honor and glory. Lead us in the way of life, and help us to stand for religious liberty, for peace, and for the uplift of humanity. For Jesus Christ's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 3915. An act to reimburse Benson County, N. Dak., for money expended in the care of three insane Indians; to the Committee on Indian Affairs.

S. 2776. An act providing for the classification of lands under the stock-grazing homestead act in certain States, and for other purposes; to the Committee on the Public Lands.

DESIGNATION OF SPEAKER PRO TEMPORE FOR SUNDAY.

The SPEAKER. The Chair designates Mr. TILSON, of Connecticut, to preside next Sunday.

CHANGE OF REFERENCE.

Mr. MOON. Mr. Speaker, by direction of the Committee on the Post Office and Post Roads I move a change of reference of House bill 10239, authorizing the Post Office Department to acquire and extend the telephone system of the District of Columbia; to insure the Government complete control of such means of communication in safeguarding its military and executive affairs within the seat of government; and to promote the service to the public, from the Committee on the District of Columbia to the Committee on the Post Office and Post Roads.

Mr. MADDEN rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. MADDEN. I want to make the point of no quorum, Mr. Speaker.

The SPEAKER. Do you make it?

Mr. MADDEN. Yes, sir.

The SPEAKER. The gentleman from Illinois makes the point that there is no quorum present, and the Chair will count. [After counting.] One hundred and seventy-five gentlemen are present, not a quorum.

Mr. CRISP. Mr. Speaker, I move a call of the House.

Mr. MOON. I move a call of the House.

The SPEAKER. The gentleman from Georgia and the gentleman from Tennessee move a call of the House. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Britten	Fairchild, G. W.	Jones, Tex.	Ragsdale
Campbell, Kans.	Flynn	Kahn	Riordan
Capstick	Focht	Kraus	Robbins
Chandler, N. Y.	Glass	Kreider	Rowland
Copley	Graham, Ill.	LaGuardia	Sanders, N. Y.
Curry, Cal.	Gray, N. J.	Lobeck	Scott, Iowa
Dallinger	Gregg	Longworth	Scully
Dent	Hamilton, N. Y.	McKeown	Sisson
Dill	Heintz	Maher	Smith, T. F.
Drukker	Helvering	Mason	Snell
Dunn	Hollingsworth	Mondell	Stephens, Nebr.
Eagan	Hood	Nelson	Wilson, La.
Eagle	Howard	Nicholls, S. C.	
Fairchild, B. L.	Johnson, S. Dak.	Porter	

The SPEAKER. On this vote 37 Members, a quorum, answered to their names.

Mr. CRISP. Mr. Speaker, I move to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. MOON. Mr. Speaker, in order to explain this motion I ask unanimous consent that the gentleman from Kentucky [Mr. JOHNSON] and myself shall each have five minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that on this motion to rerefer a bill he shall have five minutes and the gentleman from Kentucky [Mr. JOHNSON] five minutes. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Speaker, reserving the right to object, I ask that I be permitted to divide my five minutes with the gentleman from Michigan [Mr. MAPES].

Mr. MOON. I will amend my motion so as to enable us both to divide our time with the gentleman from Michigan.

The SPEAKER. The gentleman from Tennessee amends his motion so that both he and the gentleman from Kentucky will have the right to subdivide the time. Is there objection?

There was no objection.

Mr. MOON. Mr. Speaker, this motion raises a question of jurisdiction over the bill H. R. 10239 between the Committee on the District of Columbia and the Committee on the Post Office and Post Roads. I will read two sections of the bill, so that the House may have the facts before it on which to determine the legal question under the rule. This bill provides in the first section—

That in order to promote the Postal Service the Postmaster General of the United States is hereby vested with a monopoly of the function and means of electrical communication for hire by telephone within the District of Columbia.

And in the second section—

SEC. 2. That the telephone systems and networks within the District of Columbia employed in the transmission of communications for hire and the central-office equipment, underground cables, underground conduits, aerial cables, aerial wires, poles, building cables, subscribers' stations, including indoor wiring and drops to premises of subscribers, private branch-exchange switchboards, land, buildings, furniture and fixtures, tools and teams, stores and supplies, and all other property used in the telephone service and appropriate and necessary for the operation of the same by the United States within the District of Columbia, are hereby declared to be, and the same are hereby, condemned and appropriated to and for the use of the United States of America, to be used by it for such public purposes as may be proper.

Mr. Speaker, this bill is one that provides for additional facilities of the Post Office Department by taking over telephone companies of the District of Columbia. It provides for an appropriation for the payment to the owners of the telephone company, and an issue of bonds is provided and a direct appropriation in dollars and cents for a partial payment.

Then there are other provisions which provide for the control by the Postmaster General of this telephone system in connection with other postal facilities, and a telephone commission is provided to pass upon questions of dispute between the Government and the telephone companies. I may say here that the Postmaster General requests me to say that he is willing and ready to operate the telephones under the direction and by the

authority of Congress, and that he has made no other suggestions.

Mr. SHERWOOD. What is the amount of the bonds to be issued?

Mr. MOON. Seven million dollars of bonds is provided in the bill. I state these facts as bearing on the question of jurisdiction. This House has never yet held to what committee questions affecting the telephone system of the United States goes.

Before discussing the rule itself, which in positive terms determines this question, let us look at the reason and the authority by which the Congress of the United States exercises control over the telephone and telegraph. It is under those simple words of the Constitution that Congress shall have power "to establish post offices and post roads." And under the well-known interpretation it has the power to pass all necessary laws to carry into effect the express grants of the Constitution or those fairly implied from it. Under that, it controls the transportation of mails, it controls the roads over which mails may pass, and the whole Postal Service. Therefore, in making the rules of the House for the distribution of the powers of Congress between the committees, the House provided that all subjects relating to the Post Office and post roads, including appropriations therefor, should be submitted to the Committee on the Post Office and Post Roads. That defines the jurisdiction of that committee. It provided further that all subjects relating to the District of Columbia, other than appropriations therefor, should go to the Committee on the District of Columbia.

The Committee on the District of Columbia brings into this House a bill that in the very first section of it provides for a postal facility, a means of communication, by which it undertakes to control the Postal Service, to pass a law in reference to it, to give this new and additional facility to the Postal Department of the United States. Whence comes this power? The fact that we propose to take the telephone system in the District of Columbia does not give jurisdiction. The extent of the territory involved does not determine the jurisdiction. The jurisdiction is determined by the subject matter over which you seek to legislate. The subject matter in this instance is postal. The telephone is an adjunct to the Postal Service. Upon that very theory this House once held that the Committee on the Post Office and Post Roads had exclusive jurisdiction of questions affecting the postal telegraph. And what is the postal telegraph? It is a means of communication to be provided for in the Post Office Service. The telephone is only another means. If we have any power to take over and handle either, it is the result of that clause of the Constitution to which I have referred, and the committee that has jurisdiction to determine it is the committee to which that power has been delegated by this section of the rules.

Now, you will see in a moment that if that were not true, still the Committee on the District of Columbia could not handle this appropriation, because its power goes to those things of a municipal nature alone within the specified territory of the District of Columbia.

The SPEAKER. The time of the gentleman has expired.

Mr. MOON. I ask unanimous consent for two minutes more.

The SPEAKER. The gentleman asks for two minutes more. Is there objection?

There was no objection.

Mr. MOON. The power of the Committee on the District of Columbia goes to those things that affect the municipality of this territory. This is not a municipal question. This is a postal question, that affects the whole Government, and one section of this bill provides for the handling of this service between the States.

Now, another view: Under the rules of the House this Committee on the District of Columbia is absolutely destitute of any power to make an appropriation for anything. The power to appropriate for a postal facility belongs, by the terms of the rule, to the Committee on the Post Office and Post Roads. I suggest that if this were a bill that provided for a reduction or increase of rates, or for the betterment of the telephone system in the District of Columbia as a public utility, then it would be a municipal question, and that committee might legislate in reference to it; but it makes it a postal facility, and the telephone is a postal facility that would not operate alone in the District of Columbia. If it did, the power would still be in the Committee on the Post Office and Post Roads. The Committee on the District of Columbia might just as well undertake to assume jurisdiction over a pneumatic tube, or over the screen-wagon service, or over any other postal facility in the District. It is not a question affected by territory. It is the subject matter with which this House must deal—that determining the question of jurisdiction.

The power of Congress to take over the telegraph and telephones arises, as I said, from the provisions of the Constitution that enable it to establish post offices and post roads. These instrumentalities must be taken over as a means of communication—as a part of the Postal System. They can not otherwise be constitutionally obtained. The committee that has the right to legislate and appropriate money for the Postal Service under the rules of the House is the committee that properly has jurisdiction to report a bill on this question. Inasmuch as these instrumentalities can be obtained only as postal facilities, no bill could be drafted under the rules over which any committee except the Post Office and Post Roads Committee would have jurisdiction, unless, possibly, the instrumentalities might be taken over under the war power of Congress by a bill from the Military Committee.

Mr. DUPRÉ. May I ask the gentleman a question?

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. JOHNSON of Kentucky. Mr. Speaker, I desire the Chair to notify me when I have used four minutes of my time.

The gentleman from Tennessee [Mr. MOON] has asked for the transfer of this bill from the District Committee to the Post Office Committee, because he says the bill deals with post offices and post roads. I assert that it does nothing of the sort. It deals only with telephones and telegraphs, and it deals only with those institutions in the District of Columbia. The provision of the bill is for the District of Columbia to take over the telephones and the telegraphs only within the District of Columbia.

Mr. MOON. That is for the Postal Service, however.

Mr. JOHNSON of Kentucky. The gentleman from Tennessee believes that because the Postmaster General is named in the bill as the one to manage it, therefore it becomes a postal matter. I say that it does not. Anybody else might have been named just as well. The Attorney General, the Secretary of the Navy, the Secretary of War, or anybody else might have been named instead to take charge of the local telephones after they have been acquired. The man in the moon might have been named to take charge of them after they were acquired by the District of Columbia, but even that would not permit the bill to go to the "Moon committee." The District of Columbia Committee has jurisdiction of legislation pertaining to the District of Columbia, and this bill does not undertake to go beyond the District of Columbia. I say it is a clear proposition that the Committee on the District of Columbia has jurisdiction over this question. I wish to impress that; because the bill says that the telephones shall be controlled by the Postmaster General, that fact does not make it a post-office matter. Any other department of the Government or any individual, whether a Government official or not, might be named in this bill to take charge of these telephones and operate them after the District of Columbia has acquired them.

The gentleman refers to the question of appropriations. If the gentleman makes the point that the District of Columbia Committee has no right to make the appropriation, in return I say that the Committee on the Post Office and Post Roads has no right to make the appropriation for this purpose, because, if the motion should prevail at all, it should be that this bill go to the Committee on Appropriations. The gentleman's committee has a right to make appropriations for post offices and post roads, but not for taking over telephones. Would the Committee on Public Roads, of which the gentleman from Missouri [Mr. SHACKLEFORD] is chairman, have jurisdiction to take control of a bill to open a road within the District of Columbia, or to improve a road within the District of Columbia? By no means. The Department of Justice would not have jurisdiction over a local court, that the Committee on the District of Columbia for a hundred years has been conceded to have jurisdiction over.

Mr. MOON. Will the gentleman allow me to ask him a question?

Mr. JOHNSON of Kentucky. Provided he does not break into my four minutes.

Mr. MOON. The very first sentence of your bill is—

That in order to promote the "Postal Service."

Mr. JOHNSON of Kentucky. That is surplusage.

Mr. MOON. Telephones are in promotion of the Postal Service.

Mr. JOHNSON of Kentucky. They may be or may not be. The Postmaster General has been designated in this bill to operate these phones in the District of Columbia after they have been acquired.

Mr. MOON. In connection with the Postal Service.

Mr. JOHNSON of Kentucky. The gentleman from Tennessee himself could be named in that bill instead of the Postmaster

General, and it would not thereby take the matter to his committee any more than it would with the Postmaster General's name.

Mr. MAPES. Mr. Speaker and gentlemen of the House, without regard to the merits of the legislation proposed in the bill in question, I submit that if the motion of the gentleman from Tennessee [Mr. MOON] prevails and the principle of that motion is adopted as the permanent policy of the House, the District Committee will be practically relegated to that class of committees that has little or nothing to do, about which we heard so much yesterday.

The rules of the House provide that all proposed legislation pertaining to all subjects relating to the District of Columbia, except appropriations, shall be referred to the District Committee. They provide also that all proposed legislation pertaining to all subjects relating to the post office and post roads, including appropriations for their support, shall go to the Post Office Committee.

The bill which the gentleman from Tennessee desires to take away from the Committee on the District of Columbia and have referred to the Committee on Post Offices and Post Roads, of which he is chairman, provides for taking over the telegraph and telephone lines of the District of Columbia and putting them under the control of the Post Office Department. It is true that the subject matter of the bill deals incidentally with a subject relating to the service of the Post Office Department, but only incidentally, and there is scarcely a subject within the jurisdiction of the District Committee which does not incidentally touch upon the jurisdiction of some other committee as much as this bill does on the jurisdiction of the Committee on Post Offices and Post Roads.

I submit that under the rules of the House this bill was properly referred to the District Committee. I read from Hinds' Precedents, section 4277:

The Committee for the District of Columbia reports bills proposing legislation as to the general municipal affairs of the District.

The Committee for the District of Columbia has a general and usually an exclusive jurisdiction of all bills proposing legislation relating to the affairs of the District of Columbia, and reports on such subjects as the extension of streets, affairs of the schools and teachers, control of railroads, police and fire department, etc.

The rules of the House of Representatives provide that all proposed legislation pertaining to all subjects relating to the alcoholic liquor traffic shall be referred to the Committee on Alcoholic Liquor Traffic. At the same time the Committee on the District of Columbia has exercised general jurisdiction of bills for the regulation of the sale of intoxicating liquors in the District of Columbia. (Hinds' Precedents, sec. 4281.) In the last Congress it reported the bill providing for prohibition in the District. No one has ever questioned the jurisdiction of the District Committee over such legislation. The Agricultural Committee has jurisdiction of and has reported the pure-food legislation. At the same time the subject of the adulteration of food, drugs, and so forth, in the District is within the jurisdiction of the Committee for the District of Columbia. (Hinds' Precedents, sec. 4280.)

Again, the rules of the House provide that all proposed legislation pertaining to all subjects relating to river and harbor legislation shall be referred to the River and Harbor Committee, but the Precedents say that the harbor regulations for the District have been within the jurisdiction of the Committee on the District of Columbia. (Hinds' Precedents, sec. 4286.)

If this is an appropriation bill, then the subcommittee on the District of Columbia of the Appropriations Committee has jurisdiction of it and not the Committee on the Post Office and Post Roads. The subject of this bill pertains to the telephone and telegraph lines within the District of Columbia and to no other subject.

Mr. MOON. Will the gentleman yield?

Mr. MAPES. I can not yield in three minutes. The Post Office Committee has jurisdiction of post offices and post roads, but up to date the subject of this bill does not relate at all to the Post Office Department. The Post Office Department is merely the vehicle for handling postal matters and has nothing to do with the merits of legislation such as is proposed in this bill. I submit, gentlemen of the committee, without regard to the merits of the legislation, that it comes within the jurisdiction of the District Committee under the rules of the House and that the motion of the gentleman from Tennessee should be voted down. [Applause.]

The SPEAKER. The question is, Shall the House bill 10239 be rereferred to the Committee on the Post Office and Post Roads?

The question was taken; and on a division (demanded by Mr. MADDEN and Mr. MOON) there were—ayes 149, noes 102.

Mr. JOHNSON of Kentucky. I demand tellers.

Mr. CARY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Wisconsin demands the yeas and nays. All those in favor of taking the question by yeas and nays will rise. [After counting.] Forty-three, not a sufficient number.

Mr. MAPES. I ask for the other side.

The other side was taken.

The SPEAKER. Two hundred and fourteen gentlemen have arisen. Forty-three is not a sufficient number. The yeas and nays are refused and the motion prevails.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the railroad bill.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 10022, a bill to arrange for the purchase of the Arlington property by the Treasury Department.

Mr. SIMS. I object.

The SPEAKER. The question is on going into Committee of the Whole to consider the railroad bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9685) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes. When the committee rose last Tuesday it was about to divide on the amendment proposed by the gentleman from Iowa [Mr. SWEET]. Tellers had been ordered, and the gentleman from Iowa [Mr. SWEET] and the gentleman from Tennessee [Mr. SIMS] will take their place as tellers.

Mr. STAFFORD. Mr. Chairman, I ask that the amendment be again reported.

Mr. FOSTER. I object.

The committee divided; and the tellers reported that there were 164 ayes and 157 noes.

So the amendment was agreed to.

Mr. COOPER of Ohio. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Mr. COOPER of Ohio moves to amend as follows: On page 12, line 9, strike out the words "But no process" and all of lines 10 and 11 and insert in lieu thereof the following:

"No process, mesne or final, shall be levied against any property under Federal control or, in connection with any suit or proceeding that may properly be brought against the carrier under this section, against any property belonging to the owner of a railroad or system of transportation; but the President shall, by regulation, provide for the payment out of the operating revenue derived from Federal control or, if that is insufficient, out of the revolving fund of any judgments or awards, and for the enforcement of any decrees or orders that may be rendered against the United States in any such suit or proceeding."

Mr. COOPER of Ohio. Mr. Chairman, I believe this is one of the most important sections of this bill. I am not just so partial to the amendment that I have offered as to insist upon it being adopted. I understand there will be offered other amendments, which will probably change this section as I would like to have it changed, but the first part of the section relates to the liability of common carriers. It says that the common carriers shall be liable as they now are under the State and Federal laws. On page 12, in line 2, I wish to call attention to the words "or with any order of the President." I touched on this in general debate a few days ago. It seems to me that the wording of this section makes it very clear that the carrier shall be liable for an injury or for damages, providing such injury or damages were not caused by an order of the President or by some one else who had governmental authority. Then, in lines 9, 10, and 12, you will find that in case the injured party received a judgment against the carrier there is no way by which he can collect the judgment, for it is provided—

That no process, mesne or final, shall be levied against any property under such Federal control.

It seems to me that when judgment is rendered, that is conclusive evidence that the injured party ought to be paid, but under the wording of the section there is no way whatsoever by which the party receiving judgment can have the same executed. The amendment I have offered provides that whenever a judgment is rendered the President shall be empowered to pay such judgment out of the revolving fund or out of the earnings of the railroad company. I believe that this amendment is fair. I believe in justice to the thousands of railroad employees in this country there ought to be some way of protecting them, as they are now protected under State and Federal laws, and if

they recover judgment in the courts I believe that that judgment ought to be paid. If you leave this section the way it is now, there will be no way in which you can have the judgment executed. There will be other amendments offered. I do not know whether this is the best one or not, but I do hope there will be something done along this line before we leave this question.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. Yes.

Mr. PARKER of New Jersey. Mr. Chairman, I sympathize with the gentleman's object, but has he not used the language "judgment against the United States" in his amendment, when, as a matter of fact, he means to say "judgment against the carrier"? Will the Clerk read the amendment again?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. COOPER of Ohio. Mr. Chairman, I ask unanimous consent to amend the amendment by substituting the word "carrier" for the words "United States," to conform with the suggestion of the gentleman from New Jersey.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to modify his amendment by striking out the words "United States" and inserting the word "carrier." Is there objection?

There was no objection.

Mr. SIMS. Mr. Chairman, I desire to ask the gentleman from Ohio if his amendment does not provide to pay a judgment out of the revolving fund or out of the operating revenues received by the Government for causes arising prior to the taking over of the railroads?

Mr. COOPER of Ohio. I think so.

Mr. SIMS. I think it does, if I heard it read correctly. If the payment of judgments which have been rendered is confined to those rendered against the road while the Government is in control, they would be paid immediately. I understood from the reading of it that a judgment rendered against the railroad company for a cause arising prior to the taking over of the railroads must be paid.

Mr. COOPER of Ohio. Yes.

Mr. SIMS. The bill itself does not prevent and will authorize the President to pay anything for which the Government is liable during Government control.

Mr. COOPER of Ohio. I would be very much obliged to the chairman if he will tell me where such a provision is in the bill.

Mr. SIMS. The Government takes them over, and it is responsible for everything that happens after it takes them over, and therefore would have to pay the judgment.

Mr. COOPER of Ohio. I want to ask the chairman of the committee a question. Does it not say in lines 9, 10, and 11 that no process shall be levied against any property under such Federal control?

Mr. SIMS. Yes.

Mr. COOPER of Ohio. Now, where do you provide in the bill that the President shall pay a judgment?

Mr. SIMS. The property of the United States is never levied on in order to collect a debt owing by the United States. This property after it is taken over is in the hands of the Government and must be operated for war purposes. A judgment rendered against the carrier for a cause of action arising after it is in Government control is a judgment in effect against the President of the United States, and you would not want to levy on a train or an engine and stop it from running or carrying troops, because the Government will pay the judgment without anything of that sort. That is a dangerous amendment and does not do any good.

Mr. COOPER of Ohio. I want to say to the gentleman that my amendment does not provide that you can levy on a train or equipment. It is the very opposite of that.

Mr. SIMS. Let me ask the gentleman. The gentleman strikes out this language:

> But no process, mesne or final, shall be levied against any property under such Federal control.

Does not the gentleman strike that out? Of course he does.

Mr. COOPER of Ohio. But I put it in again in the amendment I have offered.

Mr. SIMS. That is exactly what you strike out.

Mr. COOPER of Ohio. The wording of this section, as the Chair knows, is:

> And in any suit against the carrier no defense shall be made thereto upon the ground that the carrier is an instrumentality or agency of the Federal Government.

Mr. SIMS. Certainly; that is right and it ought to be.

Mr. COOPER of Ohio. If defense can not be made, how are you going to levy?

Mr. SIMS. You do not want to levy; the Government will pay, because it is liable.

Mr. COOPER of Ohio. Where in the bill does it authorize the President to pay the judgment when it has been rendered by the courts?

Mr. SIMS. Because the Government pays a standard return, and certainly when a railroad is being operated through a governmental agency, through the Director General, and a cause of action arises growing out of his action, of course the Government is liable.

Mr. COOPER of Ohio. I want the gentleman to point to the specific provision where the President is authorized to pay a judgment when it is rendered by the courts.

Mr. SIMS. When a judgment has been rendered against the Director General, or the railroad since the Director General has taken them over, it does not require any further authorization any more than to pay the standard return. We do not provide here that a railroad may bring suit for its standard return.

Mr. COOPER of Ohio. The gentleman is taking for granted the President or the Director General will pay.

Mr. SIMS. It will be a liability, just the same as wages of employees.

Mr. COOPER of Ohio. Why did not the gentleman put such a provision in the bill?

Mr. SIMS. If you put everything in the bill, it will be as long as from here to Jericho.

When you specify you have to include everything, and when you begin to specify you must specify everything, or thereby you exclude everything that is not specified. This amendment is wholly unnecessary and can not possibly do any good, because there is no thought of avoiding liability for anything growing out of the operation of railroads during the Federal control.

Mr. HAMLIN. Will the gentleman yield?

Mr. SIMS. I will.

Mr. HAMLIN. The gentleman is laboring under a very wrong impression as to the provision of the amendment offered by the gentleman from Ohio. He does strike out of the bill the words prohibiting the issuance of any process against any property under such Federal control, but he puts them back in his amendment, and it is in there.

Mr. SIMS. There is no use lumbering this up. There is nothing to keep the Government from being liable for what happens in the way of an accident or such matter while the railroads are under Federal control.

Mr. HAMLIN. Why does the gentleman object to the Government paying out of the operating expenses or the revolving fund obligations in the shape of judgments now existing against railroads when they were taken over by the Government——

Mr. SIMS. That is provided——

Mr. HAMLIN (continuing). When the Government takes the roads over under your bill and John Smith has a valid judgment against the Pennsylvania Railroad, for instance, he can not collect it as long as the road remains under Government control.

Mr. SIMS. It will be paid out of what is going to the railroad at the end of Government operation.

Mr. HAMLIN. There is no provision in the bill to that effect.

Mr. SIMS. I hope the amendment will be voted down.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KEARNS. Mr. Chairman, after a careful reading of this bill I am constrained to believe that the amendment offered by the gentleman from Ohio [Mr. COOPER], or one similar in character, ought to be adopted and made a part of this bill. Without such an amendment there seems, to my mind, no question but it would be a futile matter for any litigant to bring suit against a railroad company. This matter is not only important to every employee of the railroad company but it is important to every man, woman, and child in the United States who may receive an injury at the hands of any railroad company taken over by the Government. It is important to the traveling public as well as it is to those in the employment of a railroad company. If the chairman of this committee is right in his contention, there would be no necessity for this amendment, but the bill itself is absolutely silent. What authority have we to say, if it is not written in the bill, that the Government will interpret the bill as does the chairman of this committee? What reason can he urge if he wants that idea in his bill for not having a clause in the bill that will make it plain after it is enacted into law? This is very important. We ought not to leave it to chance, because every Member of the

Congress of the United States is directly interested in this piece of legislation. There is not a Member of this House but what every time he takes passage upon a railroad is taking a chance of an injury, and if that injury is caused by the neglect of the company, the company ought to be made to respond in damages, and as this bill is written there is no way that the injured person can collect damages after he has prosecuted his claim to a finality.

Mr. SWITZER. Will the gentleman yield?

Mr. KEARNS. I will.

Mr. SWITZER. As I understand the gentleman's proposal is to put in language by which you can enforce the judgment after it is rendered?

Mr KEARNS. That is what we want written in this law.

Mr. SWITZER. There is no use having a judgment if you can not enforce it.

Mr KEARNS. Your judgment, unless it can be cashed, is absolutely worthless, and under this bill I can not help but believe, and I believe it is the consensus of opinion of the lawyers of this House, that the judgment would be a mere scrap of paper, nothing more.

Mr. HARDY. Will the gentleman yield just for information?

Mr. KEARNS. Yes.

Mr. HARDY. Has the gentleman carefully read the amendment, and can he say whether or not it would authorize or require the payment of judgments for causes arising prior to the taking over of the road?

Mr. KEARNS. I do not think it does, but it ought to do so. If you have a judgment against the railroad company, and that judgment is now pending, and to-morrow the railroad shall be taken over by the Government, the mere fact that that railroad company is taken under Government control to-morrow ought not to defeat your rights under your judgment.

Mr. HARDY. But would the gentleman have that judgment paid out of the $500,000,000 we contribute here?

Mr. KEARNS. I would have it paid out of any receipts that might in the future come into the hands of the Government from the railroad companies.

Mr. HARDY. From the operation of the railroad companies?

Mr. KEARNS. From the operation of the railroad companies.

Mr. HARDY. But not out of this $500,000,000?

Mr. KEARNS. No; not out of this $500,000,000.

Mr. HARDY. The gentleman qualifies that. I understand all that you mean is that if there is not enough property of the road and from the operating receipts of the road the gentleman would take from this $500,000,000 to pay it?

Mr. KEARNS. No; I have not said that. I have said that this amendment ought to be so constructed that this judgment should be paid out of any receipts from that road that might be in the hands of the Government or might hereafter come into the hands of the Government.

Mr. DEWALT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized in opposition to the pro forma amendment.

Mr. DEWALT. Mr. Chairman and gentlemen of the committee, I recognize very fully the importance of this proposed amendment, and were it worded somewhat differently I would unhesitatingly support it. I grant that this bill does not in express terms provide for the payment of a judgment which may be obtained against the companies even during Federal control. And I also grant, for the purposes of the argument, that it nowhere in explicit terms provides for the payment of judgments, awards, and decrees which have been obtained prior to Federal control. Judgments, awards, or decrees for the payment of money against carriers are charged up primarily against operating expenses and income. All railroad accounting is based upon that theory and upon those facts. This bill does provide that out of the standard return obtained by operating the railroads and the calculation of the standard return all expenses and legal expenditures shall be provided for and taken out of that standard return. But even there the language is not quite explicit enough, because it says:

That for the purposes of providing funds requisite for maturing obligations—

Judgments obtained for personal injuries, we will say, would not be maturing obligations—

or for other legal and proper expenditures—

It might be included under that broad term, but it is followed by the words—

or for reorganizing railroads in receivership, carriers may, during the period of Federal control, issue such bonds and notes, equipment trust certificates, stock, and other forms of securities.

But I doubt whether the courts would construe that general phraseology, "or other legal and proper expenditures," as inclusive of judgments obtained for such character of cases as that in the mind of the proponent of this amendment.

But the objection—and permit me to address myself to my colleague on the committee, the gentleman from Ohio [Mr. COOPER]—the objection to this amendment is that you propose to take the payment of these judgments out of the revolving fund, because your amendment says that it shall be the payment out of the operating revenue derived from Federal control, or, if that is insufficient, out of the revolving fund.

Now, this revolving fund——

Mr. CARAWAY. May I ask the gentleman a question?

Mr. DEWALT. Certainly.

Mr. CARAWAY. If the Government takes over the carrier, and so operates it that the return will not pay all the legal liabilities of the company, why should it not pay it out of the revolving fund? Suppose a man is working for the company and he is injured? He is entitled to compensation. He obtains a judgment against it, but the Government so operates the road that there is no revenue out of which it can be paid. Now, then, why should he not be paid out of the revolving fund or any other revenue?

Mr. DEWALT. I do not object to the primary construction given by the gentleman from Arkansas [Mr. CARAWAY], but I am referring to section 6, in which the revolving fund of $500,000,000, as already agreed to and passed by this House, is specifically devoted to certain purposes, and that is that, together with funds available from any funds of the carrier, it may be used by the President for the purpose of paying the expenses of the Federal control, and, so far as necessary, the amount of just compensation, and to provide for terminals, motive power, cars, and other necessary equipment. Now, that exclusively confines that $500,000,000 to the purpose of paying expenses during Federal control. And what is no doubt in the mind of the gentleman from Arkansas [Mr. CARAWAY] and in the mind of the gentleman from Ohio [Mr. KEARNS] is to pay judgments which were obtained even before Federal control. Do I understand it correctly?

Mr. KEARNS. No; that was not my intention.

Mr. CARAWAY. Will the gentleman pardon me a minute?

Mr. DEWALT. Certainly.

Mr. CARAWAY. There is not anything in this bill that, in my opinion, authorizes judgments for injuries occurring before the Government took over the railroads, or, in express terms, for those that may occur during Government control.

Mr. DEWALT. I think I said so.

Mr. CARAWAY. I beg your pardon.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DEWALT. Mr. Chairman, I ask for a minute more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LITTLE. May I ask the gentleman one question?

Mr. DEWALT. Certainly.

Mr. LITTLE. Under your system, would the stockholders——

Mr. DEWALT. If the gentleman will permit me just one moment, I wish to say that if the gentleman from Ohio [Mr. COOPER] will reconstruct his amendment in the line of the thought I have tried to present, I will try to give it my support.

Mr. LITTLE. Under your system, would a stockholder of the road receive his compensation before a creditor of the road would receive his pay?

Mr. DEWALT. Oh, no.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. LITTLE. On the contrary, is not that the explicit result of it if you are going to pay him out of the $500,000,000 and not pay the other fellow?

Mr. DEWALT. No. The gentleman is either reasoning in a circle or he did not catch the right point and, therefore, he does not get the right conclusion. I yield to the gentleman from Ohio [Mr. KEARNS].

Mr. KEARNS. I think the statement of the gentleman from Pennsylvania is clear, but I was busy reading the bill part of the time. What is the gentleman's opinion on the payment of the judgment?

Mr. DEWALT. There is nothing in the bill that explicitly provides for that, but——

Mr. KEARNS. Would the gentleman be willing to amend the bill so that the prior judgments would be held on the pending judgments?

Mr. DEWALT. When the judgment is final.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. SHERLEY. Mr. Chairman, I ask that the gentleman may proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. SHERLEY. Will the gentleman yield?

Mr. DEWALT. Yes; I yield to the gentleman.

Mr. SHERLEY. Here was the thought that I was trying to suggest to the gentleman: That any money that should be paid to the railroads for their use and occupancy by the Federal Government, when so paid, would be subject to the payment of any judgment that had been rendered in favor of any person or corporation against such railroad.

Mr. DEWALT. Certainly, sir. The gentleman from Kentucky is exactly right. If he buys a piece of property with a mortgage resting upon it, he buys the property subject to the mortgage, and this would be a lien——

Mr. SHERLEY. A man holding a judgment against the railroad could collect that judgment out of that fund as against any claim of any stockholder.

Mr. DEWALT. There is no question about that.

Mr. LITTLE. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. LITTLE. You now state that the creditors who were creditors before the road passed into the hands of the Government would be paid out of the $500,000,000 fund.

Mr. DEWALT. No; I did not say that.

Mr. LITTLE. I think you did. You say the minute the money is due from the revolving fund it becomes liable for the railroad's debts. Now, you say the money due the railroads out of the revolving fund could not be liable to the debts of the road after it had passed into the hands of the Government.

Mr. DEWALT. No; the gentleman is mistaken. The gentleman did not start with the right premise. If he had started with the right premise he would have come to the right conclusion. The gentleman said I said this was to be paid out of the revolving fund. I did not say anything of the kind.

Mr. LITTLE. This money that the gentleman from Kentucky referred to comes out of the revolving fund.

Mr. DEWALT. No; he was not referring to that at all.

Mr. LITTLE. It comes out of the $500,000,000.

Mr. DEWALT. No. If the gentleman had listened to him and to me he would have understood.

Mr. LITTLE. It is the gentleman who is reasoning in a circle, not I. You say the compensation will be due from the Government to the railroads. From that you agree to pay, according to your theory, a deficit that accrued before the matter passed into the hands of the Government. Is that correct?

Mr. DEWALT. We do not agree to do it, but in all honesty we provide that the President shall make regulations by which those just debts should be paid, not by execution but by regulations of the President.

Mr. LITTLE. Why not pay it out of the $500,000,000?

Mr. DEWALT. There is no objection to that except that the $500,000,000 fund is devoted to specific purposes.

Mr. PARKER of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. DEWALT. Yes.

Mr. PARKER of New Jersey. I think this matter has been confused by speaking of judgments recovered before the Government takes over the railroads. It should be judgments obtained after the Government had taken control of the roads.

Mr. DEWALT. Yes. That is stated by the gentleman from Ohio [Mr. COOPER].

Mr. PARKER of New Jersey. No. All operating expenses due on bills not rendered are expected to be paid out of the operating expenses in the ordinary course of accounts. Is not that a fact?

Mr. DEWALT. Yes. I have stated that in my remarks heretofore.

Mr. PARKER of New Jersey. Ought not that to be stated in the bill definitely?

Mr. DEWALT. Yes; I agree with the gentleman on that. I have stated to the gentleman from Ohio [Mr. COOPER] that if he will re-form his amendment along the line indicated I will give it my support.

Mr. PARKER of New Jersey. Will you not aid in that way?

Mr. DEWALT. I will if I can.

Mr. CARAWAY. Answering the question before, the gentleman said that moneys paid out for injuries, in satisfaction for injuries, were part of the operating expenses?

Mr. DEWALT. Yes.

Mr. CARAWAY. Does not your bill provide that the carrier shall receive certain fixed compensation, which, of course, will pass to its stockholders? Now, if that comes by agreement with the carrier and is not a fund out of which this money can be paid and the judgment paid, will not the party with the judgment against the railroad lose it? I do not know that I am making myself clear.

Mr. DEWALT. The bill provides that the company shall be paid according to the standard return. Do not forget that portion.

Mr. CARAWAY. I will remember that.

Mr. DEWALT. Now, the standard return is made up in a certain way. How is the standard return made up? It is made up by taking the "annual railway operating income, including therein such income of lines acquired by, leased to, or consolidated with it," and in addition to that the United States may, by deductions from the standard return, or by other proper means and charges, be reimbursed for the cost of any addition, repairs, renewals, and betterments, and so forth. There are to be certain deductions made, and "in the computation of such income, debits, and credits arising from the accounts called in the monthly reports to the Interstate Commerce Commission equipment rents and joint facility rents shall be included. The standard return and the cost of such additions, betterments, or road extensions are to be ascertained by the Interstate Commerce Commission from the reports, books, and other pertinent data of such carrier and certified by it to the President. Its certificate shall, for the purpose of such agreement, be taken as conclusive of the amount of such average annual railway operating income and of such cost." Now, all that process is gone into, and these operating expenses are deducted from the income, and the net result makes the standard return.

The CHAIRMAN. The gentleman from New York [Mr. DEMPSEY] offers a substitute. The pro forma amendment is withdrawn.

Mr. DEMPSEY. Mr. Chairman, I have decided not to offer my amendment.

Mr. LENROOT. Mr. Chairman, I offer the following as a substitute.

The CHAIRMAN. The gentleman from Wisconsin offers a substitute for the amendment, which the Clerk will report.

The Clerk read as follows:

Page 12, line 11, at the end of the line, insert the following:
"The President shall by regulation provide for the payment out of the operating revenue derived from Federal control, or, if that is insufficient, out of the revolving fund, of any judgments or awards, and for the enforcement of any decrees or orders, that may be rendered against such owners in any suit of such a character that but for Federal control (a) it could be brought against the owner of any railroad or system of transportation; and (b) any amount paid in compromise thereof or in satisfaction of a judgment or decree therein could be charged to operating expenses or to railway tax accruals under the Interstate Commerce Commission of classification of accounts in force on December 27, 1917. The President shall also provide for the payment, out of operating revenues or out of the revolving fund, of any loss accruing to any owner by reason of any process levied against any property of such owner in connection with any suit of the character above described."

Mr. SIMS. Is this to be a substitute for the entire amendment of the gentleman from Ohio [Mr. COOPER]?

Mr. LENROOT. It is now; yes.

Mr. SIMS. One other question: Does it provide for the payment of judgments for causes of action against the railroad arising prior to Federal control?

Mr. LENROOT. It does not.

Mr. SIMS. Then I am certainly in favor of the substitute.

Mr. JOHNSON of Kentucky. I desire to offer an amendment.

The CHAIRMAN. Does the gentleman from Wisconsin yield for that purpose?

Mr. LENROOT. I should like to take a few minutes in the discussion of it.

The CHAIRMAN. The gentleman from Kentucky will have his opportunity later.

Mr. SIMS. The gentleman from Kentucky has an amendment to which I think there will be no objection.

Mr. JOHNSON of Kentucky. I want to offer an amendment to the amendment of the gentleman from Wisconsin.

Mr. LENROOT. That is all right. The gentleman will have his opportunity later.

I do want to discuss the clear necessity, as it seems to me, of adopting some amendment, either of the character of the one proposed by the gentleman from Ohio [Mr. COOPER] or the one that I have now proposed as a substitute, for this reason: That the bill as it now stands prohibits, or attempts to prohibit, any carrier from making any defense that would otherwise be permitted, on the ground that the carrier is an instrumentality or agency of the Federal Government. It seems very clear that we have no right, that we can not constitutionally prevent the carrier from making the defense that negligence charged was

not that of the carrier as an agent but was due wholly to an order of the President of the United States acting through the Director General of Railroads.

Mr. SIMS. I meant to be understood as accepting the substitute on behalf of the committee.

Mr. LENROOT. I did not know whether the gentleman would accept the amendment as amended by the substitute.

Mr. SIMS. I supposed that was all I had to do.

Mr. DEWALT. Will the gentleman yield for a question?

Mr. LENROOT. Yes.

Mr. DEWALT. Let me ask this concrete question: Does your substitute for the Cooper amendment intend to pay judgments or executions thereon out of any portion of the revolving fund?

Mr. LENROOT. Yes.

Mr. DEWALT. Then I should have to oppose it. If you confine it to operating expenses, that is all right.

Mr. LENROOT. If the operating expenses are not sufficient to pay the judgments; but I want to state—I do not think the gentleman will disagree with me—that my amendment provides that no judgment shall be paid out of either operating expenses or the revolving fund unless it is a judgment arising out of a cause of action accruing during Federal control and is of such a character that under the Interstate Commerce Commission classifications of accounts it would be chargeable to operating expenses.

Mr. DEWALT. That is all right then, but——

Mr. LENROOT. So it would come out of the revolving fund only in the event that there were not sufficient revenues to pay the judgment.

Mr. DEWALT. I wish the gentleman could see his way clear to express the intent that it shall not be paid out of the revolving fund at all, because the revolving fund is explicitly devoted to other purposes.

Mr. LENROOT. I will very frankly state why I do not do that. If we are to prohibit the carrier from making any defense that it is not an agency of the Federal Government, we must give to that carrier a complete remedy so as to make the carrier only a nominal defendant in fact. The carrier must be assured that while the judgment is rendered against it in form, full provision is made for the payment of it. When it is of such a character that it must be charged to operating revenue——

Mr. REED. Will my colleague yield for a question?

Mr. LENROOT. Yes.

Mr. REED. I understood the chairman of the committee to say that as to those judgments or liabilities arising prior to Government control the parties entitled to recover would have no remedy until after Government control ceased.

Mr. LENROOT. That is true only so far as enforcement of the lien upon the property taken over by the Government is concerned. They could at once levy upon this compensation that we are paying the railroads. They could levy upon any property that was not taken over by the Government belonging to the railroad. They could levy upon any money in the treasury of the railroad corporation.

Mr. REED. I did not so understand the chairman of the committee [Mr. SIMS].

Mr. SIMS. The statement of the gentleman from Wisconsin is correct.

Mr. WINGO. Do I understand the gentleman's statement to be that a man who recovered judgment against the railroad could levy upon this fund in the hands of the United States Government?

Mr. LENROOT. No. I expressly stated the contrary.

Mr. WINGO. I knew the gentleman did not intend to, but I think he did make that statement.

Mr. LENROOT. If I did, I want it corrected. I was saying that they would have the right to levy upon the money that we pay over to the carrier the moment that money gets into the possession of the carrier.

Mr. WINGO. Into the carrier's hands.

Mr. LENROOT. Yes.

Mr. WINGO. But, of course, they could not levy upon anything in the hands of the Government.

Mr. LENROOT. No; certainly not.

Mr. WINGO. That was the reason I asked the question. I did not think the gentleman intended that.

Mr. LENROOT. I thank the gentleman for correcting me if I made that statement.

Mr. COOPER of Ohio. I should like to ask my colleague [Mr. LENROOT] in what way his amendment differs from the one that I offered? I am asking for information.

Mr. LENROOT. There are two differences. In the first place, the amendment that the gentleman offers will cover not only judgments arising out of causes of action accruing before we took over the control of the railroads, but it also covers every judgment rendered against the carrier, whether that judgment would be chargeable to operating expenses or not.

Mr. JOHNSON of Kentucky. In my time, Mr. Chairman, I would like to ask the gentleman from Wisconsin [Mr. LENROOT] whether his amendment would not take care of causes of action arising before the Federal control commenced?

Mr. LENROOT. If the amendment is adopted?

Mr. JOHNSON of Kentucky. Just as it is.

Mr. LENROOT. Just as it is, it will not, out of the money in the hands of the Government, or in the hands of the carrier as an agency of the Government.

Mr. JOHNSON of Kentucky. Does not the gentleman think, then, that that language in his amendment had better come out?

Mr. LENROOT. No; I think all judgments will be collected without the slightest question out of the money in the treasury of the corporation from the property of the corporation. I do not think there will be the slightest difficulty about that.

Mr. LITTLE rose.

Mr. DILLON. Mr. Chairman, I ask recognition as a member of the committee.

Mr. LITTLE. If the gentleman from South Dakota will excuse me, I will be through in a minute.

Mr. SIMS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and amendments thereto close in 10 minutes.

Mr. KEARNS. Mr. Chairman, I think this is one of the most important amendments proposed to this bill.

The CHAIRMAN. It is not debatable, the question is on the request of the gentleman from Tennessee.

Mr. STAFFORD. Can not the gentleman from Tennessee give us a little more time so that the gentleman from Ohio can have some time?

Mr. SIMS. I will make it 15 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on the amendment and amendments thereto close in 15 minutes. Is there objection?

Mr. WINGO. I object, unless we have more time, so as to get information on this important question.

Mr. SIMS. Then, Mr. Chairman, I move that all debate on the amendment and amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on the amendment and amendments thereto close in 15 minutes.

The question was taken; and on a division (demanded by Mr. WINGO) there were—30 ayes and 7 noes.

Mr. WINGO. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The Chair will count.

Mr. SIMS. Mr. Chairman, if the gentleman from Arkansas wants time for himself, I will be glad to ask for more time and give him such time as he wishes. The gentleman did not state that he wanted it.

Mr. WINGO. I am not so constituted that I care to jockey over an important matter in the division of time where the gentleman in control shows no disposition to heed any protest and makes no answer to courteous protests against shutting off proper discussion.

Mr. SIMS. I tried to find out how many wanted time and tried to make provision for them.

The CHAIRMAN. All this discussion is out of order unless the gentleman from Arkansas desires to withdraw his point of order.

Mr. WINGO. I do not, Mr. Chairman.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-three Members present, not a quorum.

Mr. SIMS. Mr. Chairman, I move that the committee do now rise.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. SIMS. I demand tellers.

Tellers were ordered; and the Chair appointed as tellers the gentleman from Tennessee [Mr. SIMS] and the gentleman from Ohio [Mr. KEARNS].

The committee divided; and the tellers reported that there were no ayes and 123 noes.

So the committee refused to rise.

The CHAIRMAN. A quorum is present. The vote on the motion of the gentleman from Tennessee was 30 in favor and 7 in the negative. The motion prevails, and the gentleman from South Dakota is recognized.

Mr. WINGO. Mr. Chairman, what was the motion of the gentleman from Tennessee that has been adopted?

The CHAIRMAN. That all debate on the amendment and all amendments thereto close in 15 minutes.

Mr. WINGO. The gentleman from Tennessee simply moved to close debate.

The CHAIRMAN. The gentleman from Tennessee moved to close debate on the amendment and all amendments thereto.

Mr. WINGO. And the Chair rules that debate is closed on the particular amendment?

The CHAIRMAN. On the amendment offered by the gentleman from Ohio [Mr. COOPER] and all amendments thereto.

Mr. WINGO. And unless a gentleman can get time he can not offer an amendment?

The CHAIRMAN. He can offer an amendment.

Mr. WINGO. I would be glad to, but that would be a vain offer on a question of this importance, if sufficient time is not allowed to explain it and discuss it on its merits.

Mr. LITTLE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LITTLE. I asked the Chair for the floor, and the Chair recognized me for five minutes, and then the gentleman from South Dakota said he was a member of the committee and asked to be recognized.

Mr. DILLON. Mr. Chairman, I waive my right in favor of the gentleman from Kansas.

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. LITTLE. Mr. Chairman, I think there has been a confusion of terms here that has misled some of us. It has bothered me, but I suppose older Members can get around it. I find on looking at the bill that section 6 says:

That the sum of $500,000,000 is hereby appropriated out of any moneys in the Treasury not otherwise appropriated, which together with any fund available from any operating income of said carriers may be used by the President as a revolving fund for the purpose of paying the expenses of Federal control, and so far as necessary the amount of just compensation, and to provide terminals—

And so on. The $500,000,000 appropriated and operating income constitute the revolving fund. The gentleman from Pennsylvania and the gentleman from Wisconsin have been misled in their use of the term "revolving fund." They overlook the fact that it contains the $500,000,000 appropriated by this bill. I have in my hand the amendment of the gentleman from Wisconsin, which says:

The President shall by regulation provide for the payment, out of the operating revenue derived from Federal control, or if that is insufficient, out of the revolving fund, of any judgments or awards and for the enforcement of any decrees or orders.

The operating income is included in the revolving fund, as appears from section 6, and as I stated a few moments ago, the gentleman from Pennsylvania [Mr. DEWALT] and the gentleman from Wisconsin [Mr. LENROOT] were both confused on that, and I think it has misled us all a little. We now find this to be the fact: That whatever judgments they want paid out of this they desire paid out of the revolving fund, which means in the final analysis it shall come out of the $500,000,000, just as I stated to the gentleman from Pennsylvania when he accused me of reasoning in a circle, and he was not reasoning at all, because he had not the basis of facts to reason from. A man brings suit against a railroad, and under this amendment he will be allowed to be paid from the one or the other. This is a confusion of statements. This should be corrected, so as to say whatever he means it shall say. It is an impropriety to say "out of the operating revenue or the revolving fund," because the operating revenue is a part of the revolving fund.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. LITTLE. Yes.

Mr. HARDY. I agree with the construction the gentleman has placed now upon it, but the question in my mind is, Should this law provide for the payment out of the $500,000,000 contributed by the Government of debts arising from causes prior to the taking over of the railroads?

Mr. LITTLE. I was just coming to that. I see penciled in the amendment, to do justice to the gentleman from Wisconsin, what was not there at first, that he is allowing these remedies for causes which accrue during Federal control only, which would refuse a man who had won his suit before the railroads were taken over an opportunity to get his money. That would be a moral injustice and a legal wrong. If you are going to arrange that the man who sues the railroad after it passes into the hands of the Government shall be paid out of the revolving fund, certainly you ought to arrange to pay the man who now has a claim against the Government, a prior lien.

Mr. HARDY. I want to ask the gentleman this question: Suppose there are a lot of bankrupt roads taken over; would the gentleman validate all of the judgments now existing against those roads?

Mr. LITTLE. I would not do that.

Mr. HARDY. And pay them out of the $500,000,000?

Mr. LITTLE. Now, that would not follow at all. The debts of a bankrupt road would be in the same position that they are in now. The fact that they are in bankruptcy fixes their status. If a road is bankrupt, it is bankrupt, and the debts against it follow it into the courts of bankruptcy. They would not be claims here under this bill; they would abide by the courts' decisions.

Mr. HARDY. But if the gentleman provides by the bill that these debts shall be paid out of the $500,000,000——

Mr. LITTLE. Oh, I have not yet drawn my amendment; when I do, that will be arranged for.

Mr. LENROOT. Mr. Chairman, if the gentleman will permit, if the gentleman took over a factory and operated it, would he be willing to pay all of the judgments that might have been rendered against it arising out of causes of action before he took the factory over?

Mr. LITTLE. No; I would not; and why should I? But a railroad is not like a factory. Can the gentleman not get the distinction between a quasi-public corporation and a private factory owned by an individual? The State has a much greater authority over the one than over the other.

Mr. STEVENSON. Judgments against railroads in practically all of the States are made first liens ahead of bonds or any of these liabilities; that is, judgments for personal injuries.

Mr. LITTLE. The gentleman from South Carolina always knows the law; and let me answer the gentleman from Wisconsin [Mr. LENROOT] further before it slips away from me. These judgments are liens now on the railroad, and if somebody had a lien on a factory which I bought, I would have to pay it, and these men who put these railroads in Government hands will escape with their property from those liens if the gentleman's amendment carries, and I think if the other one does, too. Any lien holder might foreclose and take from him any factory he took over, and there is no reason why the Government should help any railroad to avoid that rule of law.

Mr. HAMLIN. Is there not this solution in it for these holders of prior judgments—that the Government guarantees under this bill the return to these carriers at some period these roads in as good condition as they were when we received them?

Mr. LITTLE. I expect that that means physical condition.

Mr. HAMLIN. Can the judgments not be collected then?

Mr. LITTLE. Yes; but why should a man who now has a judgment be delayed while future judgments and compensations to stockholders are paid?

This somewhat revolutionary legislation, involving this Government in such tremendous expenditures, giving the railroad companies such sweeping guaranties endowing somebody to be designated by the President with such unlimited authority, is asked of this Congress under the statement, as we understand, from the administration that this law is essential to the successful prosecution of the great war. I could wish that the petition were more specific, definite, and certain; that the evidence were more competent, more relevant, more material; that the argument were more germane, more profound, more convincing. This Congress is voting simply on an assertion, but the appeal is to one's patriotism, and the resistless sweep of mighty events leaves short time for examination and reflection on a measure that will continue to affect the destiny of the Republic when the bugle blows taps at the funeral ceremonies of the last soldier that returns from Europe.

You have guaranteed to return these highways, which the public made possible by its own investment of the right of eminent domain, in as good condition as they are now. Every lawyer in the House knows that a railroad company may dispute the justice of the Government's definition of that condition and that the claims of the railroads may never be finally adjusted till about the time the last pension is paid for the last time.

Gentlemen, the author of this measure should have provided an accurate system for settling those claims and for protecting the Government against those gigantic demands that will probably run into billions. This $500,000,000 will come from taxes and money loaned by the people to the Government at 4 per cent. There should be some reasonable explanation here why a man with a boy on the firing line should loan money to his Government at 4 per cent and sell wheat at 20 per cent less than the price fixed by the law of supply and demand to pay a higher rate to the railroad investor, who, at the worst, is only making the same sacrifice practically that is required of all our citizens. Equity and justice demands that the railroad stockholders should receive a just, equitable, and sufficient compensation for the use of their property, and for this I shall stand. But these are the only people in effect whose rights are guaranteed by law, and the committee should have so presented the necessities of the administration and the justice of this statute that the taxpayer as he works may read and comprehend. In the paragraph under discussion no provision

was made that guaranteed a creditor of the railroad company that he should receive his due. Do you think an ordinary man would see the justice of that? Even now we are told that a man who has lost his horse or his limb and has a judgment lien against the railroad should not be paid till the war is over, while he must loan money and pay taxes to compensate the stockholder in the railway for the use of his property. Surely, gentlemen, this could have been so drawn and so presented as to treat all citizens fairly.

I want to say that the compensation you pay these stockholders of these railroads is going to come, just as I indicated to the gentleman from Pennsylvania, in the final analysis, from the $500,000,000 the Government advances. Of course, it will be paid out of the operating income if they can, but that is a part of the revolving fund, too. If that part does not pay it—and you know it will not in some cases—you will compensate these people who own these railroads out of the $500,000,000 that you put into it, and you refuse to compensate the creditors who now have debts, liens against those railroads. You will pay the men who own the railroads interest upon their money and refuse to pay their debtors who now have judgments against them, which is a gross injustice.

Mr. JOHNSON of Kentucky. Mr. Chairman, I move to amend the amendment offered by the gentleman from Wisconsin [Mr. LENROOT], in the fifth line, so that it will read, "Upon causes of action arising during or prior to Federal control."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the Lenroot amendment by inserting in the fifth line, after the word "during," the words "or prior to the," so that it will read: "and for the enforcement of any decrees or orders upon causes of action arising during or prior to the Federal control," etc.

Mr. JOHNSON of Kentucky. Mr. Chairman, I think the matter is so plain that I do not care to argue it.

Mr. KEARNS. Mr. Chairman, I desire to offer an amendment to this section of the bill.

Mr. SIMS. Has the time been exhausted for debate?

The CHAIRMAN. It has not. There are nine minutes remaining.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the amendment be read and the gentleman be allowed to discuss it in the time——

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the amendment offered by the gentleman from Ohio may be read for information at this time. Is there objection?

Mr. WINGO. Mr. Chairman, reserving the right to object, has not the gentleman a right to have his amendment offered and read without unanimous consent?

The CHAIRMAN. Not at this time. It is an amendment to the section and not an amendment to the amendment. Is there objection? [After a pause.] The Chair hears none. The gentleman offers an amendment, which will be read for information.

The Clerk read as follows:

After the word "control," in line 11, page 12 of the bill, insert "any final judgment heretofore rendered or that hereafter may be rendered against any common carrier under Federal control shall be paid out of the operating revenues derived from the common carrier against which a judgment has been or hereafter may be obtained."

Mr. KEARNS. Mr. Chairman, the only reason I have offered this amendment is that it might take care of millions, perhaps, in judgments that may be pending against common carriers that will be taken over by the Government. The very fact that these roads, some of them prosperous, should be taken over by the Government is not a sufficient reason why the holder of a judgment, the injured party, should not recover his money. Under the bill as it stands such a person as this would be entirely defeated in his rights to recover on his judgment, because he is without process of law to enable him to levy upon any property of that company. Then, for another reason, that any judgment that may in the future be obtained against any railroad company taken over by the Government the Government, out of the receipts of that company as far as the receipts are ample, shall pay that judgment.

Mr. LENROOT. Will the gentleman yield?

Mr. KEARNS. I will.

Mr. LENROOT. Suppose the receipts are not sufficient for that purpose and the negligence is that of the Government and not of the carrier?

Mr. KEARNS. The Government has taken over the railroads, and unless there is some modification of this bill wherein the Government is to be made responsible, providing it shows in the trial of the case or the courts may decide the Government is responsible by its order or the negligence arising from the Government's order, I can see no reason why the Government ought not to pay that.

Mr. LENROOT. That is what I propose.

Mr. KEARNS. That might come in another place in the bill, but the gentleman's amendment does not cover the ground that is sought to be covered by this amendment. My amendment has not sought to remedy that defect in the bill, although I think the gentleman's amendment or some other amendment ought to be offered in the proper place that the defect may be cured, but the thing I am trying to reach by this amendment, which I do not believe other amendments look after, is the fact that if I have a judgment against a railroad company, a final judgment, that judgment ought to be paid out of the receipts of that company, as far as the receipts are sufficient, and the very fact that the railroads should be taken over by the Government, and all of these railroads are coming to Washington clamoring with the Director of Railroads that they should be taken over, ought not to defeat me from realizing on my legitimate final judgment.

Mr. HARDY. Will the gentleman yield?

Mr. KEARNS. I will.

Mr. HARDY. Would not the gentleman's amendment arrive at the same purpose if he made its terms apply to judgments existing before the taking over and then take the Lenroot amendment——

Mr. KEARNS. That part of it will be all right. I think the Lenroot amendment cures one defect in the bill, another defect from the one I seek to cure, and that is that the Government itself shall pay the judgments that have been obtained in the courts by reason of the fault of the Government itself. The railroad company ought not to be made to pay in that event. But my amendment provides for an injury that has been caused either by the fault of the owners of the railroads or by the fault of the Government, and the Lenroot amendment, a part of it, ought to be enacted into law and it ought to be made a part of this bill, but my amendment undertakes to cure a defect that no other amendment that has been offered to this bill has undertaken to cure.

Mr. SHERLEY. Will the gentleman yield?

Mr. KEARNS. Yes.

Mr. SHERLEY. Does not the gentleman get out of one dilemna into another? The gentleman makes a judgment against the road payable out of the revenues earned by the road subsequently, irrespective of whether the earnings are sufficient to take care of it and other obligations or not.

Mr. KEARNS. I think the railroads ought to pay their judgments first.

Mr. SHERLEY. But which judgment?

Mr. KEARNS. Judgments obtained in the courts against the company.

Mr. SHERLEY. But sometimes they ought to pay an old judgment, and sometimes they ought not, depending upon the revenues they have got. There are priorities of judgment, of which the gentleman loses sight.

Mr. KEARNS. But priorities of judgment should be followed by the Government in paying those judgments, too.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LITTLE. Mr. Chairman, I desire to offer this amendment.

The CHAIRMAN. An amendment to the amendment? That is not in order at this time. There is pending an amendment.

Mr. COOPER of Ohio. Mr. Chairman, I ask unanimous consent to withdraw my amendment and accept the one the gentleman from Wisconsin [Mr. LENROOT] has offered.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none. There remains four minutes of debate——

Mr. LITTLE. Mr. Chairman, I object.

Mr. LENROOT. Mr. Chairman, then I offer my amendment as an original amendment.

The CHAIRMAN. The gentleman from Kansas objected to the withdrawal of the amendment offered by the gentleman from Ohio.

Mr. DILLON. Mr. Chairman, I want to ask the gentleman from Wisconsin [Mr. LENROOT] one question, whether his amendment would require the President to pay a judgment against an insolvent company.

Mr. LENROOT. It certainly would, providing the judgment arose out of a cause of action arising during Federal control and upon such a cause of action that in private control the judgment would be paid out of the operating revenues, but no other.

Mr. DILLON. Assuming that there should be a foreclosure against an insolvent company and a judgment was rendered against that company, then the President would be required to pay, notwithstanding the fact that the company was insolvent?

Mr. LENROOT. Not at all. That would not be a charge against the operating revenue. Any judgment there would be a

charge having nothing to do with the operation of the railroad, and the President would not be permitted to pay a judgment of that kind.

Mr. WINGO. If the gentleman from South Dakota will permit in his time——

Mr. DILLON. Certainly.

Mr. WINGO. Under the gentleman's amendment would a judgment rendered against an insolvent railroad have to be paid out of the revolving fund?

Mr. LENROOT. It would not be paid out of any fund unless it was a judgment arising during Federal control and of such a character that it would be chargeable to operating revenue.

Mr. WINGO. Now, under the gentleman's amendment, a judgment procured 24 hours before the President took charge of the road could not be paid at all?

Mr. LENROOT. Not out of this fund.

Mr. WINGO. Would it be paid at all, under the language of the bill?

Mr. LENROOT. Not so far as the Government is concerned.

Mr. WINGO. But the railroad?

Mr. LENROOT. Certainly.

Mr. WINGO. I have not been able to get enough information to know whether the gentleman's amendment will take out of the bill the provision which prevents a levy to collect a judgment.

Mr. LENROOT. There is nothing in the bill except the levy on the property that we have taken over. They may not levy against any money in the Treasury.

Mr. WINGO. In the case of two roads I have in mind a farmer would be compelled in one instance to go to New York and in the other instance to Louisville in order to levy upon funds in the hands of the railroad treasurer to satisfy a judgment for killing of stock unless the bill is amended. In small judgments the expense that could not be properly charged up as court costs would be larger than the amount of the claim. The gentleman's amendment would not take care of that?

Mr. LENROOT. It would not, and neither does the original bill.

Mr. WINGO. You do not cure it. Under the original bill these creditors who have received a judgment for a little claim that is recognized and properly adjudicated, and which under the law as it stood at the time the judgment was rendered was a first lien in the State upon the roadbed and upon the rolling stock, under this proposed law and under the gentleman's amendment they would have to wait until the Government surrendered control before they could get satisfaction of their judgment?

Mr. LENROOT. If they could not get it out of the property taken over.

Mr. WINGO. All the property they have the Government has taken charge of, except the money?

Mr. LENROOT. Oh, no. Many railroads own property that we have not taken over at all.

Mr. WINGO. All railroad property they have a right to own under some of their charters has been taken over?

Mr. LENROOT. That is true as to railway property, but they have money invested in office buildings, and things of that kind, and in securities and bank accounts.

Mr. WINGO. But those bank accounts are in the centers of the country and their location unknown to the judgment creditor.

Mr. LENROOT. I will say that my amendment neither affects that one way or another.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. DILLON] has expired.

The question is on the amendment of the gentleman from Kentucky to the amendment of the gentleman from Wisconsin.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. As I understand the parliamentary status, some gentleman—I believe the gentleman from Ohio [Mr. COOPER]—offered an amendment, and the gentleman from Wisconsin [Mr. LENROOT] offered a substitute for that. Was that it?

The CHAIRMAN. That is right.

Mr. WINGO. Now the debate has been exhausted on the Cooper amendment but not on the Lenroot amendment?

The CHAIRMAN. It has been exhausted on the Cooper amendment and all amendments thereto.

Mr. WINGO. The right of amendment?

The CHAIRMAN. The right of amendment has not been exhausted.

Mr. WINGO. I should like to offer an amendment to the Lenroot amendment, then.

The CHAIRMAN. There is an amendment pending.

Mr. WINGO. It is not in order now?

The CHAIRMAN. It is not in order at this time.

The question is on the amendment proposed by the gentleman from Kentucky [Mr. JOHNSON] to the amendment proposed by the gentleman from Wisconsin [Mr. LENROOT].

The question was taken, and the amendment to the amendment was rejected.

Mr. MADDEN. Mr. Chairman, I desire to offer an amendment to the Lenroot amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Line 3 of the Lenroot amendment, after the word "control," strike out the words "or if that is insufficient, out of the revolving fund"; and in line 12 strike out the words "or out of the revolving fund."

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Illinois [Mr. MADDEN] to the amendment proposed by the gentleman from Wisconsin [Mr. LENROOT].

The question was taken, and the amendment to the amendment was agreed to.

Mr. WINGO. Mr. Chairman, I offer an amendment to the Lenroot amendment.

The CHAIRMAN. The gentleman from Arkansas offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment of Mr. WINGO to the Lenroot amendment: After the words "may be," in the fifth line of the Lenroot amendment, insert the words "or have been heretofore."

The CHAIRMAN. The question is on the amendment to the amendment.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas have five minutes in which to discuss his amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas [Mr. WINGO].

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas may have five minutes.

Mr. WINGO. Mr. Chairman, the committee and the gentlemen who have heretofore used all the time have shut off debate, so that it is impossible to get full information, and now no one can hope to discuss this in five minutes with any degree of satisfaction. Therefore, I decline, with thanks, such limited offer.

The CHAIRMAN. The amendment is not debatable. Does the gentleman from Iowa press his request?

Mr. GREEN of Iowa. No. The request is withdrawn.

The CHAIRMAN. The gentleman from Iowa withdraws his request.

Mr. ALEXANDER. Mr. Chairman, can the amendment be read again?

The CHAIRMAN. The Clerk will read the Lenroot amendment as it would read if modified by the amendment of the gentleman from Arkansas.

Mr. ALEXANDER. What I asked for was the Lenroot amendment as amended by the amendment agreed to and offered by the gentleman from Illinois [Mr. MADDEN].

The CHAIRMAN. The Chair understood the gentleman to make the request that the Lenroot amendment be read as it would be with the amendment of the gentleman from Arkansas adopted. The gentleman from Missouri asks unanimous consent that the amendment of the gentleman from Wisconsin, with the amendment as adopted, proposed by the gentleman from Illinois [Mr. MADDEN], be read. Is there objection?

There was no objection.

The Clerk read as follows:

Page 12, line 11, at the end of the line, insert the following:

"The President shall, by regulation, provide for the payment out of the operating revenue derived from Federal control of any judgments or awards, and for the enforcement of any decrees or orders upon causes of action arising during the Federal control that may be rendered against such carriers in any suit of such a character that but for Federal control, (a) it could be brought against the carrier, and (b) any amount paid in compromise thereof or in satisfaction of a judgment or decree therein that could be charged to operating expenses or to the railway tax accruals under the Interstate Commerce Commission's classification of accounts in force on December 27, 1917. The President shall also provide for the payment, out of operating revenues, of any loss accruing to any carrier by reason of any process levied against any property of such carrier in connection with any suit of the character above described."

The CHAIRMAN. The question now is on agreeing to the amendment proposed by the gentleman from Arkansas [Mr. WINGO] to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

Mr. KEARNS. Mr. Chairman, before the vote is had, can we not have the amendment read again?

The CHAIRMAN. Without objection, the amendment of the gentleman from Arkansas will again be read.

The Clerk read as follows:

Amend the Lenroot amendment after the words "may be," in line 5, by inserting the following: "or have been heretofore," so that, as amended, it will read, "and for the enforcement of any decrees or orders upon causes of action arising during Federal control that may be or have been hereafter rendered against such carriers in any suit of such a character."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. YOUNG of Texas. Mr. Chairman, a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 37, noes 41.

Mr. WINGO. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Arkansas makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and seventeen gentlemen are present—a quorum.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The gentleman from Arkansas offers another amendment, which the Clerk will report.

Mr. WINGO. Before the words in the Lenroot amendment "Federal control" I offer to insert the words "or judgment rendered before."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WINGO to the Lenroot amendment: In the fifth line of the amendment, before the words "Federal control," insert the words "or judgments rendered before."

Mr. MADDEN. Mr. Chairman, I make the point of order against that. We have just voted on that question.

Mr. WINGO. Oh, no, Mr. Chairman; it is a different proposition entirely. I would have offered it even if my other amendment had been adopted.

Mr. MADDEN. Then I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn. The question is on agreeing to the amendment proposed by the gentleman from Arkansas [Mr. WINGO] to the amendment offered by the gentleman from Wisconsin [Mr. LENROOT].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. WINGO. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 28, noes 40.

So the amendment was rejected.

Mr. JOHNSON of Kentucky. Mr. Chairman, I want to offer an amendment after the Lenroot amendment is disposed of.

Mr. STEVENSON rose.

The CHAIRMAN. Has the gentleman from South Carolina an amendment to the Lenroot amendment?

Mr. STEVENSON. I have an amendment to the amendment that I desire to offer.

The CHAIRMAN. The gentleman will send it to the desk. The Clerk will report it.

The Clerk read as follows:

Mr. STEVENSON amends the Lenroot substitute as follows: Add at the end of the substitute the following: "and when a final judgment is obtained on a cause of action arising prior to the beginning of Federal control he shall provide for its payment, and the sum so charged shall be deducted from the standard return going to the road against which the judgment shall have been obtained, but the payments so made shall not exceed the standard return."

Mr. STEVENSON. Mr. Chairman——

The CHAIRMAN. All debate is exhausted. The question is on agreeing to the amendment offered by the gentleman from South Carolina.

Mr. WINGO. Mr. Chairman, I submit a unanimous-consent request that the gentleman from South Carolina be given 10 minutes in which to disguss his amendment. He is qualified to discuss his amendment.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent that the gentleman from South Carolina be permitted to proceed for 10 minutes in the discussion of his amendment, the former order of the House to the contrary notwithstanding. Is there objection?

Mr. FOSTER. I object.

The CHAIRMAN. The question is on the Stevenson amendment to the Lenroot amendment.

The Stevenson amendment to the Lenroot amendment was agreed to.

Mr. LENROOT. I ask unanimous consent that the amendment may be modified by striking out the words "standard return" and inserting the words "the sum accruing."

Mr. STEVENSON. That is perfectly satisfactory. If there is an agreement, it will be the sum accruing. If there is no agreement, it will be the standard return.

The CHAIRMAN. The gentleman asks unanimous consent that the Stevenson amendment to the amendment, just adopted, may be modified by striking out the words "standard return" and in lieu thereof inserting the words "the sum accruing." Is there objection?

Mr. WINGO. Reserving the right to object, Mr. Chairman, following this as closely as I am, and being deeply interested in the proposition, I do not understand what the gentleman means by that. I think instead of running along here not knowing what we are voting on, we ought to know what we are doing by unanimous consent. I am in sympathy with the gentleman's purpose, but as I understand the proposition offered, it would nullify it.

The CHAIRMAN. By order of the committee, all debate has been closed.

Mr. FOSTER. I ask unanimous consent that the gentleman may have five minutes.

Mr. WINGO. I ask for 10 minutes for the gentleman.

Mr. FOSTER. I have objected to ten minutes, but I am willing that the gentleman shall have five.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from South Carolina [Mr. STEVENSON] have five minutes. Is there objection?

Mr. WINGO. I have no objection. I am glad to get any information I can get.

There was no objection.

Mr LENROOT. I think the words to be inserted should be "the sum accruing as compensation."

Mr. STEVENSON. Yes.

The CHAIRMAN. The gentleman from South Carolina [Mr. STEVENSON] is recognized for five minutes.

Mr. STEVENSON. Mr. Chairman, the whole reason for the change suggested by the gentleman from Wisconsin [Mr. LENROOT] is this: We want to provide for paying these liabilities arising prior to Federal control, but we do not want to provide that the Government has got to pay more than the railroad companies have in their hands.

Mr. WINGO. Before the Government took control a judgment in a State court was a prior lien, if it was rendered in a certain class of cases.

Mr. STEVENSON. Yes.

Mr. WINGO. Now, on a judgment rendered on the day before the Government took control, under the bill as it now stands, the plaintiff could get absolutely no satisfaction in most instances, because the only property out of which he could get satisfaction, and upon which the local sheriff could levy, would be the roadbed and the rolling stock. Will the gentleman's amendment meet that situation and permit the roadbed and the rolling stock either to be levied on, or if that is impracticable, that the judgment shall be a charge against the income that the Government is supposed to pay the carrier and be deducted by the Government?

Mr. STEVENSON. My proposition is that in so far as there is income in the hands of the Government going to that road, the Government shall apply it; and the only suggestion is that that be called the compensation accruing for the use of the road, so that the Government will not have to pay out more money for the road on an obligation that the road owed before the Government took it over than it will get for the road. In other words, the gentleman from Arkansas says, suppose a judgment was obtained the day before Federal control. Then it was a fixed liability, and this section which prevents any process from issuing against that property is as to that absolutely null and void anyway, because, in my judgment, it has taken away the process which the man who holds the judgment is entitled to. I see gentlemen shaking their heads, but I have looked at some of the decisions on this question, and I know it has been so decided. But whether it has or not, you do not want to vote here to require the Government to pay liabilities existing when it takes over the roads in excess of the money which it has for those roads, and thereby assume all of those liabilities. Now, I assume that there will be some method of proceeding in equity to require the assets of the road to be applied whenever the proceeds of operation in the hands of the Government are exhausted.

Mr. WINGO. Does the gentleman think it is any more the duty of the Government to pay the bondholders, who, under the law in most States, would have a junior lien to a judgment creditor in a certain class of cases, than to pay that class of creditors? Would the gentleman have the Government pay

the bondholder who under the law has a junior lien and not take care of the judgment creditors?

Mr. STEVENSON. No; the Government has got to pay the liens in the order of their priority, in the order of their rank; and a man who has an arm cut off, or a man who is crippled for life, or who loses his eyes, and gets a judgment has a first lien, which stands ahead of the claims of the bondholders and of everybody else; and I take it that in making the rules for the enforcement of the law, the Government would certainly have discrimination enough to pay the claims in accordance with the priority of the liens. I am certainly in sympathy with the gentleman's idea about that. In my district day before yesterday, under notorious negligence—admitted by the railroad company—in one accident they killed 12 people and injured 38 very seriously. Those people ought to be provided for, and we ought not to shut the door in their faces; but, on the other hand, we ought not to make this Government assume all that liability and provide for it beyond the funds which it will have in its hands; and I take it for granted that when these cases are reduced to judgment they will have a lien ahead of everybody else. That is the law, and the Government will see that they are paid first, and that these people shall not be deprived of their rights.

Mr. WINGO. I should like to get the gentleman's judgment on this feature: Suppose the standard return is not sufficient to meet the liens of the bondholders; will the Government have to take care of their claims under the law?

Mr. STEVENSON. I have not considered that. That is not an obligation which is reduced to judgment as yet, and it will be an obligation which they will have to consider when it comes to deal with the standard return. I am not familiar with that feature of it.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the amendment to the amendment which has been adopted may be modified in the way which the Clerk will report.

The Clerk read as follows:

Strike out the words "standard return" where they occur in both places in the amendment and insert in lieu thereof the words "sum accruing as compensation."

Mr. WINGO. Mr. Chairman, I ask that the amendment be read.

The Clerk read as follows:

Add at the end of the substitute the following:
"When final judgment is obtained on a cause of action arising prior to the beginning of Federal control he shall provide for its payment, and the sum so charged shall be deducted from the sum accruing as compensation going to the road against which the judgment shall have been obtained, but the payment so made shall not exceed the sum accruing as compensation."

Mr. LENROOT (during the reading). Strike out the word "going."

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin that the amendment be modified so as to read as it has just been read from the Clerk's desk. The Chair hears no objection. The question now is on the substitute proposed by the gentleman from Wisconsin as amended.

The question was taken, and the substitute was agreed to.

The CHAIRMAN. The question now is upon the Cooper amendment as amended by the substitute.

The question was taken, and the amendment as amended was agreed to.

Mr. PARKER of New Jersey. Mr. Chairman, I offer the following amendment as a new paragraph.

The Clerk read as follows:. .

Amend by inserting, before line 12, page 12, the following:
"The operating accounts and business of the carriers shall be continued as in a going concern, so that overlapping and deferred accounts and claims which in railroad accounts have been and are usually paid as current operating expenses shall be paid out of operating income; and on the surrender of the carrier it shall be returned subject to any such overlapping accounts and deferred claims so overlapping or deferred in the ordinary course of railroad business."

Mr. PARKER of New Jersey. Mr. Chairman, the adoption of the amendment which has just been read makes it necessary that some such provision as what I propose should go in the bill. It was claimed before that it was not necessary, and that was the only reason the clause is not in already. It is now necessary. As we know, every railroad receives its accounts for the past month for what it is to pay and it has its own claims for every past month rendered to different people and may not get them in for several months. Sometimes a claim against a railroad arising out of ordinary operation is deferred because it is litigated, and remains deferred, although it is a small accident, for four or five years. But whenever it comes in to be paid, the course of railroad accounts has always been that it is paid as an operating expense; and the Government, therefore, during the past month in the control of railroads I have no doubt has been paying accounts by reason of accidents and claims which may be several years old. If they have been properly deferred in the ordinary course of railroad business, they ought to be paid out of the operating receipts. When the Government comes to surrender the roads there will be a lot of operating claims against the railroad which the carrier will take with the railroad and the railroad will become subject to.

I did not vote for the last amendment because that provided that all judgments, or some judgments, should be paid, as it were, out of capital. That is to say, the judgments recovered before the railroad came into the hands of the Government should be paid as if they were a claim against capital, although that judgment may have been a claim arising out of operation and ought to be paid in the ordinary course of railroad business as operating expenses. So also when the United States surrender the railroads they do not have to surrender them clean and clear, but as a going concern. The Government does not take the property from the railroads; it takes the carrier and controls his business, and that is all there is to it; that is implied throughout the bill; but it is necessary now, as the House has tried to legislate—and not entirely right as it seems to me, but that makes no difference—it is necessary now to say plainly that you mean the railroad carriers to be taken and run as a going concern. If you mean that, you ought to say so. I therefore offer this amendment as expressing the idea under which the control of these carriers is taken, that they are taken control of as a going concern.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. PARKER of New Jersey) there were 31 ayes and 24 noes.

So the amendment was agreed to.

Mr. JOHNSON of Kentucky. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: Amend, page 12, line 9, by adding the following after the words "Federal Government":
"Nor shall any such carrier be entitled to have transferred to a Federal court any action heretofore or hereafter instituted by or against it, which action was not so transferable prior to the Federal control of such carrier; and any action which has heretofore been transferred because of such Federal control or of any act of Congress or official order or proclamation relating thereto shall, upon motion of either party, be retransferred to the court in which it was originally instituted."

Mr. JOHNSON of Kentucky. Mr. Chairman, I believe that a mere statement of facts will show the necessity of this amendment. On December 20 last a most horrible railroad wreck occurred near the little town in which I reside. In that wreck 49 people were killed and a greater number were injured very seriously. Remember, please, that this wreck occurred on the 20th of December, and on the 28th of December, eight days later, Federal control of the railroads came. On the second day after this wreck occurred the president of the road came out in the newspapers in a signed statement admitting the liability of the road and expressing the hope that all of the cases arising out of the wreck might be settled without litigation. However, all of them have not been so settled. Suit has been brought in several cases, and the railroad has gone into court and asked for a transfer of those cases from the State court to the Federal court upon the theory that the Federal Government has control. I do not believe that such is the law of the case, neither do I believe that Members of this House will take that view of it. However, the opposite view has been taken by the State courts and, if I am correctly advised, also by the Federal court. I have a letter in my hand from Nat W. Halstead, who is a very able attorney of our State, in which he says:

It is well known that Judge Kerr, of the Fayette Circuit Court, and Judge Adams, of the Breathitt Circuit Court, have sustained pleas in abatement because of this question of jurisdiction, and I also understant—but of this I am not certain—that the plea has also been sustained by the judge of the Henderson Circuit Court. I think they are greatly in error, but, nevertheless, this has been done.

In a brief which was filed before the Federal court at Louisville, Mr. Charles Carroll, an able attorney, said:

The sole basis of the contention of the plaintiff (the railroad) in this court is that by this proclamation the Louisville & Nashville Railroad Co. passed under the control of the President, and as this control was authorized by an act of Congress it passed under his control by virtue of the Constitution and laws of the United States, and, therefore, any question arising which would affect the revenues of this road or would result in judgment for or against it arises under the Constitution and the laws of the United States, and the Federal courts have jurisdiction if the amount in controversy is sufficient.

I addressed a communication to the Director General of Railroads concerning this question, and in answer he says:

The fact is that he (the plaintiff) is just as free to sue the company now as at any time. The President's proclamation recognizes the right affirmatively, and the House bill, which is now pending before the

Congress, not only expressly authorizes the suit but provides in section 11, page 12, line 7, "no defense shall be made thereto upon the ground that the carrier is an instrumentality or agency of the Federal Government."

The attorney for the Director General, Mr. Payne, takes the same view of it. In a communication to me, he says:

I beg to advise you that the Director General has made no order authorizing the transfer of any action instituted in the State courts to the Federal courts. The policy here is for the rights of litigants to remain as before the President's proclamation. No right to a removal is to be based upon the change.

Mr. DILLON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. DILLON. Are these cases to which the gentleman refers against a foreign corporation?

Mr. JOHNSON of Kentucky. No; all those who were either killed or injured were intrastate passengers, and the suits are against the Louisville & Nashville Railroad, which is a corporation created by the laws of the State of Kentucky. I am clearly of opinion that except that the courts have been holding otherwise, this legislation would not be necessary by anyone; but we have all heard the old story of the lawyer who was asked to go to see a client who was in jail. After the lawyer had heard the fellow's story he said to him, "Why, they can not put you in jail for that." Then the fellow who was in jail replied, "But the trouble is, I am already in jail." That is the condition now before the House.

Mr. DEWALT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEWALT. Mr. Chairman, the gentleman evidently is of opinion that lines 5 and 6 on page 12 do not cover the emergency that he has in mind. Lines 5 and 6 read:

Suits may be brought by and against such carriers and judgments rendered as now provided by law.

Mr. JOHNSON of Kentucky. Yes. The amendment that I have offered provides that no transfer shall be made from a State court to the Federal court, except under the law as it existed prior to the accident. Some cases have been so transferred. This amendment would restore them to the court which unquestionably has jurisdiction of the cause of action when it accrued.

Mr. DEWALT. Is it the gentleman's desire to clarify that phrase in those two lines, and particularly the language "as now provided by law"?

Mr. JOHNSON of Kentucky. Yes; that is my purpose.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kentucky.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Chair desires the attention of the gentleman from Ohio [Mr. KEARNS]. While the discussion of the Cooper and Lenroot amendments was in progress the gentleman from Ohio sent to the desk and had read for information an amendment which he gave notice he intended to offer. Does the gentleman desire to offer it at this time?

Mr. KEARNS. I am under the impression the Lenroot amendment embodies the amendment I had in mind, and I desire, therefore, to withdraw the amendment.

Mr. WINGO. Mr. Chairman, I did not offer the amendment, because I was advised by gentlemen upon the floor in response to inquiry that the Kearns amendment had been adopted. If I had not understood that it had been adopted I should have offered it, and I trust my colleague will either offer it or I shall offer the same amendment.

Mr. KEARNS. I prefer that the gentleman should offer it and let us vote for it. As an accommodation to the gentleman from Arkansas, I will not withdraw my amendment, and he can discuss it if he so desires.

The CHAIRMAN. The amendment really has not been offered.

Mr. WINGO. I shall offer it. I think the committee thought it had been adopted, but it was not.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, line 11, after the word "control," insert: "any final judgment heretofore rendered or that hereafter may be rendered against any common carrier under Federal control shall be paid out of the operating revenue derived from the common carrier against which judgment has been or hereafter may be obtained."

Mr. BARKLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARKLEY. Is it not a fact that the amendment which was agreed upon as finally modified, offered by the gentleman from Wisconsin, covers that point?

The CHAIRMAN. The Chair hardly thinks that is a parliamentary inquiry.

Mr. WINGO. I will say to the gentleman it does not.

Mr. KEARNS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. KEARNS. Mr. Chairman, in view of the fact there is some controversy whether this question is covered by the Lenroot amendment and the amendment to the Lenroot amendment, I ask unanimous consent that the gentleman from Arkansas be given five minutes.

The CHAIRMAN. This amendment is open to debate.

Mr. WINGO. Mr. Chairman, I will proceed if the gentleman from Ohio does not care to do so. Mr. Chairman, so that the committee may understand what it has done I shall read the Lenroot amendment from the copy which the gentleman has. That will be sufficient for my purposes even if I do not get it exactly as adopted. The language I read will cover the question that is involved in my amendment. It is as follows:

The President shall, by regulation, provide for the payment out of the operating revenue derived from Federal control, or, if that is insufficient, out of the revolving fund—

I believe that was cut out—

of any judgments or awards and for the enforcement of any decrees or orders upon causes of action arising during Federal control that may be rendered against such owners in any suit of such a character that but for Federal control it could be brought against the carrier and any amount paid in compromise thereof or in satisfaction of a judgment or decree therein could be charged to operating expenses or to railway tax accruals under the Interstate Commerce Commission classification of accounts in force on December 27, 1917. The President shall also provide for the payment, out of operating revenues or out of the revolving fund, of any loss accruing to any carrier by reason of any process levied against any property of such carrier in connection with any suit of the character above described.

Now, the amendment offered by the gentleman from South Carolina, and that was adopted, added at the end of the Lenroot amendment this language:

And when the final judgment is obtained on a cause of action arising prior to beginning of Federal control he shall provide for its payment, and the sum so charged shall be deducted from the sum accruing as compensation to the road against which that judgment shall have been obtained, but the payment so made shall not exceed the sum accruing as compensation.

Now, if the committee will follow just for a moment. The Lenroot amendment, of course, does not take care of the proposition covered by the Stevenson amendment and that amendment takes care of judgments hereafter rendered upon causes of action that may have accrued before Federal control. Now, my amendment provides payment of all judgments upon all causes of action. Why have a distinction between one whose cause of action accrued before Federal control, but did not get judgment until after such control, and the man whose cause of action not only accrued before, but also obtained judgment before Federal control? Now, what justification is there to deny relief in one instance and not in the other? The Stevenson amendment takes care of one class of cases but not the other. Under my amendment both classes of judgments would be paid out of funds held by the Government belonging to the railroad against which judgment has been obtained.

Mr. DEMPSEY. Could you not reach the same end in a simpler and more direct way by inserting the proper language in the Lenroot amendment?

Mr. WINGO. Certainly; but the House voted down such an amendment. The Government can lose nothing by my amendment. The Government can simply take the funds of the railroad in its hands and apply them to the satisfaction of the judgments which were rendered before Federal control as well as those rendered after, as provided by the Stevenson amendment. Vote down my amendment and the farmer who obtained a judgment for the wrongful killing of his stock or the employee who has a judgment for personal injuries will not get what is due him by the verdict of a jury and the judgment of a court, but adopt my amendment and each will be paid what is justly due him, and such payment deducted from the funds of the railroads.

Mr. KEARNS. Mr. Chairman, I move to strike out the last word.

Mr. SIMS. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Tennessee desire recognition?

Mr. SIMS. I ask unanimous consent that the debate on this amendment close in 10 minutes.

The CHAIRMAN. And all amendments thereto?

Mr. SIMS. Yes; and all amendments thereto.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on the amendment proposed by the gentleman from Arkansas [Mr. WINGO] and all amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. KEARNS. Mr. Chairman, a few moments ago, when I withdrew this amendment, I was laboring under the impression that the Lenroot amendment as amended on the floor of this House covered the point involved in this amendment. Since that time I have learned that I was in error, and for that reason I am now insisting that this amendment ought to be adopted and made a part of this law.

You can go into any State in the Union and you can find men and women holding final judgments to-day against railroad companies, aggregating hundreds of thousands of dollars. If this amendment is not adopted these men and women, who have been diligent in obtaining their rights from the railroad companies, will be defeated. There will be no way left by which they can realize upon those judgments. I do not know how many such men and women in the United States hold judgments, but certainly thousands and tens of thousands of them. Some of them, through the negligence of railroad companies, have lost legs and arms and have been otherwise mangled in body for life, and because they happen to bring suit in the courts and reduce their claims to final judgments before the taking over by the Government of these railroads they will never be able to realize on their claims. There is not a State in the United States but has statutes of limitations that run against judgments.

I do not know how long the Government is going to keep control of these railroads. We all know, however, that it is going to keep that control as long as this war lasts. And, I take it, there is no man in this House who can this afternoon even make a guess as to how long this war is going to last. And if this law is made a permanent law, they never would be able to reduce their judgments to cash.

Men on the floor of this House have said that these judgments will bear interest, and will continue to bear interest as long as the judgment is alive. That is poor consolation for the poor man or the poor woman who has been crippled for life. That is poor consolation indeed for the widowed mother and the orphaned children who have lost, by the negligence of some railroad company, a father and a husband.

Mr. SMITH of Michigan. Will the gentleman yield for a question?

Mr. KEARNS. Yes.

Mr. SMITH of Michigan. Suppose a person has a judgment before the Director General takes charge of the railroad, he has got a claim against the railroad company, and is there anything to prevent him from renewing his judgment or suing it after the Director General takes hold of the railroad?

Mr. KEARNS. There is no provision in this law to take care of that condition, and it is the only question that is involved in this amendment. That is all I seek to do. We are only trying to take care of that class of people, so far as the funds in the hands of the Government that have come out of the railroad company's earnings are concerned.

Mr. SMITH of Michigan. Your amendment would cover that situation?

Mr. KEARNS. My amendment would cover that situation, and nothing else. And I can not understand why men would oppose this amendment when these people are entitled to recover as far as the earning capacity of that road is able to pay. I can not understand how any man would object to this, except the owner of a railroad system.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. KEARNS. Yes.

Mr. CARTER of Oklahoma. If I understand the gentleman, the Lenroot amendment takes care of claims where judgment may be hereafter rendered?

Mr. KEARNS. May be hereafter rendered.

Mr. CARTER of Oklahoma. But where judgments have already been rendered, it has been the contention of the gentleman there can be no satisfaction of the law without this amendment?

Mr. KEARNS. There never can be such a satisfaction as that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WINGO. Will the gentleman from Wisconsin (Mr. LENROOT) permit me to submit a unanimous consent request, that my amendment be amended by striking out the words "operating expenses" and substituting "the sum accruing as compensation"? It is the language of the Stevenson amendment, to which I want to make this same language conform.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to modify his amendment in a way which the Clerk will report.

The Clerk read as follows:

Modify the Wingo amendment by striking out the words "operating revenue" and inserting in lieu thereof the words "sum accruing as compensation."

The CHAIRMAN. Is there objection to the modification? [After a pause.] The Chair hears none.

The question is on the amendment.

Mr. LENROOT. I do not think the gentleman has this yet. I will read it as it is.

Mr. WINGO. My purpose, I will say to the gentleman, was to make it comply to the same rule, that it might come from the same fund that the funds come from that satisfy the judgment covered by the amendment of the gentleman from South Carolina [Mr. STEVENSON].

Mr. LENROOT. Mr. Chairman, aside from any merit there is, it seems very clear to me that this matter should be left to the conference committee upon the amendment that has already been adopted, and if it does not cover judgments heretofore obtained, the conferees can include it; but certainly the House does not wish to adopt the amendment in this form, for it would read as follows, and, of course, the intention of the gentleman from Arkansas [Mr. WINGO], and I think we all understand what he means, is not expressed. It would read, if adopted, as follows:

Any final judgment heretofore rendered or that hereafter may be rendered against any common carrier under Federal control, shall be paid out of any of the sums accruing to compensation to be derived by the common carrier against which the judgment has been or hereafter may be obtained.

Mr. WINGO. Mr. Chairman, I ask unanimous consent to make it read "by" instead of "from."

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to modify the language of his amendment as indicated. Is there objection?

Mr. LENROOT. Of course there is no compensation derived by a common carrier until it gets the money.

Mr. DEMPSEY. It should be "to be derived."

Mr. LENROOT. Now you are getting it.

Mr. SMITH of Michigan. Why not change the word "derived" to the word "received"?

Mr. LENROOT. Now, Mr. Chairman, I have only one word to say. I think it would be very proper to have this cover previous judgments, provided they were of the same character, as we provide for the payment of judgments while under Federal control, but I doubt very much the wisdom. Here may be judgments very much in excess of the entire sum accruing to a carrier, especially the short-line roads. How is it to be apportioned? Is the President to apportion it between them? He can not pay more than so much. Is he to pro rate it?

It seems to me it raises a multitude of questions that make it very difficult of administration. Of course with the limitation that is now in it the Government can not be injured, because in no event can the President pay more than the railroad is entitled to receive as compensation from the Government.

Mr. CONNALLY of Texas. Does not the gentleman think it will be best to allow certification of these judgments while in Federal control and then leave it discretionary with the Director General or the President as to their payment, so that he can classify them under the well-known rules of receiverships?

Mr. LENROOT. I think what should be done—and I suggest it to the conferees—is that when they get into conference the way to settle that will be to have a certification of these judgments and let the judgments be a lien on the compensation which the railroad is entitled to receive.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. LENROOT. Certainly.

Mr. HELM. If I am not mistaken, in Kentucky the workmen's compensation law does not apply to employees of railroads. As I catch the drift of this amendment, there are regulations only where the compensation law is applicable. I think, under the law of the State of Kentucky, recoveries for personal injuries are not controlled by any standard compensation return. Would this amendment restrict a State where compensation is determined by a jury trying a special case?

Mr. LENROOT. No; I think not.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Chairman, I want to offer the amendment in a clarified form, as the change that was made necessitated another change.

The CHAIRMAN. Is the gentleman's amendment prepared?

Mr. WINGO. Yes.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to withdraw the amendment which he offered and

offer in lieu thereof an amendment which he sends to the Clerk's desk. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. WINGO: After the word "control," on page 12, line 11, insert "any final judgment heretofore rendered or that hereafter may be rendered against any common carrier under Federal control shall be paid out of the sum accruing as compensation to the carrier against which such judgment is or was made."

The CHAIRMAN. Is there objection to the withdrawal of the former amendment and offer of a new amendment?

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment just read.

The question was taken, and the Chair announced that the "ayes" seemed to have it.

Mr. BARKLEY. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 43, noes 27.

So the amendment was agreed to.

Mr. SIMS. Mr. Chairman, does that dispose of the entire amendment?

The CHAIRMAN. That is an amendment to an amendment.

Mr. SIMS. Oh, yes; that is an amendment to the amendment. Mr. Chairman, it is just 24 hours at this moment since we commenced on this section yesterday. There has been exceedingly liberal time granted, and I want to ask unanimous consent——

Mr. WINGO. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. There is nothing pending to justify the gentleman's waste of time.

Mr. SIMS. I want to make a unanimous-consent request, that all debate on all amendments and amendments thereto offered on this section close in 20 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this section and all amendments thereto shall close in 20 minutes. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Chairman——

Mr. PARKER of New Jersey. Mr. Chairman, I reserve the right to object. I have an amendment as to the question of taxes at the end of the section, which is an entirely different matter from anything else, and I shall object unless I have the right to bring that matter up.

Mr. SIMS. Mr. Chairman, I move that all debate on this section and any amendments thereto close in 30 minutes.

Mr. WINGO. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. As I understand the gentleman's proposition, he proposes to close debate on something that is to come up hereafter and which is not now being considered and to which amendments have not yet even been offered.

Mr. SIMS. The section is before the House.

The CHAIRMAN. The section is before the House.

Mr. WINGO. Mr. Chairman, may I make a parliamentary inquiry?

The CHAIRMAN. Yes. The gentleman will state it.

Mr. WINGO. I should like to propound this inquiry: If we adopt the motion it will mean, will it not, that we will not be permitted to discuss, except those of them who are fortunate enough to get this 20 minutes, any amendment that may be offered, however important it may be?

The CHAIRMAN. That will be the result. The gentleman from Tennessee [Mr. SIMS] moves that all debate upon this section and all amendments thereto shall close in 30 minutes. The question is on agreeing to that motion.

Mr. STAFFORD. Mr. Chairman, I move to amend that by making it 45 minutes.

SEVERAL MEMBERS. Oh, no!

Mr. STAFFORD. I withdraw the amendment.

The CHAIRMAN. The gentleman from Wisconsin withdraws his amendment. The question is on agreeing to the motion of the gentleman from Tennessee.

The question was taken, and the Chairman announced that the "noes" seemed to have it.

Mr. SIMS. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The Committee divided; and there were—ayes 55, noes 34.

So the motion was agreed to.

Mr. PARKER of New Jersey. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Jersey, a member of the committee, offers an amendment, which the clerk will report.

Mr. TOWNER. Mr. Chairman, may I make a suggestion? As I understand it, the gentleman from Arkansas [Mr. CARAWAY] has an amendment. May some agreement be made as to the division of time between these three amendments?

The CHAIRMAN. Has the gentleman any request to make?

Mr. TOWNER. I ask unanimous consent that 10 minutes' time be devoted to each one of these three amendments.

Mr. ROMJUE. I should like to make a suggestion to the gentleman.

Mr. TOWNER. Yes.

Mr. ROMJUE. I should like to have five minutes. That will make the division four instead of three. I should like to be included in the time.

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] asks unanimous consent that the 30 minutes of debate may be divided between three amendments.

Mr. PARKER of New Jersey. I have two amendments.

Mr. SAUNDERS of Virginia. A parliamentary inquiry, Mr. Chairman. Will the Chair state what those three amendments are?

The CHAIRMAN. The Chair has no information upon that subject. Will the gentleman from Iowa state his request?

Mr. TOWNER. Mr. Chairman, I ask unanimous consent that the time be divided into three parts, to be devoted to three amendments, the amendment offered by the gentleman from New Jersey [Mr. PARKER], an amendment offered by the gentleman from Arkansas [Mr. CARAWAY], and one which I myself will offer.

The CHAIRMAN. And that these three gentlemen control the time?

Mr. TOWNER. I do not care anything about the control of the time. I suppose there will be five minutes in favor of each amendment, and five minutes in opposition.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the 30 minutes of debate may be divided into three parts, 10 minutes each, to be devoted to the amendments offered by the gentleman from New Jersey, an amendment offered by the gentleman from Arkansas [Mr. CARAWAY], and an amendment that is to be offered by himself. Is there objection?

Mr. RAYBURN and Mr. BORLAND objected.

Mr. PARKER of New Jersey. I will ask that both my amendments may be read now, so that they may be understood.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New Jersey, and without objection will report the other amendment for the information of the committee.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Page 13, line 10, after the words "laws or powers of the States in relation to taxation," insert:

"*Provided*, That nothing herein contained shall be construed to admit the right of the several States directly or indirectly to tax war business conducted by the United States, or increased values of property, or franchises, or increased operating revenue resulting from such war business."

Amendment offered by Mr. PARKER of New Jersey: Page 13, line 10, after the proviso following the word "taxation," insert:

"*Provided*, That in order to prevent increase or diminution of taxes payable to the several States or under the several State laws by reason of the said war business and Federal control, and in order to avoid dispute and litigation, the President in any case may pay, respectively, to such States or their municipalities or other bodies acting under State laws, during the period of Federal control, taxes standardized at the sums which were assessed and payable by said carriers, respectively, in the calendar year 1917, to be payable in each year at the same time and in the same amount as they were in 1917, as well as the amount of any taxes which were assessed in the year 1917 upon real estate that shall have been acquired by such carrier while under Federal control, or by the United States for the purposes of this act."

Mr. BARKLEY. Mr. Chairman, I make a point of order against the last amendment that was read.

Mr. PARKER of New Jersey. That is not offered yet.

The CHAIRMAN. That is not offered yet.

Mr. BARKLEY. I will reserve a point of order on the first amendment. It is practically the same as a previous amendment that was rejected.

Mr. PARKER of New Jersey. There is no difficulty about that, Mr. Chairman. The objection to the former amendment was that it was not germane to provisions as to how taxes be paid. But it is now provided that nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws and powers of the States in relation to taxation. It is really necessary, however, that a guard be put in. Mr. Anderson, who prepared this bill and who brought it before us, was asked about this. He said that if the States should undertake to levy new taxes in kind or degree that would not have been levied if the money were not coming from the Federal Treasury

the Government is not helpless; that it could protect itself by litigating the matter. He said that if it appeared that the States had levied taxes which were such in kind or degree that they are really taxes upon a Federal agency and not within the express or implied power of this bill, the courts would hold them unconstitutional.

Mr. Chairman, the States levy their taxes on different principles. Some levy on value. I do not believe a patriotic State would raise that value because of increased business. Some levy it on the gross receipts, and they are important States. They include Illinois, New Hampshire, New York, Ohio, Pennsylvania, and Virginia. There are some six or eight more. They levy on gross receipts. During the war those gross receipts will increase by reason of Government business, war business, the carrying of guns and munitions, and the troops of the United States. We have provided that the railroads shall not get the benefit of the new business as a return, and we ought to see that the States shall not tax that new business, because it is United States business and not the business of the railroads.

Mr. DEMPSEY. Will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. DEMPSEY. I want to say that the gentleman is entirely mistaken about the New York law.

Mr. PARKER of New Jersey. If the gentleman will look at page 77 of the hearings, he will see it stated there.

Mr. DEMPSEY. The law of New York is not as the gentleman understands it.

Mr. PARKER of New Jersey. At any rate those who do not levy on receipts might increase their valuation. I brought before this committee some time ago a statement of certain railroads showing that they went up 50 per cent before 1863.

In 1862 there was a tax put on gross receipts, and I have the figures of all the railroads since that time. The 3 per cent tax in 1863 netted over $1,106,000—$1,106,817.02. That means that they had $37,000,000 of gross receipts. In 1864 the tax it brought in nearly doubled that sum—$2,127,249.69—showing nearly $71,000,000 of gross receipts. In 1865 on a 2½ per cent tax it brought in nearly $6,000,000—$5,917,293.51—or over $236,000,000 gross receipts. In 1866 tax receipts of $7,614,448.13 show over $304,000,000 in gross receipts, an advance of nearly tenfold in three years.

My first amendment provides that nothing herein shall be construed to admit the right of a State to tax Government business, and in the second amendment I say that in order to avoid litigation which was spoken of by the gentleman who came before our committee, the United States could arrange without dispute to pay the same amount of money they paid for taxes in 1917, which was a prosperous year for the railroads. It does not say that that shall be binding on the States, but they can assent.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. PARKER of New Jersey. Certainly.

Mr. KELLEY of Michigan. How would it be possible to determine the amount of increase of business due to the war of the railroad systems?

Mr. PARKER of New Jersey. That is something that Mr. Anderson, who came before our committee, said was easy to determine. I think it is difficult, and that is why I proposed a second amendment, that the United States without dispute will pay the same amount of taxes that they did before the war.

Mr. FESS. Will the gentleman yield?

Mr. PARKER of New Jersey. I will.

Mr. FESS. In the exercise of priority orders they make a sharp distinction between essential and nonessential products. Suppose the most of the work is for the essentials for war, what about those receipts?

Mr. PARKER of New Jersey. Ought it to be taxed by the State? Is it fair? That is the question I am putting before you. Is it fair that essential war business should be taxed? In order to avoid dispute, I do not say that the States must accept, but the Government without dispute will pay what they did in 1917, just as the carriers pay on the average net return in 1915, 1916, and 1917. I would like to hear from the gentleman from Pennsylvania [Mr. DEWALT].

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The gentleman from New Jersey has another amendment, which has already been read, and the question is on that amendment.

The question was taken, and the amendment was rejected.

Mr. CARAWAY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 13, line 10, after the word "taxation," strike out the period and insert a comma and add the following language: "or the lawful commerce and police regulations of the several States, except wherein those regulations may affect the transportation of troops, war materials, or Government supplies, the regulation of rates, the expenditures of revenues, the addition to or the improvement of properties or the issue of stocks and bonds."

Mr. CARAWAY. Mr. Chairman, if any other gentleman wants to be heard on this amendment, I am willing to limit my time to less than five minutes and divide with him. The amendment proposes to come in at the end of line 10, which says that nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

Mr. BARKLEY. If the gentleman from Arkansas will accept the amendment to strike out the words "commerce and," the committee will not oppose it.

Mr. CARAWAY. I will be willing to accept it without discussion. Mr. Chairman, I ask unanimous consent to strike out the words "commerce and."

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to modify his amendment as the Clerk will report.

The Clerk read as follows:

Modify the amendment by striking out, after the word "lawful," the words "commerce and."

The CHAIRMAN. Is there objection to the modification?

There was no objection.

Mr. KING. Mr. Chairman, may we have the amendment read as it will read as modified?

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

Page 13, line 10, after the word "taxation," strike out the period and insert a comma, and add the following language: "or the lawful police regulations of the several States, except wherein these regulations may affect the transportation of troops, war materials, or Government supplies, the regulation of rates, the expenditures of revenues, the addition to or the improvement of properties or the issue of stocks and bonds."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 12, line 2, after the word "control," strike out the words "or with any order of the President."

Mr. TOWNER. Mr. Chairman, the language in section 11, to which my amendment applies, is as follows:

That carriers while under Federal control shall, in so far as is not inconsistent therewith, or with the provisions of this act or any other act applicable to such Federal control, or with any order of the President, be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law.

The amendment which I propose is to strike out the words "or with any order of the President."

Stated a little more plainly, the language of the bill would read:

The railroads while under Federal control shall be subject to all laws and liabilities as common carriers arising under State or Federal laws or at common law now existing, except in so far as such laws are repealed by this law or by laws hereafter to be passed or by order of the President.

To retain the language "or by order of the President" is to place in the hands of the President the power to repeal by a simple order any or all State or Federal laws, or even the common law, controlling railroads and fixing their liabilities for negligence or torts. It even gives him power by an order to repeal all existing laws defining crimes and affixing penalties and punishments. Never before has it been even proposed to grant in this or any other civilized country such power to any man.

Everyone knows that from the earliest periods of English history the common law made carriers responsible for negligence and torts. Not a State of the Union but has added laws passed to regulate carriers and to definitely fix their liability. From the time the Congress began to legislate in control of interstate commerce a large body of national statutory regulations has been enacted. If these are not retained the labor of years for the betterment and safety of service and the protection of the people will be lost.

It is generally understood that in order to repeal an existing law a repealing law must be passed. So carefully is the efficacy of laws guarded that the courts will not allow a law to be repealed by indirection. Either the subsequent enactment in direct terms must state that the existing law is repealed or the subsequent statute must clearly appear inconsistent and in contradiction to the existing law. But here the power is given to repeal any or all existing laws by any law which Congress may hereafter pass—a provision entirely unnecessary because such power exists in any event—and the President is given

power by "any order" to repeal any or all existing laws. This is to grant to the Executive the legislative power to repeal laws.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. BARKLEY. On page 11, at the beginning of the section, it is provided that carriers while under Federal control shall, in so far as is not inconsistent with Federal control, be liable.

Mr. TOWNER. Yes.

Mr. BARKLEY. Could not the President under that clause make any order he might see fit to make that would take the roads out from under liability if inconsistent with Federal control as operated by him?

Mr. TOWNER. I think not; for if that was the intent no provision would be made that the carriers were still to be subject during Federal control to all the laws and liabilities now existing.

Mr. BARKLEY. The gentleman does not want any carrier to have a right that is inconsistent with Federal control?

Mr. TOWNER. Certainly not; but this provision is intended to preserve the rights of the people and to prevent the carriers from ridding themselves of their obligations and liabilities. This intent is clearly expressed, and then follows the proposition that the President may take from the people their rights and relieve the railroads of their liabilities by a simple order.

Mr. BARKLEY. Only so far as his action shall be consistent with Federal control.

Mr. TOWNER. Only so far as the President thinks shall be consistent with Federal control. Suppose some adviser tells the President that he could manage the roads a good deal better if the safety appliances laws were abrogated, or that all State laws were but an interference and should be repealed; or that the hours-of-labor laws would interfere—if this provision remains, the President by an order could repeal any or all of these laws. Suppose it should be suggested that it would help the Government in its operation of the roads if no suits for damages for negligence, or for loss of life or property, should be brought. No action would thereafter lie if the President so ordered.

All the existing laws which are thought to be an interference with Federal control are by this bill repealed. If any law is hereafter found to interfere in the slightest degree with Federal control for war purposes, it can be considered by Congress and repealed. We are all ready and willing to grant to the President any power needed to carry on this war to a speedy and successful conclusion. But these are matters apart from the control of the railroads for war purposes. These are guaranties and safeguards secured by the people through long years of struggle, and no one would be heard to contend that they are not as necessary in time of war as in peace. The railroads will be directly managed by the same men, operating the roads in the same way, in so far as the ordinary business of the country is concerned, as before the war. The protection of the lives of the people and reasonable care in the preservation of their property will be just as important in the future as in the past. Gentlemen would not claim that these guaranties and safeguards should be taken away. They seek to retain them by the very clause we are considering. Thus acknowledging their importance and value, the phrase I seek to strike out would, if retained, give the President the power by a mere order to obliterate any or all of them. That certainly is unwise, and I hope my amendment will be adopted.

Mr. DEMPSEY. Mr. Chairman, I offer as a substitute for the amendment, after the word "President," in line 2, page 12, to insert the words "authorized by such acts or any thereof."

The CHAIRMAN. The gentleman from New York offers an amendment which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. DEMPSEY: Page 12, line 2, after the word "President," insert the words "authorized by such acts or any thereof."

Mr. DEMPSEY. Mr. Chairman, I think if the gentlemen who are in charge of this bill will observe the language of this amendment as proposed by me they will see that it is in accord with the act. If there is any question, and I doubt whether there is any question, for I do not believe, with the gentleman from Iowa, that this clause is susceptible of the interpretation he places upon it, I do not believe that the President would be authorized to make any order except an order which would be authorized by the acts which are referred to, but if there is any doubt I think we could well afford to insert the language I suggest.

Mr. BARKLEY. Could he make any order that was not consistent with Federal control and that would be determined by the act of 1906 and this act?

Mr. DEMPSEY. I do not think that he could, and I do not think that my amendment is necessary, but it can do no possible harm, and it answers the objection of the gentleman from Iowa.

Mr. FESS. Will the gentleman yield?

Mr. BARKLEY. As far as the committee is concerned, we are willing to accept the amendment of the gentleman from New York.

Mr. DEMPSEY. So that the membership will understand I will just explain for one moment. The proposition of the gentleman from Iowa [Mr. DOWELL] is that by the language of the bill the President would be authorized to issue orders inconsistent with this act or the act of 1916 by which he would take away all liability of railroads. Now, I do not believe that is so at all, but it is very easily possible in the language proposed by me to obviate any such danger. All you need to say is that you simply authorize the President to make such orders as are authorized by these acts. He can not then make an order by which he avoids liability, he can not then make any order except such orders as are permitted by these acts, and it seems to me that the whole thing disappears, if there is anything to disappear. As I said, I do not think it is necessary in the matter anyway, but by the use of this language it clarifies it beyond the possibility of any dream or imagination.

Mr. SAUNDERS of Virginia. Will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. SAUNDERS of Virginia. In respect to the act as it now stands what is there in this section that limits or prescribes the kind of order that the President can make?

Mr. DEMPSEY. I think that the language of the section, taken as a whole, limits and prescribes the kind of an order that the President can make.

Mr. SAUNDERS of Virginia. Does not the gentleman think it is at least doubtful?

Mr. DEMPSEY. Well, I should hardly say it is doubtful; if it is doubtful, the language proposed by me clarifies it.

Mr. SAUNDERS of Virginia. That raises another question. I am dealing with the section as it stands. It strikes me, if the gentleman will pardon me, that there is no question of doubt but that the section as it stands gives the President most sweeping authority to make any sort of order, and it says in substance that these carriers shall be subject to all the laws and liabilities as common carriers unless the President shall order otherwise.

Mr. DEMPSEY. No; I think what it says is this, that the carriers while under Federal control shall, so far as not inconsistent therewith, or with these two acts, or with any order of the President. Now, I think the order of the President refers back to the preceding part of the sentence and is qualified by the reference to those two acts. But suppose it is not? Then insert this language, which does clarify, and do away with that doubt.

Mr. SAUNDERS of Virginia. Would not the motion of the gentleman from Iowa to strike out the language to which this motion relates bring about in the most direct way that same result?

Mr. DEMPSEY. No; I do not think it would, because the President might want to make some orders.

Mr. SAUNDERS of Virginia. This does not interfere with the making of orders.

Mr. DEMPSEY. He may want to make some orders under those acts which it would be necessary for him to make. He can not make any orders that are inconsistent with them, but at the same time put in the language suggested by my amendment to clarify this section—to make it plain that the right to make orders is limited to such orders as are authorized by the acts.

Mr. SAUNDERS of Virginia. Just strike out that language and there is not any doubt remaining as to what the President can do.

Mr. DEMPSEY. Then you take away the authority to make any order.

Mr. LENROOT. Mr. Chairman, I rise to oppose the substitute. Mr. Chairman, it seems very clear that the amendment offered by the gentleman from Iowa [Mr. TOWNER] ought to be adopted; and it is equally clear that the substitute proposed by the gentleman from New York [Mr. DEMPSEY] does not reach the question at all, because the gentleman knows that the President now claims that none of these acts are in force, that there is no right of action to-day except as he by order permits it; and if he has now the right to permit these actions, the gentleman would continue to give him that right by his language when the very purpose of this section is to save to the injured party the right, in so far as not inconsistent with this act and the Federal-control act, to sue and the right to have a remedy. Now, the gentleman urges that this language carries back the words "or with any order of the President" as some-

thing not being inconsistent with the act. That is not true, because any order that the President makes you expressly provide shall overrule this right that is given. Unless this amendment is adopted as offered by the gentleman from Iowa, unless the words "or with any order of the President," are stricken out, the President will have the power to say there shall be no action against any railroad company. He will have the power to say that there shall be no compensation for any injured railway employee except such compensation as he thinks they ought to have. He will have the power, unless this amendment is adopted, to substitute for the present employers liability act the present United States employees' compensation act.

Mr. FESS. Will the gentleman yield?

Mr. LENROOT. I will.

Mr. FESS. I think the gentleman is entirely correct in the plain reading of the language that carriers while under Federal control shall, in so far as not inconsistent therewith—that means Federal control——

Mr. LENROOT. Certainly.

Mr. FESS (continuing). With this law or with the other law or with the order of the President. Now, certainly——

Mr. DEMPSEY. Of such act.

Mr. FESS. Certainly the President could make an order under this to set aside a liability. That is plain.

Mr. LENROOT. He certainly could with this language.

Mr. FESS. That is the plain reading of it.

Mr. LENROOT. Because when you insert here "any order of the President," that says that there shall be a right of action against the carrier, but if the President orders otherwise there shall be no right of action at all.

That is exactly what it means. It can not mean anything else, and I can not see how anyone on either side of the aisle can be willing to jeopardize the right of the 1,700,000 employees and the greater number of shippers not having the right of action to remedy their wrong. The power ought not to be left with any man to say whether or not there shall be a remedy for a wrong that exists. If this is left in the bill, we will give to the President of the United States a greater power than was ever given any monarch upon earth. It puts him above all law and says, "Although we are enacting law, Mr. President, any time you say so the law shall have no application whatever."

Mr. PLATT. Should not the very awkward language be corrected so as to read, "the carriers while under Federal control shall, except"——

Mr. LENROOT. Except what?

Mr. PLATT. "Except in so far as are inconsistent with the provisions of this act," and so forth?

Mr. LENROOT. That would do it. I think you would accomplish the same thing if you would leave out "or with any order of the President," because then it will be subject, and ought to be subject, to all liabilities that are not inconsistent with this act—by the act of Federal control.

Mr. DEMPSEY. I will withdraw my substitute in favor of the substitute suggested by the gentleman from New York [Mr. PLATT]. I think his is very much better than mine.

The CHAIRMAN. The gentleman from New York [Mr. DEMPSEY] asks unanimous consent to withdraw his amendment by way of a substitute. Is there objection? [After a pause.] The Chair hears none.

The gentleman from New York [Mr. PLATT] offers an amendment by way of a substitute, which the Clerk will report.

Mr. PLATT. Mr. Chairman, on page 11, line 24, amend so as to read as follows:

The carriers while under Federal control shall be subject to all loss and liabilities as common carriers, whether arising under State or Federal laws or as common law, except in so far as may be inconsistent with the provisions——

The CHAIRMAN. The gentleman will have to reduce his amendment to writing.

Mr. PLATT. It is all in here except the express provision.

The CHAIRMAN. The gentleman will send it up.

Mr. LENROOT. Mr. Chairman, inasmuch as the proposed substitute does not include the words "the order of the President," let us vote on this, and then the gentleman can offer his amendment.

Mr. BARKLEY. Mr. Chairman, regular order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was agreed to.

Mr. ROMJUE. Mr. Chairman and gentlemen, I have presented an amendment to the pending bill as it stands at the present time, or, rather, an amendment to the Sweet amendment to said bill, as follows:

Provided, In the event freight rates are increased under this act over present existing rates, said increase shall not apply to or affect the rates as to shipments of live stock and grain commonly used as foodstuffs.

If there are two things certain at this time, one is that the allies are going to win this war, and the second is that the food production of the United States is and will continue to be an important factor in winning the war.

We are legislating on a very important matter at this time and there ought not to be any obstruction or impediment placed upon food production in this country.

As this bill stood before the Sweet amendment was adopted it vested some authority with the President, which I believe was the proper thing under the present existing emergency circumstances growing out of the war.

The Sweet amendment takes some authority from the President as provided in the bill in its original form and vests it with the Interstate Commerce Commission, and unless the Sweet amendment is defeated when the matter comes up for final passage, I consider it highly important to the meat and grain producers that the amendment which I offer to the Sweet amendment be adopted.

In brief, the Government takes over the railroads as a war necessity, and agrees for the use of said property to pay a standard return to them. The bill provides that after paying the standard return which is derived from the operating income of the railroads, if there is any operating income left over, the same shall be paid into the United States Treasury, and it is right under present existing conditions that such excess over the standard return should go to the Government. Now, suppose the operating income from the railroads is not sufficient to pay the standard return to the roads. In that event the Government agrees to make it up. So far as I am individually concerned, it is my opinion that we should not increase the freight rates, at least to any material extent, on the shipments of live stock and grain, such as corn and wheat. Now, in the event the freight rate is increased on these products of the farm and by virtue of that increase more income is derived from operating the railroads than is necessary to pay the standard return, the surplus will be paid into the United States Treasury. You will then find yourself in the attitude of requiring him who produces the food products to pay an additional sum in the way of increased rates, a part of which may go to the public. Would it not be better and more just not to require the farmer or producer of these food products to pay that increase, and if it must be met, let it be met by all the people through the Government? The farmer at the present time is not engaged altogether in a work solely beneficial to himself, but is putting forth an extra effort to produce food products for our Nation and its allies. In other words, he is also working for his country, thereby performing a public service. And I would prefer to encourage him and not add any extra burden to his condition. I hope you may agree with me in this, and if not, then at least that we leave the matter to the President to consider this matter, rather than to leave it where the Sweet amendment now places it. I think the farmer is now paying a fair rate for his shipments of stock and grain. The railroads were not taken over by the Government for the farmers' benefit solely, but for the public benefit. Then why should an increased rate be forced upon him? The railroads having been taken over for the public benefit, why not the public or whole people bear this burden in case a deficiency is to be made up, in case such deficiency should arise?

The CHAIRMAN. The gentleman has that permission under the general order of the House. The question is on agreeing to the amendment offered by the gentleman from Missouri [Mr. ROMJUE].

The question was taken, and the amendment was rejected.

Mr. PLATT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York [Mr. PLATT] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 11, beginning with the word "section," in line 24, strike out all to and including the period on line 4, page 12, and insert in lieu thereof the following: "That the carriers, while under Federal control, shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this act or any other act applicable to such Federal control."

Mr. PLATT. Mr. Chairman, this amendment which I have put in writing is simply a transposition of the words, so as to state the thing affirmatively. It has already been adopted in a negative form. It is the same thing.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes.

Mr. BARKLEY. The gentleman's amendment does not cover "so far as is not inconsistent with Federal control"?

Mr. PLATT. Oh, yes. I have the same thing here. If it is not the same, it should be. It is the same, except that it is transposed.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes.

Mr. KELLEY of Michigan. I would like to inquire of the gentleman from Kentucky [Mr. BARKLEY] whether or not he believes the words "or with any order of the President," on page 12, give the President all the power he would have under the provision that was stricken out under the Towner amendment?

Mr. BARKLEY. No. It has no relationship to what the President orders, but has relationship to Federal control itself.

Mr. KELLEY of Michigan. Who will determine what is inconsistent with the principle of Federal control?

Mr. BARKLEY. That is a judicial question, a matter of law. It provides that Federal control shall not be inconsistent with itself.

Mr. KELLEY of Michigan. The gentleman from Kentucky propounded a query to the gentleman from Iowa [Mr. TOWNER] in which he inquired whether that language did not give the President the power which the gentleman from Iowa was seeking to strike out.

Mr. BARKLEY. The distinguished gentleman from Iowa answered in the negative.

Mr. KELLEY of Michigan. What is the gentleman's opinion?

Mr. BARKLEY. I think it does not. I do not think the words "order of the President" and the words "consistent with Federal control" are inconsistent terms. I think the words "Federal control" ought to be in there.

Mr. PLATT. My language is "not inconsistent with this act or any other act applicable to Federal control." I think that covers it. It states it affirmatively.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. PLATT. Yes.

Mr. FESS. I think the gentleman is correct.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. MONTAGUE. Mr. Chairman, I ask unanimous consent that the ending of the first paragraph on page 13, beginning on line 8, at the word "That," which reads, "That nothing in this act shall be construed to amend, repeal," and so forth, as amended by what is known as the Caraway amendment, which has just been adopted by the committee, be transposed to the end of this act and be known as section 16. The language does not relate itself pertinently to the section in which it is found, or to any other section in the bill. Therefore I think, as a matter of form, it had better go to the end of the bill. The Senate has adopted language similar to that found in this bill unamended, and has put it at the end of its bill as a proviso. I think the better form would be to put it as a separate section.

Mr. TOWNER. I think the gentleman's idea is exactly correct, and I suggest to the gentleman that these two very important parts of section 11 ought really to be separated into two sections. If they are numbered as separate sections, will not the gentleman's object be accomplished?

Mr. MONTAGUE. Perhaps so; but I think this particular section had better go at the end of the bill. It would save renumbering other sections. That is the only reason. I just wanted to save time. I think the gentleman's suggestion is a good one.

Mr. TOWNER. That can be taken care of in conference.

Mr. MONTAGUE. Yes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the language which the Clerk will report be transposed to the end of the bill and offered as a new section.

Mr. SIMS. Including the Caraway amendment.

Mr. MONTAGUE. The language as amended.

The CHAIRMAN. The Clerk will report the language.

The Clerk read as follows:

Page 13, line 8, after the word "interest," "that nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation."

Mr. MONTAGUE. That language as amended.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the language that has just been read, as amended by the Caraway amendment, may be transferred to the end of the bill and placed there as a new section, to be numbered section 16. Is there objection?

There was no objection.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent that, on page 12, the word "suits," in line 5, be changed to "actions at law or suits in equity," and I make a similar request as to the word "suit," in line 7.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent for the adoption of the amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BARKLEY: Page 12, line 5, strike out the word "suits" and insert in lieu thereof the words "actions at law or suits in equity"; page 12, line 7, strike out the word "suit" and insert in lieu thereof the words "action at law or suit in equity."

The CHAIRMAN. Is there objection to the adoption of the amendment proposed by the gentleman from Kentucky?

Mr. STAFFORD. Reserving the right to object, may I ask the gentleman whether "actions at law" in a legislative enactment do not include suits in equity?

Mr. BARKLEY. In some jurisdictions there is a doubt about it, and that is the reason I offer the amendment, in order that there may be no doubt at all about it.

Mr. STAFFORD. There is no question that "suits" includes both actions at law and suits in equity.

Mr. HAMILTON of Michigan. A suit is a suit, whether in law or in equity, as the language of the bill reads.

Mr. SIMS. Mr. Chairman, has not all time for debate expired?

The CHAIRMAN. All time for debate has expired.

Mr. SIMS. But we are debating.

The CHAIRMAN. The gentleman from Kentucky [Mr. BARKLEY] asked unanimous consent, and the gentleman from Wisconsin reserved the right to object.

Mr. SIMS. He offered an amendment.

The CHAIRMAN. He asked unanimous consent to offer an amendment. Is there objection to agreeing to the amendment proposed by the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 12. That every person or corporation, whether carrier or shipper, or any receiver, trustee, lessee, agent, or person acting for or employed by a carrier or shipper, or other person, who shall knowingly violate or fail to observe any of the provisions of this act, or shall knowingly interfere with or impede the possession, use, operation, or control of any railroad property, railroad, or transportation system hitherto or hereafter taken over by the Pesident, or shall knowingly violate any of the provisions of any order or regulation made in pursuance of this act, or of any other act concerning such possession, use, operation, or control, shall be guilty of a misdemeanor, and shall, upon conviction, be punished by a fine of not more than $5,000, or, if a person, by imprisonment for not more than two years, or both. Each independent transaction constituting a violation of or a failure to observe any of the provisions of this act, or any order entered in pursuance hereof, shall constitute a separate offense. For the taking or conversion to his own use or the embezzlement of money or property derived from or used in connection with the possession, use, or operation of said railroads or transportation systems, the criminal statutes of the United States, as well as the criminal statutes of the various States where applicable, shall apply to all officers, agents, and employees engaged in said railroad and transportation service while the same is under Federal control to the same extent as to persons employed in the regular service of the United States. Prosecutions for violations of this act or of any order entered hereunder shall be in the district courts of the United States, under the direction of the Attorney General, in accordance with the procedure for the collection and imposing of fines and penalties now existing in said courts.

Mr. FESS. Mr. Chairman, I move to strike out the last word, in order to ask the chairman of the committee a question. On page 13, line 14, occur the words "who shall knowingly violate or fail to observe any of the provisions of this act." Could one plead ignorance of the law, and under these words would that be a complete defense?

Mr. SIMS. Ignorance of the law excuses no one.

Mr. FESS. I understand; but this says "shall knowingly."

Mr. BARKLEY. That legally means intentionally.

Mr. SIMS. That means with intent to violate the law. In the committee I personally objected to putting in the word "knowingly," but the committee put it in, and there is not enough in it to make it worth while to spend any time over it.

Mr. FESS. It is the judgment of the committee, then, that "knowingly" inserted in the bill would not allow anyone to plead ignorance of the law?

Mr. SIMS. Oh, certainly not. It means with criminal intent.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

Mr. LENROOT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 14, after line 17, insert a new section to read as follows:

"SEC. —. That moneys and other property derived from the operation of the carriers during Federal control are hereby declared to be the property of the United States. Unless otherwise directed by the President, such money shall not be covered into the Treasury, but such moneys and property shall remain in the custody of the same officers and the accounting thereof shall be in the same manner and form as before Federal control. Disbursements therefrom shall, without further appropriation, be made in the same manner as before Federal control, and for such purposes as under the Interstate Commerce Commission classification of accounts in force on December 27, 1917, are chargeable to operating expenses or to railway tax accruals, and for such other purposes in connection with Federal control as the President may direct, except that taxes under Titles 1 and 11 of the act entitled 'An act to provide revenue to defray war expenses, and for other pur-

poses,' approved October 3, 1917, or any act in addition thereto or in amendment thereof, shall be paid by the carrier out of its own funds. If Federal control begins or ends during the tax year for which any taxes so chargeable to railway tax accruals are assessed, the taxes for such year shall be apportioned to the date of the beginning or ending of such Federal control, and disbursements shall be made only for that portion of such taxes as is due for the part of such tax year which falls within the period of Federal control.

"Such custody and disbursement shall, however, be subject to the direction of the President, and all officers and employees having custody or control of any of such moneys or property shall be subject to all criminal laws regarding the custody and control of public moneys or property so far as not inconsistent herewith.

"At such periods as the President may direct, the books shall be closed and the balance of revenue over disbursements shall be covered into the Treasury of the United States to the credit of the revolving fund created by this act. If such revenues are insufficient to meet such disbursements, the deficit shall be paid out of such revolving fund in such manner as the President may direct."

Mr. SIMS. I will not object to the amendment if it is satisfactory to others.

Mr. STAFFORD. Will my colleague yield?

Mr. LENROOT. Certainly.

Mr. STAFFORD. I glean from the reading of the amendment that all revenues are to be the property of the United States. Is it intended that they shall remain the property at all times after the roads are turned back into private control?

Mr. LENROOT. Yes; any moneys derived from the operation during Federal control will remain the property of the United States.

Mr. STAFFORD. I was under the impression that the bill was founded on the idea that the moneys accruing from operation at the termination of control by the Government should be turned back to the respective companies.

Mr. LENROOT. The money in the Treasury?

Mr. STAFFORD. The balance remaining after the various deductions necessary for operation.

Mr. LENROOT. That must be a matter of accounting. After the accounting the railroads will owe us so much or we will owe the railroads so much.

Mr. STAFFORD. On what basis? Assume that the Pennsylvania Railroad, for instance, has been making large returns while under Government control, and that there will be a surplus accruing to the railroad after paying it the standard return. Under the amendment of the gentleman there will be no return whatever to the private owners of the roads—to the companies—but these returns would go to the Government.

Mr. LENROOT. Certainly; they ought to. It is Government money. We are paying the railroads a billion dollars a year, and we must turn the roads back in as good shape as when we received them, but they are not entitled to any of the revenues. I think there are two or three things that should be considered in conference. Of course, the moneys that are derived during Federal control must be the moneys of the Government. Certainly if we had a billion dollars surplus at the end of Federal control we ought not to give it to the railroads. The bill expressly provides that any excess of operating revenue from operating expenses shall go into the revolving fund. This amendment is necessary for the reason that if this is Government money, without the legislation, under the present law, the money could not be retained, but must go into the Treasury, and this permits the moneys to be used as they have been used, subject to the control of the President at all times.

Mr. SMITH of Michigan. Is it not true that the Government pays the Pennsylvania or these other roads for the use of the roads?

Mr. LENROOT. Yes. It will be noticed, in reference to the war taxes, that the bill in its present form provides they shall pay war taxes only in case of agreement. Of course, the Government should not pay any war tax if the railroad does not agree. The corporation should pay the war tax, and not the Government. While the Government would be compelled to pay the ordinary taxes, it should not pay the war taxes of a nonagreeing railroad. Again, we took over the railroads in December, and we ought not to be charged for taxes which were payable in February for the previous year. The Government ought not to be charged with all of the taxes assessed against railroads during the previous year. This amendment takes care of that. I think the amendment is very important and necessary.

Mr. SIMS. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this section and amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. GREEN of Iowa. Mr. Chairman, I am inclined to favor the amendment offered by the gentleman from Wisconsin on the ground that it is providing for a contingency that may happen, although it is one which, in my judgment, is extremely remote. I do not believe there will ever be a dollar accrue to the Government to which this amendment will apply. We have taken as a standard of compensation for the railways three of the most prosperous years we can find. What we will have over will be what any company should happen to make above the average for those three years.

In that connection must also be considered the amount necessary for the administration of this law. Some railroad official who was before the committee, and whose name I have forgotten, said, in respect to this revolving fund, that the only way it could be considered as a revolving fund was that it pertained to wheels, because that would be the only thing revolving in connection with it; that nothing would ever revolve back into the Federal Treasury. I am satisfied that he was right. This will cost our Government over the $500,000,000 now appropriated, and any sum which by any possibility comes into the Treasury by reason of some railroad happening to make an excess over the three-year period. We already have a large number of high-salaried men employed in connection with this plan we are carrying out with reference to the control of railroads. As yet I have not heard of a single individual whose services are dispensed with, and I do not believe any will be discharged. Already we have had several new bureaus created, with an extensive array of stenographers and clerks. There has been some talk of cutting the salaries of certain railroad officials, who, as it seems to many of us, are drawing exorbitant salaries, but I have no faith that this will be done. In the meantime prices of materials are steadily rising, and it is understood that the wages of the employees are to be increased. Some slight economies have been effected by taking off trains and thereby discommoding the public, but the saving is slight compared to the increase in expense.

Mr. McKENZIE. Does not the gentleman from Iowa believe that this contingency might arise by the exercise of the power to raise rates that is in this bill?

Mr. GREEN of Iowa. The contingency might arise in that kind of way, but why it should arise would be more than I can imagine. Gentlemen talk about having the rates raised, but why should they be raised—to bring a profit to the Government beyond a reasonable amount? The bill provides that rates shall be just and fair and reasonable. They ought not to be raised to bring in any profit to the Government. Indeed they can not be raised for that purpose, if we comply with the terms of the bill. I am hoping, however, without much basis for my hope, that the whole of this gigantic sum of five hundred millions will not be absorbed in this undertaking. Government operation of railroads is, in a sense, on trial. It would not, of course, be entirely fair to test it solely by the total expense in times like these. If, however, we find the only difference is a large increase in the number of officials, an increased operating expense, fewer trains, higher rates, and poorer service, the Nation certainly will not consider any plan to purchase the railroads when the war is over.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

Mr. FESS. Mr. Chairman, I move to strike out the word "knowingly," in line 14, page 13, and insert in lieu thereof the word "willfully."

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 13, line 14, strike out the word "knowingly" and insert in lieu thereof the word "willfully."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 13. That all pending cases in the courts of the United States affecting railroads or other transportation systems brought under the act to regulate commerce, approved February 4, 1887, as amended and supplemented, including the commodities clause, so called, or under the act to protect trade and commerce against unlawful restraints and monopolies, approved July 2, 1890, and amendments thereto, shall proceed to final determination as soon as may be, as if the United States had not assumed control of transportation systems; but in any such case the court having jurisdiction may upon the application of the United States stay execution of final judgment or decree until the further action of Congress in respect of control of transportation systems by the United States.

Mr. LENROOT. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 15, line 5, strike out the words "until the further action of Congress in respect of control of transportation systems by the United States," and insert in lieu thereof the words "until such time as it shall deem proper."

Mr. LENROOT. Mr. Chairman, if I may say a word on that——

Mr. SIMS. Mr. Chairman, there is no contest on the amendment.

Mr. LENROOT. Very well.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 14. That the Federal control of railroads and transportation systems herein and heretofore provided for shall continue for and during the period of the war and for a reasonable time thereafter, which shall not exceed two years next following the date of the proclamation by the President of the exchange of ratifications of the treaty of peace: *Provided, however*, That the President may, prior to July 1, 1918, relinquish control of all or any part of any railroad or system of transportation, further Federal control of which the President shall deem not needful or desirable; and the President may at any time during the period of Federal control agree with the owners thereof to relinquish all or any part of any railroad or system of transportation; and no right to compensation shall accrue to such owners from and after the date of relinquishment for the property so relinquished.

Mr. BARKLEY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

Mr. ESCH. Mr. Chairman, before that is read I desire to make an inquiry. Is the amendment offered by the gentleman from Kentucky to strike out?

Mr. BARKLEY. It is to strike out and insert.

Mr. ESCH. I want to offer an amendment reducing the period from two to one year. Would not that have priority, as perfecting the text?

The CHAIRMAN. A motion to perfect the text would have priority over a motion to strike out.

Mr. ESCH. Then I would like to offer that amendment.

The CHAIRMAN. The Chair does not yet know what the amendment of the gentleman from Kentucky is. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BARKLEY: Page 15, line 10, after the word "war," strike out all down to and including the word "peace," in line 13, and insert in lieu thereof the following: "and until Congress shall thereafter otherwise provide."

The CHAIRMAN. This is a motion to strike out and insert, and in that respect is in itself an amendment to perfect, so the Chair is not prepared to say that the amendment of the gentleman from Wisconsin would take precedence over this amendment.

Mr. STAFFORD. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. STAFFORD. To make a suggestion, if the Chair will indulge me.

The CHAIRMAN. The Chair will hear the gentleman with pleasure.

Mr. STAFFORD. The definitive proposition submitted to the committee by the amendment of the gentleman from Kentucky is that instead of a time limit, as provided in the bill itself, it shall be dependent upon some action of Congress, whereas the proposed amendment suggested by my colleague was to bring before the House a vote on the most specific provision of the existing paragraph.

If the one-year proposal was submitted and voted upon, you could get the contested judgment of the committee on that before you would submit the question as to whether they wished to make a more indefinite proposal conditioned upon Congress to act. We should try always, I take it, to submit amendments whereby the judgment of the committee may first be obtained on the proposals contained in the bill before submitting something of an entirely different character. The amendment of the gentleman from Kentucky is something of a different character from that which is proposed by the gentleman from Wisconsin.

Mr. FOSTER. Mr. Chairman, I submit they both stand on the same footing as to striking out and inserting. Of course they may be of a different character, and one may be more definite than the other. I do not see in that case where one takes precedence—that the amendment offered by the gentleman from Wisconsin takes precedence over the other under the rule—because they are both amendments to strike out and insert.

Mr. SABATH. The Chair does not know what the amendment proposed to be offered by the gentleman from Wisconsin may be.

The CHAIRMAN. The gentleman stated what his amendment would be. The Chair does not see, from a parliamentary standpoint, any difference in the two amendments. The amendment of the gentleman from Kentucky is a motion to strike out and insert. The amendment to be proposed by the gentleman from Wisconsin would take precedence over a motion to strike out, but the amendment offered by the gentleman from Kentucky is a motion to strike out and insert, and it is therefore a perfecting motion. So far as the parliamentary situation is concerned, the Chair is unable to distinguish between the two.

Mr. SAUNDERS of Virginia. Would not this be true? Could not the motion of the gentleman from Wisconsin be offered as a substitute for the motion of the gentleman from Kentucky?

The CHAIRMAN. Quite likely that is true.

Mr. SAUNDERS of Virginia. In that event that would be voted upon first.

The CHAIRMAN. It would be voted upon first if offered as a substitute and it was germane.

Mr. BARKLEY. I want to make a parliamentary inquiry of the Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BARKLEY. Whether the gentleman from Wisconsin could offer his amendment, which is a motion to strike out and insert, to my amendment, which is a similar motion. As far as I am concerned, I have no preference as to which one of those amendments should be voted on first.

The CHAIRMAN. The Chair is of the opinion that the gentleman from Wisconsin could offer the amendment which he indicated he would propose as a substitute for the amendment proposed by the gentleman from Kentucky, in which event the vote would come first upon the amendment offered by way of substitute by the gentleman from Wisconsin.

Mr. BARKLEY. May I suggest to the gentleman from Wisconsin that he offer his amendment and have both up at the same time for discussion?

The CHAIRMAN. Does the gentleman yield the floor?

Mr. BARKLEY. I yield for that purpose if the gentleman desires to do it. I do not care to suggest it unless the gentleman desires to do so.

Mr. SIMS. That is a very good way to get the thing through as soon as possible. Personally, I would like to see the gentleman's amendment voted upon first.

Mr. ESCH. I have no objection to the gentleman from Kentucky proceeding. My amendment was to strike out in line 12 the word "two" and insert the word "one," and strike out "years" and insert "year."

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent to speak for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none.

Mr. BARKLEY. Mr. Chairman, this is similar to the amendment which Mr. STEPHENS of Nebraska indicated he would offer, but he is temporarily out of the Chamber. I do not know that I can add anything material to what I said in general debate upon the subject of the limitation of the tenure of Government control. I do not think that in all the history of this Government there has been such a large transfer of property involving so much that affects the commercial welfare and economic conditions of our country as the taking over of the railroads by the Government of the United States, and I do not believe there is any man now in Congress or elsewhere who is wise enough to forecast at this time what legislation will be necessary in turning those roads back to their owners, if they are turned back, after the war is concluded. The Government of Great Britain at the very beginning of the war took possession and assumed control of the British railways. In the North American Review for February Mr. Sidney Brooks, a very well known and prominent English journalist and publicist, in discussing British railways, had the following to say:

It has become progressively clearer and clearer that the railways can not, when the war is over, go back to their old positions and their old methods. Finance alone forbids it. The railway men have received in the past three years three successive additions of 5 shillings a week to their wages. They have been disguised under the name of war-bonuses, but nobody that I know of expects them to disappear with the war. On the conclusion of peace the companies will find themselves faced with an increase of considerably over £20,000,000 a year in their wages bill. This sum exceeds by several millions the amount—some £17,000,000—paid out in 1913 as dividend on the ordinary stock. But that is not all. The cost of material has risen by about 60 per cent, the increase is not likely to be scaled down for many years to come, and another huge item is thus added to the working expenses. Moreover all the companies are behindhand with renewals and repairs; their good will, the creation of decades of assiduous labor, has been profoundly affected by a war that has played havoc with the normal channels of trade; some lines have been involuntarily advanced to a position of unwonted importance; others, through no fault of their own, have had to yield ground; and the State, which is responsible for these upheavals, can not, when peace returns, wash its hands of the immense problems of reconstruction they will bequeath.

Were the Government to follow any such course, were it to terminate its contract on the conclusion of peace, and to leave the railways to work out their own salvation, the result would be, first, that the companies as a whole would be hard put to it to pay any dividends at all

on their guaranteed and preference stocks; secondly, that the dividends on the ordinary stock, representing nearly £500,000,000 of paid-up capital, would be wiped out; and, thirdly, that the directors would all but inevitably be driven to raise their rates just at a time when the national chances of recovering from the devastation of the war and of competing successfully in international trade would largely depend on cheap transportation. The consequences of such a solution have only to be faced to put it out of court as impossible.

There remain, therefore, two alternatives. One is that the Government should itself acquire the railways by purchase and operate them as it operates the post office; in other words, that the railway system of the United Kingdom should be nationalized. The other is that some such plan as has been found admirably effective in time of war should be continued into the years of peace, and that in return for a financial guaranty the State should assume control of general railway policy, should insist on the companies being worked together as they are now being worked together, and should require the adoption of the reforms, the almost innumerable reforms, that the companies have too long resisted and that the pressure of the war has forced upon them. The choice will be between Government ownership and operation on the one hand, and a far more thorough-going and rational system of State regulation and control and of State responsibility on the other.

He goes on to the conclusion that in England the British railways when the war is over will be met with two propositions, one of them Government ownership absolutely or Government control, under a unified system of legislation and control similar to that which has grown up during the war. Now, that situation is going to confront the railways of the United States. We are liable to spend in betterments and improvements and the purchase of equipment and building of terminals and other facilities necessary for the carrying on of this war a billion dollars, and if the war continues for two or three years we are liable to spend a billion and a half or two billions of dollars in aiding these railroads and making improvements. Because it was stated before the joint commission of the House and Senate that in order to keep up the railways adequately to meet the conditions even of peace it was necessary to expend $1,000,000,000 a year in extensions, betterments, and equipment, and if that were necessary in times of peace, certainly that will not be an exaggerated sum that it will be necessary to spend by the Government of the United States in times of war. Not only that, but the financial affairs of our Government, entangled as they inevitably must become with the railroads during Federal control, will be of such condition and nature that the United States Government can not wisely, from a financial or economic standpoint, turn these railroads back to private control subject to the old competitive methods without providing adequate legislation for the unification of railways after the war is over.

Now, it has come to my knowledge within the last few days that financial institutions are at this very time undertaking to hold up the Government of the United States, and railroads that are either in receiverships or liable to be placed under receiverships during Federal control, because they say that, "Under the terms of this bill you provide that automatically the roads come back to private ownership after two years have elapsed from the day of peace, and, therefore, we do not know when you are going to turn them back upon us, and when you do turn them back, if adequate provision has not been made for all these entangling alliances between the Government and the railroads, the stocks may go down and we be left to hold the bag." And because of that condition financial institutions that are now being depended on, both by the railroads and by the Government, are holding up or displaying a disposition to take advantage of that uncertain and chaotic condition to make harder terms either upon the Government or the railroads than would otherwise be the case if they were sure that before these railroads are turned back to the old chaotic and confused conditions that brought about a breaking down of the railroad system of the United States, the Government and the railroads would be able to obtain better terms from those upon whom they depend for financial support.

Mr. DEMPSEY. As I understand the gentleman, his argument is based upon the probability that the railroads will be in a bad condition financially at the end of the war. Is the gentleman advised that this is the condition in England, namely, that since the war England has paid from operating revenue the dividends paid in the prewar period, and has paid 5 per cent upon all nondividend-paying roads, has carried soldiers without charge, and has carried half of the munitions without charge? Now, I am advised by experts that that is the fact. Is that in accordance with the gentleman's information?

Mr. BARKLEY. Not precisely. I think there are some commodities that the Government has hauled without charge itself, because not to do so would be simply taking the money out of one pocket and putting it into another.

Mr. DEMPSEY. Take the question of paying prewar dividends, and in all cases 5 per cent war dividends had not been paid. Is that in accordance with the gentleman's information?

Mr. BARKLEY. That is substantially true, but the Government has borne all increases of wages out of its Treasury, but this can not happen under private control.

Mr. DEMPSEY. Would not that mean that the railroads, instead of being in bad condition financially, would be in a vastly improved condition financially at the end of this war?

Mr. BARKLEY. But the British interests are going to inherit just what the American railroads are going to inherit, unless there is some provision for coordinating the expenses and the receipts of these railroads; and under the amendment which has been adopted by the House, known as the Sweet amendment, I am very much afraid that notwithstanding the increase in expenses the Government of the United States will have no power whatever to increase the revenues of the railroads, and if that should happen they will inherit a vastly increased expense without increasing the revenues. And these things ought to be left to a future Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARKLEY. Mr. Chairman, I ask unanimous consent for five minutes more.

Mr. SIMS. How much time has the gentleman from Kentucky already had?

The CHAIRMAN. Ten minutes.

Mr. SIMS. Mr. Chairman, I want to ask unanimous consent that all debate on the amendment offered by the gentleman from Kentucky [Mr. BARKLEY] close in 30 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent——

Mr. SIMS. I did not mean 30 minutes. I mean 20 minutes. He has already had 10.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on the amendment offered by the gentleman from Kentucky [Mr. BARKLEY] shall conclude in 20 minutes. Is there objection?

Mr. CANNON. I object.

The CHAIRMAN. The gentleman from Illinois objects.

Mr. SIMS. Mr. Chairman, I move that all debate on the amendment offered by the gentleman from Kentucky close in 20 minutes.

The CHAIRMAN. The gentleman from Tennessee moves that all debate upon the amendment proposed by the gentleman from Kentucky shall be concluded in 20 minutes. The question is on agreeing to that motion.

Mr. GILLETT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GILLETT. In that 20 minutes has the gentleman from Kentucky been recognized yet?

The CHAIRMAN. The request of the gentleman from Kentucky has not yet been acted upon by the House.

Mr. CANNON. Mr. Chairman, I will withdraw my objection.

Mr. BARKLEY. Does that give me the five additional minutes that I have asked for?

The CHAIRMAN. No. The question is upon the motion made by the gentleman from Tennessee.

Mr. CANNON. I withdraw the objection.

Mr. SIMS. A motion is pending.

The CHAIRMAN. The question is upon the motion of the gentleman from Tennessee.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The debate will be concluded in 20 minutes. The gentleman from Kentucky [Mr. BARKLEY] asks unanimous consent to proceed five minutes. Is there objection?

Mr. LENROOT. I object.

The CHAIRMAN. The gentleman from Wisconsin objects.

Mr. LENROOT. Mr. Chairman——

Mr. KELLY of Pennsylvania rose.

The CHAIRMAN. Does any member of the committee demand recognition?

Mr. ESCH. I do.

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. ESCH. Mr. Chairman, the amendment of the gentleman from Kentucky [Mr. BARKLEY] restores the original draft of the bill, to the effect that Federal control shall continue until Congress orders otherwise. The committee, after two days' deliberation, agreed upon a term of two years. The Senate bill provides for 18 months.

We are convinced that there should be a definite and specific term for the period of Federal control, for the reason that the railroads were taken under the war power, under the act of 1916, as a purely war measure. They were not taken under the commerce clause of the Constitution. They were taken under the war power. The power controlling possession of them therefore should terminate at the time the war terminates. The courts would construe a year as a reasonable time after the conclusion of war through a declaration of peace.

We fixed that limit in our amendment. We believe that it will be ample time for Congress to make the necessary financial readjustments that will be required as a result of the changed status of the roads during the period of war control; for be it remembered that under the terms of the amendment I have offered it will be one year after the proclamation of the ratification of peace, and it will doubtless take many months before terms of peace can be agreed upon. During this period of time Congress will be in session. Congress can enact the necessary legislation, and then have one year additional in which to make the necessary adjustments.

It does not seem to me that we are asking an unreasonable thing, in view of the fact that the roads are being held under the war power, and that within the period of one year after the conclusion of the war by the proclamation of the ratification of peace they can be returned to their owners. We ought to make the contract now. We should fix in the terms of this contract its duration, just as we do when we make any other contract or lease. Therefore, in my opinion, by leaving it wide open, without making any definite term, we are inviting that very uncertainty which some have said would lead to financial chaos. It seems to me a contradiction of terms to say that by fixing the time of the Government's tenure you invite uncertainty and chaos. To me the opposite is true. When you leave the term indefinite yo uinvite uncertainty, you promote speculation, and you bring about the very condition that you wish to ward off.

Mr. COADY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Maryland?

Mr. ESCH. I just have five minutes.

Mr. COADY. Just for a question.

Mr. ESCH. What is it?

Mr. COADY. I think the gentleman's suggestion is that one year after the termination of war, or one year after the close of the war——

Mr. ESCH. I use the same language as is in the bill, "after the declaration of peace."

Mr. COADY. Does the gentleman move to strike out the word "two" and insert "one"?

Mr. ESCH. I have had my amendment read for information.

Mr. COADY. Does the gentleman think one year would be sufficient?

Mr. ESCH. I have tried to argue that.

Mr. COADY. Suppose the war terminated on the 4th of March, at the termination of one Congress. The next Congress would not meet until the next December. Then Congress would have at that session only three months in which to act upon it.

Mr. ESCH. I do not think there is much force to that contention, because this is a matter of nation-wide concern, and this great problem of the future 260,000 miles of railroad would be of sufficient importance for any President, I do not care who he might be, to call a special session of Congress in order to pass the necessary legislation.

Mr. BARKLEY. Will the gentleman yield for a question?

Mr. ESCH. I can not yield, Mr. Chairman. I have only two minutes remaining, and the gentleman had 10 minutes. It seems to me that if we fix no definite time you are putting this whole great question into the form of a political issue; you make it the football of politics. We do not want to do that. We want to fix the term now. We will have time enough for the necessary legislation. The longer the time, the greater will be the financial interest in and obligation of the Government as to these carriers, and the more difficult it will be to unscramble the financial situation. That would be another reason in my mind why we should make as speedy a termination of this situation after peace comes as we can; that the roads may be returned to their owners under such laws as Congress shall enact. [Applause.]

Mr. DECKER. Mr. Chairman and gentlemen of the committee, the question has been pretty thoroughly discussed in general debate, but before this vote is taken I would like to remind you, one and all, just what the vote means. There is no use dodging it or trying to dodge it. A vote for the Barkley amendment means a vote in favor of passing remedial legislation before the railroads are given back to the private owners. That is what it means, and you need not dodge it. [Applause.] If you are afraid to trust the people of the United States to pass upon this question in their wisdom, then vote to put the stop watch on. It has been said, and said truly—said by distinguished men—that this vote means an advantage to one side or the other. The two sides are these: There are some people in the United States so afraid of what they call Government ownership that they would vote these roads back into the hands of the private owners without regard to whether the rights of the American people are protected before they are voted back or not, in order to avoid what they honestly believe is a great danger in Government ownership. Now, gentlemen, let the lamp of experience guide our feet. Who here this afternoon is so wise as to say what the situation in the United States will be when the war is over? We already know of much legislation that was needed before the roads were taken over. Do you mean to say that we will learn nothing during this Federal control that might be of benefit to us in enacting legislation for the regulation or control of the railroads after the war is over? Then, why not give the people at home a chance to speak? I admit frankly that if you put in this limitation it will make it harder for the people to carry ouf their will, if they should come to a decision as to doing something else about the railroads in America. But what business is it of ours to say that they shall not have as much time as they want to settle this question? How much more time have I, Mr. Chairman?

The CHAIRMAN. The gentleman has two minutes.

Mr. DECKER. You say two years is ample time. Two years is ample provided we have no other questions to settle when this awful struggle is over. You say two years are enough. Then I look you in the face and ask you, Why have we not enacted legislation already regulating the issuance of railroad stocks and bonds in this country? Is there a Congressman here who dares tell his constituents that that kind of legislation has not been needed for 10 years? Since I have been a Member of Congress, in the last four years, we have passed a bill of that kind through the House twice, but still it is not enacted into law. The gentleman on the other side says that two years is ample time in which to settle all the questions, which we must admit will be greater then than they are now, before we turn the railroads back. If you believe that, vote to put in the limitation; but if in your heart you want to protect the American people against such outrages as happened to the New Haven, the Rock Island, and the Frisco, then do not vote for a limitation. Do not vote for a limitation and then go back home and tell the American people that you are a friend of the shipper and the investor, and that you are against the robbery and the looting of the railroad systems of this country.

I do not believe that all railroad men are dishonest, but everybody knows that some of them have been dishonest; and until we get some railroad legislation in this country that will protect investors and that will see to it that money paid for railroad stocks and bonds is put into ties and rails and locomotives and cars instead of into the pockets of railroad officials, then, and not until then, will the American investing public have some confidence in our railroad systems.

Mr. DILLON. Will the gentleman yield?

Mr. DECKER. I have not the time to yield; my time is about up. I want to say in closing that you can act now and protect the American people. They are the ones that have the right to speak on this question. It is their money, not yours and mine, that is voted into these systems at this time in order to take care of the situation caused by private owners' inability to carry on the transportation of this country. It may be a billion dollars or it may be two billion dollars, but, whatever it is, it is their money. Why not give them a chance to speak before you turn them back to private owners? Ah, there will be other questions confronting the American people; their hearts will be sad; they will be troubled with the mighty questions to settle. Why say that the great railroad question has got to be settled on a given day? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMITH of Michigan. Mr. Chairman, I confess I approach the question of railroad management with a good deal of hesitation, because I do not want to appear to know too much about the operation of railroads or too much about that line of business. My chief experience with the railroads has been that of a passenger, and, as far as I could see, the business was profitable.

I have been brought up in a different atmosphere. I never drew a railroad salary, but have heard considerable about them. I think, from custom or otherwise, the high salaries paid railroad officials have been a source of criticism, if not a burden to the companies.

But I wish for a few minutes, however presumptious it may appear, to speak briefly concerning the bill we have been considering for the last few days, and which is now before the House, for the control of the railroads by the Federal Government and the just compensation therefor.

It is common knowledge that agriculture, manufacturing, and commerce are the greatest industries and most vitally affect the welfare of our country. They are interwoven with the progress and prosperity of our Nation and the happiness of our people.

I am in favor of this bill for two reasons which appear to me very essential: First, I am in favor of taking over the railroads as a war measure, and I do not see how there can be a proper

conduct of the war without the facility of the railroads in the transportation of our troops, war munitions, and supplies. The railroads and transportation facilities, including our waterways and navigation, are essential. With 3,000 miles of ocean traffic, the taking over of our shipping is as vital and essential in the conduct of the war as the taking over of the railroads.

Second, I am also in favor of taking over the railroads in order to coordinate the facilities of transportation during the war as a means of procuring the utmost efficiency. In the conduct of the war economy, efficiency, development, and industry will count most, and I do not think that crosshauls, empty trains, or double service tend to best results. I am not only for coordinating the railroads of our country but I am also for coordinating every great branch of industry, including the man power, in the development of the needed resources of our country in winning the war. I am for subscribing every American citizen, male and female, to a pledge devoting his best energy, his property, and his life in the successful prosecution of the war. There can be no division among us. Every man must now do his duty in the hour of his country's need and of his country's danger. It is self-evident to everyone now that the war must be won by the United States. Dissension, sedition, and pro-German sentiment must all be suppressed in the interest of unity, strength, and success. I know there are many splendid citizens of German birth and German descent who are loyal to our country, who have a double burden to bear, and who are rallying to our defense, enlisting in our Army, in opposition to their ancestry, but whose fealty and loyalty to our flag is paramount. A pro-German alien enemy, of whatever nationality, going at large in the United States among our citizens at the present time is more dangerous than if he were in the ranks of the German Army.

I am for coordinating and uniting the citizens of the United States like one man. I am for the coordination of every South American Republic, Canada, and Mexico, so that the Western Hemisphere can present a united front for the prosecution of the war; I am for inviting and procuring the active aid and support of Japan, which has promised its assistance; I am for organizing China, with its great man power; and in every way availing ourselves not only of the armies and navies of friendly nations but of their man power and great resources as well in fighting Germany. I say Germany because Germany is responsible for the war, is undertaking to set up an autocratic monarchy to rule the world, and we are all opposed to that. I understand that in war it is easier to give advice and to say what one should do and what ought to be done than it is to consummate and bring about the result. I do not make this suggestion by way of criticism but as expressing my own conviction. Nor am I banking upon the fact that I always have advocated and voted for preparedness. It is a great step from a peace to a war basis. I had always hoped that the brightest pages of American history would be adorned with peaceful pursuits, art, the progress of agriculture, science, and invention rather than our martial achievements. But we have engaged in the greatest war of all times, and, while there are different opinions about our policy of declaring war and the progress we have made, may I say that there never was a more just war, or one contending for higher or more far-reaching or more beneficial results and principles than the present war.

Of course, just compensation for the use of the railroads must be made to the owners. I think a very good solution of what amount of compensation ought to be made to them is contained in the bill, and that the average annual earnings of these roads for the three prewar years of 1914, 1915, and 1916 is a safe standard. The bill contains an appropriation of $500,000,000 as an operating fund, to which will be added the earnings of the railroads, and out of which they can be paid for their use, maintenance, upkeep, interest, and other expenditures. It seems to me this is a reasonably fair rule for just compensation, and certainly no one wishes to be unfair or confiscatory in relation to what should be paid to the owners of the railroads any more than they would for the just compensation for property of individuals taken over by the Government.

Neither am I afraid of the rate-fixing power provided in the bill. At the present time the railroads fix the rates, and this rate, upon the complaint of any shipper, can be reviewed by the Interstate Commerce Commission. We have a Food Administrator controlling the food situation of the country. We have a Fuel Administrator controlling the fuel situation of the country. The President has, in numerous instances, fixed the price of food products and cereals and the price of fuel. Some one has stated that he fixed the price of demurrage. Also that he did not fix the price of fuel satisfactorily or the price of wheat, and that the demurrage of $10 per car a day only lasted overnight. But the President changed them upon complaint of the people, and it is not reasonable to think that the rate fixed for the common carrier will be unreasonable, even if the President is given that power. I do not think, with public opinion and public censorship, that the President will arbitrarily make an unjust or exorbitant rate. Personally, I would be pleased if the President, by and with the advice of the Interstate Commerce Commission, would fix the rates, and that the Interstate Commerce Commission, which has had great experience and long service in the fixing of rates, has made thousands of decisions and written thousands of opinions in reference to rates, might in some way be preserved and coordinated in the fixing of rates. But this is an administration bill. I am not afraid that the rate purposely or arbitrarily will be made unjust by any President. The power given the President over the control of railroads ends in two years after the war, and the right of the President to fix the rates will likewise end.

We are fighting a great war. We can not hope for success without organization. The armies of all times have had one superior chieftain or commander, and for effective fighting there must be unity in this war all along the line. Some one must lead, and the quicker we determine upon some one for the final say, or who will have the last word, the better work and assurance of success will follow. A large amount of transportation during the war will be troops and munitions. If the Government must pay the standard rate as fixed by the average paid during the three prewar periods, and if the Government must pay for the transportation of its troops and of munitions of war, it will be largely a matter of bookkeeping and of keeping track of the amounts of shipping done and passengers carried. If that rate be high more will flow into the Treasury than would if the rate be low, but the final balance in the end would be with the Government itself, and the Government must make up the shortage and ought to have any net surplus.

There has been much said recently about the breakdown of the railroads. Some here have stated that the breakdown was a misnomer, and there was no breakdown, but simply a failure of the railroads to do the transportation. I heard our Fuel Administrator state that "the mining of coal was purely a question of transportation," and whether or not the failure to deliver fuel last winter was on account of the breakdown of the railroads or their inability to transport coal, which amounts to the same thing, could have been prevented is even now more or less of a live question. At times it looked as if the failure to deliver coal was on account of the failure to mine it. At other times it looked as if the failure to deliver coal was the fault of the railroads. Whatever the fault, it seems to me now that we but confess our incompetency in not supplying ourselves with coal. Coal is the greatest and most abundant natural product on earth. Arkansas is a most promising State, rich in agriculture and mineral resources, and I have heard it stated of that State that there is coal enough in Arkansas to do the United States through all eternity. Be this as it may, I am sure there are mountains of coal in Pennsylvania, West Virginia, and Kentucky, with an abundance of it in a number of other States, say nothing of Alaska. It looks ridiculous that there should be a coal famine in the United States and that people should be allowed to shiver and freeze for the lack of it or that it should be sold a bushel at a time. Truly it is not because we lack the coal in its natural state. The failure of our fuel supply is truly not because of the scarcity of coal. If the mining of coal is a question of transportation, as stated by Dr. Garfield, we should certainly increase our facilities for carrying coal. I do not believe that the railroads are so occupied with freight traffic that the roadbed itself could not accommodate a larger number of coal trains. I think one freight train could follow another every hour on any railroad in the United States to prevent freezing or starving. Perhaps in case of necessity one coal train could follow another within half an hour. And I do not believe that the solution would be more railroad beds or more railroads. Neither would more terminals be a solution. The terminals were loaded to their utmost capacity during the recent months when the weather was cold, and more terminals would but increase the facility for piling up more cars in their yards. If the railroads could not move the traffic in the terminals now possessed, how could the railroads move the traffic accumulated in additional terminals? An additional supply of engines would help solve the terminal congestion. The use of the street railways and subways in our cities would also help to solve it. An additional force to take care of the congested freight and coal upon arrival should be employed. Use the street railways to relieve the congestion in the cities. If need be, an additional track could circumvent the city at congested terminals and the coal and freight cars permitted to pass around instead of through the yards of our principal cities. Some are inclined to give car shortage as an excuse for fuel shortage, but there

never was a time when there were more cars in existence than there are at the present time, and coal at the prevailing prices last winter could profitably have been drawn in any freight, box, gondola, as well as coal cars, and even gravel cars might have been profitably used. However that may be, whether because of the lack of railroads, locomotive power, car congestion, or what not, the people ought now to see that there will be no recurrence of the fuel situation of the past winter. If we need more engines, let us buy more or construct more. If we need more cars, let us now build more or buy more. If congested terminals cause the fuel shortage, let us employ more help to move the congestion, build circuitous spurs or tracks, use the street railways, and avoid the congestion. If it be a lack of miners, let us employ more miners. But whatever the cause, let every coal dealer, chamber of commerce, community association, commercial club, common council, city, village, and miner in the land undertake to prevent a recurrence of fuel shortage and begin now without waiting until the freezing weather comes and the congestion recurs. We have the roadbeds and can supply the facilities. We have the coal and can supply the miners. The city coal yards ought to prepare themselves now by stocking up for the coming winter. The Government in taking over the railroads should see that the people are supplied with coal and that congestion does not recur.

I am in favor of the prosecution of this war. I think the importance of winning it ought to be apparent and reflected by every citizen of the land. In the winning of the war we save our country. Our forefathers pledged their life, their fortune, and their sacred honor to establish the Republic, and ought we to do less in order to save and preserve it? Already Germany speaks of an indemnity of billions of dollars against us, and we know that in case we lose our Nation will be put into slavery as abject and dark as are the people of Belgium to-day. We must win, and never yield, until the last man goes down.

Mr. SHOUSE was recognized.

Mr. GREEN of Iowa. Mr. Chairman, is there any further time on this amendment, and if so, to which side does it belong?

The CHAIRMAN. The gentleman from Kentucky [Mr. BARKLEY] spoke 10 minutes, 5 of which was by unanimous consent. At the end of that 10 minutes the gentleman from Tennessee moved that all debate close in 20 minutes. That motion prevailed. The Chair then recognized the gentleman from Wisconsin [Mr. ESCH] for five minutes in favor of the amendment, and then the gentleman from Missouri [Mr. DECKER] in opposition to the amendment, and then the gentleman from Michigan [Mr. SMITH], whom the Chair thought opposed to the amendment. Now, the gentleman from Kansas is recognized in favor of the amendment.

Mr. LENROOT. May I suggest, Mr. Chairman, that that is an unequal division of time. The gentleman from Kentucky had 10 minutes, and we will only be given 10 minutes on this side.

Mr. DECKER. But the 20 minutes agreed upon was after the gentleman from Kentucky [Mr. BARKLEY] spoke by unanimous consent.

The CHAIRMAN. The Chair took this view of it: That the Chair would divide the time equally after the motion to close debate.

Mr. CANNON. But the Chair has not done so. As I understand it, the gentleman from Michigan [Mr. SMITH] was for the amendment.

The CHAIRMAN. The Chair did not so understand it.

Mr. COOPER of Wisconsin. Mr. Chairman, the reporter's notes will show that the gentleman from Michigan three times said that he was in favor of the bill. He never once referred to the amendment.

The CHAIRMAN. The Chair recognized the gentleman from Michigan upon the supposition that he was opposed to the amendment. The gentleman from Kansas [Mr. SHOUSE] is recognized for five minutes.

Mr. SMITH of Michigan. I am for leaving it to Congress.

Mr. GILLETT. Mr. Chairman, the gentleman from Michigan, as I understand it, states that he is for this amendment.

Mr. COOPER of Wisconsin. But he did not say so in his speech.

Mr. COX. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded. The gentleman from Kansas is recognized for five minutes.

Mr. SHOUSE. Mr. Chairman, one of the great faults connected with the private operation of the railroad systems of the country since the beginning of this war, and one of the things that tended to bring about a degree of confusion recognized on all sides, which made necessary the taking over of the railroads by the Government, was the fact that the railroad systems were operated with a view to private gain to the stockholders of the systems rather than with a primary view to the benefit of the general public, which has paid for the cost of building the railroad systems of the country, either through land grants made by the National Government or through bonds voted by some State or some subdivision of a State. In order to secure the greatest degree of efficiency, in order to make the railroad systems answer the purpose necessary to the winning of this war, necessary to the transportation of the products of the country, the question of profit to private stockholders and to private individuals has to be eliminated in favor of what amounts to the greatest good to the greatest number, the public interest. The result is going to be that if the Director General of Railways and his assistants are hemmed in by a restriction making it necessary to turn back to the present owners of the railroads these various railroad systems within a specified time following the close of the war, then that degree of efficiency that ought to be gotten out of them in the matter of transportation can not be gotten out. In other words, it is going to be necessary to absolutely scramble the eggs, to mix up the railroad systems in a way that perhaps they never can be unmixed again, in a way that would be difficult to unmix them within a specified time.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SHOUSE. Not now. For that reason it seems to me a matter of good business, a matter of good sense, a matter of good policy for us not to attempt at this time to fix any definite limitation on this Government control of railways. I am perfectly frank to say that personally I believe it is going to become necessary as a result of the conditions brought about by this war, and by the use of the railroad systems during the war, for the Government to take over the railroad systems; and I think you are going to be facing a very definite demand from the people of this country to know where you stand on that proposition before this war is over and perhaps before another congressional election is decided in this country. As I say, personally I think it is going to become necessary for the Government to retain control of the railroads, and I think it would not only greatly embarrass, as the gentleman from Missouri [Mr. DECKER] suggested, the Government in taking over that control, to put this limitation upon this bill, but it would also serve to embarrass the administration of the railroads while the Government has control of them. I now yield to the gentleman from Ohio.

Mr. COOPER of Ohio. Mr. Chairman, the gentleman made a statement in which he said that the reason the Government took over the railroads was because the railroad operators had operated their roads as private property and for private gain. I want to ask the gentleman if there was anything about profits in the act of 1916 which gives the President the power to take over these roads?

Mr. SHOUSE. I am not discussing the act of August, 1916; I am discussing this amendment.

Mr. COOPER of Ohio. The gentleman says that was the reason the Government took the roads over.

Mr. SHOUSE. I think that was the general reason that made necessary the taking of them over.

Mr. COOPER of Ohio. The act of 1916 gives the President the power to take over the railroads for war purposes.

Mr. SHOUSE. Exactly; but, as I say, I think the roads, if they had been one great coordinated system, might have been so operated as not to have made Government control necessary. But they were not one great coordinate system; there were dozens and dozens of different systems and each one being managed by its own management with the idea of earning the greatest possible income for its stockholders, which is natural.

Mr. BLACK. Will the gentleman yield?

Mr. SHOUSE. I will.

Mr. BLACK. Is not the reason they were not coordinated due to the fact that Congress has passed laws itself that have absolutely prevented it?

Mr. SHOUSE. That is one reason.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GILLETT. Mr. Chairman, I ask unanimous consent, inasmuch as by inadvertence 25 minutes has been used by those in favor of this amendment and only 5 minutes against, that the time be extended for 5 minutes.

Mr. SIMS. To be given to those who oppose the amendment?

Mr. GILLETT. Of course.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the time——

SEVERAL MEMBERS. Make it 10 minutes.

Mr. GILLETT. Mr. Chairman, it is suggested to me to make it 10 minutes, 5 for that side and 5 for this side, both against the amendment; 5 minutes to go to the gentleman from Ken-

tucky [Mr. SHERLEY] and 5 to the gentleman from Wisconsin [Mr. LENROOT].

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the time may be extended for 10 minutes, 5 minutes to be used by the gentleman from Wisconsin and 5 by the gentleman from Kentucky. Is there objection?

Mr. HUDDLESTON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Alabama objects to the unanimous consent.

SEVERAL MEMBERS. Regular order!

The CHAIRMAN. The question is upon the amendment proposed by the gentleman from Kentucky [Mr. BARKLEY].

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. BARKLEY) there were—ayes 40, noes 143.

So the amendment was rejected.

Mr. ESCH. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 15, line 11, after the word "exceed" strike out "two" and insert "one" and strike out the letter "s" in the word "years."

Mr. SIMS. What does the gentleman say about time for debating the amendment? [Cries of "Vote!"]

Mr. ESCH. Let us have 20 minutes, 10 to a side. [Cries of "Vote!"]

Mr. ESCH. Ten minutes to be in the control of the gentleman from Tennessee and 10 by myself.

Mr. HUDDLESTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HUDDLESTON. It is my understanding the debate on the section was limited to 20 minutes.

The CHAIRMAN. No; on the amendment offered by the gentleman from Kentucky. The gentleman from Wisconsin asks unanimous consent that debate be limited to 20 minutes, 10 minutes to be controlled by himself and 10 minutes by the gentleman from Tennessee [Mr. SIMS]. Is there objection? [After a pause.] The Chair hears none, and the gentleman from Wisconsin is recognized for 10 minutes.

Mr. ESCH. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. LENROOT.]

Mr. LENROOT. Mr. Chairman, the House is to be congratulated upon the vote that has just been cast refusing to make itself guilty of obtaining property under false pretenses. [Applause.] That is just exactly what the proponents of the amendment just defeated demanded. This property was taken over by us under the war power, and the gentlemen have asked that when this war is over that we shall continue under the assumed war power to hold property after a reasonable time after the war is over. The gentleman from Missouri [Mr. DECKER] talks about the honesty of the people, and I agree with him; but the people have the same right to trust the honesty of this House, and I am very glad by so large a majority they propose that this House shall remain honest and keep its contract. Mr. Chairman, with reference to this limitation, let us see where we would have been if this amendment had not been defeated and where we may be, to a lesser degree, if this amendment of my colleague is not adopted. If there was no limitation in this bill, after this war was over, if prices go down, if wages go down, these gentlemen would have the Government continue to pay a billion dollars a year to the railroads when the fair compensation might be very much less than that sum. These gentlemen would continue to have Congress, to have the Government, hold the railroads when a majority of the Members of this House of Congress might vote to turn them back. It would require a two-thirds vote of each house of Congress if the President chose to exercise his veto.

The gentlemen were not willing to leave this question in the hands of Congress. Their real purpose was to leave the question in the hands of the President of the United States and not of the Congress.

Now, with reference to this one-year limitation or two-year limitation, a one-year limitation is ample time. We can, if necessity arises, extend, by joint resolution, the time, if a reasonable time has not elapsed; and I want to say, Mr. Chairman, that until we take over the railroads under the interstate commerce clause, so long as we hold them under the war power, we have no power upon earth to hold them beyond a reasonable time.

Mr. DECKER. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wisconsin yield to the gentleman from Missouri?

Mr. LENROOT. No; I do not.

That will be not for the President or us to determine, but for the courts. And these gentlemen would be in this position, that if some of these more prosperous roads would make more money if they ran them themselves, they would say, "We have these roads now. They belong to us. You no longer have any control over them. We will take our revenues and our profits;" but there would be left in the hands of the Government all of the unprofitable roads of the country.

Mr. DECKER. Will the gentleman yield for one question?

Mr. LENROOT. I will not.

Mr. Chairman, the thing to do is to adopt the one-year limitation and trust Congress, which the gentlemen are so anxious to do—trust the Congress, if the necessity shall thereafter arise, to extend that limitation to another year. [Applause.]

I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back two minutes.

Mr. SIMS. Mr. Chairman, I yield three minutes to the gentleman from Michigan [Mr. DOREMUS].

Mr. DOREMUS. Mr. Chairman, I desire briefly to refer to the argument of the gentleman from Wisconsin [Mr. LENROOT], who advocates a limitation of one year in this bill instead of two years. He supports his argument by the statement that if one year is not a sufficient length of time, Congress by a concurrent or joint resolution can extend the time, and that is the particular part of his argument to which I desire to call the attention of the House.

I do not know whether the President when he makes this contract with the railroads will write into the contract the limitation that is fixed in this bill or not; but, whether he does or not, there is not a court in the United States that will not write into that contract the language of section 14 of this bill. And there is not a railroad in the country that could not go into court at the expiration of one year, if you fix it at one year, and demand under its contract with the Government a return of its property. And no concurrent or joint resolution nor any act that Congress might pass could prevent the railroad from having its property returned to it.

He talks about the sanctity of contract. I stand for the sanctity of contract just as fully as he does. So I say we must live up to the contract we make with these railroads. And there is not one of them that would not have the right under the law or under the contract to demand a return of its property at the end of the time fixed by this bill, regardless of any action Congress might take. Congress can not impair the obligation of a contract by passing a resolution.

Mr. GREEN of Iowa. Mr. Chairman, a most singular harmony has arisen with reference to this bill. Every stockjobber, every owner of railway stocks and bonds, every man that is in favor of Government ownership, and every socialist is in favor of this bill. It is the first time I ever knew them to unite. The explanation for this most extraordinary harmony is not difficult, but is really simple. Those who believe in ultimate Government ownership think it will be brought about by this bill. The socialist regards it a step in the direction of socialism, which will, year by year, go further. But the stockjobber and the owner of stocks and bonds has the clearest right to be satisfied with it. Railway stocks and bonds have risen since the railroads were taken over by the Government with the understanding that Uncle Sam would pay for them at the rate provided in this bill. During the three years ending June 30, 1917, the average per cent of net income to capital stock outstanding for the Chicago, Burlington & Quincy Ry. was over 22 per cent, the Pennsylvania Co. nearly 12 per cent, the New York Central nearly 13 per cent, the Chicago & North Western over 10 per cent, and that of some short lines above a hundred per cent up to one which made 647 per cent. Railroads controlling about 140,000 miles of track and handling about 75 per cent of the traffic are guaranteed by this bill an average net income of over 11 per cent.

Talk about camouflage! The greatest camouflage we have ever known in this country was created when the railroads carried on their propaganda to influence the people of this country and make them believe that they, the railroads, had not been doing well during the last three years. The last three years of the operation of the railroads have been the most profitable of any three years in succession that they have ever known and possibly any that they ever will know.

Do you gentlemen realize that this bill guarantees and makes as good as a Government bond the revenue which these railroads have been receiving during this period of the highest point of their prosperity? No wonder the railroad magnates and the railroad owners are in favor of this bill, when it makes absolutely secure these unreasonable profits. Think of the situation! Our Government is asking its citizens to purchase liberty bonds drawing 4 or 4½ per cent, and the railroads, in a time like this, ought to have been content with a similar rate. Instead, amendments restricting the profit to 7 per cent have been voted down,

the committee which reported the bill insisting that it should not be changed, and some of its members even denying the accuracy of the figures which I have given, which are all taken from the reports of the Interstate Commerce Commission.

It should be remembered also that this is on watered stock and all. There are roads like the Kansas City Southern, which is capitalized at $99,000,000 when the valuation commission found that the reproduction cost was only $50,000,000. The American people will some day wake up and see the trick that has been played upon them by the provisions of this bill, which allow the railways more than just compensation.

Government ownership is, in one sense, to be on trial. The wholesale looting of railroads in the cases which I have referred to and others have brought many people to believe in Government ownership, but Government ownership will not get a fair trial under the present plan. Apparently dividends are to be raised, surpluses increased, wages made higher, and everybody cared for except the public. What the cost of such a proceeding will be no one can even guess.

Mr. Chairman, I shall vote for this bill not because I approve of these provisions but for other reasons. It has become absolutely necessary that it should pass to provide some method of controlling and managing the railroads, since they were taken over by the Government. Otherwise much could be done without authority of law. This has already happened and probably could not be avoided. I shall also vote for the bill especially because I am unwilling to deny to the President or the administration any power that, if properly exercised, would assist in winning the war, and I shall not insist that my opinion be adopted as to how this great object should be carried out. I have heretofore, and do now, and will in the future, lay aside my convictions rather than to fail to give the most wholehearted support to every measure that can possibly tend to bring victory nearer. Time is the essence of success in war. Victory is never won by hesitation. Unity of control and concentration of power is necessary for the highest efficiency. If there is any delay or any lack of necessary power it shall not be laid to any act of mine, and in common with every patriotic citizen I renew to the administration the pledge that we made at the beginning of the war—to devote all the resources of the Nation to its prosecution.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ESCH. Mr. Chairman, I yield two minutes to the gentleman from New Jersey [Mr. PARKER].

The CHAIRMAN. The gentleman from New Jersey is recognized for two minutes.

Mr. PARKER of New Jersey. Mr. Chairman, the question of time is not usually of the essence of things. It is so here. We want to name a time that is reasonable, a reasonable time, and show that we really mean to give the railroads back, and we want to do it because, first, we want the railroad men to understand that they must do their very best for the Government, and keep the railroads running as only railroad men know how to do, and not simply fall down and say: "We do not care anything about it, because we are not going to have them back soon."

We want the Director General to remember that in his management of the railroads, wherever possible, he shall conduct them and keep them in such condition as that they can be handed back. We do not want to see the condition that we have seen wherever the Government has had control, that the people were not considered. [Applause.]

I yield back the rest of my time.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. ESCH. Mr. Chairman, I yield the balance of my time to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for two minutes.

Mr. MONDELL. Mr. Chairman, there is ground for a difference of opinion as to what the American people may desire Congress to do touching the railroads and their operation at the close of the war, but there is no legitimate ground for, and there should be no difference of opinion in regard to, the proposition of ending autocratic war control over the railroads as soon as possible with the coming of peace.

I can not understand how any good citizen, whatever may be his opinion of what should be our policy in respect to the railroads eventually—I can not understand how any citizen who values the good faith of the Congress and of the Nation, or who is desirous of preventing a condition of political railroading, can desire to have the autocratic control of the railroads, apparently necessary in time of war, projected far into times of peace.

The sooner this autocratic control ends after peace comes the better, and surely the Congress of the United States can, within a year after the signing of the peace treaty, decide what shall be our permanent policy for the future. I have not been fully convinced that the taking over of all the railroads was wise or necessary as a war policy, but that has been done, and in this bill we are making provision for that war-time control.

Manifestly, this form of control concentrated in the hands of the Director General is not such a control as anyone would desire as a permanent policy in peace, therefore the importance of fixing a reasonably early date after peace comes, prior to which the future and permanent peace status of the roads shall be determined. [Applause and cries of "Vote!"]

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. SIMS. Mr. Chairman, how much time have I left?

The CHAIRMAN. The gentleman has six minutes.

Mr. SIMS. I yield three minutes to the gentleman from Pennsylvania [Mr. DEWALT], a member of the committee.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for three minutes.

Mr. DEWALT. Mr. Chairman and gentlemen of the committee, let us for a moment constitute ourselves a jury in this case. What are the facts? After we have the facts, what shall our verdict be in regard to this time limitation?

Now, the primary fact in this case is expressed in the first words of the act, "That the President having in time of war taken over the roads," and therefore we have as an admitted fact that he takes them over in time of war. He does not take them over by reason of the commerce clause of the Constitution, nor does he attempt to take them over by the clause of the Constitution referring to the establishment and maintenance of post offices and post roads. Having taken them over under the war power, necessarily as a matter of law it follows conclusively that the right of the President would instantly cease when the war was at an end, except for one provision, and that is read into the law itself in all cases of this character. What is that? That a reasonable time must be given after the time fixed at which the power ceases.

Now, the power ceases at the expiration of the war. A reasonable time must be given. This act provides what we regard as a reasonable time. It says the reasonable time shall be after the proclamation of peace and the affirmance thereof by the President and the Senate of the United States, not to exceed two years thereafter. Therefore, gentlemen, having all the facts in hand, the only question before this committee is this: What is a reasonable time? Is it one year or is it two years? It is a matter of minutiæ and not of policy. Now, personally, I favor two years, and I will tell you why. In the first place, what might be a reasonable time for one road would be an entirely unreasonable time for another. I grant you that some roads might be given back to their corporate owners in six months, others in one year after the proclamation of peace, and still others possibly not in two years. But when the time is fixed as a reasonable time, not exceeding two years, you give the opportunity for all roads, large or small, to be adjusted.

Now, the other reason——

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEWALT. I am very sorry I can not proceed, but I realize that the debate is limited.

Mr. SIMS. Mr. Chairman, I hope the amendment of the gentleman from Wisconsin will be disagreed to and voted down. I feel that the Members of this House will lay aside prejudice, will lay aside what effect they think a vote one way or the other on this amendment may have on the question of Government ownership as a principle. There is absolutely no principle involved between one year and two years. It is simply a question of policy. Now, under this bill the railroads of the country may necessarily become indebted to the Government in a very large amount of money. They may owe the Government a billion dollars or more at the end of the war. We do not know how long the war is going to last or what the exigency may be, and it only requires such reasonable time after the war, not exceeding two years; that is the provision of the House bill. And remember that the President may release these roads at any time. If the war does not last long and the railroads do not become indebted to the Government to amount to anything, why, they may be turned back to their owners in a very short while. But with the possibility of the war lasting a year or two years or three years, and with the vast amount of railroad securities held by the Government itself, and with the vast amount held by the financial institutions of the country, why put an arbitrary limit of 12 calendar months and take the chance of extending the time by resolution afterwards. We do not know what shape we shall be in, but there is an economic psychological

question to take care of, and that is to prevent the depression of the railroad securities held by financial institutions, trust companies, national banks; and with the guaranteed return which will permit the payment of interest on these securities as long as the Government holds the railroads, there will not be any depression in the market for those securities. But with the absolute certainty that within 12 months, regardless of conditions, regardless of credit, regardless of the amount of railroad property in the shape of bonds that may be owned by the Government of the United States, they are all to be dumped on the market at one time, without any power on earth in the Government through the operations of the Treasury to protect them. If gentlemen on either side are more anxious to determine a mere academic question as to the effect of the longer or shorter time they may have upon the question of Government ownership than they are to protect the people of the country in their public interests, why, then, let them go ahead and vote against the good of their country in time of war; the responsibility will be theirs, and God be merciful to them. [Applause.]

The CHAIRMAN. All time has expired.

Mr. SAUNDERS of Virginia. I desire to offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment to the amendment.

Mr. SAUNDERS of Virginia. To strike out that portion of the amendment which provides for one year, and insert in lieu thereof "18 months." This will make the amendment conform to the provisions of the Senate bill, which has already passed.

The CHAIRMAN. The gentleman from Virginia offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the amendment by Mr. SAUNDERS of Virginia: Strike out the words "one year" and insert in lieu thereof the words "18 months."

The question being taken on the amendment of Mr. SAUNDERS of Virginia, on a division (demanded by Mr. ALMON) there were—ayes 35, noes 122.

Accordingly, the amendment to the amendment was rejected.

Mr. LONDON. Mr. Chairman, I offer an amendment to strike out the words "two years" and insert the words "ninety-nine years."

The CHAIRMAN. The gentleman from New York offers an amendment by way of substitute which the Clerk will report.

The Clerk read as follows:

Substitute by Mr. LONDON for the amendment offered by Mr. ESCH: On page 15, line 11, strike out the word "two" and insert the word "ninety-nine."

The question was taken; and on a division (demanded by Mr. LONDON) there were—ayes 4, noes 102.

Accordingly the substitute was rejected.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. ESCH) there were 115 ayes and 97 noes.

Mr. SIMS. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed the gentleman from Wisconsin [Mr. ESCH] and the gentleman from Tennessee [Mr. SIMS] as tellers.

The committee again divided; and the tellers reported that there were 143 ayes and 111 noes.

So the amendment was agreed to.

Mr. SWIFT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, after section 14, insert the following as a new section:
"That the Committee on Expenditures in the Treasury Department is hereby authorized and directed, in accordance with the powers conferred by paragraph 36, of rule 11, and of the House of Representatives to examine and audit from time to time the accounts and expenditures of all moneys appropriated by section 6 of this act; and said committee is authorized to employ certified public accountants, competent stenographers"——

Mr. SIMS. Mr. Chairman, the reading of the amendment so far has disclosed that it is subject to a point of order, and I make it.

The CHAIRMAN. The gentleman from Tennessee makes the point of order that the amendment is not in order. Does the gentleman from New York desire to be heard on the point of order?

Mr. SWIFT. Mr. Chairman, it is my contention that the language of this amendment covers the subject matter in the bill and does not violate any of the rules of the House. That being the case, I think it is a perfectly proper amendment to the bill under consideration.

The CHAIRMAN. The Chair is prepared to rule. A sufficient part of the amendment has been read, it seems to the Chair, to enable it to be seen quite clearly that the proposed amendment is not germane to any section of the bill, and therefore the Chair sustains the point of order.

Mr. PARKER of New Jersey. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 15, after line 20, after the word "transportation" insert "and the President may relinquish all railroads under Federal control at any time he shall deem such action needful and desirable."

Mr. PARKER of New Jersey. Mr. Chairman, I shall not take time to argue this matter. I only want to state it. We have properly limited the right to surrender particular roads without the consent of the roads to a time before July 1 next. After the United States have taken over a particular road they ought not to discriminate against it by surrendering it except with that road's consent. But, on the other hand, the Senate committee saw that if the control of all railroads, in the opinion of the President, became undesirable, he ought to have the right to surrender all the roads at any time, and therefore they inserted these words that I have just offered, that if the President at any time deems such action desirable he shall have the right to surrender all the roads and end Federal control.

Mr. SIMS. Mr. Chairman, I do not think there is any opposition to the amendment on this side.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from New Jersey.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 15. That this act is expressly declared to be emergency legislation enacted to meet conditions growing out of war; and nothing herein is to be construed as expressing or prejudicing the future policy of the Federal Government concerning the ownership, control, or regulation of carriers of the method or basis of the capitalization thereof.

Mr. FORDNEY. Mr. Chairman, I move to strike out all on page 16, except the word "war," line 1.

The Clerk read as follows:

Page 16, beginning with the word "and" after the word "war," line 1, strike out all down to and including the word "thereof," line 4.

Mr. FORDNEY. Mr. Chairman, if anyone wishes to speak against the amendment I want to be heard.

Mr. LONDON. Mr. Chairman, would a motion to strike out the entire section take precedence of the motion of the gentleman from Michigan?

The CHAIRMAN. It would not; the motion to strike out a part would take precedence.

Mr. SHERLEY. Mr. Chairman, I want to suggest to the gentleman that he would make his amendment better if he would move to strike out the whole paragraph; it seems to be nothing but language.

Mr. FORDNEY. Well, Mr. Chairman, I will move to strike out the whole paragraph.

The Clerk read as follows:

Amendment by Mr. FORDNEY: Strike out all of section 15.

Mr. FORDNEY. Mr. Chairman, if the committee will bear with me for a moment, the gentleman from Virginia [Mr. MONTAGUE], a gentleman for whom I have the highest regard as a gentleman, and because of his ability, states that to strike out the entire section would be a very serious mistake, but that my first motion is all right; that is, to leave the first portion of the section in stating that the act is expressly declared to be emergency legislation enacted to meet conditions growing out of the war. If permitted, I shall again amend my motion to strike out by striking out only that portion of the section after the word "war," as I first offered the amendment, and changing the semicolon to a period.

The CHAIRMAN. The gentleman from Michigan by unanimous consent withdraws his motion to strike out the paragraph and offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORDNEY: Page 16, line 1, after the word "war," strike out the semicolon, insert a period, and strike out the remainder of the language in the paragraph.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. DECKER rose.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard upon his amendment? [Cries of "Vote!" "Vote!"]

Mr. FORDNEY. I do not, unless some gentleman desires to be heard against it; then I would like the privilege of using the balance of my five minutes.

Mr. DECKER. Mr. Chairman, is that according to the rule? Has the gentleman not to present his views first?

Mr. FORDNEY. Mr. Chairman, it is late, and I shall not consume any more time, but will ask for a vote.

Mr. DECKER. Mr. Chairman, I have no hopes of changing your views, but I shall discharge a duty that I owe to this House, and that is to see to it that if you vote to strike this out

you do it with your eyes open. It simply means this: The gentleman from Wisconsin and some others on that side have spoken with great vehemence about doing something that will be in favor of the railroads. Yet by striking out this section, what do you do? You give the men who own the railroads, who have been clamoring for the last 10 years for an increase of rates, who have been distributing through this country a propaganda to weaken the power and the influence of the Interstate Commerce Commission, a chance to come in after the war is over and say that the Congress by legislative action has set a precedent as to what the rates should be and what is legitimate compensation for the use of the railroads. Oh, I know you say that it is not binding, but at the same time you have got to admit that it is persuasive evidence on behalf of the private owners of the railroads. Why are you afraid to put in the bill the plain language in these words——

Mr. FORDNEY. Mr. Chairman, I make the point of order that the gentleman is not discussing the amendment.

Mr. DECKER. Mr. Chairman, the gentleman may not see the point, but I think some other men who are on the committee on the other side will. I shall explain it to him a little plainer.

Mr. FORDNEY. All right, go ahead.

Mr. DECKER. The gentleman is speaking to the point, and I shall make it a little clearer so that the distinguished gentleman will understand. One of the clauses which you seek to strike out says this shall not be construed as fixing a basis of future capitalization. What does that mean? Let me say that the railroad brotherhoods had one of the ablest attorneys before our committee that I ever had the pleasure of listening to, and the burden of his whole argument was this—and I do not say that I agree with him. He claimed that no railroad had a right to receive a cent more than reasonable interest on the money judiciously invested in the railroad. You may not agree with that, but the railroad brotherhoods fought for that proposition in this bill as the basis of compensation, but they waived their objection after we put this clause in saying that this bill should not be taken as a basis for any future fixing of rates or fixing of the compensation of railroads in case the people of this country in their power should rise up and take over the railroads permanently.

Mr. CANNON. Mr. Chairman, I want to say just a word. I shall detain you only 30 seconds. While this amendment is not necessary and does not change the bill, I shall vote for it. This is an emergency war measure. If I thought it was not, I would vote against the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. FORDNEY) there were—ayes 80, noes 131.

So the amendment was rejected.

Mr. ESCH. Mr. Chairman, in order to perfect the short-line amendment and in reference to the exclusion of electric urban and interurban lines, I ask unanimous consent that we may return to section 1 that that amendment may be offered.

Mr. SIMS. Mr. Chairman, I have seen the amendment, and I think it is perfectly harmless, and I have no objection.

Mr. ESCH. So as to bring the matter into conference.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to return to section 1 to offer an amendment. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Page 5, insert at the end of section 1 the following: "That every railroad not owned or controlled or operated by another carrier company, and which has heretofore competed for traffic with a railroad or railroads of which the President has taken possession, use, and control, which connects with said railroad and is engaged as a common carrier in general transportation, shall be held and considered as within the Federal control as so defined and necessary for the prosecution of the war and shall be entitled to all the benefits of the provisions of this act: *Provided, however*, That nothing in this paragraph shall be construed as excluding any street or interurban electric railway which has as its principal source of operating revenue urban, suburban, or local interurban passenger traffic or sale of power, heat, or light, or both.

The question was taken, and the amendment was agreed to.

Mr. PARKER of New Jersey. Mr. Chairman, I ask to return to section 10 by unanimous consent. The gentleman from Wisconsin [Mr. LENROOT] offered an amendment to this section, which is printed on page 2695 of the RECORD, in which he says:

No person employed in connection with the operation of railroads or systems of transportation under Federal control, except those persons referred to in the preceding section—

Which is section 8—

shall be deemed to be an officer or employee under the United States—

And so forth.

And then his amendment went on to say that this should apply for the purposes of the workmen's compensation act or for the purpose of the war excess-profits tax, but it left out the civil-service act, which is the most important of all, and perhaps others, and therefore I proposed to insert, after the words "United States" the following:

otherwise than is herein specially provided, nor for the purpose of the laws as to civil service, nor—

And then it goes on in the language of his amendment, specifying the other two acts.

Mr. SIMS. What is the request, unanimous consent to return?

Mr. PARKER of New Jersey. Yes, sir. I ask unanimous consent to return for that purpose only.

Mr. SIMS. It is too late now, and I will have to object. It is immaterial to this bill.

Mr. PARKER of New Jersey. All right, I have stated my point.

Mr. LENROOT. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 10, line 7, after the word "thereof," insert the following: "any securities so purchased shall be held by the Secretary of the Treasury, who shall, on the direction of the President, represent the United States in all matters in connection therewith in the same manner as a private holder thereof."

The CHAIRMAN. The Chair understands permission was given at the time to return to this section. The question is upon the amendment.

The question was taken, and the amendment was agreed to.

Mr. LENROOT. Mr. Chairman, there are two very short amendments that the chairman has agreed to accept, but through inadvertence they were not offered at the time, and I ask unanimous consent that they be offered now.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that two amendments may be offered at this time. Is there objection? [After a pause.] The Chair hears none.

Mr. STAFFORD. Let them be reported. I reserve the right to object.

The CHAIRMAN. The Clerk will report the first amendment.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 6, line 3, strike out beginning with the comma, through line 5, and insert a period and the following:

"The acceptance of any benefit under this section shall constitute an acceptance by the carrier of all of the provisions of this act, and shall obligate the carrier to pay to the United States, with interest at the rate of 6 per cent per annum from a date or dates fixed in proceedings under section 3, the amount by which the sums received under this section exceed the sum found due in such proceedings."

Mr. SIMS. Mr. Chairman, we have no objection to that.

The CHAIRMAN. Is there objection to returning for consideration of the amendment. [After a pause.] The Chair hears none. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. LENROOT: Page 6, line 18, after the period, insert the following:

"In case of disobedience to a subpœna the board may invoke the aid of any district court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence, and such court within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpœna issued to any person, corporation, partnership, or association, issue an order requiring appearance before the board or the production of documentary evidence if so ordered, or the giving of evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof."

The CHAIRMAN. Is there objection to returning to this section for the purpose of considering the amendment offered? [After a pause.] The Chair hears none.

The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. SIMS. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9685) to provide for the operration of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, and had directed him

to report the same to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. SIMS. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. SIMS. I demand a separate vote on what is called the Sweet amendment, introduced by the gentleman from Iowa [Mr. SWEET].

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. FORDNEY. Mr. Speaker, if it is proper at this time, I want to say that there is such a slight attendance here on such an important matter that I believe this vote ought to go over until to-morrow morning, when we have a quorum here. [Cries of "Vote!" "Vote!"]

The SPEAKER. Is a separate vote demanded on any other amendment than the Sweet amendment?

Mr. NORTON. Mr. Speaker, I desire a separate vote on the amendment for retaining control of the railroads for one year.

The SPEAKER. The gentleman from North Dakota [Mr. NORTON] demands a separate vote on the amendment about retaining control of the railroads for a year—the Esch amendment.

The vote will first be taken on the Sweet amendment.

The question was taken.

Mr. GARRETT of Tennessee. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARRETT of Tennessee. Have the other amendments been voted on?

The SPEAKER. No. The Chair will put the question on the other amendments. The question is on agreeing to the other amendments besides the Sweet and Esch amendments.

The question was taken, and the amendments other than the Sweet and Esch amendments were agreed to.

The SPEAKER. The question is on agreeing to the Sweet amendment.

The question was again taken, and the Speaker announced that the ayes seemed to have it.

Mr. SIMS and Mr. HEFLIN demanded the yeas and nays.

The SPEAKER. The gentleman from Tennessee demands the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Clerk will call the roll. All those in favor of the Sweet amendment will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 165, nays 210, answered "present" 2, not voting 51, as follows:

YEAS—165.

Anderson	French	Lufkin	Sells
Anthony	Fuller, Ill.	Lundeen	Sherwood
Austin	Gillett	McArthur	Sinnott
Bacharach	Good	McCulloch	Sisson
Baer	Goodall	McFadden	Slayden
Black	Gordon	McKenzie	Sloan
Bland	Gould	McLaughlin, Mich.	Smith, Idaho
Britten	Green, Iowa	McLemore	Stafford
Browne	Greene, Mass.	Madden	Steagall
Burnett	Greene, Vt.	Mapes	Steenerson
Burroughs	Hadley	Martin	Stephens, Miss.
Butler	Hamilton, Mich.	Meeker	Sterling, Ill.
Carter, Mass.	Harrison, Va.	Miller, Minn.	Stevenson
Cary	Haugen	Miller, Wash.	Stiness
Chandler, Okla.	Hawley	Mondell	Sweet
Clark, Pa.	Hayden	Moores, Ind.	Switzer
Classon	Hayes	Morgan	Temple
Cooper, Ohio	Hersey	Nelson	Thomas
Cooper, W. Va.	Holland	Nichols, Mich.	Timberlake
Cooper, Wis.	Huddleston	Nolan	Tinkham
Cramton	Hull, Iowa	Norton	Towner
Currie, Mich.	Humphreys	Osborne	Treadway
Dale, Vt.	Hutchinson	Parker, N. J.	Vestal
Davidson	Ireland	Peters	Volstead
Davis	James	Pratt	Walsh
Denison	Johnson, Wash.	Purnell	Ward
Dill	Juul	Ragsdale	Wason
Dillon	Kearns	Ramseyer	Watkins
Dominick	Kelley, Mich.	Rankin	Watson, Va.
Dowell	Kelly, Pa.	Rayburn	Wheeler
Dupré	Kennedy, Iowa	Reavis	White, Me.
Dyer	Kennedy, R. I.	Reed	Williams
Elliott	Kinkaid	Robbins	Wilson, Ill.
Ellsworth	Knutson	Roberts	Winslow
Elston	La Follette	Robinson	Wise
Esch	Langley	Rodenberg	Wood, Ind.
Fairfield	Larsen	Rogers	Woods, Iowa
Farr	Lazaro	Sanders, Ind.	Woodyard
Fess	Lehlbach	Sanders, La.	Young, N. Dak.
Fordney	Lenroot	Saunders, Va.	
Foss	Little	Schall	
Frear	Longworth	Scott, Mich.	

NAYS—210.

Alexander	Edmonds	King	Sabath
Almon	Emerson	Kitchin	Sanders, N. Y.
Ashbrook	Evans	Lea, Cal.	Sanford
Aswell	Ferris	Lee, Ga.	Scott, Pa.
Ayres	Fields	Lesher	Scully
Bankhead	Fisher	Lever	Sears
Barkley	Flood	Linthicum	Shackleford
Beakes	Foster	Littlepage	Shallenberger
Bell	Francis	Lobeck	Sherley
Beshlin	Freeman	London	Shouse
Blackmon	Fuller, Mass.	Lonergan	Siegel
Blanton	Gallagher	Lunn	Sims
Booher	Gallivan	McAndrews	Slemp
Borland	Gandy	McClintic	Small
Brand	Gard	McKinley	Smith, Mich.
Brodbeck	Garland	McLaughlin, Pa.	Smith, C. B.
Browning	Garner	Magee	Snook
Brumbaugh	Garrett, Tenn.	Mansfield	Snyder
Buchanan	Garrett, Tex.	Mays	Stedman
Byrnes, S. C.	Glass	Merritt	Steele
Byrns, Tenn.	Glynn	Montague	Stephens, Nebr.
Caldwell	Godwin, N. C.	Moon	Strong
Campbell, Pa.	Goodwin, Ark.	Moore, Pa.	Sullivan
Candler, Miss.	Gray, Ala.	Morin	Sumners
Cannon	Gray, N. J.	Mott	Swift
Cantrill	Griest	Neely	Tague
Caraway	Hamill	Oldfield	Talbott
Carew	Hamlin	Oliver, Ala.	Taylor, Ark.
Carlin	Hardy	Oliver, N. Y.	Taylor, Colo.
Carter, Okla.	Harrison, Miss.	Olney	Templeton
Claypool	Haskell	O'Shaunessy	Thompson
Coady	Hastings	Overmyer	Tillman
Collier	Heaton	Overstreet	Tilson
Connally, Tex.	Heflin	Padgett	Van Dyke
Connelly, Kans.	Helm	Paige	Vare
Costello	Helvering	Park	Venable
Crago	Hensley	Parker, N. Y.	Vinson
Crosser	Hicks	Phelan	Waldow
Dale, N. Y.	Hilliard	Platt	Walker
Darrow	Houston	Pou	Walton
Decker	Howard	Price	Watson, Pa.
Dempsey	Hull, Tenn.	Quin	Weaver
Denton	Husted	Rainey	Webb
Dewalt	Igoe	Raker	Welling
Dickinson	Jacoway	Ramsey	Welty
Dies	Johnson, Ky.	Randall	Whaley
Dixon	Jones, Va.	Riordan	White, Ohio
Dooling	Keating	Romjue	Wilson, Tex.
Doolittle	Kehoe	Rouse	Wingo
Doremus	Kettner	Rowe	Wright
Doughton	Key, Ohio	Rubey	Young, Tex.
Drane	Kiess, Pa.	Rucker	
Eagan	Kinchelo	Russell	

ANSWERED "PRESENT"—2.

McCormick	Rose

NOT VOTING—51.

Barnhart	Drukker	Hollingsworth	Nicholls, S. C.
Bowers	Dunn	Hood	Polk
Campbell, Kans.	Eagle	Johnson, S. Dak.	Porter
Capstick	Estopinal	Jones, Tex.	Powers
Chandler, N. Y.	Fairchild, B. L.	Kahn	Rowland
Church	Fairchild, G. W.	Kraus	Scott, Iowa
Clark, Fla.	Flynn	Kreider	Smith, T. F.
Copley	Focht	LaGuardia	Snell
Cox	Graham, Ill.	McKeown	Sterling, Pa.
Crisp	Graham, Pa.	Maher	Voigt
Curry, Cal.	Gregg	Mann	Wilson, La.
Dallinger	Hamilton, N. Y.	Mason	Zihlman
Dent	Heintz	Mudd	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. SNELL (for) with Mr. HAMILTON of New York (against).

Mr. MCCORMICK (for) with Mr. GRAHAM of Pennsylvania (against).

Mr. GRAHAM of Illinois (for) with Mr. ROWLAND (against).

Mr. SCOTT of Iowa (for) with Mr. DUNN (against).

Until further notice:

Mr. CLARK of Florida with Mr. BOWERS.

Mr. COX with Mr. CAMPBELL of Kansas.

Mr. CHURCH with Mr. DALLINGER.

Mr. CRISP with Mr. CURRY of California.

Mr. EAGLE with Mr. FOCHT.

Mr. ESTOPINAL with Mr. HOLLINGSWORTH.

Mr. JONES of Texas with Mr. GEORGE W. FAIRCHILD.

Mr. FLYNN with Mr. JOHNSON of South Dakota.

Mr. GREGG with Mr. KAHN.

Mr. HOOD with Mr. LAGUARDIA.

Mr. MCKEOWN with Mr. MASON.

Mr. MAHER with Mr. MUDD.

Mr. NICHOLLS of South Carolina with Mr. PORTER.

Mr. POLK with Mr. POWERS.

Mr. THOMAS F. SMITH with Mr. VOIGT.

Mr. STERLING of Pennsylvania with Mr. ZIHLMAN.

Mr. WILSON of Louisiana with Mr. HEINTZ.

Mr. BARNHART with Mr. CHANDLER of New York.

Mr. DENT with Mr. KREIDER.

Mr. MCCORMICK. Mr. Speaker, I have a pair with the gentleman from Pennsylvania, Mr. GRAHAM, and I desire to be recorded as voting "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the Esch amendment, to fix the time beyond the period of the war at one year.

The question being taken, on a division (demanded by Mr. NORTON) there were—ayes 159, noes 174.

Mr. ESCH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 164, nays 205, answered "present" 1, not voting 58, as follows:

YEAS—164.

Anderson	Freeman	McArthur	Scott, Pa.
Anthony	Fuller, Ill.	McCormick	Sells
Austin	Fuller, Mass.	McCulloch	Sinnott
Bacharach	Garland	McFadden	Slayden
Bland	Gillett	McKenzie	Slemp
Britten	Glynn	McKinley	Sloan
Browning	Good	McLaughlin, Mich.	Smith, Idaho
Burnett	Goodall	McLaughlin, Pa.	Smith, Mich.
Burroughs	Gould	McLemore	Snyder
Butler	Gray, N. J.	Madden	Stafford
Cannon	Green, Iowa	Magee	Steenerson
Carter, Mass.	Greene, Mass.	Mapes	Sterling, Ill.
Chandler, N. Y.	Greene, Vt.	Meeker	Stiness
Chandler, Okla.	Griest	Merritt	Strong
Clark, Pa.	Hadley	Miller, Minn.	Sweet
Cooper, Ohio	Hamilton, Mich.	Miller, Wash.	Swift
Cooper, W. Va.	Haskell	Mondell	Switzer
Costello	Haugen	Moore, Pa.	Temple
Crago	Hawley	Moores, Ind.	Templeton
Cramton	Hayes	Morin	Tilson
Currie, Mich.	Heaton	Nichols, Mich.	Timberlake
Dale, Vt.	Hersey	Osborne	Tinkham
Darrow	Hicks	Paige	Towner
Davidson	Husted	Parker, N. J.	Treadway
Davis	Hutchinson	Parker, N. Y.	Vare
Dempsey	Ireland	Peters	Vestal
Denison	Johnson, Wash.	Platt	Volstead
Dillon	Juul	Pratt	Waldow
Dupré	Kearns	Purnell	Walsh
Dyer	Kelley, Mich.	Ragsdale	Ward
Edmonds	Kennedy, Iowa	Ramsey	Wason
Elliott	Kennedy, R. I.	Rankin	Watson, Pa.
Ellsworth	Kiess, Pa.	Reavis	Watson, Va.
Esch	King	Reed	Wheeler
Fairfield	Kinkaid	Robbins	White, Me.
Farr	Knutson	Rodenberg	Williams
Fess	La Follette	Rogers	Wilson, Ill.
Focht	Langley	Rowe	Winslow
Fordney	Lehlbach	Sanders, Ind.	Wood, Ind.
Foss	Lenroot	Saunders, Va.	Woods, Iowa
Francis	Lufkin	Scott, Mich.	Woodyard

NAYS—205.

Alexander	Doolittle	Kettner	Russell
Almon	Doremus	Key, Ohio	Sabath
Ashbrook	Doughton	Kincheloe	Sanders, La.
Aswell	Dowell	Kitchin	Schall
Ayres	Drane	Larsen	Scully
Baer	Eagan	Lazaro	Sears
Bankhead	Elston	Lea, Cal.	Shackleford
Barkley	Emerson	Lee, Ga.	Shallenberger
Barnhart	Estopinal	Lesher	Sherley
Beakes	Evans	Lever	Sherwood
Bell	Ferris	Linthicum	Shouse
Beshlin	Fields	Littlepage	Siegel
Black	Fisher	Lobeck	Sims
Blackmon	Flood	London	Sisson
Blanton	Foster	Lonergan	Small
Booher	French	Lundeen	Smith, C. B.
Borland	Gallagher	Lunn	Snook
Brand	Gallivan	McAndrews	Steagall
Brodbeck	Gandy	McClintic	Stedman
Browne	Gard	Mansfield	Steele
Brumbaugh	Garner	Martin	Stephens, Miss.
Buchanan	Garrett, Tenn.	Mays	Stevenson
Byrnes, S. C.	Garrett, Tex.	Montague	Sullivan
Byrns, Tenn.	Glass	Moon	Sumners
Caldwell	Godwin, N. C.	Morgan	Tague
Campbell, Pa.	Goodwin, Ark.	Neely	Talbott
Candler, Miss.	Gordon	Nolan	Taylor, Ark.
Cantrill	Gray, Ala.	Norton	Taylor, Colo.
Caraway	Hamill	Oldfield	Thomas
Carew	Hamlin	Oliver, Ala.	Thompson
Carlin	Hardy	Oliver, N. Y.	Tillman
Carter, Okla.	Harrison, Miss.	Olney	Van Dyke
Cary	Hastings	O'Shaunessy	Venable
Classon	Hayden	Overmyer	Vinson
Claypool	Heflin	Overstreet	Walker
Coady	Helm	Padgett	Walton
Collier	Helvering	Park	Watkins
Connally, Tex.	Hensley	Phelan	Weaver
Connelly, Kans.	Hilliard	Pou	Webb
Cooper, Wis.	Holland	Price	Welling
Cox	Howard	Quin	Welty
Crosser	Huddleston	Raker	Whaley
Dale, N. Y.	Hull, Tenn.	Ramseyer	White, Ohio
Decker	Humphreys	Randall	Wilson, Tex.
Denton	Igoe	Rayburn	Wingo
Dewalt	Jacoway	Riordan	Wise
Dickinson	James	Roberts	Wright
Dies	Johnson, Ky.	Robinson	Young, N. Dak.
Dill	Jones, Va.	Romjue	Young, Tex.
Dixon	Keating	Rouse	
Dominick	Kehoe	Rubey	
Dooling	Kelly, Pa.	Rucker	

ANSWERED "PRESENT"—1.

Rose

NOT VOTING—58.

Bowers	Flynn	Kraus	Powers
Campbell, Kans.	Frear	Kreider	Rainey
Capstick	Graham, Ill.	LaGuardia	Rowland
Church	Graham, Pa.	Little	Sanders, N. Y.
Clark, Fla.	Gregg	Longworth	Sanford
Copley	Hamilton, N. Y.	McKeown	Scott, Iowa
Crisp	Harrison, Va.	Maher	Smith, T. F.
Curry, Cal.	Heintz	Mann	Snell
Dallinger	Hollingsworth	Mason	Stephens, Nebr.
Dent	Hood	Mott	Sterling, Pa.
Drukker	Houston	Mudd	Voigt
Dunn	Hull, Iowa	Nelson	Wilson, La.
Eagle	Johnson, S. Dak.	Nicholls, S. C.	Zihlman
Fairchild, B. L.	Jones, Tex.	Polk	
Fairchild, G. W.	Kahn	Porter	

So the amendment was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. EAGLE with Mr. CAMPBELL of Kansas.

Mr. HARRISON of Virginia with Mr. HOLLINGSWORTH.

Mr. HOUSTON with Mr. FREAR.

Mr. RAINEY with Mr. LONGWORTH.

Mr. STEPHENS of Nebraska with Mr. DRUKKER.

On this vote:

Mr. GRAHAM of Illinois (for) with Mr. SANDERS of New York (against).

Mr. MOTT (for) with Mr. SANFORD (against).

Mr. GRAHAM of Pennsylvania (for) with Mr. B. L. FAIRCHILD (against).

Mr. SCOTT of Iowa (for) with Mr. DUNN (against).

Mr. SNELL (for) with Mr. HAMILTON of New York (against).

Mr. FERRIS. Mr. Speaker, has the gentleman from Oklahoma [Mr. MCKEOWN] voted?

The SPEAKER. He has not.

Mr. FERRIS. I ask unanimous consent to make a short statement in reference to Mr. MCKEOWN. I want the RECORD to show that he is absent on account of a severe accident to his wife who was run over by a taxicab. If he were here, he would have voted with the committee on all railroad propositions and for the bill.

The result of the vote was then announced as above recorded.

The SPEAKER. The question is on the engrossment of the bill.

The bill was ordered to be engrossed.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that the bill S. 3752, a bill of similar tenor, be taken from the Speaker's table and be considered in place of the House bill, and that all after the enacting clause in the Senate bill be stricken out and the House bill as amended substituted.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to take from the Speaker's table the bill S. 3752, strike out all after the enacting clause, and insert the House bill as amended. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

An act (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is, Shall the bill pass?

Mr. DENISON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 339, nays 6, answered "present" 1, not voting 81, as follows:

YEAS—339.

Alexander	Brodbeck	Collier	Dillon
Almon	Browne	Connally, Tex.	Dixon
Anderson	Browning	Connelly, Kans.	Dominick
Ashbrook	Brumbaugh	Cooper, Ohio	Dooling
Aswell	Buchanan	Cooper, W. Va.	Doolittle
Austin	Burnett	Cooper, Wis.	Doremus
Ayres	Burroughs	Costello	Doughton
Bacharach	Byrnes, S. C.	Cox	Dowell
Baer	Byrns, Tenn.	Cramton	Drane
Bankhead	Campbell, Pa.	Crosser	Dupré
Barkley	Candler, Miss.	Currie, Mich.	Dyer
Barnhart	Cannon	Dale, N. Y.	Eagan
Beakes	Cantrill	Dale, Vt.	Edmonds
Bell	Caraway	Darrow	Elliott
Beshlin	Carew	Davidson	Ellsworth
Black	Carlin	Davis	Elston
Blackmon	Carter, Mass.	Decker	Emerson
Bland	Carter, Okla.	Dempsey	Esch
Blanton	Cary	Denton	Estopinal
Booher	Chandler, N. Y.	Dewalt	Evans
Borland	Classon	Dickinson	Fairfield
Brand	Claypool	Dies	Farr
Britten	Coady	Dill	Ferris

Fess	Juul	Oldfield	Smith, Mich.
Fields	Kearns	Oliver, Ala.	Smith, C. B.
Fisher	Keating	Oliver, N. Y.	Snook
Flood	Kehoe	Olney	Stafford
Fordney	Kelley, Mich.	Osborne	Steagall
Foss	Kelly, Pa.	O'Shaunessy	Steele
Foster	Kennedy, Iowa	Overmyer	Stephens, Miss.
Francis	Kennedy, R. I.	Overstreet	Sterling, Ill.
Freeman	Kettner	Padgett	Stevenson
French	Key, Ohio	Paige	Stiness
Fuller, Mass.	Kincheloe	Park	Strong
Gallagher	King	Parker, N. J.	Sullivan
Gallivan	Kinkaid	Parker, N. Y.	Sweet
Gandy	Kitchin	Peters	Swift
Gard	La Follette	Phelan	Switzer
Garland	Langley	Pou	Tague
Garner	Larsen	Pratt	Taylor, Ark.
Garrett, Tenn.	Lazaro	Price	Taylor, Colo.
Garrett, Tex.	Lea, Cal.	Purnell	Temple
Glass	Lee, Ga.	Quin	Templeton
Glynn	Lehlbach	Ragsdale	Thompson
Godwin, N. C.	Lenroot	Raker	Tillman
Good	Lesher	Ramsey	Tilson
Goodall	Lever	Randall	Timberlake
Goodwin, Ark.	Linthicum	Rankin	Tinkham
Gould	Little	Rayburn	Towner
Gray, Ala.	Littlepage	Reavis	Treadway
Gray, N. J.	Lobeck	Reed	Van Dyke
Green, Iowa	London	Riordan	Vare
Greene, Mass.	Lonergan	Robbins	Venable
Greene, Vt.	Lufkin	Roberts	Vestal
Griest	Lundeen	Robinson	Vinson
Hadley	Lunn	Rodenberg	Volstead
Hamill	McAndrews	Rogers	Waldow
Hamilton, Mich.	McArthur	Romjue	Walker
Hamlin	McClintic	Rouse	Walsh
Harrison, Miss.	McCormick	Rowe	Walton
Harrison, Va.	McCulloch	Rubey	Wason
Haskell	McFadden	Rucker	Watkins
Hastings	McKenzie	Russell	Watson, Pa.
Hayden	McKinley	Sabath	Watson, Va.
Heaton	McLaughlin, Mich.	Sanders, Ind.	Weaver
Heflin	McLaughlin, Pa.	Sanders, La.	Webb
Helm	Madden	Saunders, Va.	Welling
Helvering	Mansfield	Schall	Welty
Hensley	Mapes	Scott, Mich.	Whaley
Hersey	Martin	Scott, Pa.	Wheeler
Hicks	Mays	Scully	White, Me.
Hilliard	Meeker	Sears	White, Ohio
Holland	Miller, Wash.	Sells	Williams
Huddleston	Mondell	Shackleford	Wilson, Ill.
Hull, Iowa	Montague	Shallenberger	Wilson, Tex.
Hull, Tenn.	Moon	Sherley	Wingo
Humphreys	Moore, Pa.	Sherwood	Winslow
Hutchinson	Moores, Ind.	Shouse	Wise
Igoe	Morgan	Siegel	Wood, Ind.
Ireland	Morin	Sims	Woods, Iowa
Jacoway	Mudd	Sinnott	Woodyard
James	Neely	Sisson	Wright
Johnson, Ky.	Nichols, Mich.	Sloan	Young, Tex.
Johnson, Wash.	Nolan	Small	Zihlman
Jones, Va.	Norton	Smith, Idaho	

NAYS—6.

Chandler, Okla.	Gordon	Ramseyer	Thomas
Denison	Haugen		

ANSWERED "PRESENT"—1.

Knutson	Rose

NOT VOTING—81.

Anthony	Focht	Kraus	Sanders, N. Y.
Bowers	Frear	Kreider	Sanford
Butler	Fuller, Ill.	LaGuardia	Scott, Iowa
Caldwell	Gillett	Longworth	Slayden
Campbell, Kans.	Graham, Ill.	McKeown	Slemp
Capstick	Graham, Pa.	McLemore	Smith, T. F.
Church	Gregg	Magee	Snell
Clark, Fla.	Hamilton, N. Y.	Maher	Snyder
Clark, Pa.	Hardy	Mann	Stedman
Copley	Hawley	Mason	Steenerson
Crago	Hayes	Merritt	Stephens, Nebr.
Crisp	Heintz	Miller, Minn.	Sterling, Pa.
Curry, Cal.	Hollingsworth	Mott	Sumners
Dallinger	Hood	Nelson	Talbott
Dent	Houston	Nicholls, S. C.	Voigt
Drukker	Howard	Platt	Ward
Dunn	Husted	Polk	Wilson, La.
Eagle	Joanson, S. Dak.	Porter	Young, N. Dak.
Fairchild, B. L.	Jones, Tex.	Powers	
Fairchild, G. W.	Kahn	Rainey	
Flynn	Kiess, Pa.	Rowland	

So the bill was passed.

The Clerk announced the following additional pairs:

Until further notice:

Mr. TALBOTT with Mr. BROWNING.

Mr. SLAYDEN with Mr. HAYES.

Mr. MAHER with Mr. HOLLINGSWORTH.

Mr. STERLING of Pennsylvania with Mr. YOUNG of North Dakota.

Mr CALDWELL with Mr. ANTHONY.

Mr. HARDY with Mr. CLARK of Pennsylvania.

Mr. HOWARD with Mr. CRAGO.

Mr. MCLEMORE with Mr. DYER.

Mr. STEDMAN with Mr. FULLER of Illinois.

Mr. SUMNERS with Mr. GILLETT.

Mr. CLARK of Florida with Mr. GRAHAM of Illinois.

Mr. CHURCH with Mr. GRAHAM of Pennsylvania.

Mr. CRISP with Mr. HUSTED.

Mr. WILSON of Louisiana with Mr. MAGEE.

Mr. POLK with Mr. MILLER of Minnesota.

Mr. THOMAS F. SMITH with Mr. MOTT.

Mr. JONES of Texas with Mr. SNYDER.

Mr. HOOD with Mr. WARD.

Mr. FLYNN with Mr. SANDERS of New York.

Mr. DENT, with Mr. SANFORD.

Mr. BROWNING. Mr. Speaker, I am paired with the gentleman from Maryland, Mr. TALBOTT. If he were present, he would vote "yea," as did I. I shall therefore allow my vote of "yea" to stand.

Mr. FIELDS. Mr. Speaker, I would inquire if the gentleman from Alabama, Mr. DENT, is recorded?

The SPEAKER. He is not recorded.

Mr. FIELDS. Mr. Speaker, Mrs. Dent phoned me this morning that Mr. DENT was sick and unable to be at the Capitol to-day, and I want therefore to explain his reason for not voting on this roll call.

Mr. PAIGE. Mr. Speaker, my colleague, Mr. DALLINGER, is ill at his home and requests me to state that if he were present he would favor this bill and would vote "yea."

Mr. STAFFORD. Mr. Speaker, I wish also to announce that if the gentlemen from New York, Messrs. SNELL, DUNN, and HAMILTON, were present, they would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. SIMS, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that 1,000 copies of the Senate bill with House amendments be printed.

The SPEAKER. Is there objection?

Mr. ROBBINS. Mr. Speaker, reserving the right to object, I would ask if these are for distribution, because I have some requests for copies of this bill.

Mr. SIMS. Yes; they will go to the document room.

The SPEAKER. Is there objection?

There was no objection, and it was so ordered.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill and ask for a conference.

Mr. STAFFORD. Mr. Speaker, I would have to object.

Mr. SIMS. Very well, I withdraw the request.

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that an amendment which I offered to the bill, which was not fully read, be printed in full in the RECORD.

The SPEAKER. Without objection, it is so ordered.

The amendment is as follows:

Amendment offered by Mr. SWIFT: Page 15, section 14, insert the following as a new section:

That the Committee on Expenditures in the Treasury Department is hereby authorized and directed, in accordance with the powers conferred by paragraph 36 of Rule XI of the House of Representatives, to examine and audit from time to time the accounts and expenditures of all monies appropriated by section 6 of this act; and said committee is authorized to employ certified public accountants, competent stenographers, and clerks, to examine persons and papers, and administer oaths, and to convene during the sessions of the House and to report from time to time the result of its examinations with any recommendations to the House; and that out of any money in the Treasury, not otherwise appropriated, the sum of $250,000 is hereby appropriated for the use of said committee for the purposes herein specified.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. BYRNS of Tennessee, by direction of the Committee on Appropriations, reported the bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, which was read a first and second time, and, with the accompanying report (No. 346), was referred to the Committee of the Whole House on the state of the Union, and ordered printed.

Mr. STAFFORD. Mr. Speaker, I reserve all points of order on the bill.

LEAVE OF ABSENCE.

Mr. KITCHIN. Mr. Speaker, I ask for an indefinite leave of absence for Judge CRISP, of Georgia, on account of the critical illness of his sister.

The SPEAKER. Is there objection?

There was no objection.

By unanimous consent, leave of absence was granted to Mr. SMITH of Idaho, for one day, to attend the funeral of his nephew.

ORDER OF BUSINESS.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that following the consideration of the pension bill, which follows this bill, that we may consider the daylight-saving bill.

Mr. NORTON. Mr. Speaker, I object.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Friday, March 1, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Federal Trade Commission, transmitting a letter from special attorney of the Federal Trade Commission in regard to additional legislation required in regard to the taking of papers where crimes are charged (H. Doc. No. 961), was taken from the Speaker's table, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. CLARK of Florida, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 10265) to authorize the Secretary of Labor to provide housing, local transportation, and other community facilities for war needs, reported the same without amendment, accompanied by a report (No. 345), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. IRELAND: A bill (H. R. 10334) relating to the title to land to be acquired as a site for a post-office building at Spring Valley, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. HULL of Iowa: A bill (H. R. 10335) for the retirement of employees of the classified civil service of the United States and providing an annuity for them; to the Committee on Reform in the Civil Service.

By Mr. GALLIVAN: A bill (H. R. 10336) providing for the issuance of tobacco in its various forms as part of rations to the United States troops as the Secretary of War may direct; to the Committee on Military Affairs.

By Mr. JOHNSON of Kentucky: A bill (H. R. 10337) authorizing the acquirement and extension of the telephone system in the District of Columbia; to the Committee on the District of Columbia;

By Mr. SABATH: A bill (H. R. 10338) to amend the act approved December 23, 1913, known as the Federal reserve act; to the Committee on Banking and Currency.

By Mr. GALLIVAN: A bill (H. R. 10339) providing for the issuance of tobacco in its various forms as part of rations to the United States Navy as the Secretary of the Navy may direct; to the Committee on Naval Affairs.

By Mr. FIELDS: A bill (H. R. 10340) providing for the construction of ice piers in the harbor of Ashland, Ky., on the Ohio River; to the Committee on Rivers and Harbors.

By Mr. BYRNS of Tennessee: A bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. MERRITT: Resolution (H. Res. 260) relating to the order of the Postmaster General of July 16, 1917; to the Committee on the Post Office and Post Roads.

By Mr. EMERSON: Resolution (H. Res. 261) calling upon the governor of Ohio to call a special election; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. SLAYDEN: Joint resolution (H. J. Res. 255) authorizing the readmission to the United States of certain aliens who have been conscripted or have volunteered for service with the military forces of the United States or allied forces; to the Committee on Immigration and Naturalization.

By Mr. TREADWAY: Memorial of the General Court of Massachusetts, urging the passage by the Congress of the United States of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

By Mr. TINKHAM: Memorial of the Commonwealth of Massachusetts, urging the passage of the daylight bill, so called, now pending in Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS: Memorial of the Legislature of the State of Montana, urging the passage of Senate bill 3439, in the interest of increased food production in the United States; to the Committee on the Public Lands.

By Mr. TAGUE: Memorial of the Legislature of the State of Massachusetts, favoring the passage of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOOLITTLE: A bill (H. R. 10341) granting an increase of pension to Charles W. Cross; to the Committee on Invalid Pensions.

By Mr. FIELDS: A bill (H. R. 10342) granting an increase of pension to Hiram H. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10343) granting an increase of pension to Samuel V. Bocook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10344) granting an increase of pension to Louis G. Murray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10345) granting an increase of pension to David G. R. Poteet; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10346) granting an increase of pension to Benjamin Puckett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10347) granting a pension to Pauline Saunders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10348) granting an increase of pension to Julia A. Gorman; to the Committee on Invalid Pensions.

By Mr. HAYES: A bill (H. R. 10349) for the relief of Catherina Rea, administratrix of the estate of John Rea; to the Committee on Claims.

By Mr. HULL of Iowa: A bill (H. R. 10350) granting an increase of pension to James B. Roseman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10351) granting a pension to Henry W. Grady; to the Committee on Pensions.

By Mr. KETTNER: A bill (H. R. 10352) to remove the charge of desertion standing against the record of Francis Fayette Lyons; to the Committee on Military Affairs.

By Mr. ROSE: A bill (H. R. 10353) granting a pension to Elizabeth L. Kinkead; to the Committee on Invalid Pensions.

By Mr. SNYDER: A bill (H. R. 10354) to appoint Chaille H. Evans second lieutenant of Infantry, and place him on the retired list of the Army as second lieutenant of Infantry; to the Committee on Military Affairs.

By Mr. TEMPLE: A bill (H. R. 10355) granting an increase of pension to Robert T. Parkinson; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 10356) granting an increase of pension to Hanson Harmon; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 10357) granting an increase of pension to George W. Webber; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 10359) granting an increase of pension to Amos H. Secrist; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10360) granting an increase of pension to James M. Baxter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10361) granting an increase of pension to Rebecca J. Kaylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10362) granting a pension to Tabitha J. Van Rhoden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10363) granting a pension to Mary E. Frederick; to the Committee on Pensions.

By Mr. McCULLOCH: A bill (H. R. 10364) granting a pension to Irwin O. Carson; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of sundry clubs of the United States, against increase in second-class mail postage; to the Committee on Ways and Means.

Also (by request), petition of Zion Methodist Episcopal Church, Pen Argyl, Pa., favoring national prohibition as a war measure; to the Committee on the Judiciary.

Also (by request), memorial of board of directors of the Rensselaer County Bar Association, Troy, N. Y., against national prohibition; to the Committee on the Judiciary.

Also (by request), memorial of Missouri Farmers' Association, relative to prevention of shortage of live stock for meat purposes; to the Committee on Agriculture.

By Mr. CAREW: Petition of the Wholesale Coal Trade Association of New York, relative to amendment to or repeal of the Lever law; to the Committee on Agriculture.

By Mr. CARY: Memorial of Milwaukee (Wis.) Lodge, No. 234, International Association of Machinists, favoring Government ownership of railroads; to the Committee on Interstate and Foreign Commerce.

Also, petition of Wisconsin Live Stock Breeders' Association, Madison, Wis., concerning licensing of dogs; to the Committee on Agriculture.

By Mr. CRAGO: Petition of citizens of Pennsylvania, protesting against Congress taking any action to suspend the game laws of the several States; to the Committee on Agriculture.

By Mr. DALE of New York: Petition of maritime committee of the Chamber of Commerce of Baltimore, Md., favoring passage of House bill 7913, relative to betterment of Lighthouse Service; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of Vermont: Petition of Woman's Home Missionary Society, Gleaners Sunday-school Class of the Methodist Church, and the local Woman's Christian Temperance Union of Bellows Falls, Vt., favoring national prohibition during the war; to the Committee on the Judiciary.

By Mr. FULLER of Illinois: Petition of the Merchants' Association of New York, favoring the Overman bill, Senate bill 3771; to the Committee on Military Affairs.

Also, petition of Thomas W. Bicknell, founder of the Society of the Sons and Daughters of the Pilgrims, for repeal of the periodical postal amendment; to the Committee on Ways and Means.

Also, petition of Central Bureau Furniture and Casket Manufacturers, opposing House bill 7353, for employment of convict labor; to the Committee on Labor.

Also, petition of National Live Stock Shippers' Protective League, favoring leaving rate-fixing power with Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLIVAN: Memorial of Massachusetts State Federation of Women's Clubs, of Chelsea, Mass., against increase in second-class mailing rates; to the Committee on Ways and Means.

By Mr. HILLIARD: Resolutions adopted by the Travelers' Club of Newark, N. J.; Progress Club of Nevada, Mo.; the Santa Fe (N. Mex.) Woman's Club; Springfield (Mo.) Council of National Congress of Mothers and Parent-Teacher Associations; the Woman's Club of San Angelo, Tex.; Elective Study Club of Minneapolis, Minn.; the Woman's Club of Granby, Mass.; Arkansas Press Association; and the New Mexico Federation of Women's Clubs, protesting against the zone system of periodical postage; to the Committee on Ways and Means.

By Mr. KELLY of Pennsylvania: Memorial of City Council of Erie, Pa., favoring passage of House bill 7995, relative to care, etc., of flagship *Niagara* used in Battle of Lake Erie; to the Committee on Naval Affairs.

By Mr. REED: Evidence to accompany House bill 10328 for pension for Herbert B. Holloway; to the Committee on Pensions.

By Mr. TAGUE: Petition of Massachusetts State Federation of Women's Clubs, relative to the establishment of a zone system on magazine publications; to the Committee on the Post Office and Post Roads.

By Mr. TEMPLE: Petitions of Adult Bible Class, Protestant Methodist Church, and citizens of New Castle, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TILSON: Petition of carriers of Bridgeport and Meriden (Conn.) post offices, favoring H. R. 9414, a bill to increase salaries of postal employees; to the Committee on the Post Office and Post Roads.

By Mr. VESTAL: Petition of citizens of Adams County, Ind., favoring prohibition as a war measure; to the Committee on the Judiciary.

Also, petition of citizens of Wells County, Ind., concerning food production and conservation; to the Committee on Agriculture.

SENATE.

FRIDAY, *March 1, 1918.*

Rev. William F. McDowell, of the city of Washington, bishop of the Methodist Episcopal Church, offered the following prayer:

Almighty God, do Thou control our minds and hold our hearts in Thy hand. Direct our deliberations for the highest good of the country and the greatest good of mankind; and grant Thy blessing to the Government of the United States and to our allies in this great struggle. In the name of the Lord we ask it. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House insists upon its amendment to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, requests a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. SIMS, Mr. DOREMUS, and Mr. ESCH managers at the conference on the part of the House.

PETITIONS AND MEMORIALS.

Mr. McNARY (for Mr. CHAMBERLAIN) presented a petition of the Marion Lawrence Bible Class, of the Methodist Episcopal Church, of Salem, Oreg., praying for the closing of all breweries and saloons for the period of the war, which was referred to the Committee on the Judiciary.

Mr. LODGE presented a petition of Local Branch, Massachusetts State Federation of Woman's Clubs, of Wollaston, Mass., praying for the repeal of the present postage rate on second-class mail matter, which was referred to the Committee on Post Offices and Post Roads.

Mr. KNOX presented memorials of sundry citizens of Altoona, Pa., remonstrating against the placing of railroad tracks directly opposite the Lucy Webb Hayes Training School and the Sibley Memorial Hospital, in the city of Washington, D. C., which were referred to the Committee on the District of Columbia.

He also presented a petition of the Chamber of Commerce, of Philadelphia, Pa., praying that an appropriation be made providing for the deepening of the Delaware River from Philadelphia to the Atlantic Ocean, which was referred to the Committee on Commerce.

He also presented a memorial of the congregation of the Chartiers Presbyterian Church, of Canonsburg, Pa., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

He also presented petitions of Local Lodge, No. 735, International Association of Machinists, of Beaver Falls; of Local Lodge, No. 798, International Association of Machinists, of Butler; and of sundry citizens of Philadelphia, all in the State of Pennsylvania, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. THOMPSON presented a petition of the Woman's Kansas Day Club, of Topeka, Kans., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

He also presented a petition of the Woman's Club of Topeka, Kans., praying for the enactment of legislation to protect the United States flag from misuse or desecration, which was referred to the Committee on the Judiciary.

PNEUMATIC-TUBE MAIL SERVICE (S. DOC. NO. 191).

Mr. BANKHEAD. Mr. President, I ask unanimous consent to be permitted to present at this time the report of the joint commission appointed by the two Houses to investigate the pneumatic-tube situation. It is a very short report.

I desire to state for the information of the Senate that there will be quite an amount of additional matter to accompany the report. This additional matter consists of reports of the engineers and their findings and conclusions, reports of accountants who have carefully gone through the books of the pneumatic-tube service companies, and other publications that appear to be essential so that the Senate may have full and complete information.

I make this report to-day, Mr. President, because under the resolution authorizing the appointment of the commission they were required to report not later than to-day.

I wish to state that one member of the commission on the part of the House will file a minority report.

The PRESIDENT pro tempore. In the absence of objection, the report will be printed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. UNDERWOOD:

A bill (S. 3994) to amend an act entitled "An act to authorize condemnation proceedings of lands for military purposes," approved July 2, 1917, and for other purposes; to the Committee on Military Affairs.

By Mr. SHAFROTH:

A bill (S. 3995) to amend section 224 of the Revised Statutes of the United States relating to certificates of discharge; to the Committee on Military Affairs.

By Mr. GALLINGER:

A bill (S. 3996) granting an increase of pension to George L. Jaquith (with accompanying papers); to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 3997) to amend an act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved January 21, 1914; to the Committee on Post Offices and Post Roads.

By Mr. THOMPSON:

A bill (S. 3998) granting an increase of pension to William H. Young (with accompanying papers); and

A bill (S. 3999) granting an increase of pension to Alonzo L. Whitcomb (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Maryland:

A bill (S. 4000) to authorize corporations organized in the District of Columbia to change their names; to the Committee on the District of Columbia.

By Mr. LEWIS:

A bill (S. 4001) to amend an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913; to the Committee on Public Buildings and Grounds.

A bill (S. 4002) granting a pension to William L. Martin; and

A bill (S. 4003) granting an increase of pension to Sarah J. Lackady; to the Committee on Pensions.

By Mr. REED:

A bill (S. 4004) granting an increase of pension to Dwight Simpson; to the Committee on Pensions.

By Mr. FLETCHER:

A joint resolution (S. J. Res. 134) to reimburse soldiers and officers for uniforms and equipment lost on board the *Tuscania* February 5, 1918, and in other like cases; to the Committee on Military Affairs.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL.

Mr. NELSON submitted an amendment providing for the appointment of a messenger for the minority, at $1,440 per annum, intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

RAILROAD CONTROL.

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives insisting upon its amendment to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMITH of South Carolina. I move that the Senate insist upon its amendment, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the President pro tempore appointed Mr. SMITH of South Carolina, Mr. POMERENE, and Mr. TOWNSEND conferees on the part of the Senate.

WAR FINANCE CORPORATION.

The PRESIDENT pro tempore. Morning business is closed, and the calendar under Rule VIII is in order.

Mr. SMOOT. I ask that the Senate proceed to the consideration of the unfinished business, Senate bill 3714.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. SMITH of Georgia. Mr. President, I am not one of those who think that war ends legislative responsibility. I believe that when the House of Representatives and the Senate have given their best thought to legislation it is more certain to be wise and helpful than when bills are passed simply because they are the work of those connected with administrative branches of the Government. Entertaining these firmly fixed views, and endeavoring at all times to live up to them, I wish to express an earnest appreciation of the splendid work done by the Secretary of the Treasury and those who aided him in the preparation of this bill. I believe that it will prove a great contribution to our war finance.

The war and the sale of Government bonds have necessarily disarranged and will continue to disarrange financial conditions. This corporation will be a national agency which to a great extent may overcome much of the disorganized conditions produced by the war and by the sale of Government bonds.

It is proposed through this corporation to aid banks that are extending credits to corporations and firms that are necessary and contributory to the prosecution of the war, evidenced by the notes of such corporations and firms. It is also proposed to aid these banks by discounting paper secured by the obligations of the corporations and firms necessary and contributory to the prosecution of the war. Thus, Mr. President, we strengthen the banks that help the industries engaged in doing the work essential to the conduct of the war. The bank which helps financially such an industry understands that this corporation we are now creating will be in a position to discount its paper taken from these war industries and discount its paper secured by the obligations of these war industries. Safeguards are thrown around the loans. They are put in a shape to make them secure, but it helps the banks of the country to feel more secure when they are helping to fight the war by advances to war industries.

Next, as to savings banks, we understand fully that depositors in savings banks are likely from time to time to withdraw their money to buy Government bonds. Of course we are gratified to have them do so. The savings banks usually invest the money received from their depositors in long-time nonliquid securities. To make the savings banks stronger, this corporation can loan directly to them where it becomes necessary. Thus these institutions so essential to our national prosperity will be placed in position to meet unusual withdrawals.

Mr. PAGE. Mr. President——

The PRESIDENT pro tempore. Will the Senator from Georgia yield to the Senator from Vermont?

Mr. SMITH of Georgia. Certainly.

Mr. PAGE. Is the Senator prepared to express an opinion at this time as to whether the issuance of 4½ per cent bonds would prompt a large withdrawal from the savings banks?

Mr. SMITH of Georgia. I am not. I hope we shall not be compelled to issue 4½ per cent bonds.

Mr. PAGE. I put a hypothetical question. If we should do so, what is the Senator's opinion?

Mr. SMITH of Georgia. I doubt whether it would cause as large withdrawals of savings bank deposits as might seem probable. Next year the depositors may need their money, six months from now they may expect to use their money, and there are a great many reasons why the savings bank certificate is more desirable for savings bank depositors than long-time securities.

Mr. PAGE. I agree with the Senator fully in regard to the smaller depositors in savings banks, but we have a few depositors who deposit quite large sums and it becomes, of course, with them a pure, cold matter of profit and loss. I wondered if the issue of 4½ per cent bonds might not in a small measure at least embarrass the banks unless we have some provision to safeguard it.

Mr. SMITH of Georgia. This legislation is a safeguard against that embarrassment. It is intended to give this corporation with large resources an opportunity to help steady any abnormal conditions that may develop financially as the war goes on and as bond issues are made.

The third class, as I shall handle it, of loans to be made by this corporation are directly to the public utility companies, and the corporations conducting an established and going business, whose operations are necessary and contributory to the prosecution of the war, and which the board finds of exceptional importance in the public interest. That is quite a wide discretion. I favor accepting the suggestion of the Senator from Michigan [Mr. SMITH] and adding, on page 10, before the word "security," in line 3, the word "adequate." I would do this lest the language on the prior page might indicate a different purpose, lest the language on the prior page, which deals with the public interest, might cause the board of directors to feel that they were expected to regard what they deemed the public interest too largely and the value of the securities too lightly. I do not think they would do so, but I believe the word "adequate" should be placed before the word "security," on the third line of page 10.

Thus briefly, Mr. President, I have called attention to the way in which this corporation is expected to help carry the general responsibility that falls upon the Nation financially. It has a further authority to buy Government bonds. Of course, this is not meant as a "pegging" proposition. It is not meant

that this corporation will undertake to purchase all Government bonds that fall below par, but I desire to mention in this connection that few Government bonds, our last liberty bonds, have sold below par. The evidence before the Finance Committee disclosed the fact that $50,000,000 of these bonds are about all that have changed hands out of the great volume sold by the Government. Purchasers had supplied themselves in part from patriotic reasons and in part as a permanent investment under the original sale. An active purchaser in the market with $50,000,000 would have put the bonds practically up to par, for only about $50,000,000 of bonds came into the market. I think it is valuable for us to remember this fact, because it shows that there is really no weakness but strength in the Government bonds.

Now, Mr. President, this corporation is to be given a capital of $500,000,000 out of the Treasury as it is called for by the board of directors, and then it has the privilege of issuing from time to time $4,000,000,000 of bonds. These bonds are required to be of not less than one year's time and not over five years.

It has been asked by the Senator from New Hampshire why should this corporation issue bonds, why not simply issue bonds by the Government and increase its capital out of the National Treasury? There are a number of reasons why it is believed that the bond issue by this corporation to increase its available capital is more desirable than for it to draw upon the Treasury.

These bonds will meet a demand that the Government bonds do not meet. They are shorter-time bonds. They may run for only one year. They can not run over five years. Their time of payment is intended to take them out of the field of the bonds sold by the Government and to fit them into a place where capital will be seeking an investment to which the Government issues do not apply.

If it were suggested that we might have the short-time Government bonds just as well, the reply is that if we made the Government bonds so short we would have to sell again bonds to meet them on maturity, while this corporation issuing its bonds invests the money in assets which it will turn into cash to meet its bonds. Each time it issues a bond and loans money it takes a security maturing before the bond matures, and its maturing securities all the time are expected to enable it to meet its bond issues.

It occupies in that respect a position entirely different from the Treasury. When the National Government meets its bonds it must either have money from taxation or money from other bond sales with which to meet them. In present conditions for the Government to sell a short-time bond would simply be a short-time bond to be met by the sale of another short-time bond. So it is believed that this corporation, with bonds as sound as Government bonds, will, through the short-time bonds, be able to meet a demand that the Government bond would not meet.

Criticism has been made upon these bonds because they have a certain status at the Federal reserve bank.

The suggestion has been made that this bond issue would tend toward an undue expansion of the currency. Mr. President, this bill does not change a single restriction that is placed around the Federal reserve banks in the issue of Federal reserve notes. It only provides that the bonds of this corporation may be used at the Federal reserve banks just as Government bonds are used; it stops there. If a loan is to be obtained at a Federal reserve bank, it still can only be obtained by one of the member banks upon the paper of that member bank, and that paper must mature in not less than 90 days.

The bonds of this corporation can not be used at the Federal reserve banks to change that limitation upon the character of paper that alone must at a Federal reserve bank be made the basis of the issue of Federal reserve notes; these bonds may be given by the member bank as security for its 90-day paper—that is all. It can now give any Government bond as security. The member bank alone can borrow from the Federal reserve banks. The member bank can give one of these bonds as security for its 90-day paper instead of giving a Government bond—that is all—but it must be the paper of a member bank, and that paper must be due in 90 days, upon which a loan is made or Federal reserve notes issued.

Going one step further, the privilege of using these bonds on the part of member banks as security for their notes does not in any way change the provision in the Federal reserve act that requires a Federal reserve bank to maintain 40 per cent of gold against all the Federal reserve notes issued from it. The Federal reserve bank is also required to maintain 35 per cent of gold or of lawful money against its deposits. This bill does not change any of those requirements.

Now, let us see what is the present status of the Federal reserve banks. On February 21 they had available of gold $1,772,000,000; they had legal-tender notes, silver, and so forth, to the amount of $60,000,000; making a total of $1,832,000,000. Of that, $1,773,000,000 were deposits. Against their deposits they must permanently maintain, out of this $1,832,000,000, 35 per cent. This amounts to six hundred and twenty million seven hundred and odd-thousand dollars. They have already issued Federal reserve notes to the amount of $1,314,000,000. Against that issue they must maintain a 40 per cent reserve. When we deduct from their present gold and legal-tender notes and silver the reserve they must maintain against their deposits and against their Federal reserve notes, they have a balance of $682,000,000 against which they can issue Federal reserve notes. Instead of their being authorized, as a result of the passage of this bill, to increase the Federal reserve notes to any great extent, to-day on all classes of securities, on the notes of the Federal reserve banks, on Government bonds, and on these bonds, they could not issue, if they maintained their present deposits, over $1,700,000,000. So I think we need have no disturbance of mind about these bonds affecting in any way our Federal reserve banks.

These are short-time bonds. The large quantity of Government bonds have not gone to any considerable amount into the Federal reserve banks. The Federal Reserve Board is authorized to control the issue of Federal reserve notes, and it is authorized to fix a discriminatory interest rate, applicable to Federal reserve notes issued and secured by these bonds in excess of the amount that it fixes on other transactions in the Federal reserve banks.

Mr. HOLLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. I yield.

Mr. HOLLIS. Unless these bonds are used as the basis for the issue of Federal reserve currency, how will they help to get additional funds for quick asset purposes?

Mr. SMITH of Georgia. I do not exactly understand the Senator's question.

Mr. HOLLIS. The Senator from Georgia says that these bonds will not do any harm, because they will not be used; he argued that because the liberty bonds have not been used to any great extent for the purpose of getting additional currency these bonds will not be so used. Unless these bonds are used for that purpose, what good are they going to do for the purpose of getting quick cash capital?

Mr. SMITH of Georgia. Well, I do not understand exactly what the Senator means by "quick cash capital." These bonds can be sold to individuals just as liberty bonds were sold or can be sold to banks and to investors generally. They can procure "quick cash capital" for this corporation without going to the Federal reserve banks at all.

What I was undertaking to show was that there was no cause for alarm upon the theory that these bonds would be rushed into the Federal reserve banks. There is no rush upon the Federal reserve banks for the issue of Federal reserve notes. These short-time bonds are expected to meet a demand for investment entirely different from the Government bonds. They are made for a length of time shorter than are the Government bonds. They can run for from one to five years; they may be only one year in duration. It is therefore believed that they can and will be used for investment purposes by private citizens as well as by corporations and by estates, where the desire is not to make a long-time investment, and that they will fill a demand in such cases for investment which the Government bond does not meet. These bonds are given this privilege with reference to the Federal reserve banks just as Government bonds are in order that there might be full confidence in their stability, their value as an investment be appreciated by the public, and that banks can use them with the Federal reserve banks as security for their 90-day loans.

The other important provision in the bill is the creation of a board to supervise bond issues. There is already a committee doing that work, and so far there has been nothing but support given by the public to its work. I believe it consists of two members of the Federal Reserve Board and three outsiders, who hold no office, but who cooperate with the other members. I am not familiar with the business of the three outsiders, but I recall that when their names were mentioned before the Finance Committee those who knew them all seemed to think their selection was ideal.

The new plan of organization is to put this responsibility on the Federal Reserve Board. When it was suggested to the Secretary of the Treasury that the Federal Reserve Board should act, he promptly agreed that it was entirely satisfactory to him. The public knows the Federal Reserve Board. That is certainly one organization that has won universal confidence;

and it was believed that those who might have bonds to dispose of, already knowing the work of the Federal Reserve Board, would feel greater confidence if the responsibility was practically put in their hands, and the Secretary of the Treasury, when it was suggested, said it certainly was perfectly agreeable to him. The three members of the Federal Reserve Board and two outsiders, selected, I believe, by the Federal Reserve Board, are to constitute that committee.

Of course, it is the exercise of a very great responsibility, but we all realize that it is essential. I believe there was no dissent in the Finance Committee of the Senate from the view that such action was essential. The question was, How could we perfect an organization that would inspire universal confidence, and that we could lean upon with the assurance that the work of the organization charged with this duty would be acceptable? And the solution proposed was unanimously reached.

This bill, I trust, will substantially help to steady the finances of the country during the war; but our people should finance the war by the economies they practice. It is the patriotic duty of each individual to reduce his expenses to the extreme limit. It requires no high degree of intelligence to see that we are fighting for something nearer to us than world-wide democracy or European boundaries. The Balkan States are in the hands of Germany, and the Prussian war lords are extending their domination over Russia toward the Pacific Ocean. The German people have been taught to hope, to struggle, and to fight for world-wide conquest. They must be stopped or the barbarous treatment accorded to the Belgians may be repeated on our own soil, among our own people, upon our own wives and children. If Germany should win the war, the least that would be exacted of the United States would be a huge war indemnity. We should prefer death to submission. We lacked vision in 1914, or we then would have made preparation for war. Let us not longer be blind; let us at once prepare with every resource for this war; let every man understand that the sacrifices made of comforts, of property, and of life are made because they are necessary to save his own country and his own family.

Mr. CALDER. Mr. President, in September last I introduced a bill to amend the Federal reserve act, which authorized the Federal Reserve Board to accept such bonds or notes of any railroad, industrial, public-utility corporation, or municipality that the Federal Reserve Board might approve as security for temporary loans on the same basis as commercial paper is taken to-day.

At that time I felt that it would not be long before the country would be face to face with a situation which would warrant some such legislation. The Federal Reserve Board and the Committee on Banking and Currency of the Senate, to which my bill was referred, were of the opinion that the enactment of that bill would bring about an inflation in our financial system which might prove disastrous.

I did not agree with their conclusion, and so, when the measure now under consideration was introduced, with the backing of the Federal Reserve Board and of the Secretary of the Treasury, it seemed to me that, to some degree, it was an indorsement of my attitude of last summer.

This measure is a very radical departure from our financial system and one that all of us must approach with the feeling that, except for the extraordinary conditions facing the Nation, no such measure should be considered.

During the last session of Congress upward of $18,000,000,000 were appropriated for the conduct of the war, and a revenue bill was enacted which, it is hoped, will bring to the Treasury for this fiscal year upward of $3,000,000,000. Liberty bonds have been sold aggregating $6,297,000,000.

Treasury notes and other means have been resorted to to secure the necessary money to conduct the Government's business and to finance the war. All of these bond issues and tax levies, as well as other activities of the Government, have so completely changed our normal financial arrangements that some such measure as the one now under consideration becomes absolutely necessary.

It is needless to say that I have conferred with the leading financiers of the city of New York, who have been as much concerned as anyone in America to see that the Nation's finances are kept in such condition as to avoid disaster.

This legislation deals with the very fundamentals of business. It is a proposition which warrants the most careful consideration of the Congress, Mr. President. It has caused wide discussion among those interested in our financial institutions. There is a great divergence of opinion among men of affairs in this country as to whether this bill meets all the requirements and whether there is any possible danger of undue inflation. We must all appreciate the fact that inflation, to some extent, is unavoidable.

I shall not discuss the general terms of this measure, Mr. President. They have already been completely covered by others. I wish to say, however, that the bill, in the main, meets with my approval.

Permit me to call the Senate's attention to certain amendments that I have given notice of my intention to propose.

These amendments secure to the savings banks, building and loan associations, and insurance companies of the country the opportunity to protect their immense interests in case necessity arises. Certainly there are no concerns in this country whose interests should be more carefully safeguarded than these very institutions.

Section 6, paragraph C, provides for advances to savings banks and should include life insurance companies. Calls for money are not so readily made in life insurance companies as in savings banks, but who may tell what may happen if the war continues for any length of time? All modern life insurance policies give the policyholder the right to borrow nearly the whole amount held by the company for his policy, and the loans made by life insurance companies in New York State alone amounted to $693,000,000 in 1916. With a prolonged war these loans might assume dimensions dangerous to the interests of these institutions, which had assets on December 31, 1916, to the total of $5,144,000,000, one-half of which was invested in stocks and bonds and one-third in bonds and mortgages on real estate.

Besides, there is no provision in life insurance policies which enables the companies to require previous notice of desire to borrow.

It is my opinion, Mr. President, that life insurance companies should be in one class with savings banks, so far as assistance by the Government is concerned.

Mr. KELLOGG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Minnesota?

Mr. CALDER. I do.

Mr. KELLOGG. Do I understand the Senator from New York to say that life insurance companies and fire insurance companies should be taken care of in this bill?

Mr. CALDER. I may say to the Senator that I propose introducing amendments which will permit companies organized under the insurance laws of the respective States to come to this corporation for relief. I am convinced that the very inclusion of a provision of that kind will do much to protect the insurance companies; and if it does not, if they need to come, I believe they should have the right.

Mr. KELLOGG. But insurance companies do not receive deposits. They are loaners of money rather than institutions receiving deposits.

Mr. CALDER. That is true.

Mr. KELLOGG. Does the Senator think that all the business in the United States should be done by the Federal Government?

Mr. CALDER. I will say to the Senator that in these unusual days, when the laws that have been enacted and the operation of the war have so completely disturbed every sort of business, the time may come when insurance companies will need relief, and this bill should be so fixed as to afford them relief.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from New Jersey?

Mr. CALDER. Yes.

Mr. FRELINGHUYSEN. May I ask the Senator to point out the necessity for such an amendment? Does he know at the present time of any insurance companies, either life or fire, that need relief of this character or that in any way can contribute, by reason of the fact that they are supported by the Government, to any war emergency?

Mr. CALDER. I can readily understand how a condition of affairs might arise that would warrant a life insurance company in appealing to this corporation for relief. I have indicated in my remarks that on the 1st of January, 1917, the life insurance companies in the State of New York had loaned to their policyholders, under the privileges accorded policyholders by their policies, a sum equal to nearly $700,000,000. Suppose the necessities of the war require that policyholders should borrow large sums of money upon their policies. I should like to have this law in such shape that the directors of this corporation could loan to life insurance companies on their securities sufficient money to take care of their immediate needs. The fact that a provision of this character is incorporated in the bill would in itself probably prevent calling upon the corporation for relief.

Mr. FRELINGHUYSEN. Mr. President——

Mr. CALDER. Now, if the Senator wishes me to answer regarding fire insurance companies, I will say this:

A few years ago we had an unusual conflagration in Baltimore, and after that another at San Francisco. As a result

many of the fire insurance companies of this country were very near bankruptcy because of the immense drain upon their resources. My amendment, while not specifically including any particular sort of insurance companies, would permit their coming to the corporation for relief if they were in dire need. I simply afford by these amendments the opportunity to do so.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Utah?

Mr. CALDER. Yes.

Mr. SMOOT. Has the Senator noticed that under section 6, paragraph (d), if a fire insurance company or a life insurance company should be in dire need it could apply directly to the board under that paragraph? I call attention to the paragraph, and then will ask the Senator if that would not be satisfactory. I read paragraph (d):

To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility—

Now—

and (2) to any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war.

If a life insurance company or a fire insurance company is considered as a corporation whose operations are necessary or contributory to the prosecution of the war, under that provision it could make a direct appeal to the corporation for assistance, and no doubt if it were in peril it would receive the needed relief. Has the Senator thought of that part of this paragraph in connection with the insurance companies, both fire and life?

Mr. CALDER. Mr. President, I have examined the provision referred to by the Senator from Utah, and it is possible that the language might be construed as covering the very thought that I have in mind. I was constrained to offer these amendments at the request of many gentlemen interested in these great insurance corporations, who feel that it is possible that they may be forced to apply for help, and are anxious that this law should be so fixed that they might be afforded the opportunity if necessary.

Mr. SMOOT. I think if the Senator will give that provision of the bill careful consideration he will find that it is so broad in its scope that it can take in almost any kind of corporation or association that is now doing business, and that if they are in dire trouble they can be taken care of by this corporation, and that they will not be forced even to go to the bank and allow the bank to do it for them. In other words, they would be in a privileged class and not forced to put up the security that the banks would have to put up, or even the savings banks, if they went to the corporation for assistance.

Mr. CALDER. Mr. President, perhaps the Senator is correct, and it may be that the language in the provision he has just quoted covers the ground. I was prompted to introduce these amendments because I was anxious that our building and loan companies, which have in the neighborhood of $1,000,000,000 loaned on bonded mortgages throughout the country, that our insurance companies, that our mortgage insurance companies, which alone in New York City have upward of $700,000,000 worth of guaranteed mortgages, might be afforded protection in these days when their money market is drained.

I would also call attention to the fact that the market for property and real property securities has been affected by war conditions, and the Government activities have practically drained this market of all money and left it entirely without resources for payment or the refunding of its obligations, and it is not able to bear its part in assisting the Government to finance the war.

Previous to the entrance of the United States into the war it was not only possible but a matter of routine to pay or refund maturing obligations of this nature. Do you know that the large volume of money hitherto available for these transactions has been diverted entirely and completely to other channels, chiefly to investments in liberty bonds? This to the almost complete paralysis of this great market.

Estimates of the volume of existing mortgages upon real property in the city of New York alone vary between four and five billion dollars. Of this amount, approximately 25 per cent mature and become due and payable every year. Hitherto this has been taken care of and has been performed with little friction, for the exchange currents have always been provided with sufficient current funds.

The war conditions, however, have completely changed the situation. A large number of investors in loans upon real property securities are demanding payment of maturing obligations. This is a peculiarly menacing feature of present conditions in its bearing upon holders of mortgaged property for there is open to them no way of relief from foreclosure and the possible loss of their equities.

There is a peril for the savings banks of the country, also, in the prospect of the offering of a large Government loan issue at a rate of interest higher than 4 per cent. Few savings banks can pay or are paying over 4 per cent interest now. It is feared that their depositors might find in the 4½ per cent liberty bond attractions superior to that offered by the savings banks. If there should be any general demand for the withdrawal of deposits from the savings banks they would under present conditions be unable to pay.

It is interesting to note, Mr. President, that the assets of the savings banks of New York State are to-day approximately $2,300,000,000. At least one-half of this sum is invested in bonds and mortgages on real estate and 75 per cent of the remaining half is invested in stocks and bonds.

It is also well to take into consideration the calamity that might befall our fire insurance companies if we should have a repetition of the conflagration of several years ago in Baltimore, unless the fire insurance companies were also included within the operations of the corporation authorized by this act.

So, Mr. President, I have offered these several amendments to permit relief to be obtained by corporations organized under banking or insurance laws of any State.

For the successful prosecution of the war it will be absolutely necessary to put at ease the working people, who are the mainstay of the Nation, as well as the savings banks and life insurance companies. If they know that they can get their savings from these institutions any time they need them this assurance would encourage them to deposit their earnings in the savings banks and to carry insurance on their lives. The savings banks and the life insurance companies would in turn invest these savings in securities to provide the Government with funds for the prosecution of the war.

I trust, Mr. President, that the Senators will examine these amendments and that when the vote is taken they will give them their support.

I ask permission to have printed in the RECORD, Mr. President, a statement of the assets of the life insurance companies and savings banks doing business in the State of New York as of December 31, 1916.

The PRESIDENT pro tempore. Without objection, the printing is authorized.

The matter referred to is as follows:

Assets of life insurance companies and savings banks doing business in the State of New York, 1916.

	Life insurance companies.	Savings banks.
Real estate	$140,784,475	$37,054,763
Stocks and bonds	2,377,98[illegible],417	837,919,017
Bonds and mortgages	1,651,01[illegible],014	1,091,543,465
Collateral loans	9,798,50[illegible]	1,730,763
Loans to policyholders	693,054,070	
Premium notes, etc	29,[illegible]36,835	
Cash in banks, etc	84,86[illegible],799	151,256,190
Deferred and uncollected premiums	69,3[illegible],492	
Collectible interest		24,441,716
All other assets	79,568,383	347,623
Total	5,144,624,477	2,139,293,037

Mr. FRELINGHUYSEN. Mr. President, if I understand the purport of this bill, its object is to guarantee at this time the credits of the railroads who are in dire need of funds to enlarge their equipment and to carry on their business. I understand there is nearly a billion dollars of maturities this year that will be required to finance the railroads. I feel that the support of the Government should end there. I do not agree with that portion of the bill which guarantees to individual corporations or individuals these credits.

If we are going as a Government to guarantee and indorse the credit of private business, there will be no end to it. The laws of the various States regulate the life insurance companies incorporated in them, as well as the fire insurance companies. They provide certain reserves for contingencies such as conflagrations and such as depreciation in securities. If the capital of a fire insurance company becomes too greatly impaired, it is insolvent, and it must wind up and reinsure its risks; and I do not believe it is necessary at this time for the Federal Government to guarantee the credit of fire insurance companies. I think if the securities which they hold in the railroad corporations of this country are guaranteed by the Government, that is all that is necessary. I think the fire insurance companies can take care of themselves without this assistance.

Mr. SHERMAN. Mr. President, I should like very much to bring myself into a frame of mind where I could vote for this bill in its entirety. I can not do so, much as I should like to see some of the purposes of the bill carried out.

The bill, as it is now, is a bill to extend relief to indigent millionaires, more or less worthy or unworthy. I do not see any relief here for the average man who is transacting business. He could not get within a thousand miles of help or the Treasury Department.

There are a great many investments of savings banks, fire insurance companies, life insurance companies, and trust companies that handle a variety of trust funds for estates, for guardianships, many of them running for a term of years by the provisions of the testamentary trust. The older a country is the more that class of investment appears. Many of those have their funds invested in municipal bond and in drainage bonds. When I use the term "municipal bonds" I mean it in the general sense that any branch or subdivision of a State government created under any of the laws of a State are comprised in that term. These bonds, especially the serial issues, fall due from time to time. They are drawn by lot or fall due in serial numbers. They are paid off out of the proceeds, sometimes of sinking funds, sometimes from a special tax levied under the provisions of the State constitution requiring a direct annual tax to be levied during the lifetime of the issue, which in some States is for a limited term of years—10 years, 20 years, 30 years. This direct annual levy is for the purpose of creating a sinking fund to discharge the entire indebtedness upon its maturity or for the discharge of a given number of bonds at fixed intervals during the period preceding the maturity of the last or all of them. Not only these sinking funds are invested, but in the instances where the principal is paid off it is necessary, in all the cases I have alluded to of the trust funds waiting investment, to reinvestment those same funds in some adequate security.

Municipal bonds running into very large sums in this country have been an appropriate method of investment. State statutes have been framed authorizing such investment. Many orders have been entered by various courts of the country having a general chancery or equity jurisdiction authorizing investment in certain classes of bonds as securities, very largely of the municipal securities. This measure prohibits in its necessary terms the issue of municipal securities. There is no escape from the conclusion. It is true a municipality may not be expressly hampered by an act of Congress in the issue of its securities; but whenever the securities are issued, whether an original or a refunding issue, it is indispensable for the municipality to find a market. It can not find a market ordinarily by itself peddling the bonds out, as the phrase goes, among the permanent investors. It goes to a bond house or a trust company, some place where the persons are skilled in finding a market for that form of security. Necessarily, then, under the provisions of this bill, a bond house is subject to a penalty the instant it takes a municipal security and attempts to sell it on the market, unless licensed. The municipality can sell to the agent, to the bond house, or to the trust company or to a national bank, but if the bond house undertakes to sell to a third person it is subject to penalties under this bill. Therefore it in effect prohibits the issuing and marketing of municipal securities.

Then comes the utilities, the gas, the electric light, the street car, the interurban, the several forms of activity in which considerable sums are invested. That property has two sources of value. The one is the tangible or physical property and the other is the franchise or permit under which it operates. Both of them are a property value. That is taken into account upon the issuing of bonds and in marketing them to prospective investors. Of these not one issue of any kind can be marketed without a license. First, there is a capital issues committee, under whose permit only are these issues made. If they deny it, the issue must stop. Therefore it stops at the source of issue of all these securities as well as later on stopping the marketing of municipal securities. The power to license implies the power to refuse.

I believe that the powers concentrated in this bill are of that character that never ought to be put in the hands of any living person. There is no one man who lives, or series of men by which he can surround himself, who possesses that universal omniscience that will make him wiser than all the persons interested in the municipal utility securities or municipal bonds of the country where those are sold. There is no man who can be created, no single person, who is wiser than everybody. Heretofore all these securities have been marketed upon the general demand for them when offered to those who are seeking investment. It seems to me that it is a very dangerous thing to interfere with this vital process of our investment affairs.

The Secretary of the Treasury in the hearings before the committee admits and attempts to justify the fact that no municipal security of any kind can be issued without his consent. Practically they can issue them, but they can not get beyond into the general market, because no one can handle them unless the municipality sells direct and undertakes the almost impossible task of finding a general market. The bond house or the trust company acts as the distributor. It finds the small investor, it takes the bonds in an entirety, pays for them, holds them, and finds the public, so that when these securities are digested it is through these agencies that are now prohibited by penalty from selling any of the bonds.

Another thing I think it well enough to keep in mind: I do not know whether we are keeping track of the pace we are driving in the delegation of power or not. I doubt very much whether the general public has kept that in mind. The Secretary of the Treasury has large powers. To begin with, he controls through his influence all the national banks of the country. He necessarily has great influence with the Comptroller of the Currency. In addition to that he has a controlling voice on the Federal Reserve Board. It is by recent legislation put in his power to control two hundred and fifty-odd thousand miles of steam railways in the country, together with all of their securities both past, present, and prospective, some $18,000,000,000 worth of securities. In addition to that he proposes by this bill to put his hand upon the pulse beat of every municipality in the country, so that not one dollar in effect can be issued or marketed without his consent. In addition to that, he has all of the vast powers that go with and through the Federal Reserve Board, the contraction and expansion of the currency.

There is now in this country $3,000,000,000 worth of free gold. That is our gold supply, in round figures, all the net result of our trade balance of some years past of a favorable character, settled by gold shipments to this country. By looking at the daily United States Treasury report of February 25, 1918, I find assets that would be a part of the money in circulation, gold coin a given sum, gold bullion a given sum, both of which added make $2,400,000,000, in round figures, of gold assets. Against that are liabilities of outstanding gold certificates of $1,255,000,000, a gold settlement fund under the Federal Reserve Board of $914,000,000, and the $152,000,000 and over of gold reserve that has been held to preserve the value of the $346,000,000 of greenbacks that are outstanding, together with available gold in the general fund of $78,000,000 and over, making the total liability to balance the total gold assets.

Under this bill there is a $500,000,000 capital stock that is to be subscribed by the United States. So the Government is the only shareholder in the war finance corporation. The only way to pay for these shares is to draw cash from the Treasury. It requires, then, a half billion dollars to begin with to finance this concern and make it a going enterprise.

These resources are to be loaned for the purpose of promoting various distressed millionaires in the country. I do not know of a single utility in all the United States that finally, when you track it down to earth, is not owned by one or two or five men. I do not care what may be the size of the city. After all, these gentlemen ordinarily take care of themselves. None of them is likely to land in a bankruptcy court.

This bill, in the first instance, will extend relief to this needy portion of the American people. I am not particularly interested in relieving the clamorous poor of that kind in my part of the country. All of them can obtain relief on the market. They have been able to do so in the past, and I decline to lend myself to extracting $500,000,000 out of the taxpayers to relieve these gentlemen.

I can call the list of public utilities in one, the third largest State in the Union, from the city of Chicago clear down to East St. Louis. When I call the list of those public utilities, I call the list of enterprises owned by men who do not need relief under this bill. They will survive any and all operations if the Government itself survives. It will be necessary to wreck everything in the way of public or private business before these enterprises will go to the wall.

After this part has been attended to there can be eight times the capital stock of the company with the war finance corporation issued in bonds. Eight times the capital stock makes $4,000,000,000 of bonds to be put upon the market in various ways. I presume along comes one of these distressed utilities. It may have half a million dollars of bonds maturing. If they were to go out on the market, ordinarily, a large part of their bonds paying 5 per cent now, they would pay the same rate when renewed or refunded. The gas company in Chicago, the

People's Gas Light & Coke Co., the electric light, the power, all of those enterprises ordinarily are now paying 5 per cent on their securities. The Government I do not anticipate would loan them at 5 per cent. It probably would loan at some more favorable figure.

After this is done these securties, if the new issue is required or an old issue is to be refunded, are to be called in, taken by the War Finance Corporation, and in lieu of them to the former holders of these securties there is to be issued these bonds of the War Finance Corporation, which, in effect, as I understand, are to be Government bonds. It imposes a liability upon the Government. Reading the hearings on this bill I come to the conclusion, guided largely by the opinion of the Secretary of the Treasury, that they become in effect obligations of the Government. So in substance the Government takes the utility bond issues, or whatever the security is, of whatever enterprise we are considering needful for relief, puts them in the hands of the War Finance Corporation as collateral security, and issues in lieu of what in effect I will denominate "Government bonds." It may do so in all to the extent of $4,000,000,000.

These bonds when issued are available in the hands of the former owners of the security for borrowing purposes. They may go to a member bank of any Federal reserve district, put up those bonds as collateral, give their notes, and the member bank may then carry those notes to the Federal reserve bank and rediscount them. A provision of the bill provides that these notes then become eligible as a basis for the issue of Federal reserve notes. In other words, they thereby broaden the base for the issue of Federal reserve notes.

I have no objection to taking care in a legitimate way of all maturing credits, but in effect it goes further. It furnishes a basis of $4,000,000,000 of expansion of the money in circulation.

It is said there must be a 40 per cent gold reserve. That is true. All of the gold certificates are now being called in. I challenge any Member of the Senate to go down and cash a check in Washington any place or with the financial clerk of the Senate and get a gold certificate. You may travel up and down the Atlantic coast on a several days' journey and it will be an accident if you find a gold certificate at any time or place in your travels. The gold certificates, in fact, are being impounded by the Federal reserve banks of the country. They are calling them in, and wherever they get one in a Federal reserve bank there it stays.

With $3,000,000,000 of free gold in the United States and with $2,400,000,000 reported on February 25, 1918, in the Treasury statement, we have on a 40 per cent basis in the Treasury statement a means of figuring what the possible expansion of Federal reserve notes may be. With a 40 per cent basis on every $1,000,000,000 worth of Federal reserve notes you have got to have $400,000 of gold or gold certificates. That is the reserve. On the entire amount that is in the Treasury statement, taking it in round figures, there could be an expansion of over $5,000,000,000 of Federal reserve notes with the 40 per cent gold reserve back of it. If by any possibility the Government called in or acquired more of the free gold of the United States up to the $3,000,000,000, we could issue more than the figure named out of the $3,000,000,000 of free gold, and the Government, if it were possible to get it all, could issue $7,500,000 of additional Federal reserve notes.

Examine your pocketbooks, all of you, the change you carry and your bills, and you will find that now you have nothing but Federal reserve notes to transact business on around Washington and up and down the coast. I think the Senator from Georgia [Mr. SMITH] gave the figures this morning. We already have—I quote from memory—about one billion seven hundred and some million dollars of Federal reserve notes. If we add to that a potential $5,000,000,000 additional of Federal reserve notes, or going to the full limit of $7,500,000,000, we have reached over $9,000,000,000 of Federal reserve notes alone, and still it is said that we are not traveling on a gallop along on the road to inflation. We are not merely traveling there, we have reached the neighborhood now.

When the amount of securities is increased still further, when more bond issues come along and there are more liberty loans, credit will be still further expanded. To keep pace with the expansion of credit there must be an expansion of the money in circulation. I have some of the figures as to circulation that are given here by the Treasury reports. In 1914 there was per head in the United States $34.35 of money in circulation; there was in January, 1916, two years later, $38.48; in 1917, there was $43 per head in circulation; and on the 1st of January, 1918, there was $48.76 per head in circulation; in other words, we are traveling very rapidly in increasing the money in circulation in this country. That increase in circulation is one of the reasons for the prices that are disturbing a great many gentlemen at this time.

I am not willing to put into the hands of one person these powers. In all candor, without being desirous of starting a political discussion in this Chamber, with these vast powers concentrated in the hands of one official, I should like to inquire what gentleman would feel safe if William J. Bryan were now the Secretary of the Treasury with the powers already vested together with those contemplated in this bill? It is not so much a question of whether Mr. McAdoo may wisely exercise these powers; it is what somebody else with all the financial idiosyncracies of Mr. Bryan might do if afterwards called upon to fill that office. The danger or the wisdom of extending these powers is to be measured by the possible abuse of the powers some time in the future by some one who will not be guided by the wise limitations of the present incumbent of that office. I can not, therefore, Mr. President, bring myself to support this bill.

Mr. KING. Mr. President, will the Senator from Illinois yield to me for a moment?

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Illinois yield to the Senator from Utah?

Mr. SHERMAN. Yes, sir.

Mr. KING. I hold no brief for Mr. Bryan, but if the Senator will remember, Mr. Bryan was never an advocate of fiat money, he never was an advocate of greenbackism. He merely accepted the view that was crystallized into law on the foundation of this Republic that there should be gold and silver as the money of ultimate reredemption. The Senator will remember that the first financial bill that was proposed by Hamilton was a recognition of gold and silver as the money of ultimate redemption upon a parity. That was well established and was recognized in all the world. Mr. Bryan, possessing, as the Senator says, idiosyncracies, did not have the idiosyncracy of advocating greenbackism or fiat money, but merely insisted that there should be a free coinage of silver upon a certain established basis, and he proposed that the financial policy of the founders of the Republic should be adopted as the policy of the Republic.

Mr. SHERMAN. Mr. President, I will accept part of the Senator's statement. At the time to which he refers in our earlier history, when gold and silver were both money of ultimate redemption, the ratio was 15½ to 1. Mr. Bryan went one-half better, and made it 16 to 1, which became at once the consecrated, God-ordained ratio between the two metals. At the time when the ratio was 15½ to 1 silver in reality was worth more than gold. Silver had not been mined extensively; it was not available in the world's supply at that time so as to make that ratio desirable, and, as a matter of fact, silver went out of circulation during the time when the ratio was unfavorable to silver; it became merchandise rather than money. Just as soon, however, as the ratio was disturbed by its large production and silver became the cheaper money on the market, this idiosyncracy to which I referred began to manifest itself in a very active way.

I am not particularly wedded to gold, but gold is the most stable of the metals. We are on a gold standard basis to-day. Gold is not only stable, but its price is world-wide; it is not subject to fluctuation in the ordinary market at any place in civilized countries. So when it is said that the distinguished commoner was not in favor of fiat money it is true, but I judge of a man's ultimate destination by his symptoms, and by the direction in which his toes are pointed rather than the length of the step he is taking.

At the time, Mr. President, that the distinguished Commoner from Nebraska was cleaving the air all over this country with his peculiar doctrine on monetary reform, with the ratio of the metals separated, I could go down to El Paso, Tex., and buy for 49 cents a silver peso with more grains of pure silver in it than a silver dollar in this country. I carried a bag full of it around until I nearly wore it out. There was free coinage of silver across the Rio Grande River, and there had been for years. Mexico had a dollar which was worth more than ours in point of mere bullion quantity if it had been worth par, but you could pound up the bullion in a Mexican silver dollar and sell it on the market for only 49 cents. Therein was the peculiar attractiveness of that kind of a dollar to Mr. Bryan.

It was the degree of the disease at that particular time that was attractive, and it is the kind of disease that I make the subject of criticism, because ultimately it leads a man to the fiat money destination. With that kind of a man at the head of the Treasury I submit that this kind of a bill if enacted into law would be a public menace. It would put in his hands the instrumentalities to wreck the credit of this country and to bring us to some unheard-of and unthinkable standard of monetary reform.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Utah?

Mr. SHERMAN. Yes.

Mr. KING. I do not want to break into the very interesting and very instructive speech of the Senator from Illinois; and, if he will permit me to say so, his speeches are always interesting and always instructive; but I want to differ from him in one statement which he has just made. Probably I am wrong and the superior knowledge of the Senator will justify the statement which he made, namely, that gold is more stable in value than silver has been or than is any other article or any other commodity. I do not know that I quote the Senator accurately, but the idea that the Senator ought to convey was that gold ought to be the measure or standard of value, because it is more fixed in its price or value when measured by other commodities. I think the Senator is in error in that respect.

So long as silver was a money among the people and had not been demonetized by Governments, I think the record and evidence relative to money, especially if you will read Mr. Jacob and other great writers upon the subject, will tend to show that silver has been more stable in value, measured by a given number of commodities, than has gold.

Gold has fluctuated greatly in value. The discovery of gold in California, the discovery of gold in the Rand Region, in South Africa, the discovery of gold in Australia and in the Klondike, when the golden stream was poured out into the arteries of trade, necessarily caused a tremendous fluctuation in values. Gold then, measured by a given number of articles, did not have the same fixed price as silver would have had under similar circumstances if it had been a money of ultimate redemption the same as gold.

The point I am trying to make is that gold, I think, in the history of the world has shown more violent fluctuations in value, measured by given standards, by the value of a given number of commodities, than has silver when silver has not been demonetized. Silver in this country did not show the disparity in value to which the Senator from Illinois referred until we demonetized it in 1871 and 1873. I think that if we had not demonetized silver there would not have been that disparity between the price of gold and the price of silver.

Mr. SHERMAN. I thank the Senator for his complimentary reference, which I certainly value. I can return the compliment many times over, for I always listen to the Senator from Utah with pleasure. I shall not be drawn aside, however, by the very great respect I have for him and his associates on the majority side of the Chamber from the historic fact that this agitation never begins until the appearance of some cheaper metal that can be used as a legal tender. Then immediately arises the difficulty, and the consequent clamor for a change. It is one of the historic truths that when there is discovered some cheaper form of metal that may be made legal tender advocates of the kind to which I inadvertently referred a while ago are always active in the zeal with which they carry their views forward. The conclusion to which I inevitably arrive is that all of the distinguished advocates of such movements are searching for some easier way to pay debts. Of course, legal-tender decisions in this country have made it possible to make almost anything legal tender that carries a Government promise on its face, and such forms of legal tender will discharge the obligation of a debt. Having paid the debt, no Government can fix its purchasing power.

The Treasury reports, however, refer entirely to gold; our standard on which we measure values is gold; all of our Liberty bond issues are gold obligations; the larger part of the securities maturing at various times—nearly $800,000,000 of them falling due within the current year—are gold obligations and call for the payment of the indebtedness evidenced by the securities in gold coin of the present standard of weight and fineness, or some equivalent expression. So, for the purpose of discussing this bill, we must consider it on the gold-standard basis, and I am asking, in the event these vast powers are centered in the hands of a Secretary of the Treasury at some time in the future who is in favor of disturbing the existing standard, what the necessary effect of it would be on the credit of the country? That is one of the reasons why I hesitate, even in time of war, to concentrate in the hands of a single official, however wise now, these vast powers.

There are a number of sections in this bill upon which I would greatly like to comment, Mr. President, but I shall content myself with the few general remarks that I have submitted on the objectionable features of this bill as they appear to me. I can not support it although I wish to say, for the information of the Senators, that nearly every public-utility man from my section of the country has wired me to support this bill. They have stated that they will not be able to take up their maturing obligations unless the Government helps them. Well, for my part, before voting for such a measure as this I would rather vote for a moratorium and stay the collection of debts in proper cases while the war is in progress. I think that would be attended with less risk than the vesting of such tremendous powers in the hands of the Secretary of the Treasury.

REGISTRATION FOR MILITARY SERVICE.

Mr. FRELINGHUYSEN. Mr. President, I desire to ask unanimous consent to take up for consideration two very important joint resolutions which have been reported by the chairman of the Committee on Military Affairs, Mr. CHAMBERLAIN, who is ill. These measures are very much needed so that the Judge Advocate General may carry on the draft.

Mr. SIMMONS. Mr. President, I understand from the Senator from New Jersey that the joint resolutions to which he refers are very urgent, and that he thinks they can be disposed of in 15 minutes and that there will be practically no debate and no objection to them. I am perfectly willing to have the unfinished business laid aside so that the Senator may call up these joint resolutions, with the understanding that if debate develops lasting more than 15 or 20 minutes the joint resolutions are to be withdrawn.

Mr. FRELINGHUYSEN. I shall be very glad to withdraw my request for the consideration of the joint resolutions if action upon them takes longer than that time. I ask unanimous consent, Mr. President, that the Senate first consider Senate joint resolution No. 124.

The PRESIDING OFFICER. The Senate has heard the request of the Senator from New Jersey and also the explanation of the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I think it is necessary that the unfinished business be temporarily laid aside, and I ask unanimous consent, therefore, that that course be taken.

The PRESIDING OFFICER. The Chair was about to make that suggestion. A request for unanimous consent being made that the pending bill be temporarily laid aside, and the Chair hearing no objection, it is so ordered. The Senator from New Jersey is recognized.

Mr. FRELINGHUYSEN. I ask unanimous consent that the Senate proceed to the consideration of Order of Business No. 244, being Senate joint resolution No. 123.

The PRESIDING OFFICER. The request of the Senator from New Jersey having been heard, and the Chair hearing no objection, it is so ordered.

Mr. FRELINGHUYSEN. Mr. President, instead of considering first Senate joint reslution No. 123, I ask unanimous consent that the Senate proceed to the consideration of the joint resolution (S. J. Res. 124) providing for the registration for military service of all male persons citizens of the United States or residing in the United States who have, since the 5th day of June, 1917, and on or before the day set for the registration by proclamation by the President, attained the age of 21 years, in accordance with such rules and regulations as the President may prescribe under the terms of the act approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States."

Mr. NEW. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Indiana will state his parliamentary inquiry.

Mr. NEW. I do not understand what disposition, if any, was made of Senate joint resolution No. 124. I understood the Senator from New Jersey to call up that joint resolution, and now I understand that he calls up another. Is Senate joint resolution No. 124 before the Senate?

Mr. FRELINGHUYSEN. I corrected the request, and asked to substitute Senate joint resolution No. 124 for Senate joint resolution No. 123 as the one to be first considered. Senate joint resolution No. 124 is now before the Senate, as I understand.

Mr. SMOOT. Mr. President, I ask that the joint resolution be read.

The PRESIDING OFFICER. The Chair begs pardon of the Senator from Utah. The Chair has not responded to the parliamentary inquiry of the Senator from Indiana. As the Chair has not information on the subject of the inquiry, if the information imparted by the Senator from New Jersey is satisfactory, then the Chair will take that as an answer to the inquiry of the Senator from Indiana.

Mr. NEW. The Senator from Indiana understands that Senate joint resolution 124 is now before the Senate.

The PRESIDING OFFICER. The Chair so understands; it is. Now, in response to the request of the Senator from Utah, the joint resolution will be read.

The Secretary read the joint resolution, which had been reported from the Committee on Military Affairs with an amendment, in section 2, page 3, line 2, after the word "act," to insert:

Provided, That students who are preparing for the ministry in recognized theological or divinity schools at the time of the approval of this act shall be exempt from the selective draft prescribed in the act of May 18, 1917; and that students entering such theological or divinity schools after the approval of this act and during the continuance of the

war, and who would be subject to any future registration as provided for in this act, may upon the recommendation or request of the president or dean of such school be exempt from the selective draft by order of the President.

So as to make the joint resolution read:

Resolved, etc., That all male persons, citizens of the United States or residing in the United States, who have, since the 5th day of June, 1917, and on or before the day set for the registration by proclamation by the President, attained the age of 21 years, shall be subject to registration in accordance with regulations to be prescribed by the President, and that upon proclamation by the President, stating the time and place of such registration, it shall be the duty of all such persons, except such persons as in said proclamation may be exempted from registration, to present themselves for and submit to registration under the provisions of the act approved May 18, 1917, and they shall be registered in the same manner and subject to the same requirements and liabilities as those previously registered under the terms of said act.

SEC. 2. That after the day set under section 1 hereof for the registration by proclamation by the President at such intervals as the President may from time to time prescribe, the President may require that all male persons, citizens of the United States or residing in the United States, who have attained the age of 21 years since the last preceding date of registration, and on or before the next day set for the registration by proclamation by the President, except such persons as in the proclamation by the President stating the time and place of such registration may be exempted from registration, shall be registered in the same manner and subject to the same requirements and liabilities as those previously registered under the terms of said act: *Provided*, That students who are preparing for the ministry in recognized theological or divinity schools at the time of the approval of this act shall be exempt from the selective draft prescribed in the act of May 18, 1917; and that students entering such theological or divinity schools after the approval of this act and during the continuance of the war, and who would be subject to any future registration as provided for in this act, may upon the recommendation or request of the president or dean of such school be exempt from the selective draft by order of the President.

SEC. 3. That all such persons when registered shall be liable to military service and to draft under the terms of said act approved May 18, 1917, under such regulations as the President may prescribe not inconsistent with the terms of said act.

SEC. 4. That all such persons shall be subject to the terms and provisions and liabilities of said act approved May 18, 1917, in all respects as if they had been registered under the terms of said act, and every such person shall be deemed to have notice of the requirements of said act and of this joint resolution upon the publication of any such proclamation by the President.

Mr. JONES of Washington. Mr. President, was that the last proviso just read?

Mr. FRELINGHUYSEN. It was.

Mr. JONES of Washington. That is the committee amendment?

Mr. FRELINGHUYSEN. Yes. It provides that students preparing for the ministry shall be exempted.

Mr. JONES of Washington. Why should they be exempted in this hour of trial of the Government? Is that in the original act?

Mr. FRELINGHUYSEN. Yes; it is in the original act, as I understand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. NEW. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. 5. That in addition to the persons subject to registration and selective draft under the act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917, all male persons between the ages of 19 and 30, both inclusive, shall be subject to registration and draft in accordance with the provisions of said act: *Provided*, That all registered male persons who have attained the age of 19 years shall be subject to military training in accordance with regulations to be prescribed by the President, but shall not be called for active service until they have attained the age of 21 years.

Mr. NEW. Mr. President, I understand that the chairman of the Finance Committee [Mr. SIMMONS] would object to laying aside the finance bill for so long a time as would probably be necessary for the proper consideration of this amendment. There are some things that I should like to say concerning it myself, which might require some little time. I think there are other Senators on the floor who would like to be heard also. If time can be given for its proper consideration now, I am prepared to go ahead with it.

The PRESIDING OFFICER. Does the Chair understand from the Senator from Indiana that he desires to know whether more time than 15 minutes is to be conceded by the chairman of the Finance Committee, or does the Senator from Indiana merely give notice that he wishes to take up this matter without regard to the regular time of discussion?

Mr. NEW. The Senator from North Carolina is absent from the Chamber at this moment. I suggest that he be informed of the situation.

Mr. FLETCHER. I will say, Mr. President, that the Senator from North Carolina agreed to let us take up these matters with the understanding that only a limited time would be devoted to them. I do not know how much time the Senator from Indiana will require, but he certainly can go on until the Senator from North Carolina comes in.

Mr. SIMMONS entered the Chamber.

Mr. FLETCHER. I was wondering if the Senator from Indiana would not allow us to pass the joint resolution without insisting on that amendment at this time?

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New Jersey?

Mr. NEW. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. My agreement with the chairman of the Finance Committee is that if the discussion of these joint resolutions takes more than 15 minutes, I shall move that they go over. In view of the fact that this very important amendment has been offered to this joint resolution, and it will lead to extended debate, unless the Senator from Indiana will agree to withdraw the amendment I shall have to move that the joint resolution lie over; but I hope he will consent to withdraw it, for this reason:

At this time the Judge Advocate General is preparing to call the next draft, and this joint resolution provides that the men who have become 21 years of age since June 5 last shall be included in the new registration for the draft, in order that it may be more properly apportioned. It is a very important joint resolution, and the introduction of the amendment by the Senator from Indiana may lead to several days' delay. I do hope that he will consent to withdraw the amendment in order that we may pass the joint resolution at this time.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Wyoming?

Mr. NEW. I yield.

Mr. WARREN. I agree with the substance of the amendment; but I think it would be better if the Senator would consent to withdraw it at this time and get the other part of the joint resolution in motion, in consideration of what the Senator from New Jersey has said. It is imperative to have the original portion of the joint resolution acted upon at once.

Mr. NEW. Mr. President, I hesitate to withdraw this amendment. I concede the importance of the joint resolution. As a member of the Military Affairs Committee, I think I realize just what it provides for. I agree with the Senator from New Jersey that the withdrawal of my amendment might save several days' time, but I think that the adoption of the amendment I have offered may ultimately save several months' time. I think that had the provisions of this amendment been law two or three years ago the war in which the United States is now engaged would have been ended in favor of the United States and its allies some time ago.

I feel, Mr. President, that I can not accede to the request to withdraw the amendment.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield the floor, or does he yield to the Senator from New Jersey?

Mr. NEW. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Under those circumstances I ask that the joint resolution lie over.

The PRESIDING OFFICER. Does the Senator desire to have the joint resolution returned to the calendar?

Mr. FRELINGHUYSEN. I move that it be returned to the calendar; yes.

The PRESIDING OFFICER. If there be no objection, such will be the course.

CALLING INTO MILITARY SERVICE CERTAIN PERSONS LIABLE THERETO.

Mr. FRELINGHUYSEN. I ask the Senate take up for consideration Senate joint resolution No. 123.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 123) providing for the calling into immediate military service of certain classes of persons registered and liable for military service under the terms of the act of Congress approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," which had been reported from the Committee on Military Affairs with amendments.

The PRESIDING OFFICER. The amendments will be stated.

The amendments were, on page 2, line 2, after the word "for," to insert "military"; on the same line, after the word "act," to strike out "approved May 18, 1917"; in line 7, after the word "classes," to strike out "from any State" and insert "except those exempt from draft under the provisions of said act"; in line 9, after the word "classes," to strike out the

comma and insert "in the various subdivisions of the States, Territories, and the District of Columbia designated by the President under the terms of said act"; in line 12, after the word "immediate," to insert "military" and in the same line, after the word "service," to insert "persons classed as," so as to make the joint resolution read:

Resolved, etc., That if under any regulations heretofore or hereafter prescribed by the President persons registered and liable for military service under the terms of the act of Congress approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," are placed in classes for the purpose of determining their relative liability for military service, no provision of said act shall prevent the President from calling for immediate military service under regulations heretofore or hereafter prescribed by the President all or part of the persons in any class or classes, except those exempt from draft under the provisions of said act, in proportion to the total number of persons placed in such class or classes, in the various subdivisions of the States, Territories and the District of Columbia designated by the President under the terms of said act; or from calling into immediate military service persons classed as skilled experts in industry or agriculture, however classified or wherever residing.

The amendments were agreed to.

Mr. CALDER. Mr. President, I will ask the Senator from New Jersey if this joint resolution takes care of the situation which arose from the fact that in many communities throughout the land the number of aliens was excessive, and that under the original act the burden of the draft has fallen very heavily upon these communities?

Mr. FRELINGHUYSEN. Mr. President, I understand that that is one of the purposes of the joint resolution.

Mr. CALDER. I am very glad that the Military Affairs Committee has asked for the consideration of this measure. It is a matter of very great importance and ought to have immediate action before the new draft goes into effect.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution providing for the calling into military service of certain classes of persons registered and liable for military service under the terms of the act of Congress approved May 18, 1917, entitled 'An act to authorize the President to increase temporarily the Military Establishment of the United States.'"

CALLING OF THE ROLL.

Mr. JONES of Washington. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Harding	Nugent	Sterling
Beckham	Hardwick	Overman	Stone
Borah	Henderson	Owen	Sutherland
Calder	Hollis	Page	Thomas
Colt	Johnson, S. Dak.	Pittman	Thompson
Culberson	Jones, N. Mex.	Poindexter	Tillman
Curtis	Jones, Wash.	Saulsbury	Townsend
Dillingham	Kellogg	Shafroth	Trammell
Fernald	Kendrick	Sheppard	Vardaman
Fletcher	Knox	Sherman	Wadsworth
France	Lewis	Simmons	Warren
Frelinghuysen	Lodge	Smith, Ga.	Watson
Gerry	McCumber	Smith, Md.	Weeks
Gore	Nelson	Smith, Mich.	Williams
Gronna	New	Smith, S. C.	Wolcott
Hale	Norris	Smoot	

Mr. SUTHERLAND. I announce the absence of my colleague, the senior Senator from West Virginia [Mr. GOFF], by reason of illness.

Mr. LEWIS. Let me announce the absence of the Senator from Arizona [Mr. ASHURST], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Arkansas [Mr. ROBINSON], and the Senator from Utah [Mr. KING] upon official business. I also announce the absence of the senior Senator from Kentucky [Mr. JAMES] and of the senior Senator from Oregon [Mr. CHAMBERLAIN] because of illness.

Mr. NORRIS. I have been requested to announce that both the senior Senator from Iowa [Mr. CUMMINS] and the junior Senator from Iowa [Mr. KENYON] are absent from the city in attendance upon the funeral of the wife of the senior Senator from Iowa.

Mr. CURTIS. I desire to announce the absence of the junior Senator from California [Mr. JOHNSON] on official business. I will let this announcement stand for the day.

Mr. GRONNA. I wish to announce the unavoidable absence of the Senator from Wisconsin [Mr. LA FOLLETTE] on account of illness in his family.

Mr. KNOX. I have been requested to announce the unavoidable absence of the senior Senator from Oregon [Mr. CHAMBERLAIN] on account of illness, and the absence of the junior Senator from Oregon [Mr. MCNARY] on account of official business.

Mr. HOLLIS. I have been requested to announce that the senior Senator from Arizona [Mr. ASHURST] is absent on official business, and that the junior Senator from Arizona [Mr. SMITH] is absent because of illness; also that the senior Senator from California [Mr. PHELAN] is necessarily detained.

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present.

WAR FINANCE CORPORATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

The PRESIDENT pro tempore. The Secretary will report the first amendment passed over.

The SECRETARY. The first amendment passed over was in section 5, on page 4, line 3, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 4, after the word "provided," to strike out "shall devote their entire time to the business of the corporation (except such part of their time, if any, as shall be devoted to other governmental business) and"; in line 10, after the word "not," to strike out "however"; in the same line, after the word "exceeding," to strike out "the annual salary of the principal officer of an executive department of the United States" and insert "$12,000"; in line 14, after the words "from the," to strike out "corporation" and insert "Corporation"; in line 18, after the words "by the," to strike out "corporation" and insert "Corporation"; in line 19, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 22, before the words "shall designate," to strike out "Secretary of the Treasury" and insert "President of the United States"; in line 23, after the word "years," to strike out "No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers; and, before" and insert "Any director shall be subject to removal by the President of the United States"; on page 5, line 4, before the word "entering," to insert "Before"; and in line 5, after the word "shall," to strike out "certify under oath to the Secretary of the Treasury that he has complied with this requirement, and shall also," so as to make the section read:

SEC. 5. That the four directors of the corporation appointed as hereinbefore provided shall receive annual salaries, payable monthly, the amount of which shall be fixed by the Secretary of the Treasury, with the approval of the President of the United States, not exceeding $12,000. Any director receiving from the United States any salary or compensation for services shall not receive as salary from the corporation any amount which, together with any salary or compensation received from the United States, would make the total amount paid to him by the United States and by the corporation exceed the amount fixed as the annual salary of a director of the corporation, as hereinbefore provided. Of the four directors appointed, as hereinbefore provided, the President of the United States shall designate two to serve for two years, and two for four years; and thereafter each director so appointed shall serve for a term of four years. Any director shall be subject to removal by the President of the United States. Before entering upon his duties, each director and officer shall take an oath faithfully to discharge the duties of his office. But nothing contained in this act or in the Federal reserve act shall be construed to prevent the appointment of a member of the Federal Reserve Board or of any other governmental administrative body or of a director of a Federal reserve bank as a director of the corporation.

Mr. HOLLIS. I should like to ask the chairman of the committee, the Senator from North Carolina, what reason moved the committee to make that change in the original draft?

Mr. SIMMONS. The only reason that presented itself to the committee that I know was that it was not usual, although it has been done, I think, in one case, in the case of the Federal reserve banks, to provide that a Federal officer should give his entire time to the work. That might mean that he could not take the time that was necessary to attend to some incidental business matter. It might mean that he would have to devote his time so exclusively to this work that he would not be able to attend to those business matters to which every man must give more or less time.

Mr. GRONNA. Mr. President, on this side of the aisle we can not hear the Senator from North Carolina.

Mr. SIMMONS. I said the reason for striking out that part of the section as well as striking out the subsequent provisions of the section which relates to holding a permanent position in other corporations was that with those provisions in the Secretary of the Treasury may find himself unable to secure suitable men for these positions. If a director was required to give his entire time to this work, if he is required to give up his connec-

tion as a director of every other corporation or bank or trust company, it might require such great sacrifices on his part that the Secretary would not be able to secure competent men to perform the service. These directors, the committee thought, ought to be men of large familiarity with the financial business conditions of the country. That class of men generally have a great many connections with business enterprises of the country. The requirement to separate themselves entirely from every business connection, so far as occupying an official position in connection with the corporations through which that business is conducted, is coupled with the requirement that they shall give their sole and exclusive time to this work. I was impressed, and I think the committee were impressed, with the thought that it would be very difficult to get the class of men we all ought to want on this board. That is the only reason I know of.

Mr. GRONNA. Mr. President——

Mr. SIMMONS. I yield to the Senator from North Dakota.

Mr. GRONNA. Of course, that would be true with reference to members of the Federal Reserve Board as well, would it not?

Mr. SIMMONS. I stated that there was one instance in which Congress has required that the officer should give his entire time, and I referred to the directors of the Federal Reserve Board, but I am not aware that that has been the custom in creating offices. That is the only instance that has been brought to my attention in which that provision has been coupled with the qualifications of a man for an official position.

Mr. GRONNA. May I ask the Senator if he does not think it would be better, even if we had to pay a large salary of, say, $25,000 to $50,000 a year to these men, and to provide that no one who is connected with a commercial institution or is a director of a commercial institution shall hold this position? I heard the speech of the Senator from New Hampshire [Mr. HOLLIS] on yesterday, and I was very much impressed with his statement that in his opinion it would inspire confidence among all the people of this country to have men appointed to this responsible position who were disassociated from the large commercial institutions.

Does not the Senator think it would be wiser to increase the salary of these men, and then prohibit the appointment of men who are active directors of banking and other financial institutions?

Mr. SIMMONS. I would agree with the Senator if we could secure suitable men who would be willing to abridge their personal rights with reference to their business matters to the extent that this provision would abridge it. I think it would be better, but I doubt very much whether you could procure in that way the right class of men.

I wish to say to Senators that, so far as I am concerned, after stating the reasons which the committee had for striking out these provisions of the bill, if the Senate sees fit to insert them I shall myself make no further opposition.

Mr. SMOOT. Mr. President, I merely wish to say to the Senator from North Dakota [Mr. GRONNA] that if this corporation was to be a permanent affair, if it was the same as the Federal Reserve Board, to exist for 50 years or more, I would be in favor of the original wording of the bill. But this is only a temporary organization.

Mr. OWEN. I remind the Senator that he is overlooking the fact that the term is limited to 10 years.

Mr. SMOOT. I call 10 years a temporary position.

Mr. OWEN. Not for a Senator.

Mr. SMOOT. Not for a Senator, but for a business man, who has an established business, a calling in life and knows nothing else but that one line of business. It is a temporary position, and I wish to say that even it may not last for 10 years under the provisions of the bill. The war may cease next year, and the declaration may be made by the President that it has ceased, and then the affairs of this concern would be wound up before the end of 10 years. If only a temporary organization, we should secure the very best men there are in the United States as members of the board of the corporation. I do not believe that we ought to put a provision in the bill that will limit the number of men from which selections can be made and virtually say that any man who has made a notable success in his line of business shall not be a member of this board. That is why I favor striking out the provision that was written in the bill by the framers of the bill.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. Certainly.

Mr. GRONNA. I wish to ask the Senator a question.

Mr. SMOOT. Certainly.

Mr. GRONNA. Admitting it is true, as the Senator has stated, that this is only a temporary position, is there any reason to believe that we can not find men among these great financiers who are patriotic enough to devote at least a part of their time during the war to financing the country?

Mr. SMOOT. The director in the corporation could not devote only a part of his time, because the wording is that they shall devote their entire time to the business.

Mr. GRONNA. I suppose it means that they should devote all their time while they were holding the position as director in the corporation. I did not mean to intimate that they should only serve a part of the time during the period they would act as a director; but is it not reasonable to suppose that there are hundreds, yes, thousands, of men in this country who have made a financial success who do not require making any more money, who have sufficient, and who are also willing to sacrifice, if need be, in order to win this war. We have more than 100,000,000 people in this country, and with all the millionaires and billionaires we have to-day, is it not possible to find some one willing to give time to this important institution for the benefit of the whole country and not for private parties or corporations? I say, if we are in such a deplorable condition that the men who made these fortunes are unwilling to sacrifice at least a few years of their time and contribute their time not even as a gratuity but for reasonable pay, I believe we are in a very dangerous position, and I do not think we ought to enact the bill at all.

Mr. SMOOT. I wish to say that there are thousands of financiers in the country who are perfectly willing to give their time to the Government during this war period and there are thousands of them who are giving their time to the Government now at a compensation of a dollar a year. But, Mr. President, we have heard on the floor of the Senate criticism time and time again against the Government accepting the services of these so-called captains of industry without compensation, and we have heard Senators from time to time say that no man ought to be employed by the Government of the United States and placed in a responsible position, as they are placed in to-day, without the Government paying for their services.

Mr. VARDAMAN. Mr. President——

The PRESIDENT pro tempore. Will the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Certainly.

Mr. VARDAMAN. The men who will perform this function will be paid a salary. I do not understand that the Senator from North Dakota [Mr. GRONNA] asks that they do this service for nothing, but he objects to men performing this particular duty when in the performance of that duty the public interests and their private interests may clash; we all realize that however honest a man may be—

> Where self the wavering balance shakes
> 'Tis rarely right adjusted.

It is not fair to the man appointed to place him in a position where he is called upon to decide this delicate question of propriety, nor is it altogether fair to the public.

Mr. SMOOT. I wish to say in answer to the Senator that I do not believe the President of the United States will select a man with no more honesty in his make-up than to accept such a position and then stoop so low as to take advantage of it, but I believe he will select men in whom the people have confidence and whom the President has confidence, and the Senate must have confidence in them, for the Senate will be asked to confirm their nomination.

The original wording it seems to me would cast reflection upon a man who might be selected as a director. Under the Senate amendment we broaden the number of persons from which the selections can be made. We make it just as broad as possible so that the President of the United States can nominate any man in the United States as a director. I do not believe there is a single man in the United States who has brains enough to fill such a position who would refuse to accept the nomination if requested to by the President.

But it is said he should be required to devote his entire time to the corporation. Suppose he went off for a week end or took a rest for a week, it is just like many people in the United States to find fault with him and say he is violating the law. If there was a necessity for such a requirement I would be in favor of it. If it was a permanent organization I would be in favor of it. But, Mr. President, it is a temporary appointment and I do not believe that you ought to ask men who are now engaged in business, and no doubt a lifelong business, to give it up entirely, or if perchance they are directors in a corporation and have been perhaps from the inception of the business and have seen the business grow, I do not believe

they ought to be asked to resign as a director in a corporation because they are asked to serve as a director of this corporation if the work required does not conflict. If they are men whom you can not trust do not appoint them, and if such men are appointed let the Senate refuse to confirm them.

Mr. McCUMBER. Mr. President, the services that will be required under this act will be the services of those who are peculiarly acquainted with financial conditions in the United States. Those who will be selected must necessarily be from a class who are so acquainted and who have the ability to bring to the service of the Government the greatest possible knowledge upon that particular subject. It was the purpose of the amendment to so widen the scope of the field of opportunity for the President himself to make a selection of men with the greatest degree of capability who would fill these places.

Every Senator knows that to-day the men who have the greatest knowledge of these subjects are as a rule either presidents or vice presidents or members of a board of directors. They are the men who are alive and doing the business of the country to-day. Why should the President say to a man who is upon the board of directors of a great financial institution, "You must get off this board." Possibly that board may need his services; it may not be for more than one day in a month, and yet it needs his services. But without this amendment you would say to him, "We can not accept your services if you are to give even one day a month at a meeting of your directors to look after your own institution." I do not believe the country is going to suffer by reason of a member of this board taking a day off to attend to the private business of a director. I believe the chances are that the President may not be able to secure exactly the kind of men he needs to fill these positions unless he be given the opportunity to select from presidents or vice president or directors of any corporation.

There is no Senator here who gives his entire attention to the business of the country. Every one of them has his own private business to look after to some extent. I do not believe that the country suffers because he has private business to look after. On the contrary, I think if he had no business to look after he would hardly be fit to hold a place in the Senate or to hold any other position.

Mr. President, it seems to me that we broaden the field of opportunity and give the President a scope of opportunity to select just the class of men he wants, and he wants the very best there are in the land. We ought not to say to him, "You can not select such a man unless you compel him to resign from the directorship of a banking institution which he assists in controlling."

Mr. OWEN. Mr. President, there are two parts of this proposed amendment. The first is that these directors shall devote their entire time to the business of the corporation. That has been stricken out by the committee. It is assumed by striking it out that they could manage this corporation with four thousand five hundred million dollars of property by giving only a part of their time. Probably the biggest bank in the United States has a capital of $50,000,000, with assets possibly running up as high as six or seven hundred million dollars, but this bank will start off with $500,000,000 of actual capital drawn out of the Treasury of the United States, and then will have the authority to raise four thousand million dollars, or eight times as much, by bonds. These funds, moreover, will partake of the nature of a revolving fund. It will not be limited to the four thousand five hundred million dollars. It may be converted into revolving funds and involve a larger line of activities.

The work being laid out here, while expressed in a few words, is perfectly gigantic. I think Senators ought not to fail to observe that we are imposing upon these men a duty which obviously must require all of the time of whoever devotes himself to it. So much for the first part of the amendment.

The second part which the amendment proposes to strike out is that no director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers. I do not think it turns so much upon the honesty of the man as that he shall be able to give his time to the gigantic labor which is contemplated by the bill.

It does not avail to say that we will select honest men and therefore there is no necessity for requiring all their time to be given. It is better, indeed, as a public policy, to have men in charge of such a high function not swayed by private interest. I think it would suffice, probably, to say that they should not continue as active officers, leaving the question of the possibility of their having a private interest which might interfere with the discharge of their functions to be passed upon by those who consider the question of the nomination. But I am very sure that the entire time will be required of those who undertake to handle this gigantic institution, the biggest institution, probably, in the world, as a banking establishment. The Bank of England has a deposit of only $1,000,000,000. Here is one that will have funds to handle four times as great. The days are short; there are only 8 or 10 hours in an ordinary working day in which a man can judiciously apply himself to intellectual labor. I think it would be a serious mistake to deal with this question as a matter requiring only a part of the time.

Mr. TOWNSEND. Mr. President, I opposed the amendment that is proposed here by the committee when it was before the committee at the time, and inasmuch as it is about to be voted upon I feel like stating the reasons which actuated me at the time to offer such opposition. It was not because I feared the honesty of the men who might be selected, but rather because I felt that this is a most unusual law. We are conferring power about which I think every Senator has some doubt. I think there are very few Senators who look with perfect complacency upon this legislation; but we are all forced to support it, because we think an emergency has arisen and now confronts us which requires perhaps that extraordinary powers should be exerted through this corporation. Already it has been subject to the criticism that it might do things which would result disastrously. We all know that there is criticism more or less extant throughout the United States of the system of appointing men to high positions who are interested in the subject matter or similar subject matter to those dealt with under the proposed statute. It therefore seemed to me that it was the wise plan to avoid all suspicion as far as possible. I believe that any man who will be selected for this position, no matter what his position may be and how important it may be, will be willing for the public good to divest himself of interest in other concerns in order that he may render the most efficient service possible on this board. It was, therefore, more as a matter of policy with me than anything else, that I thought and I think now it is wise to consider in legislation of this magnitude; and that the provision of the bill itself is better than the one proposed by the committee.

Mr. HOLLIS. Mr. President, I devoted some time yesterday to explaining the bill to the Senate and pointing out some of the dangers that I saw in it. I called the corporation to be established under the bill a bank, and it is a bank. No one denies it; but for some reason the friends of the measure are afraid to call it a bank and insist upon calling it by some more euphonious title.

The bill was brought here by the Secretary of the Treasury, so I am informed, and it was referred to the Committee on Finance. It is to be assumed that the bill was drawn about as the Secretary of the Treasury wanted it. I have not heard anyone argue enthusiastically for the bill in any particular. Those who are for it are for it with much apology, and with very little explanation of its need. It is a bad bill, and the only reason it is excusable is because there is a bad situation. I hope the Senate will make it as palatable for those of us who do not approve of it as is possible.

Now, here is a great bank, with powers never before granted to any bank in the United States or probably anywhere else. It is to be put in the sole charge of five directors, of whom the Secretary of the Treasury is one. The time of the Secretary of the Treasury is absorbed in matters of great importance. The duties involved in the handling of the business of the Treasury alone are more than one man can fairly cope with in war times, and the present Secretary of the Treasury has many other functions. He is the chairman of the Farm Loan Board; he is the Director General of the Railroads of the country. He may, therefore, be safely left out of the reckoning so far as sitting on this board of bank directors is concerned. All he can do will be to suggest general policies.

The men who are called to handle this great bank will be called to a position of great honor and of tremendous responsibility. I have no idea where the men will be found. It is suggested by the Senator from Utah that they will be great experts in financial affairs. They ought not to be. They should be merchants, as are the directors of the Bank of England. England will not permit its captains of finance to be on the directorate of its one great bank. As the Senator from Oklahoma [Mr. OWEN] said last week, finance should be the handmaiden of commerce and not the director of commerce. This bank is to serve the commercial interests of the United States, and through the commercial interests to serve us all. Financiers should be disqualified from being on this board at all, but the Senators who argue that they should not lay aside their financial duties and private interests evidently think they must be financiers. If they are to be financiers, if there are no other men in the

country who are fit to sit on the board of this bank, it is because the duties of the bank require remarkable services. If the duties of the bank require remarkable services, those services should be rendered solely to the bank.

I referred yesterday to the fact that these men must be superfinanciers. I meant by that that they must be above the ordinary financiers. Even though they have other important duties, they should gladly lay aside those duties and come to the call of their country. I suspect that some of those who favor this phraseology have in mind men who they think are solely fitted to run the affairs of this great bank, and that those men have been seen and have said that they will not give up their private business. I suspect that; I am afraid of it.

If the Secretary of the Treasury wanted the bill drawn in this way, and if the Secretary of the Treasury insists on having this bill passed granting these tremendous powers, then the wishes of the Secretary of the Treasury ought to be respected by the Senate, for the Secretary of the Treasury is going to be gauged by this measure. For myself I do not believe it will be a success. I think that hereafter Senators and members of the administration will be trying to evade responsibility for it. But let us give it the fairest possible chance; let us treat the proposed corporation like a great bank, as we treated the Federal Reserve Banking System; let us throw the safeguards around these men that we threw around the members of the Federal Reserve Board; and I ask the Senate, since no one or very few seem to care particularly about this Senate committee amendment, to vote it down and to restore the bill to its original form.

Mr. SIMMONS. Mr. President, I do not care to enter into any further discussion with respect to this amendment, but I do want to call the attention of the Senator from New Hampshire to the fact that the prohibition to which he refers is not confined to officers and directors of banks alone, as his remarks would imply, or at least would seem to imply. It is broader and provides that—

> No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation.

It does not make any difference whether or not it is a financial corporation; no man who happens to be a director of a business corporation is eligible under that language. A merchant whose business has been incorporated would be disqualified under that language.

If the purpose of the Senator from New Hampshire in offering this amendment is to dissociate the directors of this corporation from interests that might possibly be affected by their action as members of the corporation, he will not accomplish that purpose by simply saying that they shall not be directors of any other corporation. In order to accomplish that purpose, if that is his purpose—and it seems to be—he will have to provide that they shall give up any business in which they have an interest in any corporation or any bank or any other concern which happens to be operating under charter. If they are required to give up their business, then, of course, their selfish interest will be removed if it conflicts in the slightest with their duties as directors; but simply to require them to cease to be directors of corporations does not reach the object.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. SIMMONS. I do.

Mr. OWEN. I desire to suggest to the Senator in charge of the bill that the end of securing the time of the members of this board could be accomplished simply by putting in the word "active," providing that they shall not continue to be active directors, and so forth; that their time shall not be taken up with other employments of this kind.

Mr. SIMMONS. Of course that would improve it very much.

Mr. OWEN. Because, after all, a man who has his properties invested need not be a director or an officer. A man may own a bank as a stockholder and may name every officer and employee in that bank and control its policy without being an officer or a director. Everybody knows that. Therefore, at last we have got to rely upon the integrity of mind of those who are put upon this board. I think, in view of the gigantic proportions of the establishment, with $4,500,000,000 to be disposed of by it as a banking institution, the men who compose the board of directors ought to give all of their time to its duties. I think the public interest requires that they give all of their time to their duties when the United States puts such an enormous trust in the hands of any men. They ought not to be able to treat it negligently and to give only a fraction of their time to the discharge of their duties.

Mr. SIMMONS. I agree with the Senator from Oklahoma with reference to their giving at least a sufficient portion of their time to the discharge of their duties; all the time that is necessary to efficiently discharge the duties ought to be given; but even when this language is stricken out they will be under the same obligation and responsibility to their consciences and to the Government of giving to this office such time as is adequate for the official discharge of its duties.

We do not, Mr. President, in creating an office say that the official shall give his entire time to it, and yet we all understand whenever a man is appointed to a Federal office that he assumes the obligation of giving to the discharge of the duties of that office all the time that is necessary properly to perform those duties. It is not necessary to write that into the law; it is implied.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Oklahoma?

Mr. SIMMONS. I do.

Mr. OWEN. I wish to observe to the Senator that when the bill comes into the Senate with the very reasonable requirement that the entire time of the directors of this corporation shall be devoted to their public duties and then the Senate strikes it out of the bill, it is equivalent to putting an interpretation upon the bill that their entire time will not be required.

Mr. SIMMONS. It is stricken out because such a requirement is not ordinarily demanded and striking out the provision puts these officers, I think, upon a parity with every other officer of the United States Government to-day with the solitary exception of the provisions which are contained in the Federal reserve act.

Mr. GALLINGER. Mr. President, the Senator from North Carolina will agree with me that there would be very serious objection to a provision of that kind applying to ourselves or to Members of the other House of Congress.

Mr. SIMMONS. I think so.

Mr. GALLINGER. Yet we are expected to perform all the duties that are incumbent upon us.

Mr. SIMMONS. I wish only to say in addition, Mr. President, that the remark of the junior Senator from New Hampshire [Mr. HOLLIS] seemed to imply that members of the Finance Committee and other Senators had no interest in this matter. I myself am in favor of the amendment of the committee. The remark I made when I first had the floor upon the amendment, to the effect that the Senate could deal with it as it pleased, simply meant to convey to the Senate the idea that whatever the Senate might do with reference to this amendment would be accepted as satisfactory.

Mr. NORRIS. Mr. President, I wish to say merely a few words on this question. I want to compliment the Senator from North Carolina [Mr. SIMMONS] on what he said just as he sat down, when he expressed a willingness to abide by what the Senate might do. It is a relief to know that all of us are absolutely free to vote as we see fit on this amendment; but it does seem to me, Mr. President, that we ought to remember in passing on this amendment, and on all other amendments to this bill, that there is not anything like this bill on the statute books of any country in the world. There is hardly anything with which we can compare it. To my mind it is not fair to compare the duties of the directors of the proposed corporation to the duties of ordinary directors and presidents and other officials of corporations and of banks, because the importance of the greatest of corporations and the largest of banks sinks into insignificance when we compare it with the colossal proposition that is presented before us in this bill. These directors will have charge not of a bank doing an ordinary banking business or a corporation doing the ordinary business of a corporation, but they will have something to do with all of the corporations, with all of the banks, and with all of the business of all of the country. It is the most gigantic proposition that ever was conceived of; it is one that all of us stand almost in awe of; and yet we feel that something of the kind ought to be provided by law.

It is not an aspersion upon any man or upon his honesty or his patriotism to say that when he takes a position on the board of directors of this great institution he ought to give up active connection with any other corporation or any other bank as a manager or officer of any kind. That does not imply that we are suspicious of that man; but there are several reasons to my mind why he ought to be compelled so to do. First, the very magnitude of the undertaking. If he devotes all of his time every day to the work, he will not be able fully to comprehend all of the business of this great institution. The country ought to have all of his energy and all of his ability, and so his mind ought to be entirely divorced from private business, from the management of other corporations, or from the

control of any private banking institution, because he will deal with people engaged in that class of business.

It is said by the Senator from North Carolina [Mr. SIMMONS] that, even though he is not allowed to be a director or an officer of a corporation, he still may have an interest in a corporation. That may be true, and I can conceive how it might be possible that his private interests might even in that case come in conflict with his public duty; but I am not going on the theory that he would permit his private interests to control his public duty if he accepted this place. However, he will occupy a different position as a director of this corporation if he is only a stockholder in a bank than though he were president of that bank. If he be president of that bank, he has a responsibility resting on him that will take his time and his thought. Even though he may say, "I will not devote any time to it," his mind would advert to the business of that bank; it would be an impossibility for him to divorce himself entirely from its affairs, because he would know there was a responsibility on him. That would be natural and perfectly proper; but that responsibility he could not throw off, and he would not be quite so competent to serve on this great corporation in such a case as though his mind were perfectly free and had no responsibility of any kind in the control or management of any other bank or any other corporation.

There is another reason, Mr. President. The members of this board of directors ought, like Cæsar's wife, to be free even of suspicion. They will come in contact with private institutions and private banking firms and corporations, and if they are officers or managers of such institutions their competitors will be suspicious, and even those who are not competitors with them in business will perhaps look with some degree of suspicion upon their activities as members of this great institution. We want and we need, Senators, the confidence of the country in this great corporation as much as in any institution ever created by law. We want the people from the very highest to the very lowest degree to believe and have faith that this great corporation is absolutely above everything except the welfare of our entire country and all the business of it. So we ought to free it if we can from any possibility of such suspicion.

Mr. President, it is said that if we provide that these men shall devote their entire time to this business and shall not be officers of any other corporation or managers of any other bank we will expect too much of a sacrifice; that it will be a sacrifice for a man to surrender his private position. That is true; it will be a sacrifice probably, but are we going to say that there is any man here in the United States who is not patriotic enough to make that sacrifice? We all make sacrifices. The boy in the trenches who gives up a salary of $2,500 a year to go out as a mark for enemy bullets in a foreign land surrenders his position and takes another one at $30 a month. He makes the sacrifice under the draft law, and we require many of our citizens to make the same sacrifice. Are we to say now that a great captain of industry, who is president of a bank, would, if selected by the President to fill a place on this board of directors, say "I can not make that sacrifice"? If he is not willing to make that sacrifice, Mr. President, he will not be a good member of the board of directors, and ought to be left off it. It is not as great a sacrifice as thousands of his fellow citizens make. To my mind, there will be no difficulty in that.

I am not charging that there are any such men; I do not believe that there are. Furthermore, these men are not working for $30 a month or for a dollar a year. When they are appointed, under the terms of the bill the President will fix their salary, and there is only one limitation to the amount, and that is that the salary shall not exceed $12,000 a year. It is safe to say that the President will fix the salary at $12,000 a year. Is there any Senator who doubts it? The very passage of the bill with that provision in it is an invitation to the President to fix the salary at $12,000 a year. So when it comes to the question of pecuniary sacrifice these men are not going to make such a great sacrifice, for they will get $12,000 a year for their services, and if they get $12,000 a year ought they not to devote all their time to this great institution?

Mr. President, it seems perfectly clear to me that this ought to be required as a matter of law; it ought to be in the bill. It will help to free the entire proposition of any lingering suspicion that might rest anywhere; it will help to give moral force to whatever acts this board or corporation may perform, because to the degree that it is humanly possible it will remove any possibility of any of these men doing officially what may profit them privately.

Mr. TOWNSEND. Mr. President, when I discussed this question a moment ago I was not aware that there were two propositions involved in it. I was directing myself then, as I did before the committee, to the last provision, the one at the bottom of page 4 and the top of page 5. I had no objection to striking out the words requiring these men to devote their whole time to this particular work, because I could not imagine a man appointed to this position if he were forbidden to serve any other interest outside, who would not devote to the task the time necessary to do the work. We do not generally apply such provisions to other officers, and, therefore, I can see no particular reason why those words should be left in. It seems to me they are superfluous. But what I was directing my attention to was the fact that we should require that these men during the time they are serving the Government should be divorced from any position of influence or profit which might be construed as interfering with their duties on this board.

Mr. HOLLIS. Mr. President, I want to direct the attention of the Senate to the manner in which this question comes up. The bill originally contained the provision that the members of this bank board—

shall devote their entire time to the business of the corporation (except such part of their time, if any, as shall be devoted to other governmental business).

The question will be on the amendment. Now, by adopting the committee amendment we can not wipe the slate clean. If any question ever comes up under this bill as to whether a member of the board is allowed to conduct other businesses, this copy of the bill will be conclusive evidence to the court that passes on it that the Senate had the matter up and the Senate deliberately voted that these men might be allowed to engage in as many other businesses as they pleased. You can not wipe the slate clean in that way. I hope Senators will vote "nay."

The PRESIDING OFFICER. The question is on the adoption of the committee amendment.

Mr. SMOOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. NORRIS (when the name of Mr. CUMMINS was called). I desire to announce the absence of the senior Senator from Iowa [Mr. CUMMINS], and while I am on my feet I desire also to announce the absence of the junior Senator from Iowa [Mr. KENYON]. Both Senators are absent in Iowa, attending the funeral of the wife of the senior Senator from that State. I will let this announcement stand for the day.

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN], who is absent on account of illness. I understand, however, that if he were present he would support the bill and the amendments reported by the committee, and I therefore feel at liberty to vote and vote "yea."

Mr. GRONNA (when Mr. LA FOLLETTE's name was called). I desire to announce the unavoidable absence of the Senator from Wisconsin [Mr. LA FOLLETTE], due to illness in his family. I wish this announcement to stand for the day.

Mr. TILLMAN (when his name was called). I transfer my pair with the senior Senator from West Virginia [Mr. GOFF] to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. WEEKS (when his name was called). I transfer the general pair which I have with the senior Senator from Kentucky [Mr. JAMES] to the senior Senator from Pennsylvania [Mr. PENROSE] and vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennslyvania [Mr. PENROSE], who is necessarily absent. I am informed, however, that if he were present he would vote "yea"; and I desire to vote "yea," and therefore shall so vote.

The roll call was concluded.

Mr. FRELINGHUYSEN. I transfer my general pair with the junior Senator from Montana [Mr. WALSH] to the junior Senator from California [Mr. JOHNSON] and vote "nay."

Mr. BECKHAM. I wish to announce the absence of my colleague [Mr. JAMES] on account of illness. I will let this announcement stand for the day.

Mr. RANSDELL. I desire to announce the absence of my colleague [Mr. BROUSSARD] on account of illness. I ask that this announcement may stand for the day.

Mr. HOLLIS. I have been requested to announce that the senior Senator from Arizona [Mr. ASHURST] is absent on official business, and that the junior Senator from Arizona [Mr. SMITH] is absent because of illness. This announcement may stand for the day.

Mr. McNARY. I announce the absence of my colleague, the senior Senator from Oregon [Mr. CHAMBERLAIN], on account of illness. I ask that this announcement may stand for the day.

Mr. WATSON (after having voted in the affirmative). I am paired with the junior Senator from Delaware [Mr. WOLCOTT].

I voted and have since discovered his absence from the Chamber. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE], and will let my vote stand.

Mr. TOWNSEND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWNSEND. Do I understand that we are voting on two amendments?

Mr. LODGE. No; only one.

The PRESIDING OFFICER. We are voting upon the first amendment.

Mr. LEWIS. I desire to announce that the senior Senator from Kentucky [Mr. JAMES] is detained by illness. I also wish to announce that the Senator from California [Mr. PHELAN] and the Senator from Tennessee [Mr. MCKELLAR] are necessarily detained.

The result was announced—yeas 36, nays 32, as follows:

YEAS—36.

Beckham	Jones, Wash.	Page	Smoot
Calder	Kellogg	Ransdell	Swanson
Colt	Lewis	Robinson	Tillman
Dillingham	Lodge	Saulsbury	Townsend
Fernald	McNary	Sheppard	Wadsworth
Fletcher	Martin	Shields	Warren
France	Nelson	Simmons	Watson
Gallinger	New	Smith, Md.	Weeks
Gerry.	Overman	Smith, S. C.	Williams

NAYS—32.

Borah	Hardwick	Nugent	Smith, Mich.
Culberson	Henderson	Owen	Sterling
Curtis	Hollis	Pittman	Sutherland
Frelinghuysen	Johnson, S. Dak.	Poindexter	Thomas
Gore	Kendrick	Pomerene	Thompson
Gronna	Kirby	Reed	Trammell
Hale	Myers	Shafroth	Underwood
Harding	Norris	Sherman	Vardaman

NOT VOTING—26.

Ashurst	Goff	Knox	Smith, Ariz.
Bankhead	Hitchcock	La Follette	Smith, Ga.
Brandegee	James	McCumber	Stone
Broussard	Johnson, Cal.	McKellar	Walsh
Chamberlain	Jones, N. Mex.	McLean	Wolcott
Cummins	Kenyon	Penrose	
Fall	King	Phelan	

So the amendment of the committee was agreed to.

Mr. HOLLIS. Mr. President, I desire to give notice now that I reserve the right to have a separate vote on this amendment when the bill reaches the Senate.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The SECRETARY. On line 25, page 4, and lines 1 and 2, page 5, it is proposed to strike out the following words:

No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers; and, before—

And to insert in lieu thereof:

Any director shall be subject to removal by the President of the United States. Before.

Mr. TOWNSEND. On that amendment I ask for the yeas and nays, Mr. President.

Mr. HOLLIS. Mr. President, I think the Senate ought not to vote on that entire amendment without a division. I think most of the Senate believes in the words to be added:

Any director shall be subject to removal by the President of the United States.

I think the question should come first on striking out the words:

No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation, or member of any firm of bankers.

I therefore ask to have the question divided.

Mr. SMOOT. Mr. President, the amendment of the committee in lines 3 and 4 is not a substitute for the other amendment, proposing to strike out certain words.

Mr. HOLLIS. No; it is not.

Mr. SMOOT. They are two separate and distinct propositions, and I think the Senator from New Hampshire is perfectly right.

Mr. SIMMONS. They ought to appear in the bill as two amendments.

Mr. SMOOT. Then I ask for a vote on the first amendment.

Mr. REED. Mr. President, I should like to have the amendment stated.

The SECRETARY. Beginning on page 4, line 25, it is proposed to strike out the following words:

No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers; and, before.

Mr. NORRIS. On that I call for the yeas and nays.

Mr. OWEN. Mr. President, I move a substitute for that language, to read:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

Mr. VARDAMAN. Mr. President, will the Senator state that amendment again? We could not hear him.

Mr. OWEN. I move a substitute, to read:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

Mr. SMOOT. Mr. President, I think the proper way would be to vote upon the committee amendment, and then, if the committee amendment is agreed to, offer the amendment just suggested by the Senator from Oklahoma.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 5, line 1, before the word "officer," it is proposed to insert the word "active."

Mr. OWEN. That was not my amendment, Mr. President. I move a substitute for the words to be stricken out, to read:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

Mr. SMOOT. That is offered as a substitute, Mr. President, and——

Mr. OWEN. The effect of it is to strike out and insert.

The PRESIDING OFFICER. The question is on agreeing to the substitute offered by the Senator from Oklahoma.

Mr. CURTIS. Mr. President, may the substitute be stated, please?

The PRESIDING OFFICER. The Secretary will state the substitute.

The SECRETARY. In lieu of the words proposed to be stricken out by the committee on page 4, line 25, and on lines 1 and 2, page 5, it is proposed to insert the following words:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state it.

Mr. NORRIS. Assuming that this substitute shall be agreed to, would the amendment of the committee to strike out then be the next motion?

The PRESIDING OFFICER. It would; yes.

Mr. NORRIS. That is what I want to understand. If this amendment is agreed to, then the committee amendment has been disposed of.

SEVERAL SENATORS. No; it has not.

Mr. NORRIS. Well, let us have an understanding.

Mr. LODGE. The motion of the Senator from Oklahoma is a motion to strike out and insert; and if that motion is agreed to, the words offered by the Senator from Oklahoma go into the bill and stay there.

Mr. NORRIS. Mr. President, as I understood, the Senator from Oklahoma offered his amendment as a substitute for the committee amendment.

Mr. LODGE. The committee amendment is a motion to strike out.

Mr. NORRIS. I understand that. I think we all know that. Is that true, Mr. President?

The PRESIDING OFFICER. That is the way the Chair understands the amendment.

Mr. NORRIS. Then I make the point that that motion is improper, because, if that motion should prevail, it would do away entirely with the committee amendment to strike out, or it would substitute something else to be stricken out, and the motion to strike out would still be pending.

Mr. VARDAMAN. Mr. President, if the amendment offered by the Senator from Oklahoma shall be adopted it will be an amendment to the committee amendment. Then the question will recur upon the amendment as amended, as I understand.

Mr. OWEN. That is right.

Mr. NORRIS. But the committee amendment is to strike out certain words. The motion of the Senator from Oklahoma is a substitute for that, to strike out the same words and insert other words. Now, suppose that prevails: You have substituted something in the bill that the committee has moved to strike out, and it ends it, and you do not get a chance to vote on the amendment of the committee.

Mr. VARDAMAN. No; if the Senator will pardon me, the question then recurs on the amendment offered by the committee, which has been amended by the motion made by the Senator from Oklahoma.

Mr. POINDEXTER. Mr. President, Rule XVIII of the Senate provides that a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition. I understand that that is the proposition of the Senator from Oklahoma.

Mr. SIMMONS. Mr. President, the words which the Senator from Oklahoma desires to strike out are in the bill. The fact that the committee has recommended their amendment does not change that fact. Now, the Senator moves to strike out those words in the bill and to insert in lieu of them certain other words. If the Senate shall adopt that course, I take it that that would mean that the other words that he suggests would be inserted in the place of these. Having that view about it, I believe that the amendment of the Senator from Oklahoma is a good amendment, and I am perfectly willing to accept it, so far as I am concerned.

Mr. BORAH. Mr. President, may I ask the Senator a question? If the motion of the Senator from Oklahoma should prevail, would the bill then read as it read when it came from the House?

Mr. SIMMONS. Yes; with the change that he proposes.

Mr. BORAH. Exactly. We would not have any opportunity at all then to vote upon the motion to strike out that part which came from the House.

Mr. TOWNSEND. Mr. President, as I understand the motion of the Senator from Oklahoma, it is not to strike out, but it is to insert the word "active." If I understood the reading, that is all his amendment does. Now, of course the Senate has a right to amend the provision which it is proposed to strike out. Then the vote comes upon whether or not it shall be stricken out. Am I correct? Will the Senator from Oklahoma inform me whether he does more than simply insert a word?

Mr. OWEN. Yes. My amendment accepts the committee amendment which strikes out the words "or member of any firm of bankers," and would leave the language of the bill to read:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

Mr. TOWNSEND. The Senator does strike out the words following "corporation." Of course, then, that changes the situation. I thought the Senator had simply introduced the word "active."

Mr. OWEN. My amendment, in effect, would strike out the words following the word "corporation," namely, "or member of any firm of bankers; and, before."

Mr. TOWNSEND. Then, Mr. President, it should be clear that if the motion of the Senator should prevail that will dispose of the whole matter.

Mr. OWEN. It will.

Mr. LODGE. Mr. President, the Senator from Oklahoma, of course, could adopt the course suggested by the Senator from Michigan and offer one or more perfecting amendments to the language proposed to be stricken out. He has not taken that course. He has taken a course which he is entitled to take, and which precedes a simple motion to strike out, and that is a motion to strike out and insert. A motion to strike out and insert obviously always takes precedence of a plain motion to strike out.

Mr. BORAH. Mr. President, while the Senator from Massachusetts is on the floor may I ask him a question?

Mr. LODGE. Certainly.

Mr. BORAH. If the motion of the Senator from Oklahoma prevails, then will that portion of the bill which the committee proposes to strike out remain in the bill?

Mr. LODGE. Certainly not. It will go out, and its place will be taken by the language proposed by the Senator from Oklahoma.

Mr. BORAH. Exactly; but then we will have no opportunity to pass upon the other proposition.

Mr. LODGE. No; except when the bill is in the Senate.

Mr. SMOOT. Mr. President, I ask for the yeas and nays on the substitute.

Mr. REED. Mr. President, before the vote is taken, I should like to ask a question of the Senator who offers the substitute. He introduces into the bill the language "an active member." What does he mean by that?

Mr. OWEN. The purpose of my proposed amendment is that these men shall not have any other occupation to divert them from this service which we are putting upon them.

Mr. REED. But they could still be directors of a corporation.

Mr. OWEN. Oh, yes; they might own the corporation, and not be directors.

Mr. REED. One of them could still be the president of the corporation.

Mr. OWEN. Yes; and he might own the corporation and not be the president.

Mr. REED. I understand that.

Mr. OWEN. I am just seeking to provide by my amendment that a man's eligibility shall not be denied by his being an officer, but shall depend upon the time he can give. I only propose precluding those whose time is otherwise engaged by being active officers of other corporations. Of course, he ought not to pass on a case where his own interests are involved.

Mr. REED. But the Senator intends to allow him to retain that interest, and intends to allow him to retain an office also, in addition to that interest, provided he is not active in the office. The question I am raising is, what we gain by introducing the word "active."

Mr. OWEN. The intention was to gain time.

Mr. REED. Time?

Mr. OWEN. Yes. The aspect which the Senator has in mind is another aspect entirely.

Mr. SMITH of South Carolina. That is, the time that they can give.

Mr. OWEN. The time that they can give was all that I was trying to accomplish, because I do not think I can accomplish any more, if I can accomplish that much.

Mr. REED. I have this observation to make touching the amendment: It seems to concede that there should not be an outside interest that would interfere with the performance of the duties.

Mr. OWEN. I should hope so.

Mr. REED. And that, the Senator thinks, is a desirable thing to accomplish. The Senator wants to cut off outside interference, and he therefore proposes to say that an officer shall not be an active officer. Now, I do not think we gain anything by that.

If a man is an officer, he must in some way perform the duties of that office. If he is the president of a corporation, he must do something in that capacity. If he is the director of a corporation, he must do something in that capacity. We either ought to cut off their right to be concerned in the ownership of a corporation that has any business connection with this corporation, or else we ought to impose no restrictions at all, in my judgment.

I think that the proper restriction to place here is that this corporation shall not do any business with any other corporation if any of its members are officers or directors or substantial stockholders in such other corporation, and I should be glad to support such an amendment. I make this distinction: Here is a corporation that ought to call for a very high class of talent, and we can hardly expect to find that kind of talent unless we find the possessor of it to be also interested in the business affairs of the country; and I should dislike to deny to this corporation the employment of that character of talent. At the same time, however, I think it would be utterly wrong to permit this corporation to do any business with a corporation having officers or substantial stockholders represented as officers of this corporation. If this can take some such form that I can prepare such an amendment I will offer it, and I think the chairman of the committee probably would feel inclined to accept that proposition.

Mr. OWEN. Mr. President, I ask permission to withdraw the amendment I proposed.

The PRESIDING OFFICER. The Senator from Oklahoma requests permission to withdraw his amendment. Is there objection?

Mr. SMOOT. Mr. President, just a moment. As I understood the Senator from Oklahoma to state that he would withdraw his amendment for the moment, and as I am in favor of the amendment offered by the Senator from Oklahoma as against the amendment of the committee, I am going to vote against the amendment of the committee with the idea that the Senator from Oklahoma will offer his amendment later.

Mr. President, I want to say just a word in answer to the Senator from Missouri [Mr. REED]. It is not the intention of this bill to advance money for banks to speculate upon or for public utilities to speculate upon. The object of this bill is to assist certain business corporations of this country to refund their bonded indebtedness and for extension of business necessary for the prosecution of the war; and the necessity for so doing is because the Government of the United States has monopolized the money market of the United States. I do not care how good a credit an institution may have in this country; if they have large issues of bonds falling due this year, they can not secure the money to meet them unless they get it through this or some similar corporation. It is an impossibility; I do not care what kind of credit they may have.

Do we want to penalize an institution by refusing assistance to it, which, if it should fail, may drag down other institutions to failure, because the President had appointed as director an officer or a member of the institution who had the attainments necessary to fill the position of director provided for in this bill. I do not believe Senators are going to take that position.

I am perfectly willing to say that the man appointed shall give the required time to the corporation. That would not include such a man as the cashier of a bank or a manager of a business. I think if there is a man preeminently qualified, who knows the value of the securities of this country, and the President of the United States wants him to serve as a member of the board, he should have the right to appoint him and not require him to resign, even if a director of another corporation.

Mr. REED. Mr. President, I was engaged and did not quite hear the first part of the Senator's remarks. Did he say that there was a corporation that had $10,000,000 of bonds coming due and that it could not renew its securities?

Mr. SMOOT. No; I did not put it that way, Mr. President. I stated that the Government of the United States has monopolized the money market in this country; that I care not what kind of security an institution may have if it has falling due a large issue of bonds, we might say twenty or thirty million dollars, it can not refund those bonds in the present condition of the money market unless we pass legislation along this line.

Mr. REED. Now, let us assume that there is such a corporation and it owes $10,000,000 and can not refund. Of course, it might be unable to refund because of the reason the Senator gives. It might be unable to refund because its securities were questioned.

Mr. SMOOT. Then, if the securities are questioned, I want to say it could not refund under the bill.

Mr. REED. I know, but suppose the president and the principal owner of the corporation was one of these directors, does the Senator think he ought to pass upon the question of $10,000,000 of security?

Mr. SMOOT. Mr. President, it is not a question of passing upon any particular $10,000,000 advance.

Mr. REED. Does the Senator think he ought to pass on that $10,000,000?

Mr. SMOOT. I think he could pass on that $10,000,000, or he should never have been appointed by the President.

Mr. REED. Now, let me interject another question, so that the Senator can reply to all at once. Then the Senator is asserting the principle that has been repudiated by every court of equity and every writer of law who has ever lived, that a man may sit and deal with the public moneys for his own use and benefit.

Mr. SMOOT. If the Senator had heard what I said in the beginning, he would have known that this legislation is not for the purpose of advancing money for speculation. That would be quite a different proposition. Such legislation as this was unheard of before this world war. There is not a Senator in this body who a year ago would have thought for a minute of voting for such legislation. We are up against a condition, not a theory, and, Senators, the business interests of the country must receive relief or failures will become general.

Mr. VARDAMAN. If the Senator will permit me, can you not so frame the law as to have it administered by men who will not take advantage of the law to promote their own private interests?

Mr. SMOOT. No such thing will happen under this provision. It is not a question now as to whether some director will want to save some particular business. It is a question of saving the business of the country as a whole. The question is for the Government of the United States to lend its credit to save all classes of business, for if any considerable number of them are allowed to fail, if one fails here and one fails there, unless assistance comes to business concerns of the country it will be like a house of cards, once beginning to fall it will all fall.

Mr. OWEN. Will the Senator permit me to suggest that the real amendment which is now before the Senate is not involved in the question raised by the Senator from Missouri, and we could take that up at a later time after we disposed of the matter which is now before the Senate?

Mr. SMOOT. The Senator from Oklahoma is right. The only reason why I made the statement I did was in answer to a statement the Senator from Missouri made.

Mr. OWEN. I should like to suggest that it would be perfectly easy to provide that no member of this board should pass upon questions in which his corporation was interested, and that would probably meet the point of view of the Senator from Missouri.

Mr. SMOOT. It may be for the public interest to save the institution that one member of this board was interested in. It may be an institution that, if it was allowed to fail, would be the beginning of a panic in the United States; and that must not be allowed. The business institutions of the country would not require assistance in ordinary times, but the situation, and every Senator knows it, is that the Government of the United States has monopolized entirely the money market of the United States and will do so as long as this war lasts, thus preventing money flowing in its regular channels.

While I am on my feet I may say this, Mr. President, that if the war lasts two more years I look for this corporation to advance money to institutions upon securities that would not be considered adequate in ordinary times. The situation is serious, and as long as the Government of the United States has credit she dare not allow business institutions to begin to fail in large numbers, because if such a thing is allowed there will be a financial catastrophe, and the credit of our Nation will be impaired. You must not think for a minute that if the war continues for another year we will not be running the institutions of this country and paying the debts of our Government by paper money. Inflation will be the order of the day, as every other Government involved in this war to-day is running upon inflated currency.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. GRONNA. Is it not true that this bill means inflation?

Mr. SMOOT. Before we really have actual inflation I will say there would have to be an amendment to the Federal reserve act, because the Federal reserve act limits the issue of paper money to $2,500,000,000, with a 40 per cent gold reserve back of all issues. But I have no more question but that limit will be increased than that I stand here, if the war continues another year. It is then that actual inflation will take place. Actual inflation will take place before we ever reach the $4,500,000,000 limit provided for in this bill; but, as I said, that can not happen until the present Federal reserve law is amended.

With the statement I have made I am perfectly willing now to vote against the amendment offered by the committee, with the hope that the Senator from Oklahoma will renew his motion to amend. I am willing to vote for his amendment.

Mr. REED. Mr. President, the vehemence of the Senator from Utah [Mr. SMOOT] is directed against the general financial condition and not to the proposition under discussion. He tells us that we are in a very bad way; that we are liable to become bankrupt; that the Government has withdrawn all the money from the country; that there is no money that can be obtained in the open market with which to finance institutions.

Mr. SMOOT. Credit, I said.

Mr. REED. Very well, the credit. Then the Senator says because that is the case we ought to permit men financially interested in dealings with the Federal corporation we are about to create to sit as members of that corporation and make dealings with themselves. The two propositions are entirely separate propositions. One is the financial condition of the country. That may be as bad as the Senator thinks and it may not be. The necessity for this bill may be very great, and I think we nearly all concede that the necessity is great; but in constructing the bill, in determining what safeguards shall be thrown about the bill, it seems to me that we can decide that question on its merits, and we should not confuse it with the question which the Senator from Utah so eloquently discussed.

Now, what is the question? Stated in plain, blunt language, it is this: Shall a man sit upon the board of directors of this Federal corporation, that is to loan the people's money and at the same time sit with a board of directors of a corporation that is to borrow the people's money from the Federal corporation? In other words, shall he do business with himself? It does not make any difference how great the financial emergency may be; that affords no excuse or reason for permitting a man who is a member of this board to loan our money, the people's money, to himself.

There are plenty of men who can be found who will transact this business for the country who will not find it necessary to borrow or to have dealing with the Government through this corporation, but if it is thought that a restriction which would forbid any man to be a director of the Federal corporation who is at the same time the director of any other corporation is thought to be too stringent, and I am inclined to think it is, then it seems to me there ought to be no question about saying that no man shall be a member of this Federal corporation and have dealings with himself or with the corporation in which he is interested; in other words, no director of this corporation ought to be permitted to act in any transaction between himself and any corporation in which he is interested. I am going to offer as a substitute for the committee's amendment to insert the following:

No director or officer of the corporation shall, directly or indirectly, participate in any transaction in which he is either directly or indirectly interested.

I am not certain in drawing that phrase as I stand on my feet that I have used the happiest language, but I think the thought is expressed.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In lieu of the words proposed to be stricken out by the committee it is proposed to substitute the following:

No director or officer of the corporation shall, directly or indirectly, participate in any transaction in which he is either directly or indirectly interested.

Mr. SMOOT. I will say to the Senator I have not a particle of objection to that amendment.

Mr. SMITH of South Carolina. It is all right.

Mr. SIMMONS. I understand the Senator has offered that as a substitute for the language proposed to be stricken out by the committee, beginning on line 25, page 4?

Mr. REED. Yes.

Mr. SIMMONS. I accept it.

Mr. REED. I hope the conference will have a little more time to find a happier expression than I have employed.

Mr. SMOOT. We all agree upon the principle announced in the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

Mr. HOLLIS. I understand the committee has accepted the amendment of the Senator from Missouri in lieu of its own amendment. If we could vote on adopting the amendment of the Senator from Missouri as a substitute for the committee amendment, and then vote on whether we want the committee amendment, I would be entirely agreeable, because the amendment offered by the Senator from Missouri is a great improvement, but this provision should go at least as far as the provision contained in the bill as originally drawn. There is no particular danger of a man who is a director in a corporation, even in a bank, holding a membership on this board. That is not the trouble. The vice comes in having a member of a banking firm on the board of directors of this war bank, and I will state the reason. The director in an ordinary corporation usually has no individual liability whatever; the stockholder in an ordinary corporation or bank has no individual liability; but the member of a banking firm is liable for every cent of the firm's debts, because he is a partner. That may not be known to Members of the Senate. All the powerful banking concerns in this country are partnerships. There is good reason for that. They have to deal with themselves on the stock exchange. They have to deal with the stock exchange, and the stock exchange will not allow them to be members of the stock exchange unless they are partnerships, so that every partner is individually liable for every dollar's worth of debt. The danger is that some man who is a director in some great corporation will get on this board. The danger is that some man who is a member of a stock-exchange partnership known as a banking house will get on the board.

I hope the amendment will be rejected. If it is rejected we then have restored the original language in the bill, which forbids any man who is a director of another corporation or bank or member of a banking firm from being a member of the board of directors of this war bank.

I have directed the attention of the Senate to the real danger in the suggestion of the Senator from Missouri, which is well intended and which is much better than nothing, but it does not reach the real danger, and I call the attention of the Senate to it.

Mr. REED. The Senator makes the point that my amendment offered in this form shuts out the right to vote directly on the main proposition.

Mr. HOLLIS. Yes.

Mr. REED. I have no desire to do that. I would rather withdraw my amendment than be put in the position of jockeying anybody out of a vote.

Mr. HOLLIS. Oh, no; the Senator——

Mr. REED. I do not mean that unpleasantly. I mean to say that I do not want to do anything that will deny the fullest right to a vote.

Mr. HOLLIS. If the Senator will allow me, I suggest that we be allowed to vote on the Senate committee amendment to strike out certain language, and if the committee amendment is adopted then it will be open to the Senator to offer his amendment.

Mr. NORRIS. If the Senator will permit me, it is immaterial whether the committee amendment is agreed to or disagreed to, the Senator from Missouri can offer his amendment in either case afterwards. He loses no right.

Mr. HOLLIS. The Senator is right, of course.

Mr. REED. I withdraw my amendment for that reason.

Mr. HOLLIS. Then that leaves us to vote squarely on the committee amendment.

The PRESIDING OFFICER. The question is on the committee amendment to strike out certain words.

Mr. GALLINGER. Let the words be read.

The SECRETARY. The committee proposes to strike out, on page 4, beginning at line 25, the words:

No director or officer of the corporation shall continue to be an officer, director, or trustee of any other corporation or member of any firm of bankers.

Mr. BORAH. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, I merely wish to say that if the Senate shall adopt the committee amendment I will then accept the substitute offered by the Senator from Missouri.

The PRESIDING OFFICER. The Secretary will call the roll on agreeing to the amendment of the committee to strike out the words which have been read.

The Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating the announcement that I made on the previous vote of my pair and its transfer I vote "yea."

Mr. WARREN (when his name was called). Has the Senator from North Carolina [Mr. OVERMAN] voted?

The PRESIDING OFFICER. He has not.

Mr. SIMMONS. I will state to the Senator that my colleague is absent on business of the Senate and that if present he would vote with the committee. That may be a guide to the Senator in his vote.

Mr. WARREN. Then I am at liberty to vote. I vote "yea."

Mr. WILLIAMS (when his name was called). The senior Senator from Pennsylvania [Mr. PENROSE] with whom I have a pair is necessarily absent. I am informed, however, that if he were present he would vote as I am about to vote. I vote "yea."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the Senator from Utah [Mr. KING] is detained on official business.

Mr. FRELINGHUYSEN. Making the same announcement of my pair and its transfer as on the previous vote, I vote "nay."

Mr. WEEKS. Making the same transfer of my pair that I made on the previous vote, I vote "yea."

The result was announced—yeas 31, nays 37, as follows:

YEAS—31.

Bankhead	Hale	Myers	Swanson
Colt	Harding	Pomerene	Underwood
Dillingham	Knox	Robinson	Wadsworth
Fernald	Lodge	Saulsbury	Warren
Fletcher	McCumber	Sheppard	Weeks
France	McKellar	Shields	Williams
Gallinger	McLean	Simmons	Wolcott
Gerry	Martin	Stone	

NAYS—37.

Beckham	Jones, Wash.	Page	Sutherland
Borah	Kellogg	Pittman	Thomas
Calder	Kendrick	Poindexter	Thompson
Curtis	Kirby	Reed	Townsend
Frelinghuysen	McNary	Shafroth	Trammell
Gronna	Nelson	Sherman	Vardaman
Hardwick	New	Smith, Mich.	Watson
Henderson	Norris	Smith, S. C.	
Hollis	Nugent	Smoot	
Johnson, S. Dak.	Owen	Sterling	

NOT VOTING—26.

Ashurst	Goff	King	Smith, Ariz.
Brandegee	Gore	La Follette	Smith, Ga.
Broussard	Hitchcock	Lewis	Smith, Md.
Chamberlain	James	Overman	Tillman
Culberson	Johnson, Cal.	Penrose	Walsh
Cummins	Jones, N. Mex.	Phelan	
Fall	Kenyon	Ransdell	

So the amendment of the committee was rejected.

Mr. OWEN. Mr. President, I move to insert the word "active" before the word "officer," in line 1, page 5, and to strike out line 2 after the word "corporation" and insert a period, so that it will read:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

Mr. SIMMONS. I wish to say on behalf of the committee that I am willing to accept that amendment, and then I shall be glad to accept the substitute which I understand will be offered by the Senator from Missouri [Mr. REED].

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. OWEN].

On a division the amendment was agreed to.

Mr. PITTMAN. Mr. President, I should like to ask the Senator from Missouri whether he now intends to offer his amendment? If not, I will offer it.

Mr. REED. Mr. President——

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Has there been an order of the Senate that committee amendments shall first be considered?

The PRESIDING OFFICER. The Chair is so informed.

Mr. PITTMAN. Unless the Senator from Missouri desires to offer an amendment to the committee amendment along the lines he has just proposed, I will do so.

Mr. NORRIS. Mr. President, the committee amendment to strike out this language was rejected, and now it is perfectly proper, of course, for any Senator to offer any amendment to this language. If, however, we have agreed to consider committee amendments first, we ought to dispose of them.

Mr. REED. Mr. President, with the language of the bill as it now is, I do not desire at this moment to present the amendment which I previously suggested. I suggested it then believing that the language that has been retained in the bill was to go out. I am, however, not satisfied with the language as it is, but such an amendment as I may want to propose I have not yet perfected. I am therefore quite willing that the Senator from Nevada should offer any amendment that he has in mind.

Mr. PITTMAN. Under the statement of the Senator from Missouri, I move to strike out, on line 25, page 4, commencing with the word "No" and including that word, down to and including the word "before," on the second line of page 5, and to insert——

Mr. LODGE. Mr. President, I do not suppose there is any use of making suggestions as to the parliamentary order, but for the sake of putting it into the RECORD, I will say that under parliamentary law, as I have always understood it, where there is a motion to strike out or to strike out and insert, the language proposed to be stricken out is open to perfecting amendments before the motion to strike out is put. After the motion to strike out has been put and defeated, the language is not open to amendment at that stage, because the Senate has agreed on that precise form of words and has kept them in the bill. We have already amended it and I do not know that it makes any difference if we amend it again, but it is the most loose parliamentary proceeding that I ever saw.

Mr. PITTMAN. Mr. President, this matter was discussed before it came up, and a number of Senators desired to have an opportunity of voting on the amendment offered by the Senator from Missouri [Mr. REED]. I should not have voted as I did vote except with the understanding, which was very plain to this body, that various amendments were going to be added at this time.

Mr. LODGE. I have no objection to the Senator's amendment. On the contrary, I think I am for it, if I understand it correctly, as I was for the amendment offered by the Senator from Missouri; but I merely suggest that this is not the stage when it should be offered. It has got to be offered in the Senate if it is properly offered.

Mr. PITTMAN. Mr. President, I am inclined to agree with the Senator from Massachusetts; but as what I have stated was the understanding beforehand, my vote was governed accordingly. I now desire, under that understanding, to offer the amendment. If there is any objection, of course, I will have to wait.

Mr. LODGE. Of course, by unanimous consent we can do anything.

Mr. SIMMONS. Mr. President, I agree with the Senator from Massachusetts [Mr. LODGE] that the amendment is not in order at this time, because we are operating under the rule that committee amendments shall first be considered and disposed of; but I think that, in view of the situation, unanimous consent should be given for the consideration of this substitute at this time. I knew that several Senators voted against the Senate committee amendment because they expected that this substitute would be adopted. I have said that if the amendment was rejected I should, if the Senator from Missouri did not see fit to do so, myself offer a substitute. I therefore think, under the circumstances, that unanimous consent ought to be given for the consideration of this amendment at this time.

Mr. PITTMAN. I ask unanimous consent for that action.

The PRESIDING OFFICER. The Senator from Nevada asks unanimous consent for the consideration of his amendment. Is there objection? The Chair hears none. The question is on the amendment offered by the Senator from Nevada to the amendment reported by the committee.

Mr. VARDAMAN. Let the amendment be read, Mr. President.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The SECRETARY. It is proposed to strike out the words:

No director or officer of the corporation shall continue to be an active officer, director, or trustee of any other corporation.

And to insert:

No director or officer of the corporation shall in any manner participate in the determination of any question affecting his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

Mr. PITTMAN. Mr. President, just a word in regard to the amendment. I was thoroughly in accord with the purpose of the original provisions of the bill. The purpose was undoubtedly to guard against any of the directors of this institution taking part in the decision of a matter in which he was personally interested. I think, however, that the language is entirely too broad. I believe that it would be a fatal mistake to bar any man from serving the Government in this capacity simply because of the fact that he was a director in some banking institution. I believe that the very highest ability is called for in this undertaking. Indeed, I think the only danger of it lies in the fact that it may be put in incompetent hands. I believe there is far more danger from the mismanagement or the inefficiency of the management of the corporation than there is from corruption. I do not, however, see why we should not follow the regular law governing all corporations in this respect. No director of any corporation is permitted in equity to participate in any action of the board of directors in matters affecting himself. I have hurriedly drawn this language for the purpose of entirely eliminating the possibility of any director of this corporation participating in any manner, either in discussion or in voting, in the decision of any question in which he has a personal interest or any matter affecting the interest of any corporation or association or partnership in which he is directly or indirectly interested. I feel that that is as far as we may safely go in this matter, and that is the reason why I have offered the amendment.

Mr. REED. Mr. President, I have had, since the Senator from Nevada has been speaking, an opportunity to give the language contained in this bill, and which we refused to strike out, a little further examination. As I now construe it, it seems to me that it simply means that before any man can be appointed to serve upon this board he must have absolutely ceased to be an officer or trustee of any corporation whatsoever. Now, that is going a good way. I am not sure but that it is broad enough to cover a directorship in a church corporation. I think the amendment offered by the Senator from Nevada, which is an improvement in phraseology on the amendment I offered, ought to be adopted, and I think it ought to be followed by amending the succeeding language, which requires a certification under oath to the Secretory of the Treasury by the appointee that he has complied with this requirement. I think that language ought to be changed so that there shall be a certification under oath that the person appointed will comply with the requirement which would be provided in the amendment offered by the Senator from Nevada.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Nevada [Mr. PITTMAN] to the amendment of the committee as amended.

The amendment to the amendment was agreed to.

Mr. REED. Now, Mr. President, if it is not out of order under the rule, I should like to suggest this amendment to the language which follows the next amendment. The language is:

Before entering upon his duties each director and officer shall certify under oath to the Secretary of the Treasury that he has complied with this requirement, and shall also—

And so forth.

Mr. President, I am aware that there is an amendment of the committee pending prior to the one that I am discussing, but I ask the chairman of the committee to transpose the proposed amendment of the committee to the end of the section, so that the language which will follow will apply to the amendment which has just been adopted.

Mr. SIMMONS. As I understand, the Senator proposes to retain the words that are stricken out in the committee amendment, namely:

Certify under oath to the Secretary of the Treasury that he has complied with this requirement—

And change it to "certify under oath to the Secretary of the Treasury that he will comply"——

Mr. REED. "That he will comply with this requirement."

Mr. SIMMONS. With the requirement of the substitute offered by the Senator from Nevada [Mr. PITTMAN] and agreed to by the Senate.

Mr. SMOOT. Would it not be better to ask for a reconsideration of the vote by which the committee amendment was agreed to?

Mr. REED. It is not necessary to do that.

Mr. SMOOT. The committee amendment, as I understand, has been agreed to; it was agreed to last evening.

Mr. SIMMONS. The amendment to strike out was agreed to yesterday afternoon. That action will have to be reconsidered, and I have no objection to that being done, Mr. President.

Mr. REED. I can offer it as a new amendment with this new language in it.

Mr. SMOOT. Will the Senator from Missouri, please——

Mr. SIMMONS. Just one moment. If the language of the committee's amendment which has been stricken out had remained in the bill, then the language I have just read requiring the certificate would have been proper. Now, the committee amendment has not been adopted, but there has been adopted for it a substitute which provides in substance that no director of this corporation shall have any personal interest in any transaction of the board. In that condition I think it will be very proper to require some sort of certificate to the effect that the appointee has no such interest. That is what I understand the Senator desires, and only that. The best way to do that, I should think, would be for the Senator to move to reconsider the vote whereby the amendment was agreed to.

Mr. SMITH of Georgia. Let the Senator ask unanimous consent to offer the amendment.

Mr. SIMMONS. Well, I ask unanimous consent, Mr. President, to reconsider the vote by which the amendment in lines 5, 6, and 7 was adopted.

Mr. HOLLIS. Mr. President, I am very sure that the committee amendment has not been adopted. I asked last night that all the amendments to this section go over, and I am sure they all went over.

Mr. SIMMONS. Then, I will ask the Chair if the committee amendment has been adopted?

The PRESIDING OFFICER. The Chair will state that the committee amendment has not been adopted.

Mr. SIMMONS. Then the amendment of the Senator from Missouri is in order, and I accept the amendment.

Mr. SMOOT. Before the Senator accepts it, I should like the Senator from Missouri to restate it.

Mr. REED. Mr. President, I will state to the chairman of the committee what I want to accomplish. The amendment as it now stands reads as follows:

No director or officer of the corporation shall in any manner participate in the determination of any question affecting his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

I now desire to have the section read following the amendment:

Before entering upon his duties each director and officer shall certify under oath to the Secretary of the Treasury that he will comply with the restriction aforesaid.

Mr. SMOOT. "Will comply with the restriction aforesaid"?

Mr. REED. I will make it "the provision aforesaid."

Then it would read on:

And he shall also take an oath faithfully to discharge the duties of his office.

Mr. SIMMONS. The effect of that would simply be to transpose the portion of the section which reads "before entering upon his duties each director shall," and so forth, and put it at the bottom of the paragraph.

Mr. LODGE. Mr. President, I should like to inquire whether the committee amendment on lines 3 and 4 has been agreed to? Let us try to proceed in order; that is all.

Mr. SIMMONS. I have already made that inquiry, and found that it has not been agreed to.

Mr. LODGE. Does not the Senator think we would proceed more in order if we should adopt that amendment and then adopt the amendment of the Senator from Missouri?

Mr. REED. It would just take that much more time. That question has been raised.

Mr. LODGE. The Senator's amendment comes subsequent to the committee amendment.

Mr. REED. But I ask to transpose it to the foot of the section.

Mr. LODGE. The Senator is going to transpose it?

Mr. REED. Yes.

Mr. LODGE. I understand.

Mr. SIMMONS. I accept the amendment of the Senator from Missouri.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In the first place, before the word "entering," in line 4, it is proposed to insert the word "Before," beginning a new sentence.

The PRESIDING OFFICER. In the absence of objection, the amendment is agreed to.

The SECRETARY. In the committee amendment on lines 6 and 7 it is proposed to strike out the words "has complied with this requirement, and he shall also" and insert "will comply with the provision aforesaid, and he shall also."

Mr. TOWNSEND. Mr. President, what has been done with the remainder of the committee amendments to section 5? There has been a consultation going on on the other side, but I was unable to follow it. Only part of the committee amendment is disposed of by this last suggestion. Are we now perfecting the committee amendment?

Mr. LODGE. That is what is being done, as a matter of fact.

The SECRETARY. So that as amended the paragraph will read:

Before entering upon his duties, each director and officer shall certify under oath to the Secretary of the Treasury that he will comply with the provision aforesaid, and he shall also take an oath faithfully to discharge the duties of his office.

Mr. HOLLIS. Mr. President, I am very sure the Senate does not want to adopt language of that kind, requiring that an officer shall certify that he will do something in the future. "Certify" means to swear to the truth of something that has already been decided, and a man can not certify that he will do something; all he can do is to take a solemn oath that he will do that. I think the language proposed is absolutely incorrect, although I may be mistaken.

Mr. REED. I think it is just as correct to certify that you will do a certain thing as to certify that you have done a certain thing. It is a mere matter of phraseology, but if the Senator prefers to substitute "make an affidavit," I have no objection to that being done.

Mr. HOLLIS. A man can not make affidavit that he will do something; all he can do is to swear that he will.

Mr. SIMMONS. I am perfectly willing to accept the term "certify," but if the appointee is to be required to make an oath to it I am not willing to accept it, and I do not think the Senate ought to ask any such thing of an appointee of the Government.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri to the amendment of the committee. [Putting the question.] By the sound the ayes seem to have it.

Mr. JONES of Washington. I ask for a division.

The question being put, on a division the amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. THOMPSON. Mr. President, I should like to know what became of the amendment in lines 3 and 4?

The PRESIDING OFFICER. It has not been dealt with.

Mr. LODGE. That is a perfectly natural inquiry. We are now, I understand, to agree to it and put it in another place. It is a wholly needless amendment in any event.

Mr. THOMPSON. I think that the amendment ought to be adopted, but I do not know what the connection is now.

Mr. SIMMONS. Mr. President, I understand that the amendment in lines 3 and 4 has not yet been adopted.

The PRESIDING OFFICER. The Senator from North Carolina is correct.

Mr. SIMMONS. I move that that amendment be transposed and be placed in line 8 after the word "office," at the end of the sentence.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert on page 5, line 8, after the word "office," the following:

Any director shall be subject to removal by the President of the United States.

Mr. SMOOT. Mr. President, I am not going to oppose the amendment, but I do not think there is any necessity whatever for it, because the President of the United States has that power now.

Mr. SMITH of Georgia. This amendment was put in the bill, I think, by the Finance Committee, because the new institution is to be a corporation, and, while we were disposed to believe that the appointees who will hold office under the corporation will occupy just the same position as any other officer of the Government, we desired to have no possible question about it, and as we were creating a separate entity, a corporation, we put in that provision.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next committee amendment passed over.

The SECRETARY. The next amendment passed over is on page 9, where the committee proposes to strike out—

(d) In exceptional cases, to make advances directly to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war, for periods not exceed-

ing five years from the respective dates of such advances, upon such terms, and upon the security of such bonds, notes, or other obligations, and subject to such rules and regulations as may be prescribed by the board of directors of the corporation, with the approval of the Secretary of the Treasury. The corporation shall retain power to require additional collateral security at any time.

And insert:

(d) To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility, and (2) to any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war: *Provided*, That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest. Such advances may be made for periods not exceeding five years from the passage of this act, upon such terms and upon such security and subject to such rules and regulations as may be prescribed from time to time by the board of directors of the corporation, with the approval of the Secretary of the Treasury. The corporation shall have and retain power to require additional security from time to time.

Mr. TOWNSEND. Mr. President, on page 9, line 16, after the word "advances," I move to amend the amendment reported by the committee by inserting the words "upon adequate security." That matter was brought up the other day in the Senate by the junior Senator from Pennsylvania [Mr. KNOX], and I think it was agreed that it would be wise to put in some provision relating to the securities. Therefore I have offered the amendment for that purpose.

Mr. SMITH of Georgia. I did not catch the lines where the amendment is to be inserted.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 9, line 16, in the portion proposed to be inserted, after the word "advances," it is proposed to insert the words "upon adequate security," so as to read:

(d) To make advances, upon adequate security, directly—

And so forth.

Mr. TOWNSEND. To what does "such" refer? You have not mentioned and security before.

Mr. SMOOT. It refers to "advances"—"such advances."

Mr. TOWNSEND. You say, on page 10, line 3, "such security." Now, what security? Where have you mentioned security before?

Mr. SMOOT. I will call the Senator's attention to line 24, page 9, at the beginning of the sentence:

Such advances—

That is, the advances to be made to these corporations—

may be made for periods not exceeding five years from the passage of this act, upon such terms and upon such security—

It seems to me that if the Senator wants to use the word "adequate," it would be better to have it read "upon such adequate security" rather than to have it read "make advances upon adequate security."

Mr. OWEN. Mr. President, I call the attention of the Senator to the fact that the word "such," in line 2, is qualified by "as," in line 3—

Such * * * as may be prescribed.

Mr. TOWNSEND. There can be no misunderstanding as to what is meant if the words are inserted where I have them in the bill. It seems to me that it makes it very clear, right on the start, that we are proposing that this board shall demand adequate security for the loan.

Mr. OWEN. Mr. President, I suggest to the Senator from Michigan that it would be better English in the latter place, although the meaning would be the same.

Mr. SMITH of Georgia. Mr. President, the first suggestion of the Senator from Michigan, I think, was that it be put just in front of the word "security" on line 3, page 10. That was his own first suggestion.

Mr. TOWNSEND. No.

Mr. SMOOT. No; the Senator from Colorado [Mr. THOMAS] made that suggestion.

Mr. TOWNSEND. No; it was my suggestion that it go in where I have offered it, on line 16, page 9. If, however, it accomplishes the same result, I do not care; but it seems to me that to put it in at the very beginning makes it entirely clear, and I see nothing the matter with the English as suggested by the Senator from Oklahoma.

Mr. OWEN. The difference in the English is that when in the one case you insert the words "to make advances upon adequate security," and when afterwards you say "upon such security as may be prescribed," there is an apparent conflict of meaning of the terms; while if you introduce the word "adequate" in line 2——

Mr. TOWNSEND. I certainly should want to repeat the word over on page 3.

Mr. OWEN. If you repeat it, then it would not be necessary in the first place—if you make it read "upon such adequate security" on line 3.

Mr. SMOOT. That is the place to put it.

Mr. SMITH of Georgia. That language seems to apply to the entire advances. I do not know how I got the idea that it was the suggestion of the Senator from Michigan, but I gathered it from what he said a day or two ago, and marked "adequate" in front of "security" on line 3, and thought it fully met the subject, and met it very handsomely.

Mr. SMOOT. The senior Senator from Colorado [Mr. THOMAS] gave notice last evening that he intended to propose two amendments to this paragraph, and stated what they were. One of them was to insert "adequate" before the word "security" on page 10, line 3.

Mr. SMITH of Georgia. Yes; but several days ago the Senator from Michigan first called attention to the importance of using the word "adequate" in connection with the security; and while he was on his feet I wrote "adequate" in front of "security" at that place, and thought it came from him.

Mr. TOWNSEND. I did make the suggestion; but my suggestion when I first proposed it was that it be put in here, and I am still convinced that the proper place for those words is after the word "advances" on line 16, page 9, as I offered it.

Mr. SIMMONS. Mr. President, I shall not resist the amendment offered by the Senator from Michigan. I do not think it necessary; I think we can safely trust the board to take adequate security; but it can do no harm.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HOLLIS. Mr. President, the Senator from Colorado [Mr. THOMAS] was called out of the Chamber, and he asked me to offer for him an amendment on page 10, at the beginning of line 3, to insert the word "adequate." I think the amendment just adopted makes that unnecessary, but I should like to have the views of the Senator from Georgia on that point.

Mr. SMITH of Georgia. I should like to have it inserted in front, and there, too, because here we are dealing with their power to regulate and require security.

Mr. HOLLIS. There seems to be no objection; and I therefore move that the word "adequate" be inserted at the beginning of line 3, on page 10.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 10, line 3, before the word "security," it is proposed to insert the word "adequate."

Mr. SIMMONS. I have no objection to that amendment, Mr. President.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Hampshire to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. HOLLIS. Mr. President, another amendment to the committee amendment that the Senator from Colorado asked me to submit was this: On page 9, line 20, after the word "whose," insert "bonded indebtedness is not in excess of its actually invested capital, and whose," so that the amendment will read, beginning with part (2)—

to any firm, corporation, or association conducting an established and going business whose bonded indebtedness is not in excess of its actually invested capital, and whose operations are necessary or contributory to the prosecution of the war.

I am quite sure that the directors of this bank would not do that; but it certainly will do no harm to limit it to corporations that have at least invested as much capital in their business as they have outstanding obligations.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 9, line 20, after the word "whose" and before the word "operations," it is proposed to insert "bonded indebtedness is not in excess of its actually invested capital, and whose."

Mr. SMOOT. Mr. President, if I understand that amendment, it means that if a street car line or a railroad or any other public-utility corporation has built the line of railroad, or the plant for furnishing gas or electric light, or is carrying on any other business that could be classed as a public utility, if any corporation has issued bonds for the purpose of building the plant or the road and has not issued as much stock and paid the actual cash for the stock into the company, then it could not receive any assistance under this paragraph. In other words, in order for a public-utility corporation to obtain assistance

under paragraph (d) of section 6 of the bill, they must have paid in cash for their stock an amount equal to the bonds that have been issued and sold for the installation of the plant or the building of the road.

Mr. KNOX. Mr. President, I do not understand that to be the effect of this amendment at all. This amendment, like the amendment offered by the Senator from Michigan a few moments ago, is along the lines of the suggestion I made during the speech of the Senator from North Carolina in presenting this bill; and at that time I understood that provision would be made so that the corporations that had bond issues that represented more money than had actually gone into the corporation would not be entitled to the benefits of this act. We all know that there are a great many paper corporations, where the stock represents nothing and where the bonds very often do not represent much more than 40 or 50 or 60 or 70 per cent of the actual cash that comes into the treasury and is expended for the benefit of the corporation. But the point raised by the Senator from Utah is an entirely different thing. As I understood the amendment of the Senator from Colorado, as presented by the Senator from New Hampshire, it was that the actual money that is invested in the corporation's business must equal the amount of bonds. Now, it does not say that that must come from the proceeds of the sale of bonds. It may come from the proceeds of the sale of bonds and the sale of stock. If a corporation has outstanding an issue of a million dollars of bonds, before it could get the benefits of this act it would have to establish to the satisfaction of the directors of the corporation that a million dollars of the money had gone into the corporation, either from the sale of those bonds which are outstanding to the extent of a million dollars, or from the proceeds of the sale of those bonds plus such money as may have been paid in on the capital stock.

I will inquire of the Senator from New Hampshire if that is not the purpose of the amendment as he understands it?

Mr. HOLLIS. That is exactly my understanding of what it does mean.

Mr. SMOOT. Mr. President, I will say to the Senator from Pennsylvania that I had not seen the amendment and only heard it read once from the desk; but having secured a copy of the amendment and having read it in connection with the paragraph itself, the statement made just now by the Senator from Pennsylvania is correct, and I see no reason why the amendment should not be adopted.

Mr. REED. Mr. President, I should like to have the amendment stated.

Mr. SIMMONS. Mr. President, I had not seen the amendment until this moment. I had in my mind the idea that the amendment was a little differently worded from this. I had in my mind the idea that it used only the word "capital," and I was afraid that that might not include surplus.

Mr. McCUMBER. Mr. President, I should like to hear that amendment stated again.

The PRESIDING OFFICER. The Secretary will again state the amendment.

Mr. SIMMONS. I have in mind a great many industrial corporations whose surplus exceeds their original paid-in capital, and I was anxious that this amendment should include both the surplus and the original capital. I think it does. It reads:

whose bonded indebtedness is not in excess of its actually invested capital——

Mr. McCUMBER. What page and line?

Mr. SIMMONS. That is on page 9, line 20, after the word "whose."

Mr. McCUMBER. Now will the Senator read it again?

Mr. SIMMONS (reading)—

whose bonded indebtedness is not in excess of its actually invested capital, and whose operations——

Mr. SMOOT. It does not say "surplus."

Mr. McCUMBER. Mr. President, let me ask the chairman of the committee a question on that point. Suppose that here is a corporation manufacturing munitions of war. It has a million dollars invested in its plant. It has out bonds to the extent of a million dollars against that plant. Therefore it has no assets, so far as the value of its plant is concerned, in excess of the bonds against it. Suppose, however, that it has sold bonds for $50,000,000, and has the money in its treasury for the purpose of extending that plant to meet the demands of the Government. Now, it has its $50,000,000 and yet the Government could not give it any assistance unless it gave additional security. If the Government required $100,000,000, it could not take any other kind of security, though the corporation had additional security.

Mr. TOWNSEND. Mr. President, there is another matter that I am wondering if I am right about. I mention it in order that I may be set right if I am wrong.

Suppose we have a corporation that has been in business a long time. Its original investment in capital was small, but that business has grown to great magnitude. Possibly it is not all due to additional capital. Possibly it is worth more in the market to-day, and would be worth more as security in the market, than is represented by its bonded indebtedness and original capital; and yet its bonded indebtedness is due and has to be refunded. As I understand, under the provisions of this amendment that corporation could not be loaned a greater amount than its bonded indebtedness at the present time, plus its capital originally invested. Now, might not occasion arise—I do not know; I am not clear about that—where relief might be desired, and desirable on the part of the Government, by a concern of that kind, which this amendment might cut off?

Mr. KNOX. Mr. President, I ask that the amendment may be stated.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The SECRETARY. On page 9, line 20, after the word "whose," it is proposed to insert the words "bonded indebtedness is not in excess of its actually invested capital, and whose."

Mr. REED. Mr. President, it seems to me that that language is a little unfortunate. The actually invested capital might have been a million dollars. It might be all gone, or it might be nine-tenths gone, and yet it was invested. Its actually invested capital might be $100,000 and its actual property might be a million dollars, because the property may have increased vastly beyond the actual investment. It depends on the meaning you give to the term "invested." I think the Senator's idea is not a bad idea; but I think it would be better carried out if, instead of using the term "actually invested," he would say "its actual assets."

Mr. KNOX. Why not say "actually invested capital and assets"? I was just about to make that suggestion when the Senator rose.

Mr. REED. That would be better.

Mr. KNOX. That seems to obviate the objection made by the Senator from Michigan.

Mr. TOWNSEND. That would be all right.

Mr. KNOX. If the Senator will accept that, I think that will cover it.

Mr. HOLLIS. Mr. President, I did not draft this amendment. I had no conversation at all with the Senator from Colorado [Mr. THOMAS] about it. He asked me if I would offer it. I have sent for him, and he can not leave the Military Affairs Committee, where he is presiding to-day. I think myself that "invested capital" means whatever real property has gone into the concern. I do not think there is any doubt about that; but if other Senators think it would make it plainer to say "actually invested capital and assets," I have no objection. I am not sure that the Senator from Colorado would agree to it, but I will take the responsibility of accepting that modification.

Mr. SIMMONS. Mr. President, I think it is very wise to use the word "assets." I am inclined to agree with the Senator from New Hampshire in his statement that assets would be covered by "actually invested capital," because if the corporation has accumulated something since its organization and since its original capital stock was converted into money and put into the corporation, that becomes a part of its actually invested capital; but I think it would be safer to put that in.

Mr. HOLLIS. Then I will modify the amendment by adding, after the word "capital," the words "and assets."

Mr. McCUMBER. Mr. President, I simply wish to suggest to the chairman that we are extending rather than limiting the credit to be given. When we adopted the amendment adding the word "adequate" it meant security which would absolutely protect the Government. Now you propose to allow the Government to make a loan upon security that has no equity beyond the loan. In other words, after making provision for adequate security, you have now changed the language so that you practically allow the Government to make a loan up to the extent of the value of the property and all assets; and that certainly is not adequate from any financial standpoint.

Mr. SMITH of Georgia. Mr. President, it is not so much a question of what they put in as it is what it is worth. They might have put in twice as much as it is worth. It is adequate security that we want. It is something that will pay back the obligation. I agree with the Senator from North Dakota that we already have it stronger than the amendment would make it.

Mr. McCUMBER. Yes; very much stronger than the amendment would make it.

Mr. HOLLIS. Mr. President, the Senator from Colorado [Mr. THOMAS] has sent word that he would like to be here when this amendment is voted upon, and it is impossible for him to leave now. He has asked, therefore, that this committee amendment may go over until to-morrow. I understand the parliamentary situation to be that the pending amendment is subsection (d), and that if that is acted upon it will not afterwards be amendable. In order to save the rights of the Senator from Colorado, this whole committee amendment—that is, subsection (d)—would have to go over. I ask that for him.

Mr. SIMMONS. Mr. President, I will say to the Senator that I am willing that it shall go over temporarily, but I should not like to consent that it go over until to-morrow. If it goes over temporarily, I do not think we will reach it again this afternoon; but if we get through everything else and this is all that is left, I would not wish to have the bill go over until to-morrow for that purpose. I will consent that it go over for the present.

Mr. HOLLIS. Does the Senator expect to pass the bill to-night?

Mr. SIMMONS. I hardly think we will; but——

Mr. HOLLIS. I hardly think the bill will be passed to-night. However, I am willing to take a temporary accommodation and run the risk of its possibly coming up later in the day.

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 10, line 12, after the word "its," to strike out "notes or obligations" and insert "bonds"; in line 14, after the word "such," to strike out "notes or obligations" and insert "bonds"; in line 18, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 20, after the word "Such," to strike out "notes or obligations" and insert "bonds"; in line 22, after the words "of the," to strike out "corporation" and insert "Corporation"; in line 23, after the words "and the," to strike out "corporation" and insert "Corporation"; in line 24, after the word "Such," to strike out "notes or obligations" and insert "bonds"; on page 11, line 5, after the word "Such," to strike out "notes or obligations" and insert "bonds"; in line 11, after the word "such," to strike out "notes or obligations" and insert "bonds"; in line 18, after the words "by the," to strike out "notes or obligations" and insert "bonds"; in line 19, after the words "of the," to strike out "corporation" and insert "Corporation"; on page 12, line 9, after the words "by the," to strike out "notes or obligations" and insert "bonds"; and in line 10, after the words "of the," to strike out "corporation" and insert "Corporation," so as to make the clause read:

(f) To issue and have outstanding at any one time its bonds in an amount aggregating not more than eight times its paid-in capital, such bonds to mature not less than one year nor more than five years from the respective dates of issue, and to bear such rate or rates of interest and may be redeemable before maturity at the option of the Corporation as may be determined by the board of directors, subject to the approval of the Secretary of the Treasury. Such bonds shall have a first and paramount floating charge on all the assets of the Corporation, and the Corporation shall not at any time mortgage or pledge any of its assets. Such bonds may be issued at par in payment of any advances authorized by this act, or for any of the purposes of this act may be offered for sale publicly or to any individual, firm, association, or corporation at such price or prices as the board of directors may determine, subject to the approval of the Secretary of the Treasury. Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and Federal reserve banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper and make advances secured by such bonds in the same manner and to the same extent and at the same rates or at such higher rates as the Federal Reserve Board may approve, as they may purchase or rediscount paper or make advances secured by such bonds or notes of the United States under authority of the Federal reserve act. Any Federal reserve bank acquiring by purchase or rediscount such paper secured by the bonds of the Corporation may, with the approval of the Federal Reserve Board, use such paper so acquired for any purpose for which it is authorized to use paper secured by such bonds or notes of the United States: *Provided, however*, That whenever Federal reserve notes are issued against the security of such paper the Federal Reserve Board may make a special interest charge on such notes, which, in the discretion of the Federal Reserve Board, need not be applicable to other Federal reserve notes which may from time to time be issued and outstanding. All provisions of law not inconsistent herewith in respect to the purchase or rediscount by any Federal reserve bank of paper secured by such bonds or notes of the United States and in respect to Federal reserve notes issued against the security of such paper shall extend, in so far as applicable, to the purchase or rediscount of paper secured by the bonds of the Corporation and to the Federal reserve notes issued against the security of such paper.

The amendment was agreed to.

Mr. REED. Mr. President, before we proceed any further I should like to refer back to the amendment on the top of page 5. I am informed that on account of the way the motion was put a different result appears on the record than was the intention of myself, and I know of the Senate, because we all understood it one way.

The amendment I am referring to is the one in which I proposed a substitute for the language appearing in the bill in these words:

Before entering upon his duties, each director and officer shall certify under oath to the Secretary of the Treasury that he will comply with the provisions aforesaid.

I was offering that as a substitute for the language of the bill; but when the Chair put the motion he put it as an amendment to the committee's proposed amendment, and as it appears in the record the committee's amendment was adopted, the committee's amendment being to strike out.

I therefore ask unanimous consent to reconsider the vote by which the committee's amendment to strike out the words "certify under oath to the Secretary of the Treasury that he has complied with this requirement, and shall also" was agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. REED. Now, I ask that my motion be put in the form of a substitute; that is, that in lieu of the language contained in the bill beginning with the word "Before," in line 4, and extending to the word "also," in line 7, the following language shall be employed:

Before entering upon his duties, each director and officer shall certify under oath to the Secretary of the Treasury that he will comply with the provisions aforesaid, and he shall also——

Mr. TOWNSEND. Mr. President, I shall not call for the yeas and nays on that amendment, but I wish to give notice that when the bill comes before the Senate I am going to ask for a separate vote on that amendment and all the changes we have made in reference to that provision, and also the one commencing with the word "no," on line 25, page 4.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The next amendment passed over was, on page 13, line 1, after "SEC. 7," to strike out:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, the corporation may, under rules and regulations to be prescribed by the corporation, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided.

And insert:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital-issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may, under rules and regulations to be prescribed by such committee, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided. Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation.

Mr. OWEN. Mr. President, I think there ought to be an appeal provided from the judgment of the capital-issues committee. Under the structure of the bill the board of the corporation handles the general business of the corporation, while three members of the Federal Reserve Board——

Mr. SIMMONS. Mr. President, would the Senator object to our taking an adjournment now and bringing up this matter in the morning? I understand that it is desired to have an executive session.

Mr. OWEN. No; not at all. I ask that my proposed substitute be printed in the RECORD, and I will bring it up to-morrow.

The PRESIDING OFFICER. Without objection, that course will be taken.

The substitute is as follows:

Substitute for page 13, down to period on line 4 of page 14:

"That for the purpose of assisting in the prosecution of the war and providing for the public security and defense through the restriction of unnecessary capital expenditures, the corporation may, under rules and regulations to be prescribed by the corporation, with the approval of the Secretary of the Treasury, by a committee of five experts, to be known as the 'capital issues committee,' investigate and license or refuse to license the sale or offer for sale or for subscription all securities as hereinafter provided.

"An appeal shall lie from such committee of experts to the Federal Reserve Board in cases where a license may be delayed or refused.

"All appeals shall be passed on within 30 days, or be held as granted. All decisions and appeals in refusing licenses shall be made in writing and be a public record.

"The members of the capital issues committee shall receive $7,500 per annum."

Mr. POMERENE. Mr. President, will the Senator yield to me while I offer an amendment, not to be voted upon, but to lie upon the table? I should like to have it printed, if I may.

Mr. SIMMONS. Certainly.

Mr. POMERENE. I offer the following amendment, to lie on the table: On page 8, line 11, after the word "deposits," insert the following: "or any building or loan associations."

Mr. OWEN. Before we go into executive session I wish also to give notice that I shall move to strike out section 11 of the bill to-morrow, on the ground that Congress ought not to abrogate its own authority to determine the validity and constitutionality of this act.

Mr. STERLING. Will the Senator from North Carolina yield to me for the purpose of offering an amendment?

Mr. SIMMONS. I yield.

Mr. STERLING. I send to the desk an amendment to the bill, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered.

Mr. GORE. I wish to give notice that I shall move an amendment on page 15, line 7, after the word "any," to insert the words "State or by any."

EXECUTIVE SESSION.

Mr. SIMMONS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Saturday, March 2, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate March 1, 1918.

MEMBER OF THE AIRCRAFT BOARD.

Harry B. Thayer, of New York City, to be a member of the Aircraft Board.

JUDGE OF THE MUNICIPAL COURT, DISTRICT OF COLUMBIA.

Edward B. Kimball, of the District of Columbia, to be judge of the municipal court, District of Columbia. (Reappointment.)

UNITED STATES DISTRICT ATTORNEYS.

Claude R. Porter, of Centerville, Iowa, to be United States attorney, southern district of Iowa. (Reappointment.)

William C. Hammer, of Ashboro, N. C., to be United States attorney, western district of North Carolina. (Reappointment.)

Francis H. Weston, of Charleston, S. C., to be United States attorney, eastern district of South Carolina. (Reappointment.)

John E. Green, jr., of Houston, Tex., to be United States attorney, southern district of Texas. (Reappointment.)

William W. Ray, of Salt Lake City, Utah, to be United States attorney, district of Utah. (Reappointment.)

Francis A. Garrecht, of Spokane, Wash., to be United States attorney, eastern district of Washington. (Reappointment.)

UNITED STATES MARSHALS.

Charles T. Walton, of Los Angeles, Cal., to be United States marshal, southern district of California. (Reappointment.)

Nicholas F. Reed, of Ottumwa, Iowa, to be United States marshal, southern district of Iowa. (Reappointment.)

Henry M. Cox, of West Liberty, Ky., to be United States marshal, eastern district of Kentucky, vice Robert C. Ford, whose term has expired.

John Q. Newell, of Oklahoma City, Okla., to be United States marshal, western district of Oklahoma. (Reappointment.)

James S. Magee, of Scranton, Pa., to be United States marshal, middle district of Pennsylvania. (Reappointment.)

James L. Sims, of Charleston, S. C., to be United States marshal, eastern district of South Carolina. (Reappointment.)

Aquila Nebeker, of Salt Lake City, Utah, to be United States marshal, district of Utah. (Reappointment.)

James E. McGovern, of Spokane, Wash., to be United States marshal, eastern district of Washington. (Reappointment.)

John M. Boyle, of Tacoma, Wash., to be United States marshal, western district of Washington. (Reappointment.)

Clarence E. Smith, of Parkersburg, W. Va., to be United States marshal, northern district of West Virginia. (Reappointment.)

REGISTERS OF LAND OFFICES.

Carl H. Massie, of Sundance, Wyo., to be register of the land office at Sundance, Wyo., vice William J. Wood, term expired.

Frank Langley, of Idaho, to be register of the land office at Coeur d'Alene, Idaho. (Reappointment.)

RECEIVERS OF PUBLIC MONEYS.

Charles R. Yeoman, of Wyoming, to be receiver of public moneys at Sundance, Wyo. (Reappointment.)

Grant T. Stahl, of Wyoming, to be receiver of public moneys at Buffalo, Wyo. (Reappointment.)

Jacob A. Mayer, of Montana, to be receiver of public moneys at Havre, Mont. (Reappointment.)

Edward J. Hughes, of North Dakota, to be receiver of public moneys at Dickinson, N. Dak. (Reappointment.)

SURVEYOR GENERAL.

Lucius Dills, of New Mexico, to be surveyor general of New Mexico. (Reappointment.)

APPOINTMENTS IN THE NATIONAL ARMY.

CORPS OF ENGINEERS.

Col. Charles Keller, Corps of Engineers, to be brigadier general with rank from February 26, 1918.

APPOINTMENTS IN THE ARMY.

QUARTERMASTER CORPS.

Brig. Gen. Harry L. Rogers, Quartermaster Corps, National Army, to be brigadier general, Regular Army, for a period of four years from February 26, 1918, vice Brig. Gen. Thomas Cruse, retired from active service January 8, 1918.

INFANTRY ARM.

To be captain with rank from date of appointment.

Harry Graham, late captain of Infantry.

MEDICAL CORPS.

First Lieut. Guy Blair Denit, Medical Reserve Corps, to be first lieutenant in the Medical Corps, with rank from February 26, 1918.

To be first lieutenants, with rank from February 25, 1918.

First Lieut. Joseph Price, Medical Reserve Corps.
First Lieut. Laurence Arthur Petty, Medical Reserve Corps.
First Lieut. William Sharp McCann, Medical Reserve Corps.
First Lieut. Joseph Richard Turner, jr., Medical Reserve Corps.
First Lieut. Joseph Emmerson Strode, Medical Reserve Corps.
First Lieut. Frederick Franklin Alsup, Medical Reserve Corps.
First Lieut. William Philip Smale, Medical Reserve Corps.
First Lieut. William Edward Nesbit, Medical Reserve Corps.
First Lieut. Stewart Lawwill, Medical Reserve Corps.
First Lieut. Rollo Preston Bourbon, Medical Reserve Corps.
First Lieut. Wesley Cintra Cox, Medical Reserve Corps.
First Lieut. Joe Harold St. John, Medical Reserve Corps.
First Lieut. Robert Archie Sherwood, Medical Reserve Corps.
First Lieut. Nuckols Thornton Davie, Medical Reserve Corps.
First Lieut. Harold Vincent Raycroft, Medical Reserve Corps.
First Lieut. John Darlington Nourse, Medical Reserve Corps.
First Lieut. Joseph Duerson Stout, Medical Reserve Corps.
First Lieut. William Stanton Martens, Medical Reserve Corps.
First Lieut. Raymond Osborne Dart, Medical Reserve Corps.
First Lieut. Alfred Alexander Schwartz, Medical Reserve Corps.
First Lieut. Frank Hernon Chase, Medical Reserve Corps.
First Lieut. John Manning Venable, Medical Reserve Corps.
First Lieut. Alfred Edward Jones, Medical Reserve Corps.
First Lieut. Floyd Vern Kilgore, Medical Reserve Corps.
First Lieut. Adolph George Christian Schnack, Medical Reserve Corps.
First Lieut. John Christopher Woodland, Medical Reserve Corps.
First Lieut. Walter Leslie Perry, Medical Reserve Corps.
First Lieut. Zera Exley Bolin, Medical Reserve Corps.
First Lieut. Joseph Wheeler Smith, jr., Medical Reserve Corps.
First Lieut. Martin Joachim Seid, Medical Reserve Corps.
First Lieut. Leo Edward Reimann, Medical Reserve Corps.
First Lieut. Bernard Lipscomb Jarman, Medical Reserve Corps.
First Lieut. Roy Terry Haskell, Medical Reserve Corps.
First Lieut. Edmund Anderson Lodge, Medical Reserve Corps.
First Lieut. John Frank Lieberman, Medical Reserve Corps.
First Lieut. Lucius Lamar Handly, Medical Reserve Corps.
First Lieut. John Albert Randall, Medical Reserve Corps.
First Lieut. Robert Shoemaker, 3d, Medical Reserve Corps.
First Lieut. Harvey Robinson Livesay, Medical Reserve Corps.
First Lieut. John Earl Kiley, Medical Reserve Corps.

First Lieut. William Otto Fischer, Medical Reserve Corps.
First Lieut. Harry Beauvoir Hansen, Medical Reserve Corps.
First Lieut. Arthur Nellon Henson, Medical Reserve Corps.
First Lieut. Don Clio Bartholomew, Medical Reserve Corps.
First Lieut. Cedric Eugene Filkins, Medical Reserve Corps.
First Lieut. Henry Andrew Rasmussen, Medical Reserve Corps.
First Lieut. Clyde Everett Shedd, Medical Reserve Corps.
First Lieut. Benjamin Franklin Frazer, Medical Reserve Corps.
First Lieut. Cornelius Stephen Conklin, Medical Reserve Corps.

PROMOTIONS IN THE ARMY.

QUARTERMASTER CORPS.

To be colonels.

Lieut. Col. Robert S. Smith, Quartermaster Corps, with rank from February 14, 1918.
Lieut. Col. Richmond McA. Schofield, Quartermaster Corps, with rank from February 23, 1918.

To be lieutenant colonels.

Maj. Morton J. Henry, Quartermaster Corps, with rank from February 14, 1918.
Maj. William Elliott, Quartermaster Corps, with rank from February 23, 1918.

VETERINARY CORPS.

Asst. Veterinarian Jules H. Uri, Veterinary Corps, to be veterinarian with rank from October 9, 1916.

PROVISIONAL APPOINTMENT, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

To be captain with rank from December 29, 1917.

First Lieut. Sigurd J. Simonsen.

To be captains with rank from December 31, 1917.

First Lieut. Thomas G. Bond.
First Lieut. John E. Haywood.

To be captain with rank from January 9, 1918.

First Lieut. Willis H. Hale.

To be captain with rank from January 10, 1918.

First Lieut. Noe C. Killian.

To be captains with rank from January 16, 1918.

First Lieut. Lindsay P. Johns.
First Lieut. Walter R. Mann.

To be captain with rank from January 18, 1918.

First Lieut. Henry W. Lee.

To be captain with rank from January 21, 1918.

First Lieut. Charles A. Shamotulski.

PORTO RICO REGIMENT OF INFANTRY.

To be first lieutenant with rank from January 17, 1917.

Second Lieut. Modesto E. Rodriguez.

TEMPORARY PROMOTIONS IN THE ARMY.

COAST ARTILLERY CORPS.

To be colonel with rank from February 5, 1918.

Lieut. Col. Robert H. C. Kelton, Coast Artillery Corps.

To be colonels with rank from February 6, 1918.

Lieut. Col. Percy P. Bishop, Coast Artillery Corps (General Staff Corps).
Lieut. Col. Henry J. Hatch, Coast Artillery Corps.
Lieut. Col. William F. Hase, Coast Artillery Corps.

To be colonel with rank from February 8, 1918.

Lieut. Col. William R. Doores, Coast Artillery Corps.

To be lieutenant colonel with rank from January 26, 1918.

Maj. Hugh K. Taylor, Coast Artillery Corps.

To be lieutenant colonels with rank from January 28, 1918.

Maj. Alden Trotter, Coast Artillery Corps (Ammunition Train).
Maj. Frank S. Long, Coast Artillery Corps.

To be lieutenant colonel with rank from February 5, 1918.

Maj. John P. Spurr, Coast Artillery Corps.

To be lieutenant colonels with rank from February 6, 1918.

Maj. Francis W. Ralston, Coast Artillery Corps (Adjutant General's Department).
Maj. Adna G. Clarke, Coast Artillery Corps.
Maj. Samuel G. Shartle, Coast Artillery Corps (Inspector General's Department).
Maj. Michael H. Barry, Coast Artillery Corps (Ammunition Train).
Maj. Clarence G. Bunker, Coast Artillery Corps.

To be lieutenant colonels with rank from February 8, 1918.

Maj. William H. Tobin, Coast Artillery Corps (Quartermaster Corps).
Maj. Harry J. Watson, Coast Artillery Corps.

To be lieutenant colonels with rank from February 9, 1918.

Maj. Jacob E. Wyke, Coast Artillery Corps.
Maj. Charles O. Zollars, Coast Artillery Corps (Quartermaster Corps).
Maj. John Storck, Coast Artillery Corps.

To be lieutenant colonels with rank from February 10, 1918.

Maj. Jacob M. Coward, Coast Artillery Corps (General Staff Corps).
Maj. John L. Roberts, jr., Coast Artillery Corps.
Maj. Frederick L. Buck, Coast Artillery Corps.

To be lieutenant colonel with rank from February 15, 1918.

Maj. Jay P. Hopkins, Coast Artillery Corps.

INFANTRY ARM.

To be major with rank from August 5, 1917.

Capt. Sydney Smith, additional officer.

PROVISIONAL APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY ARM.

To be second lieutenant of Field Artillery with rank from February 22, 1918.

Second Lieut. Irvin H. Zeliff, Coast Artillery Corps.

TRANSFER TO THE ACTIVE LIST OF THE ARMY.

INFANTRY ARM.

To be captain with rank from October 3, 1915.

First Lieut. Sydney Smith, retired.

PROMOTIONS IN THE NAVY.

The following-named lieutenants to be lieutenant commanders in the Navy, for temporary service, from the 1st day of February, 1918:

Eddie J. Estess,
James D. Moore,
William W. Wilson,
William H. Stiles, jr.,
Victor D. Herbster,
David F. Ducey,
Donald T. Hunter,
Cary W. Magruder,
Edmund W. Strother,
William H. Pashley,
Fred T. Berry,
William R. Purnell,
Edwin Guthrie,
James D. Smith,
Frederic T. Van Auken,
Marshall Collins,
Kinchen L. Hill,
Thomas C. Kinkaid,
Lee P. Warren,
Ernest F. Buck,
Allan G. Olson,
Charles M. James,
Ralph G. Walling,
Selah M. La Bounty,
Henry E. Parsons,
Harry G. Donald,
Abner M. Steckel,
John L. Schaffer,
Leland Jordan, jr.,
Edward G. Blakeslee,
John H. Everson,
Worrall R. Carter,
James G. Stevens,
Robert R. M. Emmet,
John C. Jennings,
Henry B. Le Bourgeois,
Paul J. Peyton,
Laurance S. Stewart,
Guy C. Barnes,
William A. Hodgman,
Cleveland McCauley,
Martin J. Peterson,
Robert E. Rogers,
Samuel S. Payne,
Leslie C. Davis,
Harry H. Forgus,
Franklin P. Conger,
Raymond G. Thomas,

Aquilla G. Dibrell,
Henry D. McGuire,
Edward H. Connor,
William B. Cothran,
Theodore S. Wilkinson, jr.,
William W. Smith,
David I. Hedrick,
Olaf M. Hustvedt,
Harold T. Smith,
Cummings L. Lothrop, jr.,
Preston B. Haines,
Gerard Bradford,
Mark L. Hersey, jr.,
Frank T. Leighton,
Alva D. Bernhard,
Chester S. Roberts,
Penn L. Carroll,
Benjamin V. McCandlish,
Daniel A. McElduff,
Arthur S. Dysart,
Hugh P. Le Clair,
Edmund S. R. Brandt,
Harold S. Burdick,
James D. Maloney,
Alan G. Kirk,
Fitzhugh Green,
Levi B. Bye,
Granville B. Hoey,
Tracy L. McCauley,
Francis W. Scanland,
Joel W. Bunkley,
Max B. De Mott,
Ernest J. Blankenship,
John J. Saxer,
Leo L. Lindley,
Harold C. Train,
Wallace L. Lind,
Richard McC. Elliot, jr.,
Lee P. Johnson,
Monroe Kelly,
Marion C. Robertson,
Edward C. Raguet,
Ward W. Waddell,
Charles C. Davis,
Robert R. Paunack,
Frank D. Manock,
George K. Stoddard,
Williams C. Wickham,
Freeland A. Daubin, and
Hugh V. McCabe.

Lieut. Claude S. Gillette to be a lieutenant commander in the Navy, for temporary service, from the 15th day of February, 1918.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, for temporary service, from the 1st day of February, 1918:

James A. Scott,
Julius W. Simms,
William E. Miller,
George F. Chapline,
Douglas C. Woodward,
William J. Forrestel,
Armistead C. Rogers,
John S. Roberts,
John D. Price,
Norman O. Wynkoop,
James B. Ryan,
William W. Schott,
Sidney W. Kirtland,
Joseph H. Lawson,
Stanwix G. Mayfield, jr.,
Richard E. Webb,
Edwin F. Cochrane,
Charles T. Gilliam,
Gilbert C. Hoover,
Thomas V. Cooper,
Walter S. Carrington,
Newbold T. Lawrence, jr.,
Roy K. Jones,
Martin B. Stonestreet,
Heman J. Redfield,
Richard H. Jones,
Lowell Cooper,
Linton Herndon,
Andrew C. McFall,
Leon F. Brown,
Herbert S. Jones,
Herbert J. Grassie,
Robert N. Kennedy,
Isaiah Parker,
Carl H. Hilton,
Chaplin E. Evans,
James K. Davis,
George D. Price,
Cassin Young,
Carlyle Craig,
Knefler McGinnis,
James P. Compton,
George G. Robertson,
Fred W. Connor,
Dallas Wait,
Frederick E. Haeberle,
John E. Ostrander, jr.,
Edmund E. Brady, jr.,
Houston L. Maples,
George W. McIver, jr.,
Henry R. Oster,
Randall E. Dees,
Colin Campbell,
Paul W. F. Huschke,
Theodore L. Schumacher,
Clarence W. Johnson,
Douglas W. Coe,
Frank G. Fahrion,
Albert Noble,
Norborne L. Rawlings,
Ingolf N. Kiland,
Frank H. Dean,
Edward A. Mitchell,
Harold S. Klein,
Alexander D. Douglas,
Lawrence Wainwright,
Homer N. Wallin,
Donald B. Duncan,
Sydney J. Wynne,
Earle E. Muschlitz,
Robert B. Dashiell,
Julian L. Woodruff,
John O'D. Richmond,
David C. Fox,
Andrew G. Shepard,
Simon P. Fullinwider,
Lisle F. Small,
William P. O. Clarke,
Edmund B. Caldwell,
Jay K. Allen,
Nicholas Vytlacil,
Stanton H. Wooster,
Edward B. Rogers,
George T. Howard,
Charles L. Hayden,
Robert L. Randolph, jr.,
Robert G. Tobin,
Theodore M. Waldschmidt,
Herbert B. Knowles,
Adolph P. Schneider,
Anson A. Bigelow,
Robert R. Ogg,
John C. Tyler,
Harold B. Sallada,
Benjamin Buchalter,
George R. Fairlamb, jr.,
Joseph W. Gregory,
John R. Cruse,
John T. Metcalf,
Ross F. Collins,
Benjamin F. Staud,
Paul F. Shortridge,
Francis C. Denebrink,
John J. Twomey,
Felix B. Stump,
Robert B. Matthews,
Hugh St. C. Sease,
Walter C. Calhoun,
Carl F. Holden,
Lester J. Hudson,
Kingsland Dunwoody,
Samuel B. Brewer,
Vincent J. Moore,
Frank W. Lively,

James H. Conyne,
Davenport Browne,
Frederic W. Neilson,
Franklin S. Irby,
Allen I. Price,
Colin DeV. Headlee,
Byron K. Presnell,
Merrill Comstock,
Robert W. McReynolds, jr.,
Richard W. Gruelick,
Harrison Avery,
Paul U. Tevis,
Leonard Doughty, jr.,
Wilbur V. Shown,
Hanson E. Ely, jr.,
George K. Weber,
Ralph U. Hyde,
William F. Dietrich,
Ralph Wyman,
Andrew G. Reaves,
George C. Cummings,
Richard H. Harper,
George M. Keller,
John B. Heffernan,
Edward J. Moran,
Harry C. Blodgett,
John H. Keefe,
Elliott M. Senn,
Francis W. Benson,
Thomas R. Cooley, jr.,
Vernon F. Grant,
George L. Harriss,
Francis T. Spellman,
Homer W. Clark,
Carl L. Hensen,
Edward Sparrow,
Ben H. Wyatt,
Robert L. Porter, jr.,
Ward P. Davis,
Guido F. Forster,
Volney O. Clark,
Edward H. Jones,
Gaile A. Poindexter,
Earl W. Morris,
Robert W. Fleming,
Thomas B. Hendley,
William J. Morcock,
Kenneth L. Coontz,
Karl Keller,
Howard F. Councill,
Robert E. Keating,
Philip W. Warren,
John N. Walton,
Earl S. Hurlbut,
Allan R. McCann,
Evan G. Hanson,
Herbert W. Anderson,
William G. Ludlow, jr.,
Carl W. Brewington,
Leonard B. Austin,
Chester McK. Holton,
John H. Jenkins,
Leonard P. Wessell,
Emile Topp,
Frank L. Worden,
Donald R. Evans,
Frank J. Hanafee,
Andrew R. Mack,
John G. M. Stone,
Ralph F. Skylstead,
Clarence O. Ward,
Guy W. Clark,
Thomas D. Ross,
James P. Conover, jr.,
John V. Murphy,
Francis A. Smith,
Peyton H. Park,
Conrad L. Jacobsen,
Kenneth Floyd-Jones,
William McK. Reifel,
William H. Ball,
Laurence P. Sargent,
Seabury Cook,
Constantine N. Perkins,
Rollin V. A. Failing,
Benjamin O. Wells,
Laurence E. Kelly,
Herbert V. Wiley,
Douglas A. Spencer,
John J. Bartholdi,
Charles W. Weitzel,
Harold F. Ely,
Isidore Lehrfeld,
Stephen E. Dillon,
John H. Forshew, jr.,
William S. B. Claude,
William S. Heath,
Guy B. Hoover,
Kenneth M. Hoeffel,
Joseph W. Paige,
Forrest P. Sherman,
William R. Nichols,
Ernest B. Colton,
Joseph W. Fowler,
William H. Hopkins, jr.,
William J. Malone,
Oscar H. Holtmann,
Lawrence B. Richardson,
James Fife, jr.,
Moses B. Byington, jr.,
Frank R. Dodge,
George T. Cuddihy,
William W. Warlick,
Vincent R. Murphy,
Ralph S. McDowell,
Henry A. Hutchins, jr.,
Charles W. Styer,
Thomas L. Sprague,
Owen E. Grimm,
Einar R. Johnson,
Martin J. Connolly,
Pal L. Meadows,
John D. Crecca,
Frederick L. Douthit,
Frederick S. Holmes,
Thomas B. Inglis,
Earl E. Stone,
James D. Jacobs,
John J. Ballentine,
Edwin H. Price,
Everett B. Browne,
John R. Sullivan,
James V. B. Lawyer,
John D. Alvis,
John N. Whelan,
Daniel W. Tomlinson, 4th,
Edward F. McCartin, and
Hayden H. Smith.

Lieut. (Junior Grade) Donald A. Green to be a lieutenant in the Navy, for temporary service, from the 15th day of February, 1918.

The following-named ensigns to be lieutenants (junior grade) in the Navy, for temporary service, from the 1st day of February, 1918:

Emory F. Hosmer,
Ernest Heilmann,
Otto J. W. Haltnorth,
Percy H. Bierce,
Franklin E. Chester,
Frank G. Mehling,
James J. O'Brien,
Edward Crouch,
William DeFries,
John H. Hupp,
Daniel Dowling,
Edward C. Wurster,
Arthur B. Dorsey,
Arthur D. Freshman,
Gustav C. Tanske,
Leroy Rodd,
Charles W. A. Campbell,
Edward Wenk,
Frank C. Wisker,
Louis M. Wegat,
Harry E. Stevens,
David P. Henderson,
Harry A. Pinkerton,
Herman Kossler,
Oscar E. Anderson,
Henry McEvoy,

Lawrence Wittmann,
Alvin E. Skinner,
Joseph Chamberlin,
Newton R. George,
Ralph G. Moody,
John McN. D. Knowles,
Robert G. Greenleaf,
Charles F. Beecher,
Frank R. King,
William H. Hubbard,
James MacIntyre,
Ernest W. Dobie,
Stephen H. Badgett,
Jonathan H. Warman,
Walter M. Shipley,
John C. Parker.
Charles O. Hathaway,
James M. Berlin,
Walter Lau,
Robert B. Sanford, jr.,
Charles D. Welker,
Rufus H. Bush,
John E. Burger,
Patrick J. Solon,
Francis A. Pippo,
Joseph W. Bettens,
Frank Bruce,
Michael J. Conlon,
Henry W. Stratton,
Clyde Keene,
George C. Smith,
William Seyford,
Gottlieb Sherer,
George E. Maynard,
Arthur B. McCrary,
Axel Lindblad,
Seldon L. Almon,
William E. O'Connor,
William Twigg, jr.,
Frederick R. Kalde,
Burton W. Lambert,
Allen I. Seaman,
William D. Dadd,
Charles Swanberg,
Malcolm C. Davis,
William H. Muehlhause,
Leroy Neil,
Oscar D. Parker,
John A. Ward,
John C. Hines,
John Gallagher,
George W. Robbins,
Cyrus S. Hansel,
Ernest A. Healy,
Frederick G. Keyes,
William Eberlin,
Frederick Petry,
John Meyer,
Frederick Evans,
Godfrey P. Schurz,
Clarence L. Tibbals,
Thomas J. Bristol,
William Taylor,
Daniel F. Mulvihill,
Michael J. Bresnahan,
Lafayette P. Guy,
Edmond Delavy,
Frank J. Mayer,
Horace de B. Dougherty,
James J. Joyce,
Fred Rasmussen,
Warner K. Bigger,
Frank Schultz,
Joseph Sperl,
Daniel J. Sullivan,
David F. Mead,
Edwin W. Hill,
Henry A. Lowell,
Charles Antrobus,
Oliver T. Miller,
August Logan,
John J. Coyle,
George F. Blass,
Walter S. Belknap,
George C. Lacock,
Anton Hengst,
John W. Boldt,
Fred San Soucie,
Claude S. Padgett,
Howard H. Chambers,
Percy R. Abrams,
Vincent F. LeVerne,
Charles E. Briggs,
George B. Llewellyn,
William C. Milligan,
Frederick J. Legere,
James Reilly,
John H. MacDonald,
William A. James,
William A. Fulkerson,
Jerry C. Holmes,
Conrad T. Goertz,
Edwin R. Wroughton,
William E. Cook,
Lewis H. Cutting,
Ernest L. Jones,
William C. Carpenter,
Murry Wollfe,
Charles L. Greene,
Arthur T. Brill,
Ward T. Hall,
Michael Garland,
Erich Richter,
John C. Heck,
James L. McKenna,
George W. Waldo,
Anthony E. Bentfeld,
Arthur Boquett,
John Harder,
Sigvart Thompson,
Stephen A. Farrell,
William A. Vick,
John J. Welch,
Arthur S. Rollins,
Charles C. Stotz,
John C. Maxon,
Bailey E. Rigg,
Walter A. Buckley,
Frank E. Nelson,
Norman McL. McDonald,
Philip S. Flint,
Charles W. Wagner,
Henry A. Reynolds,
George F. Veth,
James E. Kemmer,
James A. Newell,
William W. Holton,
Fred C. Wolf,
Charles J. Naprstek,
Max Bayer,
Paxton Hotchkiss,
Leon W. Knight,
Harry M. Peaco,
Henry H. Beck,
Frank F. Webster,
John Reber,
Charles N. Koch,
Fred T. Rider,
William S. Evans,
Sofus K. Sorensen,
George J. Romulus,
Arthur L. Hecykell,
Charles King,
Quintus R. Thomson, jr.,
Ora A. Martin,
John A. Pierce,
Stephen Ingham,
William R. Spear,
William T. Shaw,
Roy K. Madill,
William R. McFarlane,
Nils Anderson,
Melvin C. Kent,
John E. Armstrong,
Albert C. Fraenzel,
William A. Martin,
Ralph B. Wallace,
James Roberts,

Joseph D. Glick,
Anthony Prastka,
Joseph W. Birk,
Edmund D. Duckett,
Raymond A. Walker,
Hermann Jorgensen,
Charles F. Dane,
Arthur J. Holton,
Vincent Benedict,
Ola D. Butler.
Edgar C. Wortman,
Joseph G. N. Johnson,
David Duffy,
Clyde H. McLellon,
Noel Chatillon,
William F Schlegel,
Lee W. Drisco.
James J. Delany,
William H. Stephenson,
Arthur E. Rice,
John P. Millon,
Frank L. Elkins,
Sol Shaw,
Ernest J. Leonard,
Thomas J. Sullivan,
John P. Sasse,
Will Mueller,
John H. Chase.
Will S. Holloway,
George J. Blessing,
James D. Brown.
Patrick H. Cassidy,
Frank A. Manuel,
Frank Flaherty.
Arthur A. F. Aml.
Bennett McC. Proctor,
James Donaldson,
John A. Silva,
James Hauser,
John E. Sullivan,
Charles A. Armstrong,
Chauncey R. Doll,
James S. Trayer.
Gregoire F. J. Labelle,
Theodore Andersen,
Henry Hartley.
Eugene J. Frieh,
Philip J. Kelly.
Alfred Doucet.
William E. Benson,
Fred C. A. Plagemann,
Peter J. Gundlach,
Albert M. Hinman,
Leon W. Becker,
William Cox.
Stephen A. Loftus,
Herman C. Schrader,
Asa V. R. Watson,
William A. Eaton,
James M. MacDonnell,
Herbert R. Mytinger,
Harold A. Turner,
Charles B. Bradley,
Curry E. Eason.
Samuel C. Washington,
Brice H. Mack.
James A. Featherston,
Walter N. Fanning.
Herbert J. Meneratti,
Niels Drustrup,
Abraham DeSomer,
George Bradley.
Donald McDonald,
Warren E. Magee,
Robert J. Kingsmill,
Charles F. Merrill.
Charles B. Shackelton,
Benjamin F. Ranger,
Robert C. McClure,
Carl S. Chapman.
George C. Martin,
Wilmer W. Weber,
Mark Strosk,
William W. Wilkins,
Helge Ohlsson,
Elroy G. True,
James W. O'Leary.
Warren H. Langdon,
Andrew C. Skinner,
Emery Smith.
Benjamin F. Maddox,
George Keeser.
John A. Rogers,
Alfred E. Raue.
John C. Richards.
Frank W. Yurasko,
Albert H. Mellien,
Philip A. Astoria,
Thomas A. Graham,
William A. Mason.
Everest A. Whited,
John F. Murphy.
Charles A. Kohls.
Clarence R. Rockwell,
Paul E. Kuter,
William E. Snyder.
David McWhorter, jr.,
George H. Kellogg,
Elery A. Zehner,
Samuel E. Lee.
Frank Stinchcomb,
Simon L. Shade.
Ludwig W. Gunz,
Wildon A. Ott.
Hugh W. Nimmo.
Junius G. Sanders.
Frederick B. Webber,
George T. Campbell.
Charles A. Dannemann,
Harold G. Billings,
Albert E. Freed,
Frank Kinne.
Andrew N. Anderson,
Frank C. Nigg.
Frank Kerr.
Arthur H. Cummings,
Harry J. Hansen,
Rony Snyder.
Newcomb L. Damon,
Jack K. Campbell.
George Kleinsmith,
Albert G. Martin.
Daniel McCallum,
John M. Buckley,
John J. Madden,
Robert Semple.
Henry H. Fowler,
Stanley H. Sacker,
Elmer J. McCluen.
John M. Kirkpatrick,
Clyde Lovelace.
Claude B. Arney.
Martin Dickinson.
Jesse J. Alexander,
John J. Enders.
Jesse J. Oettinger,
William H. Farrel,
Thomas M. Buck,
John Shottroff,
John Whalen.
Raymond C. McDuffie,
Oscar Benson.
William Martin,
John S. Conover,
Fayette Myers.
John G. M. Johnson,
Frederick Clifford.
Alexander Anderson,
Frederick T. Walling,
Charles V. Kane,
Joseph M. Gately.
Joseph H. Gerrior,
George S. Dean,
Ralph A. Laird. and
Charles F. Fielding.

MARINE CORPS.

Capt. Arthur B. Owens to be a major in the Marine Corps from the 26th day of March, 1917.

Capt. Clarke H. Wells to be major in the Marine Corps, for temporary service, from the 22d day of May, 1917.

The following-named first lieutenants to be captains in the Marine Corps, for temporary service, from the 26th day of July, 1917:

Harry Paul, and
William Workman.

The following-named second lieutenants to be first lieutenants in the Marine Corps, for temporary service, from the 28th day of August, 1917:

Frank R. Armstead, and
Lee H. Brown.

First Lieut. Ethelbert Talbot to be a captain in the Marine Corps from the 26th day of March, 1917.

The following-named temporary second lieutenant to be a second lieutenant in the Marine Corps for a probationary period of two years from the 9th day of February, 1918:

Francis B. Reed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate March 1, 1918.

COLLECTOR OF INTERNAL REVENUE.

Howard Hathaway to be collector of internal revenue for the district of Hawaii.

POSTMASTERS.

LOUISIANA.

Clifford C. Anderson, jr., Lake Arthur.
Edwin H. Hall, Mooringsport.
Maggie E. Jones, Ringgold.

TENNESSEE.

Robert H. Marley, Arlington.
Frank P. Singleton, Copperhill.
O. L. McCallum, Henderson.
Irene M. Cheairs, Spring Hill.
Ira LaF. Lemonds, Tiptonville.
Henry Estill, Winchester.

WITHDRAWALS.

Executive nominations withdrawn from the Senate March 1, 1918.

CORPS OF ENGINEERS.

To be colonel with rank from February 6, 1918.

Lieut. Col. William P. Stokey, Corps of Engineers.

To be colonel with rank from February 7, 1918.

Lieut. Col. Lewis M. Adams, Corps of Engineers.

To be colonel with rank from February 8, 1918.

Lieut. Col. William D'A. Anderson, Corps of Engineers.

HOUSE OF REPRESENTATIVES.

FRIDAY, *March 1, 1918.*

The House met at 12 o'clock noon.

The Rev. Dr. George F. Duncan, pastor Hermon Presbyterian Church, Washington, D. C., offered the following prayer:

Father of all, to whom can we come but unto Thee? Thou art our Creator, our Preserver, and our Redeemer. In Thee we live, move, and have our being. From Thee cometh down every good and perfect gift. May Thy name be hallowed in the session of this day. Give every one of these, Thy servants, a double portion of Thy spirit, leading them into all truth. May all that they do, say, and think be in harmony with Thy holy will, and so for the best good of our beloved land. Grant all these mercies with the forgiveness of all our sins, which we ask in the name of Jesus Christ, Thy Son, our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

CHANGE OF REFERENCE.

Mr. MOON. Mr. Speaker, the bill (H. R. 10296), authorizing the Post Office Department to acquire and extend the telephone system, and so forth, was introduced by Mr. JOHNSON of Kentucky on the 27th day of this month. The bill is essentially the same as the one the House passed upon yesterday. I move to change the reference from the Committee on the District of Columbia to the Committee on the Post Office and Post Roads.

Mr. JOHNSON of Kentucky. Just a word, Mr. Speaker. The bill, in my judgment, should go to the Committee on the District of Columbia, but there is not enough difference between this bill and the one voted upon yesterday, and therefore I shall enter into no contest about the matter.

The question was taken, and the motion to rerefer was agreed to.

LEAVE OF ABSENCE.

By unanimous consent, Mr. MAPES was granted leave of absence on account of death in his family.

Mr. STERLING of Illinois. Mr. Speaker, I ask unanimous consent for leave of absence for my colleague, Mr. MASON, on account of sickness in his family.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. KELLY of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks by publishing in the RECORD a patriotic address delivered by Mr. JAMES, of Michigan, on Washington's Birthday.

The SPEAKER. Delivered by whom?

Mr. KELLY of Pennsylvania. The gentleman from Michigan [Mr. JAMES].

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by printing a patriotic address made by the gentleman from Michigan [Mr. JAMES]. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Speaker, reserving the right to object, I do not expect to object, but did the gentleman make a similar request yesterday?

Mr. KELLY of Pennsylvania. I did two days ago, and it was objected to by the gentleman from Massachusetts [Mr. WALSH].

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. FESS. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. FESS. To submit a request for unanimous consent that I be permitted to extend my remarks in the RECORD by printing an address delivered by my colleague L. W. FAIRFIELD, of Indiana, here in the city of Washington on Abraham Lincoln on the anniversary of his birth.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD by printing a speech made by Mr. FAIRFIELD, of Indiana, upon Lincoln, somewhere in town. Is there objection? [After a pause.] The Chair hears none.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by having prinfed a letter from the Commissioner of Internal Revenue giving his ruling upon the question of the taxation of Congressmen's salaries.

The SPEAKER. The gentleman from Kansas [Mr. DOOLITTLE] asks unanimous consent to extend his remarks in the RECORD by printing a letter from the Commissioner of Internal Revenue, explaining some features of the tax bill.

Mr. MOORE of Pennsylvania. Reserving the right to object, is this letter directed to the gentleman from Kansas?

Mr. DOOLITTLE. Yes.

Mr. MOORE of Pennsylvania. Does it hold that Congressmen's salaries are taxable?

Mr. DOOLITTLE. Yes.

Mr. KITCHIN. Mr. Speaker, reserving the right to object——

Mr. MOORE of Pennsylvania. I have no objection, Mr. Speaker.

Mr. KITCHIN. Has the gentleman from Kansas any objection to putting in his remarks the Treasury decision on that subject, too?

Mr. DOOLITTLE. That is included in the letter. It gives the ruling he has made in the body of the letter.

The SPEAKER. Is there objection?

There was no objection.

FEDERAL CONTROL OF RAILROAD TRANSPORTATION.

Mr. SIMS. Mr. Speaker, I wish to renew the request I made yesterday for unanimous consent to insist on the House amendment to the Senate railroad bill and ask for a conference.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to take from the Speaker's table the railroad bill, S. 3752, and insist on the House amendments, and ask for a conference. Is there objection? [After a pause.] The Chair hears none.

The SPEAKER announced the following conferees: Mr. SIMS, Mr. DOREMUS, and Mr. ESCH.

REPORT OF PNEUMATIC-TUBE SERVICE COMMISSION.

Mr. BELL. Mr. Speaker, I desire to submit a report of the commission appointed to investigate the pneumatic-tube service, and ask that the same be printed in the RECORD.

The SPEAKER. The gentleman from Georgia presents the report of the Pneumatic-Tube Service Commission, and asks unanimous consent that it be printed in the RECORD.

Mr. STAFFORD. I reserve the right to object so far as the request obtains to printing it in the CONGRESSIONAL RECORD. There have been other reports on this same subject in former Congresses, but they were never printed in the RECORD. This report will be printed as a document and be available to everyone who wishes to obtain a copy. I can not see any especial need for printing this report in the RECORD.

Mr. BELL. I will say to the gentleman that the report is short, embodying only a few pages of typewritten matter, and I think it would be of interest to print this report in the RECORD.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

Mr. ROUSE. Mr. Speaker, I ask unanimous consent for five days in which to prepare a minority report on this same matter. I am a member of the commission.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for permission to file a minority report on the same subject within five legislative days. Is there objection? There was no objection.

EXTENSION OF REMARKS.

Mr. JOHNSON of Washington. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. JOHNSON of Washington. I would like to make an inquiry as to my right to unanimous consent, apparently granted, but perhaps afterwards denied. Wednesday, February 27, as shown on page 2768, I asked unanimous consent to extend my remarks in the RECORD on the so-called alien-slacker bill. The Speaker asked:

Is there objection? [After a pause.] The Chair hears none.

Another gentleman then made a similar request, and objection was then made. The Speaker then said:

Does the gentleman object to the request of the gentleman from Washington [Mr. JOHNSON]?

To which the gentleman from Massachusetts [Mr. WALSH] replied that he objected to them all. To avoid a misunderstanding, I now renew the request, as of that date.

The SPEAKER. The gentleman from Washington asks unanimous consent to print an extension of a speech in the RECORD on the alien-slacker bill.

Mr. JOHNSON of Washington. The extension of the remarks already made.

The SPEAKER. An extension of the remarks already made. Is there objection? [After a pause.] The Chair hears none.

DR. GARFIELD AND THE FUEL ORDER.

The SPEAKER. Under the special order, the gentleman from Illinois [Mr. RAINEY] has leave to address the House for not more than 30 minutes. [Applause.]

Mr. RAINEY. Mr. Speaker, it is my purpose to discuss in the time allotted to me the recent fuel order, the reasons for it, and what it accomplished.

On the 17th day of January, acting under authority granted by the Congress, Dr. Harry A. Garfield, the Fuel Administrator, issued an order, effective the next day, limiting the operation of industries whose output was not essential for war purposes, providing for the closing of places of amusement, stores, office buildings, and so forth. The fuelless days covered five consecutive days, commencing with January 18. At the expiration of that time Monday of each week was designated as fuelless day, or heatless day, through the month of February and until the 25th day of March. The order has now been rescinded, and we have had eight fuelless days. A continuation of the order, however, is authorized in the New England States, subject to the decision of the local fuel administrators there. The time has come to examine into the reasons for the order and what has been accomplished by it.

OPPOSITION IN CONGRESS.

The promulgation of the order, on the 17th day of January, provoked bitter speeches in both Houses of the Congress. On this floor gentlemen with no facts at all in their possession proceeded to bitterly criticize the Fuel Administration. It was insisted that the extreme cold and the ice and the snow did not interfere with the loading or unloading of coal. One gentleman insisted that he came from the coldest corner of the United States and cold weather never interfered with the unloading of coal. Another gentleman insisted that the proper way to unload coal was simply to thaw out the cars with steam jets—the inference being that a competent administrator would have accomplished it in that way. Another gentleman with frenzied oratory declared that if this order was necessary we had lost the first battle in this war. It was insisted that declarations of this kind constituted constructive criticism. An ex-Attorney General of the United States, who signed his name as Attorney General of the United States in President Taft's Cabinet issued at once a statement saturated with partisanship, reaching a lower level in the matter of partisan criticism than has yet been reached. This effusion was entitled "The limit of forbearance passed." It appeared in a New York newspaper, and the conference committee on national preparedness, of which Henry A. Wisewood is chairman, had it reprinted and distributed widely throughout the country. This conference committee may have rendered some good service, but by distributing this particular article they have done their very best to give aid and comfort to the enemy. An organization claiming to be patriotic, which uses its funds for the distribution of a partisan document like this has certainly almost passed its period of usefulness as an instrument of patriotism. Speeches made in this House that day—none of them were made on the Democratic side—will not be dropped from airplanes inside the German lines, and this effusion from an ex-Attorney General of the United States, if it gets into Germany at all, will be sent there by German agencies and will splendidly encourage German armies in the present crisis.

DR. GARFIELD.

The impression created by the speeches here and by partisan newspapers throughout the country is that Dr. Garfield is a college president and nothing more—that he gets his information as to conditions by peering out upon the world from the alcoves of college libraries. A strong partisan attempt has been made to create the impression that Dr. Garfield is absolutely incompetent, that he knows nothing at all about coal or about business of any kind, and that the appointment of incompetent men is made by the President for the reason that he prefers to be surrounded by men of small caliber—that the President himself is an able Executive with a splendid vision, and that his weakness consists in the alleged fact that he surrounds himself with men who are not qualified for the discharge of the duties they perform.

No President of the United States from the time of George Washington has exercised better judgment in the selection of men to discharge important duties, and the success of his administration is to a very large extent due to the splendid judgment exercised at all times by the President in the selection of the men he has appointed for the discharge of important duties. The time has come for the people to get acquainted with Dr. Garfield. I knew him in the old college days when he was a student in the college in New England of which he is now President and when I was a student at another institution not far away, and I have had occasion to observe his career during the years that have passed since then. He is a college president; no man is better entitled to be called "doctor" than he. Four great colleges empowered to confer degrees have conferred upon him the honorary degree of doctor of laws. He is a member of all the learned societies. These facts, however, do not seem to appeal to the critics of this administration. The fact that he is an educated, cultured gentleman in the prime of life, with a carefully trained mind, is used by partisan critics as strong evidence of the fact that he is especially disqualified for the discharge of the duties of the important office he now holds.

Dr. Garfield is a lawyer, and a lawyer of marked ability. No man in the United States better understands the business of operating coal mines. In a section of Ohio 30 miles from railroads he developed a coal mine, having organized a company for that purpose—a particularly rich mine overlooked by coal operators for the reason that it was remote from railroads, but Dr. Garfield, after arranging for the development of the mine, with splendid executive ability organized a company and built a railroad 30 miles long, connecting up the mine he had developed with the great railroad systems of the country.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Not just now. Later on, if I have the time, I will be glad to yield to the gentleman.

Dr. Garfield organized the Cleveland Trust Co., at the present time one of the great trust companies of the country, and Cleveland capitalists and business men and wage earners had enough confidence in his business ability to deposit with his trust company $20,000,000 in cash; and this great company holds also $120,000,000 in securities. He built an office building, one of the most important in Cleveland, in which to house the trust company. This great trust company now has 15 branches. The business men of Cleveland, his neighbors and his friends, have so much confidence in his business ability that they elected him president of the Cleveland Chamber of Commerce, and he discharged the duties of that position with marked ability. He also acted as president of the Municipal Association of Cleveland.

Mr. BLAND. Mr. Speaker, will the gentleman yield at that point?

Mr. RAINEY. I will be glad to yield later on. I can not yield now. I beg the gentleman's pardon.

I have said enough about Dr. Garfield to call attention to his accomplishments along the lines of practical business affairs. I undertake to say that no man in the country can be found who can better discharge the duties of Fuel Administrator than Dr. Garfield, who has been made the subject of so much unreasonable criticism and partisan abuse. When Dr. Garfield issued an order shutting off the heat from stores and office buildings he shut off the heat from the office building he had built himself. He regulated the coal trade of a coal mine he had himself made possible over a railroad he had built himself. He made an order affecting the business men who had been his associates all his life. No man was better qualified than he to understand the necessity for the order and its effect.

THE FUEL-CONTROL ORGANIZATION BUILT UP BY DR. GARFIELD AND MR. P. B. NOYES.

Dr. Garfield selected as one of his assistants to become the Director of the Conservation Bureau of the Fuel Administrator's office Mr. P. B. Noyes, of New York. Mr. Noyes's duties also included the necessary limitation of industries. With reference to Mr. Noyes, I might state that he has been for 23 years the general manager of the Oneida Co. (Ltd.), which manufactures silverware and other things—one of the great manufacturing establishments of the country—and for the last eight years he has also been President of that company. The American Hardware Manufacturers' Association is one of our most important commercial organizations. This great organization had enough confidence in Mr. Noyes as a business man to elect him President, and he served in this position with distinction. He entered Dr. Garfield's office two or three weeks after the appointment of Dr. Garfield and has been with him ever since. An effort has been made to create the impression out through the country that these prominent business men are merely ordinary job seekers, holding the positions they hold on account of the salary and emoluments connected therewith. As a matter of fact neither Dr. Garfield nor Mr. Noyes draw any salary. They have tendered their services to the Government for nothing—or, rather, their compensation has been fixed at a dollar a year, and there is no provision of law by which they can ever hope to collect even the dollar. They are patriotic, conscientious gentlemen, anxious to serve their country. They have both given up their private business and the important positions they held and have made tremendous sacrifices and have come to Washington to serve their country without financial compensation. The heads of the various bureaus established by Dr. Garfield in his department are composed of distinguished citizens especially qualified for the duties they are called upon to perform. I undertake to say that in the history of this country no man has been subjected to such unreasonable and unreasoning criticism as Dr. Garfield, but during all this period of storm and stress he and his assistants in the great organization he has built up have been quietly proceeding, discharging their duties without making the slightest attempt to defend themselves personally against the shafts of unfair and unjust criticism hurled at them. This is one of the men who have been criticized as amateurs in business, as incompetent men. Dr. Garfield built up his organization, built it up from the ground. There were no precedents to follow.

Dr. Garfield surrounded himself with men who are not amateurs in the coal business; he brought down here Mr. Rembrandt Peale, one of the leading coal operators of the country; Mr. L. A. Sneed, a man who had been in the coal business from his youth up; Mr. John White, president of the United Mine Workers; Mr. William Diamond, another leader in the Mine Workers; Mr. H. D. Nims, an authority on trade law; and Prof. S. A. Taylor, a prominent mining engineer, together with Mr. Noyes, whom I have already mentioned.

I might describe also the splendid qualifications of this cabinet of experts, but I do not have the time to do so.

COAL PRODUCTION IN 1917.

We produced in 1900, 269,000,000 tons of coal, including both bituminous coal and anthracite coal. From that period until the calendar year 1917 the production of coal in the United States has increased about 17,000,000 tons per year, and the railroads have adjusted their transportation systems to an increase of about that much each year. During the calendar year 1917, however, our increase in the production of coal over prior years was 64,000,000 tons. As it usually happens, it was necessary to move the greater part of this during the latter half of the year. The production of coal is and must always be a question of transportation. A coal shortage in the ordinary acceptance of the term is as impossible in this country as a shortage of sand or of limestone rock. In our 7,000 coal mines we can always produce as much coal as can be transported over our railroads. In order to understand how much 64,000,000 tons of coal is I have made a computation. Coal cars vary in length from 32 feet to 41 feet. The average length of a coal car is 38 feet. Allowing 3 feet of space between each car, it would require three trains of cars extending across the continent from New York to San Francisco to contain 64,000,000 tons of coal. In addition to these three trains extending across the continent there would be still another train extending from New York to St. Louis. This was the extra coal burden the railroads were called upon to assume in 1917 and this was not the only burden the railroads were called upon to discharge. Our export trade had been speeded up from $2,000,000,000 in value in four years to $9,000,000,000. In 1917 we exported $9,000,000,000 worth of manufactured goods—more than three times as much as any nation ever exported before in the history of the world. It was necessary for railroads to carry these goods from the place of manufacture to the sea, and this of itself would be an unprecedented increase in the burdens upon the railroad systems of any country. In addition to all this, the increased prosperity of the country brought with it in 1916 and especially in 1917 an enormously increased home consumption of foodstuffs and manufactured goods to be transported on our railroads. This was the condition of affairs when Dr. Garfield assumed control of the coal situation of the country in August, 1917. When he assumed control the production of coal was at its lowest mark. During the week preceding his appointment we produced less coal in the United States than was produced during any week of the year 1916. He immediately, by appealing to the patriotism of coal operators and their employees, commenced to increase the production and the distribution of coal. From that time on the production of coal increased until it largely exceeded the production of 1916. On the 8th day of December winter commenced, and winter commenced just at the time when there was a tremendously increased production of war material and of supplies of all kinds needed by our troops in France. The number of men we were sending increased with each passing week. Our transportation system became clogged by our own enormous strength as a manufacturing Nation. Our production was abnormal and the railroads were feeling in December the destructive force of our abnormal production. Our transportation system was breaking down. By the middle of January our lines of communication with France were absolutely destroyed, but not by submarines. Every ship loaded with our khaki-clad soldiers was being safely convoyed through the danger zone. Every ship loaded with supplies was safely reaching its destination, but the abnormal production of the country, our enormous export trade, our unprecedented interstate traffic occasioned by increased consumption in the United States, the demands of factories, every one of them running with full strength every day in the week, and thousands of them running all night long with three shifts of men each 24 hours, demanding, as manufacturing energy of this kind would demand, a great increased supply of coal; all of this strain, absolutely without a precedent in the history of this or any other nation, clogged our transportation systems. We need an increase of 5,000 locomotives every year in order to meet the increased demands on us. We have not been getting half that many; we have been supplying locomotives to France and to Russia. One-half of the thousands of cars at railroad terminals and filling sidetracks were cars loaded with coal, and then there came, increasing our difficulties, the intense cold of the middle of last month and the snow and the ice which accompanied it. Chesapeake Bay, a great coal highway, was frozen up for the first time within the memory of men now living. Great battleships were used for the purpose of breaking the ice in New York Harbor. In the stockyards district of Chicago an army of men were at work clearing away the snow and the ice. Passenger trains came into Chicago 8 to 12 hours late covered with ice, each one of them drawn by three great locomotive engines. All over the country rails were breaking under heavy trains. In New York Harbor and at Norfolk 250 great merchant ships were awaiting coal in order to sail out into the seas bringing to our own troops and to our allies in the war zone necessary supplies. It was of most vital importance to coal these ships at once and start them on their journey. The entire story can not now be told. After the war is over it will be possible to give all the reasons for the coal order of January 17 last.

Under the stress of congressional criticism too much has already been disclosed with reference to the movement of troops and munitions across the Atlantic, and with reference to other matters which should have been kept from our enemies. When the whole story is told, as it will be told after the war, there will be gentlemen, now Members of this House, who would be glad to expunge from the RECORD if they could the speeches they made immediately after the promulgation

of the coal order. A delay of five days was absolutely impossible and inadvisable from every standpoint. I can not discuss the matter along this line further. As far as I am concerned I never expect to be the vehicle through which information which ought to be kept secret reaches the enemy.

FALLING OFF IN MOVEMENT OF WAR MATERIAL.

On account of the clogging of our railroads, not only was the production and shipment of coal falling off by the middle of January, but the shipment of steel plates and steel bars so much needed for the great new fleet we are building had fallen off 50 per cent. It is impossible to build ships in our shipyards without steel plates and steel bars, but more alarming still was the falling off in the shipment of projectile steel, needed for the manufacture of munitions. This had fallen off by the middle of January 45 per cent.

Mr. BLAND. Will the gentleman yield at this point?

Mr. RAINEY. If I have the time I will yield later.

WHAT THE COAL CONSERVATION ORDER ACCOMPLISHED.

The relief brought about by the order was immediately apparent. Every ship ready to sail in our ports in less than one week after January 17 had been bunkered and had started on its journey across the seas. As the result of the coal order it has been possible to load and to coal, since January 17, 480 ships. These ships carried 2,000,000 tons of food and war supplies. Forty of them were loaded with food, 71 were loaded with coal, oil, and gasoline, and 369 of them were loaded with munitions. Nearly every one of them has safely reached its destination. These supplies so necessary for the winning of the war are being now distributed to our own armies and to the armies of our allies in the war zone of France. The movement of steel plates and steel bars, and projectile steel, has rapidly again become normal. Freight is reaching its destination. The situation is relieved. Our overburdened railroad systems are again functioning.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. RAINEY. I ask unanimous consent for 15 minutes more.

The SPEAKER. Is there objection?

There was no objection.

CONSERVATION ACTIVITIES AND PLANS OF THE UNITED STATES FUEL ADMINISTRATION.

Mr. RAINEY. It is an easy matter for an executive officer to take possession of a department in normal times which has been organized and in operation for a long period of time. A department of that kind will almost run itself. Dr. Garfield's task was to build up a department in an abnormal period. In the most wasteful nation in the world, unaccustomed to conservation of economies of any character, it was his task to reorganize the coal-distribution system of the country and to establish a system of coal conservation. In spite of our unprecedented increase in production of coal there is still a coal shortage of 50,000,000 tons. Obviously this shortage can be overcome in only two ways: First, by building immediately more coal cars and more engines. Ten thousand more engines would hardly equal the demand considered in connection with the other demands upon our railroads. The other way to meet the coal shortage is to conserve coal. Dr. Garfield and his able assistants have organized a campaign in that direction. The coal industry has always been in this country a disorganized business. The task which confronts him is greater than any task ever undertaken by an executive officer prior to our entry into this war, and at the present time no executive officer of this Government has undertaken greater or more important duties than the duties which Dr. Garfield is conscientiously and ably discharging. He is blazing his own trail as he goes along—there are no precedents to help him—not much information of value at his command, except the information he is collecting himself. He has started a campaign for conservation of coal in the homes of the land, where we consume 120,000,000 tons of coal each year. By conserving coal in the homes—firing the furnaces and stoves more carefully, saving a shovelful a day, and more than that—it is estimated we will be able to save 12,000,000 tons every year, and Dr. Garfield has perfected an organization to bring about this result. In 250,000 locomotives and stationary steam plants throughout the country we consume approximately 400,000,000 tons of coal. Under a competent engineer, an organization is being perfected to educate firemen of locomotives and in stationary steam plants in the use of coal, and it is estimated that in this way 40,000,000 tons of coal can be saved per year. Under another bureau a campaign to encourage the substitution of wood for coal is being carried on. About 1½ cords of wood are equal to 1 ton of coal. It is estimated that an increase in the consumption of wood of 10,000,000 cords can be accomplished this year, and this would save 6,000,000 tons of coal. By consolidating public utilities plants and using natural ice, in which it is estimated now 50,000,000 tons are consumed, it is expected that 3,500,000 tons can be saved. By prohibiting advertising signs and unnecessary out-of-door lighting, at least 500,000 tons can be saved. The daylight-saving bill, which is being advocated by Dr. Garfield, will save a million tons of coal a year. By a natural reduction of building material this year, it is estimated 6,000,000 tons can be saved. It has been proven by investigations made by Dr. Garfield's department that it takes three times as much power to start a loaded trolley car as it does to run it one block, and Dr. Garfield has perfected, for the use of the street railway systems of the country, a plan by which 1,500,000 tons of coal can be saved each year by skip-stops—that is, stopping every other block.

I have enumerated some of the plans now being worked out and developed by the various bureaus of Dr. Garfield's department for the conservation of coal, and I have called attention to plans which are now in the process of development and which when developed fully will conserve over 70,000,000 tons of coal. Other methods are being planned and developed. We can not in war time conserve too much coal.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. RANDALL. The breweries of the country are using 3,000,000 tons of coal a year. Does the gentleman know whether Dr. Garfield intends to try to save any of that?

Mr. RAINEY. I do not know.

Mr. LONDON. The product of the brewery supplies a certain kind of heat also, does it not?

Mr. RAINEY. The gentleman may be able to qualify as an expert on that. I can not.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. BLAND. Does the gentleman regard the order and advice that emanated from the Fuel Department last summer to the effect that the people should not purchase their coal at that time, that the price would be lower, shows any special qualification on the part of the Fuel Administrator?

Mr. RAINEY. That is a part of the misinformation with which some Members of this House have loaded themselves, and that is a part of the misinformation which was disseminated yesterday on the floor of the Senate. The Fuel Administration never made such an order as that.

Mr. BLAND. Who did, in connection with the Fuel Administration?

Mr. RAINEY. Nobody on the part of the Fuel Administration ever made such an order as that.

Mr. BLAND. Or statement to that effect.

Mr. RAINEY. The gentleman who interrupts me might have done it.

Mr. BLAND. Oh, no; the gentleman knows better than that.

Mr. RAINEY. I do not know. I did not do it, but no such advice came from this great department of this Government, and no advice ever came from this department not to buy coal last fall. When this department was organized on the 22d day of last August the production of coal had reached during the previous week a lower mark than it had reached during any week in 1916, and by appealing to the patriotism of operators and their employees in this country the production of coal commenced immediately to increase until just a few days, a few weeks after the appointment of Dr. Garfield the production was again normal and proceeding along the 1916 lines.

Mr. LITTLE. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. LITTLE. If Dr. Garfield issued no statement that people should not buy coal last summer, why did he not correct the statement that was accredited to him to that effect in practically every paper in the United States?

Mr. RAINEY. Oh, thousands of letters were written from Dr. Garfield's department. Every man who wrote to that department asking if they had better wait to buy their coal received a negative reply, thousands of them throughout this country.

Mr. LITTLE. How did it happen that none of them were ever printed in a newspaper, but that, on the contrary, the newspapers widely spread the statement that he told the people not to buy?

Mr. RAINEY. Because the newspapers of this country prefer to be sensational, and the way to be sensational is to misrepresent things.

Mr. LANGLEY. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. LANGLEY. I live in the center of one of the greatest coal fields in the world. There has never been a moment since that order was issued nor for a long period before that that we could not have shipped out twice as much coal as we were doing,

and we had it ready to ship if we had the cars in which to ship it.

Mr. RAINEY. Oh, there is no question about that.

Mr. LANGLEY. How did this fuel order conserve coal in a situation like that? It hurt us there without helping anybody, as it looks to me.

Mr. RAINEY. Oh, I can not yield any further. The gentleman has not been listening to me. He does not appreciate the fact that my argument is that the production of coal is absolutely a question of transportation, and I have been discussing the question of transportation here all the time.

Mr. BLAND. Mr. Speaker, I would like to ask the gentleman what the Official Bulletin had to say on this thing at that time?

Mr. RAINEY. I do not know anything about it.

Mr. BLAND. The gentleman does not know whether it was silent or whether it said something?

Mr. RAINEY. I do not know anything about it.

Mr. LONDON. Mr. Speaker, the gentleman said that the exports increased from $2,000,000,000 to $9,000,000,000.

Mr. RAINEY. Yes; in four years.

Mr. LONDON. To what extent does the increase represent an increase in bulk?

Mr. RAINEY. I am unable to answer the gentleman's question.

I have attempted to call attention to the facts. The country ought to know what the facts are. In spite of violent criticism on this floor, the country is loyally responding to the demands of the present situation. Fortunately, the speeches made here have been absolutely without effect. While violent criticisms, unsustained by any facts, were being launched from this floor on the 17th day of January, telegrams of acquiescence in the order were being received by the President of the United States and by Dr. Garfield. While, on the other side of this House, Representatives from Northern States were denouncing the Coal Administrator, from the very heart of the South, from the great industrial city of Atlanta, Ga., there came to the Fuel Administrator a telegram announcing that the merchants and the manufacturers of Atlanta in a mass meeting held on that day had passed resolutions agreeing to abide strictly by the conservation order. This expression of loyalty and patriotism was the first to reach this Capital after the promulgation of the order, and then from cities and villages, from great banking institutions, from manufacturers throughout the land, there came floods of telegrams, all pledging full performance of the fuel order. The country was loyal—the order was observed—the results are apparent—the first battle has been won. [Applause.]

EXTENSION OF REMARKS.

Mr. LONDON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. LONDON. I ask unanimous consent to extend my remarks in the RECORD on the railroad bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend and revise his remarks in the RECORD on the railroad bill.

Mr. FOSTER. The gentleman has that right anyway.

Mr. LONDON. I did extend my remarks as delivered on the floor, but I want to insert some historical data as a separate extension.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BURNETT. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. BURNETT. Mr. Speaker, I ask unanimous consent that all gentlemen who have not already gotten unanimous consent may have leave to extend their remarks on the alien slacker bill.

The SPEAKER. For how long?

Mr. BURNETT. For five legislative days.

The SPEAKER. The gentleman from Alabama asks unanimous consent that all gentlemen be permitted to extend their remarks on the alien slacker bill for five legislative days. Is there objection?

Mr. STAFFORD. I object.

PENSIONS.

Mr. SHERWOOD. Mr. Speaker, I desire to call up the bill (H. R. 10027) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Ohio calls up the bill H. R. 10027 and asks unanimous consent that it be considered in the House as in the Committee of the Whole. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 10027) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

Mr. SHERWOOD. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

A bill (H. R. 10027) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws—

The name of Alfred Cooper, late of Company I, One hundred and ninety-fifth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of George H. J. Little, late of Company I, Eleventh Regiment Minnesota Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Arthur R. Pratt, late of Company B, Seventh Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Milton Inners, helpless and dependent child of Hamilton Inners, late of Company K, Two hundredth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of John J. Moll, alias James Moore, late of Company A, Second Regiment Connecticut Volunteer Heavy Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Michael Katin, late of Company I, Twenty-ninth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Isaac Low, late of Company I, Two hundred and seventh Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John Reid, late of Company H, Seventeenth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John W. Abbott, late of Company H, Sixth Provisional Enrolled Missouri Militia Infantry, and Sixteenth Regiment Missouri Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Walter A. Scott, late of Company C, Ninth Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Phoebe A. Jones, widow of Benjamin Jones, late of Company A, Tenth Regiment Ohio Volunteer Cavalry, and pay her a pension at the rate of $25 per month.

The name of John Spears, late of Companies I and A, Thirty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John C. Seneff, late of Company D, Ninety-fourth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Richard Starr, late of Company D, Fourteenth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William Harper, late of Company D, Fourteenth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Levi G. Hake, late of Company D, Two hundredth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Samuel A. Ham, late of Company B, Fourth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Samuel E. Scott, late of Company I, Ninety-third Regiment New York Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Louis Dixon, late of Company A, Fourteenth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James Finley, late of Company A, Twenty-seventh Regiment United States Colored Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Francis M. Tipple, late of Company G, Eighteenth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Austin P. Jones, late of Company A, Seventy-third Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Silas M. Lanning, late of Company G, One hundred and forty-second Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John B. Cason, late of Company A, First Regiment Arkansas Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of David Richardson, late of Company D, First Regiment Maryland Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Francis M. Kirkpatrick, late of Company D, One hundred and thirty-sixth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Taylor Johnson, late of Company G, Forty-second Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Gilbert Scarbrough, late of Company H, Eighth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Andrew Hale, late of Company K, Ninety-fifth Regiment, and Company D, One hundred and eighty-eighth Regiment, Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry P. Bradbury, late of Company G, Seventy-first Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Leander H. Prather, late of Company I, Sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William T. Hobbs, late of Fourth Battery, Iowa Volunteer Light Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Isom S. Reeder, late of Company G, Thirteenth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of George Dettmer, late of Company K, Fifteenth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Levi Guy, late of Company A, Forty-sixth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Henderson Morgan, late of Company D, Forty-seventh Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of George Chapman, late of Company B, Twenty-second Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Charles W. Mealy, late of Company F, Eleventh Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James O. Grant, late of Company C, Seventh Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Anna M. Barrett, widow of William Barrett, late of Company C, One hundred and fifteenth Regiment New York Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of William J. Barnett, late of Company E, Ninth Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Leonidas W. Day, late of Company C, Twelfth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Almeda King, former widow of Robert E. Porter, late of Company D, Thirteenth Regiment Iowa Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of James M. Shucy, late of Company H, Forty-fourth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry Winters, late of Company H, Thirty-fifth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John O. Harmon, late of Company E, One hundred and fifty-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Alexander B. Grosh, late of Company G, Ninth Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of George A. Parks, late of Company A, Twenty-second Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Robert F. Hart, late of Company A, One hundred and eleventh Regiment New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William H. Hertz, late of Company K, Two hundredth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Landon C. Campbell, late of Company H, Fourteenth Regiment Missouri Volunteer Cavalry, and Company B, Forty-sixth Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Richard H. Stinemates, late of Company G, Twentieth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Silas Waters, late of Company F, Seventy-eighth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of George C. Smith, late of Company K, Twenty-fourth Regiment Kentucky Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Byron Truesdell, late of Company B, Seventeenth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William J. Coleman, late of Company I, One hundred and forty-fourth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John McComas, late of Battery B, West Virginia Volunteer Light Artillery, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Jordan Johnson, late of Company I, Twenty-eighth Regiment United States Colored Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Aretus F. Loomis, late of Company K, One hundred and twenty-fifth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Spear T. Harmon, late of Company A, Thirteenth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Francisco Brown, late of Company A, Eighty-first Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Theodore G. Carlisle, late of Company I, One hundred and twenty-third Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Pliny Gerow, late of Company I, One hundred and eighteenth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James M. Thayer, late of Company D, Twelfth Regiment Massachusetts Volunteer Infantry, and One hundred and first Company, Second Battalion, Veteran Reserve Corps, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Lewis B. Rex, late of Company E, Seventy-fifth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Cornelius C. Wing, late of Company F, Seventh Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Maria Miller, widow of Jesse Miller, late acting assistant surgeon, United States Army, and pay her a pension at the rate of $25 per month in lieu of that she is now receiving.

The name of John H. Eversole, late of Company I, One hundred and seventy-fourth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Alfred Holmes, late of Company K, One hundred and seventy-eighth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of J. Comly Rich, late of Company G, One hundred and ninety-seventh Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Edith King, widow of William J. King, late of Company B, Twelfth Regiment Missouri Volunteer Cavalry, and pay her a pension at the rate of $25 per month.

The name of John F. Newman, late of Company B, Tenth Regiment Kentucky Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Joseph Smolinski, late of Company M, Ninth Regiment New York Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Baxter Hamilton, late of Company C, Two hundred and fifth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mary Lydick, widow of Samuel A. Lydick, late of Company K, One hundred and fifth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of Andrew Emmert, late of Company H, One hundred and eighty-eighth Regiment Pennsylvania Volunteer Infantry, and Company E, Sixth Veteran Reserve Corps, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Daniel Bubb, late of Company F, First Pennsylvania Volunteer Light Artillery, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Charles H. Ellis, late of the United States Navy, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Robert Kepner, late of Company G, Seventh Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Mary J. Titus, widow of Francis J. M. Titus, late of Company F, Seventh Regiment Indiana Volunteer Cavalry, and pay her a pension at the rate of $25 per month.

The name of David W. Farington, late of Company F, Second Regiment Indiana Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Hamilton B. Pate, late of Company G, One hundred and forty-sixth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Sylvester C. Loveless, late of Company G, Seventy-second Regiment, and Company I, One hundred and sixteenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of William E. Hanigan, late of Company D, Twenty-fifth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Thomas J. Lamar, late of Company G, Tenth Regiment Indiana Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William Himes, late of Company H, One hundred and fifty-second Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Peter S. Huffman, late of band, Fifty-first Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of George W. Moore, late of Company E, One hundred and thirty-fourth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Hiram B. Dillon, late of Company H, Ninth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Isaiah W. Wilmeth, late of Company B, Thirty-ninth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Albert Varnell, late of Company I, Third Regiment Tennessee Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Phebe A. Shisler, former widow of George W. Shisler, late of Company F, Fifty-seventh Regiment Ohio Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of William D. McCormick, late of Company E, Seventh Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William W. Pope, late of Company F, Ninety-second Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Abraham Rapelye, late of Company G, One hundred and twenty-fourth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Merit L. Williams, late of Company F, Thirty-eighth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Gustavus Odor, late of Company I, Fourteenth Regiment Missouri Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James W. Moore, late of Company F, One hundred and forty-third Regiment Pennsylvania Volunteer Infantry, and Company D, Twelfth Veteran Reserve Corps, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John Lattimore, late of Company C, Ninth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Walter W. McGehee, late of Company C, Forty-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Ida E. Jones, widow of William A. T. Jones, late of Company E, Sixty-sixth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of Alfred Hazen, late of Company H, Thirty-ninth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Frederick Von Dissen, late of Company I, One hundred and thirty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James A. Kooney, late of Company D, One hundred and forty-eighth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of William Roup, late of Company H, Sixty-seventh Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of James J. Mitchell, late of Company C, One hundred and seventy-second Regiment Pennsylvania Drafted Militia Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John W. Higdon, late of Company F, Purnell Legion, First Regiment Maryland Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of John H. Price, late of Company C, Forty-sixth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Harvey N. Connerly, late of Company K, Forty-third Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of William W. Decker, late of Company D, One hundred and fifteenth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Mortimer Johns, late of Company B, Ninety-first Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Archibald Branaugh, late of Company C, Twentieth Regiment New York Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Chester P. Tryon, late of Company E, One hundred and fourteenth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John H. Bright, late of Company F, Sixth Regiment Tennessee Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Charles Stackhouse, late of Company B, Second Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Joshua Westbrook, late of Company K, One hundred and thirty-seventh Regiment New York Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Albert Cunningham, late of Company F, Second Battalion, Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Alvin O. Thayer, late of Company K, Twenty-eighth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Albert J. Davis, late of Company I, Second Regiment Iowa Volunteer Cavalry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of George S. Armstrong, late of Company B, One hundred and sixty-eighth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Elias Baker, late of Company B, Sixth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Stephen Higgins, late of Company H, Seventeenth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of James W. Brumage, late of Company E, Sixth Regiment West Virginia Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Jonathan Bondy, late of Company H, Seventeenth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Owen Moore, late of Company K, Seventh Regiment West Virginia Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Calvin Miller, late of Company G, Sixteenth Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Tilman Lilly, late of Company M, Seventeenth Regiment Illinois Volunteer Cavalry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of John R. Bungard, late of Company E, First Regiment West Virginia Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Jacob McKnight, late of Company B, Fifty-second Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Cornelius L. Leport, late of Company C, Second Regiment New Jersey Volunteer Cavalry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Mary Woodson, widow of John M. Woodson, late of Company B, Eighty-second Regiment, and Company C, Twenty-second Regiment, Indiana Volunteer Infantry, and pay her a pension at the rate of $37 per month in lieu of that she is now receiving: *Provided*, That in the event of the death of Clyde Woodson, helpless and dependent child of said John M. Woodson, the additional pension herein granted shall cease and determine: *And provided further*, That in the event of the death of Mary Woodson, the name of said Clyde Woodson shall be placed on the pension roll, subject to the provisions and limitations of the pension laws, at the rate of $12 per month from and after the date of death of said Mary Woodson.

The name of Jerome B. Summers, late of Company D, Sixth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Samuel T. Dowdle, late of Company B, Eighteenth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Annie L. Marksbury, widow of James W. Marksbury, late of Company G, Thirty-eighth Regiment Indiana Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of Austin A. Bierce, late of Company K, Twenty-first Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John W. Hunter, late of Company C, Thirty-ninth Regiment Missouri Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry Price, late of Company B, Eighty-second Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of William W. Carson, late of Company E, One hundred and forty-eighth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Charles H. Trimble, late of Company H, One hundred and fourth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Rosella Magee, helpless and dependent child of James Magee, late of Company I, Sixty-second Regiment New York Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Anderson Bandy, late of Company E, Fourteenth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of Robert S. McCreary, late of Company B, Twenty-first Regiment Pennsylvania Volunteer Cavalry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Martin Brenaman, late of Company F, Third Regiment Potomac Home Brigade, Maryland Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Melissa C. Lewis, former widow of Eugene Risley, late of Company C, Twenty-fifth Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $25 per month.

The name of Louis Lady, late of Company E, One hundred and forty-third Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of George B. McKechnie, late of Company I, First Regiment Maine Volunteer Heavy Artillery, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of David Johnson, late of Company D, One hundred and eighty-ninth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Elam Welch, late of Company M, Sixth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Josiah Vanscyoc, late of Company B, Twelfth Regiment, and Company C, Tenth Regiment, West Virginia Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Louisa M. Robinson, former widow of Jesse Robinson, late of Company C, First Regiment Michigan Volunteer Engineers and Mechanics, and pay her a pension at the rate of $25 per month.

The name of John Stockwell, late of Company K, Seventy-sixth Regiment Illinois Volunteer Infantry, and pay him a pension at the rate of $50 per month in lieu of that he is now receiving.

The name of Samuel Smith, late of Company F, Fifth Regiment Vermont Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Jasper N. Cooper, late of Company G, Fifty-seventh Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of John W. McKinley, late of Company G, One hundred and thirty-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu that he is now receiving.

The name of Hezekiah Miller, late of Company I, Sixth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Guilford D. Taylor, late of Company C, Third Regiment Michigan Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Lester N. Porter, late of Company H, Thirtieth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Matthew McGoldrick, late of Company H, Ninety-ninth Regiment New York National Guard Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of George J. Wright, late of Company D, Seventy-fourth Regiment Indiana Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Augustus B. Tickner, late of Company D, Eighty-fourth Regiment New York Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Thomas J. Holman, late of Company A, Forty-fourth Regiment Wisconsin Volunteer Infantry, and Company C, Sixth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Jacob W. Cline, late of Company D, Forty-ninth Regiment Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John M. Fox, late of Company G, Second Regiment New Hampshire Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Nicholas Long, late of Company B, Twenty-eighth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Squire Grissom, late of Company G, Forty-sixth Regiment Iowa Volunteer Infantry, and pay him a pension at the rate of $27 per month in lieu of that he is now receiving.

The name of Baty Cecil, late of Company F, Seventh Regiment Tennessee Mounted Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Erastus A. Kelly, late of Company L, Ninth Regiment Ohio Volunteer Cavalry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Eugene L. Haughton, late of Company I, Thirty-sixth Regiment Wisconsin Volunteer Infantry, and pay him a pension at the rate of $36 per month in lieu of that he is now receiving.

The name of Hiram J. Pitsenbarger, late of Company E, Fortieth and Fifty-first Regiments Ohio Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of John M. Willoughby, late of Company G, Fifty-third Regiment Kentucky Volunteer Mounted Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Morris Springfield, late of Company C, Fifty-eighth Regiment Pennsylvania Volunteer Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Henry D. Combs, late of Company E, Second Regiment United States Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Martha Wilson, widow of Henry Wilson, late of Company D, Eleventh Regiment West Virginia Volunteer Infantry, and pay her a pension at the rate of $37 per month in lieu of that she is now receiving: *Provided*, That in the event of the death of Harvey M. Wilson, helpless and dependent child of said Henry Wilson, the additional pension herein granted shall cease and determine: *And provided further*, That in the event of the death of Martha Wilson the name of said Harvey M. Wilson shall be placed on the pension roll, subject to the provisions and limitations of the pension laws, at the rate of $12 per month from and after the death of said Martha Wilson.

The name of John M. Thorn, late of Company F, Twelfth Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of James Collins, late of Company M, Fourteenth Regiment Kentucky Volunteer Cavalry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving.

The name of Lemuel Jones, late of Company D, Fourteenth Regiment Kentucky Volunteer Infantry, and pay him a pension at he rate of $50 per month in lieu of that he is now receiving.

The foregoing bill is a substitute for the following House bills referred to the Committee on Invalid Pensions:

H. R. 608. Alfred Cooper.
H. R. 865. George H. J. Little.
H. R. 866. Arthur R. Pratt.
H. R. 876. Milton Inners.
H. R. 920. John J. Moll, alias James Moore.
H. R. 1004. Michael Katin.
H. R. 1030. Isaac Low.
H. R. 1384. John Reid.
H. R. 1491. John W. Abbott.
H. R. 1552. Walter A. Scott.
H. R. 1776. Phoebe A. Jones.
H. R. 1799. John Spears.
H. R. 1938. John C. Seneff.
H. R. 1987. Richard Starr.
H. R. 1988. William Harper.
H. R. 2259. Levi G. Hake.
H. R. 2456. Samuel A. Ham.
H. R. 2516. Samuel E. Scott
H. R. 2554. Louis Dixon.
H. R. 2557. James Finley.
H. R. 2569. Francis M. Tippie.
H. R. 2639. Austin P. Jones.
H. R. 2801. Silas M. Lanning.
H. R. 3170. John B. Cason.
H. R. 3171. David Richardson.
H. R. 3250. Francis M. Kirkpatrick.
H. R. 3432. Taylor Johnson.
H. R. 3489. Gilbert Scarbrough.
H. R. 3586. Andrew Hale.
H. R. 3589. Henry P. Bradbury.
H. R. 3698. Leander H. Prather.
H. R. 3915. William T. Hobbs.
H. R. 3984. Isom S. Reeder.
H. R. 4053. George Dettmer.
H. R. 4277. Levi Guy.
H. R. 4476. Henderson Morgan.
H. R. 4505. George Chapman.
H. R. 4786. Charles W. Mealy.
H. R. 4840. James O. Grant.
H. R. 4890. Anna M. Barrett
H. R. 4963. William J. Barnett.
H. R. 5060. Leonidas W. Day.
H. R. 5127. Almeda King.
H. R. 5179. James M. Shuey.
H. R. 5385. Henry Winters.
H. R. 5386. John O. Harmon.
H. R. 5500. Alexander B. Grosh.
H. R. 5505. George A. Parks.
H. R. 5512. Robert F. Hart
H. R. 5730. William H. Hertz.
H. R. 5770. Landon C. Campbell.
H. R. 5977. Richard H. Stinemates.
H. R. 5978. Silas Waters.
H. R. 6067. George C. Smith.
H. R. 6081. Byron Truesdell.
H. R. 6084. William J. Coleman.
H. R. 6191. John McComas.
H. R. 6539. Jordan Johnson.
H. R. 6681. Aretus F. Loomis.
H. R. 6682. Spear T. Harmon.
H. R. 6693. Francisco Brown.
H. R. 6821. Theodore G. Carlisle.
H. R. 6861. Pliny Gerow.
H. R. 6866. James M. Thayer.
H. R. 6911. Lewis B. Rex.
H. R. 6916. Cornelius C. Wing.
H. R. 6922. Maria Miller.
H. R. 7054. John H. Eversole.
H. R. 7217. Alfred Holmes.
H. R. 7369. J. Comly Rich.
H. R. 7374. Edith King.
H. R. 7376. John F. Newman.
H. R. 7514. Joseph Smolinski.
H. R. 7610. Baxter Hamilton.
H. R. 7625. Mary Lydick.
H. R. 7660. Andrew Emmert.
H. R. 7673. Daniel Bubb.
H. R. 7675. Charles H. Ellis.
H. R. 7712. Robert Kepner.
H. R. 7748. Mary J. Titus.
H. R. 7757. David W. Farington.
H. R. 7786. Hamilton B. Pate.
H. R. 7792. Sylvester C. Loveless.
H. R. 7813. William F. Hanigan.
H. R. 7826. Thomas J. Lamar.
H. R. 7837. William Himes.
H. R. 7854. Peter S. Huffman.
H. R. 7856. George W. Moore.
H. R. 7889. Hiram B. Dillon.
H. R. 7901. Isaiah W. Wilmeth.
H. R. 7932. Albert Varnell.
H. R. 7938. Phebe A. Shisler.
H. R. 7941. William T. McCormick.
H. R. 7952. William W. Pope.
H. R. 7965. Abraham Rapelye.
H. R. 8037. Merit L. Williams.
H. R. 8137. Gustavus Odor.
H. R. 8140. James W. Moore.
H. R. 8167. John Lattimore.
H. R. 8176. Walter W. McGehee.
H. R. 8178. Ida A. Jones.
H. R. 8190. Alfred Hazen.
H. R. 8194. Frederick Von Dissen.
H. R. 8232. James A. Kooney.
H. R. 8234. William Roup.
H. R. 8235. James J. Mitchell.
H. R. 8241. John W. Higdon.
H. R. 8250. John H. Price.
H. R. 8264. Harvey N. Connerly.
H. R. 8265. William W. Decker.
H. R. 8305. Mortimer Johns.
H. R. 8440. Archibald Branaugh.
H. R. 8447. Chester P. Tryon.
H. R. 8540. John H. Bright.
H. R. 8581. Charles Stackhouse.
H. R. 8593. Joshua Westbrook.
H. R. 8597. Albert Cunningham.
H. R. 8675. Alvin O. Thayer.
H. R. 8705. Albert J. Davis.
H. R. 8775. George S. Armstrong.
H. R. 8870. Elias Baker.
H. R. 8871. Stephen Higgins.
H. R. 8874. James W. Brumage.
H. R. 8901. Jonathan Bondy.
H. R. 8902. Owen Moore.
H. R. 8903. Calvin Miller.
H. R. 8906. Tilman Lilly.
H. R. 8932. John R. Rungard.
H. R. 8944. Jacob McKnight.
H. R. 8994. Cornelius L. Leport.
H. R. 8999. Mary Woodson.
H. R. 9006. Jerome B. Summers.
H. R. 9007. Samuel T. Dowdle.
H. R. 9029. Annie L. Marksbury.
H. R. 9058. Austin A. Bierce.
H. R. 9109. John W. Hunter.
H. R. 9128. Henry Price.
H. R. 9131. William W. Carson.
H. R. 9139. Charles H. Trumble.
H. R. 9141. Rosella Magee.
H. R. 9175. Anderson Bandy.
H. R. 9187. Robert S. McCreary.
H. R. 9192. Martin Brenaman.
H. R. 9206. Melissa C. Lewis.
H. R. 9229. Louis Lady.
H. R. 9233. George B. McKechnie.
H. R. 9242. David Johnson.
H. R. 9261. Elma Welch.
H. R. 9264. Josiah Vanscyoc.
H. R. 9272. Louisa M. Robinson.
H. R. 9300. John Stockwell.
H. R. 9305. Samuel Smith.
H. R. 9307. Jasper N. Cooper.
H. R. 9308. John W. McKinley.
H. R. 9317. Hezekiah Miller.
H. R. 9338. Guilford D. Taylor.
H. R. 9423. Lester N. Porter.
H. R. 9425. Matthew McGoldrick.
H. R. 9428. George J. Wright.
H. R. 9444. Augustus B. Tickner.
H. R. 9449. Thomas J. Holman.
H. R. 9450. Jacob W. Cline.
H. R. 9454. John M. Fox.
H. R. 9548. Nicholas Long.
H. R. 9554. Squire Grissom.
H. R. 9617. Baty Cecil.
H. R. 9623. Erastus A. Kelly.
H. R. 9709. Eugene L. Haughton.
H. R. 9718. Hiram J. Pitsenbarger.
H. R. 9720. John M. Willoughby.
H. R. 9723. Morris Springfield.
H. R. 9724. Henry D. Combs.
H. R. 9827. Martha Wilson.
H. R. 9835. John M. Thorn.
H. R. 9991. James Collins.
H. R. 9992. Lemuel Jones.

The SPEAKER pro tempore (Mr. RAINEY in the chair). The question is on the engrossement and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. SHERWOOD, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. HELVERING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on pension legislation.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. GILLETT. Reserving the right to object, on what subject?

Mr. MADDEN. Let the gentleman state on what subject he expects to extend his remarks.

Mr. HELVERING. I stated that it was on pension legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

Mr. LANGLEY. Mr. Speaker, reserving the right to object, is the gentleman going to discuss politics?

Mr. HELVERING. Not at all.

Mr. LANGLEY. Then I have no objection.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The SPEAKER resumed the chair.

ENLISTED MEN DISCHARGED TO ACCEPT COMMISSIONS.

Mr. DENT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9903) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes.

The SPEAKER. The gentleman will send the bill up to the desk and the Clerk will report it.

Mr. STAFFORD. Will the gentleman indicate the calendar number?

Mr. DENT. I will in a moment.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 9903) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object——

Mr. GILLETT. Let the whole bill be read. It is very short.

Mr. STAFFORD. Will the Clerk indicate what the calendar number is?

The SPEAKER. It is No. 129 on the Union Calendar.

The Clerk will read the bill.

The Clerk read as follows:

A bill (H. R. 9903) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes.

Be it enacted, etc., That any enlisted man of the Army of the United States who has heretofore been, or shall hereafter be, discharged to accept a commission in any component part of the Army of the United States, and who shall tender himself for enlistment within three months after the termination of his commissioned service, shall, subject to such examination for enlistment as is provided by law or regulation, be accepted and be restored to the grade held by him before being discharged to accept such commission; and in computing service for retirement and continuous-service pay he shall be credited with all time served with the forces of the United States, and his service shall be deemed continuous, notwithstanding the interruption thereof by the changes of status provided for herein.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think some explanation should be given by the chairman of the committee as to the purpose of this bill.

Mr. DENT. Mr. Speaker, at the last session of Congress a bill was passed which provided that an enlisted man in the Regular Army who accepted a commission in the National Guard could be reenlisted or restored to his position as an enlisted man after his temporary commission expired. This bill is intended to extend the provisions of that act so as to include any enlisted man who may take a commission in the National Army. There are men who have served for many years in the Army and have noncommissioned positions now such as sergeants and corporals. They do not wish to take a commission in any branch of the service if their length of service as an enlisted man in the Army should be impaired thereby.

Mr. DYER. Will the gentleman yield for a question?

Mr. DENT. Certainly.

Mr. DYER. Does the gentleman's bill also include those who are commissioned from the Regular Army, noncommissioned officers, and who desire to resign before the war is over?

Mr. DENT. The bill provides that they may be reenlisted in the Army and get the benefit of continuous service.

Mr. DYER. How long does the gentleman's bill state after the war is over they have to do that if they desire?

Mr. DENT. They have three months.

Mr. DYER. I know a number of noncommissioned officers of the Regular Army who have been commissioned in the National Army. It was called to my attention, for instance, some weeks ago that two men were commissioned—one as a lieutenant and one as a captain—and they stated to the commanding general there they desired to resign their commissions and return to their noncommissioned positions in the Regular Army, and they wanted to do it now.

Mr. DENT. There is nothing in this bill that will prevent that.

Mr. DYER. This will permit him to do it at this time?

Mr. DENT. Yes.

Mr. CRAGO. Is not the purpose of this bill to enable men of the Regular Army, corporals and sergeants, who accepted commissions in the National Guard organization for service on the border to be reinstated to their positions in the ranks of the Regular Army?

Mr. GREENE of Vermont. Was not that taken care of in the appropriation act of last year?

Mr. DENT. That was taken care of, and this extends the same idea.

Mr. MADDEN. This gives them the right to go back to their former status, then, any time within three months after they surrender their commissions for any cause—that is, if it is an honorable cause?

Mr. DENT. They do not lose any right by reason of this act.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. DENT. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That any enlisted man of the Army of the United States who has heretofore been, or shall hereafter be, discharged to accept a commission in any component part of the Army of the United States, and who shall tender himself for enlistment within three months after the termination of his commissioned service, shall, subject to such examination for enlistment as is provided by law or regulation, be accepted and be restored to the grade held by him before being discharged to accept such commission; and in computing service for retirement and continuous-service pay he shall be credited with all time served with the forces of the United States, and his service shall be deemed continuous, notwithstanding the interruption thereof by the changes of status provided for herein.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. DENT, a motion to reconsider the vote by which the bill was passed was laid on the table.

CONDEMNATION OF LAND FOR NITRATE PURPOSES.

Mr. DENT. Mr. Speaker, I would like to ask unanimous consent for the present consideration of the bill (H. R. 8409) for condemnation of land for nitrate purposes.

The SPEAKER. The gentleman asks unanimous consent for the present consideration of the bill H. R. 8409, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 8409) to amend an act entitled "An act to authorize the condemnation proceedings of land for military purposes," approved July 2, 1917, and for other purposes.

Mr. DYER. Mr. Speaker, I ask that the bill may be read.

Mr. BORLAND. Mr. Speaker, I think we can save time. I shall object to its consideration at the present time.

The SPEAKER. If the gentleman is going to object, that ends it. Has the gentleman from Alabama another bill?

APPOINTMENT OF OFFICERS OF PHILIPPINE SCOUTS, ETC.

Mr. DENT. I have. I ask unanimous consent to call up the bill H. R. 9571, a bill providing for the appointment of officers of the Philippine Scouts as officers of the Philippine Militia.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 9571) to authorize the appointment of officers of the Philippine Scouts as officers in the militia or other locally created armed forces of the Philippine Islands drafted into the service of the United States, and for other purposes.

The SPEAKER. The Clerk had better read the whole bill.

The Clerk read as follows:

Be it enacted, etc., That officers of the Philippine Scouts be, and they hereby are, made eligible to appointment as officers in the militia or other locally created armed forces in the Philippine Islands which have been or shall hereafter be drafted into the service of the United States; and any such officer of the Philippine Scouts so appointed as an officer in said drafted forces shall not thereby vacate his commission in the Philippine Scouts, and in case his commission in said Philippine Scouts shall terminate while holding a commission in said drafted forces as aforesaid, he shall thereupon be eligible to reappointment as an officer of said Philippine Scouts notwithstanding his retention of a commission in said drafted forces.

SEC. 2. That in computing period of service for any purpose officers of the Philippine Scouts shall be credited with all time served as commissioned officers in the drafted forces mentioned in section 1 of this act.

The SPEAKER. Is there objection?

Mr. MONDELL. Mr. Speaker, reserving the right to object, I would like to have a brief statement from the gentleman in charge of the bill in regard to the necessity for this legislation.

Mr. DENT. Mr. Speaker, the House recently passed a bill authorizing the President to call into Federal service the Philippine Scouts and the Philippine Militia. At the time that that bill passed the House it was generally supposed—in fact, it was known by the War Department—that they would use these American officers of the Philippine Scouts in this new organization, but the Judge Advocate General ruled that the officers of the Philippine Scouts would not be eligible for appointment to office in the Philippine Militia, and this is done in order to correct the law and extend the provisions of the bill we have already passed.

Mr. MONDELL. Will the gentleman explain to the House the effect of the provision in the bill found on lines 8 and 9, to the effect that "an officer in said drafted forces shall not thereby"—that is, by his acceptance of the new commission—"vacate his position in the Philippine Scouts"?

Mr. DENT. I think that is perfectly plain.

Mr. MONDELL. Does that mean that there is for the time being a vacancy among the officers of the Philippine Scouts?

Mr. DENT. I so understand it. In other words, it is proposed to use this organization for war purposes, and then, when the war is over, of course the Philippine Scouts organization will be retained for peace purposes.

Mr. MONDELL. Has the effect of the legislation referred to been temporarily to disband, or will its effect be to temporarily disband, the Philippine Scouts?

Mr. DENT. I think so.

Mr. MONDELL. I assumed that was the case.

Mr. DENT. Yes.

Mr. MONDELL. Then I do not clearly understand the necessity of the officer retaining a commission in the Philippine Scouts.

Mr. DENT. Because when the war is over he will revert to his original commission as an officer of the Philippine Scouts. The organization will be temporarily disbanded during the war, for war purposes.

Mr. MONDELL. Of course, he would be eligible for a commission in the Philippine Scouts organization in that event, so that I do not quite understand the necessity of retaining the Philippine commission. In other words, it is the case of a man holding two commissions at the same time. That is what it really amounts to.

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman yield?

Mr. DENT. Yes.

Mr. GREENE of Vermont. I think its analogy is to be found now in the practice whereby an officer of the Regular Establishment will vacate that office temporarily, perhaps, to hold a higher grade and rank in the National Army, and at the conclusion of his tour of duty in the National Army will revert to his old status in the Regular Army.

Mr. MONDELL. Such an officer in that event does not retain his commission.

Mr. GREENE of Vermont. Of course he does, but he does not act under it. He holds his old place in the lineal list, his old grade and rank, unless under the automatic operation of the law he is advanced in numbers on the lineal list.

Mr. ALEXANDER. But he does not get pay under both.

Mr. GREENE of Vermont. No; not under both commissions.

Mr. MONDELL. I understand that in such a case the officer's place was held open for him.

Mr. GREENE of Vermont. He does not operate under that commission. A man may be put in temporarily to occupy a vacancy caused by his temporary advancement, but the man's old status in the Regular organization is preserved to him.

Mr. CANNON. Mr. Speaker, will the gentleman permit me to ask him a question?

Mr. DENT. Certainly.

Mr. CANNON. Do I understand now that an officer in the Philippine Scouts who is drafted can not be commissioned as an officer in the Army?

Mr. DENT. Certainly he can be commissioned.

Mr. MONDELL. If he were drafted; but he can not be drafted?

Mr. DENT. No; he can not be drafted.

Mr. CANNON. I thought this was a proposal to take in the whole organization.

Mr. DENT. It does propose to take in the organization. We have already passed that bill. It is behind us. That has already been done. The question now is whether or not the Philippine Scout officers shall be eligible to appointment in this militia that we have called into the service.

Mr. CANNON. The Philippine Scouts having been drafted along with the whole shooting match he is not an officer—he is not an officer at all, not a commissioned officer?

Mr. DENT. No; he is not.

Mr. CANNON. And can not be under the law?

Mr. DENT. No; he can not be under the law.

Mr. CANNON. Is he eligible to appointment? Suppose the President should send his nomination to the Senate. Is he eligible to be an officer?

Mr. DENT. A Philippine Scout officer?

Mr. CANNON. No; an officer in the Regular Army. These people go into the Regular Army, do they not?

Mr. DENT. I really do not understand the gentleman's proposition.

Mr. MONDELL. Mr. Speaker, will the gentleman yield to me for a second?

Mr. DENT. No. I would like to understand the position of the gentleman from Illinois.

Mr. CANNON. What is the status of a Philippine Scout company or regiment that has been conscripted? What is the status of a man who was an officer in the Philippine Scouts? Is he now a private?

Mr. DENT. He occupies the status of a noncommissioned officer or private in the Regular Army.

Mr. CANNON. Then he loses his commission in the Philippine Scouts?

Mr. DENT. He does, or would but for the provisions of this bill. This bill takes care of that and protects it.

Mr. CANNON. Does it take care of it while he is in the Army, while the war lasts?

Mr. DENT. It provides that they may get back their commissions when the war ends.

Mr. CANNON. In the meantime he is not eligible for a commission?

Mr. DENT. Not in this organization unless this bill passes.

Mr. CANNON. I think there are officers in the Philippine Scouts who are perhaps Filipinos or half castes or Anglo-Saxons. Is that correct?

Mr. DENT. I think so.

Mr. CANNON. None of those, as I understand the gentleman, are eligible to appointment or commissions as officers in the Army?

Mr. MONDELL. Why not?

Mr. CANNON. I am seeking to find out. I am asking for information.

Mr. DENT. If you mean an appointment of the Filipino in the Regular Army, no. If he is an American citizen, he is eligible to appointment, provided he can stand the examination. A number of them have been tried out, and a number have been appointed, as I am informed.

Mr. CANNON. That answers my question.

Mr. MONDELL. Then the purpose of this is not primarily to make these men eligible to appointment in the new organization. They are now eligible to such appointment, are they not?

Mr. DENT. Yes.

Mr. MONDELL. The purpose of this legislation is to allow these officers to accept commissions in the new organization and retain at the same time the commissions in the old organization?

Mr. DENT. That is true, but to hold and only to exercise one of the commissions that they have.

Mr. MONDELL. The gentleman said in the beginning of his remarks that the purpose of it was to make it possible for these men to accept commissions in the new organization. That is not an accurate statement of the situation.

Mr. DENT. It is an accurate statement of the situation, because the new organization that I was referring to is the organization of the Philippine Militia and the Philippine Scouts, to be used during the war.

Mr. MONDELL. Yes; but these men are eligible to commissions in that organization.

Mr. DENT. The judge advocate says not.

Mr. MONDELL. I understood the gentleman a moment ago to say that they were. They are citizens of the United States, are they not?

Mr. DENT. I said that any Philippine Scout officer who is an American citizen is eligible to appointment as an officer in the Regular Establishment, and the War Department has given these men an opportunity to stand an examination for that purpose, and a number of them have been appointed; but they are not eligible to appointment in this new organization combining the Philippine Militia and the Philippne Scouts, to be used during the war.

Mr. MONDELL. Why not?

Mr. DENT. Because the Judge Advocate General says so.

Mr. MONDELL. That is, the Judge Advocate General has said that they are not eligible for appointment in the new organization while retaining their commissions in the old.

Mr. DENT. Substantially that.

Mr. MONDELL. That is a very different proposition. I do not know that I have any objection to the legislation, but I think we ought clearly to understand its purpose; and its purpose is not to give these men an opportunity to accept commissions in the new organization, for they can do that in any event by resigning from the scouts, but to give them an opportunity to accept commissions in the new organization and retain commissions in the old.

Mr. DENT. I think I have stated that officers of the scouts can not under the ruling of the Judge Advocate General accept a commission in the organization of the scouts and Philippine Militia recently called into service under a bill passed at this session for that purpose. This bill is intended to correct this defect in that bill.

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

ARMY CHAPLAINS.

Mr. DENT. Now, Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2917) authorizing the appointment of chaplains in the Army, one for each 1,200 men.

Mr. BYRNS of Tennessee. Reserving the right to object, I want to say to the gentleman that, while I am not opposed to this bill, at the same time, if it is going to take as great a length of time as was taken by the preceding bill, I shall feel constrained to object, because I wish to begin the consideration of the legislative bill.

Mr. DYER. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. DYER. As far as I can find out, I am sure that there is no disposition to take time on this bill, and I think it very important. There is a great demand for it, and I hope the gentleman will not object.

Mr. BYRNS of Tennessee. If the gentleman from Alabama [Mr. DENT] will give me his assurance that if it is going to take any very great length of time he will withdraw his request, I shall not object.

Mr. DENT. I ask unanimous consent to consider the bill, and if any opposition develops I will withdraw my request.

The SPEAKER. Is there objection?

Mr. ROBBINS. Reserving the right to object, let the bill be read.

Mr. COX. I am going to demand the regular order, Mr. Speaker.

The SPEAKER. The regular order is, Is there objection?

Mr. STAFFORD. Reserving the right to object——

Mr. COX. I demand the regular order.

The SPEAKER. The regular order is, Is there objection?

Mr. STAFFORD. A parliamentary inquiry, Mr Speaker.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Is not the mere demand for the regular order under the precedents of the House equivalent to an objection?

The SPEAKER. No; it has not been construed that way.

Mr. STAFFORD. If the Speaker will pardon me, it has been construed that way——

The SPEAKER. Ordinarily that would be the case, but in the matter of getting consent for the consideration of bills the Chair is going to construe it the other way. Is there objection?

Mr. STAFFORD. For the time being, if we can not have the bill reported, I shall be constrained to object.

The SPEAKER. The gentleman can have the bill reported. The Clerk will read it.

The Clerk read the bill (S. 2917) to amend section 15 of the act approved June 3, 1916, entitled "An act for making further and more effectual provision for the national defense, and for other purposes," as amended by the act approved May 12, 1917, entitled "An act making appropriations for the support of the

Army for the fiscal year ending June 30, 1918, and for other purposes," as follows:

Be it enacted, etc., That section 15 of the act approved June 3, 1916, entitled "An act for making further and more effectual provision for the national defense, and for other purposes," as amended by the act approved May 12, 1917, entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1918, and for other purposes," be, and the same is hereby, amended to read as follows:

"SEC. 15. Chaplains: The President is authorized to appoint, by and with the advice and consent of the Senate, chaplains in the Army at the rate of not to exceed, including chaplains now in the service, 1 for each 1,200 officers and men in all branches of the Military Establishment, with rank, pay, and allowances as now authorized by law: *Provided*, That there shall be assigned at least one chaplain for each regiment of Cavalry, Infantry, Field Artillery, and Engineers."

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think this bill would provoke some discussion, and I ask the gentleman from Alabama to withdraw it.

Mr. DENT. I made the promise that if there was opposition to it I would withdraw my request; but I would like to make this statement first, that this is recommended by Gen. Pershing himself in a special cablegram to the War Department, and the Secretary of War has urged the passage of this bill. With that statement, in view of the objection I will withdraw my request.

Mr. DYER. There is great demand in the country for the passage of this bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. For the time being, I object.

HOMESTEAD ENTRIES, FORMER COLVILLE INDIAN RESERVATION, WASH.

Mr. DILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table S. J. Res. 92, providing additional time for the payment of purchase money under homestead entries within the former Colville Indian Reservation, Wash.

The SPEAKER. The Clerk will report it.

The joint resolution was read, as follows:

Resolved, etc., That the Secretary of the Interior is hereby authorized to extend for a period of one year the time for the payment of any annual installment due, or hereafter to become due, on the purchase price for lands sold under the act of Congress approved March 22, 1906 (34 Stats., p. 80), entitled "An act to authorize the sale and disposition of surplus or unallotted lands of the diminished Colville Indian Reservation, in the State of Washington, and for other purposes," and any payment so extended may annually thereafter be extended for a period of one year in the same manner: *Provided*, That the last payment and all other payments must be made within a period not exceeding one year after the last payment becomes due, by the terms of the act under which the entry was made: *Provided further*, That any and all payments must be made when due, unless the entryman applies for an extension and pays interest for one year in advance at 4 per cent per annum upon the amount due as herein provided, and patent shall be withheld until full and final payment of the purchase price is made in accordance with the provisions hereof: *And provided further*, That failure to make any payment that may be due, unless the same be extended, or to make any extended payment at or before the time to which such payment has been extended, as herein provided, shall forfeit the entry, and the same shall be canceled, and any and all payments theretofore made shall be forfeited.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand that the gentleman intends, if consent is given, to offer some amendments, so as to grant this privilege to these homesteaders merely for one year and no longer, and also to increase the rate of interest from 4 per cent to 5 per cent.

Mr. DILL. Yes; I will say that a similar bill is on the Union Calendar, reported by the Committee on the Public Lands, which contains these changes that the gentleman suggests, and if he will offer the amendments, I shall have no objection to them. I have not prepared the amendments. The gentleman can offer them, or if he will give them to me I will offer them.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield to me?

Mr. DILL. Yes.

Mr. McLAUGHLIN of Michigan. I understand that there is some legislation on behalf of the men engaged in military service who have made entries, extending their time and giving them some measure of relief. Why should this relief be extended indiscriminately?

Mr. DILL. This applies only to homesteaders who went on the Colville Reservation last year; probably only about 500 purchased land at the appraised value. It is dry land, and last year was a very dry year anyhow. Anybody who knows anything about the conditions there knows that the first year on dry land they have great difficulty in raising crops, and last year they scarcely got their seed.

Mr. McLAUGHLIN of Michigan. Where is this land?

Mr. DILL. It is in eastern Washington, in the dry section between the Cascades and the Rockies. This will mean that these homesteaders can remain on the homestead and pay interest on the deferred payments to the Indians.

Mr. FOSTER. This only extends the time?

Mr. DILL. It extends the time of payment one year.

Mr. STAFFORD. The bill in its present form would extend the time to one year and would grant the entryman the right to have it continued indefinitely until one year after the last payment upon merely paying interest of 4 per cent. I understand the gentleman will offer amendments to grant it for one year only on a payment of interest at 5 per cent.

Mr. FOSTER. This raises the rate of interest from 4 to 5 per cent?

Mr. STAFFORD. The House bill carried a rate of 5 per cent and the Senate bill a rate of 4 per cent. The customary rate in extensions of this character is 5 per cent.

Mr. FOSTER. The regular rate that they pay on deferred payments is 5 per cent?

Mr. DILL. Five per cent.

Mr. MONDELL. What is the rate of the annual payment?

Mr. DILL. It depends on the appraisement of the tract upon which the man enters.

Mr. MONDELL. What is the average?

Mr. DILL. I am not sure about the average, but not a large amount.

Mr. MONDELL. Payment per annum?

Mr. DILL. Yes; but I am not certain about the amount.

Mr. McLAUGHLIN of Michigan. Mow many deferred payments are there?

Mr. DILL. This year's payments are due—probably three or four hundred of them, at the most. There will be other payments due next year. They can postpone those for one ear. It simply permits the homesteader to postpone each of his payments one year.

Mr. McLAUGHLIN of Michigan. It extends the time of making the payments one year?

Mr. DILL. Yes; and he pays interest of 5 per cent to the Indians for the use of the money. These Indians have a large sum in the Treasury and are not in need of the money.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. DILL. Mr. Speaker, I offer the following amendments.

The Clerk read as follows:

Page 1, line 4, after the word "of" insert the words "not longer than"; page 1, lines 11, 12, and 13, strike out the words "and any payment so extended may annually thereafter be extended for a period of one year in the same manner"; page 2, line 2, strike out the word "last"; page 2, line 6, strike out the word "four" and insert the word "five"; page 2, lines 11, 12, and 13, strike out the words "or to make any extended payment at or before the time to which such payment has been extended."

The amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. DILL, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The House bill (H. R. 5673) of similar tenor was laid on the table.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10358, the legislative, executive, and judicial appropriation bill.

The SPEAKER. The gentleman from Tennessee moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10358, the legislative, executive, and judicial appropriation bill.

Mr. BYRNS of Tennessee. Mr. Speaker, pending that I would like to ask the gentleman from Wisconsin [Mr. STAFFORD] whether we can not agree on time for general debate?

Mr. STAFFORD. Mr. Speaker, it is now nearly 2 o'clock. I have requests from a number of gentlemen on this side amounting to more than three hours. I would suggest to the gentleman that no limit of time be placed on general debate to-day, but that we go into Committee of the Whole and have the time equally divided between the gentleman and myself and see what the condition will be at the conclusion of to-day's session.

Mr. BYRNS of Tennessee. Does the gentleman think we can close general debate to-day?

Mr. STAFFORD. Not if all the gentlemen on this side demand their time. It will be impossible, but some gentlemen might not claim the time.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent that the time for general debate be equally divided, one half to be controlled by the gentleman from Wisconsin [Mr. STAFFORD] and the other half by myself.

The SPEAKER. The gentleman from Tennessee, pending his motion to go into Committee of the Whole House on the state of the Union, asks unanimous consent that one half of the time for general debate be controlled by the gentleman from Wiscon-

sin [Mr. STAFFORD] and the other half by himself. Is there objection?

There was no objection.

The motion of Mr. BYRNS of Tennessee was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SAUNDERS of Virginia in the chair.

The Clerk reported the bill by title.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Chairman, the pending bill which provides for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, carries a much larger sum than has ever been carried heretofore in a bill of this character. It is not necessary for me to say that this fact grows out of the greatly increased appropriations that have become necessary for clerks and other purposes in the departments here in Washington on account of the pending war, and if Members will examine the report submitted by the committee they will find that the great proportion of the increase in this bill over the current law is largely in two or three of the departments of the Government which are more intimately charged with the carrying on of the war. I refer to the War Department, the Navy Department, the Department of the Treasury, the Department of State, and the Bureau of Standards in the Department of Commerce. The estimates upon which this bill is based call for $75,694,852.09. The bill as reported to the House actually carries $69,533,598.25, or $6,161,253.84 less than the estimates submitted by the various departments. The appropriations made for the current year for the legislative, executive, and judicial expenses amount to $55,951,799.17, or $13,581,799.08 less than the amount carried in this bill. The pending bill provides for 17,878 specific salaries, or 1,216 more than are carried for the present year, and 1,105 less than asked for in the estimates.

Unless it is particularly desired at this time, I shall not undertake to discuss the various items in the bill and the various cuts which have been made by the committee in the estimates, preferring to leave discussion of those particular matters until the bill is taken up in due course of consideration under the five-minute rule. But I will say that the Committee on Appropriations believe confidently that there has been no cut made in any of the estimates submitted to the committee and to Congress which will result in detriment to the Government. The committee feels confident that it has provided every dollar necessary for the efficient administration of the Government and provided every sum which will be required for the use of these departments, at least for the greater portion of the year. Certainly, every sum has been provided which can now be anticipated. I do not mean to say that there is not a possibility that in the future some of the departments, to wit, the War Department and the Navy Department, may not require an additional sum for clerical assistance if the war should continue indefinitely. It has been impossible for the heads of those departments and the heads of the various bureaus in those departments to state with any degree of certainty exactly how much clerical assistance they will need during the coming fiscal year, and especially so far in advance. Gentlemen will remember that there is no past experience to guide them and to serve as a criterion for the future. It is evident, however, to anyone who will read the hearings on this bill that it carries a sufficient amount of money to carry those departments possibly for the entire fiscal year, and certainly well into the fiscal year, and if this war should continue and the necessity should become apparent during the next fiscal year for additional money, Congress will be in session in December, and the heads of these departments will then be able to go before the committee and Congress and explain with greater certainty exactly what they will need.

I may say that the committee has allowed every dollar that was asked for in the estimates submitted by the War Department. We have not cut the original estimates submitted by the War Department one single cent. I believe that it is better to appropriate many dollars more than may be needed in this crisis than to fail to appropriate one dollar necessary to the running of the Government during this crisis, if by so doing it would result in either prolonging the war or in a failure to bring about a favorable and successful peace, and the permanent establishment of those principles of freedom and democracy for which we are contending. The country expects Congress to appropriate every dollar that is absolutely necessary for the prompt winning of the war, and it likewise expects the executive departments to spend the money so appropriated wisely and economically, and it will hold both Congress and the executive departments strictly to account for the proper exercise of the functions vested in them. The committee has held long and extended hearings, covering a period of nearly two months. As I have stated, it has been a human impossibility for the committee to determine just how much will be needed in some departments during the fiscal year, but I repeat that we have allowed every sum which we thought and believed from the hearings to be necessary. It is the duty of Congress, of course, to keep close track of these appropriations, immense as they are, which are being made from time to time. The Committee on Appropriations is not charged with the especial duty of investigating how money has been expended, nevertheless in its investigations and its hearings to determine how much money will be needed in the future it never fails to examine particularly how the money carried in a particular bill has been expended during the past.

Mr. SNOOK. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. SNOOK. Has the gentleman any information or any figures as to how large an extent the Bureau of War-Risk Insurance is being extended? How many clerks have they there now?

Mr. BYRNS of Tennessee. The Bureau of War-Risk Insurance at the present time, or nearly a month ago, had about 1,780 clerks in round numbers. This bill carries an appropriation which will authorize an organization consisting of about 2,900 clerks, and I may say that the deficiency bill which was passed some weeks ago by the House carries a similar appropriation for the remainder of this fiscal year.

Mr. SNOOK. At how much cost for the year?

Mr. BYRNS of Tennessee. Three million five hundred and ninety-one thousand dollars.

Mr. SNOOK. That is not the total estimated expense of that bureau for the year, is it?

Mr. BYRNS of Tennessee. It is not the total estimated expense for that bureau for the next fiscal year. I will say to the gentleman that that bureau's estimated expense was $3,897,848.

Mr. SNOOK. It costs a little less than $4,000,000 a year?

Mr. BYRNS of Tennessee. The committee has allowed $3,591,000, and I may say that the committee went very fully into the organization of the War-Risk Insurance Bureau and allowed them for salaries alone the sum of $3,000,000.

The cuts are principally in the matter of rent, stationery, and contingent expenses.

Mr. SNOOK. It will take something like 2,900 clerks when fully organized?

Mr. BYRNS of Tennessee. Yes. Now, Mr. Chairman, while the Committee on Appropriations have always conducted exhaustive hearings, not only as to the requirements of the Government in the future but as to the manner of expenditures of those sums which have been recommended in the first instance by the Appropriations Committee to the House, nevertheless there is a distinct duty and a great public service which the committees on expenditures of this House can render. I know of no more valuable service that can be rendered by any committee of this House than by the committees on expenditures in the departments at this particular time, especially since we are appropriating money no longer in the millions but in the billions. This bill does not carry at this time any general increase of salaries for the clerks, but I may say that the subcommittee of the Committee on Appropriations is now conducting hearings and considering an amendment, which will probably be offered to this bill before it is finally passed, making provision for some general increase in the compensation of clerks. The bill increases very few salaries of the larger class. There is but little legislation in this bill. It does carry a provision which places the Members' clerks upon the roll and provides that they shall be paid directly out of the Treasury rather than under the present custom. It further carries a provision, in accordance with the report made by the Bureau of Efficiency, discontinuing the nine Subtreasuries six months after the war ends. I shall not undertake to present the reasons for that proposed legislation at this time, because I am aware when it is reached in the consideration of the bill it will come up for general discussion.

Mr. LONERGAN. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will yield.

Mr. LONERGAN. I call the gentleman's attention to lines 25 and 26, page 20, of the bill. Now the provision is "that the employment of any clerk or clerks," referring to the clerks of Members of the House, "hereunder shall cease upon the death, resignation, removal, or termination of service of the Member, Delegate, or Resident Commissioner by whom they were appointed."

Did the gentleman's committee take into consideration the advisability of continuing in the service the clerks of deceased Members of the House, or those who resigned during the period, and there was a vacancy, so that the business of constituents could be taken care of during the interval?

Mr. BYRNS of Tennessee. I will say to the gentleman we did not. This provision to which the gentleman has referred simply provides that clerks of Members will go upon the roll and be paid directly out of the Treasury by virtue of the appointment of the Member. Now, when a Member ceases to be a Member of this body, either by resignation, death, or otherwise, why the committee felt that the appointee holding his position upon the roll as the result of appointment should, of course, have his connection with the Government severed.

Mr. LONERGAN. Is the gentleman prepared to express an opinion as to the advisability of giving this consideration?

Mr. BYRNS of Tennessee. I do not really see, I will say to the gentleman from Connecticut, any material necessity for such a provision as the one to which the gentleman refers. We have no such provision now and it has been my observation that vacancies do not exist in the House for many months. Elections are usually called speedily by governors in the States where vacancies exist and the people fill those vacancies.

Mr. LONERGAN. There is a vacancy in the State of Illinois and has been for a good many months.

Mr. BYRNS of Tennessee. And that district has now no representation here either by a Member of Congress or by a clerk of a former Member, so this provision does not make any change in the existing law in so far as the holding over of clerks to Members is concerned.

Mr. LONERGAN. To whom does one write from a congressional district where there is a vacancy in the House of Representatives; to whom do we write to have public business transacted?

Mr. BYRNS of Tennessee. I know of no one to whom to write except the Senators or some Member living in an adjoining district.

Mr. JOHNSON of Washington. In this particular instance, this State has two Congressmen at large.

Mr. BYRNS of Tennessee. So they are well represented, as we all know, in the State of Illinois.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will yield.

Mr. GARRETT of Tennessee. Upon what theory does the committee recommend the placing of clerks to Members upon the roll?

Mr. BYRNS of Tennessee. Upon this theory, I will say to my colleague from Tennessee: This money which is appropriated from year to year is appropriated not to the Member individually but for the purpose of providing clerical services for the Member. Now I for one have never been able to see why the money so provided, appropriated as it is specifically for clerical service, should be paid to the Member and charged up to him upon the books of the Government as a part of his salary rather than paid directly to the clerks. The gentleman knows that under the recent ruling of the Internal-Revenue Commission on the war-tax law, which was passed last year, it is necessary for Members of Congress to report as a part of their salary the $2,000 which is now allowed them for clerical service. Of course we have the right to deduct——

Mr. GARRETT of Tennessee. A Member takes credit.

Mr. BYRNS of Tennessee. We have the right to deduct from that sum the same amount which has been paid for clerical services. Now, I have never been able to understand why there should be any objection to placing these clerks upon the roll, subject to the will of the Member, to be removed at any time that he may desire, and to have Government checks sent direct to those clerks rather than to the Member of Congress to be indorsed by him or cashed by him and then paid over to the clerk. It is an unnecessary bother and trouble and one that personally I would be very glad to rid myself of.

Mr. GARRETT of Tennessee. Well, if the gentleman will permit, it seems to me that there is a possibility that the provision of the bill carries the implication that Members have diverted funds from the purpose for which the law provided them.

Mr. BYRNS of Tennessee. Well, if there is any such implication it will have to be read in the bill by those who so construe it, because the committee has made no such implication, and it is not for that reason that they are proposing this amendment of the existing law.

Mr. GARRETT of Tennessee. Under the law as it now stands a Member must file in the Clerk's office the names of those whom he employs as clerks.

Mr. BYRNS of Tennessee. That is the law. I do not know whether it is strictly observed or not. I do not think it is material as to whether or not it is observed, because I do not see any special benefit in that particular law.

Mr. JOHNSON of Washington. If the gentleman will permit, the Clerk of the House calls for the names of these clerks and keeps a record of them.

Mr. GARRETT of Tennessee. Under the law each Member must file with the Clerk of the House, if the gentleman from Tennessee [Mr. BYRNS] will permit, the names of those whom he pays this clerical salary.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. MOORE of Pennsylvania. I wish the gentleman from Tennessee [Mr. GARRETT] would keep his feet for a moment I think he is quite right as to the suggestion of the implication which he did not want to set out in detail. I read in one of the newspapers this morning a justification for that statement, in that the purpose of this change in the appropriation bill was said to be intended to correct certain abuses charged up to Members of Congress. Now, that is very cheap talk. But it is the kind of talk that holds in certain districts and weighs against Members of Congress. It seems to me the provision that has been written here is susceptible of very great injustice to Members of the House, in this, that some Members of the House employ one, two, three, or more clerks, and they can not pay them all $2,000 a year.

Mr. BYRNS of Tennessee. If the gentleman will read this provision very closely he will find ample provision has been made for just that sort of a situation. It is abundantly protected in this provision.

Mr. MOORE of Pennsylvania. I question whether the gentleman gets the point. A Member may have one working for him whom he designates as his secretary, but he may have to employ one, two, three, or more, who receive, in the aggregate, $2,000 or more, the extra amount coming out of his own pocket. There are Members here who pay much more than that for the services of a secretary. Some secretaries may be excellent executives, without the capacity to typewrite or take dictation. In such cases the employment of a stenographer or a typist is necessary. Many Members of Congress are compelled to employ at a certain season of the year a number of persons to facilitate the distribution of documents and seeds, as the gentleman perhaps is well aware, and that is all extra money out of the salary of the Congressman, unless he can keep within the $2,000. The newspaper statements conveying the implication referred to by the gentleman from Tennessee [Mr. GARRETT] may be very unfair to Members of the House.

Mr. BYRNS of Tennessee. Any statement which may have been published in the papers this morning or at any other time, I am sure has not emanated from any member of the Committee on Appropriations, either the full committee or the subcommittee. And I wish to assure the gentleman that the committee in recommending this provision to the House has not done so with any such idea.

Now, I hope that Members will not be unduly sensitive about some implication that may arise if we enact a provision of this kind. The gentleman from Pennsylvania has already said that in a number of the States and throughout the country, in many papers, insinuations are constantly being made. More than that, we all know that in some cases general charges have been made that some Members of Congress are not using all of this fund for the purposes for which it is appropriated. I do not subscribe to that any more than the gentleman from Pennsylvania subscribes to it. I resent it, but the gentleman will recall that last year, in another end of this Capitol there was quite a discussion in which many references were made by distinguished gentlemen representing important States in this Union, along the same general lines. The clerks of the Senators are on the roll. They are paid directly out of the Treasury. They get their checks from the Treasury, and no Senator is charged with the receipt of any money for clerk hire, nor is it considered a part of his salary, nor does he have to make a return of that amount as a part of his salary when he undertakes to make his return for income taxes.

Now why, gentlemen, in all reason and in all fairness should we object to placing our clerks upon the same plane as the clerks of the Senators and permit them to be paid out of the Treasury the sums to which they are entitled?

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. MOORE of Pennsylvania. I want to say to the gentleman that I know of one Senator who has—but, of course, it is forbidden to discuss this matter in the House.

Mr. JOHNSON of Washington. If the gentleman will permit, I do not think we should start the discussion of it at all.

Mr. BYRNS of Tennessee. It was not my wish to discuss the matter now. I preferred to wait until we reached that provision in the bill.

Mr. JOHNSON of Washington. I mean the discussion of the employment of clerks in any way they please at the other end of the Capitol. I will be compelled to make a point or order.

Mr. MOORE of Pennsylvania. I will ask the gentleman if a Member of Congress ought not to have authority over his own office—authority to dismiss a clerk at will?

Mr. BYRNS of Tennessee. If the gentleman will read this bill, he will find specific and absolute authority is given to a Member to dismiss the clerk at will at any time in the day or month. And he will find, further, that this provision is so drawn as to permit a Member of Congress to employ a clerk one month at $100 and permit the extra $66.66 to accumulate for several months, if he desires, and then to put on four or five, if he should need them, at any time that he may choose, so long as their salaries do not exceed the amount allowed. In other words, it is drawn in such a way that it can not hamper any Member in the conduct of his office and the employment of clerical assistants. That is the intention of the provision, and I believe it is drawn so as to cover it.

Mr. MOORE of Pennsylvania. The gentleman makes a point of the difference between the appropriation for clerks in this body and appropriations for clerks in the other body. This bill provides appropriations for both sets of clerks.

Mr. BYRNS of Tennessee. Precisely.

Mr. MOORE of Pennsylvania. And the gentleman knows perhaps of his own knowledge of Members of Congress and Members of the other body as well who employ more clerks and pay much more money for those clerks than the $2,000 allowed.

Mr. BYRNS of Tennessee. Yes. I am in that class myself, and have been ever since I have been a Member of this body.

Mr. MOORE of Pennsylvania. I have been obliged to employ more than one.

Mr. BYRNS of Tennessee. There has been no time when I have not had two permanent clerks in my office of a high order of ability.

Mr. MOORE of Pennsylvania. And the gentleman ought to have the right to dismiss either of them.

Mr. BYRNS of Tennessee. Yes; and if I thought that this provision would interfere with me in the conduct of the affairs of my office, I would not stand for it.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Not now. But I am quite sure that the provision will not interfere in the least.

Mr. HAMILTON of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. HAMILTON of Michigan. Just for information. I confess that I have not read the bill. What would be done in a case like this, and I think that it has happened to many Members: Suppose a Member's secretary or clerk had entered the military service, had either been drafted or had enlisted. After his departure some time must necessarily elapse, perhaps, before the Member can find a suitable clerk to replace him. What will the Member do in that case, and what will become of the salary?

Mr. BYRNS of Tennessee. You mean during such time he will not have the services of a clerk?

Mr. HAMILTON of Michigan. Yes. In that case, you see, considerable time might elapse before the Member could find a suitable clerk, and he might be obliged to shift from one to another. He might be obliged to employ one or two or three, or he might not be able for a time to get anybody who was satisfactory. How would you manage?

Mr. JOHNSON of Washington. It is permitted by this clause that the money that is withheld and not paid can be paid to the new clerk.

Mr. HAMILTON of Michigan. Suppose a person taken on is not competent to perform the full duties of a clerk, and is taken on temporarily. How would you manage under the provisions of the bill in a case like that?

Mr BYRNS of Tennessee. The provision recommended by the committee does not present the slightest difficulty in a situation of that sort, because it provides that the Member may place any person he pleases upon the roll as his clerk, at any salary that he desires, and whenever he desires to dispense with the services of such person all he has to do is to notify the Clerk of the House that he has done so and the name will be stricken from the roll.

Mr. HAMILTON of Michigan. But if you have to formally employ him you must formally discharge him.

Mr. BYRNS of Tennessee. The gentleman speaks of the formality as something requiring a great deal of time and attention. A mere telephone message or a mere letter would be sufficient.

Mr. JOHNSON of Washington. And a little backbone.

Mr. BYRNS of Tennessee. A mere message or letter to the chief clerk would serve to discharge the clerk.

Mr. HAMILTON of Michigan. The gentleman says so, but after all he recognizes that there is difficulty in that sort of thing?

Mr. BYRNS of Tennessee. No more difficulty now than if the gentleman unfortunately at some time in the future, during the many years that he will continue to faithfully serve the people in Congress, as I hope he will—if in the future he happens to have a clerk whose services he feels it necessary to dispense with, I am sure the gentleman would promptly take proper action.

Mr. HAMILTON of Michigan. While I have been here I have had but two clerks.

Mr. BYRNS of Tennessee. The gentleman is fortunate.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. TOWNER. I think it will meet this condition that exists with a good many Congressmen. They employ a secretary to whom they pay, say, $1,500 a year. Now, in order to do the work of the office during rush times they are required from time to time, sometimes for only a few days, and sometimes for perhaps two or three weeks, to have additional help. I will say that that occurs 8 or 10 times during the year. Would the provision meet such an arrangement as that?

Mr. BYRNS of Tennessee. Precisely; and it is drawn exactly to meet just that condition of affairs. I will say to the gentleman that under this provision a Member does not have to employ even one clerk for any particular month in the year. If he feels that during a certain month he can dispense with clerical service, he can do so, and the sum which has been appropriated for that particular month will accumulate, and if in the next month he needs to take it up by the employment of an additional number of clerks he can do so. In other words, there is no limitation, so far as the number is concerned, in the number of clerks he can employ or when he shall employ them, the only limitation which does obtain being that the total amount paid in a year shall not exceed $2,000.

Mr. TOWNER. Let me see if I understand the gentleman. We will say that a Member has a permanent clerk. He goes on all the time. Of course, that is easily arranged. That would be the secretary, probably. Now, a Member wants to employ additional help or two or three additional employees in his office. He would be required, would he not, to send over a statement that these persons were to be employed and were to be placed upon the list, upon the roll, and then they would be required to make out a statement of what was paid to them, and if the total did not exceed $2,000 they would be allowed that? Is that right?

Mr. BYRNS of Tennessee. If the total amount did not exceed $2,000 for the entire year, he would be allowed that. But it is proper to state that a Member under this provision would not be permitted to anticipate the expenditure of the $2,000. In other words, he could not spend during six months, say, more than $1,000 for clerical help.

Mr. TOWNER. I understand that; but the idea would be, as I understand it, according to the provision, that every time you employ a temporary clerk or assistant in the office you would have to send over the name, and they would have to receive their pay——

Mr. BYRNS of Tennessee. Through the Clerk of the House.

Mr. TOWNER. Through the Clerk of the House.

Mr. BORLAND. I want to reply to the gentleman from Iowa. I heard the gentleman from Tennessee a few moments ago state that if a Member dispensed with his clerk for 30 days the money that would have been paid to that clerk would accumulate to the credit of the Member and could later be paid to some other clerk for additional services. I do not understand that provision in that way, and do not read it in that way. The provision reads:

> That each Member, Delegate, and Resident Commissioner may appoint for such periods and at such rates of compensation as he shall determine within the said sum of $2,000 a clerk or clerks, who shall be subject to be removed at the will of the person by whom they are appointed, but no Member, Delegate, or Resident Commissioner shall authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year.

Now, if a Member dispenses with his clerk altogether during the month of January, I do not understand that he can pay a double portion in February, because that would be a greater proportion than the month of February bears to the entire year.

Mr. TOWNER. I think the gentleman's interpretation is correct. It would seem to be true, then, that if in any particular

month you employed additional help, if the total amounted to more than $166, it could not be paid.

Mr. BORLAND. I think that is true. I raised that question in the committee—that a man would not be entitled to spend $200 or $250 during the month of March and then recoup out of a later month.

Mr. BYRNS of Tennessee. That is true. You can not recoup out of a later month; but I think it very clear from this provision that if there was any surplus left over from a preceding month the Member would be entitled to expend it for clerical services.

Mr. TOWNER. Then I will ask the gentleman if this would not be the case: For instance, you pay your secretary $125 a month, and that leaves a very small amount, comparatively speaking, between that and $166, the maximum allowance. Then, for instance, during the season when he is sending out seeds, or matters of that kind, he could not have very much help to assist him, because all he could expend would be the difference between $125 and $166. That would be true under the provisions of the bill, would it not?

Mr. BYRNS of Tennessee. That would be true if he had theretofore expended the full amount of clerk-hire allowance for the months which had passed.

Mr. TOWNER. I think the gentleman is mistaken about that, because he could not recoup from any preceding month more than the amount that would be required to make up the $166.

Mr. BYRNS of Tennessee. I beg to differ with the gentleman.

Mr. TOWNER. I am only seeking for information. The gentleman from Missouri seems to understand it as I have stated it.

Mr. BYRNS of Tennessee. I differ both with the gentleman from Iowa and the gentleman from Missouri on that proposition. It was the intention to draw this provision so as to allow for just that degree of latitude. If it is not altogether clear on that point, or there is any ambiguity, it can be amended, and we would be glad to have such an amendment proposed by those who find difficulty with its present form.

Mr. NORTON. Will the gentleman point out what provision would permit a Member to expend the $2,000 in the last six months of any fiscal year if he failed to expend for clerk hire in the first six months of any fiscal year $1,000?

Mr. BYRNS of Tennessee. It is this provision in lines 8 to 17, on page 20.

Mr. NORTON. I am following the gentleman.

Mr. BYRNS of Tennessee. It provides—

That each Member, Delegate, and Resident Commissioner may appoint, for such periods and at such rates of compensation as he shall determine within the said sum of $2,000, a clerk or clerks who shall be subject to be removed at the will of the person by whom they are appointed.

Mr. NORTON. But that is modified.

Mr. BYRNS of Tennessee. It says—

But no Member, Delegate, or Resident Commissioner shall authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year.

Now, that seems to be perfectly clear. In other words, if four months have elapsed, one-third of the year, then the total amount for clerk hire which would have accrued up to that time would be one-third of $2,000, or $666.66. Now, it says specifically that no Member shall authorize an expenditure from said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire year.

Mr. NORTON. That is just what I want to clear up. Six months are one-half of a fiscal year. Then according to that provision during the last six months the Member would not be permitted to expend more than one-half, the proportionate amount of $2,000. Is not that right? He could not expend more than half of $2,000 during the last six months.

Mr. BYRNS of Tennessee. It would depend on how much he had previously expended.

Mr. NORTON. If he had not spent anything?

Mr. BYRNS of Tennessee. If nine months have elapsed the Member would be entitled to spend for actual clerical services three-fourths of the $2,000, but he could not exceed that amount.

Mr. NORTON. Three-fourths?

Mr. BYRNS of Tennessee. Because he could not anticipate the amount of the future allowance.

Mr. NORTON. I think the gentleman is not correct. It says—

But no Member, Delegate, or Resident Commissioner shall authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year.

Mr. BYRNS of Tennessee. Take the month of October, which is the tenth month in the year. This bill provides that no Member shall authorize an expenditure—

from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year.

Now, taking October as your month, the preceding portion of the year is three-fourths of the entire year.

Mr. HAMILTON of Michigan. Ending with September.

Mr. NORTON. Three-fourths of the calendar year.

Mr. BYRNS of Tennessee. Now, this says that the Members shall not be permitted to—

authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year.

It seems to me, gentlemen—I may be mistaken about it—that there is no difficulty in construing that provision.

Mr. TILSON. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. TILSON. If the gentleman has not already explained, I wish he would tell us where under this part of the bill the Member is permitted to have any part of the $2,000 accumulate at all. If the period means anything, it would probably mean a month. If it means a month, a man could not spend any more than $166.66 in any one month, regardless of how little he had spent in the preceding month.

Mr. BYRNS of Tennessee. During the first month, under the clear provisions of this bill, a Member would not be permitted to expend more than one-twelfth of $2,000, but during the second month the proportion of the fiscal year would be one-sixth.

Mr. POU. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. POU. Is not the purpose of the bill to require the Member to pay it out monthly as it accumulates?

Mr. BYRNS of Tennessee. Precisely, if that is his desire.

Mr. POU. One month is one-twelfth of the fiscal year, and he can pay out during that month $166.66. When the next month comes along he can pay out $166.66.

Mr. BYRNS of Tennessee. Certainly.

Mr. POU. And he could not do any more than that.

Mr. KEARNS. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. KEARNS. The gentleman has been stating that the period of time referred to in the bill would evidently mean a month. I would like to know why it means a month when you say "any period" of time?

Mr. BYRNS of Tennessee. It does not mean a month necessarily.

Mr. KEARNS. It says "any period of the fiscal year."

Mr. BYRNS of Tennessee. Yes; a Member can discharge his clerk at any time.

Mr. KEARNS. And in any one day you can not expend more than $5.33.

Mr. BYRNS of Tennessee. A Member can not do more than that now.

Mr. KEARNS. The gentleman said he could employ additional help. If your secretary gets $1,500 a year, he would have $500 to his credit; and suppose there is a day you want to employ two or three additional clerks.

Mr. BYRNS of Tennessee. The gentleman knows that when he draws the monthly pay for clerk hire he is required to certify that he has actually expended the sum of $166.66. I submit that if any Member is following the policy of drawing $166.66 and withholding it for one month or six months, then he is not acting in conformity to the certification he is required to make in order to draw the allowance.

Mr. KEARNS. The gentleman is not applying his remarks to me.

Mr. BYRNS of Tennessee. Oh, no.

Mr. KEARNS. For I never have seen a salary check since I have been a Member of Congress. My secretary signs my name to the check and gets the money and, of course, keeps it.

Mr. BYRNS of Tennessee. I can not understand why there should be so much criticism and protest by Members who employ more assistance one month than they do in others.

Mr. KEARNS. I do, and pay it out of my own pocket.

Mr. BYRNS of Tennessee. The solemn certification that Members make when they draw $166.66 is that they have actually expended it during that month.

Mr. KEARNS. Will the gentleman yield further?

Mr. BYRNS of Tennessee. Yes.

Mr. KEARNS. I believe everything the gentleman has said about the salary, but what I want to know is this: The Member

is entitled under the bill to $5.33 a day, and no more. If a Member has a clerk employed at $1,500, he would have $500 to his credit each year, but suppose he wanted to hire three or four girls and pay them $2 or $3 a day. Under this bill you are estopped from paying more than $5.33 a day. Your clerk gets $1,500, or about $4 a day. If you want three girls in the office and pay each one $3, that would be $13, but you could not pay them out of the other $500 remaining to your credit, because you are estopped from paying out more than $5.33 in one day.

Mr. BYRNS of Tennessee. Under the certification Members of Congress are required to make in order to actually draw this money monthly, does the gentleman think any Member has a right to accumulate in his own pocket $500 for any particular month of the year? Is not he pledged and bound by the certification to have actually expended that amount of money during the month?

Mr. KEARNS. I do not think so; no.

Mr. BYRNS of Tennessee. If the gentleman will examine the receipts he has filed he will find that he has certified to that.

Mr. KEARNS. I tell the gentleman I never saw one; my secretary signs them and draws the money himself.

Mr. BYRNS of Tennessee. If he indorses them, he indorses them with the gentleman's assent and approval. I am referring to the receipt which the Member is required to sign.

Mr. KEARNS. In my case he gets the money, too.

Mr. BYRNS of Tennessee. I do not doubt that.

Mr. KEARNS. You can not spend under this provision out of the $2,000 more than $5.33 a day.

Mr. BYRNS of Tennessee. You can spend $166.66 during the entire month.

Mr. KEARNS. But I am talking about a day.

Mr. POU. A month is the unit.

Mr. KEARNS. The bill does not say that a month is the unit. This is what the bill says:

> But no Member, Delegate, or Resident Commissioner shall authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year.

A day is as much a period as a month, or one-thirtieth as much. There is nothing in the bill here which says that a month shall be the unit, for it says "any period."

Mr. WALSH. They do not get a check every day.

Mr. KEARNS. And a day is a period the same as a month would be a period and——

Mr. WALSH. Mr. Chairman, I make the point of order there is no quorum present.

Mr. BYRNS of Tennessee. I hope the gentleman will not make that point.

Mr. WALSH. I will withdraw the point of order, but I would like to hear something that is going on.

Mr. BYRNS of Tennessee. I want to say this to the House, that I have no objection——

Mr. WALSH. One would think this was the only item in the bill.

Mr. BYRNS of Tennessee (continuing). I have no objection in the world to answering questions that may be propounded to me with reference to this section, but I would infinitely prefer that we defer this argument until it is actually reached in the consideration of the bill, because undoubtedly it will provoke argument at the time.

Mr. KEARNS. I was asking in all earnestness; I wanted to get the information.

Mr. BYRNS of Tennessee. And I was very glad to give the gentleman what information I could.

Mr. KEARNS. The gentleman has been very kind.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. HUDDLESTON. I believe it is a universal practice among Members to have their seed franks and speeches addressed by the piece, at so much per thousand. How would you be able to apply any part of this allowance to that expense?

Mr. BYRNS of Tennessee. I do not know how he would be able to apply it, unless he sent in the names to the Clerk.

Mr. HUDDLESTON. How could he send in the names when he does not know what he is going to pay until after the work is done?

Mr. BYRNS of Tennessee. He may then send it in, and it would be paid.

Mr. HUDDLESTON. Their names must go on at the time he sends them in, and then they are dropped at the close of the job, and he only settles after they finish the job.

Mr. BYRNS of Tennessee. He could send the names in to meet that sort of objection, I will say to the gentleman from Alabama, and indicate what sums he wanted paid to them at the conclusion of their labors. I do not think that presents the slightest difficulty. He could put their names on at any time if they had actually rendered clerical service.

Mr. HUDDLESTON. I would ask the gentleman how could he indicate it when the work has not been done and it is paid for by the piece?

Mr. BYRNS of Tennessee. Because the Clerk of the House would have no right to pay any sum to any person employed by any Member unless the Member designated the amount to be paid.

Mr. HUDDLESTON. In advance?

Mr. BYRNS of Tennessee. Not necessarily in advance.

Mr. HUDDLESTON. But when the name is put on the roll it must be designated as the salary of the employee.

Mr. BYRNS of Tennessee. Not necessarily at all.

Mr. HUDDLESTON. I do not see how otherwise.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. GREEN of Iowa. As I understand the gentleman, without reference to what has been done in the past, but after the passage of this bill and it goes into effect, if any Member pays for the first month any sum in excess of the monthly allowance that sum will be gone, he can never recoup it.

Mr. BYRNS of Tennessee. Why, certainly, if this sum is paid in advance.

Mr. GREEN of Iowa. If he should pay $200 the first six months——

Mr. BYRNS of Tennessee. Precisely, because under this provision the money for clerical help would be paid to the person actually performing the services.

Mr. GREEN of Iowa. Why, certainly.

Mr. BYRNS of Tennessee. If the Member paid any sum out of his own pocket in any one month, why, of course, there would be no way of recouping it.

Mr. GREEN of Iowa. Well, during the session a great many of us employ more than we do at other times. I have two in my office at present, whom I am paying an amount in excess of the monthly allowance. Now, if a man should do that in the first part of the year, then, as I understand the bill, it would be lost; but if he in the first part of the year should pay less than the sum, then, in the later part of the year he could pay enough more to make up the total amount of $2,000.

Mr. BYRNS of Tennessee. If he needed the clerical services; that is the way I construe the provision.

Mr. GREEN of Iowa. It seems to me the bill ought to be amended so as to equalize that.

Mr. BYRNS of Tennessee. Now, I will say to the gentleman that this provision would make legal just the sort of practice that a number of Members have presented here this afternoon, because, I wish to repeat, the check that is issued to each Member every month for his clerical help is issued on a receipt which bears the express certification that the same has been actually expended for clerical help, and the Member who indorses so certifies to his Government; and that is the only way that he can draw his clerical hire month by month.

Mr. SUMNERS rose.

Mr. BYRNS of Tennessee. If this provision is adopted it makes it perfectly legal for a Member, if he needs a $100 clerk in January and he needs two clerks at $100 in February, he to be the best judge of that, to make that employment legally by simply sending their names over to the Clerk of the House and having the sum paid directly to them. I want to say this—I will yield to the gentleman from Texas in a moment, if he will permit me—gentlemen will recall that last year an unpleasant incident happened because another distinguished body in another end of this Capitol undertook to provide legislation of this kind, not guarded as this is, but simply a provision placing clerks to Members upon the roll just as their clerks are being paid out of the Treasury.

The amendment adopted by that body came to this House, and a number of Members upon the floor of the House criticized it and opposed it, not on the ground that they were opposing the amendment as a matter of principle, but on the ground that there was an unwarranted interference by another body with this House in the administration of its own affairs. The committee has proposed this provision, with the view of giving to the House an opportunity to express itself on this particular proposition. If a majority of the House does not want to accept it, well and good, but we at least ought to have an honest and a fair expression upon this subject, because I happen to know, from statements made to me by many Members, that there are a great many Members of this House who have been clamoring for just this sort of legislation for years.

Mr. SUMNERS. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. SUMNERS. I just want to ask the gentleman this question: In view of the fact that there is not the same degree of uniformity of work in this body that is imposed upon the Members of the Senate, does not the gentleman think there ought to be a greater latitude in regard to the period of time in which this $2,000 may be expended by Members of the House?

Mr. BYRNS of Tennessee. And there is.

Mr. SUMNERS. So that in those periods of the year when we send out bulletin lists, or get out our garden seed, and do those things in months that are unusual in regard to the amount of work and in regard to the amount of expenditure, we ought to be permitted to make application at that time?

Mr. BYRNS of Tennessee. And if the gentleman who, I know, is a good lawyer studies this provision, and then studies the law authorizing the payment of clerical help to-day, and the manner in which it is paid, I am more than convinced that the gentleman will come to the conclusion that the provision recommended by the committee in this bill does give a much wider latitude just for that very purpose than you have under the present existing law, because it does not require a Member to actually certify that he has expended that much money during the month in order to get it. The money is paid directly to the clerk.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. MOON. Does the gentleman from Tennessee not think that it would be quite an inconvenience to Members to have secretaries, two or three, or paying three or four people here for work and none probably at home? At home one would have to do his work by piece, and sometimes pay out in a month a hundred dollars or two hundred dollars. What is the point of this proposition?

Mr. BYRNS of Tennessee. This provision would not interfere with that sort of situation in the least.

Mr. MOON. Suppose, for instance, a Member has only $50 worth of work done last month, but may have to have $250 worth of work done this month. Does it interfere with that?

Mr. BYRNS of Tennessee. It does not interfere if the amount is not proportionately greater than the period of the year bears to the entire fiscal year.

Mr. MOON. What is the reason for having any proportions about it? Is it the idea that Congressmen can not be trusted to pay this out?

Mr. BYRNS of Tennessee. Not at all.

Mr. MOON. What is the use of tying it up?

Mr. BYRNS of Tennessee. And I want to ask the gentleman what is the objection to placing the clerks of the Members of the House upon the roll——

Mr. MOON. I have got none.

Mr. BYRNS of Tennessee. Rather than charging it to the Member?

Mr. MOON. I do not care if he is put upon the rolls. It does not make any difference about that. It is going to be an inconvenience to the Member to put him on the roll unless the secretary can be with him.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS of Tennessee. I want to take about 15 minutes more.

The CHAIRMAN. The gentleman has consumed an hour.

Mr. BYRNS of Tennessee. But the time was equally divided between the gentleman from Wisconsin and myself.

Mr. MOON. I shall not ask the gentleman anything further about it. This is new legislation entirely, is it not?

Mr. BYRNS of Tennessee. I do not concede that it is subject to a point of order.

Mr. MOON. I will show the gentleman how to concede it when it comes to the point of order.

Mr. BYRNS of Tennessee. We will thrash that out at the proper time. Just briefly I want to refer to one other point, and that is that no one can thoroughly consider the method and the policy of the Government in paying the salaries of clerks and employees without coming to the conclusion that there is an utter lack of system and lack of uniformity in the present method.

It develops frequently that clerks in departments—clerks, if you please, at the same desk, performing exactly similar services—receive different amounts, which of course is manifestly unfair, inequitable, and unjust. There ought to be, in the interest of fairness not only to the clerks but to the Government, and in the interest of good and efficient administration, a reclassification of the salaries paid by the Government, and I hope that the time will come when Congress will take this matter up seriously and either through a joint committee, appointed from both Houses, or by an interdepartmental commission, conduct an investigation and enact such legislation as will secure uniformity and system in the payment of the employees of the Government, guaranteeing to each clerk that he will receive fair and honest wage for a fair and honest day's work.

I am aware, of course, that this is an inopportune time, because the times are abnormal and it certainly ought not to be considered or taken up during the war. But after the war, when times become normal, I hope that some such steps will be taken.

Mr. FESS. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. FESS. I think I am in sympathy with what the chairman of the committee wants to do, yet I am confused by reading the language as to whether I have precisely what the chairman wants to reach. Do I understand that this provision is to prevent the expenditure of any more for any period than $166 per month?

Mr. BYRNS of Tennessee. Does the gentleman refer to clerk hire?

Mr. FESS. Yes.

Mr. BYRNS of Tennessee. As I construe it, and as I attempted to say a while ago, it permits a Member to consume during the entire fiscal year the $2,000, but it does permit a Member to have some latitude, something that he does not possess now, in distributing the $2,000 over the fiscal year, always with the condition that he shall not spend any greater sum at any particular period than is due, or, in other words, that he shall not anticipate in the expenditure of the amount allowed for the entire fiscal year.

Mr. FESS. Now, let me put a concrete example.

There is no possibility under this provision for a Member to spend more than $166 per month, whether he spends it in one month or in two months or three months, because if it is one month it is one-twelfth of the amount, and if it is two months it is one-sixth of the amount, and as I read it the provision is to limit the amount that can be expended, but not necessarily the minimum.

Mr. BYRNS of Tennessee. I think the gentleman is clearly correct. During six months he can not spend over one-half and during the three months not more than one-fourth.

Mr. FESS. If he had not expended it all it would not be possible for him to expend the balance unexpended in a different month?

Mr. BYRNS of Tennessee. I think under this provision it does give that latitude, something, as I say, that does not obtain at this time.

Mr. FESS. I am not contending about it, but I do not think the language will permit it.

Mr. BYRNS of Tennessee. That is the way I construe it, and I think if the gentleman will examine it more carefully he will possibly come to the same conclusion.

Now, gentlemen, in conclusion, and pursuing the remark I made a moment ago with reference to the necessity for reclassification of salaries, I wish to say that there has grown up a condition of affairs whereby some clerks sitting at the same desk, performing exactly the same services, draw a different amount in salary. It is wrong; it is unfair to the clerks and does not make for a good and efficient administration. I think that condition has largely grown up by reason of the fact that a number of committees make appropriations for the payment of clerks' salaries, and on that account these differences have crept in and have continued to grow and magnify. I think that is one argument for the concentration of the appropriation of salaries for employees in one bill. I am aware that when a member of the Committee on Appropriations makes that suggestion he lays himself open to the charge that he is trying to secure extra jurisdiction for the committee of which he is a member. It does not matter, gentlemen, what committee makes the appropriation, but undoubtedly a condition of the kind I have described will necessarily arise when more than one committee has charge of the appropriations for the different employees of the Government and in different departments. I am aware, of course, I am frank to say, that there will not be any change in the rules in that respect; but I do believe that a commission such as I have indicated could, after a thorough and exhaustive investigation, make recommendations to Congress which would cure this evil to a certain extent, for a time or for a period of years, until our manner of making appropriations results in bringing about another disarrangement.

Now, before I close I want to refer briefly to one department of this Government which without action by Congress has undertaken to establish an efficiency rate system, and that is the Post Office Department. The Postmaster General, as you know, was long a distinguished Member of this body and a very influential member of the Committee on Appropriations, and from his investigations during his service here he came to recog-

nize this very evil of which I speak. When he became Postmaster General he called upon the Bureau of Efficiency and requested that bureau to come into the department in conjunction with a department commission that he appointed, and they rearranged and reclassified the salaries. And with what result? With the result that he has secured better and more efficient administration and at the same time, during the period that he has been Postmaster General, he has actually reduced his force 253 in number, saving sums aggregating several hundreds of thousands of dollars every year.

He has not done that at the expense of anyone or with an injustice to any employee, because he has dismissed no one. He has simply declined to fill vacancies as they occur. And to show that it has operated for the benefit of the employees as well as the Government, the records of his office show that since he became Postmaster General and reduced his force, saving the amount of money that I have stated, the average salaries of clerical help in his department have increased from $1,240 a year to $1,340 a year and the average salaries of the laborers in his department have increased from $720 a year to $776. And I hope other departments will eventually follow this plan, in the interest of good administration and fairness to all the clerks.

Mr. SNOOK. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. SNOOK. In this connection there has been a very large number of young men detailed from different branches of the Army to act in clerical positions in different branches of the Government during the war. How are they paid? Do they receive salaries from the Army or are they carried in this appropriation?

Mr. BYRNS of Tennessee. They do not receive pay under this appropriation unless they are actually serving and performing a service called for in the appropriation bill.

Mr. SNOOK. There are many of them in the Ordnance Department and the Aviation Service in Washington, as well as in the other departments.

Mr. BYRNS of Tennessee. When they enlist they are paid as enlisted men.

Mr. SNOOK. They are officers?

Mr. BYRNS of Tennessee. They are paid as commissioned officers. They do not receive any pay under the appropriations carried in this bill.

Mr. SNOOK. Does not that have a very great tendency along the very line the gentleman is speaking about as to the salary of people working at the same desk and having somebody drawing a salary as captain and some one working opposite to him drawing a less salary?

Mr. BYRNS of Tennessee. So far as I am informed, that condition does not exist in the departments. I know there have been made statements to the contrary, or at least I have heard them, as to the War Department, but inquiry has failed to develop that that condition really exists.

There are, of course, many additional officers now serving in the War Department, but they are not doing what may be called strictly clerical work. The clerical work is performed by civilian employees carried in this bill, with the exception of the Navy, where yeomen and landsmen are called upon to perform clerical service.

Mr. SNOOK. I am talking about men detailed from the Officers' Reserve Corps. What service do they perform if it is not clerical service?

Mr. BYRNS of Tennessee. I assume that it is something of a supervisory nature with reference to carrying on the war.

Mr. SNOOK. You understand they do not do any clerical work at all?

Mr. BYRNS of Tennessee. My understanding is that they do not do any clerical work whatsoever.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Certainly.

Mr. WALSH. On page 18 of this bill there are three or four special messengers and employees under resolutions which are mentioned as of certain dates. What do these employees do? They are under the Doorkeeper's department. On page 18, for instance, there is an assistant department messenger and others in a resolution of December 7, 1897.

Mr. BYRNS of Tennessee. I can not give the gentleman the names of those employees, because I do not know them. They were authorized, as the gentleman knows, by resolution of the House, and are performing the services for which they were originally appointed.

Mr. WALSH. That is, it is presumed they are.

Mr. BYRNS of Tennessee. I think the presumption is not a very violent one; I do not know.

Mr. WALSH. Will the gentleman state in what part of the bill and under what title the barbers in the House Office Building are carried?

Mr. BYRNS of Tennessee. They are carried as laborers.

Mr. WALSH. Do they perform any other labor beside barbering?

Mr. BYRNS if Tennessee. They do.

Mr. WALSH. In the House Office Building?

Mr. BYRNS of Tennessee. Oh, in the House Office Building—I am frank to say to the gentleman that I am not familiar with the status of the barbers in the House Office Building. I thought the gentleman was referring to the barbers in the Capitol Building.

Mr. WALSH. I wish to refer to the ones in the House Office Building.

Mr. BYRNS of Tennessee. If they are carried on this roll they are required to do a certain amount of cleaning up by the Doorkeeper, because they are under his supervision, and during the recess of the House they stay here and perform the general work of a laborer.

Mr. WALSH. It would not be amiss to require them to clean up the barber shop, to keep that clean; but if their principal labor is that of barbers, why are they not called barbers in the bill?

Mr. BYRNS of Tennessee. For the simple reason that Congress does not undertake to provide for barbers. If they were carried as barbers they would be expected to shave Members free.

Mr. WALSH. If they are not barbers, why are they permitted to carry on the work of barbers?

Mr. BYRNS of Tennessee. I suggest that there may be two answers to that. All their time may not be required in performing the work required of them as laborers. I am informed that the barbers here in the Capitol perform work in the early morning and in the evening cleaning up certain corridors of the Capitol and certain rooms.

Mr. WALSH. They are paid $660 a year to put in a couple of hours' work a day, are they?

Mr. BYRNS of Tennessee. They have certain rooms and corridors to look after, for which they are responsible.

Mr. WALSH. For which they are paid?

Mr. BYRNS of Tennessee. For which they are paid $660 a year.

Mr. WALSH. And the rest of the work they perform is merely a gratuity on their part to such Members as may desire to avail of their services?

Mr. BYRNS of Tennessee. I assume that the reason the custom has grown up to permit them to conduct the barber shop during the day is for the convenience of Members, because I apprehend it would be very difficult to secure barbers to come to the Capitol and open a shop, depending entirely or altogether upon the somewhat limited custom of the Members here.

Mr. WALSH. And yet there is such a shop in the Capitol, is there not?

Mr. BYRNS of Tennessee. I am not aware of that fact. Now, gentlemen, I have detained you much longer than I anticipated.

Mr. KNUTSON. I would like to ask the gentleman a question.

Mr. BYRNS of Tennessee. Very well.

Mr. KNUTSON. The gentleman spoke about the efficiency of the Post Office Department. Did the gentleman intend to include in his remarks the Railway Mail Service, for instance?

Mr. BYRNS of Tennessee. No; my remarks were confined altogether to the department clerks here in the District of Columbia. I had no reference whatever to the postal employees in the field. That is a matter which does not come within the jurisdiction of this bill, and I have no information concerning it.

I want to thank the gentlemen of the committee for their patience. I will reserve the balance of my time. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the Chair, a message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, had agreed to the conference asked by the House of Representatives on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMITH of South Carolina, Mr. POMERENE, and Mr. TOWNSEND as the conferees on the part of the Senate.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

The Committee resumed its session.

Mr. STAFFORD. Mr. Chairman, I yield 30 minutes to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio is recognized for 30 minutes.

Mr. FESS. Mr. Chairman, I should like to have the attention of the committee on the question of the need of farm labor, a subject that has been much talked of, and properly so, but which I think is becoming acute, as judged from the vicinity where I live and the letters which come from that community.

Mr. MADDEN. Before the gentleman enters upon the discussion of the question, I would like to make a suggestion to him.

Mr. FESS. I will be glad to have the suggestion.

Mr. MADDEN. I think it might be illuminating to what the gentleman has to say upon that question. All over the United States men who have been prosperous farmers have moved from the farm into the village and have no employment, and they are now whiling away the autumn of their lives in ease and comfort. Why would it not be a good idea to discuss the advisability of having those men who are experienced farmers go back and take another "rip" at it during the war?

Mr. BORLAND. Including possibly the gentleman from Illinois.

Mr. MADDEN. I would be perfectly willing; and I may say to the gentleman from Ohio while I am making this suggestion that I have already asked the Secretary of Labor in a written communication whether he has any statistics showing the number of men of the class I have suggested who might be utilized in the development of the farm and the raising of the food supply of the Nation while they are not within the years that enable them to fight in the ranks.

Mr. FESS. When my friend first offered the query I thought there was a degree of levity in it.

Mr. MADDEN. No.

Mr. FESS. But I admit that there is not, and it is a legitimate question. And as I now recall some of the localities that I know, I am sure there are a good many of what we call retired farmers that have come off the farm and now live in the little village, fed by the farm; and, as I now recall, a good many of them direct farms of their own through their tenants that they have upon the farm. Just how much loss of labor to the farm that element would make is, I think, a matter of legitimate investigation either for the Department of Labor or for the Department of Agriculture.

Mr. MADDEN. The amount of loss would depend on the age of the men who are on the farm and may be drafted.

Mr. FESS. If I may be permitted to give an opinion without knowing exactly the facts, I am rather of the opinion that a large proportion of those people have not only gone away beyond the draft age but really beyond the effective age on the farm for heavy work.

That would be my opinion from personal information. But I could not offer that as comprehensive. Really, members of the committee, this is a critical question, becoming more so with the months. I hesitate to offer any letters I have received, because it is so common to receive letters of complaint that a letter of complaint need not be regarded as conclusive of a situation. But these letters are nearly all of the same tenor, and I am quite certain that they are not in a spirit of faultfinding, although some of them are based upon lack of information. For example, I have three or four letters which openly charge that there has been unfair discrimination in the operation of the draft law as administered through our local boards, in refusing exemptions to farmer boys when they claim that exemptions had been allowed to city boys. Now, I do not believe that there is any real foundation for that statement.

I can see how a farming community would miss a boy who has been a good farmer and who they think ought to be exempted, if he is taken, and a refusal to exempt him would probably intensify the feeling more than the refusal to exempt somebody in a city, where there are so many people that the going would not be so much missed or so noticeable as it would be in a farming community. One of my farmer friends insisted that 90 per cent of the farmer boys who were called were taken, and that very few of them were exempted, while a great number of city boys were exempted. I made the statement to him that he was most likely confusing the idea of exemption with the idea of rejection for defects, and that I thought—although my statement was denied by some Member on the floor the other day—that there were more persons accepted from the farm because of freedom from physical defects than there were from the cities. When I made that statement some one here said that the figures proved otherwise. So that while I think that is true, without a doubt, in my immediate county, it may not be true taken as a general proposition. Therefore I can not speak definitely on that point as a nation-wide statement. I see a good many Members shake their heads, indicating that they do not agree with my statement.

Mr. WALDOW. I understand Gen. Crowder made a statement showing that you are wrong.

Mr. FESS. Does the gentleman give that as an opinion or as a matter of information?

Mr. WALDOW. As a matter of information.

Mr. FESS. That Gen. Crowder has made the statement that the rejections on account of physical or mental defects are not greater in the city than country?

Mr. MADDEN. I will say to the gentleman that Gen. Crowder has a record of all the exemptions, from every class, in every congressional district in the United States, and can furnish detailed, accurate information as to the causes for the exemptions in every congressional district, if Members want to apply for it.

Mr. FESS. Does the gentleman make the statement that he says there are fewer rejections from the city than from the country?

Mr. MADDEN. I do not know; but I know that very few exemptions have been made from my own territory except for physical defects, or because of the fact that they were not citizens, or that they had family obligations that exempted them as a matter of right.

Mr. FESS. The gentleman from Illinois will understand that my statement was that I thought there were not more exemptions in the city, but that there probably were more rejections; but if Gen. Crowder states that there are not more rejections for physical defects from the city than from the country, I would have to revise my opinion. However, I still think that rejections from the city are more numerous than from the country, otherwise our much-vaunted open-air advantage over the congested and badly ventilated city situation does not stand for much, in fact. It is a favorite theme of most of us that we would much prefer to bring up our families in the open country, and health was ever the one desideratum.

Mr. CRAGO. Gen. Crowder divides the physical defects into the urban and the rural, and he says there is a slight difference in favor of the urban—that is, that the percentage of rejections on account of physical defects is slightly less in the city than in the country, but the difference is very slight.

Mr. FESS. As an individual with a good deal of pride in having my statements accurate, I thank the Members for the statements they have made, if made on authority, because if that is true that the health of the city boy is better than that of the country lad, I think it is a very remarkable fact, and I repeat much of our much-boasted country life must be discounted.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. FESS. I yield to the gentleman from Oklahoma.

Mr. CARTER of Oklahoma. In the Appendix to the CONGRESSIONAL RECORD are some very interesting figures in a letter from Gen. Crowder to Congressman MCKEOWN, of Oklahoma, on that subject. If the gentleman will permit me——

Mr. FESS. I would be very glad to have them at this very time, that an authoritative statement on the point may go to the country in connection with this discussion.

Mr. CARTER of Oklahoma. He says:

> Statistics to be found in the report of the Provost Marshal General to the Secretary of War, dated December 20, 1917, disclose that in 1917, 13,843,578 persons comprised the field of labor appurtenant to agriculture. Of this number only 205,731, or 1.48 per cent, of the entire field were determined by the boards to be liable to call for military service, and less than .0074 per cent of the labor supply appurtenant to agriculture was actually withdrawn therefrom by the first draft. The effect of that draft is thus shown to have been relatively insignificant, and the conclusion that the shortage in that labor supply is attributable in any substantial degree to the draft is thus shown in a most striking and conclusive way to be erroneous.

Mr. FESS. That statement goes to the question of proportion of farm laborers taken in proportion to other occupations. That does not cover the question I offered as in explanation of the charge that farmers' boys were refused exemption, while city boys were granted it, in which I suggested that these people were confusing exemption with rejection, which would indicate no unfavorable discrimination against the farmer.

However, I do not understand the force of the general's statement that the idea that any large proportion of the agricultural source of labor had been taken is an erroneous idea; because certainly there has been a very large proportion in my own vicinity that has been taken, to the extent that it has worked great harm in my immediate community, which is a very striking agricultural section. What I was trying to urge, how-

ever, is that I do not believe there is any basis for the statement that there has been any discrimination in favor of the city as against the country boys in the operation of the draft. I do not think there has been, but I know there is a suspicion in the country that the charge is true. I think it ought to be cleared up here, because such suspicion creates a bad state of public opinion wherever it exists. I thought the explanation of so many more boys going from the country than from the city in our community was that it was due to rejections instead of exemptions in the city. But we will pass that, with the hope that the real facts may be so clearly set forth by the department that all suspicion may be removed from every community.

Mr. Chairman, agriculture is facing a crisis this spring, due not so much, if at all, to the operation of the draft, but rather by way of comparison with other activities of the war. In my own community, for example, the Wilbur Wright Aviation Field was built during the summer, and not far from my home the Camp Sherman cantonment was built. Both took much of the summer. The war activities, of which the construction of these Government buildings was but a part, stripped our entire community of its labor. This came right in the midst of corn cultivation and a little before the harvest time. It of course ran through the summer and totally absorbed our labor throughout the busiest months of the farm, including harvest time, when to save the farm crop labor had to be secured. The situation in my immediate community was acute. It appeared for a while that the year's work was in certain jeopardy. This, of course, was not due to the draft, but to war preparation.

Mr. CARTER of Oklahoma. The demand for labor was so great and the prices so high that the men went from the farms to accept other employment.

Mr. FESS. That is what I mean. My whole community was totally stripped of labor that theretofore had been dependable for farm work. They went into these cantonments to get large wages and to work where there were a great group of men. The inducements held out by the Government were persuasive not only as a patriotic service but the high wages offered were unlike anything that community had ever experienced.

Mr. Chairman, I want to call attention to these Government activities, recognizing as I do that it had to be done and that additional prices had to be held out in order to induce the farm laborer to leave the farm at a time when the farmer could not afford to lose him. To all protests the reply, of course legitimate, was that this work must be done and that it must be done now; that in order to get it done the Government will have to take from work that is permanent the laborer and place him at temporary labor, and to do that much higher prices than is paid where the labor is permanent, and especially rural, must be paid. Consequently when the Wilbur Wright field got into full swing all the farm labor in our country went. The same thing was true in building the cantonments. I am speaking now of Ohio in my particular section.

If you had gone through the southern and southwestern parts of Ohio in the months of October, November, and December, you would have seen this year what you never have seen before—field after field of corn, some standing on the stalk uncut and others standing in the shock unhusked. Many of the fields were not put in wheat that ordinarily would have been put in wheat. And when you asked why the corn remained unharvested the quick reply comes, "All of our help is gone. We have not the help to husk and put the corn in the crib." And then you ask the question why it is not fed in the shock to live stock, and the reply comes at once, "Well, we have had a very good price for live stock and it has been sold, and what we have left we can not afford to keep for feeding because we have not the help to feed it."

Mr. OVERMYER. Will the gentleman yield?

Mr. FESS. I will yield to my colleague.

Mr. OVERMYER. At the close of the gentleman's remarks I expect to ask unanimous consent to extend my remarks in the RECORD by printing a letter from Provost Marshal Gen. Crowder on the question of exemption of farm labor, and in that letter he gives some interesting figures.

Mr. FESS. The gentleman from Oklahoma [Mr. CARTER] has just read those figures into the RECORD.

Mr. OVERMYER. I thought they were of sufficient interest to be put in the RECORD.

Mr. FESS. Now, whatever be the cause of the loss of labor to the farmer, that is no longer important except as it may be corrected. The fact remains that he has not the labor. The question at once comes before us, How are we going to assure the country that the food supply of next year is not going to be kept up with the past production but most certainly not increased? It can not be unless we find the labor for it. There is no use to mince words, the vast acreage of America means nothing unless cultivated, and cultivation depends almost wholly upon farm help.

Mr. ALMON. The conditions of governmental activities will be different in 1918 from what they were in 1917 as to the construction of cantonments?

Mr. FESS. The construction of cantonments, it is true, will be less if not entirely completed, but in the shipbuilding plants and in the munition plants, the real war activities, it will not be true. There is a city not far from the home of my colleague, Mr. OVERMYER, that is the center of war activities for munition making. Although it is 150 miles from my home, it has attracted many men from my own town. It is war work. That is pretty general over Ohio. So I will say to my friend from Alabama that I can not believe that we have a great hope from the letting up of war activity, so that we can be assured that this labor will come back to the farm. Both the war demands and the abnormal prices paid are against such hope.

Some suggestion has been made that we take the labor out of the loafing places. I have a series of letters, all running in the same line, asking why we do not go to the towns and take out of the saloons and the loafing places those people who would be vastly better off if they were put on a farm and made to work. Probably the same reason such worthless human jetsam would not qualify for the Army would make them wholly undesirable in a respectable farmer's home. Another suggestion is that we go to the city employment bureau, and there find the labor that has been rejected by the draft on the ground of defects or for other reasons have not been called, and take them to the farm.

Now, I am very sensitive myself about making any statements that would be resented by our city dwellers. I have lived in the city and I have lived on a farm. Since I have reached my majority I have lived in the city, including five years in the second city in size in the United States. I fairly know the city, and I know the farm as it used to be, before modern methods came in vogue in scientific farming. I know the customs and habits of the farmer in his home and what he must do and what he expects others to do. I know about their getting up in the morning and about their regularity for meals and about their going to bed at night.

If you will allow me, I will say that it was my pleasure to work on a farm up to the time that I became a citizen of 21 years of age. I have been on farms where the farmer expected me to retire to rest by at least 8.30 o'clock, and in the summer time that is a little after sundown. While that seems to the city dweller incredible, yet had he worked in the field as I have worked he would be glad to find his rest at early dusk. I have been out in the field, my friends, a mile or more from the house and barn, with the horses plowing corn before the sun was up, and that was in the summer time when the sun rose early. That meant up in the morning before the break of day, even before the birds were astir, in order to feed, curry, and harness the horses, feed the other stock, and then take breakfast by lamplight. I was under the regulations of a high-grade farmer, and I want to say now that those were among my happiest and most healthful days. If you would take a city boy out on the farm like that where he hates the night because it is so dark, and longs to stay in the city because it is light, where he hates the country because it is so lonely and quiet and he wants the city because it is so social and gay, you can not get him to bed at night and you can not get him up in the morning. These farmers who know the business of farming simply will not be bothered with that sort of interference, and that is all there is to it. I know whereof I speak. They would prefer to do what they can themselves and leave the balance undone. The average farmer guards carefully his live stock, and especially is careful in the handling of his horses. He will positively refuse to allow every Tom, Dick, and Harry handle his horses.

Mr. SHERWOOD. Will the gentleman yield?

Mr. FESS. Certainly I will yield to my much-respected colleague, Gen. SHERWOOD.

Mr. SHERWOOD. By what authority could we take bums and compel them to work on the farm?

Mr. FESS. My colleague presents a pertinent inquiry and shows by it, although himself a resident of a city, he knows and appreciates the demands of the farm, and discerns keenly the futility of the suggestion that farm labor can be cared for by the bums or saloon loafers. He especially appreciates the matter of handling stock, as no man in the country knows more than he about horses and the importance of proper treatment not only of fine roadsters but great draft and farm horses as well.

The same can be said of the care of fine-bred stock of every character on the farm. To suggest that this is the business of loafers is little short of an insult to the farmer of to-day.

I beg the pardon of my colleague. I was going to answer why we did not take these persons from this or that place when I got into this particular line of thought, and I would not change my answer, because what is true of the city lad would be true of what these people call the loafers in places where they are not working. A farmer would not stand for that thing.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. BORLAND. I take it, then, that the gentleman feels that the farmer does not do business on a seven-hour basis?

Mr. FESS. My friend is so obsessed with that particular contention that he often tries to embarrass gentlemen——

Mr. BORLAND. I should regret exceedingly to embarrass the gentleman. Nothing is further from my thought.

Mr. FESS. There is no embarrassment to me, I would assure my friend from Missouri. I have never been embarrassed by hours of labor.

Mr. BORLAND. I thought the gentleman was discussing labor and the cause of the shortage. I may have misunderstood the gentleman.

Mr. FESS. The gentleman is not going to get anywhere by this sort of publicity; it does not mean anything. The farm situation I do not think can be materially relieved by taking these people from the city. It might be relieved in a degree if there was a wise selection, because we do know that in the city there are numbers of people who are inclined to rural work and who would really work with a heart upon the farm, but you would have to exercise wise selection in order to make it effective.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman permit me to suggest that a city laborer is wholly unfit to work on the farm; that it takes as much experience and skill to make a farmer as to make a mechanic.

Mr. FESS. I know that.

Mr. HUDDLESTON. It is nonsense to talk about sending the men to the farm for a season or for a limited period. It is a business that has to be followed during a long life.

Mr. FESS. I admit that, and I think I could state without hesitation or danger of being embarrassed for stating it that it takes more skill to-day to be a real, successful, scientific farmer than it does to be a very successful lawyer or a success in any of the literal professions which for years have been the ambition of our promising youth, and the preparation for which meant years of training.

Mr. SHERWOOD. Or a Member of Congress.

Mr. FESS. Oh, yes; or a Member of Congress. The farmer has to know the chemistry of the soil, which alone is a world of investigation in itself; he has to know the current of prices to know what to emphasize this year and what the next; he has to be a political economist, so as to know the lines of production; he has to reconcile production with consumption, and to say that all that a farmer needs is the ability to drive two horses and hold a plow handle is simply silly.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. BLANTON. And yet is it not a fact that the champion cotton pickers of the land come from the cities during the cotton-picking season, who never worked anywhere else except in the cities except during the cotton-picking season?

Mr. FESS. I would ask my friend from Texas, admitting that I do not know about that, is the cotton picker that comes from the city selected or does he come in a promiscuous group?

Mr. BLANTON. They wait for the cotton-picking season to come and leave their places as cooks and mechanics and laborers in the city and go to the cotton fields.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. CARTER of Oklahoma. As I understand, the people to whom the gentleman from Texas refers are colored people from the cities.

Mr. BLANTON. Colored and white. Some of the champion pickers are white.

Mr. CARTER of Oklahoma. Colored people are naturally cotton pickers.

Mr. FESS. Is there any particular skill required in cotton picking?

Mr. BLANTON. We draw from the cities in every department of the farm during the harvest season, during the harvesting of oats and the wheat——

Mr. FESS. The gentleman does not answer my question. Is there any particular skill required in cotton picking?

Mr. BLANTON. Certainly there is. I dare say there is not a Member of Congress here, who has not picked cotton, who could pick 100 pounds in a day if he tried; and yet there are men who pick 500 pounds in a day.

Mr. CARTER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. CARTER of Oklahoma. Is it not a fact that these city people that the gentleman from Texas speaks of are really people who learned to pick cotton in the country before they moved to the city?

Mr. BLANTON. That is largely true.

Mr. FESS. That would be perfectly safe. Of course, there are any number of people in the city who have lived on the farm, whose training was received on the farm, and who could profitably be returned to the farm.

Mr. BLANTON. The point I was trying to make is that in every farming section dependence is placed upon the labor from the city during the harvesting period.

Mr. FESS. That may be true of some sections, but not of every section. I know that it is not true of my section of the country. Our people are scientific farmers, and, by the way, are the most independent of all our citizens.

There is another phase of this labor problem that I am going to mention, and I do not do it with any offense to anyone or any group of our people. The farmer frets terrifically under the exactions of union or organized labor. The purpose of organized labor is to better conditions of the laboring class of our citizenship, a perfectly legitimate ambition, indorsed by the country; to increase wages; to shorten hours; to insure better conditions under which labor is performed. These humanitarian movements, which are always the result of groupings of people, which especially will be noticed in factory life or wherever congestion of population obtains, are entirely wanting, as everyone knows, on the farm. Consequently, if you take some one who has been identified with union labor and put him out on the farm you can see precisely what would happen.

Now, let me read a paragraph or so from one of my correspondents, and this correspondence is simply spontaneous; it has not been the result of any inquiry made by me. These are letters which incidentally come to me about the farming situation. He says, in regard to the farm-labor question:

> I was recently told by a friend what his experience was during the last threshing season. He helped out a job of thrashing on a farm owned by a city man. The owner of the farm brought some help from the city. The farmers that went to help paid no attention to the time of day in commencing work. The town fellows, however, would not begin until a certain time and they would not allow the others to work, either. There you have a sample of organized union labor on the farm. They not only refused to work until they got ready, but they refused to allow anyone else to work. Some of them are not worth much even during working hours or anything except smoking cigarettes and filthy talk. I do not believe I exaggerate when I say that such help is a curse on the farm.

Now, while that statement may be a little overdrawn and it may come from a person who has had an unfortunate experience, yet we all know that such exactions can not be fruitful of good results on the farm and men inclined to demand such observances are a real detriment on the farm, which can not for a moment depend on such labor.

Mr. BLANTON. Will the gentleman yield?

Mr. FESS. If the gentleman will wait a minute, I beg the gentleman's pardon—yet there is some basis for my correspondent's feeling. He is not accustomed to this sort of thing out on the farm. Now I yield to the gentleman from Texas.

Mr. BLANTON. Does the gentleman realize what would happen to a man down in the country in which I live who would try to start something like that on the farm?

Mr. FESS. I do not. There is another suggestion that has some currency, and that is the organization of the boys and girls who are now in school to take them out in the months, say, of April and June. Many of these schools—high schools, like our famous township high schools throughout the country in most of the States—have an attendance that comes largely from the farm, many of them from the little villages. They know the farm. Now, I think in an emergency like these war times, when food is the slogan, while I believe thoroughly in conserving the time in the schools for our boys and girls, yet I believe that in this stress that policy ought to be tried; that there ought to be a unified effort throughout the country, and it ought to be through cooperation with school authorities, to let the boys and girls go out on the farms, to be free certain months in the year; and while we have no authority, of course, I would like to see the school authorities give credit for the work they do on the farm, so that this work need not necessarily prolong the school age. I mean to allow this work on the farm to count for that which otherwise they would have to do in the schoolroom. In other words, I would not want to prolong the school period as a punishment because they had gone out to do this helpful work. I believe that that can be done, and it would be wonderfully fruitful for this reason. All

of you know about the corn clubs and the United States agricultural clubs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Does the gentleman desire more time?

Mr. FESS. Yes; I have been interrupted so much.

Mr. STAFFORD. How much time does the gentleman desire?

Mr. FESS. Fifteen minutes, if you can allow it.

Mr. STAFFORD. I yield the gentleman from Ohio 15 minutes additional.

The CHAIRMAN. The gentleman from Ohio is recognized for 15 additional minutes.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. FESS. I will.

Mr. CARTER of Oklahoma. I am very much interested in what the gentleman is saying; he is making a very profound discussion of a subject in which the entire country is interested. I know he has given some thought to the subject of furloughing some of the farmer boys who are in the Army for the gathering of the crops this summer. What has the gentleman to say on that subject?

Mr. FESS. I will say to my friend that I am going to take that up in due time. The facts are that these observations are now being made in order that I may present the identical phase of farm help suggested by the question. The movement, as I was discussing when the question was asked, in the organization of corn clubs and the household economic clubs, by offering certain prizes to the boy for the greatest yield of a given character, or to the girl who gets the best results in kitchen or otherwise, whatever the prizes are offered for, has proven to us beyond a doubt that farm ability can be wonderfully enhanced by encouraging general movements of interest among the young people on the farms and in the villages where they know the farm, and I believe that is something that ought to be taken up at once as an emergency measure, both as a State and National movement. I understand that in New York there is an organization of the girls by some woman's movement. I saw a statement here in Washington where there is such a movement on the part of a woman's organization. Such a movement is now in vogue in my own district, where local organizations reaching from city to country are attempting to enlist all the people in a campaign of production. All of these will have helpful results, I am sure. Then there is another phase along that same line. However, I do not want to take that up at this particular juncture.

With reference to getting the labor from the Army camps, I will now address myself to what I think is a feasible and workable proposal. There will be, everyone will note, some inconvenience, even if we pass such a law, and there will also be some striking disappointments, because if we pass such a law, which I hope we will, and it ought to be passed soon if it is passed, the farmer will expect his own son to come to his farm.

Now, of course, we can not assure him of that. He would naturally rather work his boy, who is acquainted with the farm and the teams and all that goes with that particular farm, than to have some other soldier and give him a home for the time being, and while that ought to be done in the degree that it is possible to do it, you can see at once that it is bound to work a very great disappointment in various communities, and I have been trying to keep our people informed about that, that they must not expect their own son in every case to be returned. But there ought to be a relief, and I think there can be, from this particular method. Here is a letter that indicates a possible disappointment:

I would like to be furloughed for the reason that I shall now state. As father has a farm now rented of 208 acres, which is located—

I do not want to identify this boy, because he is writing me from his camp, is now in service as a military boy, and it might work him some inconvenience. He continues:

My father is unable to get the help to run the farm. He has out now 80 acres of wheat; he is going to put out the same amount of corn in the spring. If I get out and help him, as I have been the main support of him, he will be able to have this work done. Father has 12 head of horses, 15 head of cattle, 75 head of sheep, 35 head of hogs that he can not give proper attention. He has not been able to get any help all winter, and he has not got the last year's corn crop out yet. He can not get anybody to help take care of the farm, and I think I can farm and do it better and with better results than any hand that he can secure. Father is 65 years old and is unable to do any kind of work in the field. Father has not done any work for the last six years. He has been depending on me to do the work. I have tried to indicate here briefly some of the reasons why I should be furloughed.

Now, you read this letter, and between the lines you have a suspicion that the boy is not entirely happy in the Army and would like to get out. However, what he says would make a strong case for exemption; but if it is impossible to exempt him—and that can not be since I have presented the case to the War Department, which refused exemption, since he is already in the service—but if it is possible, for him to be given a period whereby he could go back on the farm and work for a specific period, it would be a great benefit not only to him but to his community. He would probably be rendering a greater service to his country by so doing than to remain in the military service.

That letter is one of a great many in the same line. The only trouble is you can not discriminate where a boy wants to work the farm from a desire to get out of the Army. We have got to recognize that in the passage of any bill that we enact here.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. FESS. I yield.

Mr. CONNALLY of Texas. Is it the gentleman's idea that the former boys in the Army ought to be permitted to go home and make the crops?

Mr. FESS. My idea is that there ought to be a quota permitted to go home at certain periods of the year and assist on the farm. I would not say all the farmers should do that. That, of course, would be impracticable.

Mr. CONNALLY of Texas. My constituency is a farming constituency, and I was just wondering what would become of the Army if they were to demobilize it to this extent.

Mr. FESS. The Army is not composed wholly of boys that come from the farms to start with, and not all the boys that come from the farms ought to be furloughed, especially at any one time. Nothing can be done to disorganize the plans of the military service. My point is that there is a positive need for farm labor, and we have got to meet it, and I do not know where you can get more effective labor than to collect from time to time selective groups in the camps for turning back to the farm, and allow them to return as soon as the period elapses. I think that is important. They would be the most effective men you could possibly find in the country.

Mr. TILSON. Will the gentleman yield?

Mr. FESS. I yield to the gentleman from the Military Committee.

Mr. TILSON. The gentleman will understand that possibly those men would be furloughed who belong to camps or divisions or organizations that were not immediately destined to overseas work.

Mr. FESS. Certainly. That is my meaning.

Mr. TILSON. Or, in other words, from those units from which they could be spared with the least demoralization to the Army itself?

Mr. FESS. Certainly. I would not think of interfering with the Army in its military requirements.

Mr. TILSON. So that it would be impossible to single out of these men individual men, because they might belong to the very organizations that were going overseas first.

Mr. FESS. And that is the one thing that will make the operation of it inevitably disappointing back home. That is what I meant. Of course, we would not think of emptying the camps. It is a selective method, taking what we can allow to go, where we can do it effectively during this crisis.

Mr. HASTINGS. Will the gentleman yield?

Mr. FESS. Yes.

Mr. HASTINGS. Do you not think if that sort of an act passed or if that kind of a regulation was formed that a very large number of those in the Army would be asking for furloughs?

Mr. FESS. I am sure of it. But their going would not depend upon their wishes, but upon the selection made by the authorities.

Mr. HASTINGS. Do you not think it would have the effect of demoralizing the Army?

Mr. FESS. I will say to my friend that I do not think it would have such an effect. The boys in the Army are under military training, and one of the first things we learn—and I know it by not only my own experience, but by the experience of some people who are very close to me—is absolute obedience to the rules of Army life.

Mr. PLATT. In the good old times, when the schools used to educate great men, and we all know they do not do it nowadays——

Mr. FESS. I do not accept that statement as a fact.

Mr. PLATT (continuing). Boys did not go to school except in the winter, and they worked on the farm in the summer time.

Mr. FESS. I do not know whether my friend thinks that we ought to dismiss the modern schools and go back into the one-room schools or not, where you could teach 55 classes per day, as I did in my first term.

Mr. PLATT. If you will read the life of any great man in the country, you will find he went to school only in the wintertime and worked in the summer time; and that is what we ought to get back to.

Mr. FESS. I am afraid that my friend is in the class of those who consider that under the modern system nobody can spell, because they study other subjects besides the spelling book.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more.

Mr. STAFFORD. I would like to inquire of the gentleman from Ohio if he requires any more time?

Mr. FESS. If it would not embarrass the gentleman.

Mr. STAFFORD. It is pressing me, but I will yield.

Mr. COOPER of Wisconsin. I have received a number of letters from farmer constituents telling of the impossibility of conducting their respective farms because of the taking away of their help. What does the gentleman from Ohio think of the proposition to have the statute made mandatory that help essential to the carrying on of a farm shall be absolutely exempt from the draft?

Mr. FESS. I do not believe that we would dare exempt agriculturists as a class. I think it would be inequitable and undemocratic.

Mr. COOPER of Wisconsin. Not as a class, not all agriculturists; but we can not exist without food, and the only people that grow the food are the farmers. Suppose, now, there are three boys on a farm; should it be optional with the board to permit all three of those to go or should one of them be exempt from the draft, where the mother is a widow and has no other help? I have exactly that case in my district.

Mr. FESS. It seems to me that such treatment would be unfair to the party in interest. The draft law as it now is written would permit one or two of those boys to be exempt, and it should be so administered.

Mr. COOPER of Wisconsin. If the gentleman will permit, it is left discretionary with the board.

Mr. FESS. Yes; I think it ought to be so left.

Mr. COOPER of Wisconsin. Should it be left discretionary with the board? Should not the public welfare, the necessities of the Government, require in such cases that the statute should be made mandatory, and that the work on the farm shall not cease in the production of food necessary for the Government?

Mr. FESS. Well, I confess it is a little confusing to me to say that you should make it mandatory simply because of the difficulty in many cases to tell whether that particular boy really ought to be kept on the farm or not, when it is a question of whether he is needed or not. I had a case like this brought to my attention and I carried it up for exemption, and the party said to me, "Why, this boy is not needed on the farm. He is in the university." I said, "Certainly; he is in the university, but he is studying agriculture in order to go back and be a trained farmer." I was astonished to be told then that he was not studying agriculture, but he was studying law. They wanted him on the farm, but they had sent him away to study law. He should not have been exempted.

I think we have got to leave a discretion somewhere, and not make the law mandatory. I certainly believe that there ought to be greater favor to agriculture shown in interpreting the law relating to exempting these people than there has been exercised.

Mr. COOPER of Wisconsin. In the case the gentleman cited there must have been somebody on the farm doing the work while the boy was absent.

Mr. FESS. His father was on the farm.

Mr. COOPER of Wisconsin. But supposing his mother was a widow. I have that kind of a case.

Mr. FESS. I think that is a case of unwisdom to refuse to exempt that party. I think there should be greater care exercised in the exemption of the agriculturists. I feel sure it will be used in the future.

Now, in reference to the furlough question, it might be of value of the committee to know that several bills have been introduced, one by the Committee on Military Affairs, and such a measure will come into the House in due time, if it can be brought in by the Committee on Military Affairs. I think that is very wise and ought to be done very soon, because in some sections of the country the time for farming is on.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. TILSON. Before the gentleman leaves that point, I will state that such a bill has been reported out of committee. It has either been ordered reported out or actually has been reported out.

Mr. FESS. So I understand from the chairman of the committee, with whom I talked only to-day.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. LINTHICUM. Who is to use this greater latitude in the future?

Mr. FESS. Of course, it will be the appellate board.

Mr. LINTHICUM. If the gentleman has in mind these local and district boards, I can say to him that I have in mind a young man who is working 70 acres of land. He has an uncle 70 years old and an aunt 75 years old. He was put into one of the low classes and went before the district board and was then put in class A. He has 70 acres of land. I do not think that that is much latitude.

Mr. FESS. When I said "latitude" I was probably misunderstood. I mean there ought to be greater favor shown in exempting the farmer boy than has been exercised hitherto.

Mr. LINTHICUM. I have several cases in mind, cases in my neighborhood, where they have farms; and they take them all without any distinction whatever, apparently.

Mr. ALMON. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes; I yield to the gentleman.

Mr. ALMON. While we are discussing the issuing of furloughs to some of the farmer boys who are already in training, at the same time we understand from the press that in all probability there will be another draft, probably about the 1st of May, right in the midst of the crop time, when other boys will be taken from the farms. What would you think of the idea of legislation to the effect that no farmer boys shall be taken into the second draft or be called until some definite time, say, the 1st of August, in order that they may aid in making this crop?

Mr. FESS. That suggestion might work considerable inconvenience in the training ability. We must not allow any of these items to stand out against the training for the war as an entirety, and if it should happen that no call is made up to a certain period, and there would be no training up to that period, I would be fearful that that might interfere with the plans of effectually prosecuting the military program, and I would hesitate to do that.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FESS. Certainly. I yield to my colleague.

Mr. COOPER of Ohio. Does not my colleague believe that it is just as essential that we have boys on the farm to work the farms to produce the necessary foodstuffs and supplies as to have them in the Army?

Mr. FESS. Of course, we are compelled to have labor on the farm.

Mr. COOPER of Ohio. I would like to call the gentleman's attention to a case that was brought to my mind a few days ago. It is the case of two brothers living in my district, their father and mother both being dead. They had left to them a farm, and they have worked hard to get the debts cleared off the farm. They have improved machinery and a nice stock of cattle on the farm. There are only two brothers and a sister. The draft board has called both the brothers into the service and placed them in class A. It seems to me that the Government made a serious mistake when it took those young men off the farm when we need all the agricultural help in our country that we can get to do the work.

Mr. FESS. I will say to my colleague that I think, according to his statement of the case, that is a serious situation and ought to be remedied. Surely such cases will be corrected if they are presented to proper authorities. We can not trifle with the question of food production.

Now, gentlemen of the committee, if I may be permitted to go on without interruption until my time expires, I have three or four things that I want to say to the committee connectedly, and the first is this: As to these various suggestions of securing help, another suggestion has been made to take help out of the State prisons, out of the penitentiaries. In a great many places a movement is on foot to take them out in groups, say, to work 10 or more men under one command, and take them from farm to farm. I do not know whether that would be workable at all. I do not know why it could not be, although I have not gone into it. It has already been suggested.

Another suggestion is for the State itself to aid by furnishing to certain areas tractors. Ohio is in great activity just now on that suggestion. The governor of the State has recommended it, and the State university is offering to show how it can be done. The idea is for the State to purchase outright a great number of tractors—not to loan them out, but to put them out under some skilled operator and let him go from farm to farm in the community and gather the community together—and let them, in a community way, work the farms.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. FESS. I did not get to finish what I wanted to say. May I have five minutes more?

Mr. STAFFORD. I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes more.

Mr. FESS. I am very much obliged to the gentleman.

Mr. LINTHICUM. I want to ask the gentleman one or two questions after he gets through.

Mr. FESS. This asking for more time is getting to be a joke, but I did not mean it to be so. The tractor proposition, as I say, is receiving a good deal of consideration in Ohio. New York is also becoming active in this form of relief. I here insert a dispatch in to-day's paper:

The State of New York will furnish 61 tractors for service on the farms of the State this season. The plan under which these tractors may be rented and used is announced to-day by Director C. J. Huson, of the bureau of production of the New York State Food Commission.

Application for these tractors should be made direct to Director Huson at the office of the food commission, Agricultural Hall, Albany, N. Y. Every tractor must be used to plow 200 acres or more for food crops.

The plan under which these tractors may be used will make them of the greatest possible efficiency in plowing and fitting land for food production. In 1917 New York State was the pioneer in this work in the United States, having purchased and put out 42 tractors. This year the lessons learned in 1917 will be put into effect, and each tractor will be more efficient and of greater service because of what was learned last year

TWENTY NEW TRACTORS.

One of these tractors may be had in any one of three ways. Under plan No. 1 an organized group of farmers, five or more; under plan No. 2 an experienced and responsible tractor operator; or under plan No. 3 an individual farmer may get one of the machines. Rules are provided for each plan.

Of the 61 machines 20 will be new (purchased this year), the other 41 those which were used last year. Each machine will be accompanied by either a two-plow or three-plow outfit, including harrow. A specified rental is to be paid the State, as follows: Secondhand two-plow outfit, $50 to $60 for the season; secondhand three-plow outfit, $75; new two-plow outfit, $75; new three-plow outfit, $100.

The full details will be communicated to anyone interested upon request. Some of the more important details are as follows: The organization or individual signing the contract with the State must assume responsibility for the machine and pay the rental; must pay for all necessary repairs, fuel, oil, freight (within the State); and deliver the machine next fall to the nearest railroad station or properly house it for the winter. He must also guarantee to plow at least 200 acres during the season and to keep the machine in use every possible day and only for plowing and fitting land for food production, except when special permission for other use is given by the commission.

PLANS FOR THEIR USE.

Under plan No. 1 the group which gets the tractor must limit its use to 40 acres for each member of the group, one half of which may be done in the spring and the other half in the fall. Under plan No. 2 the operator who may get the tractor may not plow or fit more than 40 acres (20 in the spring and 20 in the fall) for any one individual. Under plan No. 3, if an individual farmer secures one of the machines, he is permitted to plow but 60 acres (one-half in the spring; one-half in the fall) for himself. Under all three plans the tractors must be kept in service as nearly constantly as weather permits. The charge for the use of the tractors is limited to $1.25 per hour for a tractor up to 10–20 size, or $1.50 per hour for a tractor above the 10–20 size, or if the charge is made per acre to $3 per acre for plowing and 75 cents per acre for harrowing once over.

I have heard certain objections to the tractor proposition; that the need of labor is not so great in the planting season as it is in the harvesting season. But I think the need is about as great in the planting season, for the simple reason that in our section of the world every day is not seasonable. We have got to make hay while the sun shines. You have got to get your ground ready. Then you must get your crop in. That is one reason why we are insistent that we must have good seed, for if you plant seed that is not good, by the time you find out that the first planting is a failure the season is gone and it is too late to plant a second crop.

Mr. TILSON. Does not the gentleman think that if a man makes an almost superhuman effort to get a crop planted, and then he gets a good crop, he will make more than a superhuman effort to harvest it?

Mr. FESS. Absolutely; there is no doubt that is true.

So much for the tractor suggestion that has been discussed in Ohio and New York, if not elsewhere.

Another suggestion that I think every Member of the House ought to have in mind is that we are going to suffer from want of crops next year because of the fact that we did not have the assurance of labor, and many of our farmers have sown their farms in grass, which will not be broken up at all and will not produce the cereals. Now, it may sound strange when I state to you that a large proportion of the vicinity in which I live, which is an agricultural community of a very high grade, has done that very thing. Let me read to you from a letter that is exceedingly suggestive. This letter comes from the president of the Red Cross movement in my town, who has given up all of his time to war activities. He has 300 acres of ground, a splendid farm, with tenants on it, but they have gone, all but one, and this is what he says:

From personal observation there is a growing feeling expressed among the farmers, true at that, that the farm products depend upon the farmer; that the people can not live without the farmer and his products. This feeling can easily grow to a condition that might become serious. Labor is his great drawback—good, competent labor. Often his help is on one part of the farm while he is working at a distance. The farmer has been overworked, tired, discouraged from the help standpoint. This leads to his giving up, selling out—

Now, listen—

or, as in my own case, I have prepared to use as much stock on pasture as possible; and if our assistant is called to the colors—and he is subject to be called—our farm will have to go on a 50 per cent capacity. Not that I want to, but am forced to make the best out of a bad condition.

That letter is written by one of the most patriotic men we have in our community, and he is working constantly for the interests of the community.

The CHAIRMAN. The gentleman's additional five minutes have expired.

Mr. LINTHICUM. He had 10 minutes, as I understood.

The CHAIRMAN. The gentleman is recognized for five minutes more.

Mr. FESS. Out of this condition we have this certainty: There is not going to be as great a cultivation in acreage next year, if my community is at all a fair representative, and it will not be because the people are not interested in the war. It will be because they say, "We simply can not do it, and we have got to make the best of a bad situation."

Take that as one thing. Then add to that this other fact that all must admit: The corn last year did not mature, as it usually does, because of the early frost. Corn is out in the field where it has remained all winter. This was the hardest winter that any of us has gone through in reference to the keen cold. All through our country we are told that most of the corn which otherwise would make good seed corn is absolutely worthless as seed corn because of its immaturity and having been out all winter and perhaps other reasons. I had a man come into my office who is one of the best agriculturists in Ohio. He was on his way to see Secretary Houston. I gave him a letter to the Secretary in order to present that corn situation from the standpoint of seed to the Department of Agriculture here. He told me that he had taken the corn and tested it as they usually do, and that he finds section after section of the fields where the corn is perfectly useless for seed. That, I fear, is going to create a great disappointment in the yield this coming year. All through my section there are movements by county organizations attempting to select the good seed from the worthless. There is really a serious situation which is alarming the people.

Mr. LINTHICUM. I dislike to interrupt the gentleman, but there is one matter to which I should like to call his attention, as his time is drawing short.

Mr. FESS. That is all right.

Mr. LINTHICUM. The gentleman has spoken about the need to produce a crop and about the future food products of the country. I want to call the gentleman's attention to an article which appeared in a Baltimore paper, which deals with the subject of the hotels. As the gentleman knows, the hotels have changed their mode of serving meals. Whereas they formerly served a portion that could be divided between two people, now they have made them all individual portions. They charge about the same for an individual portion that they once charged for a large portion and you have no right to divide that with anyone.

I have a clipping here from a Baltimore paper, in which it is said that the hotels claim that this is not an advantage to them, but that what is left over when they serve too much for one person and will not let it be divided with anyone else goes to the waiter. The article says:

These are the property of the waiter, to give away, take home, or sell. What he does not want goes to the bus boy, the waiter's underling.

It was also pointed out by the managers that the practice of serving a portion for two people existed in the days when the individual portion was called the half portion, and that it had been found advisable to refuse to serve individual portions to two people on account of the necessity of restricting patronage to the more desirable class of guests.

"There are plenty of people," said one manager, "who live in nail bedrooms and who would come in and order one portion of a single dish to divide between them. It does not pay us to encourage that class of patronage. The practice of charging an extra amount for service of a single portion to two people is also open to many abuses from the standpoint of the employees. The waiters are apt to play favorites, and it would be next to impossible to check up on them."

Of course, I think we will all agree that the reason stated by that hotel manager is a very foolish one. Does not the gentleman think the hotels of this country ought to be investigated on this question of the waste of food? They have adopted this system for the primary purpose of getting a larger price from the people, and then they serve more than one person can eat. I have particularly in mind one case where two of us went to a hotel; they served me enough for three people. Yet I was compelled to purchase the same amount for the other person, and what was left—about half—was sent into the kitchen for whatever might be done with it. It is an outrage upon the

people for the charge made by most hotels for single portions, and it is discouraging to everybody by the waste of food caused by this method of extortion.

Mr. OVERMYER. I will say to the gentleman that the Lever bill, which has been referred to our committee, will be taken up very soon. It takes up that very question, which we hope to present to the House very soon.

Mr. FESS. I am very glad to hear that.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. FESS. May I have three minutes more?

Mr. STAFFORD. The gentleman is so reasonable in his request for time that I certainly will yield him the three minutes and hope that he will not be interrupted.

Mr. FESS. Mr. Chairman, I had not intended to occupy so much time of the committee, but this is a subject that has been fugitively discussed by individual Members who have been offering observations upon it, and I felt and feel now that there is a possibility of a crisis that none of us fully comprehend.

The truth of the matter is the submarine is not out of commission. The truth of the matter is the submarine activity is on the increase. There are more ships being sunk than before, there is more food being sunk than before, and we all know that with our soldiers across the seas we are going to be on the sea more with our food. With a lessening of food in Europe, as must be inevitable, and an inevitable lessening of food in our own country from present conditions, everybody must see that here in the face of the most perfectly organized military machine the world ever saw, in the persistent effort to sink what food it can find on the seas and with those sinkings increasing, you are losing at both ends. You are not only losing in productiveness but in destructiveness. And so it is high time that we not only make every foot of our ground produce to its maximum but make everybody conserve to the very minimum. Then, as to the war-garden proposition, we got $350,000,000 additional fruitage last year; but we want to increase it this year. We ought not to be compelled to suffer loss, as is suggested by my experience in this town when a Government clerk told me that he had a little vacant lot out here that he wanted to plant and they wanted $8 for plowing it. That is an outrage; the Government ought to take over the vacant lots and see that they are cultivated, and if the Government does not do it the city authorities ought to do it.

I need but call attention to the city of Springfield, Ohio, where the office of the city manager undertook the war-garden work last spring. A census of the available garden plots in the city was made, and when seeds were distributed free by the city, if the person asking for seeds had no place to plant them, a lot was turned over. After finding that lots could not be gotten ready for planting on account of scarcity of teams and plows, the city employed several teams to plow and harrow the lots. When fields could not be secured by donations, the city rented them and cut them up into war-garden lots. Ordinances were passed protecting these city lots from vandalism and theft. When the crop was harvested the city established a clearing house where those having vegetables for sale could bring their product and dispose of it without the necessity of peddling it about the city.

This coming year the work will be continued. There now is being planned a systematic campaign to reach out over the county to augment the yield of the farms tributary to the city.

Mr. RANDALL. The Government ought to stop the use of 60,000,000 bushels of grain for the breweries.

Mr. FESS. I emphatically agree with that statement, and will do all in my power to stop it.

Mr. STAFFORD. The gentleman ought to know that brewery products are food. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I have noticed in the newspapers from my district, and generally throughout Pennsylvania, that it is the intention to close not only the colleges but the public schools one month earlier this year than ordinarily for the purpose of releasing the students, that they may go upon the farms and increase the product of the land.

The result of that patriotic action will, of course, add much to the sum total of the Nation's food products. I represent a great agricultural district of Pennsylvania, including a large portion of the fertile Cumberland, Tuscarora, Kishacoquillas, Trough Creek, Path, Buffalo, and the Big Valleys. A more productive soil nowhere exists on earth, nor are there better farms anywhere; and yet in the newspapers coming from this section I find the statement that more farmers are this year offering to sell out and leave the farms than in any other period in the history of this section.

Mr. LITTLE. Will the gentleman yield?

Mr. FOCHT. Yes; although my time is brief.

Mr. LITTLE. How much an acre do they want for these farms?

Mr. FOCHT. They are very valuable farms. I will answer the gentleman's question more understandingly a little later. The reason they are leaving the farms is because they do not have the farm help to get the maximum of production. As the gentleman from Ohio [Mr. FESS] has said, they are patriotic; the farmers are all patriotic and they have done their share, but they are discouraged to the extent that many do not want to go ahead with their accustomed plans on account of the uncertainty as to help.

Now, I wish to state, without inserting in the RECORD many letters from the section of the country where these boys go from the farms, the fact that many must reduce the acreage under cultivation this year. There is one instance at least, according to a letter I have received, where a farmer was unable to get his potatoes out of the ground last year and where the corn remains to-day unhusked in the field.

There was a farmer here the other day, a patriotic man and fine citizen, whose son volunteered and is down in Texas. Inasmuch as the selective method of raising the Army does not carry into practice the early understanding that there would be exemptions in the more needful occupations, such as farming, all he asked was what the gentleman from Ohio [Mr. FESS] suggested—a furlough. I give these instances in the hope that there may be worked out some method of returning to the farm, temporarily at least, on furlough during the planting season and the harvesting season some of these boys—not loafers picked up around in the cities, whom the farmers say would be more of a menace and a nuisance than a help, but these practical farmers who know the farm and who left it to go to the war. And what my farmer friend asked was not that his son should be relieved from any of his obligations as an American citizen and a patriot, but when he was willing and anxious to serve his country he wanted the boy to come home on a short furlough and help put out, then harvest the crops. In the absence of his son he is alone and his wife is an invalid, and he would be obliged to reduce the acreage; and to reduce the acreage now would be as fatal as reducing the activities in the preparation and increase in numbers of our Army and military equipment.

Therefore, representing this agricultural community, and having these specific cases brought to my attention, I am prepared to second the thought of the gentleman from Ohio [Mr. FESS] in the hope that the committee, in their wisdom, may be able to work out some plan by which these farmers whose sons have left the fields to go to the Army may not be compelled under the force of necessity to curtail the productiveness of the agricultural districts. [Applause.]

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. STAFFORD. Mr. Chairman, I yield the gentleman two minutes more.

Mr. RAMSEYER. The gentleman speaks of furloughing during the planting and the harvest time?

Mr. FOCHT. Yes.

Mr. RAMSEYER. Does the gentleman simply mean it for a few weeks?

Mr. FOCHT. Yes; if nothing better can be done, a few weeks, not in excess of a month, since it seems they are not to be exempted entirely.

Mr. RAMSEYER. I do not know anything about the farming conditions in Pennsylvania, but I do know that in Iowa they need about the same amount of help from March until October, because one kind of work follows another. It is planting and then more planting and cultivation and the harvest and the thrashing and in the fall there is the husking of the corn.

Mr. FOCHT. Exactly.

Mr. RAMSEYER. And a few weeks' furlough, if it is in planting time in the spring and a few weeks in the harvest, would not solve the problem with us.

Mr. FOCHT. It would in some measure. Of course the farmer himself would have to be helpful there; but, as for hay and wheat and oats, there is an interval between harvesting these and the harvesting of corn, during which they might go back to the Army. Those are the principal crops of the country I represent. It would differ, to be sure, according to climatic conditions, but it could be adjusted so far as the greater portion of Pennsylvania is concerned.

Mr. RAMSEYER. In a country where they have small grain, like the Dakotas, I can see where a few weeks in planting

and in harvest time and at thrashing time would be of very great help.

Mr. FOCHT. That would have to be worked out by the intelligence and the wisdom of the agencies in charge of the program.

Mr. LITTLE. Mr. Chairman, the gentleman has not yet given me the price of that land.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. TILSON. In due time the gentleman will have an opportunity to vote for a bill which will permit the Secretary of War to furlough men for a shorter or longer period, as it may be determined is best toward winning the war.

Mr. FOCHT. I consider that a wise provision. I would like to have time enough to answer the gentleman from Kansas, who says he desires to know the value of the land in the seventeenth Pennsylvania district.

Mr. LITTLE. The gentleman said that they had the finest farm land in the world and were anxious to sell.

Mr. FOCHT. No; not anxious to sell the land, but some farmers desire to quit because they would be compelled to reduce acreage.

Mr. LITTLE. The gentleman said he never saw so many who wanted to sell their farms.

Mr. FOCHT. They are mostly tenants advertising stock and equipment because of the labor conditions that exist.

Mr. LITTLE. I want to get the price.

Mr. FOCHT. I assume that the more land there is on the market the lower the price would be, and that price, of course, would be measured according to the quality of the land, buildings, and so forth. In my section land sells anywhere from $50 to $250 per acre.

Mr. LITTLE. That would be my theory.

Mr. FOCHT. That would follow as a matter of common business practice.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOPER of Ohio. Mr. Chairman, I will ask that the gentleman be yielded one minute more.

Mr. STAFFORD. Mr. Chairman, I yield one minute more to the gentleman.

Mr. COOPER of Ohio. I would like to ask the gentleman what effect he thinks price fixing has had on the farmers of our country? In other words, the Government has fixed the price at which he must sell his products, when the price of labor is out of sight.

Mr. FOCHT. I will answer, in a general way, that I regard all of the fixing of prices and the attempts to break down the law of supply and demand and the evident fuel regulatory fiasco as necessarily demoralizing and discouraging. Particularly is the arbitrary price fixed for wheat far from commensurate and below adjustment with other commodities and supplies the farmer must buy in the open market. In considering the high wages now paid labor we must not overlook the fact that the purchasing power of a dollar is only half what it was in 1914; hence the increase of wages for labor is the only method by which adjustment to meet high prices of commodities can be accommodated. My answer might be more amply embodied in a few remarks I made on the floor months ago, when the food-control bill was under discussion, and which presumably was to increase the food supply and bring down the then soaring prices. I quote from my observations of prophecy as contained in the CONGRESSIONAL RECORD of August 3, 1917, and also an editorial from the Chambersburg Repository, as follows:

Mr. FOCHT. Mr. Speaker, I simply desire to say that I have grave doubts as to the efficiency of this measure. I doubt that it will accomplish any good results. In the presence of the multitudinous agencies that are now in force to regulate everything and everybody in this country I doubt very seriously whether any single individual is big enough to extend himself with any effect over this great Western Hemisphere, or, in fact, over the whole world, which, according to the provisions of this bill, he will have the authority to supervise. However, this authority has been sought by the Chief Executive and by the majority party in power, and, inasmuch as they have sought it and are to assume the responsibility for it, I am willing that it shall be done. But for the fact that I am called away to the hospital on account of the sickness of my daughter I should vote for the conference report, but I shall not be able to be present when it is voted upon. I wish to reassert that I do not believe the bill is going to accomplish anything whatever except confusion and disorder, disappointment, if not disgust, and dismay throughout the land, much as I hope to the contrary.

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[From the Chambersburg Repository.]

THE FARMER'S SIDE OF THE QUESTION.

From reports Repository has been able to gather from over the county there is going to be a material shortage in crops this year as compared with last year. We have made a special effort to learn facts from the farmers as they visit Chambersburg, and all seem to have the same report to make.

No person can justly criticize the farmers of Franklin County after the great efforts they made last year. Nor can anyone question their loyalty to the Government and their desire to help in every way possible to win this war. The question is, Have they been given the square deal they deserve?

The cry is everlastingly going up to conserve food here at home that we may be able to ship more abroad. "Do not waste" is what we see placarded all over the country, and glaring electric signs in large cities tell the people the same thing. And the people, largely, are complying with the request, but what are we to save for our men at the front and in the camps, as well as our allies, if we fail to produce? Production is the great thing that is necessary to win the war. Saving is entirely proper, but production must first be considered and it is being considered, but how? Wheat is the great staple food product and the cry goes up day and night, "Give us more wheat and save the flour that we may have more wheat." The farmers are asked to produce wheat in greater quantities, yet wheat is the one item of farm production on which the Government places a fixed price and says, "So far shalt thou go and no farther."

What is the condition of the farmer, the man who produces the wheat and who is urged to accomplish greater results than he has been able to do in the past? He finds himself confronted by a price fixed for his crop of wheat. People who do not go into all the facts say that is a good price and any man should be able to raise it at that price. Let us see. Place the normal price of wheat at $1 and the price fixed by the Government is an increase slightly over 100 per cent of the normal. The farmer in order to sustain his family and keep up his farm is obliged, like every one else, to buy other things. Does he find a price fixed on these? Not at all. He pays anywhere from 200 to 300 per cent more for what he buys than he formerly did. Foodstuffs, feed for his stock, machinery of all kinds, fertilizer, everything has advanced far more than the advance allowed him on his wheat.

Another thing. It is impossible to procure help on the farm. The young men whom the Government has not taken away for the Army have found employment in cantonments, manufactories, and elsewhere at wages the farmer could not think of paying. Without help how is he expected to increase his production? He simply can not do it. The result will be that he will sow this year only what he can reap himself and with what aid he can procure from his own family, which, in many cases, has been materially depleted by the draft. The farmer can do so much and no more, and that is just what he will do this year, and this means a big shortage in wheat and all other crops. It is absolutely ridiculous to insist that the farmer should do the impossible.

If crops are to be increased there is but one way to do it. The Government must either stop taking the boys from the farm or provide others to take their places. If the war is to be won by greater production of wheat and other farm crops, men are just as essential on the farm as they are in the trenches, and the Government should make some provision to supply them. There are thousands of men employed in various branches of industry where nonessentials are produced. There are men clerking in stores and in other places where women could fill the positions just as well. If food production is as essential as carrying a gun and the Government can draft for the latter, why can not it do so for the former? It is not improbable that we will come to this before very long. A man has just as much right to sacrifice in order that food can be secured as has the man to sacrifice his business to enter the Army as a soldier. If something like this is not done we may expect greatly reduced crops, not because farmers are unwilling to do their full part, but because they are deprived of the help necessary to produce the crops now demanded. If this war is to be won through the production of large crops to feed the Army and allies, the farmers must be given help with which to do it.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield one minute to the gentleman from Ohio [Mr. OVERMYER].

Mr. OVERMYER. Mr. Chairman, I just wanted to say, as I stated a while ago, that I had intended to ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter from the Provost Marshal General touching the question of farm labor. On investigation, however, I find that a letter in substance the same was inserted in the RECORD under the date of the 25th instant by the gentleman from Oklahoma [Mr. MCKEOWN]. The letter contains a great deal of interesting information, especially showing the percentage of farm labor that has actually been withdrawn in the first draft and that will be probably withdrawn in the second draft. I quite agree with the statement of the Provost Marshal General in that regard, that the dearth of farm labor is not due in any large degree to the operation of the draft. It is due to a variety of causes that have been in operation for a number of years. The migration of people toward the city, the suction of industries during the past two or three years, with high wage scales in the cities, has done more to create the present dearth in farm labor than the operation of the draft, and the letter gives interesting figures on that subject.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. OVERMYER. I regret I can not yield to my colleague.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. BELL].

Mr. BELL. Mr. Chairman, in the time allotted to me I desire to submit the report of the commission created by Congress to investigate the pneumatic mail-tube service.

REPORT OF THE COMMISSION TO INVESTIGATE PNEUMATIC-TUBE MAIL SERVICE.

The commission appointed by the act of Congress dated March 3, 1917, to investigate the value of pneumatic-tube mail service, submits herewith the report of its investigations, together with the report of its engineers and auditors, a tran-

script of the public hearings, and copies of reports and briefs submitted by the Post Office Department and the owners of tube properties.

Under the provisions of the act creating the commission, it is directed, first, to investigate the value of the tube service; second, the value of its properties, franchises, and other equipment, with a view to the purchase and operation of the same or any portion thereof by the Government; and, third, to ascertain the cost and terms upon which such purchase may be made. Broadly interpreted, the commission was directed to determine whether the tubes are a valuable and necessary postal facility for a reliable and expeditious mail service in the larger cities.

After having given careful consideration to the testimony submitted at public hearings in the different cities, an inspection of pneumatic-tube service; a consideration of the report of its engineers and auditors, and the briefs submitted by the Post Office Department and the tube companies, the commission has reached the following conclusions:

1. That pneumatic tubes as now installed for carrying letter mail are necessary for proper postal service and should be continued in the cities of New York, Brooklyn, Philadelphia, Boston, Chicago, and St. Louis, but that extensions are necessary in St. Louis to obtain adequate tube service.

2. That being an exclusive postal facility, the systems should be owned and operated by the Government.

3. That a combination of tube and automobile service tends to promote efficient postal service in large cities.

4. That the Post Office Department should operate tube service with its own employees, thereby insuring greater cooperation.

5. That the purchase price of the tube systems should be extended over a period of years in such a manner that partial payments, together with 4 per cent interest on unpaid balances, including costs of operation as reported by the commission's engineers, shall not exceed the present annual expenditure of approximately $976,000 for tube service.

6. That the purchase price for the systems now in use in the Postal Service be determined by a reference to the Interstate Commerce Commission, who shall fix a physical valuation for each of the systems in the cities of New York, Brooklyn, Philadelphia, Boston, Chicago, and St. Louis at a sum not to exceed $4,432,622 for the entire systems. In determining these values, said commission shall consider the nature and condition of the titles to the properties in each of the cities named.

The commission has given careful and extended study and investigation, first, to the utility value of underground pneumatic-tube service as a postal facility in the large cities where the quantity of first-class mail and street congestion demand special consideration; second, to the subject of Government ownership of such methods of mail transportation; and, third, to what is a fair valuation of the properties of the tube companies now under contract with the Post Office Department. For some time this subject has been before Congress. Each member of the commission, by reason of service on the Post Office Committees of the House and Senate, had already given the subject considerable thought and study. A mass of testimony, data, and information has heretofore been submitted during hearings before the House and Senate Post Office Committees and in previous congressional and departmental reports.

The systems in the five cities mentioned are privately owned and operated under contract with the Post Office Department, for which Congress has appropriated during the last 11 years approximately $1,000,000 per year. A 10-year contract for tube service expired June 30, 1916, and since that time the service has been continued by congressional action.

On July 16, 1915, the Postmaster General appointed a committee of postal experts "to make careful investigation and report as to the needs and practicability of pneumatic-tube service in Boston, Mass.; New York, N. Y.; Brooklyn, N. Y.; Philadelphia, Pa.; Chicago, Ill.; and St. Louis, Mo., preliminary to the consideration by the Postmaster General of the issuance of an advertisement for such service for the term beginning July 1, 1916, the report to be submitted not later than October 1, 1915." Their report was filed with the Postmaster General October 13, 1916. He extended the contracts to December 31, 1916. Congress afterwards extended the contracts first to March 4, 1917, and later, in connection with the authorization of this commission, to July 1, 1918.

The report of the postal experts recommended the discontinuance of tube service in all the cities, with the exception of that portion in New York below Forty-second Street, and recommended the retention of the service above Forty-second Street only on condition that it could be secured at a very material reduction in cost.

The recommendations of the Postmaster General coming before Congress for consideration were attacked by Members of Congress, the public, the press, and by the owners of tube properties. Hearings were conducted by the Committees on Post Offices and Post Roads both in the House and in the Senate. They extended over a period of four days before the House committee, and for six days before the Senate committee. The House of Representatives voted to continue the usual appropriation for tube service, and an additional amount for an extension to The Bronx in New York City. The Senate amended the provision by continuing the existing service and authorized the appointment of this commission, which action was later concurred in by the House.

The views of the Postmaster General with respect to tube service may be summarized as follows: That since 1906, when the present contracts were made, the postal conditions have so changed that the tube service is neither necessary nor desirable. The reasons assigned are stated to be:

1. The introduction of parcel post.
2. The use of automobile mail trucks.
3. Increase of letter mail to a point beyond the capacity of the existing tubes.

The commission, therefore, has given careful study to the utility value of pneumatic-tube mail service, has instructed its engineers to make thorough and careful investigation into this phase of their inquiry, and has itself endeavored to ascertain accurately the views and reasons of the public and postal employees as to the value and the necessity for providing such a means of transportation for first-class mail. It has examined the reports of previous post-office administrations, and particularly the report of the congressional investigation submitted to Congress in 1914, of which Senator HOKE SMITH, of Georgia, was chairman. Indeed, the investigation of this latter commission enabled this commission to avoid a great amount of work which it otherwise would have been required to do.

The commission has carefully kept in mind the distinction between the importance of the delivery of first-class mail, in which the Government has a monopoly, and that of other classes of mail delivered through the Postal Service. The former commands a high rate of postage. It is closely identified with the social, business, financial, and industrial life of the Nation, and therefore demands special treatment.

It can not be permitted, except at the expense of efficiency, to go other than in the most direct lines, without delay or hindrance, from the point of origin to destination. Any other consideration that would retard or slacken its progress would ignore the very important duty the Government owes the public to provide a highly developed first-class mail service. Rapid transmission of first-class mail should be provided independent of and divorced from the movement of the less important and lower classes of mail. No other course can be reconciled with the proper and just demands of the public or the duty the Government owes to the patrons of the Postal Service, who provide the funds with which it is maintained. But for first-class mail the social and business fabric of the Nation would be greatly impaired. The greater the efficiency, therefore, in the methods and devices adopted to improve the service the greater it stimulates the social and commercial activities of the people.

All of the larger financial institutions located in the great cities, and many of the large business and manufacturing concerns having active relations with clients, customers, or branches located outside the city, rely upon the mails for handling and recording thousands of necessary details involved in the orderly conduct of their business affairs. Many of them do not rely upon the postman for collections and deliveries, but at their own expense maintain a special service between their offices and the post office or station through which their mail is cleared. Some of them, especially the great banking institutions, send for and receive their mail, in some instances, every 30 minutes during business hours; and many of them maintain such a service, though less frequently, during the entire night in order that clients and customers may sustain the least possible delay with respect to business intrusted to them through the mails.

It is not a question of what character of service is sufficient, but what is the best possible service, within reasonable limits of expense, that can be provided for such important customers of the Postal Service. It must be understood, however, that each patron of the Postal Service can not always receive that degree of service which his individual business demands or that he feels he should have. The Postal Service must be maintained with due regard for conditions in any given locality and in the country as a whole. The policy of those responsible for efficient postal management should be, however, to keep pace with the growth and development of the country and the necessity for a constantly improved service.

The viewpoint of the public, as it appears to the commission, is that letter mail pays for and warrants the highest grade of postal service; that there should be no deterioration in the service; that where cities are spending millions of dollars to widen streets and to put traffic above ground and underground, the Government should not add to that traffic by abandoning existing means of underground transportation of mail; that the mail truck is a menace to the life of persons along the streets and tends to obstruct traffic. These are factors in this inquiry which the commission considers are established by the facts.

The tubes carry a large portion of the first-class mail in the cities where established. They were constructed with the sole purpose of facilitating the delivery of letter mail. To replace the tubes with automobiles would doubtless effect an economy, estimated by Stone & Webster, engineers for the commission, at $114,522 per year. The commission is of the opinion, however, that delays in the delivery of large quantities of letter mail would result from this action. In this connection the engineers say:

No number of automobiles, even at a cost exceeding that of the best combined automobile and tube service, could obtain all the advantages of a combined service.

The records of the Post Office Department indicate that from three to five million letters are advanced in delivery each day by the tubes, which otherwise would be delayed. The commismission feels that the additional cost for providing expedition for this amount of mail is fully justified. The engineers for the commission estimate that the extra expense of tube service under Government ownership as compared with the cost of the necessary automobile service to replace the tubes, if discontinued, would be about $312 a day. The commission concludes that for this sum Congress can well afford to provide this special service for three to five million letters daily that are enabled thereby to reach their destination earlier, which would not be true if tube service were dispensed with.

Mr. ROUSE, a member of the commission, does not agree with the recommendations above stated and will submit a minority report.

At the suggestion of the commission, the secretary has prepared and appended hereto, under appropriate subdivisions, certain data and comments, approved by the commission, regarding the various phases of the investigation under consideration.

J. H. BANKHEAD (chairman).
THOMAS W. HARDWICK.
JOHN W. WEEKS.
THOS. M. BELL.
HALVOR STEENERSON.

MARCH 1, 1918.

Mr. RANDALL. Will the gentleman yield?

Mr. BELL. I will.

Mr. RANDALL. I understand the commission recommends a continuance of the pneumatic-tube service in certain cities under certain circumstances.

Mr. BELL. No.

Mr. RANDALL. Are there any cities which have had that service that are omitted from the recommendation?

Mr. BELL. None, so far as I am advised.

Mr. RANDALL. What about San Francisco?

Mr. BELL. Well, I did not know San Francisco ever had this pneumatic-tube service.

Mr. RANDALL. It has had it in the past. I would like to ask whether the commission visited San Francisco before this report was made?

Mr. BELL. The truth is this commission was called upon under the resolution adopted by Congress not to recommend the discontinuance of the pneumatic-tube service only in event the commission came to the conclusion that it was not a good postal facility.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, would the gentleman have any objection to my using five minutes of this time? If not, I will yield five minutes to my colleague, the gentleman from Wisconsin [Mr. BROWNE].

Mr. BROWNE. Mr. Chairman, Tuesday, February 5, 1918, is a day that will long be remembered by the American people. The transport *Tuscania*, with 2,179 American soldiers on board, on their way to the battle fields of Europe, was torpedoed and sunk by a German submarine when off the north coast of Ireland, and 209 American soldiers were lost or unaccounted for.

The news of the sinking of the transport *Tuscania* was flashed over the country and brought home most forcibly to every mother and father in the land the sad realization of war.

The War Department was besieged by people and thousands of telegrams were received by it inquiring of the safety of the boys who were either on or were supposed to be on the *Tuscania*. With commendable promptness and accuracy the War Department made public the list of survivors as they were received by cable.

All are familiar with the vivid accounts given by the press of the torpedoing and sinking of the *Tuscania* on the eve of February 5 by a German submarine; of the tremendous impact and explosion when the torpedo struck the transport; of the lowering of the lifeboats and of the transport settling deeper and deeper in the water; of the fine discipline, splendid nerve, and heroic courage of our boys thousands of miles away from their homes, as they stood at attention, with the Stars and Stripes floating over their heads, waiting their turn to take the lifeboats, every man as cool and under as much self-control as if on dress parade. The fact that out of 2,179 men on board only 209 were lost in this disaster, under all the circumstances, with German submarines lurking in the vicinity, is a high testimonial to the splendid order and self-control of the officers and men. Most of the soldiers rescued were landed at Buncrana and Larne, Ireland, Wednesday morning, February 6, and also on the Scottish coast.

At these small ports of Ireland and Scotland where our troops were landed they met a most warm-hearted reception on the part of the people who did all in their power to administer every comfort and care. The survivors of the *Tuscania* laid their dead comrades at rest, with the usual military honors, on the rock-bound coast of Scotland, where proper monuments will be erected to mark their graves.

On Fame's eternal camping ground
Their silent tents are spread,
And Glory guards, with solemn sound,
The bivouac of the dead.

Nor shall their glory be forgot
While Fame her record keeps,
Or Honor points the hallowed spot
Where Valor proudly sleeps.

WISCONSIN'S PROUD RECORD.

Wisconsin has responded to the call of the country in this war, as in all others, with a patriotism second to no other State. In 1861, within six days after Lincoln's first call for volunteers. Wisconsin responded with its first regiment, and 19 companies more had offered their services. At that time, with a population of only a trifle over 700,000, Wisconsin raised an army of between 90,000 and 100,000 men. After the declaration of war with Spain the War Department was surprised at the early wire from the Governor of Wisconsin to "Send on your medical officers, our National Guard is ready." Wisconsin's second and third regiments were among the earliest arrivals at the camp in Chickamauga.

In the present war no State in the Union has responded more loyally to every demand made by the President than Wisconsin. The United States Naval Institute proceedings of August, 1917, contains a table compiled by the Department of War. This table shows, first, the quota required from each State; second, the number of the National Guard on April 2, 1917; third, the enlistments in the National Guard from April 2 to June 30, 1917; fourth, the enlistments in the Regular Army during the same period; fifth, each State is credited with the total in service on April 2 and the enlistments up to June 30, 1917; sixth, the number of men to be drafted. These figures show the total of the National Army at the last-named date as 1,152,985. The total credits, including those in service on April 2 and those volunteering up to June 30, are 465,985; this left 687,000 to be drafted. The total credits form 40.4 per cent of the Army. Wisconsin's volunteers numbered over 54 per cent of her quota.

Wisconsin thus ranks first in the percentage of credits; in other words, more of her citizens volunteered in proportion to the quota assigned than any other State in the Union. I herewith give a table showing the figures from 12 of the most populous States:

	Quota.	Credits.	Per cent.
New York	122,424	52,971	43.2
Pennsylvania	98,277	37,248	37.0
Illinois	79,094	27,304	34.5
Ohio	66,474	27,588	41.5
Texas	48,166	17,488	36.3
Michigan	43,936	13,569	30.8
Massachusetts	43,109	22,448	52.0
New Jersey	35,623	14,896	41.8
Missouri	35,461	16,740	47.2
California	34,907	11,786	33.7
Indiana	29,971	12,409	41.5
Wisconsin	28,199	15,274	54.3

Wisconsin was the first State to report its registration list to the War Department at Washington under the recent conscription law, and it overran the Government's estimate in its registration. It oversubscribed its apportionment in both

Liberty bond issues, and very much oversubscribed its quota for the Red Cross. One city of 20,000 inhabitants in the district I represent subscribed over $40,000 to the Red Cross. Every city and hamlet in the State has its Red Cross Society, and all are working overtime.

In reading the names of the soldiers who were on the *Tuscania* you will recognize the names of many nationalities. The roster of our great National Army contains the names of almost all nationalities, all Americans, all united in one single purpose—that of winning the war—and inspired by one great motive, love and loyalty for their common country, America.

I ask leave, Mr. Speaker, to print as an extension of my remarks the names of the soldiers from the eighth congressional district who were on the *Tuscania* and those who lost their lives.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD by printing the list indicated. Is there objection. [After a pause.] The Chair hears none.

The list is as follows:

SAVED.

J. L. Barnes, Wautoma; Joseph Bauer, Wautoma; O. Bendixen, Wautoma; W. J. Berry, Wautoma; W. J. Callahan, Wautoma; C. Buchholtz, Wautoma; L. Byse, Wautoma; E. Campbell, Wild Rose; Waren Cotton, Coloma; W. D. S. Horne, Redgranite; L. Garthwaite, Wautoma; Henry Gethers, Coloma; A. W. Grambsch, Bloomfield; Earl Wilder, Coloma; A. Zielke, Redgranite; J. J. Johnson, Wautoma; S. Jarvis, Wautoma; E. F. Riemer, Wautoma; A. D. Robins, Wautoma; A. W. Persons, Wautoma; H. H. Rowe, Wautoma; G. L. Gunderson, Wautoma; N. Perry, jr., Plainfield; Vernon Rozell, jr., Plainfield; Clyde Diggles, Hancock; Glen Diggles, Hancock; A. Thorstad, Wautoma; C. Stratton, Wautoma; R. Simonson, Wautoma; M. J. Johnson, Wild Rose; Ernest Rogers, Coloma; Royal Pierce, Coloma; Edward Ueeck, Hancock; F. Reader, Wautoma; N. F. Jensen, Pine River; Joe Parkin, Coloma; E. P. Patterson, Wild Rose; G. H. Gustin, Wautoma; Creal Hopper, Coloma; T. A. Gehrke, Auroraville; Joe Inda, Wild Rose; A. L. Perron, Plainfield; C. W. Knaup, Poy Sippi; L. W. Spear, Plainfield; H. R. Turner, Wautoma; N. Colligan, Wild Rose; I. Peterson, Saxeville; A. P. Selsing, Mount Morris; John Inda, Wild Rose; L. D. Paulson, Poy Sippi; C. G. Larson, Saxeville; L. H. McCue, Poy Sippi; Herman McLaughlin, Coloma; J. Swendrzynski, Wild Rose; R. F. Lind, Poy Sippi; I. Sorenson, Wild Rose; T. Dubke, Plainfield; H. R. Ameigh, Plainfield; C. W. Eagan, Wautoma; Joe Stransky, Coloma; Paul Buettner, Shawano; Clarence Kroeger, Plover; Melvin A. Arneson, Abbottsford; Ray Anderson, Marshfield; Fred Bream, jr., Marshfield; Lyle Barnhart, Waupaca; Arthur Cantwell, Shawano; Byron E. Christian, Wautoma; George E. Doman, New London; Tracey S. Green, Colby; Alexander Steward, jr., Clintonville; Olin R Thompson, Abbotsford; John C. Barth, Clintonville; Archibald Beaudoin, New London; George D. Danley, Iola; Kirkwood Durrant, Waupaca; Martin E. Evenson, Manawa; Hilding Fagerdalh, Clintonville; Charles Foley, New London; George J. Schunk, Marshfield; Herbert E. Hurd, Almond; John Jacobson, Waupaca; Charles H. Jacobson, Waupaca; Ryder L. Leer, Northland; John Loftis, Waupaca; Theodore Regling, Shawano; Leo W. Spear, Plainfield; Ralph R. Wescott, Shawano; Herman J. Christiansen, Pittsville; Charles Decker, Berlin; Arthur Evenson, Marshfield; John M. Maitland, Berlin; Ralph A. Mayo, New London; Carl Emigh, Neskoro; Irvin A. Eckel, Marshfield; William E. Jacobson, Waupaca; Lee V. Lashua, Northland; Halbert I. Lewis, Stevens Point; Ellsworth W. Ming, Iola; Johnie A. Lonnevik, Ogdensburg; Hallie Dumas, Marshfield; Deane R. Knapton, Marshfield; Francis F. Firnstahl, Colby; Jacob W. Kramer, Abbotsford; and Edmund Palmer Johnson, Iola.

DEAD OR UNACCOUNTED FOR.

Russell F. Bennett, Plainfield; Corpl. Clifford Norriss, New London; Charles E. Swanson, Rothschild; Alcide Corolla, Lohrville; and William B. Spencer, New London.

Mr. STAFFORD. Would the gentleman have any objection if I should yield one minute to the gentleman from Massachusetts [Mr. GILLETT].

Mr. BYRNS of Tennessee. No.

Mr. GILLETT. Mr. Chairman, some time ago the gentleman from Oklahoma [Mr. FERRIS] received permission to extend his remarks in the RECORD by printing an editorial by a distinguished Democratic editor. Now I ask unanimous consent to extend my remarks by printing in the RECORD the remarks of one who I think is the greatest living Democratic editor, the Hon. Henry Watterson, which appeared in last Saturday's Washington Post.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks by making a part thereof the editorial referred to. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Chairman, this bill provides nearly $70,000,000 for the expenses of the legislative, executive, and judicial departments of the Government, a great proportion of which is for salaries in the executive departments in the city of Washington. The expenses of the executive departments in the city of Washington have grown enormously in the last year and promise to grow still more during the coming year. The pay roll in the city of Washington now is approximately $70,000,000 a year. Prior to the war it was about $50,000,000 a year. That money, of course, must be raised not only by taxation of the people but, in this emergency, by the sale of bonds. I have urged on this House, and expect to continue to urge upon it, the absolute, imperative necessity of getting an honest day's work for every dollar expended by Uncle Sam, and I am at a loss somewhat to see why the simple proposal to adopt a standard day of eight hours for the employees of the Government in the District of Columbia should raise such a tremendous objection as it has raised. It apparently finds opponents even on the floor of this House.

Mr. LONDON. Will the gentleman yield for a question?

Mr. BORLAND. For a brief question.

Mr. LONDON. The gentleman has used the expression "a standard day of eight hours."

Mr. BORLAND. Yes.

Mr. LONDON. What does the gentleman mean by that expression, "a standard day"?

Mr. BORLAND. I will say to the gentleman from New York that my judgment is—and I hope that he can concur with me, that there is just as much an honest day's work as an honest dollar or an honest pound or an honest bushel. I would not deal with a merchant who tried to fix his own standard of what constituted a pound.

I would not deal with a man who attempted to tell me how many cents he would give me for a dollar or leave it as a matter of bargaining and chaffering between us, and I believe there is just as much an honest day's work as there is an honest dollar or an honest pound.

Mr. LONDON. The gentleman used the expression, "a standard day."

Mr. BORLAND. I want to answer my friend a little further. I have no sympathy with those people who claim that a day's work, is eight hours or less, how much less depending upon how shrewd one party to the trade may be and how helpless the other may be. I have just as little sympathy with them as I have for a man who says that he will get just as much out of the laborer as he can, or that the laborer is not to earn a living.

And there is just as much moral limit to one proposition as there is to the other, in my mind. I hope there is in the mind of the gentleman from New York.

Mr. LONDON. Will the gentleman yield further?

Mr. BORLAND. Yes, sir.

Mr. LONDON. I tried to get a definition of the standard day, because I proceed upon the theory that an honest day's work means a day's work in which the man applies himself to the utmost of his ability to the task allotted to him.

Mr. BORLAND. The gentleman is now in the realm of fog. An honest day's work is the standard that is customarily fixed by the community. When you talk about what a man can efficiently apply himself to, that is mere fog. A merchant might say he would give as many ounces to the pound as his own aspirations required. I want to say that nobody is going to get the worst of that shifting scale any quicker than the laborer is going to get it. He has always got the worst of it when there is not a standard fixed by law.

If the value of a dollar is the matter of bargain in the market place, the poor man always gets the worst of it. If a pound is the matter of shrewdness of dealing, the poor always get the worst of it.

And if an honest day's work is not set by all the community, the poor and the unfortunate get the worst of it and the shrewd and powerful get the best of it. There is not a bit of doubt about that.

I do not think it is necessary for me to explain to the great majority of this House what is meant by an honest day's work. The only question is why have we not gotten the honest day's work from the employees of the Government in the District of Columbia? Cleared of all the technicalities that have been brought in here, all the shrewdness at the command of the people opposing this amendment, it is that it would cut $7,000,000 off of Uncle Sam's pay roll in the District of Columbia. The merchants and landlords of Washington will not submit to the loss of that revenue. That is sufficient answer for all the opposition. It is a square issue between the taxpayers of the Nation and the profiteers of Washington.

I want to read here a letter that I sent to the secretary of a labor union in my district, and I will ask the Clerk to read it from the desk.

The CHAIRMAN. Without objection, the Clerk will read the same.

The Clerk read as follows:

FEBRUARY 23, 1918.

Mr. JAMES H. ANDERSON,
Secretary Central Labor Union, Labor Temple, Kansas City, Mo.

DEAR MR. ANDERSON: I have your letter of February 20 inclosing a set of resolutions adopted by the Central Labor Union February 9, 1918, in regard to the so-called Borland amendment. It seems clear that

these resolutions were suggested by somebody in Washington, and I regret exceedingly that the unions in Kansas City have not had an opportunity to go into the facts of this matter a little more fully.

The overwhelming majority of the present National Army which our country is putting in the field to fight the great battle of democracy is composed of the sons of working men. The life of every one of these boys is as precious to his father as the life of the son of a millionaire. No department of our Government ought to fail to exercise the highest degree of vigilance and efficiency to support this Army in the field. Not one of these boys should be sacrificed by negligence or delay, and our Government and our President are anxious to have at this time the loyal cooperation of all of the Government employees. The President sticks to his post with unremitting fidelity. Congress is working hard and not measuring its hours of service. Men in the mechanical trades of the United States and the Government arsenals and shipyards are working a full eight hours and longer, and there is no reason why the clerks in the departments at Washington should continue to enjoy political privileges and favoritism.

It may mean the prolonging of this war and the sacrifice of thousands of working men's sons. It may mean many sad households in this land; many bereaved mothers, many widows and many fatherless children, most of whom will be among the class of the world's workers.

We are facing a vigilant and relentless foe, and the horrible thing about this disgraceful protest which the Washington clerks are making is that it does not ring true with the best and highest note of Americanism. It does not mean a nation in earnest to win this war at the least sacrifice of blood and treasure.

I am inclosing herewith some resolutions which I hope and trust will be more expressive of the real sentiments of your union. I wish you would read this letter and these resolutions at the next meeting of your body. With kindest regards, I remain,

Yours, very truly,

(Signed) WILLIAM P. BORLAND.

Mr. BORLAND. Ah, there is an answer, of course, as to why the clerks can not work more than seven hours a day. It is the $7,000,000 added to the Government pay roll for the benefit of the business men of Washington. That is always the answer that bobs up like Banquo's ghost. Do you talk about the boys in the field? Seven million dollars jingling in Washington will drown out the cries of the boys across the sea. You talk about the fatherless orphans and widows; $7,000,000 spent in the Nation's Capital would still the cries of the widows and orphans. Do you talk about winning the war for democracy? No. You are winning the war for the profiteers of the Nation's Capital. Seven million dollars added to the pay roll, and every man who gets on the floor of this House to oppose the eight-hour day is consciously or unconsciously talking for the $7,000,000 patriots in the city of Washington.

Now, having answered the sophistry to the effect that this is not in the interest of the laboring man, I want to answer another sophistry, that it is in the power now of the departments in Washington to require eight hours a day and that they are doing it. It is a sufficient answer to that to say that if they were doing it nobody would be injured by an eight-hour day, and there would not be any doubt about the matter. It is manifest the clerks are not putting in an eight-hour day or they would not object to the change.

But the law provides for a seven-hour day. Gentlemen have gotten up here very blandly and said that there was an eight-hour day provided for now. There is an eight-hour day provided for the mechanical laborers of the Government, but not for these clerical positions.

Mr. FOCHT. Mr. Chairman——

Mr. BORLAND. I can not yield to the gentleman.

Mr. FOCHT. Will the gentleman listen to me?

Mr. BORLAND. I have listened to you a good while on the question of the shortage of labor on the farms, in which I agree with the gentleman.

Mr. FOCHT. The gentleman has not listened to me very much.

Mr. BORLAND. I yield to the gentleman for a question.

Mr. FOCHT. I want information. I do not want to take your time. At this juncture I would like to ascertain, speaking of that $7,000,000 less paid out, if that means you are going to reduce the wages $7,000,000?

Mr. BORLAND. I will explain that to the gentleman.

Mr. FOCHT. Also let me ask you this: At the present rate, if what has been said in regard to the employment of these 60,000 or more people that have been called to the city of Washington is true, they can scarcely exist, and how are you going to reduce their wages?

Mr. BORLAND. Why are you bringing them?

Mr. FOCHT. They are here and can not get home.

Mr. BORLAND. The gentleman from Pennsylvania consumed some time this afternoon. He talked about the shortage of labor on the farm. He knows the question of labor on the farm is a question of competition. He knows you can not get labor on the farm when a colored man can come down here to Washington and get $3 a day and sit in a revolving chair kicking his heels in front of an office door in one of these buildings.

The gentleman wants a seven-hour day for that employee. How are you going to get him back to the farm? And he will probably fight for an increase of wages for that employee, not realizing that he is putting his farmer friend up against further competition in the labor market.

Mr. FOCHT. Pardon me, but when you speak of what I would do, let me suggest that there are no colored laborers or any other laborers from my district coming to Washington so long as there are any left down South or out in the gentleman's district in Missouri. [Laughter.]

Mr. BORLAND. There are more Republican laborers, according to my observation, than Democrats in the District of Columbia. The gentleman would know that if he were in anywise familiar with the condition of the departments.

Now, I want to puncture this idea that an eight-hour day is already provided in the law. The statute reads:

Hereafter it shall be the duty of the heads of the executive departments, in the interest of the public service, to require of all clerks and other employees of whatever grade or class in their respective departments not less than seven hours of labor each day, except Sundays and days declared public holidays by law or Executive order: *Provided*, That the heads of departments may by special order, stating the reasons, further extend the hours for clerks or employees in their departments.

That provides for a seven-hour standard, and it can be exceeded by a special order, stating the reasons, in the case of each of these employees. Now, of course, there are bureaus in Washington where, by special order stating the reason, the time is exceeded to-day on account of war preparations, but 65 or 70 per cent of the civil-service employees in Washington are in bureaus where no special order could be issued stating any reason, and that is exactly the class of people we must reach.

The whole Commerce Department, the whole Labor Department, the whole Department of Justice—in fact, all of the departments, except a few bureaus in the Treasury and of the War and Navy Departments—are on a seven-hour basis, and as that is the standard fixed by law you can not change it, except by special order, stating the reason. Legislation by Congress is clearly necessary to remedy the abuse.

Now, my bill provides an eight-hour basis within the same limitations, namely, that you can not increase the hours without stating the reasons and a special order, and you have the standard of eight hours instead of a standard of seven hours, with the same limitations applying to it.

That disposes of all this talk as to whether there is or is not a standard eight-hour day or whether the departments have the power to grant it. In all the departments that are now working on a seven-hour basis they are using an excessive number of people. Those people ought to be put on an eight-hour basis, and the excess ought to be put in the War and Navy Departments, where they are needed, so that it would not be necessary to bring more people to the city of Washington, still further to aggravate the high prices that the gentleman from Pennsylvania [Mr. FOCHT] has spoken of.

The Civil Service Commission reports that in the last year 30,000 additional employees have been passed for Government service. They are not all on this bill. Many of them are in the sundry civil bill, because they are in what are called independent Government establishments. But the civil-service report shows that there are 30,000 additional employees. We had 37,000 here before the war began, so that we have approximately 67,000 now, or will have before the close of the fiscal year. We are taking those from the productive industries of the country.

Who is benefiting from this? The profiteers of Washington. Let us see if the man who is opposing this can even pose as the friend of the Government clerks. What self-respecting Government clerk ought to refuse to work eight hours a day? And if he did, what would he profit himself? What advantage to the individual clerk is there in having an excessive number of people on the Government's pay roll? None. It is a great disadvantage to him. In the first place, it does not put him in a very good light with his fellow citizens outside of the District of Columbia. In the second place, it clogs up the office and reduces his chances of promotion. In the third place, it reduces his chance for an adequate increase of salary as compensation for his services; and, in the fourth place, it practically destroys his chance of securing the enactment of a proper retirement law. So that the individual clerk is undoubtedly a loser by this agitation for a seven-hour-day proposition. Who is the gainer? The $7,000,000 patriots of the city of Washington; and every time you turn and look at this proposition from a new angle you get but one view, and that is the $7,000,000 padding of the Government pay roll for the benefit of the landlords and merchants of Washington. You can not prove that any individual in or out of the District of Columbia is benefited by a

seven-hour day except these men who live off of the earnings of the clerks.

Mr. COX. Mr. Chairman, will the gentleman yield for a question?

Mr. BORLAND. Yes; I yield to my colleague.

Mr. COX. As to the salaries paid to Government clerks and the salaries paid by private employers, I want to say that a very bright young woman came into my office this week, a young woman from Indiana, whose husband had been in the Navy for nine years and is now in the war zone, either in England or in France, and has made an assignment to her of all he proposes to make.

She has a little girl three and a half years old. She sought employment in one of the leading department stores here in the city of Washington. Last July she got the munificent sum of $7 a week. She is now getting the magnificent sum of $9 a week, and she tells me that the average pay roll of the saleslaadies in this leading department store does not exceed $12.50 a week, working eight hours every day in the year, except Sunday. That is the true condition. Yet there is no question but what that department store is agitating increased payments to Government clerks.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. BORLAND. I will in just a moment. I want to say that what the gentleman from Pennsylvania has heard is mostly the clamor of the opposition. What I have said will find a very small space in the RECORD. In all the amount of brains that the $7,000,000 stake has produced, they have not dared to compare the scale of prices or the terms of service or the hours of service or the number of working days in the year in a single private industry in the whole District of Columbia, and in the District of Columbia are located the general offices of the American Federation of Labor. They have not compared our office force with that office force, either in terms of service or in pay. Now I will yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. Mr. Chairman, I want to say right here only this: That to me the wages paid by private employers do not necessarily constitute the standard for the Government of the United States.

Mr. BORLAND. I should like to yield only for a question.

Mr. COOPER of Wisconsin. Many private employers pay niggardly wages, and the Government of the United States, which is the wealthiest employer in the world, ought always to pay a living wage regardless of what private employers pay.

Mr. BORLAND. I regret that the gentleman from Wisconsin, who, ordinarily, is very courteous, has not taken advantage of the courtesy I have extended to him to ask me a question instead of making a comment.

Mr. COOPER of Wisconsin. I will ask the gentleman a question.

Mr. BORLAND. I refuse to yield now.

Mr. COOPER of Wisconsin. Does the gentleman think what is paid by private employers necessarily constitutes a fair criterion as to what the Government ought to pay?

Mr. BORLAND. Then the gentleman is condemning the American Federation of Labor, which is a private employer, with the same class of office force in the District of Columbia. Why, of course, what private employers pay is a criterion, because it fixes the standard of wages. What men pay in the market for potatoes fixes the price of potatoes. You can say the Government ought to pay more for potatoes, and perhaps that is a good argument if you have got potatoes to sell. What people will ordinarily pay for a thing under similar conditions or under the best conditions is the criterion.

Mr. COX. Was there not a strike in the city of Washington in the offices of the American Federation of Labor a couple of years ago?

Mr. BORLAND. On that very question—that the force down there, as I understand it, wanted the same hours of labor and the same pay as the Federation was demanding from the Federal Government, and the strikers did not get it. Now, I will ask the Clerk to read in my time a comment from a leading Democratic country newspaper in Missouri, one of the best-edited country newspapers in the State, I think.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

[From the Jackson Examiner, Independence, Mo.]

MICE IN THE MEAL BAG.

Congressman BORLAND has got a glimmer of the labor situation and it should be sufficient to let the light into other places which may be dark. Mr. BORLAND suggests that the thousands of clerks in the departments in Washington be required to work eight hours a day instead of seven, as now, and points out the fact that this additional hour would equal the employment of 6,000 or 8,000 additional clerks, relieve the congestion, and call upon the Washington employees of the Government for the same number of hours now recognized as a standard day by men employed, not by the employers, who often work eight hours before noon and eight hours after noon.

Mr. BORLAND'S slogan embodies the entire argument. He demands that an honest day's work be given for every day's pay handed out by Uncle Sam.

Our Member of Congress is absolutely correct. When every patriotic man and woman is straining to meet war emergency and not even looking at the time clock, when hundreds of men are working long hours for no pay at all and happy to make the sacrifice, the office clerks at Washington who do half a day's work may justly be denominated as slackers.

Mr. BORLAND. Oh, there is a reason. Seven million dollars added to the Government pay roll! There is a reason why the Government clerks must occupy that kind of a position before their fellow citizens. And scores of self-respecting clerks have come to me and said that they would be glad to submit to the eight-hour proposition to clear out the dead timber in the Government offices. I should not like to lose faith in human nature and denominate all Government clerks as slackers. Only those who oppose an eight-hour day are slackers.

Mr. MORGAN. Will the gentleman yield?

I would like to ask the gentleman this question: The increase of the hours of labor is equivalent to a reduction of salary?

Mr. BORLAND. That is rather an academic question, but not a hard one to answer. It is not equivalent to a reduction of salary at all. If a man is working on piecework, figuring the output of his labor, of course the increase of hours of work is a reduction of the price per unit; there is no question about that; but it is not a reduction when you are figuring on paying employees according to the cost of living in Washington and not the value of the services.

Mr. MORGAN. I have rather assumed that it was true that an increase of the hours of labor was equivalent to a reduction of salary. If that were true, would it not be inconsistent for Congress to increase the hours of labor and at the same time not increase the pay; would they not be working along two different lines?

Mr. BORLAND. I think the gentleman is right. I do not think we ought to increase the pay and not increase the hours of labor. But without the increase of wages we are paying them what is supposed to be full time, and we are not getting it. Instead of our demand for a noncompensated hour, we are being short changed, and the taxpayers are paying for it.

Now, who is going to win on this proposition? The profiteers! Everybody has friends except the taxpayer, and his friends are not numerous, especially in the city of Washington. Nobody who lives in Washington cares anything about the taxpayer except that he is the cow to be milked. But I say the taxpayer is entitled to a full day's work, and we are entitled to fix the salary at what we think is a full day's pay.

Mr. LONDON. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. LONDON. How old is the law under which they work seven hours?

Mr. BORLAND. It was a war measure passed in 1898. At that time a day's work in the departments here was not more than four, five, or six hours. Up to 1898 the clerks worked four to six hours, as they saw fit. When the war came on in 1898 and the country was facing a foreign foe as it is to-day, it became necessary, as it is now, to get more efficiency, and Congress fixed the number of hours at seven. They had a battle to do it, and we are going through the same battle. I suppose that seven hours was a compromise because it was too big a jump from four hours to eight hours a day. The $7,000,000 patriots—they probably were $2,000,000 patriots then, as they have prospered doubtless since—fought the thing down to seven hours.

Mr. LONDON. Has the head of any department now affected by the seven-hour law asked to have a change in the law?

Mr. BORLAND. Now, my friend, I am going to be excused from answering that kind of a question. I could tell the gentleman some interesting facts, but I am not going to do it on the floor of the House.

Mr. LONDON. That is a legitimate question.

Mr. BORLAND. There is only one Cabinet officer who has taken the open position against it, and it is not hard to guess who that gentleman is.

Mr. MORGAN. Will the gentleman yield again?

Mr. BORLAND. Yes.

Mr. MORGAN. I would like to have the gentleman state whether he has considered this fact: The Government is having some difficulty in getting clerks. Now, I have in mind the fact that comparatively short hours are an inducement to a young man or a young woman to enter the Government service, and

while at first it may seem an advantage it is of some disadvantage. Does not the gentleman think that the Government would secure better service, better talent, with the comparatively short hours than with long hours?

Mr. BORLAND. I think the gentleman is right about the short hours and the many holidays having coaxed a great many people here from the farming community he represents, and made it exceedingly difficult for his constituents to cultivate their farms. The gentleman is entirely right and I agree with him in that whether I agree with him in the idea of helping his constituents or not. It happens that I have only sixty-one hundred farmers in my district, and some very good ones who appreciate the value of service.

Mr. MORGAN. Will the gentleman yield?

Mr. BORLAND. In a minute, I want to answer the second part of the gentleman's question and then I have finished with the gentleman. If we were paying for only seven hours as a basis of pay of a clerk with an 85-cent dollar the gentleman's contention would be right. If a man comes down here too feeble to work eight hours a day, so mentally feeble that he can not stand the ordinary strain and would like to get a job and take it for 85 cents on the dollar, Uncle Sam can do business with him, but I would not. Uncle Sam could hire him and pay him 85 cents on the dollar.

But that is not what you are getting. You are paying for 16 ounces to the pound and getting only 14. That is the trouble with the gentleman, and the gentleman's farmer friend is paying the bill. The money that is being paid out by the American public is going to the merchants and landlords of the District of Columbia, $7,000,000 of it. I want the gentleman to remember this when he gets back home—$7,000,000 of the farmers' money in Oklahoma goes into this proposition, and none of it ever goes back to Oklahoma.

Mr. MORGAN. If there are soft snaps at the National Capital I want to see the farmers come here and get them. I do not sympathize with the idea that it is wrong for the farmer boy to come to Washington either as a clerk or as a Member of Congress.

Mr. BORLAND. I am glad the gentleman feels that way about it. I do not believe that the farms of Oklahoma, however, ought to be abandoned to bring the people down here to work seven hours a day when they are not needed. If the gentleman thinks the farmers of Oklahoma want to work 12 hours a day to pay taxes to support seven-hour clerks in Washington he had better ask them. I would not even want to see the farms of Pennsylvania abandoned, because there might not then be enough voters left to return my genial friend to Congress.

Mr. QUIN. Mr. Chairman, the gentleman from Oklahoma does not think that these people ought to work just seven hours a day and have these farmers pay for it?

Mr. MORGAN. He seems to think that.

Mr. QUIN. Oh, my goodness, there must be a mistake about that.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. FOCHT. Then, let me ask the gentleman one question.

Mr. BORLAND. That was a mere pleasantry.

Mr. FOCHT. I am sure my dear friend from Missouri has not answered, and being from Missouri he ought to be able to answer it and to give us the information. The gentleman has failed to tell us how you are going to save the $7,000,000 by making the clerks work one hour more, unless you discharge some of them.

Mr. BORLAND. I can only furnish the argument. I can not furnish the comprehension. Who is getting the benefit of this? Is the taxpayer of the United States getting the benefit? We know that the laboring man is not getting the benefit, the individual clerk is not getting the benefit, union labor is not getting the benefit, the farmer is not getting the benefit. Perhaps the taxpayer is getting the benefit. Perhaps he is going to get so much better work out of these employees by having them work only seven hours a day, and they are going to do such splendid service in those seven hours a day, they are going to make such a brilliant record, that that will be his pay. That, however, has not been the estimate of men who came down here and investigated the situation. Why is it that they resent the report and work of the Efficiency Bureau that would tend to reduce the number of men in each department and expedite business? Every business man who has ever looked into the situation has said that he could take 60 per cent of the clerks and do better work than is now being done; but the whole cumbersome system of excessive employees and the entire red tape which has embarrassed the Government is due to what? The pressure of $7,000,000 patriots in the city of Washington.

You can not make a reform here without submitting yourself to the most revolting torrent of filth and abuse that can be concocted by the human mind. I do not want to make any personal reference, because legislation is never a personal matter to me, but that is the situation exactly. No man can even suggest a reform in these departments without making it so personally unpleasant that very few men like to undertake it.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield the gentleman five minutes more.

Mr. BORLAND. How about the soldier in the field? I expect the friends of the clerks will claim that he is benefited by this seven-hour proposition. How about the soldier's mother, who is anxiously praying every night that the Government may nerve its arm to this great struggle, and that it may be soon over, and that her boy may come back home again? She would not call her boy back. No; that is not in the heart of the American mother. She is glad that he was willing to go and able to go and that he did go; she is glad that he wanted to go and do a real man's part. Think of the gall and wormwood that would have been in that mother's heart if her boy did not want to go and if he could not be made to go. Suppose his highest ambition was a seven-hour job in Washington and he did not want to serve his country and his flag? Suppose he wanted to—

> Be carried to the skies on flowery beds of ease,
> While others fought to win the prize and sailed through bloody seas?

The heart of the whole world goes out in love and reverence to the mother of a hero, but God pity the mother of a slacker!

That mother may turn for help in her suffering to her God; she will get nowhere else sympathy in her shame and suffering. Does the mother of a soldier who is wearing the khaki uniform ask for a seven-hour day in Washington? Ah, no; she wants this Government to be vigilant, alert; she wants it to win this great cause of democracy. She does not want a single American boy sacrificed upon the altar of political cowardice or political incompetency. She wants every precious American hero's life that is laid upon the altar of his country to count for the great cause of democracy. There is only one way now to do that, and that is for all of us to do our full share. All the sacrifices of this war must not fall upon the boys who go to the trenches. There is a large measure of sacrifice for those of us who stay behind.

The business man is bearing his, the taxpayer is bearing his, the farmer is bearing his, the father is bearing his, the mother is baring her breast to the sharpest arrows of fate; she would gladly give her own life if she could bring her boy back safe. None of these people are asking for a seven-hour day in Washington. No; that is being asked for by the $7,000,000 patriots of Washington. Can any man in this assembly go back home and face an audience composed of fathers and mothers of true American stock, fathers and mothers of boys who are defending the Old Flag upon a foreign field, and tell them that he voted for a seven-hour day in Washington for the convenience of the clerks? Can he tell them that he voted for a seven-hour day because of technicalities in the wording of the law? Can he tell them that he voted for a seven-hour day because of the insistent demand of the $7,000,000 patriots of the District of Columbia? I credit this House with saying, "No"; that no man will dare or find it in his conscience or his heart to vote for a seven-hour day for the clerks in Washington and leave the father and the mother of the soldier in the field without the vigilant service of the Government to which he is entitled. Gentlemen, I thank you. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I do not propose to take up much time of the committee this afternoon, but I do want to call attention to the fact that the usual spring drive of the Committee on Appropriations is on against the Subtreasuries of the land. On page 63 of the bill, under the heading "Independent Treasury," there is the following provision:

> The Secretary of the Treasury is authorized and directed to discontinue the offices of the assistant treasurers at Baltimore, Boston, Chicago, Cincinnati, New Orleans, New York, Philadelphia, St. Louis, and San Francisco within six months after the President shall have proclaimed the termination of the existing state of war between the United States and Germany.

Mr. Chairman, again the city of Baltimore becomes the center of an attack upon its Subtreasury, although this time it is coupled with the other Subtreasury cities of the land, in which it is provided all the Subtreasuries be discontinued within six months after the war. At no time in the history of that great metropolis of the South has there been a time more inopportune for a change of any of its financial institutions or systems. I have frequently told the House Baltimore during the last few years has progressed in population, in manufactures, and in business generally to an unprecedented extent.

The great Bethlehem Steel Co., which acquired what is known as the Sparrows Point Mills slightly more than a year ago, is rapidly expending some $50,000,000 in the enlargement of its plant, the extension of its territory, and the employment of several thousand additional laborers. The great section to the south of Baltimore Harbor known as Curtis Bay is rapidly expanding so that now some $40,000,000 has been invested within the last few years in the construction of large industries and the enlargement of those which were there originally, together with the erection of houses for the additional laborers employed.

To such an extent has this development grown that now to the east of it what is known as Curtis Creek, another favored inland harbor, has taken a great step forward. A large shipyard will soon be in operation at this point. The land has been purchased and full development will soon begin.

Perhaps the greatest and more important development at this point is the immense storage warehouses of the Ordnance Bureau of the War Department. This bureau has purchased at that point 900 acres of land upon which there is now being erected immense warehouses for the storage, pending shipment, of war munitions.

That harbor, already 25 feet deep, is now being dredged to a depth sufficient to accommodate the largest ships which must carry these munitions to France. This operation is perhaps one of the largest upon which the Government is now working, and it is expected that it will be completed within the next four months. The buildings are not like those of the cantonments, but are more substantial, and will no doubt be utilized for many years to come.

Just below the city of Baltimore, at what is known as Canton, on the Colgate Creek Branch of the Patapsco River, is now under construction immense machine and repair shops, to which will be brought automobiles, truck, and other things of that nature to be assembled, crated, and shipped abroad. To it will also be brought the damaged trucks for repairs and reshipment. It is contemplated that the Government will employ not less than 2,000 men at this point.

A large number of shipyards have sprung up in and around our city, and only a few days ago it was announced through the press that a company owning 1,300 acres of land on the south side of our harbor, just east of Curtis Creek, where the large storage warehouses are being erected, with a capitalization of $5,000,000, was negotiating with the Government for the construction of a number of ships for European service.

Just south of our city about 17 miles is Camp Meade, one of the cantonments established by the War Department for the training of selected men. There are now at that point some 40,000 soldiers and all the necessary help and attendants required for an immense force of that character. Other camps, much smaller, of course, than Camp Meade, are stationed within a short distance of Baltimore. I make mention in particular of that located at Saunders Range, 12 miles from the city; Fort McHenry, which is rapidly being developed into a hospital, and where the modern and up-to-date immigration buildings are to be converted and used for hospital purposes; Fort Howard and Locust Point, where many soldiers belonging to the Coast Artillery Corps, guard the docks, wharves, and munition works of the city; while north of the city is the proving grounds, now employing a vast number of workmen.

This great assemblage of soldiers, development of industries, enlargement of plants, and all those things which necessarily attend the growth of such concerns have sprung up in and around our city within the last two or three years. It will be seen, therefore, that at this time, when business and war necessities require so much money, such great time and energy of every man and woman, the least thing to be desired is anything which will in any wise affect our financial system or jar or disrupt its organization; and this situation will certainly not change within six months after the war.

The Subtreasury of Baltimore was established in 1846, some 72 years ago, so that all of our financial institutions have sprung up in and around this Subtreasury and our people have become accustomed to its presence and to the advantages of such an institution. The Bureau of Efficiency has recommended the suspension of the Subtreasury system, and that the duties of same be placed with the banks and Federal Reserve System now established. The bureau, however, recommends or suggests that the change be postponed until the war is over and normal conditions are again approximated. The bureau further states that it would be possible without confusion to close three of the smaller Subtreasuries at once—Baltimore, Philadelphia, and Cincinnati.

Baltimore does not want any more experiments. It is not proud of the way it has been treated in reference to the Federal reserve bank. It feels that it has been compelled to do business, as it were, uphill, transacting business with Richmond so much farther south and a much smaller city than itself, whereas it should be transacting business with a Federal reserve bank established in Baltimore itself, or with those of Philadelphia or New York, where most of its large financial transactions are carried on. I am not complaining of Richmond, nor am I complaining of its people in wanting a Federal reserve bank at that point, but the point I want to make is that Baltimore has not been given the advantages it should be given for a city of its size.

Every city of the size or larger than Baltimore has a Subtreasury and a Federal reserve bank as well. A Federal reserve branch bank was opened in Baltimore to-day, but even in this instance we are not to have a Baltimorean to head it, but a man is to be brought from Richmond and placed at its head. You might suppose that this is being done because a man of experience is wanted, a man who has been engaged in Federal reserve bank work, but when you know that a Baltimorean was sent to Richmond to head the Federal reserve bank and made the greatest success of that bank of all of the system, you can readily perceive that Baltimore can furnish just as good men to head the Federal reserve branch bank as can be brought forward from anywhere in the country. We are glad to have the Federal reserve branch bank, but do you not see that doing business with a branch bank which must report and obtain its authority from the parent bank at Richmond, can not be as satisfactory as having a Federal reserve bank itself in our city. We are glad to have this branch bank, and will give it every support.

All we are asking for the expense and conduct of the Subtreasury at Baltimore is $31,500—a small amount, indeed, when you consider the advantage it is to the commercial and financial institutions of our city. When you realize that with this small appropriation the Subtreasury at Baltimore is doing a business aggregating some $314,000,000, an increase of $90,000,000 over last year, as is shown by the table I hereto attach, I am sure one will readily realize its worth.

Cash received and disbursed, 1917.

February	$20,136,755
March	18,247,192
April	20,365,815
May	21,394,096
June	23,756,967
July	25,216,882
August	26,244,554
September	30,307,269
October	31,666,937
November	29,274,221
December	33,961,408
January (1918)	33,736,636
	314,308,732

Increase of $90,000,000 over previous year.

We ask, Mr. Chairman, that the Subtreasury at Baltimore be not molested, and we ask not only for Baltimore but for all the Subtreasury cities as well. We realize that during this immense war in which we are now engaged the slightest interruption in financial affairs will vitally affect the whole community. Baltimore, as I have said, has enjoyed the advantages and the benefits of this Subtreasury for almost three-quarters of a century. Its business men, as I have said before in this House, comprise the large packing industries of our State, which need immense quantities of small change, as do all the other financial and commercial enterprises of our State, and they depend upon the Subtreasury in our city in these matters, wherein it has served them for so many years.

We do not know what advantage and just what power and benefit the Federal reserve branch bank will be to our city. It may be that after we have had that institution for a while we will find that it fulfills all the duties of the Subtreasury and that we have no use for the latter. Let us hope that it will more than perform those duties and that it will be even a greater advantage to our people than the present Subtreasury, with its efficient employees. But we are not impressed with the fact that it is a branch bank. We realize that a branch bank must necessarily report and receive its authority from the parent bank. While it may be true that it will fill all the duties of the Subtreasury, yet our people have not yet been convinced. They do not know. They have not had the opportunity of doing business with it. They have not become accustomed to its mode of doing business. When they do, when it meets all the requirements necessary, and not until then should an effort be made to suspend our Subtreasury, and no law in advance of such test should be enacted.

We do not want anything to happen at this time which will interfere with the immense business we are doing nor which will disturb or inconvenience any of our citizens. We are doing our part in this great war; we are making our contributions to

every claim that is made upon us; we are meeting each and every obligation as it is brought to our attention, and it is certainly as little as this great Government can do to let us alone while we are so busily engaged in so many necessary enterprises and in winning this war.

Mr. FESS. Will the gentleman yield?

Mr. LINTHICUM. I will yield to the gentleman for a question, but I prefer that he would allow me to finish, and then I will be glad to yield, as I will not occupy very much more time.

The vast business enterprises which I have enumerated, the great Government works which have been established in and around our metropolis, the requirements of our people, the universal strain under which each and every man of our community and every other community is now laboring should tell us that this is certainly not the time to even discuss, much less suspend, the Subtreasury at Baltimore or to place it in suspense.

Let us finish this war, try out the branch bank, enact additional legislation to enable the branch bank to perform the duties of the Subtreasury, and then take up the question of the suspension of the Subtreasury. Do not establish a "Damocles sword" over the Subtreasuries of the land.

You men of other cities who are enjoying the advantages of a Subtreasury and likewise a Federal reserve bank can readily see and understand my reasons for asking that this action be not taken. I hope, therefore, that when this matter is brought before the House that it will be promptly voted down and that we shall be left this valuable institution that we need so badly.

The great necessity for transportation occasioned by the present war has crowded the port of New York, the port of Boston is jammed, and Philadelphia has as much as it can accommodate, and Baltimore has a very considerable part of the business. But we are fortunate in having an unlimited amount of space for harbor purposes and water-front manufacture. Twelve miles from the Chesapeake Bay to Baltimore one can find innumerable places suitable for factories with water frontage. In this area and with the number of rivers and harbors entering the bay we can accommodate any quantity of business, so that we must look not only to the present as the great commercial and business welfare of Baltimore, but we must look to the future when much of the water-borne commerce of the Nation must be carried through the port of Baltimore. If the ports become so very congested that it will be absolutely impossible to accommodate them they can make use of this wonderful location we have for manufactures, shipbuilding, and various enterprises which should be along a water front.

I now yield to the gentleman from Ohio.

Mr. FESS. I wanted to say a year ago I voted for the elimination of these Subtreasuries under the understanding that when we passed the Federal reserve act that the Federal Reserve System was to take care of the work that they were doing. I had a good deal of protest from Cincinnati for having thus voted, and I am still concerned about whether there is any real need of a Subtreasury with the branch-bank system in vogue.

Mr. LINTHICUM. The branch-bank system legislation has not been passed which gave them the work of the Subtreasuries. It may be all right when the proper legislation is passed and when we have authorized this branch-bank system, but I do not think we ought to put these institutions into effect pending the trial of the branch-bank system and until the proper legislation is passed.

Mr. COX. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. COX. If the gentleman from Ohio will procure the report from the Bureau of Efficiency, provided for in the last legislative bill, he will find the reason why they all ought to be abolished.

Mr. LINTHICUM. That is the opinion of the Bureau of Efficiency, but if that bureau had gone to Baltimore and saw how this institution is connected with all the financial institutions of Baltimore and what a great service is being performed, they would think that the sum of $31,500 for the amount of work done is very small indeed.

Mr. COX. The gentleman would not think that the banks of Baltimore are entitled to preference over the banks of Pittsburgh or Richmond?

Mr. LINTHICUM. Every city in the land as large as Baltimore has a Federal reserve bank in it and Baltimore has none.

And, moreover, when they opened a branch bank they went to Richmond to get the president, although we have a man in Baltimore who was president of the Federal reserve bank in Richmond, and made it the most successful reserve bank of the whole country. I do not want to say that he wanted this position, because he did not, inasmuch as he resigned from the one in Richmond. But I merely state that to show we have men who can take the presidency of this institution. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I move that the committee do now rise.

Mr. FESS. Mr. Chairman, will the gentleman withhold that for a moment?

Mr. BYRNS of Tennessee. Yes.

Mr. FESS. I ask unanimous consent that I be permitted to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Maryland makes a similar request. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Tennessee [Mr. BYRNS] moves that the committee do now rise.

The motion was agreed to; and the Speaker having resumed the chair, Mr. SAUNDERS of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, and had come to no resolution thereon.

USELESS PAPERS IN EXECUTIVE DEPARTMENTS.

The SPEAKER laid before the House a report by Mr. TALBOTT (H. Rept. 351) from the Committee on the Disposition of Useless Papers in the Executive Departments, which was ordered printed and filed.

RIVERS AND HARBORS.

Mr. SMALL. Mr. Speaker, by direction of the Committee on Rivers and Harbors I desire to report the river and harbor bill (H. R. 10069, H. Rept. 350), and I also submit minority views of a member of the committee, the gentleman from Wisconsin [Mr. FREAR], and ask that they also be printed; but the minority views are to be printed separately.

The SPEAKER. The gentleman from North Carolina reports the river and harbor bill, together with his report and the report of the minority, which are to be printed separately.

The bill was referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. STAFFORD. Mr. Speaker, I reserve all points of order on the bill.

ADJOURNMENT.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 43 minutes p. m.) the House adjourned until to-morrow, Saturday, March 2, 1918, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (H. R. 667) for the relief of Jeremiah Stover, reported the same without amendment, accompanied by a report (No. 347), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 3090) for the relief of Clement H. Cole, reported the same without amendment, accompanied by a report (No. 348), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 2492) to establish the military record of Marshall M. Pool, reported the same without amendment, accompanied by a report (No. 349), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RUSSELL: A bill (H. R. 10365) granting the consent of Congress to the Forsyth special road district of Taney County, Mo., to construct a bridge across White River at Forsyth, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMS: A bill (H. R. 10366) to authorize the adoption, registration, and protection of a national trade-mark to

distinguish merchandise manufactured or produced in the United States of America and used in commerce with foreign nations, or among the several States, or with Indian tribes, and to authorize the Secretary of Commerce to license the use of same, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEATING: A bill (H. R. 10367) to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a minimum wage board, and define its powers and duties, and to provide for the fixing of minimum wages for such workers, and to provide penalties for violation of this act; to the Committee on the District of Columbia.

By Mr. CALDWELL: A bill (H. R. 10368) to promote the health and efficiency of the firemen of the District of Columbia by providing a double platoon system in the fire department; to the Committee on the District of Columbia.

By Mr. WALTON: A bill (H. R. 10369) for the relief and civilization of the Pueblo Indians located in the State of New Mexico; to the Committee on Indian Affairs.

By Mr. AYRES: A bill (H. R. 10370) providing pensions at the rate of $32, $35, $38, and $40 per month for certain soldiers and sailors of the Civil War according to age and service; to the Committee on Invalid Pensions.

By Mr. HILLIARD (by request): A bill (H. R. 10371) to establish a bureau for the study of criminal, pauper, and defective classes; to the Committee on Appropriations.

By Mr. CLARK of Florida: Resolution (H. Res. 262) providing for the immediate consideration of House bill 10022; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 10372) granting a pension to Phillip Stokes; to the Committee on Pensions.

By Mr. CRAGO: A bill (H. R. 10373) for the relief of Jacob L. Malsberry; to the Committee on Military Affairs.

By Mr. DICKINSON: A bill (H. R. 10374) granting a pension to Mary E. Croasmun; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 10375) granting an increase of pension to Michael Nye; to the Committee on Invalid Pensions.

By Mr. EMERSON: A bill (H. R. 10376) granting a pension to Cynthia L. Anthony; to the Committee on Invalid Pensions.

By Mr. FAIRFIELD: A bill (H. R. 10377) for the relief of Ira G. Kilpatrick and Guy D. Dill; to the Committee on the Public Lands.

By Mr. GILLETT: A bill (H. R. 10378) granting an increase of pension to John W. Foster; to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 10379) to authorize the President of the United States to appoint Hughie S. Hemingway captain of Coast Artillery Corps; to the Committee on Military Affairs.

By Mr. HILLIARD: A bill (H. R. 10380) granting an increase of pension to Feracane Paolo; to the Committee on Pensions.

By Mr. KEATING: A bill (H. R. 10381) granting a pension to Peter O. Gaynor; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Rhode Island: A bill (H. R. 10382) granting an increase of pension to John H. Nickerson; to the Committee on Invalid Pensions.

By Mr. KINCHELOE: A bill (H. R. 10383) granting an increase of pension to William D. Dunkerson; to the Committee on Invalid Pensions.

By Mr. MONDELL: A bill (H. R. 10384) granting an increase of pension to Foster D. Brown; to the Committee on Invalid Pensions.

By Mr. ROBBINS: A bill (H. R. 10385) granting an increase of pension to Sylvester Lane; to the Committee on Invalid Pensions.

By Mr. ROWE: A bill (H. R. 10386) granting a pension to Julia Agnes Held; to the Committee on Invalid Pensions.

By Mr. SLAYDEN: A bill (H. R. 10387) granting an increase of pension to Jeannie Burton; to the Committee on Pensions.

By Mr. SNOOK: A bill (H. R. 10388) granting an increase of pension to Peter Jacoby; to the Committee on Invalid Pensions.

By Mr. STERLING of Illinois: A bill (H. R. 10389) granting a pension to W. G. Abbott; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 10390) granting a pension to Sarah Feely; to the Committee on Pensions.

Also, a bill (H. R. 10391) granting an increase of pension to Charles H. Hearing; to the Committee on Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 10392) granting an increase of pension to John M. Curtis; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 10393) granting an increase of pension to John L. Bryan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of Mrs. Jennie D. Wilson, Wichita, Kans., asking that investigation be made of failure to arrest and prosecute a gang operating an extortion, white-slavery, blackmailing scheme; to the Committee on the Judiciary.

Also, petition of Gertrude Hinske and 29 other citizens of Sheboygan, Wis., asking for an appropriation for Federal maintenance of the kindergarten division in the Bureau of Education; to the Committee on Education.

By Mr. DALE of New York: Petitions of Peripatetic Club and the Emerson Co., of New York, against increase in second-class postage; to the Committee on Ways and Means.

Also, petition of Loyal Order of Moose of the World, favoring passage of H. R. 7364, a bill to reincorporate the Loyal Order of Moose in the District of Columbia; to the Committee on the Judiciary.

By Mr. DARROW: Petition of Keystone Branch No. 157, National Association of Letter Carriers, Philadelphia, Pa., in favor of H. R. 9414, proposing increased compensation for postal employees; to the Committee on the Post Offices and Post Roads.

By Mr. DICKINSON: Petition of Miley Brook, William S. Mahan, and 12 others, asking for increase of pensions to soldiers of the Civil War; to the Committee on Invalid Pensions.

By Mr. DYER: Memorial of the Audubon Society of Missouri, favoring Senate bill 1553; to the Committee on Foreign Affairs.

Also, petition of the following insurance men of St. Louis, Mo.; J. W. Estes, representing the Ætna Life Insurance Co.; John D. Lively, representing Royal Union Mutual Life; George Barnes, representing Home Life Insurance Co.; F. T. Rench, representing the National Life Insurance Co.; W. G. Fatherly, representing the Equitable Life Assurance Society; George E. Black, representing the Mutual Benefit Life Insurance Co.; Eugene L. Isaacs, of the Equitable Life Insurance Co. of Iowa; S. L. Morton, of the Connecticut Mutual Life Insurance Co.; and J. M. Bloodworth, of the Fidelity Mutual Insurance Co., favoring an amendment to the Pomerene bill, allowing the deduction of business insurance from income of corporations; to the Committee on Ways and Means.

Also, petition of the Speckart Bros. Drug Co., Roland A. Grosse, Henry Gruber, and Otto Frank Cejka, all of St. Louis, Mo., favoring the Edmonds bill, providing for a pharmaceutical corps in the United States Army; to the Committee on Military Affairs.

Also, petition of Bernard J. Otting, president of St. Louis University, favoring the use of more chaplains in the Army; to the Committee on Military Affairs.

Also, petition of H. M. McLarin, president of the National Federation of Federal Employees, protesting against the Borland eight-hour amendment; to the Committee on Agriculture.

Also, petition of Stella D. Neun and four other employees of P. F. Collier & Son, urging the repeal of the zonal postage arrangements for second-class mail; to the Committee on Ways and Means.

By Mr. ESCH: Petition of Liventeish Century Club, against increase in second-class postage; to the Committee on Ways and Means.

Also, petitions of the National Council of Farmers' Cooperative Association and others, relative to maintaining present jurisdiction of Interstate Commerce Commission over rates; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER of Illinois: Petition of the National Council of Farmers' Cooperative Association, favoring the retaining jurisdiction over rates by the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, petition of 68 citizens of Ottawa, Ill., asking legislation to prohibit the use of grain in the manufacture of intoxicating liquors during the period of the war; to the Committee on Agriculture.

By Mr. HILLIARD: Papers to accompany H. R. 10380, granting an increase of pension to Feracane Paolo; to the Committee on Pensions.

Also, petition of Yula Scott and A. Lind, of Denver, Colo., praying for the repeal of that section of the war-revenue act providing for increased postage rates on periodicals: to the Committee on Ways and Means.

By Mr. LINTHICUM: Petitions of sundry citizens of Baltimore, Md., against House bill 9248, relative to real estate values and rentals in Washington; to the Committee on the District of Columbia.

Also, petition of the commander of General S. M. B. Youngs Camp, United Spanish War Veterans, favoring pension for widows and orphans of Spanish War veterans; to the Committee on Pensions.

Also, petition of employees of monotype section of Government Printing Office, asking increase in pay; to the Committee on Appropriations.

Also, petition of Surry Lumber Co., against proposed eight-hour law for laborers; to the Committee on Labor.

Also, petition of Charles Bagley, of Harford Medical Association, favoring passage of House bill 9563, relative to officers in Medical Corps; to the Committee on Military Affairs.

Also, petition of maritime committee of the Baltimore Chamber of Commerce, favoring passage of House bill 7913, relative to Lighthouse Service; to the Committee on Interstate and Foreign Commerce .

Also, petitions of Thomas S. Cullen, Charles W. Soper, and J. F. Soper, all of Maryland, against increase in second-class postage; to the Committee on Ways and Means.

By Mr. LUNDEEN: Petition of the railroad men of Minnesota, by W. W. Royster, chairman Minnesota legislative board, Brotherhood of Locomotive Engineers, favoring no time limit to return the railroads to private ownership; to the Committee on Railways and Canals.

Also, petition of the Minneapolis terminal clerks, by Edwin Boutwell, petitioning Congress to pass House bill 3831, having for its object the retirement of superannuated civil-service employees; to the Committee on the Post Office and Post Roads.

Also, petition of the Clima Western Oil Co., asking Congress to leave power with the Interstate Commerce Commission to regulate rates; to the Committee on Railways and Canals.

By Mr. SNOOK: Memorial of 40 postal employees of Defiance County, Ohio, favoring increase in pay; to the Committee on the Post Office and Post Roads.

By Mr. STINESS: Petition of the board of directors of the Providence (R. I.) Chamber of Commerce, favoring the passage of the Dyer bill (H. R. 9563) fixing the grades of the commissioned officers of the Medical Corps and of the Medical Reserve Corps of the United States Army on active duty, and for other purposes; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: Petition of First Methodist Episcopal Church of Grand Junction, Colo., favoring passage of the chaplains bill; to the Committee on Military Affairs.

SENATE.

SATURDAY, *March 2, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, in time of our national peril we think most of the spiritual qualities of our men, and we look to Thee for that divine ministry that can heighten, refine, and glorify the qualities of manhood that are consecrated to the highest ideals of a Christian civilization. Grant that in this Senate and in all the departments of Government we may hold as our most sacred trust those high ideals of hearts that love God and love humanity and that work together for the establishment of Thy truth among men. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

CALLING OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gerry	Lewis	Nugent
Beckham	Gronna	Lodge	Overman
Borah	Hale	McCumber	Owen
Brandegee	Henderson	McKellar	Page
Colt	Hollis	McLean	Pittman
Culberson	Johnson, S. Dak.	McNary	Poindexter
Curtis	Jones, N. Mex.	Martin	Ransdell
Dillingham	Jones, Wash.	Nelson	Reed
Fletcher	Kendrick	New	Saulsbury
Gallinger	Kirby	Norris	Shafroth
Sheppard	Smith, Mich.	Sutherland	Vardaman
Sherman	Smith, S. C.	Thompson	Wadsworth
Shields	Smoot	Tillman	Wolcott
Simmons	Sterling	Trammell	
Smith, Ga.	Stone	Underwood	

Mr. McNARY. I desire to announce the unavoidable absence of my colleague [Mr. CHAMBERLAIN] on account of illness.

Mr. GRONNA. I wish to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family.

Mr. NORRIS. I desire to announce the absence of the Senators from Iowa, who are in attendance upon the funeral of the wife of the senior Senator from that State.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF] is absent owing to illness.

Mr. ASHURST. I desire to announce that my colleague, the senior Senator from Arizona [Mr. SMITH], is absent by reason of illness.

Mr. CURTIS. I wish to announce the absence of the junior Senator from Maryland [Mr. FRANCE], the junior Senator from New York [Mr. CALDER], and the junior Senator from Minnesota [Mr. KELLOGG] on official business. I will let this announcement stand for the day.

Mr. BECKHAM. I desire to announce that my colleague [Mr. JAMES] is absent on account of illness. I will let this announcement stand for the day.

Mr. HOLLIS. I wish to announce that the Senator from California [Mr. PHELAN] is necessarily absent. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

RAILROAD CONTROL—CONFERENCE REPORT.

Mr. SMITH of South Carolina. I ask that two additional members of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3732) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, be appointed on the part of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and names as additional conferees on the part of the Senate the senior Senator from Arkansas [Mr. ROBINSON] and the senior Senator from Iowa [Mr. CUMMINS].

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 92) providing additional time for the payment of purchase money under homestead entries within the former Colville Indian Reservation, Wash., with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9903. An act to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes;

H. R. 9571. An act to authorize the appointment of officers of the Philippine Scouts as officers in the militia or other locally created armed forces of the Philippine Islands drafted into the service of the United States, and for other purposes; and

H. R. 10027. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

PETITIONS AND MEMORIALS.

Mr. FLETCHER. Mr. President, a telegram was submitted yesterday by the Senator from Idaho [Mr. BORAH] and some comments were made on it by the Senator from Washington [Mr. JONES]. It had to do with the matter of shipments of fruits and vegetables. I have received somewhat similar telegrams bearing on the same subject, and I submit one and ask to have it printed in the RECORD. There seems to be an ample production of vegetables and that sort of thing, but the difficulty seems to be to get them to market. I present this telegram as an illustration of those I am getting on the subject, and ask that it be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LEESBURG, FLA., *March 1, 1918.*

Hon. D. U. FLETCHER,
Washington, D. C.:

The South has been urged to grow foodstuff. We have answered the call and now have plenty of early vegetables, lettuce, cabbage, etc., which have been produced at great expense for fertilizer, seed, and labor. On account of slow transportation these perishable goods arrive at destination practically worthless, taking from 9 to 15 days from here

to New York. Our Nation needs this produce. Can you not assist us by taking the matter of quick transportation up with Messrs. Hoover and McAdoo?

J. C. LEE,
President Leesburg City Council.

Mr. GRONNA. I have several resolutions adopted by the Sweet Clover Grange, No. 635, of Valleyford, Wash. The resolutions set forth very vividly and very clearly, I think, some facts as they exist. I wish to have the resolutions printed in the RECORD without reading.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas our country is at war and the Nation is in need of extraordinary supplies of food, clothing, fuel, minerals, and lumber to maintain our Army and to succor our allies; and

Whereas it devolves upon the laboring class of our country to furnish the man power of the Army and Navy and to produce the necessary supplies in raw material and manufactured articles for ourselves and our allies; and

Whereas to a very great degree the burden falls upon the farmers of the Nation to furnish the men and material to win this war; and

Whereas our Government has called upon all producers of foodstuff to put forth every effort to the end that a maximum supply may be had; and

Whereas our Chief Executive has seen fit and through an act of Congress has been empowered to regulate prices on all commodities, even to the taking over and operating of the railroads, mines, and factories, at his discretion, in order to get better results through efficient service and the elimination of waste, even to the regulation of the profits that may be allowed to obtain; and

Whereas the Executive has seen fit to exercise his prerogative in the setting of a price on the farmers' wheat and also endeavors to maintain a relative value on hogs through the Food Administrator; and

Whereas the Food Administrator, acting through and under authority vested in him through the Executive, has at the same time endeavored to have the manufacturing and other corporate interests of the country to agree to and undertake to maintain through patriotic principles certain low, definite profits; and

Whereas these manufacturing and corporate interests have in most instances not only failed to cooperate in maintaining the basis of profit and lower prices for their product as agreed, but have in many cases openly violated the confidence and trust placed in them by the administration and wantonly boosted the prices of foodstuff and manufactured articles to such an extent as to not only place a burden on the producing classes through the inequitable condition thus created, but also have actually curtailed the productiveness of labor and also the food production by causing the disposition of breeding stock through the unwarranted prices charged for feed, making it impossible in many instances to even get feed for maintenance of such animals; and

Whereas it is necessary for the farmers of the Nation to resort to power machinery (to replace the man power taken from the farm to bear arms) in order to produce the food necessary for the successful prosecution of the war; and

Whereas the price of farm machinery has been advanced to as much as 30 per cent in some instances since the price was set on wheat and hogs: Now, therefore, be it

Resolved, That Sweet Clover Grange, of Spokane County, Wash., hereby protests against these unfair conditions and respectfully calls the attention of our Food Administrator and the National Council of Defense to the fact that the millers of the Nation are taking a profit of approximately $1 per barrel over the 25 cents agreed upon for the milling of flour, and that manufacturers of farm implements and power machinery are demanding prices up to 30 per cent more now than they did August 1, 1917, and this, too, in face of the fact that prices of steel and iron have been forced down by Federal regulation on an average of approximately 60 per cent in the same time; and be it further

Resolved, That we not only protest against this unpatriotic practice by big business, but that it is also a great hindrance to the farmer in his undertaking of feeding the world and, if allowed to continue, will work out to the very great disadvantage of the Nation in feeding and clothing its Army and Navy; and be it further

Resolved, That in allowing these corporations to extort from the farmer in this manner, after having set a price on what the farmer has to sell, is not only unjust, but a discrimination, and not in accordance with the laws of our country and the Constitution of the United States, but is foreign to democratic principles of government: Therefore be it further

Resolved, That inasmuch as the man power of the Nation has been conscripted to win the war for the Nation, and in order that producers may not be called upon to fight out the financial cost of the war after the war has been won by it, we demand that all wealth be conscripted, beginning with $250,000, and so graduated on a 5 per cent basis as to take all wealth in excess of $500,000, personally, either in private or corporate enterprises, and that all profits accruing either to private individuals or corporations be fully conscripted by the National Government; and that the income tax be so amended that all incomes, from whatever source, in excess of $5,000 a year be taxed 100 per cent, leaving the present rate of income tax on all incomes of $5,000 or less; and that we condemn the practice of the Government control of industries on a guaranteed basis of profits as unfair and not democratic, inasmuch as wealth is not thus called upon to contribute to war necessities to the point of sacrifice, as is labor.

[SEAL.] SWEET CLOVER GRANGE, No. 635.
MRS. ELLA E. STANLEY, *Secretary.*

VALLEYFORD, WASH.

Mr. GRONNA presented a petition of North Dakota Branch, Railway Mail Association, of Grand Forks, N. Dak., praying for an increase in salaries of railway mail clerks during the period of the war, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the congregation of the First Methodist Episcopal Church of Starkweather, N. Dak., remonstrating against the use of foodstuffs in the manufacture of alcoholic drinks, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition of the Woman's Christian Temperance Union of Cando, N. Dak., praying for the repeal of the present zone-system rates on second-class mail matter, which was referred to the Committee on Post Offices and Post Roads.

Mr. NELSON presented a resolution adopted by the City Council of Minneapolis, Minn., favoring the fixing of prices on all foodstuffs and other products essential to the prosecution of the war, which was referred to the Committee on Agriculture and Forestry.

Mr. TILLMAN presented a resolution adopted at a meeting of the farmers of Lexington County, S. C., relative to the scarcity of labor on the farms and requesting that some means be adopted to relieve the present situation, which was referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES.

Mr. JONES of New Mexico, from the Committee on Indian Affairs, to which was referred the bill (S. 2120) for the relief of the Wisconsin Band of Pottawatomie Indians, and for other purposes, reported it with an amendment and submitted a report (No. 293) thereon.

Mr. WARREN, from the Committee on Military Affairs, to which was referred the bill (S. 3011) for the relief of Winfield S. Solomon, reported it without amendment and submitted a report (No. 294) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 4005) providing for the survey of public lands remaining unsurveyed in any of the surveying districts of Florida, with a view of satisfying the grant in aid of schools made to said State under the act of March 3, 1845, and other acts amendatory thereof; to the Committee on Public Lands.

By Mr. JONES of New Mexico:

A bill (S. 4006) for the relief of Capt. H. C. Smith; and

A bill (S. 4007) for the relief of Bernard S. Rodey; to the Committee on Claims.

A bill (S. 4008) granting a pension to Arthur H. Loomis; to the Committee on Pensions.

By Mr. NELSON:

A bill (S. 4009) granting an increase of pension to Magna Samson; to the Committee on Pensions.

By Mr. TILLMAN:

A bill (S. 4010) to promote the efficiency of the Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. JONES of Washington:

A bill (S. 4011) relating to admission to the United States Naval Academy; to the Committee on Naval Affairs.

By Mr. OWEN:

A joint resolution (S. J. Res. 135) to exempt from the draft skilled labor on the farm during the year 1918; to the Committee on Military Affairs.

ALSACE-LORRAINE.

Mr. OWEN. Mr. President, I ask to have printed in the RECORD a statement by Foreign Minister Pichon, in which he refers to certain documents bearing upon the German Government taking over Alsace-Lorraine. It is a very important historical statement by Minister Pichon.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

GERMAN DETERMINATION TO FORCE WAR ON FRANCE AND TRUE REASON FOR LORRAINE'S SEIZURE REVEALED—FOREIGN MINISTER PICHON BARES DOCUMENTS OF HOLLWEG AND EMPEROR WILLIAM I—FORMER ORDERED DEMAND FOR TOUL AND VERDUN IF FRENCH STAYED NEUTRAL—OLD KAISER WROTE TO EUGENIE THAT HE TOOK ALSACE-LORRAINE TO PREVENT THEM BEING A "JUMPING-OFF PLACE."

PARIS, *March 1.*

Two historic documents, one showing the German Government's determination to force war upon France and the other setting forth the reasons which induced Germany to take Alsace-Lorraine, were made public to-day by Stephen Pichon, the French foreign minister. The minister was speaking at the Sorbonne upon the anniversary of the protest made by representatives of the national assembly of Alsace-Lorraine against annexation to Germany.

"I will establish by documents," said M. Pichon, "that the day the Germans deliberately rendered inevitable the most frightful of wars they tried to dishonor us by the most cowardly complicity in the ambush into which they drew Europe. I will establish it in the revelation of a document that the German chancellor, after having drawn up, preserved carefully, and you will see why, in the most profound mystery of the most secret archives.

SIGNED BY BETHMANN-HOLLWEG.

"We have known only recently of its authenticity, and it defies any sort of attempt to disprove it. It bears the signature of Bethmann-Hollweg, German imperial chancellor at the outbreak of the war, and the date July 31, 1914. On that day Von Schoen, German ambassador

in France, was charged by a telegram from his chancellor to notify us of a state of danger of war with Russia and to ask us to remain neutral, giving us 18 hours in which to reply.

"What was unknown until to-day was that the telegram of the German chancellor containing these instructions terminated with these words:

"'If the French Government declares it will remain neutral, your excellency will be good enough to declare that we must, as a guaranty of its neutrality, require the handing over of the fortresses of Toul and Verdun; that we will occupy them and will restore them after the end of the war with Russia. A reply to this last question must reach here before Saturday afternoon at 4 o'clock.'

GERMANY'S "SELF-DEFENSE."

"That," said M. Pichon, "is how Germany wanted peace at the moment when she declared war. That is how sincere she was in pretending that we obliged her to take up arms for her defense. That is the price she intended to make us pay for our baseness if we had had the infamy to repudiate our signature as Prussia repudiated hers by tearing up the treaty that guaranteed the neutrality of Belgium.

"Our mortal enemy in the war of 1871, Von Moltke, declared on the morrow of the treaty of Frankfort," added M. Pichon, on taking up the question of Alsace-Lorraine, "that it would require no less than 50 years to wean the heart of her lost Provinces from France."

M. Pichon contrasted the German acceptance then that the Provinces were in reality French with the reiterated pretensions of German statesmen since, especially the assertions of former Chancellor Bethmann-Hollweg and the present chancellor, Count von Hertling, that most of the Provinces were always German.

WORDS OF WILLIAM I.

The foreign minister made public for the first time the full text of a letter written by William I, the grandfather of the present German Emperor, to Empress Eugenie. The letter is dated Versailles, October 26, 1870.

"After the immense sacrifices for her defense," read M. Pichon, "Germany desires to be assured that the next war will find her better prepared to repel the aggression upon which we can count as soon as France shall have repaired her forces and gained allies. This is the melancholy consideration alone and not a desire to augment my country, whose territory is sufficiently great, that obliges me to insist upon the cession of territories that has no other object than to throw back to the starting point the French armies that, in the future, will come to attack us."

HERTLING'S CLAIMS DESTROYED.

After reading this passage M. Pichon asked:

"Can one better destroy the legend Von Hertling tries to establish that the annexation of Alsace-Lorraine had for its origin in the minds of its authors the wish to return to Germany German Provinces of which she had been dispossessed by French usurpation?"

The foreign minister pointed out that Prince von Bismarck in subsequent conversations with the Marquis de Gabriac, the French chargé d'affaires at Berlin, confirmed what his sovereign had written in his own hand. M. Pichon then cited the words of Frederick II when entering Silesia: "I take possession first. I shall always find pedants to prove my right," and M. Pichon added:

KNOWN AS FRENCH.

"But the rights of the German over our Provinces have never been proved by any pedant, because it can not be done." M. Pichon recalled that from the time of Louis XIV Alsace-Lorraine had been generally known as French, and he quoted the words of Gen. Maximilien Foy, 150 years later, when he said:

"'If ever the love of all that is great and generous weakens in the hearts of the inhabitants of old France, it will be necessary that they cross the Vosges, come to Alsace and temper again their patriotism and their energy.'

"What was true under the restoration," added M. Pichon, "is none the less true now."

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the President had on the 1st instant approved and signed the act (S. 3389) to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire, and to sell or otherwise dispose of improved or unimproved land, houses, buildings, and for other purposes.

COLVILLE INDIAN RESERVATION, WASH.

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 92) providing additional time for the payment of purchase money under homestead entries within the former Colville Indian Reservation, Wash., which were, on page 1, line 4, after "of," to insert "not longer than"; on page 1, line 11, to strike out all after "purposes" down to and including the word "manner," in line 13; on page 2, line 2, to strike out "last"; on page 2, line 6, to strike out "four" and insert "five"; and on page 2, line 11, to strike out all after the word "extended" down to and including the word "extended," in line 13.

Mr. JONES of Washington. I move that the Senate concur to the amendments of the House.

The motion was agreed to.

HOUSE BILLS REFERRED.

The following bills were read twice by their titles and referred to the Committee on Military Affairs:

H. R. 9903. An act to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes; and

H. R. 9571. An act to authorize the appointment of officers of the Philippine Scouts as officers in the militia or other locally created armed forces of the Philippine Islands drafted into the service of the United States, and for other purposes.

H. R. 10027. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, was read twice by its title and referred to the Committee on Pensions.

WAR FINANCE CORPORATION.

The PRESIDENT pro tempore. The morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, Senate bill 3714.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. OVERMAN. I wish to ask my colleague if he will let me call up the conference report on House bill 6361, known as the soldiers and sailors' civil rights bill. I do not think there is any objection at all to it. The only change made by the conference report is as to verbiage.

Mr. SIMMONS. I am willing to lay the unfinished business aside for 5 or even 10 minutes if necessary for the consideration of the conference report; but if the debate upon it should require a longer time, I feel that I should insist on the regular order.

Mr. OVERMAN. If it takes longer than 10 minutes, I will let it go over.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent that the unfinished business be laid aside. Is there objection? The Chair hears none.

SOLDIERS AND SAILORS' CIVIL RIGHTS—CONFERENCE REPORT.

Mr. OVERMAN. I ask the Chair to lay before the Senate the conference report on the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

The PRESIDENT pro tempore. The Chair lays before the Senate the conference report. The question is on agreeing to the conference report.

Mr. REED. Mr. President, what changes have been made in the report?

Mr. OVERMAN. Practically no changes except some of verbiage. There has been no material change made.

Mr. REED. With that statement I have no objection to agreeing to the report.

Mr. SMITH of Michigan. Let me ask the Senator from North Carolina, does it deal with the question of a soldier's moratorium?

Mr. OVERMAN. Yes; this is a moratorium bill.

Mr. SMITH of Michigan. I wish to ask whether the bill includes any exemptions of a soldier from filing an income-tax return while he is in the Army and away from his home in the service of the country?

Mr. OVERMAN. There is no provision in the bill about that at all.

Mr. SMITH of Michigan. Does not the Senator think that a word or two for that purpose could with perfect propriety be placed in a law of this kind?

Mr. OVERMAN. It could not be done on this bill, because this is only a conference report.

Mr. SMITH of Michigan. Let me ask the Senator, the acting chairman of the Judiciary Committee, what is the situation in which a soldier finds himself who is in the service and unable because of his absence from home to obtain any data which would enable him to make a return?

Mr. OVERMAN. The Secretary of the Treasury has a right to extend the time. It can be done by regulations of the department, I understand.

Mr. SMITH of Michigan. The time has been extended 30 days already to all citizens, but it seems to me a soldier who is in France or a soldier in any other part of the world ought not to be amenable to the penalty which would ordinarily follow because of his inability to make an income-tax return.

Mr. OVERMAN. I agree with the Senator; but that matter was not called to our attention, and it could not, of course, come up on this conference report. I think there is no question but what the Secretary of the Treasury or the President would be

able to extend the time. It has been extended for 30 days, and they can extend it for 12 months or whatever period they deem necessary.

Mr. SMITH of Michigan. Is this a final agreement on the bill?

Mr. OVERMAN. It is.

Mr. SMITH of Michigan. It would not be appropriate to ask that the conferees might take up that phase?

Mr. OVERMAN. No; that could not be done in conference.

Mr. SMITH of Michigan. But I have been here long enough, and so has the Senator, to know many things get into conference reports that have not been, strictly speaking, submitted to Congress. However, I ask for no irregularity. I simply desired to emphasize the fact that soldiers who are amenable to the income-tax law can not comply with the law and should be relieved from its operations during the war.

Mr. OVERMAN. The Senator ought to have brought that to our attention when the bill was under consideration. I agree with him fully that it ought to be done.

Mr. SMITH of Michigan. It ought to be done, and I shall avail myself of another opportunity to meet this situation.

Mr. President, I should like to ask the Senator from North Carolina if he thinks there is discretionary power enough in the Treasury Department to waive a return under the income-tax law as to soldiers who are now in the Army?

Mr. OVERMAN. I think, Mr. President, that if the department could extend the time 30 days in favor of civilians they could certainly extend it 60 days, or even 90 days, for the soldiers, and that they would do so.

Mr. SMITH of Michigan. Of course, I would not care to delay the adoption of the report, but I am sorry that the subject was not thought of before. I do want to impress upon my colleagues that it is really an important matter and one which should have attention.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. REED. Mr. President, I desire to make a brief examination of this report. I do not like to delay the Senate, but I should like to be allowed about five minutes in which to examine the report.

Mr. BORAH. Mr. President, I desire to speak briefly upon this report while the Senator from Missouri is examining it.

Mr. President, I called attention a few days ago to the situation in the country with reference to farm labor, and particularly as to the effect which the next draft would have upon the farm-labor conditions. After those remarks were made in the Senate I received a letter from Gen. Crowder discussing the matter, and I feel disposed to say another word this morning in regard to it. I think it is not perhaps receiving sufficient attention by reason of the absence of knowledge of the facts as they actually exist.

When I formerly discussed this subject, I stated that if the next draft had the same effect upon the depletion of farm labor as the last draft had had it would leave the farm situation in a very serious condition. The statement which Gen. Crowder made was that there had been a comparatively small per cent of farm labor taken in the draft as compared with other industries, and so forth. So far as the per cent is concerned, that may be true; but we must bear in mind, Mr. President, that other industries have been drawing from the farms for the past 10 years, and particularly for the last 3 or 4 years, until the supply of farm labor has been reduced to a minimum, and the taking of any portion of that, unless there was some other means to supply the places of those taken, works a great detriment. Farm labor being reduced to a minimum it is perilous to draw from it if we are to keep up in any degree our production. To my mind the man who produces food is on a par in winning the war with those who serve their country in any other way. Measured in sacrifice it is not so great a service, but measured in importance it ranks with any other service.

Mr. President, I read from an editorial in the New York Times, based upon a report of the New York Board of Trade and Transportation. This report of the New York Board of Trade and Transportation has been epitomized, and, as abbreviated, states:

> Maine: Great shortage of farm labor; acreage probably will be reduced by one-fourth or one-third. Texas: More labor needed than ever before, but supply is much below normal. North Dakota: Alarming shortage; farmers discouraged and can not plant for normal crop. Vermont: Shortage means a cut in production. Massachusetts: Serious situation; farmers can not go ahead with only the help of boys and untrained workmen. Connecticut: Depressing conditions; farmers may try to raise only enough for their families. Rhode Island: Many will not plant as much as last year. New Jersey: Farmers think that planting of even the usual acreage will be very hazardous. Pennsylvania: Very great shortage of skilled farm labor; the exodus from farms has been continuous. Delaware: Unless relief comes, the usual acreage can not be prepared. Maryland: Labor situation is acute. Virginia: Lack of labor, and acreage reduced accordingly. Georgia: Impossible to cultivate as much land as last year's area. Florida: Affected by loss of negro workmen drawn to the North; hope the Government will bring Porto Ricans. Ohio: Farmers discouraged and at their wits' ends. Indiana: Probably a reduction of acreage. Illinois: The number of idle acres will be increased.
>
> Commenting upon this, the board says the present prospect is "that acreage this year must be greatly reduced, with consequent short crops, meaning still higher food prices." A farm census taken by the New York Food Commission shows for the year a loss of 35,000 full-time workers, 15,000 of whom have gone into military service. But the addition of women and boys, with the return of about 14,000 men, makes the net reduction 8,000. It is encouraging to be told that in New York there will be no loss of cereal acreage, but an addition of 110,000 acres for corn.

Mr. CURTIS. Mr. President, may I interrupt the Senator from Idaho there?

Mr. BORAH. Yes.

Mr. CURTIS. I have had letters from every section of the State of Kansas, in which the writers advise me that there is a shortage of farm hands in their locality; and in one county alone—a small county—in the western part of the State 5,000 acres of wheat land were abandoned because the farmers could not get the labor to enable them to attend the land.

Mr. BORAH. Yes.

Mr. OWEN and Mr. SMITH of Michigan addressed the Chair.

Mr. BORAH. I yield to the Senator from Oklahoma.

Mr. OWEN. I desire to confirm the report in regard to farm labor which comes from Oklahoma. The farmers are finding a very serious shortage of farm labor there.

Mr. SMITH of Michigan. Mr. President, if the Senator from Idaho will permit me, I desire to make the same observation regarding farm-labor conditions in Michigan. I do this because it does not seem to have been stated in the report which has been read, and I do not want the impression to prevail that we have a surplus of agricultural labor in Michigan. That is very far from the fact.

Mr. BORAH. Mr. President, I have a letter here from Kansas which is written by the editor of what is called the Horse and Farm Review, in which he states:

> Allow me to say that if the next draft operates as did the first one, in this section of Kansas the farmers will be unable to operate their farms to anywhere near full capacity. In short, the present prospective wheat crop, if it matures as expected from present conditions, will find the supply of farm help so scarce that I hardly know how it will be harvested or thrashed and taken to market. What I write concerning this small town and its immediate vicinity is true through all those portions of Kansas and Nebraska that I have visited in a business way since last fall, when the first draft took away so many boys and men from the farms. We have a town here of 870 people. Our country population is not as heavy as 10 to 20 years ago, as so many men have added to their holdings of land. Formerly a family resided on practically every quarter section; now the farms are hardly ever smaller than 320 acres, and from that up to 1,000 acres.

Mr. President, I am perfectly aware that it is a very difficult matter for the executive departments to deal with, yet it was supposed to be one of the virtues of the selective draft to enable the Government to protect those industries which were really as essential to the prosecution of the war as the putting of men in uniform. The farm boy and the laborer on the farm, of course, are under the same obligation to serve their Government, and undoubtedly are just as willing to serve their Government, as men in any other walk of life; but the thought which I desire to impress upon those who may be interested in the matter is that if these boys must be taken from the farm there ought to be a labor program devised to provide some method or means by which to supply their places when they are so taken.

One particular point which is impressed upon my mind by reason of correspondence received this morning is the uncertainty as to what the next draft law will do and as to when it will be put into execution. That is deterring men from planting their acreage now. This letter says:

> We have about 400 boys in this county who are in class 1 of the next draft. Most of these boys are farmers, as you know this is a farming community.
>
> I am the food and fuel administrator of the county, and a number of these men have asked me to try to find out, if I could, when the next draft would be drawn. These boys are on the anxious seat, in suspense, not knowing what to do about making arrangements for putting out a crop. If they knew they would have time to put the crop in, they would be glad to do it, and if they knew they would not have the time they would make other arrangements.

It is the uncertainty which is producing the disturbance in this instance.

Mr. VARDAMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. VARDAMAN. If the learned Senator will permit me just at this point, I desire to say that I have received from my constituents in Mississippi not less than 25 letters on the subject referred to in the letter which the Senator has just

read. These men are pleading with me to ascertain, if I can, whether or not it will be possible to obtain for them a furlough that they may return home to plant and cultivate their crops. I have heard from others who have been drafted and they have universally said to me that on account of the scarcity of labor they are unable to employ men to work their farms and the consequence would be that their farms would lie fallow during the present year. This presents a problem that the wise and prudent statesmen can not overlook at this time. Ample food for Americans and our allies is an indispensable prerequisite to the successful prosecution of this war.

I am glad that the able Senator from Idaho is calling attention to what seems to me a fatal oversight. The well-trained, industrious farmer will produce on the farm more than a half a dozen untrained men from other vocations of life. The man from the cities and towns can take the place of the farmer in the ranks of the Army, but he can not perform the duties or take the place of the farmer on the farm. The town man can keep time in the drill, but he can not keep step with the mule in the furrow. And I submit that it will be a wise economy—an act of great generalship—to permit the men accustomed to agricultural pursuits to remain on the farm, or go back to the farm, and produce the things necessary to feed and clothe the women and children at home and maintain our soldiers and our allies in foreign lands.

Mr. SMITH of Georgia. Mr. President——

Mr. BORAH. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. We brought this subject to the attention of the office of the Provost Marshal General, and were advised that no definite order had been issued; that we would be safe in answering correspondents and saying that the War Department had under consideration a plan to care for the difficulty presented, and that farmers needed to plant the spring crops and care for them until harvest need have no great apprehension in this regard.

Mr. BORAH. Mr. President, I am glad to have that information, and particularly glad to have it stated publicly, so that we may all avail ourselves of it.

Mr. SMITH of Georgia. I wired that to Georgia two or three days ago, and stated that the Provost Marshal General's office felt that the farmers need not hesitate to plant their crops and hoped they would do so.

Mr. BORAH. I assume that when the order is issued it will be a general order applying to the entire country.

Mr. SMITH of Georgia. I have no doubt a general order will be issued when the subject is finally determined. I think it has been delayed on account of some legislation that is pending—just what I do not know—but I may be wrong about that. I feel confident, however, that it is the desire of the Provost Marshal General's office that the men, even in class 1, who have farm work to do should go ahead planting their crops, and it seems probable that such men will be allowed to continue planting.

Mr. GORE. Mr. President——

Mr. BORAH. I yield to the Senator from Oklahoma.

Mr. GORE. I wish to express my approval of what the Senator has suggested, and to emphasize the importance of a liberal policy of exemption with respect to farm labor. I do not know whether the Senator from Idaho has made the statement or not, but I would like to have it go into the RECORD at this place that last year England exempted, or released from Army service, 25,000 skilled farm laborers and 25,000 unskilled farm laborers; that, in addition to that, she released 20,000 laborers during the harvest season, and, in addition even to that, has organized what is called a "woman's land army," consisting of 250,000 women to render service upon the farms. The figures sound small to an American, but in comparison with English farming they form a considerable ratio to the requirements of farm labor.

If the Senator will permit me further, I will say that, in proportion to the registration, a larger percentage of farm hands and farmers have been accepted than from any other class in the United States. I intended to bring the statistics here, but 8.47 per cent of all who registered assigned their business as farming, forestry, and live-stock raising. They stand at the head of the list in percentage, while I believe that certain professional classes only sent some six and a fraction per cent. I will furnish the exact figures before the RECORD goes to press.

The last letter I dictated, only a few moments ago, was in reply to a farmer stating that he had been placed in class 1 and that he would have to shut down his farm and sell his stock if he should be called. I have many letters of similar import.

Mr. BORAH. Mr. President, I read in the news reports a few days ago that the Labor Department was of the opinion that there was really no shortage of labor, but that the difficulty arose out of the inability to fairly distribute the labor in the different parts of the country according to the needs or demands of particular sections. I trust that that is true, Mr. President; and one of the reasons for calling attention to this situation is that those who have in charge the question of mobilizing the labor of the country and distributing it according to the demand may understand that, whatever the reports to the contrary may be, there is an actual shortage of labor upon the farms throughout the entire Middle West and far West, and that there ought to be an assurance to those communities that labor will be forthcoming to take the place of any man who may be taken from the farm hereafter to serve in the Army. The farmer needs labor and he needs to know definitely that he is going to have it.

Those of us who represent farming communities—agricultural communities, particularly—make no plea in this Chamber or elsewhere for exemption of our men from the service which they may be called upon to render along with their fellow countrymen, wherever it may take them; but we realize, as everyone realizes, that the food supply can not with safety to the cause be diminished, and if they are called upon to serve their country in the capacity of soldiers, there must necessarily be some program which will supply their places upon the farm; otherwise the productive capacity of the country will be diminished to such an extent as to be destructive.

Mr. STONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. BORAH. I yield to the Senator from Missouri.

Mr. STONE. What the Senator says, of course, is important and it is accurate in the effect stated upon the food supply of the country and of the world. As I understood the Senator, he said, in substance, that a farmer ought not to be drafted and taken away for the military service unless some program could be devised to have him replaced by some other workman. That is very interesting if it can be done; but has the Senator in mind or has he worked it out sufficiently to make a suggestion as to how that could be done? I confess it is confusing to me. I approve the thing if it is possible or practicable, but I do not see how it is.

Mr BORAH. I base my belief upon the proposition that it may be done upon facts and figures which have been presented through the press from the Labor Department, that there is not a shortage of labor in the country as a whole; that if it is known where the labor is short and where there is a demand for it, it may be had.

The draft law only covers men of a certain age, and there are plenty of men beyond that age in the country who are not earning a dollar or doing anything. These are times, Mr. President, when a man ought not to be permitted to eat unless he performs whatever service he can perform to the community. Last fall on my way East, after being in the West, I stopped over in one of the great cities of the country, and, having been informed to some extent as to the scarcity of labor in that part of the country, I made it my business to inform myself as to the possibility of securing labor from that particular city, men who are practically doing nothing; and there are hundreds, and I think hundreds of thousands, of men beyond the draft age who ought to be at work.

Mr. STONE. It has been proposed, as the Senator knows and as all of us know, and widely discussed, that some program or policy should be entered upon to draft workmen, laborers, as well as soldiers. That is, compulsory labor, of course, on the farms or in the shops or shipbuilding establishments, or whatever the place may be. Now, if we are prepared to enter upon that program and can constitutionally maintain it, it may be the solution. What does the Senator think of that?

Mr. BORAH. Mr. President, I do not think the time has arrived when the conscription of labor is necessary. However, so far as I am concerned, I have no hesitancy in saying that the time may come when the idler in this war will have to heed his country's commands and help to feed the soldier who has offered his life for his country. If the situation ever comes when that is necessary, I think we will be able to enforce it in this country, but I do not think it is necessary yet to do that. As I said a moment ago, the Labor Department has stated that it has the data, the information, and the means by which to supply this labor if it can be known where it is needed.

Mr. McCUMBER. Mr. President——

Mr. BORAH. I yield to the Senator from North Dakota.

Mr. McCUMBER. I think the Senator will recognize that there are two practical questions involved in his theory of securing labor for the farm. The first and the most important one is the question of wages. How are you going to take laborers from the city, where they can get four and five dollars a day for working seven or eight hours a day, and get them onto a farm, where the labor certainly would be more than eight hours

a day, and where farm prices will not justify the payment of those prices to labor?

No farmer in my State, for instance, can raise wheat at $2 or $2.50 a bushel and pay his labor $90 to $100 a month and board. That is what labor is demanding in our State to-day—$90 a month and board, which would be equivalent to about $130 a month. That seems to me the real trouble; and the only way that I see to get out of it now is for us to apply our draft so that we will not take so many of our soldiers from the farm lands during the year 1918, at least not until after the crop is harvested.

Mr. BORAH. Mr. President, I think the suggestion of the Senator may be the practical solution of the matter. It is up to those who have to deal with the situation to determine whether or not labor can be supplied to take the place of those who are drafted. If it is not possible to do so, it is as clear as can be that they ought not to be drafted, because the food supply is just as essential to the situation as the man power upon the western front; and, of course, if its place can not be supplied it ought not to be taken away from the farm.

Mr. WADSWORTH. Mr. President——

Mr. BORAH. I yield.

Mr. WADSWORTH. I simply desired to ask permission to interrupt the Senator, because I was interested in the remark which the Senator from North Dakota made, that the way to get out of the difficulty was to do something by way of changing the draft. I was going to ask the Senator from North Dakota if he did not think a very much larger measure of relief would be afforded to the wheat growers of North Dakota if the law of supply and demand were permitted to operate with respect to wheat?

Mr. McCUMBER. Mr. President, I admit that we would be in very much better condition, because under the present situation we allow the law of supply and demand to operate in the labor field, and allow the labor to secure whatever the demand may be, while in the production of wheat we say that the farmer shall not receive more than a certain amount per bushel, $2.20 a bushel being the price fixed for the 1918 crop.

Mr. RANSDELL. Mr. Prsident——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. RANSDELL. I should like to ask the Senator if, in his judgment, we might not relieve the situation somewhat by applying to the unskilled labor on the farms the rule which I understand, in the practical application of the draft law, is applied to the skilled labor? I understood that the skilled labor would not be required to be taken under questionnaire 1; that the necessary managers of farms and the skilled, expert labor on farms would be exempt, or at least they would not come under questionnaire 1, but that the unskilled labor would. Now, why could we not put all farm labor in the same class and not call them in the first draft? Would it not be wise to do that at the present time, when such tremendous demands are being made on us to produce food?

Mr. BORAH. I am willing to leave that part of it to the executive department, Gen. Crowder, and those who have to deal with it, if they know the actual facts. The general seemed to be under the impression that there was not the shortage upon the farm that some of us thought existed. I am quite sure that he understands as readily as any of us the necessity of keeping up the supply upon the farm; and if he ascertains that fact, certainly some method will be arranged by which either to leave the man on the farm or to furnish some one to take his place. I think, so far as the practical results are concerned, that you had better leave him there, because he knows more about the business than anybody that you are likely to send there.

Mr. HOLLIS. Mr. President——

Mr. BORAH. I yield.

Mr. HOLLIS. I wanted to ask the Senator from Idaho, who is a man of liberal views, a deep student, and philosophical in his handling of these matters, if he does not see a very great difference between drafting a man to fight for his country, where he is given his living by his country, is paid by his country, is under the command of trained officers who are responsible to higher officers for the treatment of the men, and drafting a man and setting him to work on a farm or in a shop under a private man, for the benefit of that man, to earn profits for that man, to be paid as the man chooses, and to be paid or not according as the man is responsible? I think the Senator will see a very great difference.

Mr. BORAH. Undoubtedly there is a difference, Mr. President; and yet, at the same time, if the time ever comes in this country when we can not have a sufficient food supply without putting men to work who now refuse to work, men who are living off the community and in no wise aiding the community, so far as I am concerned I am willing to try out the experiment. I have said, however, that I do not think the time has arrived. It is about the most serious step that we could take in this situation, and it ought not to be taken until all other means have been exhausted. I doubt if the time ever comes when it will be necessary to do so; but the preservation of the country is infinitely more important to me than the right of a man to live in a community to which he is in no sense contributing to the general welfare. Soldiers will not be permitted to go hungry while idlers loaf at home. It is not laborers who I complain of, but idlers, pure and simple.

Mr. JONES of Washington. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I yield.

Mr. JONES of Washington. Does not the Senator think that we ought to get our draft in such shape as to be able to operate it in such a way as to take into the Army the men whom the Senator has just described as idlers and doing nothing, and leave the men who are working until a last resort?

Mr. BORAH. That would be a very good solution. If they feel that they do not want to be drafted for labor, let them be drafted to fight. It is a time of common service. The common country calls for support and every man must do his duty. If there be those so blind to the great issues involved in this conflict, so heedless of the consequences of defeat, so unmindful of their country's need that they will not serve, then they must be directed by their country, by the Government, where to fall into line.

Mr. CURTIS. Mr. President, I was very greatly pleased with the statement made by the Senator from Georgia [Mr. SMITH] that he had had information from the Judge Advocate General's office with reference to labor being permitted to remain on the farm this spring; but I wanted to suggest that if additional legislation is needed, I hope the committee in charge of that subject will report the bill out as soon as possible.

Last fall the labor situation was so serious upon the farms in Kansas that a delegation was sent on here, headed by the former governor of our State, Mr. Stubbs. I arranged a meeting with the Secretary of War, and we called upon the Secretary, and presented very fully the question as to the situation in our State, and showed the shortage of labor on the various farms in every section of the State. The Secretary of War requested that committee to make a full and complete showing in writing, which I am informed was done; and when I called up the department a few days ago no final action had then been taken. I was not advised at that time that additional legislation was needed. If the Senator who has taken up this question with the Judge Advocate General will take it up again and find out what legislation is needed, I shall be very glad to have him do so.

Mr. SMITH of Georgia. Mr. President, I think I understand the bill to which they referred, but I do not desire to mention it. I think it will be passed within a few days.

Mr. CURTIS. If the Senator knows what legislation is required, and what bill is referred to——

Mr. SMITH of Georgia. The Senator repeated my statement a little more strongly than I made it myself.

Mr. CURTIS. I did not intend to.

Mr. SMITH of Georgia. I am sure of that; but I do not wish to place the Provost Marshal General's office in any false position.

Mr. CURTIS. Neither do I.

Mr. SMITH of Georgia. I am sure of that; and if the Senator was doing that, it was due to my misleading him. The information we got, and the statement I have made in consequence of it, was that I could say to those in the first draft who had a crop ahead of them that the wise thing for them to do was to go ahead and plant the crop; that it was not believed that they would be called to camp in a way to prevent it; and it was hoped that provision could be made later, also, even to gather it.

Mr. OWEN and Mr. McCUMBER addressed the Chair.

The PRESIDENT pro tempore. To whom does the Senator from Kansas yield, if to anyone?

Mr. CURTIS I want to answer the Senator from Georgia first, and then I will yield the floor.

Mr. SMITH of Georgia. It was no complete committal; but I concluded that the probabilities were so great that I sent the information at once to my own State, with the advice to go ahead and plant their crops.

Mr. CURTIS. I want to assure the Senator that, so far as I am concerned—and I think I can speak for all the Senators

from the farming States—if that bill is reported, we will assist in getting it through as soon as possible.

Mr. McCUMBER. Mr. President, what I wanted to ask the Senator from Kansas, or any other Senator who can answer the question, is concerning the next draft. Has there been any time fixed for making another draft upon those who are registered?

Mr. CURTIS. Mr. President, I have no personal information on that point, but I read in the newspapers, I think, yesterday or the day before, that the draft was likely to be put in force in June.

Mr. McCUMBER. In June?

Mr. BORAH. There was a statement published, seeming to be authoritative, that it would be put into execution in June.

Mr. McCUMBER. What are we to do with them after we have drafted them? We will put them in cantonments, of course; I appreciate that; but after they have been drilled, then what are we going to do with them?

Mr. BORAH. I do not know. I did not venture upon that uncertain sea. All I know is that if they are drafted and taken into the Army, we shall be badly injured. Whatever the War Department sees fit to do with them, whether it can utilize them or not, is a thing to which I have not given any consideration. I assume that they had reason for taking them or they would not take them, but the injury to which I was addressing myself would have been achieved.

Mr. McCUMBER. I understand the Senator, but I can not for the life of me see any occasion for drafting any soldiers between now and next fall. Secretary Baker stated that he had an Army now of 1,500,000 ready to send to France. Secretary Baker also testified that he did not have the ships, and further, that he did not know where he was going to get the ships to transport them, and to support them.

Now, as a matter of fact, we know that with the most optimistic view that we can give of the shipping situation we can not put 500,000 soldiers over in France during 1918. That being true, inasmuch as we have already a million that we can not put over there with the present situation, then tell me the necessity of taking another three or four or five hundred thousand men from the farms in the United States during the summer of 1918. There is no occasion for it. We can not use them. We can not send them over there. The whole crux of the matter is the question of shipping, and that is the matter to which we ought to give our attention now. Let us get the ships to take over the men that we have here before we think of drafting another army of 1,500,000.

Mr. OWEN and Mr. JOHNSON of South Dakota addressed the Chair.

Mr. CURTIS. So far as I am concerned, I yield the floor, unless the Senator desires to ask a question. I have made the statement I desired to make.

Mr. OWEN. Mr. President, I merely wanted to call attention to an instance which seemed to negative the idea that the farmers would not be called in the first class. I was appealed to a few days ago by a constituent who was farming 400 acres, and had 160 acres of wheat, who was summoned to go into camp, and he was not subject to be relieved because of having this crop on his hands. He has 400 acres of ground, but still he was called away from the administration of that farm. He was in the first selective draft.

Mr. SMITH of South Carolina. Mr. President, I desire to call the attention of the Senator from Oklahoma, right at this juncture, to the fact that there are two things operating right now to cause this uncertainty as to the crops. One is the question raised about when you are going to have your next draft. I know farmers down in my State who are afraid to contract with certain labor for fear that about the time their crops are planted, and the working season comes on, their labor will be drafted. Therefore they are hesitating about employing this labor for fear that they will have a crop left on their hands that they will be unable to work after they have gone to the expense of preparing the ground and buying fertilizer and stock to work it. In addition to the uncertainty as to when the draft is going to be made, there is also the uncertainty as to who is going to be drafted. It seems to me the two things to be settled are, if we are going to have another draft, when it is to be, and what is to be the character of those who are going to be drafted? I think it is very clear that we ought now to determine when the draft is going to be, if possible, or ascertain when it is going to be, and whether or not farm labor is going to be exempted, and then provide that the quota shall be drafted out of those who are not needed on the farms.

In my State, which is almost purely an agricultural State, practically the entire draft will come from the farm laborers, or at least a large percentage of it; so that we are affected now. Men are hesitating right now about planting a crop, and this is planting time with us. We begin to plant corn in March, and the other crops will come on up to about the 1st of May or perhaps the middle of May. Now, as a farmer, I do not know myself whether to employ labor of a certain age, for fear that labor will be interfered with by the draft. It seems to me that if we are going to make a supply of food it is essential for us to go at this thing in a wise way, so that these uncertainties may be eliminated. It is not enough to say that we do not know whether or not the draft is going to be made at a certain time, because upon that depends the contract; and I was a little surprised——

Mr. VARDAMAN. May I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Mississippi?

Mr. SMITH of South Carolina. I do.

Mr. VARDAMAN. Does not the present law vest in the Chief Executive the discretion in the matter the Senator has just been discussing? Has not the Chief Executive under the law the power to exempt from the draft and permit to remain on the farm the man who owns or works the farm? I thought the President's power was plenary—well-nigh unlimited—in such matters.

Mr. SMITH of South Carolina. That was my impression; but that does not seem to be quite the impression that exists here, and I think at this juncture it ought to be forcibly brought to the attention of those who have this matter in charge that the support of the Army itself is largely dependent upon the discretion they use in this matter.

Mr. VARDAMAN. That can be done, in my judgment, without additional legislation, if I understand correctly the law. The power is already vested in the Executive in conscripting the Army—perhaps it might be more euphonious to say selecting the Army—and to exempt from military service the man on the farm who is so much needed to produce the things necessary to feed and clothe the Army, the men, women, and children of America, and our allies across the waters. I have always understood that the selective feature was the crowning virtue—the excuse, in fact—for giving conscription preference over the old American system of volunteering.

Mr. SMITH of South Carolina. I merely wish to state to the Senator that I was a little surprised to hear the Senator from Georgia speak so optimistically as to what they propose to do here. The expectation is exactly to the contrary. I went to one of the chief heads and had some discussion with him and called his attention to the fact I am now drawing the attention of the Senate to, and his reply was that we would have to go to work and have these men drafted and train them, because we do not know at what time we may need additional trained men, and they are within the draft age. I came away with the impression that they were going to take the pro rata of all, regardless of their occupation.

Mr. SHERMAN. Will the Senator yield?

Mr. SMITH of South Carolina. I yield to the Senator from Illinois.

Mr. SHERMAN. The Senator from Idaho has started, I think, a very useful discussion this morning, and the Senate will probably take time on the subject. My files are filled to bursting with correspondence on this subject from the western country, from my State and adjoining States.

I have among my constituents, Mr. President, in what is known as the loop district in Chicago, a number of ultimate consumers who are living in a state of chronic unproductive idleness. I should like to join with the Senator in devising some remedy—they are within the draft age—and make them bear some useful part in this crisis. I do not know how we will do it. We are losing what mechanics would call a lost motion in very large quantities. We are taking men off the farms, and we are beginning to bring men from the city on the farms in some cases, through labor agencies, Federal and State; and after they are there they meet the difficulty the Senator speaks of, and we are losing one season of profitable work if we undertake to make out of the city man a farm hand. No novice can do that work. It requires artistic ability to do the work. A city man can not develop that in one summer.

Mr. SMITH of South Carolina. I think the whole matter could be summed up in getting before these officers the necessity of drafting just the kind of men the Senator from Illinois refers to until we fill the next draft quota, and allow those who are actually engaged in farming, because it takes some skill, to raise wheat and cotton and corn. A novice can not do it. It takes some skill to use a hoe properly. A novice can not do it. Therefore, in order to get to a maximum crop you must leave your farmer who understands farming on the farm and take those who are nonproductive to fill out the quota.

Mr. KIRBY. Mr. President, I am somewhat interested in this phase of the discussion. It seems to me that Congress might very well provide for a new draft for soldiers and extend the age to 35 or 40 and require men over the age of 31, all unmarried men and all childless married men and all other men in cities whose occupation is not absolutely necessary to the successful prosecution of the war, to go to the firing line, bring them into camp, and make soldiers of them, and to say that a man who is on the farm and stays on the farm and produces stuff shall remain there. Congress might very well do that, and I think it would relieve the conditions, if they are as bad as reported.

There is another thing, Mr. President, that I do not like to hear discussed in the way we hear it discussed. There is a suggestion from the Senator on the other side in the question, "What will we do with these men if we draft them?" There is a like suggestion from a Senator on this side in saying, "If we have another draft." The time has come when we must quit talking about if we have another draft or what we are going to do with these men when drafted. My impression is that you will have 10,000,000 men in camps in this country before the war is successfully finished and over 3,000,000 of them across the sea.

It is time that we realized the condition as it is, time that we got down to business and began to perform something toward its accomplishment. These men must be put in the cantonments; they must be trained; and they can and will be sent to France inside of a year, more than 1,000,000 of them; and there will be another draft and yet another draft, and in my opinion we will draft enough to make 10,000,000 men in camp before we finish the war successfully.

It is time to quit talking about if we are going to do this and if we are going to do that. We are going to do it. We have embarked on the enterprise, and it is necessary that these things must come to pass. Then, let us meet it as the situation demands and quit talking about if we will and if we can.

Mr. OWEN. Mr. President, I think the difficulty in the administration of this draft act is that it is at last in the hands of local committees that are scattered all over the United States and the heads of the deparment were authorized to pass finally upon appeal cases. It does not, as a matter of fact, control the selection of these men. They are selected by the local committees, and their appeals to the local committees are not heard. The local committees are, as a rule, men living in the towns, and they would prefer to distribute the drafted men in the towns and in the country, just as it may happen. They do not want to send all the men from the towns and leave all the men in the country; they want to distribute them. But it is obviously necessary that we provide the allies with foodstuffs and with raw material, and therefore men on the farm are just as necessary as men in the trenches.

That being true, I think Congress ought to adopt a concrete scheme and not merely talk about the matter. I think the men on the farm who understand farming and have been trained as farmers ought to be left where they are, at least for this crop season.

Mr. VARDAMAN. There is a scarcity of workmen on the farm now, the deficiency exists now, and it can only be supplied by returning to the farms men who have been conscripted up to date and taken away from the farm. The deficiency will not be supplied by mere failure to take away more men. The deficiency may be increased, the scarcity enlarged, by future drafts. But the needs existing now can only be supplied by returning the men, whose taking away caused the deficiency, back to their accustomed vocation. You will not improve the situation materially by prohibiting further conscription of the farmers.

Now, Mr. President, I would not in any way weaken our Army by taking the farmer from the ranks if it were necessary and really strengthened our lines to keep him there. But I realize, and every other Senator realizes, that his place in the Army can be supplied by men taken from other walks of life and thereby permit him to go back and work his farm and produce the needed crops. We will have more men left after the agricultural element shall have been taken from the Army and sent back to their homes than we will have ships to carry them to Europe in the next 12 months or 18 months. There is no wisdom or economy in organizing a great Army to be sent to Europe when there is no means of transportation to get it there, and I submit it will not give strength to the Army or efficiency to our forces to train them in the art of warfare when there is nothing with which to feed and clothe them. The strength of an army consists not only in the accuracy of marksmanship and the use of the great cannons, but the first and most important element is something to eat and clothes to cover their nakedness.

Mr. OWEN. I think it would suffice if we did not take any more men from the farms, at least, but we are going on taking them from the farms. The farms have already been much depleted. I was talking to the head of the Farmers' Union only to-day, and he was telling me of a meeting of twelve or thirteen hundred men, and at that meeting of farmers the question was put to them, "How many of you have the same amount of labor that you had a year ago?" Only two or three arose. "How many of you can get along for the year with the labor that you have?" Several hundred arose. "How many can not get along with the labor that you have?" and all the remainder of them stood up, showing that there were at that particular meeting four-fifths or more of the farmers unsupplied with proper labor.

Mr. VARDAMAN. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. VARDAMAN. If the able Senator from Oklahoma will permit an interruption, I would like to suggest that a great many of the men now in the Army have been taken from the industrial life of the country, many of them compelled to abandon their farms and take up arms in defense of the Nation's flag. It is well known that their places on the farm can not be taken or supplied by men from the cities. As I have heretofore stated, the man accustomed to city life is wholly untrained and inexperienced in the matter of performing the duties of the farmer. As little as we think about it, there are no more skilled, artistic, and, in many instances, scientific laborers in the land than the successful tiller of the soil. The successful farmer must not only understand handling agricultural implements but he must know something of the nature and growth of plants, the effect of the change of the season; he must know something about the character of his soil, its deficiencies, and the sort of fertilizer needed to produce an abundant yield. The manner of cultivating the plants, the time to plow, and how to plow are scientific problems which the seasoned farm laborer alone understands. He must also be familiar with the habits, the nature, and general disposition of the live stock upon the farm. To be a successful farmer—and when I use the word "farmer" I mean the laborers upon the farm as well as the director of the farm labor—it requires a lifetime study of experimentation and intelligent observation.

So, Mr. President, in consideration of all of these things, I think if this matter were called seriously to the attention of the Executive and those administrative officers around him charged with the serious duty of conducting this war there is no doubt but that the President, having the power now, to order these bona fide farmers back to the farm and supply their places in the ranks of the Army with other men from the cities or elsewhere, I repeat there is no doubt about such an order issuing forthwith. The necessity for it is manifest. You can supply the place in the ranks of the Army now filled by the farmer boy with town men or professional men, but I insist that you can not supply the place of the trained farmer on the farm with the city-bred, inexperienced man. As I have heretofore stated, I think nothing will contribute more to the cause we are all so deeply interested in now as sending these men back to the farm and permitting them to remain there until they shall make a crop—produce the stuff necessary to clothe and feed the Army, which we now have, and the army yet to be organized. This seems to be one of the most important questions that has engaged the attention of this body for some time. The Congress can not afford to make a mistake in a matter of such far-reaching and vital concern. If you want to strengthen the Army and support our allies, there must be food and clothing for all; and we can not have food and clothing for all unless the man power is supplied to produce it. Talk is cheap and verbal patriotism is all right unless it should mislead us into some serious error of omission. But if this war is to be won it is to be won by the combined use of bullets and bread, clothing and courage, prudent action and heroic determination.

Mr. OWEN. I think the power does exist in the hands of the Executive, but that does not relieve the legislative branch of responsibility.

The PRESIDENT pro tempore. The question is on agreeing to the conference report on the so-called soldiers and sailors' civil-rights bill. Is there objection to the report?

Mr. HOLLIS. Mr. President, I have been told by somebody connected with the Government that it is expected to work out relief for the farmers through furloughs, but that additional legislation is needed before the proper authority is granted. The distinguished general in charge of the draft has done a most admirable piece of work. His chief object was to get an Army and he has gone out and gotten it. The rules that we laid down for his guidance were interpreted by him rather strictly, so that he did not encourage exemptions. For instance, among railroad employees the rule laid down was that a man

must show that he was personally indispensable for conducting the operations of the railroad. The result was that no man could show that he was indispensable, as for running the Boston & Maine Railroad in my part of the country. But 1,800 of them have been drafted and the 1,800 were indispensable for the proper operation of the railroad, and it is largely because of the lack of young and active men of draft age who know the business thoroughly that the railroads have fallen into their present state of inefficiency. It is very largely due to that fact.

Among the farmers I am having complaints, as other Senators are, constantly of men who are indispensable for running a particular farm, but the members of the exemption board live in the villages and towns, as the Senator from Oklahoma [Mr. OWEN] says, and the State board is not composed usually of farmers. The result is that there have been very few exemptions of farmers.

Now, if the farmer knows enough he may appeal to the State board and he may appeal to the President, but the President of the United States should not be charged with deciding on cases of exemption for farmers. That duty should be submitted by Congress to some one who can investigate a case and exempt a man when the facts justify it. But a better way is this, and it will solve largely the labor difficulties that have been suggested here. Draft men, and draft them liberally. Then, if a man is willing to go to work on a farm for some one else give him a furlough. If he is not willing to work there, take him back and let him drill.

Answering the Senator from North Dakota, these men must be taken and trained first. There will be another draft, I assume, if they have not enough men under training now to satisfy the requirements, but if after the men are trained or during training there is a necessity for farm labor, the right should be given somewhere in the department to investigate a particular case and say this man or this company or this group of men shall be granted a furlough during the planting season or the haying season or the crop season. We in that way would give relief, and it is up to the Military Affairs Committee to give us legislation in that particular.

Mr. McCUMBER. The Senator would give them furloughs?

Mr. HOLLIS. I would give them furloughs, and then they would be subject to call.

Mr. McCUMBER. Mr. President, I wish to reply most briefly to the very earnest statement made by the junior Senator from Arkansas [Mr. KIRBY] that we should cease talking about what are we going to do with these men, and so forth, and that we are going to put 3,000,000 men over in France and to have an Army of 10,000,000 men. Mr. President, in my State among the Indians we call that "much big talk." But that big talk is not going to win the war. We have got to have some character of arrangement whereby we can concurrently with the raising of our army also secure ships to take care of that army. That we have not done so far. In 1917 we promised our allies that we would furnish them 6,000,000 gross tonnage of shipping. We did not give them 2,000,000 gross new tonnage afloat in 1917. We promised that we would get nine or ten million tons in 1918. The present outlook is not for half of that.

Now, we want our army. I wish we could put 5,000,000 men over in France, and I would love to support a provision of that character, but I know that we can not put them there until we get our shipping; and all our energy and all our talk should be given first to securing a sufficient number of ships to take care of the million men whom we have now in our cantonments before we attempt to raise another army, with a certain knowledge staring us in the face that it would be two years before it would be possible for us to secure the amount of shipping to take care of the million we already have. That is all I am in hope of securing; and we are not going to put 3,000,000 men over there before that time.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. WILLIAMS. Mr. President, the observation of my friend the Senator from New Hampshire [Mr. HOLLIS] about "giving men furloughs while they go home and harvest a crop" or run home and load the trucks or relieve a railroad congestion, or something of that sort, reminds me of the old story they used to tell of Gov. Joe Brown, of Georgia, during War between the States. It was said that he wrote a letter to Jeff Davis and said, "My dear Mr. President, why do you keep the farmer boys away from home in camps all the time? Why do you not let them stay at home and make a crop until you are about to fight a battle, and then tell the boys to come, and they will all go there and fight it? I know the Georgia boys will." Mr. President, we can not carry on war in that sort of a way.

Now, what is this situation? Whom have we drafted? Have we drafted all the men in the United States? By no means. We have drafted the men between 21 and 31 or the men who have arrived at 21 and arrived at 31. Do you mean to tell me that if all the men between 21 and 31 were to die to-morrow America could not raise food enough for itself and food enough to export? That it would be a great inconvenience, there is no doubt. That it would be a hardship, there is no doubt. That it would be a serious hardship, there is no doubt. But if they all died, so far as the farms of this country are concerned, there would be plenty of men left to work them under 21 and over 31 to make foodstuffs enough to feed the American people.

Now, Mr. President, I am getting a little tired of this "patrioteering" business. I love patriotism, but I have been reading the last two numbers of the Saturday Evening Post and a couple of poems on patrioteering that I found there, and if any Senator has not read them he ought to read them. Men go out and exploit themselves about "meatless Tuesdays" and "wheatless Thursdays," and they seem to think they are doing something very patriotic. The whole Confederacy lived without wheat at all for I do not know how long—about three years, at least, in the coast and southwest departments and the southern department; they had none. I as a boy in the Confederacy did not see anything made out of wheat from the early part of 1862 until the surrender, except now and then we would plant a little patch of wheat and grind it on a corn mill and sift it as best we could in the kitchen for the purpose of making Christmas and birthday cakes.

Then we were confronted with the fact that we did not have any sugar for the cakes, and we had to make them with molasses for "sweetening."

What is the use of talking about the "hardships" of the American people? They have not suffered any hardships. You have not put your front toe into the anteroom of the temple of Mars. You have thus far done nothing except to complain, and to complain again, and to repeat complaints about the efforts of those who are as patriotic as you or I in attempting under official oath and high responsibility to do what they can to win the war. Read those two poems on patrioteering. They are worth reading. I wish I had them here; if I had them, I would read them with proper emphasis right now.

Every man between 21 and 31 years of age who is a common farm laborer, or who is merely a farmer, can, if absolutely necessary, be spared; but is it absolutely necessary? It ought not to be even under these circumstances; unless you find that a man presents an exceptional case. I know an instance of a boy who is running a motor tractor, for example, and cultivating 150 acres of land in corn and peas and oats and soy beans, and with them feeding hogs and cattle. If he lived farther north he would be cultivating it in wheat. He ought not to go out to bear a musket if he claims exemption. This particular boy did not claim it, but he ought not to have been sent, because he could have done infinitely more good with that motor plow than he could do with a musket, even if he killed a German every time he went into the trenches, which is, upon the average, once in four days.

Another class of men ought to be exempt—even of those who are between 21 and 31 years of age—and they are the *skilled* mechanics, carpenters, and miners of the country. Luckily most of the miners are aliens. One of my boys in command of a battalion had in his command 90 men, I think it was, though may be it was 60, who could not speak English. They were Hungarians, Poles, Bohemians, Italians, Slovaks, and Slavonians and Slovenes. One of the first things the boy had to do was to try to teach his soldiers English with what little help he could get. Added to the duty of trying to teach his officers French, he was pretty full of work besides his ordinary drill work.

Every one of those men came from the mining district of Pennsylvania, and they ought to have been left there. But that is an exceptional case. Those mines present an exceptional case, because coal is at the basis of it all, whether in peace or war. If you can not run the transportation and the factories, you can not clothe and ammunition and gun the men. Therefore, there ought to be a special rule for miners and for skilled mechanics for steel and wooden ships.

One more word, Mr. President. It requires just two things to win a war; there is nothing else under God's sun which can do it. Presidential proclamations can not do it; congressional resolutions can not do it; public patriotic addresses can not do it. It takes men and guns and food and transportation; men and guns and food constituting one side of the proposition and transportation constituting the other.

When I say food I mean for the soldiers and sailors. The men and women at home will find food enough to live on for

the next three years even under hysterically anticipated conditions. Men over 31 and under 21 will make it and women can help. So when you want to win a war the thing you have got to do is to get hold of the men first and train them, and do it as rapidly as you can; transport them to the scene of actual operations as rapidly as you can; train them for special work adapted to the locale as rapidly as you can; put them under fire as rapidly as you can; follow them with food and accompany them with the guns and the ammunition, unless you can buy guns and ammunition cheaper and in greater quantities in the locale than you can at home. If you can, then, you will save transportation by buying them there.

I am sometimes afflicted with the utmost pessimism when I hear men talking about the lack of certain supplies to accompany soldiers to France to fight, when I hear men complaining that this or that or the other regiment did not have a hot "food-warming" stove, when I hear men complaining that overcoats were lacking, when, even if a sufficient number had been furnished in the first place, boys, with their carelessness, would have lost or misplaced or sold or pawned a great many of them and more would have had to come from the Quartermaster Department; when I hear men complaining that soldiers and sailors had no sleeping cars to ride on when they were being transported to the point of duty.

Why, do you know, Mr. President, a story was once told me, which I have every reason to believe to be true, that there was a company in the Confederate Army which at one time, in 1864, had but one skillet? The captain wanted it, and he found out that the first lieutenant had it, and he sent for it. The first lieutenant reported that he was sorry, but the sergeant had borrowed it, and they found that the sergeant was washing his feet in it. [Laughter.]

What do you know about war? What do you know about the sufferings of war? Are you going to sit down here dilettante fashion and talk all the time—talk about peace at one end of the avenue and talk about war at the other end of the avenue? What you want is men in France—men in France. What you want to put them there is ships, and what you want to go along with them is something with which to shoot. All the balance of it is secondary. If you can not put up with the hardships that are mere incidents to the first three demands, then you are unworthy of your forefathers; you in the South are eminently unworthy of yours, because if there is anything in God's world that they understood it was hardship, suffering, endurance, fortitude, standing out to the bitter end so long as a man could stand

What is the use of all this patrioteering camouflage? Why, you have not even done what you ought to have done long ago. You ought to have called the boys of 19 and 20 into the service, not to go to France to fight, but for those 19 years of age to be trained two years until they are 21, so as to be ready for fighting, and for the men of 20 to be training for one year until they are ready to fight.

You have shown the most remarkable instance of American capacity to understand and to adapt itself to a situation that has ever been shown in the history of any country. What was it? When you turned these boys loose—most of them college boys—into the training camps, to make our officers out of them; and you have made thousands of the best subordinate commissioned officers that the world knows to-day, in three months' training. Often they had to take three more months, even better training, while they are training and teaching their men. You have done that. I say "you"; no, it is not you; oh, no. It was not you; it was not the legislating part of the United States, although you laid the foundations wisely; it was the boys; they have done it. They are ready to go; they are ready to put up with some hardships. They do not expect buckwheat cakes for breakfast. This reminds me of what I heard during that "Chickamauga War"—the War with Spain—when a good part of the Army never got any further than Chickamauga. There was a row raised down at Chickamauga because the troops did not have enough to eat; and old Maj. Pat Henry, of Mississippi, came to me and said, "My God, JOHN, I have examined into it, and do you know what they are complaining of, chiefly? They are complaining that they do not get pie over twice a week." He said, "JOHN, if we could have given the Confederate Army pie once a month, it would have had Washington captured in less than six months." [Laughter.]

People suffering on account of the war! Labor suffering! Labor never had as much money in the life of the world, here or anywhere else. Farmers suffering! They never made as much money out of their cattle and corn and oats and wheat and cotton and hogs since agriculture came into existence, here or anywhere else, as they are making now.

There are employees of the Government "suffering" and howling for an increase of pay, "all on account of the war." Howling for an increase while objecting to working eight hours a day—the dream of carpenters and operatives, while most Senators work not less than 12! Everybody is howling for increased pay, "all on account of the war." It is even whispered around the cloakrooms now and then that Senators and Representatives ought to have increased pay "on account of the war." It is said prices are charged you for a mutton chop this big [indicating] that would fit the market value of a lamb in a New York or Washington restaurant, and we are told it is "all on account of the war." We have got to have negro woman suffrage, "all on account of the war" [laughter]; we have to have nation-wide bone-dry prohibition, "all on account of the war." [Laughter.] Such another verbal display of patriotism and such another lack of any real hardship or suffering or sacrifice was never witnessed by any great people engaged in a great war as is witnessed right now in our own land.

Why, people flock into Washington every day to get office, and when they get here come to us and tell us, "My heavens, I can not rent anything nor buy anything; buy me something, rent me something"—"all on account of the war!"

Some of them say, "I have been in the habit of keeping an automobile, a Ford"—and, by the way, that is a luxury that I was never able to indulge in, not even a Ford—and I remember my admiration for those machines when one of them was made a present to the Senator from Michigan; but there are employees down here who keep Fords, and they absolutely tell us that if we do not raise their wages they "can not keep a Ford"—"all on account of the war!"

Where is the spirit of the men that lived and starved and froze with George Washington at Valley Forge? Has it disappeared? Where is the spirit of the men who ate rats and mice and mule meat at Vicksburg? Has it gone? Where is the spirit of the men who suffered at Petersburg, and even upon the day before the surrender won the last brilliant little skirmish of the war? Are their sons degenerate?

Oh, the hardships of the draft upon individuals and upon industry and upon life! Sometimes, Mr. President, when I think of the boys that have got to go "over there," some of them to be killed by poison gas, some of them to be the victims of trench diseases, some of them to be blown into eternity without time to say a paternoster, then think of us living here in luxury—because even the way I live is luxury for three-fourths of mankind, and the way that nine-tenths of you live is luxury compared even to the way I live—when I think of it all it sometimes seems to me that after a man reaches the age of 60—and I have reached that age and passed it—while the Philadelphia doctor is not right in saying that we ought to be chloroformed and "put off," it is a great pity that we can not be either put to something useful, somehow, or else quit pretending that we are doing anything sacrificial for our country.

I suppose most of you are like me. What have you done? I have given all the spare revenue I could get to the country; I have bought bonds; I have put in my little $1,000 for war savings stamps—all the Government will allow you to take of that kind of security. I am collecting from every source that I can in order to lend the money to the Government at 4 per cent, when I can get 6 per cent for it in Mississippi. I am not doing it, though, with any idea that I am making any sacrifice after I have done it all. What have I sacrificed? Just a few luxuries; that is all. Perhaps I will have to smoke cheaper cigars, and I will have to do without a few things that I would like to have—a new suit of clothes right now, for instance, when this one is dingy. What of it? If we lose the war we lose all; if we win, we win much that is better than clothes or cigars or money or bonds. But what of it? What have we done in comparison with the boys who are going "over there"? They have got to stand. What do they want? First, they want reenforcement just as rapidly as you can give it to them; next, they want ammunition and guns; and, third, they want food. "Third," I say, not "first." They will manage to get food some way for a while, if they have to live on the corn in the field. Stonewall Jackson's men made the great valley campaign upon corn gathered from the field. I do not say that is the best way, but I say the first thing is men, the next thing is munitions, and the third thing is food.

Do you imagine that there is no food in France and none in Switzerland or Spain or the Argentine or Cape Colony or India, and none in England? Do you imagine that ours is the only country in the world with any food? What is all this talk I hear of danger of Americans starving? Does anybody believe it? Suppose we have to take a beefsteak less now and then, or a mutton chop less here and there, or a cup of chocolate less in another place, or a little bit less of sugar, would we be any less healthy or strong or wise or good? I think there has been too much of that talk; that hysteria, in fact; and it has given

too much comfort to the enemy. I picked up the other day what purported to be a translation of an editorial in a Berlin paper, and it went on to tell that the "entire transportation system of the United States had broken down," which was not true, but partially true; that the American Government was going to "ration its citizens" pretty soon or "else they would not have food enough"; which was not true in any sense of the word; and that the Americans were "dependent altogether upon the English and French for big guns and ammunition," which was not true at all, even ab initio. The only reason we ever bought any from them at all was because they begged us to do it, and because they could sell them to us cheaper than we could buy them, and save transportation; and yet that article, purporting to be a translation of an editorial in a Berlin newspaper, went on to prove its every assertion by quotations from debates in Congress and from American newspapers!

Then what came to all this investigation business? If you take a great, big glass and look at the sun it does not look like anything but a collection of specks, but it shines all the same, and it shines with a good heat in December and a lurid heat in August, and there are just as many specks on it in August as there are in December; but the main fact is that the sun is shining and that every genial spring that comes it recreates the earth, and that for every living human being it gives food and sustenance, and, through its evaporation of water to the clouds, it gives water to drink, and with these everything else.

I ask you what effect it has all had, except this: It has just simply discouraged, disheartened, frightfulized, cowed a few American mothers and sisters and wives by making them think that a sporadic and exceptional case here and there out of 750,000—so exceptional as to be absolutely remarkable—was the rule of the service, when you knew it was not, and I know it was not, and the men who exploited it on this floor knew that it was not, and all of them knew that the sun of patriotic efficiency was shining, and shining with American effulgence and American warmth and American life-giving properties.

What is the American life-giving property to the whole world? It is the spirit of *a measured democracy*, liberty conjoined with order; and what is threatening it in this world to-day? Prussianism on the one extreme and Russianism on the other—autocracy and bolsheviki; militarism and wild men who do not know what the history of the world has already proven, and are willing to try an experiment over for the forty-first time that has failed already 40 times. We must meet these two things or they will meet and murder our measured democracy. Either can do it unless we "play the man"—not later but to-day.

How have we been attempting to meet most of our difficulties? Why, in a perfectly impracticable way. We have been trying to fix prices. You can no more fix a price than you can moderate the warmth of the sun by a legislative decree. You do one of two things. You fix the price, yes, in a certain sense, because you may keep a fellow from selling higher by threatening him with jail; but if you fix the price too low, you decrease production; if you fix it too high, you breed speculation; and unless you are as wise as God Himself you can not fix it exactly right. There you are, all in a nutshell; just one of these two results—none other possible.

I voted for all of these things, or most of them, because I did not want anybody, even my worst enemy, to suspect that I was lagging anywhere along the line; but I did it when I knew it was not going to do any good—that part of it. I also knew that nothing but the experiment would satisfy and convince Congress and the people. Now, let supply meet demand; let the American people know what the demand is; let prices take care of themselves, and then production will take care of itself, and there will not be any trouble about enough coal nor food nor anything else, though there may be difficulty about prices, except with a few things that the Government itself controls, like postage stamps, and things of that sort.

Suppose we here and now center ourselves upon winning the war, and suppose we center ourselves upon the idea of putting men in France, putting men in France, putting men in France; letting the men carry ammunition, carry ammunition, carry ammunition. Danton said, "What is the first way to win the French Revolution? First, audacity. What is the next? Audacity. What is the third? Audacity—"encore l'audace." So it is with this thing. The way to win this war is men in France with guns, more men in France with more guns, more men in France with more guns, as well trained as you can get them; if you can not get them trained to suit a West Point graduate, then trained well enough to do their part, at any rate.

Mr. President, I started to say I had said enough. I believe I have said too much.

Mr. GORE obtained the floor.

Mr. OVERMAN. Mr. President, before the Senator goes on I hope he will let this report be adopted. He can proceed with his remarks then just the same.

Mr. GORE. I am not going to make any extended argument. I desire to put in the RECORD the figures to which I referred a while ago. I merely want to observe that I think there is no dearth of audacity in the country, certainly none in the Senate. I am as well convinced as anyone that you can neither win this war nor feed the Army by mere eloquent phrases. All that fine phrases and bad names can do to win the war has already been done. We must have recourse to other engines of war.

I adverted a few minutes ago to the fact that Great Britain, in the planting season last year, released 25,000 skilled farm hands and 25,000 unskilled hands, and that during the harvest season she released 20,000 more, in addition to an army of 250,000 women which she had organized for labor on the farms.

I have here the figures to which I adverted then, which I did not have at that time. The statement has been made that in this country only 1 per cent of the farming population has been drawn. Mr. President, that takes into account the entire farming population. I stated—and I have the figures here, the accuracy of which I do not doubt—that a larger percentage of farm registrants were drawn than from any other class of people in the United States. I say that because I do not think the farmers are whining, neither are their friends whining, and I do not think they are mistaken when they assert that bread is as important as bayonets to military success.

I might say, adverting to the last Senator's remarks—I do not know just how material it is—that my father was in the Confederate service for four years and was in prison for six months. He had three brothers in the Confederate Army. One of them is still at Fishing Creek. I think that the sons of Confederates and the sons of Union veterans and everybody else are willing to do their full duty, are willing to bear every necessary burden, are willing to make every necessary sacrifice essential to the winning of this war. But, Mr. President, it is not a test of heroism, neither is it a proof of statesmanship, to permit the bearing of unnecessary and avoidable burdens, or to permit the making of unnecessary and avoidable sacrifices. It is the part of statesmanship to obviate every possible burden and to obviate every possible sacrifice. I believe there will be burdens enough, there will be sacrifices enough, which can not be avoided, without permitting those which can by any possibility be avoided.

I wish to have read here a table of percentages, first showing the ratio of farm hands and other classes drawn, from page 95 of the hearings before the Senate Committee on Agriculture and Forestry.

Then, on page 96, I wish to have read into the RECORD another table or statement; because, while a larger percentage of farm hands have been drawn than from any other class of registrants, that still does not tell the full story, because in the agricultural States of the West 77 per cent of the registrants passed the physical examination. Some of the States went higher than that. In the great industrial States some of them fell as low as 53 per cent. In Pennsylvania the number who passed the physical examination was only 53, in Connecticut it was only 53, in Vermont it was 56, whereas in North Dakota it was 79 per cent, in Nebraska 78 per cent, and the average was around 77 per cent, except in some of the extreme Southern States where there is a large colored population.

I ask to have read first the marked place on page 95 and then the marked place on page 96.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

I have gone through all the classes, and here is what I have found: Agriculture, forestry, and animal husbandry, total registered, 2,564,133; total accepted, 217,285; per cent taken of this registration, 8.47 per cent. Actors, artists, showmen, etc., 7.85 per cent. Breweries and other liquor factories, 8.38 per cent. Banking, brokerage, insurance, 6.83 per cent. Textile mills, 6.30 per cent. Barbers, bartenders, saloon keepers, etc., 7.99 per cent.

* * * * * * *

Here are the figures by States: South Dakota, 85.87 per cent of those that were called to be examined passed.

Senator PAGE. Of the farm boys?

Mr. SIMPSON. No; of the State; it is an agricultural State. Nebraska, 79.85; Wyoming, 78.47. Those were the three highest. Then I took the three lowest: Pensylvania, 53.33; Connecticut, 53.70; Vermont, 56.18.

Senator GRONNA. Have you gotten North Dakota there?

Mr. SIMPSON. All the agricultural States run about 77 per cent, except these three that were exceptionally high, and when you get down in the extreme Southern States, down among the negroes, they run a little lower. But the manufacturing and mining States all run much lower.

The PRESIDENT pro tempore. The question is on agreeing to the conference report on the soldiers' and sailors' civil-rights bill.

The report was agreed to.

WAR FINANCE CORPORATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. SIMMONS. Mr. President, I think when we adjourned yesterday the Senate had under consideration an amendment offered by the Senator from Oklahoma [Mr. OWEN].

The PRESIDENT pro tempore. The Chair is informed that the amendment under consideration is that offered by the Senator from New Hampshire [Mr. HOLLIS] to the committee amendment on page 9 of the bill.

Mr. HOLLIS. Mr. President, I believe that is the amendment that I offered on behalf of the Senator from Colorado [Mr. THOMAS]. The Senator is now present.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. On page 9, line 20, after the word "whose," it is proposed to insert "bonded indebtedness is not in excess of its actually invested capital and assets, and whose."

Mr. HOLLIS. Mr. President, I may say that without the authority of the Senator from Colorado I permitted to be inserted yesterday the words "and assets." I did not think they were necessary; and I now ask the permission of the Senate to withdraw them, so that the amendment may be turned over to the Senator from Colorado as he gave it to me.

Mr. THOMAS. Mr. President, since the Senator from New Hampshire was so kind as to look after this amendment during my necessary absence yesterday, I shall be bound by whatever suggestion or arrangement he may have made regarding it.

Mr. HOLLIS. Mr. President, I did not commit the Senator or myself. I said I saw no objection to the insertion of those words, but I did not feel at all sure the Senator would not object; and I shall be glad to ask unanimous consent, which probably will be granted, to have them stricken out, if that is not entirely satisfactory.

Mr. THOMAS. Mr. President, I want to express my obligation to the Senate for permitting this amendment to go over until to-day, because of my detention in a very important committee meeting, although I have no doubt that the discussion of the amendment under the direction of the Senator from New Hampshire was quite as illuminating to the Senate as any explanation that I can make of the purpose of the amendment.

I am not satisfied, Mr. President, with subsection "(d)," even with the amendment which I have offered to it. The vast range of authority which it confers upon the new corporation will undoubtedly be exercised for the purpose of safeguarding the interests of the Government at all times; and yet we know that where too much is left to the discretion of an administrative body, appeals in individual cases sometimes are so plausible and so earnest as to mislead or confuse the judgment, resulting in more or less injury to the public interests.

This subsection, as I understand it, is designed to invest the Finance Corporation with authority to deal with enterprises, mostly public utilities, whose financial condition absolutely requires relief, and who are unable to obtain it in any other direction or from any other source. They are not in proper condition to receive advances from their usual sources of borrowing. They are unable to meet and tide over the maturity of obligations the default of which threatens them with complete disaster. At the same time, we assume for the purposes of the bill that the character of the business with which they are occupied and which they are conducting is essential to the prosecution of the war. The cessation of it will therefore tend to impede the progress of the prosecution of the war, or at least make the possibilities of efficiency less than would otherwise be the case.

I concede fully, Mr. President, the essential necessity, if we are to legislate at all upon the general subject of the bill, of making provision to meet such cases when they become urgent, but it is an unfortunate fact that during the days when speculation was rife and investments were easily secured many of the public utilities of the country issued securities which frequently were in excess of the actual value of the property.

To use a common expression of the trade, many of them capitalized the future, capitalized their so-called intangible wealth, and transformed it into real money by placing these huge issues upon the market and selling them sometimes at par and more frequently at much less than par—sometimes at par with a bonus of common stock. Fundamentally the practice is indefensible. I might go further and say that it is dishonest.

I do not believe, Mr. President, that the Government should come to the rescue of those speculative concerns which in defiance of good business ideas and of common sense have yielded to the temptation offered by an easy market of placing bond issues upon the country in excess of the actual capital invested. If concerns of that sort get into trouble because of our present stringent financial war conditions, the chances are 100 to 1 that the trouble has resulted from their misconduct and not from any other cause whatever.

Mr. HOLLIS. Mr. President——

Mr. THOMAS. I yield.

Mr. HOLLIS. Would the Senator extend the principle for which he is contending to earnings made by the company and put back in the property and represent it, say, by stock dividends? That raises, I assume, this question. Would the Senator go as far as that?

Mr. THOMAS. If the amount of earnings placed into the capital as stock dividends has become sufficient in amount to offset the difference between the original capital invested and the amount of bond issue, yes; but I do not believe that there are many such cases.

The Senator from North Carolina [Mr. OVERMAN] during the first day's discussion of the bill said that the traction company, the trolley company, operating the street railways in his city represented an actual investment of $100,000, but that the bond issue of the company which had been negotiated was 400 per cent of that amount; that is to say, $400,000. Now, that is a typical case. Unfortunately it is not a unique one. It has its imitations as well as its precedents from one end of this country to the other. I might refer to one or two, perhaps, in my own State, but that one illustration is sufficient.

Now, why should a concern like that be permitted to fall back upon the generosity of the Government and obtain relief from the condition which it now finds itself in because of its improvidence? I want and always have wanted to discourage that sort of wildcat financiering conducted on the part of men who know better or on the part of those who can with some propriety plead ignorance, and I know of nothing that would encourage the continuation of such practices more than the knowledge of the fact that if trouble comes the Government will put its powerful shoulder to their little wheels and lift them out of the ruts.

Concerns of that kind, Mr. President, generally speaking, meet disaster sooner or later even in the most prosperous times, and that means receivership. I can not conceive of any of those enterprises whose existence is a necessity to Government purposes which would not be run as well if not better by the companies if they are in the hands of a receiver. Of course, something depends upon the competency of the official appointed to fill that position, but surely there is nothing urgent in the event of the translation of the company's affairs from the hands of the concern to those of the court.

So I think this amendment is desirable, and I am willing to limit it to those companies whose earnings have been invested in their capital to the equivalent of the difference between the original capital and the bond issue. But I think we should safeguard the Government as to this very important matter, for when the mass of these companies is concerned it is not a small matter; it is liable to run into the millions, as everything else does at the present time.

I think, Mr. President, that I have completed all that I care to say upon the amendment, and I am quite willing to submit it to the judgment of the Senate.

Mr. HOLLIS. I ask unanimous consent to withdraw the change I made in the amendment. I believe I have a right to do that.

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Senator has that right.

Mr. THOMAS. As I understand the Senator's amendment, it would cover the point about which he just interrogated me, and I am willing to accept it.

Mr. SHAFROTH. I should like to have the amendment read.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. On page 9, line 20, in the committee amendment, after the word "whose," insert the words "bonded indebtedness is not in excess of its actually invested capital and assets, and whose."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the committee as amended.

Mr. SAULSBURY. Mr. President, I had printed and laid on the table a suggested amendment, which I called to the attention of the chairman of the committee and asked him to carefully consider.

Mr. THOMAS. Is the Senator speaking about the amendment which I offered?

Mr. SAULSBURY. No, sir; I am speaking of an amendment which I offered to this same amendment of the committee which has been amended on motion of the Senator from Colorado.

Mr. THOMAS. It is another amendment the Senator is speaking about?

Mr. SAULSBURY. Another amendment. I wish to call the attention of the chairman to the proposed amendment, which has been printed, and to state the object of the amendment, which I think will assist the object intended to be accomplished by the bill. I do not suppose that any of us would be likely to vote for a bill of this character except as a war measure, and I conceive its chief object is stabilizing the money market during the time the Government has practically monopolized the money market for its own benefit.

The clause we have under consideration is intended undoubtedly to relieve the condition in which the many public-utility companies of the country have found themselves, in many cases entierly through their own fault, in some cases, of course, without their own fault. We all know there has been almost for the last generation a tremendous capitalization of public-utility companies. That has caused the heaping of mortgages on top of other mortgages, which have not been in all cases very well secured.

But there are many mortgages issued by these public-utility companies as underlying liens, and afterwards the company has been sold out to some other company and has been recapitalized, leaving the underlying mortgages perfectly good. In the present condition of the money market it is not possible as the bonds secured by the underlying mortgage fall due to get renewals of the lien or to get extensions from the obligation holders under those mortgages.

The amendment which I suggested for the consideration merely of the chairman of the committee would operate by means of what might be called a temporary stay during the period of the war, where security holders seem to be unreasonable and where the obligor company or its successor is willing to make a fair arrangement with the bondholders. In such case the directors of the finance corporation created by the bill could withhold a certificate from, we will say, the committee of bondholders seeking to foreclose the mortgage, and in that way through the amendment which I have proposed foreclosure proceedings could not be prosecuted during the period of the war on the mortgage which secured the bonds. My idea, Mr. President, is that the question of the reasonableness of the proposed terms of extension during the war of the bonds secured by these underlying mortgages might be safely left to the directors of this business corporation.

Mr. SIMMONS. Let me see if I understand the Senator. Does the Senator mean that no foreclosure proceedings would be entertained by the court unless the plaintiffs in that proceeding had a certificate of this committee that the foreclosure would not be against the public interest?

Mr. SAULSBURY. That is the suggestion of the amendment, and I want to call the attention of the chairman of the committee to this fact——

Mr. SIMMONS. Then the Senator of course means the alternative of that. If they said it would be against the public interest, they would issue no certificate at all.

Mr. SAULSBURY. They would issue no certificate. The certificate would be a prerequisite to the foreclosure of any mortgage exceeding $1,000,000 in amount. Of course, if the chairman of the committee sees fit to adopt this amendment I am perfectly willing we should make that amount anything reasonable. I put in the amount of $1,000,000 because that would practically cover all the serious securities that are falling due the present year.

I wish to call the attention of the chairman to the fact that the effect of this amendment would be very greatly to aid the object of the corporation, which is created, by preventing demands coming into the money market in large amounts where a very little inconvenience would occur to the holders of bonds under the mortgages by the stay from bringing their suits during the war.

It is not a great hardship on me if I hold obligations secured by a mortgage and have held those obligations for years to say to me you may have exactly what you have been getting in the way of interest. The companies, as a rule, are quite willing to make better arrangements, for example, to increase the rate of interest from 5 per cent to 6 per cent in order to obtain the credit during this time of stress in the money market, where the Government is taking up available funds which may be invested.

I shall not press this amendment unless it appeals to the good judgment of the chairman of the committee, but I suggest to him that it would very greatly aid, in my opinion, the end aimed at by the bill.

Mr. SIMMONS. Mr. President, what the Senator proposes is nothing more nor less than a moratorium. He proposes to vest in this committee the power of determining for the court the question whether it shall be permitted to proceed in a foreclosure proceeding instituted by the holder of the bonds of any corporation. It is not only a moratorium but it vests the power of determining whether that drastic course shall be pursued in the committee. I voted for and Congress has passed a moratorium so far as suits against enlisted men, men who are out of the country and engaged in the service of the country and in its defense, are concerned, but I do not think we have yet come to a point when we ought to declare a moratorium of any kind against the collection of obligations.

Of course, I appreciate the purpose which the Senator from Delaware has in view. I appreciate that in this situation it would afford very great relief to a very great many concerns in this country which are in dire need of relief, but I think it is rather a remedy that ought not to be resorted to except in very extreme conditions, and I do not think those conditions have yet been reached in this country. How soon we may have to come to it I do not know. I think we have not come to it yet, and if this bill shall pass I think it will afford such relief in the financial crisis with which we are now apparently threatened that probably we will be able to get along without having even later to resort to any such remedy as the one proposed by the Senator from Delaware. I have talked with several of the members of the committee about it, Mr. President, because I understood the very generous attitude of the Senator from Delaware with reference to myself and his willingness to withdraw his amendment if I would express myself against it. I did not wish to take that responsibility myself and I have talked with a number of the members of the committee about it. I am not speaking now for myself alone but for the committee. We do not feel that we can accept the amendment offered by the Senator from Delaware.

Mr. SAULSBURY. Mr. President, under those circumstances I shall not press the amendment. I am glad the committee have considered this matter, because my impression is that the committee may feel it incumbent upon them later to introduce an amendment of this character to the present act, which I think the Senator incorrectly characterizes as a moratorium. It is merely a stay in a very limited number of cases where the directors of this finance corporation themselves would determine that it would be for the public interest. But I withdraw the amendment.

The PRESIDING OFFICER. The Senator from Delaware withdraws his amendment.

Mr. THOMAS. I gave notice day before yesterday of another amendment to subsection (d). It is the insertion of the word "adequate," on page 10.

Mr. SIMMONS. That has already been adopted.

The PRESIDING OFFICER. That amendment has been agreed to, the Chair is informed.

Mr. THOMAS. It was done during my absence.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

Mr. HALE. I wish to offer an amendment.

Mr. HOLLIS. The parliamentary situation is that we are now considering the committee amendment at the bottom of page 9 and the top of page 10, and amendments to that amendment are now in order to the exclusion of other amendments.

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLIS. The purpose of subdivision (d) found on page 9 is to extend direct help to corporations owning or controlling railroads or other public utilities and to firms, corporations, or associations whose operations are necessary or contributory to the prosecution of the war. The bill as it came to the Finance Committee made these beneficences applicable to persons as well as to firms, corporations, or associations. The Finance Committee evidently thinks that persons conducting just as big a business as anyone else are not entitled to the same relief as corporations.

I wonder if this was called to the attention of the chairman of the Finance Committee, and if it was intended to exclude men who might need relief and who are doing just the same class of business as corporations. I tried to study out some reason for it. The only reason I can think of is that it was intended to exclude farmers. Farmers are conducting a business that is more important to the Nation than anything else, except the production of munitions of war. It does not make any difference if it was the distinguished Senator from North Dakota carrying on thousands of acres perhaps of wheat farming, a most essential industry, whereas some little corporation with $10,000 worth of capital stock and no real assets might come to this corporation and get relief; individuals could not.

I shall move, first, to insert, in line 19, before the word "firm" the word "person." Then later I shall move to insert the word "person" in line 16. I now offer the first amendment, on page 9, line 19, before the word "firm" to insert the word "person."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Hampshire to the amendment of the committee.

Mr. SMOOT. Mr. President, I will say that the committee did consider that question very carefully, and they thought that the word "person" covered such a multitude of people, many with a capital of but a few dollars, that at any time can secure assistance from the regular channels of business and are provided for——

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I yield to the Senator.

Mr. POINDEXTER. Does the Senator think that the word "person" takes in any wider range of business in a material sense than the word "corporation"? Every imaginable business in the world is within the corporate powers of corporations, and there are all kinds of corporations, some of them promoting wildcat propositions and as totally without merit as any individual business ever engaged in.

It seems to me as far as that section is concerned that the discretion vested in the corporation to pass upon these applications for financial assis ance is just as wide under the present bill as it would be if the word "person" were inserted, except that it would be confined to corporations and exclude those that were not incorporated. Yet it would cover business without merit as well as business with merit and business of every imaginable class.

Mr. SMOOT. I will say to the Senator that leaving out the word "person," as I said before, would limit the number who could appeal direct to this corporation for assistance and receive bonds from the corporation upon securities that they may offer. If the word "person" were put into this paragraph, there would scarcely be a person in the United States who could not appeal to the corporation for assistance. We do not want to break the law down. Appeals could be made, and no doubt would be made, where no public interest was at stake. Political reasons, financial reasons, and other reasons would be brought to bear upon the directors, and the time of the board would be consumed in listening to such appeals.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Washington?

Mr. SMOOT. In just a moment I will yield.

It is not the intention of the framers of the bill to allow the corporation to issue as low an amount as $100 worth of bonds in one transaction. It is only in special cases that the advances could be made, and they should be made only in a case where it is to the public interest to advance money, and where the parties wanting an advance can not secure the money from any other source and in amounts that can not be secured from the usual sources. Now I yield to the Senator from Washington.

Mr. POINDEXTER. I have no particular reason to interrupt the Senator or to participate in the debate, except that I was present and heard the Senator's answer to the proposition of the Senator from New Hampshire [Mr. HOLLIS], and it struck me as being very unsound, if the Senator will pardon me; I mean from a logical standpoint. Does the Senator mean to say that the magic name of corporation will exclude applications for political purposes or due to political influences? Does the Senator mean to say that you can avoid that by forming a corporation?

Mr. SMOOT. Mr. President, you will cut out at least 99 per cent of them. I do not say that members of a corporation could not use political influence—I have not made such a statement—but when the door is thrown open to every person in the United States and invite every person to make a direct application for an advance, no matter how small the amount, I think it is going too far.

Mr. POINDEXTER. I agree with the Senator that there ought to be certain guards and certain precautions which would prevent the abuse of the power of this corporation in the use of the credit and finances of the Government, but I fail to see how the Senator can even contend that you are going to avoid abuses by limiting it to a corporation. There is not any abuse in financial business that has ever been perpetrated by an individual in business that has not been perpetrated by a corporation, and if the Senator wants a measure of some kind to distinguish the bad from the good and to confine the operation of this Government finance corporation to sound business propositions, he will have to find some other distinction merely than the difference between a man, a natural person, and an artificial person called a corporation. There is not any possibility of accomplishing the object the Senator says is in view by using that test. You will have to get some other test.

Mr. SMOOT. The Senator from Utah has not tried to differentiate between a person and a corporation as far as the abuses that may come under this bill are concerned other than this, that where there is one corporation that would make an application for assistance there would be hundreds of persons who could and no doubt would do it; and if you use the word "person," as I stated, and if the person wanted $100, under such a provision he could apply to the corporation. We have already provided in paragraph (b) that all such cases can be taken care of, and the Government will be a great deal better secured if the corporation does not advance 1 cent to others than the banks of the country, for the banks are compelled to put up 25 per cent more security than the amount of money which is advanced to them.

This paragraph of section 6 does not make any such requirement. It was supposed that it would take care of exceptional cases; but in the way it is now drawn, I want to say to the Senate, if the word "person" is inserted, I do not know what the result will be.

Exceptional cases, in the first place, were to take care of the public utilities and the railroads of the country. The public utilities of the country almost universally to-day are losing money. Their expenses run from 60 to 100 per cent more than they did three years ago; and yet the rate they are allowed to charge for the service has been in only a very few cases increased. It was thought by the framers of this bill that unless there was relief given to these public-utility corporations, and given in a special way, as provided for in this paragraph, very few of them could exist much longer.

During the year 1918 there is to be refunded by public-utility corporations $233,000,000. The securities that they gave for the existing bond issue, and falling due this year, are not as good as they were when the bonds were first issued, because the earning capacity of these corporations has been greatly decreased. As I before stated, few of them are making expenses.

In the case of persons or of corporations other than public-utility corporations, they have the right, whenever the cost of producing their product increases, to advance the price of the product and they have done so in nearly every instance of which I have heard. As the cost has increased, so has the price to the consumer been increased, but that is not the case with a public-utility corporation. I want to say to the Senator from Washington [Mr. POINDEXTER] and to the Senate that I have no doubt, if this war goes on for a couple of years more, there will be advances made to public-utility corporations in this country upon securities that at the time the securities are offered will not be worth the amount of money advanced on them; and if the Government of the United States were forced to realize on the securities in cases such as I have mentioned they could not get their money back.

Mr. POINDEXTER. Then the Senator from Utah admits that there is no absolute guaranty of safety merely by the name of a corporation?

Mr. SMOOT. By the name of a public-utility corporation?

Mr. POINDEXTER. Yes.

Mr. SMOOT. No, Mr. President, not under this paragraph; but there would be in paragraphs (b) and (c), the paragraphs referring to the banks.

Mr. POINDEXTER. The Senator does not contend that we can avoid the difficulties he mentions by favoring corporations over others?

Mr. SMOOT. No; but you would multiply the difficulties by thousands.

Mr. POINDEXTER. It is not a question of numbers. There has got to be some discrimination in the administration of this law. It is just as easy for a board of directors to tell whether

a business conducted by an individual is a sound business as it is to tell whether one conducted by a corporation is a sound business.

Mr. SMOOT. Mr. President, I ask the Senator from Washington to consider the case just as it will be presented to this corporation. The Senator knows that if there was an application made by any person in the United States for an advance, say, of $100, it would require the expenditure of $100 on the part of the corporation to make an investigation, if they should decide to do so, as to the security offered. The board would not know the individual's financial standing or responsibility, so there would have to be an investigation in order that the board might ascertain whether or not the security which the person offered was adequate, and it would cost perhaps as much to make the investigation as the amount the individual would desire to have advanced. If we go further than the committee has gone, I am quite sure there will be tens of thousands of such cases; and it would be a physical impossibility for this corporation to pass upon a tithe of them.

The Senator from North Dakota [Mr. GRONNA] suggests that the corporation is not compelled to make the loans to these persons; but what would be the result if a hundred thousand such applications were made and no action should be taken? Of course, there would be an outcry against the corporation throughout the United States. I myself think that the corporation would do everything it could to obviate just such a position as they would be placed in under such circumstances.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the senior Senator from North Dakota?

Mr. SMOOT. Yes; I yield.

Mr. McCUMBER. Did I understand the Senator to say that the question of either inserting or leaving out the word "person" was considered by the committee?

Mr. SMOOT. Certainly it was, Mr. President.

Mr. McCUMBER. I will say it was not considered at any time when I was present.

Mr. SMOOT. That may be.

Mr. McCUMBER. I submit to the Senator that I can not see that the insertion of that word would do any particular harm. Let me call the Senator's attention to this: There are two purposes in subdivision (d); one is to extend these advantages directly to the corporation controlling directly or through stock ownership any railroad or other public utility. That is one of the purposes. The second purpose is:

But any firm—

And I call the attention of the Senator from Washington to the fact that it does not refer to corporations only; that it is not limited to corporations, because it includes—

any firm, corporation, or association conducting an established and going business—

Then—

whose operations are necessary or contributory to the prosecution of the war.

I understand that was to cover certain cases. For instance, there might be a munition plant, or something of that character, that might not be incorporated at all In attempting to get parts for our ships, we might have one plant making bolts of a certain size and another little plant making bolts of a different character, and such plants might be scattered all over the country, and some of them might be owned individually. If such an individual needed funds in order to expand his business in order to meet the requirements of the Government under subdivision (b), he would be entitled to apply, provided it tended directly to affect the Government in its war work. I notice in the very beginning of the bill that it provides—

That for the purpose of affording financial assistance, either directly or indirectly—

The provisions use the same words—

to persons, firms, corporations, and associations.

It seems to me that this other provision was intended to be just exactly as broad as the first subdivision; and I, myself, can not see any reason why we can not trust the same corporation, the same officials, to make the distinction of what is proper and what is improper in one subdivision as we would trust them in the other. After all, it is a power that may be subject to abuse, as are all of these extraordinary powers, but I can see no good reason why the word "persons" should not be included. I do not think there is any more danger of abuse in this case than there is danger of abuse under the first section of the bill.

Mr. SMOOT. Mr. President, as I now recall, the Senator from North Dakota [Mr. McCUMBER] was not present at the committee meeting at which this matter was finally decided; but, as I have stated, the question was discussed by the commit ee, and the committee decided that it would be unwise to include the word "persons" in this paragraph. This paragraph is not the same as paragraph (b) because in that paragraph it specifically states what the amount of the security shall be, and not only the amount of security, but that it shall pass through the regular banking channels of the country, and the whole credit of the bank will be behind every one of the securities offered to the corporation for the purpose of securing the credit asked for.

Mr. President, there is no question that it is the intention of the administration or of the framers of this bill to interfere with the regular course of business just as little as it is possible to do, and yet not to allow the business concerns of this country to fall on account of the Government having monopolized the money market; but if the Senate wants to invite and authorize every person in the United States to come directly to this corporation, and for this corporation to issue its bonds for any amount an individual may want—I care not how small the amount may be—then, of course, we should include the word "persons." I desire to say to the Senate, however, that if that is done it will be a very dangerous proposition, and that, instead of the directorate of this corporation being 5 in number, we had better make it about 105, for the applications will come to it by the hundreds of thousands.

I do not know that I have anything more to say upon this subject, Mr. President, except to repeat that I think it would be unwise to include individual persons in this provision.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New Hampshire [Mr. HOLLIS] to the amendment reported by the committee.

Mr. HOLLIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Henderson	Norris	Simmons
Bankhead	Hollis	Nugent	Smoot
Beckham	Jones, N. Mex.	Overman	Sterling
Borah	Jones, Wash.	Owen	Stone
Colt	Kendrick	Page	Sutherland
Curtis	Kirby	Poindexter	Swanson
Fernald	Lodge	Pomerene	Thomas
Gallinger	McCumber	Ransdell	Thompson
Gerry	McKellar	Reed	Tillman
Gronna	McNary	Robinson	Trammell
Hale	Martin	Saulsbury	Warren
Harding	Nelson	Shafroth	Watson
Hardwick	New	Sheppard	Williams

Mr. OVERMAN. I desire to announce that the Senator from Utah [Mr. KING], the Senator from Delaware [Mr. WOLCOTT], and the Senator from South Dakota [Mr. STERLING] are detained on business of the Committee on the Judiciary.

Mr. ROBINSON. The Senator from Arizona [Mr. SMITH] is absent on account of illness.

Mr. KENDRICK. The junior Senator from Mississippi [Mr. VARDAMAN] is absent on official business.

The PRESIDING OFFICER. Fifty-two Senators having answered to their names, a quorum of the Senate is present. The question is on agreeing to the amendment proposed by the Senator from New Hampshire [Mr. HOLLIS] to the amendment reported by the committee.

Mr. HOLLIS. Mr. President, before this amendment is rejected I want the Senate, or at least a quorum of the body, to know what it is. It has been charged that this bill is to be passed for the benefit of a few distressed millionaires. Now, on the confession of the Senator from Utah [Mr. SMOOT], it appears that it is being passed for the benefit of corporations, and not for the benefit of persons. The bill as it came from the Treasury Department to the Finance Committee provided that direct advances could be made to persons, firms, corporations, or associations. The Finance Committee has seen fit to withdraw that privilege from persons even in essential industries, so that no farmer, no matter how large his business may be, no matter how many thousands of acres he cultivates, if he is in distress can come to this war bank for relief; and the Senator from Utah airily says, "Well, he can go to his bank; he is not a corporation, and no one but a corporation can expect this assistance under this bill." I have seen a good deal of legislation passed in recent years where corporations were discriminated against, but this is the first attempt I have seen since I have been in the Senate to discriminate in favor of corporations.

There is no magic in the word "corporation." It has an alluring sound to hungry mortals; it is likely to have officers with large salaries; it may or may not have; but in my part of the country there are a good many private persons who organize public utilities, waterworks, electric-light plants, and so forth,

and they are just as much entitled, yes, more entitled, to advances from this corporation as is some one who organizes a corporation.

Now, why do individuals organize corporations? Usually to avoid individual liability; for the same reason that some men put their property in their wife's name so that they can do business, and, if they fail, they will have something left. A corporation is not entitled to as good credit as an individual. Many things can be done by corporations in the way of irregular finance that an individual can not do without running the risk of getting into jail.

I have not heard any reason why persons should be discriminated against under this bill. The Senator from Utah said because there are so many of them. Well, I hope that the benefits of this bill are not to be narrowed down to the few capitalists who took enough interest in it to come here to Washington and testify before the Finance Committee. I hope that the amendment will be adopted.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Georgia?

Mr. HOLLIS. Yes.

Mr. HARDWICK. I want to ask the Senator if there is any reason whatever why, if aid is to be extended under this bill at all, it should not be extended just as well to a person conducting an established business whose operations are contributory to the prosecution of the war as to a corporation under similar circumstances?

Mr. HOLLIS. I can not see any reason. I think the reason is even stronger in the case of individuals, because corporations, if they have such fine credit, can go to the banks and get credit when persons can not. There is no reason for the discrimination, and none can be pointed out.

Mr. HARDWICK. Mr. President, I agree with the Senator from New Hampshire [Mr. HOLLIS] that, if a person is conducting a business that is contributing to the success of the war, that person ought to have just the same measure of aid from the Government or from the Government finance corporation as a corporation ought to have, subject to exactly the same limitations as to the amount, kind, character, volume, and soundness of security; and, to my mind at least, in spite of the very plausible argument of my friend from Utah [Mr. SMOOT], there is no reason whatever for the distinction between them. I think the bill as originally drawn by the Secretary of the Treasury is right in that regard.

But, Mr. President, I am opposed to this bill in its entirety. I am opposed to the principle on which it rests. I am opposed to the things that it seeks to accomplish; that is, to their accomplishment in the way and manner suggested and proposed by this bill; and, if the Senate were in a frame of mind to weigh an argument on this question, I would have some hope of my ability to convince it that this measure is totally unnecessary, for the present at least; but it seems to me, Mr. President, that we are rapidly getting into, if we have not already arrived at, that feverish state of mind where when somebody can point out an evil only one remedy will be considered for that situation and that the remedy suggested by administrative officers, whatever view the legislative branch may have as to the proper remedy to be applied.

What is this bill? Where does it come from? What does it propose? Whatever the evils that it seeks to remedy and whatever methods it employs in the effort to meet and cure those evils, this bill has a double-barreled purpose—first, to provide for a change indirectly in our banking laws, and, second, to provide for the licensing of everything that might be termed "big business" by the National Government, the second proposition being wholly unheard of under the American system of government, wholly dangerous to the liberties of the American people, and wholly unnecessary for the adequate and vigorous prosecution of this war.

The report submitted by the Finance Committee is practically nothing except the printing of Mr. McAdoo's statement in support of this bill. The committee does not venture to give us any independent reasons that it may have of its own or any independent views, if, perchance, it entertains any, about the subject, but merely concludes, with some discretion, I reckon, considering what this bill really is, that it will justify it in the words of its able proponent, and therefore gives us Mr. McAdoo's argument in support of the bill.

Mr. McAdoo says this is the reason for the bill:

In Europe—

And you must remember in these days that it is fashionable to model everything we do on Europe and European institutions, instead of being true to American principles. Mr. McAdoo says:

In Europe central banks are permitted to grant to banks and bankers loans upon stocks and bonds upon certain well-defined terms. The Federal reserve act does not provide for these, and the war finance corporation is designed as a war emergency to fill this gap.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. HARDWICK. I will; yes, sir.

Mr. NELSON. This bill conveys one lesson to us. When the Monetary Commission made their report—I do this with the permission of the Senator from Georgia——

Mr. HARDWICK. I yield, of course.

Mr. NELSON. When the Monetary Commission made their report, they recommended one central bank. That report was ignored when the Democratic Party came into power. It said that it was dangerous to create one central bank; that we must have the banking systems distributed into 12 regional banks; that we must not adhere to the system that they have in Europe, of having one central bank. Now, what is this? This is simply supplying the lack of that legislation and attempting to supply it in rather a clumsy way by creating a central bank for the whole country to do what none of these 12 reserve banks could do; that is all.

I am not saying that I am opposed to the bill; but the very principle on which this bill is based, and the justification of it, is that none of the reserve banks are competent to perform this function; that we need a central banking institution to do that work that was omitted in the currency legislation.

Mr. HARDWICK. Mr. President, the Senator from Minnesota undoubtedly has abundant ground for that statement. When we enacted the Federal reserve banking law I did not delude myself for one moment about what we were doing. After denouncing for years Senator Aldrich and his commission we were practically adopting, with some modifications, the Aldrich idea. The result was the Federal reserve banking system, which has been the subject of extravagant encomiums, of praise that to some extent was justified and to some extent, in my opinion, was extravagant, from one end of this country to another, until the country rang with the praises of this marvelous institution which had been recently created. And yet what do we now find? When the very first test comes for the much-vaunted and much-praised Federal reserve banking system its advocates and proponents, almost without exception, lay down and surrender their arms without firing a shot and admit that it is utterly inadequate to carry us in stormy weather, however valuable it was in sunshine.

Mr. HOLLIS. Mr. President——

Mr. HARDWICK. I yield to the Senator.

Mr. HOLLIS. I wish to say that the real friends of the Federal reserve act, so far as I have heard them express themselves, are opposed to this bill. The Federal reserve act was intended to ride like a ship in time of storm, and now that the storm has come they are throwing over the ballast and putting on more sail.

Mr. HARDWICK. Exactly. The statement of the Senator from New Hampshire does him credit, and I am glad to hear him make it on the floor, for he has been one of the stalwart champions of that system, and it is to his credit that he is unwilling to throw it overboard when the first storm comes. I wish as much could be said for the position of other Senators and other Members of another body who were strong in their advocacy of that banking system, and who once contended that it was amply sufficient for times of storm as well as for periods of sunshine.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. HARDWICK. Yes; I yield to the Senator.

Mr. SMOOT. Just for the RECORD I wish to say to the Senator that the Secretary of the Treasury and two members of the Federal Reserve Board appeared before the committee in behalf of this legislation. I will say to the Senator that I am not enamored with it, but I wish to say, further, that in private conversation with members of the Federal Reserve Board I have been told that the members of that board are in favor of this legislation. It does seem to me that the members of that board, particularly the governor and the Secretary of the Treasury, are certainly friendly to the Federal reserve banking system, and the statement made by the Senator from New Hampshire must apply to some friends of the system outside of the members of the board and the Secretary of the Treasury, if they are unfriendly to this legislation.

Mr. HOLLIS. I am talking about Members of Congress in both branches.

Mr. HARDWICK. Now, Mr. President, if I may proceed for just a moment, it is demonstration complete. The words of the

Secretary of the Treasury afford it. What does he say is the reason for the passage of this bill?

In Europe central banks are permitted to grant to banks and bankers loans upon stocks and bonds upon certain well-defined terms. The Federal reserve act does not provide for these, and the war finance corporation is designed as a war emergency to fill this gap.

That is what he says; that is what he means; and that is what it is. Fill this gap? Why not fill it by amending your banking law? If these stocks and bonds and securities must be admitted as collateral upon which the Federal reserve banks can make loans, why could you not do it by amending your banking laws? And if your banking system is worth a cent, if it is worth the paper it is written on, to say nothing of the extravagant campaign encomiums that have been heaped upon its devoted head, it looks to me like you would do that instead of throwing it away the first time even the appearance of a squall darkens a corner of the sky.

No; but it is not fashionable to do that in these days. Instead of making a simple amendment to the banking laws changing the kind of securities that these banks may accept for loans we have got to have a great Government corporation, with thousands and thousands of employees and millions and millions of expense and billions and billions of bond issues, until old John Law, if he were alive to-day, would roll his eyes in envy at the very sight of it, to take the place of a simple proposition to amend the banking laws.

We have got to have a Shipping Corporation, the Government running the railroads, the Government running business credits in this country; we have got to have centralization at the expense of State governments, centralization at the expense of individualism in this Republic, until we have heaped upon our people a system of laws that when the sum total is carefully weighed is just about as obnoxious as the system under which the Russians lived before they got rid of the Czar.

Mr. REED. Otherwise it is all right, I suppose? [Laughter.]

Mr. HARDWICK. No; otherwise it is all wrong.

Now, let us see. The Secretary gave a few more reasons; and the further you go into the reasons, if you feel like you have got any right to an opinion of your own, the stronger your opinion gets that there is very little reason back of it all, except the desire of certain people to grasp a great deal more power in every line and in every direction, whether it is really necessary to have it in order to prosecute this war or not.

The Secretary told us what the primary purpose of this legislation was. I want to give it to you again, from "Secretary McAdoo on purpose":

The bill has been drawn with the double purpose of restricting unnecessary capital expenditures and of providing facilities for aiding those industries whose operations are necessary or contributory to the prosecution of the war. Broadly speaking, all these are "war industries." The bill is purely a war measure; designed to conserve the supply of labor and materials for the purposes of the war, and to help supply the war's financial requirements, and to give them a first claim on capital seeking investment in like manner as the war's material requirements have been given a first claim on productions. By the term "war industries" is meant not only those industries turning out the actual munitions of war but also all those supplying any of the other elements of production or distribution in an industrial structure designed to meet the diversified requirements of the war. The bill is not intended to interfere with the continued existence and operation of existing industries, even though not remotely contributory to the prosecution of the war.

Yet I will show you in another place where he says the very reverse of that is true:

Such industries should not, however, be permitted to assert a first claim on fresh capital or be considered until the requirements of the Government and of the "war industries" have been fully met.

The proposed bill creates the War Finance Corporation to regulate the sale of new issues of securities and to make loans of its funds or its credit in aid of "war industries." It prohibits any person, firm, corporation, or association from selling or offering for sale any securities issued after the date of the approval of the act unless a license for such sale or offering (if required by the corporation) shall have been obtained from the corporation. Through its regulation of security issues the corporation will be able to keep the field somewhat clear for the borrowing operations of the Government, and at the same time will stand ready and able to aid "war industries" whose financial requirements may be rendered difficult if not impossible to meet in competition with Government loans. This regulation of security issues will also tend to prevent the further diversion of labor and materials into nonessential industries.

Mr. President, it is plain from the remarks of the Secretary that this bill is based on almost, if not quite, the identical principle on which the railroad bill was bottomed, namely, to use the expression that was used on this floor yesterday by the Senator from Utah [Mr. SMOOT], I think, on the proposition that the Government, through its necessity to float these liberty loans, had practically commandeered the money market; therefore that the Government, having commandeered the money market for war loans, must afford some substitute for the forms of business which otherwise would be injuriously affected. I think I have stated that proposition fairly.

Well, now, let us see if that is true. Does the necessity to float these immense war loans permanently disarrange the money market? It does temporarily, I admit; and some change in the banking laws may be necessary, and doubtless is necessary. Some liberalizing of those laws with respect to the kind of security that is to be accepted during the war by the Federal reserve banks may be, and probably is, necessary; but further than that there is no necessity. This money that we spend on these great war contracts is not burned up. It is not consumed in fire. It is not subtracted from the sum total of the national wealth. Not even any considerable proportion of it now goes abroad. I think we have gotten through with paying off "our allies"—I hope so, at least for a time. Most of it is spent in this country. It circulates from hand to hand; it is paid out on Government contracts, and the contractors spend it for meat and bread and heat and light, when they are allowed to buy heat, and light if it is not interfered with, and everything else that mortal man needs. It is simply swapping dollars and changing hands. It is in the country all the while; and business, subject to the prior necessities of these people and of these Government securities, will readily and promptly readjust itself to that condition.

Some statement has been made somewhere by somebody on this floor, I think, to the effect that this bill is modeled on something that has been done in England. I am not sure but that one of the Senators on the Finance Committee made that statement. If so, I want to take issue with him. Not yet has such a tremendous power over English business been authorized by any law that anybody has dared to suggest to the English Parliament; not yet. They have some sort of an arrangement regulating the kind and character of loans that shall be made, that is voluntary among the business men in England, which may have the indorsement of boards of trade, of great banks, and of other financial institutions; but not yet in an English-speaking land, among a people who are not thoroughly Prussianized, has any such drastic suggestion for the life-and-death control of Government over business and finance been presented to an English Parliament. We are pioneers along that delightful line.

Section 7 of this bill, Mr. President, is, to my mind, the most monstrous proposition in this bill or in any similar bill that ever was suggested for the consideration of a legislative body that was representing a free people. I want to call your attention to just what it does, just what can be done under section 7, and to the potentialities for evil, for ruin, for despotism, that lurk and lie in it:

That for the purpose of assisting in the prosecution of the war—

And, by the way, no matter what it is desired to do, everything is to assist in the prosecution of the war. Whether it is really for that purpose or not, whether it is really or even moderately connected with that purpose or not, it is fashionable now to hang everything on a provision like that, and to start off with a prelude like that—

and providing for the public security and defense through the restriction of unnecessary capital expenditures—

That is a pretty drastic proposition for a free people—that if a man has capital he will not be allowed to expend it if he wants to, or to invest it in whatever way he pleases, or to throw it away if he wants to. That is a new and novel position to take among a free people, even in time of war—

there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury—

By the way, I think it would have been much wiser to have this committee nominated by the President and confirmed by the Senate than the other one that the bill provides for, because this is the committee that is to hold the *sword of* Damocles over American business, that is to exercise the power of life and death over American enterprise; and it strikes me that they had better be appointed by the President and selected by and with the advice and consent of the Senate if you are going to have such an institution at all in this free land of ours.

But I will read the bill as it is—

there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may, under rules and regulations to be prescribed by such committee, with the approval of the Secretary of the Treasury—

Why is that necessary if he is a member of the committee? Is he to have a veto power over it all?—

investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided.

Senators, what is that proposition? That an institution in my State or in your State, local to Georgia or local to New York, not engaged, as far as the requirements of the law are concerned, in interstate commerce at all, subject, if the dual form of govern-

ment still survives in America, to local regulation and to local regulation alone, shall not even offer a share of stock for sale unless some Secretary of the Treasury and his board up here in Washington agree and assent thereto.

Such committee shall, however, grant licenses—

It seems that you are going to put this country on the license basis for and during the term of the war, with the hope that we will be able to get it off as soon as the war is ended.

Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation. No person, firm, corporation, or association—

You will remember this dispute about "person" and "corporation." When it comes to prohibiting anybody from selling anything they propose to make it "person, firm, corporation, or association," so that the prohibition on American business is as broad as language can make it, even if the privileges to American business are to be narrower and more restricted.

No person, firm, corporation, or association shall sell, or offer for sale or for subscription, any issue, or any part of any issue, of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, except in accordance with such rules and regulations as such committee, with the approval of the Secretary of the Treasury, shall prescribe, nor, when required by such rules and regulations, except as permitted by licenses granted by such committee.

I am not going to read all of that section, but I want to call your attention to one more provision in this remarkable bill before I proceed to a somewhat general analysis of it in addition to the remarks I have already submitted.

Section 8 provides:

That whoever shall willfully violate any of the provisions of this act—

Well, that would be going very far, when you consider that this is an act for the regulation of civil business, but it it does not stop there:

That whoever shall willfully violate any of the provisions of this act or of any license, or of any rule or regulation issued and duly published hereunder, or whoever shall willfully violate, neglect, or refuse to comply with any such license or of any rule or regulation issued and duly published hereunder, shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000, or, if a natural person—

And you see here again the natural person is at least not discriminated against—

imprisoned for not more than one year, or both.

So that you propose, after clothing the Secretary of the Treasury with this remarkable and unprecedented power, absolutely without precedent or parallel in the annals of a free people, to provide not only that whoever violates any provision of the law itself shall be guilty of a felony and put in the penitentiary, but whoever violates any rule or regulation issued under the act; and not only that, you do not confine it to violations, but you say that whoever fails affirmatively to carry out any license or rule or regulation—and he may not know how to carry it out, or his judgment about carrying out the principle involved may differ from that of the committee or the Secretary—shall be punished as a common criminal.

Mr. President, if that is not the very limit to which what I might call legislative tyranny can go, I am totally in error. Not only do we provide that people who violate the law—a civil law, a business regulation—shall go to the penitentiary, but we provide that people who violate, either positively or negatively, any of the rules or regulations of this corporation shall go to the penitentiary.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. KIRBY in the chair). Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. HARDWICK. I yield to the Senator.

Mr. OWEN. I think it worth while to call the Senator's attention to the fact that such a committee as the Capital Issues Committee was a voluntary organization in England, and it functioned perfectly without any drastic imprisonment accompanying it.

Mr. HARDWICK. I thank the Senator for that. I have just made that statement; and in all other countries, as far as I am advised, or so far as my limited investigations of this subject have permitted me to go, the same thing is true. This is the first country—America, free America!—where any such provision as this, or where any such law as this, has been solemnly and deliberately offered to a lawmaking body.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. HARDWICK. I yield to the Senator from New Hampshire.

Mr. GALLINGER. It is perhaps proper that I should say, being a member of the committee, that some of us were very much opposed to this provision, believing that if we went into this matter at all it ought to be left to a voluntary organization, as it is in other countries.

Mr. HARDWICK. I thank the Senator for that contribution, for that defense of the liberties of the country; and I think the Senate ought to rise up and rebel against any such business as this. What are we here for? Simply to carry out orders? There is not one of us who has studied this question who does not know that by amending the banking laws and by appealing to the patriotism of our business men and of our banks, after we give the banks the tools to work with, we can accomplish every purpose sought to be accomplished by this bill that ought to be accomplished.

If so, why enact this legislation? If so, why lie down in the face of our lifelong principles to the contrary, when we know that there is no necessity for it, when we know that this Federal banking system with some very slight amendments, supplemented by the voluntary and patriotic spirit of the banking and business institutions of this country, will be just as sufficient in this country as they have been in England or anywhere else?

Why do it? Why, my colleagues on this side, let me invite your attention to the fact that for years we have reproached our opponents who sit on the other side of the Chamber with the charge that under their administration of the Government the links were too close between big business and the Government.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. HARDWICK. I yield to my friend from Michigan.

Mr. TOWNSEND. I have not heard all that the Senator has said; but I was wondering if he was aware of the fact also that there is already in existence in the United States a voluntary board, composed of members of the Federal Reserve Board and others, who are attempting to regulate this matter, and who, according to the testimony, have never had one of their recommendations violated?

Mr. HARDWICK. I thank the Senator for that contribution. The Secretary of the Treasury states it very well in his statement to the Senate committee, which is incorporated in the report. The Government would lose nothing. There would not be the slightest trouble whatever about getting the recommendation carried out under which the Secretary would adopt what he says: "We ought not to depend upon voluntary action in matters of this sort."

Ah, my colleagues, as I said a moment ago, we have charged the other side repeatedly, in campaign after campaign, with establishing and maintaining too close a connection of Government with big business, and we have demanded, all of us from our peerless leader on down, in campaign after campaign, in thunder tones, that Government and big business be divorced. Yet we are called on here to-day to help remarry them after we claimed that they were finally divorced. I say they ought to be divorced, and not temporarily divorced but permanently divorced. Yet if this law is enacted you have every business man in this country who has what even may be termed a middling business at the mercy of these officials established by this law. If he wants to borrow money, no matter how meritorious his enterprise, he can not get it unless they so wish. If he wants to issue stock and bonds and sell them to the investing public, he can not even offer them unless they consent.

Now, I ask you in all candor, in all fairness, is that right, or ought any administration or any party or any Government be subjected to a temptation of that character or left in a situation of that kind? I say not. I have protested against it in the past when I felt like too much of it was being quietly and clandestinely done when a party other than my own was in power. I thought it was wrong then and I think it is wrong now. We had better keep big business divorced from the Government. Of course, it is better, I reckon, that the Government should run big business interests than that big business interests should run the Government, but neither one of them presents a situation which appeals to me or that is best for the country.

Politics? Yes; as long as human nature remains unaltered, I do not care what party is in power or who is President of the country or who is Secretary of the Treasury, and I make no exception from the general character of this statement, there is danger, grave danger, that power of this sort will be abused, and that it may lead to awful trouble in this country. It is a power that ought not to exist in a free country and among a free people anywhere. There is nowhere where it can be safely lodged. It ought to be lodged, therefore, nowhere.

Now, in the first place, I say that the situation in my judgment, and I have tried to consider this question with all the intelligence I am capable of, is not such as to justify the method in which this bill is being rushed to what its friends hope is an early and easy passage.

Although the Government is demanding and will demand vast amounts of money for its loans in order to prosecute the war, that money is not therefore destroyed, carried out of circulation, burned up, but it is circulating around in the country and coming into other hands, and will be available in a circular and continuous process from whatever hands it is in, and will be ready to help all these enterprises month in and month out, year in and year out. But we need, according to the word of the Secretary of the Treasury, some changes in this banking law, some liberalizing of the kind and character of securities these banks will accept for loans, and that is what we ought to do. Give them just that, instead of creating one more gigantic corporation to put a whole lot of unnecessary power into somebody's hands. My judgment is that when the bill came to the Senate, if the Senate had such a committee, it ought to have been referred to the Committee on Election of President and Vice President instead of the Finance Committee.

Mr. GALLINGER. Mr. President, will the Senator permit me?

Mr. HARDWICK. I yield.

Mr. GALLINGER. I was much interested in the legislation that created the Federal Reserve System, and I recall the roseate pictures that were presented to us as to the great results that would follow the establishment of that system. I knew, of course, it was based largely upon the Aldrich-Vreeland recommendations when the Republicans were in power, and I have noticed that the Senator from Oklahoma [Mr. OWEN], who took great interest in that legislation, has offered a good many amendments to that statute which have been agreed to by the Senate, and I believe the Senator has some amendments pending.

Mr. GRONNA. There are about a dozen amendments pending.

Mr. GALLINGER. There are about a dozen amendments pending, I am told. I am going to venture in the time of the Senator from Georgia to ask the Senator from Oklahoma whether or not he thinks that that statute could be so amended as to accomplish substantially the same results that are aimed at in the bill now under consideration, if the Senator from Georgia will permit the interruption.

Mr. HARDWICK. I yield for that purpose.

Mr. OWEN. Mr. President, in reply to the Senator from New Hampshire, by the courtesy of the Senator from Georgia, I will say that the Federal reserve act in its essential principles was based upon the German statute which permits quick currency against commercial bills under a penalty. The German statute itself grew out of the English instance of 1866, where the Bank of England was authorized by ministerial permit to make legal-tender money with the printing press in order to stop a panic, which it did stop in 24 hours.

Now, the Federal reserve act has had the effect, as it had the intention, of gathering together all the reserves held by the various member banks into a common fund of gold or its equivalent, which should be a constantly available safeguard, first, to the depositors of the member banks, and second, should be available for the purpose of quickly expanding the currency in the case of our industrial life requiring it. In any ordinary time that system would fully meet the exigencies of the case now. It will meet the exigencies of the case now as to all current commercial requirements. The difficulty we are faced with is that there are falling due many very large bond issues, and to refinance those bond issues when the Government is calling for all the available credit has proven difficult, if not in some cases impossible. The purpose and effect of this bill is to put the Government of the United States behind those institutions to which, because of the Government demand in seeking all available credit in the market, there is not left available for the maturing issues of bonds a proper market. I think the bill is justified on that ground.

There are some features in the bill which I have adverted to which I think could be improved, and ought to be improved, and I agree with the Senator from Georgia that the drastic imprisonment provision for disregarding a rule or regulation or a license is highly inexpedient. It is contrary to a proper administration of the government of a free people. I do not think it ought to be in the bill.

Mr. HARDWICK. Now, Mr. President, I want to conclude in a very few moments what I have to say about this bill, because I am afraid if I should go much further I might fully express my real opinion of it and tell the Senate how very much opposed to it I am.

Mr. GALLINGER. Will the Senator further permit me?

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Georgia yield further to the Senator from New Hampshire?

Mr. HARDWICK. I yield.

Mr. GALLINGER. The question I propounded to the Senator from Oklahoma was not answered in the direct way that I think it ought to have been answered. It may be said after this bill becomes a law, if it does, that there was a better method and we could have reached the same result through an amendment of the Federal reserve act. That is the question I asked the Senator, because I know he is an expert and has given great study to that system, whether or not in his judgment we could meet the emergencies that now exist by an amendment of the Federal reserve act. I advance no opinion of my own, but I ask him whether we could meet the emergencies that now exist by an amendment to the Federal reserve act?

Mr. OWEN. I should go so far as to say that from the information which I have, I believe we might possibly do it, but I think it is inexpedient to subject the business of the country to the serious hazard in case available funds were not found to renew the bond issues which we know are maturing.

Mr. HARDWICK. Mr. President, in answer to the Senator's opinion I can quote the Secretary of the Treasury to the contrary. I called the attention of the Senate to it a few moments ago. The Secretary, in answer to the precise question, put in another way, as that propounded by the Senator from New Hampshire, said this:

> In Europe central banks are permitted to grant to banks and bankers loans upon stocks and bonds upon certain well-defined terms. The Federal reserve act does not provide for these, and the War Finance Corporation is designed as a war emergency to fill this gap.

That answers it. All you have got to do is to change the Federal reserve act so as to provide for the very thing that the Secretary of the Treasury recommends and, according to his own words, you have the purpose accomplished.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Carolina?

Mr. HARDWICK. I yield.

Mr. SIMMONS. I desire to call the attention of the Senator from Georgia to the fact that the Federal reserve banks have no power to loan to member banks or issue notes upon anything except commercial paper and bonds of the United States.

The governor of that bank appeared before the committee, and after giving his approval to this measure discussed the limitation imposed upon Federal reserve banks. He said the purpose of it was to secure quick credits, to keep the funds of the bank liquid. He announced that the fundamental principle of the Federal reserve bank was that its funds should be liquid, and in order to carry out that fundamental principle their note-issuing powers, their lending powers, were limited to commercial paper running not more than 90 days and United States bonds.

Now, if you give them permission to loan or to issue notes upon long-time security, such security and only such security as these corporations whose maturities have been referred to here are able to give; in other words, if you remove the limitation which now exists and which was put there for the specific purpose of making the funds of this concern liquid at all times and extend their powers of loaning and of issuing notes to long-term paper, you will destroy—and that was the point made by the governor of the bank when he appeared before the committee—you will destroy the very foundation principles of the reserve bank system. Now, I ask the Senator from Oklahoma if that is not true?

Mr. OWEN. Mr. President, it, of course, is the principle of the reserve banking system that the reserves should be kept liquid. There was a very important concession made in the reserve act that loans might be made by the reserve bank with Government bonds as a security, because it was assumed that the Government bonds were always easily marketable.

Mr. SIMMONS. And liquid.

Mr. OWEN. And would serve the function of a liquid paper, although it was an investment. It differs in that respect from other forms of investment in having a larger and more readily available market.

Of course, this particular bill has provided that the bonds of this corporation should be given a like function, and that I confess I regret, because the only extent to which the Government really underwrites these bonds is to the extent of the loan of $500,000,000 of ready capital out of the Treasury in the first instance.

Mr. SIMMONS. That makes it for the purposes of the bank payable in Government bonds.

Mr. OWEN. These bonds might not prove to be as liquid as the Government bonds, although I should hope so, and would really expect so.

Mr. SIMMONS. But the point I wish to impress upon the Senator from Oklahoma is this: I assume that in limiting the powers of these banks as loaning institutions and note institutions to commercial paper and Government bonds, the thought was not that it was necessary that their assets should be liquid.

Mr. OWEN. That is, of course, true.

Mr. SIMMONS. Now, if you permit them to loan upon all the long-term securities of the country without discrimination and to issue notes upon the long-term securities of the country just as you do upon commercial paper and Government bonds, will you not destroy that fundamental principle of the Federal reserve bank?

Mr. OWEN. The Federal reserve act expressly provides against loans upon investment securities for that reason, because investment securities are not always readily marketable.

Mr. HARDWICK. Mr. President, if I may now be permitted to conclude, I just want to suggest to the Senator from Oklahoma that there are more ways to kill a dog besides choking him to death on butter, and what is the difference with these banks if they take these same securities and pass them through a Government-owned corporation and make them the basis of Federal reserve loans.

Mr. SIMMONS. You do not make the notes the security basis.

Mr. HARDWICK. Oh, yes; you do.

Mr. SIMMONS. No; the Senator is entirely mistaken. Not a single solitary security of any corporation, firm, association, or individual can be taken under this bill to the Federal reserve bank and money borrowed upon it or a note issued upon it.

Mr. HARDWICK. If the Senator will pardon me——

Mr. SIMMONS. I do not mean that not a single one of them can be taken to the banks and discounted or notes issued against them. If they reach the bank at all under the present banking law or under this bill they have got to be presented by a member bank. There is a provision allowing certain corporations to go directly to the Finance Corporation and secure advances, but the bonds which are issued to raise the money to make those advances have got to come to the Federal reserve bank through the intervention of a member bank.

Mr. HARDWICK. I did not dispute that.

Mr. SIMMONS. Therefore, if the Senator will pardon me, it is true that we have in no way interfered with or disturbed the present Federal banking system except to make a certain class of bonds, to wit, those of the Finance Corporation, available or eligible for advances.

Mr. HARDWICK. Undoubtedly, but the exception is the kernel of the whole matter. Undoubtedly you have not disturbed the Federal bank reserve system except in providing that the bonds of these industrial corporations that go through your Government corporation and then through the Federal reserve in most instances into a member bank shall be received at the Federal reserve bank as a basis for loans and as a basis for this currency.

Mr. NORRIS. Mr. President——

Mr. HARDWICK. Just one moment, if the Senator will let me finish the sentence, and then I will yield. It is the difference between tweedledum and tweedledee. You do not change the proposition one iota, because you create a Government corporation, and say that the reserve shall go through it, but when they go through it they go through the member bank and finally into the Federal Reserve System and shall be there accepted as a basis of loans by the Federal reserve banks. In other words, you enlarge the volume of securities and you change the character of security upon which the Federal reserve banks may make loans. Now, you have done it indirectly through the intervention of this highly unnecessary corporation. If you are going to do it indirectly through the intervention of this corporation, why could you not do it directly by changing the law? That is the question that I have asked throughout my remarks, and that is the question to which my mind has been directing itself throughout my consideration of this entire bill, and the questions revolving about it and that are represented in it. Now, I yield to my friend from Nebraska.

Mr. NORRIS. The Senator is asking a question that has troubled me ever since I have given any consideration to this bill, and since it has been under debate. He has practically answered the question I wanted to ask. In answer to the question of the Senator from New Hampshire, why we could not have amended the Federal reserve act and avoided this intermediary corporation, the answer is made by the Senator from Oklahoma, that the Federal reserve bank wants to be liquid, and consequently can not handle these bonds. As I understand the pending bill, it would not have much if any virtue left in it if there was not an indirect way by which the bonds of this corporation will eventually get into the Federal reserve bank and currency be issued on them.

Mr. HARDWICK. Undoubtedly; which is an indirect way instead of doing it directly.

Mr. NORRIS. Instead of doing directly the thing which they say is going to be done without injury to the Federal reserve banks.

Mr. HARDWICK. They say you can not do it directly, because you impair the liquidity of the Federal Reserve System, but you can do it indirectly through this governmental system and not impair the liquid character of the Federal reserve securities. I say it is utterly absurd, with all respect to the gentlemen who make the contention.

Mr. NORRIS. What is the advantage of the $4,000,000,000 of bonds that this corporation is authorized to issue unless eventually those $4,000,000,000 of bonds, or whatever amount may be issued, will reach the Federal reserve banks and Federal reserve notes be issued for them?

Mr. HARDWICK. That is the purpose of it. There can be no question about it.

Now, Mr. President, I want to conclude. I have said really more than I intended to say about the bill, and, as I said just now, I am afraid if I keep on I will express, before I get through, my real sentiments about it. I am utterly opposed to it. It is wholly unnecessary. No man can bludgeon me into supporting a proposition like that on the ground and for the reason that it is necessary to do it in order to win the war. My mind revolts as a matter of common sense against any such contention as that. If we are going to comply with somebody else's views about what is the best way to do this, it may be necessary to create another governmental corporation, with more employees, with more power; and it may be necessary for the Government to dip its fingers still further in the conduct and control of business from another and different angle; it may be necessary for people who want to build up on every line and from every angle autocratic administrative powers; but from my standpoint, opposed as I am to that movement and believing as I do that the time has come and has been here for some time when it ought to be checked, to some extent at least, it is utterly impossible for me to accept any such contention as that or to support any such measure. I do not think that even John Law, the canny Scotchman who once dazzled and bamboozled France, ever dreamed of a scheme quite so Utopian and quite so full of financial possibilities as this measure is, and my own idea is that it could have been born in no other brain except the fertile brain of a trained Wall Street promoter.

Mr. SIMMONS. Mr. President, I think the matter pending before the Senate is the amendment offered by the Senator from New Hampshire [Mr. HOLLIS].

The PRESIDING OFFICER. That is the pending question.

Mr. SIMMONS. I have conferred with some members of the Finance Committee, and after a conference with them, and especially with the Senator from Utah [Mr. SMOOT], who had somewhat vigorously opposed the amendment, I am authorized on behalf of the committee to accept the amendment offered by the Senator from New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. HOLLIS] to the amendment of the committee.

Mr. HARDING. Let the amendment be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 9, in the committee amendment, line 19, before the word "firm," the first word in the line, insert the word "person" and a comma, so as to read "to any person, firm, corporation, or association."

Mr. GALLINGER. Mr. President, before the amendment is disposed of I want to say that, as a very humble member of the Committee on Finance, it never occurred to me that the committee was legislating for the capitalists of the country as against the common people of the country, nor do I think that the exclusion of the word "persons" would bear out a charge of that kind.

There is a great deal in this bill which is designed to benefit the people of small means in the United States. I called attention the other day to the fact that there are almost $5,000,000,000 of money deposited in the mutual savings banks of this country, and that there are in those banks about 9,000,000 depositors. I called attention also to the fact that in all the savings institutions of the country, mutual and otherwise, there are over $16,000,000,000 of money; and if the same proportion exists as to depositors there are 36,000,000 individual depositors, all of

whom it was designed should be benefited by the passage of this bill; and they will be benefited to an extent that is very desirable.

Mr. President, that is an important consideration, showing that the committee were mindful of the interests of the people of small means in the United States. These 36,000,000 depositors, if there are that many—and, mathematically considered, there must be nearly that many—have deposited between $400 and $500 each in the savings banks; and they are taken care of.

As a member of the committee I did not notice particularly that the word "persons" was stricken from the bill; but I assume that it was done upon the assumption that, as there are, outside of these 36,000,000 depositors, about 75,000,000 other persons in the country, if it were left open for every citizen to make a raid upon this corporation there would be a great deal of disappointment; that it would be utterly impossible for the corporation to yield to the demands; and I can see no reason for keeping the word out. I do not think it will do much harm one way or the other, and I have great faith that if this bill becomes a law, in whatever form it may ultimately assume, the men who are at the head of this corporation will have sense enough to use wise discrimination, and that they will not expend the money of the Government, which must ultimately come from the pockets of the taxpayers, in aiding unworthy persons who perhaps are wanting to secure money for speculative or other purposes of that kind. So I am rather glad that the chairman of the committee, after consultation with some members of the committee, has concluded that it is wise to accept the amendment offered by my colleague [Mr. HOLLIS].

Mr. SMITH of Michigan. Mr. President, the Federal Reserve System, in my opinion, is performing a tremendously useful function to the country. I will say that gladly, because I did not vote for the law, and yet I believe it has really been of tremendous use to the country, especially in this crisis. I think if I were to denominate the most important law as a matter of national defense which has been passed by Congress in several years, I would have to place the Federal reserve law first.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Does the Senator from Michigan yield to the Senator from New Hampshire?

Mr. SMITH of Michigan. I do.

Mr. GALLINGER. As I recall the matter, the Senator from Michigan was very warmly and earnestly in favor of the so-called Aldrich-Vreeland Act, which really was the basis for the Federal reserve act.

Mr. OWEN. Mr. President——

Mr. SMITH of Michigan. I thank the Senator from New Hampshire, who recalls our efforts to set the national financial house in order.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. SMITH of Michigan. I shall yield in just a moment. If Senators will recall, I had something to do with stripping the emergency currency act of one of its great weaknesses, which was the provision allowing the Secretary of the Treasury to take certain bonds of railroads and to capitalize them into liquid money. I made a fight on this floor against this unwise discrimination; and if that provision disappeared from the bill, I will take my share of responsibility for it. But—and I will yield in just a moment—we have 12 Federal reserve banks, every one of them competently managed. We are now proposing to take away from those 12 banks the judgment and the experience and the sound sense which has given to that system an excellent reputation, and we are forcing obligors under certain contracts throughout the country to go to one source for money. I heard—I think I heard, but I will take it back if I am wrong—I think I heard the Senator from Oklahoma [Mr. OWEN] say many times while we were discussing the Vreeland-Aldrich bill that his criticism of the measure was due to the evident purpose of the act to monopolize credits and control, through a single bank, the money market. Am I wrong? The Senator from Oklahoma did not favor one central bank; and yet this proposed legislation centralizes more power in a gigantic financial corporation than could be found in the centralized national bank that Mr. Aldrich and Mr. Vreeland advocated. Yes, many times more; and yet do we look upon it with equanimity.

Mr. OWEN. Mr. President——

Mr. SMITH of Michigan. I yield to the Senator from Oklahoma.

Mr. OWEN. I rose to correct what I thought was an error in the statement of the Senator from New Hampshire [Mr. GALLINGER] that the Federal reserve act was based on the Vreeland-Aldrich Act. The Vreeland-Aldrich Act had one merit; it did provide for a quick expansion of currency against assets. Its objections were pointed out by me in 1908 on this floor in a three-hours' discussion of the bill.

Mr. SMITH of Michigan. I recall the Senator's attitude.

Mr. OWEN. But the beginning of that element in American history, so far as I know, was in a measure which I myself drew in 1900, and which was presented on the floor of the Senate by James K. Jones—a record of which I put into the CONGRESSIONAL RECORD in 1908. The merit of the Vreeland-Aldrich Act was that it adopted that principle, a principle, however, which comes really from the Imperial German Bank, which, as a matter of statute, permits the issuance of quick money against assets under penalty.

Mr. SMITH of Michigan. Why, Mr. President, the Senator from Oklahoma and no other Senator on this floor could compare the proposed Vreeland-Aldrich Act in its power of monopoly in monetary affairs with the power which is proposed to be conferred by this bill.

Why do we not amend the Federal reserve act? It could be easily amended. The Senator from North Carolina [Mr. SIMMONS] talks about that act dealing with liquid assets. Of course it deals with liquid assets. Congress can, however, enlarge its scope and broaden its field of usefulness to meet present necessities. Why do you propose to force these people to come to the Secretary of the Treasury and to four other men? Is it to give the Secretary of the Treasury supervisory power over the industrial and commercial affairs of our country? And he has unlimited power in this bill. I am not criticizing the present Secretary of the Treasury; I would speak of any other Secretary of the Treasury in similar vein. I am talking of the office. The unblushing truth about the matter is that it is desired to concentrate this tremendous power in that office.

I would prefer to spread the power out among the 12 Federal reserve banks of the country, the regulation for the conduct of whose business is made by this board sitting in Washington. Yes, as the Senator from Utah [Mr. SMOOT] says, the original bill shows that the Secretary of the Treasury wanted this vast power, for in the bill, as it came down from the Treasury Department, it contained vastly more power of control over business men than it does now and provided for giving a regulatory veto upon the enterprise and the initiative of citizens by saying that they can do no business until they have obtained the permission of the Secretary of the Treasury, which is such a restraint upon business as I believe will have a most unfavorable and unfortunate effect upon the country.

Mr. President, I want to go along and do the appropriate thing to maintain the national solidarity, to help in every possible way to maintain the national credit; but, really, I think that this is a tremendous and far-reaching power. I think it could, with great propriety, be left to the men who are now engaged in sifting from among the assets of borrowers the good from the bad, bringing experience and sound judgment to the task; and yet, while I did not rise to address myself at any length to this provision, I favor amending the Federal reserve act for this purpose and delegating the authority to extend these credits to the regularly organized Federal reserve banks.

Mr. SIMMONS. If the Senator will allow me to interrupt him, I will say that that is a mere phase of it; that is not the fundamental question here at all.

Mr. SMITH of Michigan. It is the fundamental question.

Mr. SIMMONS. It is not the fundamental question. The fundamental question is, Where are you going to get the money to loan to these institutions?

Mr. SMITH of Michigan. I am frank to say to the Senator from North Carolina that I do not know.

Mr. SIMMONS. That is the question.

Mr. SMITH of Michigan. I do not know; it must be found by some one to avoid ruin.

Mr. SIMMONS. It has got to be found in this way.

Mr. SMITH of Michigan. It has got to be found somewhere, that is certain.

Mr. SIMMONS. The Government has either got to loan these people money directly out of the Treasury or it must establish a corporation of this character for the purpose of performing a function which it would be inconvenient for the Treasury to perform.

Mr. SMITH of Michigan. I differ with the Senator as to detail.

Mr. SIMMONS. If the Senator will pardon me, of course the Government can get the money into the Treasury by taxation or by selling its bonds, and loan it to these people directly; but I do not believe anybody would think it desirable for the Government to make loans to the private industries in this

country. The purpose of this act is largely to set up an institution which can act for the Government, without requiring it, through the Treasury, to act as a securities broker.

Mr. SMITH of Michigan. Well——

Mr. SIMMONS. Now, if the Senator will pardon me, in order to carry out that theory we start this corporation by appropriating $500,000,000 out of the Treasury and putting it into the hands of this corporation. This act authorizes the corporation to issue and sell its bonds for the purpose of getting money to supplement the $500,000,000 and as additional funds are needed.

We have argued, and it is true, that just at this time the banks are discriminating against the character of security these essential war industries and corporations are able to offer, and in favor of commercial institutions not doing war work but whose securities are of a more liquid character.

Mr. SMITH of Michigan. On short-time paper.

Mr. SIMMONS. On short-time paper. Now, the banks can get credit on this from the reserve banks, on the commercial paper, but not on the long-time paper of these industries.

Mr. SMITH of Michigan. But they can get it.

Mr. SIMMONS. They can get credits and funds to buy liberty bonds and to carry on the ordinary commercial business of the country, and this bill provides a way for them to get credits on long-term paper also.

Mr. SMITH of Michigan. But they can get the money, and they can get it from the Federal reserve bank if the act is amended.

Mr. SIMMONS. No.

Mr. SMITH of Michigan. If we will authorize the Federal reserve banks to loan to member banks upon this kind of security, they can get the money, and the loans will be supervised by men of skill and experience in 12 different geographical subdivisions of the country. No bank would like to borrow for 90 days on a long-time unliquid security.

Mr. SIMMONS. Let us see if they can. Suppose you do that, if the Federal Reserve Board should authorize the Federal reserve banks to issue up to the limit, to issue as much money as they may issue under the present law under the gold-reserve limitation, does the Senator think the amount would be sufficient to meet the demand? Besides a bank would hardly think it safe to give it 90-day obligation secured by long-term unliquid securities.

Mr. SMITH of Michigan. I think that is where you are ultimately going to land.

Mr. SIMMONS. No.

Mr. SMITH of Michigan. I think you are going to land in the present national banking system in spite of yourselves if you get any liquid money with which to do business. I do not know where else you can go.

Mr. SIMMONS. I am not able to say just at this moment exactly what amount of note issues the gold reserve would cover. The Senator from Oklahoma [Mr. OWEN] knows that the Federal reserve bank has no authority to issue notes against any kind of paper unless that paper is covered by 40 per cent of gold. Is not that true?

Mr. OWEN. Yes.

Mr. SIMMONS. Now, my understanding is that there is not enough gold in the Federal reserve banks to allow of the issue of probably more than a billion and a quarter dollars of notes by the Federal reserve banks.

Mr. SMITH of Michigan. If that is so, we are approaching a period of the wildest kind of inflation.

Mr. SIMMONS. The Senator says that these industries can take their paper to the Federal reserve bank and get the money. This paper will amount probably to $4,000,000,000 or $5,000,000,000. They will have to have that amount; and the Senator says they can take these notes, amounting to $5,000,000,000, and go to the Federal reserve bank and get the money. I say they could not do it if the act were so amended as to allow it, not only because of the limitation as to the gold reserve but because of the unliquid character of the securities. But suppose the Senator is right, suppose the gold reserve is sufficient to float four and a half billions of dollars, reserve-bank notes, and that that amount of currency should be issued on these securities, does not the Senator think that would be dangerous inflation of the currency?

Mr. SMITH of Michigan. I do; and I would be very sorry to see it done; but I am not going to run so far away from the question of issuing asset currency against good bills for short time as to bring about any such situation as the Senator describes. I think we are straining the gold reserve tremendously under the plan we are now pursuing, and I think this bill will strain it further. We will be obliged to resort to some form of monetary expansion, but I do not want that done on the ipse dixit of the Secretary of the Treasury and one or two other men. I would rather have the sifting process performed by the regularly established Federal banking system of the country.

Mr. SIMMONS. Let me ask the Senator this question: Is it not true that the banks of the country at this time are in a condition that makes it impossible for them to adequately finance the business of this country?

Mr. SMITH of Michigan. I think the banks have gotten along very well with it thus far.

Mr. SIMMONS. Does not the Senator know——

Mr. SMITH of Michigan. Wait a moment. I think they have gotten along very well with it thus far. I think perhaps, unless the Government finds it necessary to put out a form of security drawing a larger rate of interest than banks now pay for deposits, that they may be able to hold their deposits and meet the ordinary, indeed the extraordinary, demands upon them for money; but why put this added weight upon the bent shoulders of the Secretary of the Treasury. I am willing that they should make the regulations; I am perfectly willing that this board should make any regulations necessary, but I should like to have the sifting process go on through the regular banking channels and not become the object of the personal desire and favoritism of any political officer of the Government. The country must not lose faith in the Treasury Department; why tempt it into these untried fields, the end of which no man can foresee? I think the Secretary is doing his best, the problems are new and vexatious, why should we not distribute this responsibility and thus quicken public confidence?

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. SMITH of Michigan. Certainly; I am through.

Mr. OWEN. I think it quite important, in considering the matter which the Senator has been discussing, to determine what is the volume of the maturing obligations. I do not really know; but I understand it is about seven hundred million or eight hundred million dollars altogether.

Mr. SIMMONS. No; I think it is about $1,000,000,000, though I am not quite sure.

Mr. OWEN. What is the authority for that statement?

Mr. SIMMONS. The testimony before the committee.

Mr. SMITH of Michigan. That does not include railroad bonds.

Mr. SIMMONS. I do not think it includes railroad bonds.

Mr. SMITH of Michigan. It includes only public-utility and public-service bonds. If you add the railroad bonds maturing, you will get several billion dollars.

Mr. SMOOT, Mr. SIMMONS, and Mr. WATSON. Oh, no!

Mr. SMITH of Michigan. Well, I am talking about the full scope of this act, which includes munition plants, copartnerships, and individual obligations the country over, coming within the broad scope of this bill.

Mr. SIMMONS. The railroad bonds will add two or three hundred million dollars more.

Mr. SMOOT. They will add much more than that.

The PRESIDING OFFICER. To whom does the Senator from Michigan yield?

Mr. SMITH of Michigan. I yield to the Senator from Oklahoma, because he rose first.

Mr. OWEN. I was merely making the inquiry with regard to the actual amount which would be required, because the bill provides for eight times as many bonds as the original amount of the capital, which would make a total of $4,500,000,000.

Mr. SMOOT. The testimony shows——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Utah?

Mr. SMITH of Michigan. Certainly.

Mr. SMOOT. The testimony shows that the maturing bonds of all railroads, public-utility corporations, and institutions known to issue bonds regularly for their going business amount to two billion five hundred and odd million dollars.

Mr. SMITH of Michigan. Coming due when?

Mr. SMOOT. Within the next two years.

Mr. OWEN. I think, however, that institutions in the regular business of issuing bonds for their going business ought to be cut out of this.

Mr. SMOOT. It is well enough to say that they ought to be cut out of this, but they would not have been cut out if the Government had not monopolized the money market. They must have credit in order to refinance those bonds, and they can not get the money to do so.

Mr. OWEN. It was not refinancing the Senator referred to.

Mr. SMOOT. Oh, yes.

Mr. OWEN. Oh, no; I beg the Senator's pardon.

Mr. SMOOT. That is what I referred to.

Mr. OWEN. I beg the Senator's pardon. The point I was making was that those institutions that were merely issuing bonds for the expansion of their business ought not to be included in this.

Mr. SMOOT. I had no reference to new issues at all; I had reference to bonds that were already issued and that would mature in the next two years.

Mr. SMITH of Michigan. Now, the Senator is taking public-utility and public-service corporation bonds.

Mr. SMOOT. And railroad bonds.

Mr. SMITH of Michigan. But he has not taken the obligations of any firm, corporation, or association conducting an established and going business whose operations are necessary to the prosecution of the war. It will be necessary to add the amount they require to this tremendous sum; and I want to tell you, Senators, that rather than place that power in the hands of two or three individuals, who may exercise their personal whim and favoritism, I would prefer to have this whole question sifted in 12 Federal reserve banks scattered throughout the country, who have the power and the capacity and the organization to pass upon these questions. Why do we ignore them in an important matter like this, when we have sought to concentrate our entire monetary strength in the Federal Reserve System? I do not know why it is done. Do other Senators? There is the possibility of the most intense favoritism under this bill.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. SMITH of Michigan. Certainly.

Mr. SMOOT. Mr. Warburg, of the Federal Reserve Board, testifying as to the obligations that would fall due for the year 1918, made this statement:

> Mr. WARBURG. The total of maturities for this year amounts to $799,000,000.
> Senator GORE. That is, in the year 1918?
> Mr. WARBURG. Yes, sir; in the year 1918. Of that, $214,000,000 are railroad, $224,000,000 are public utilities, $182,000,000 are industrials, $120,000,000 are State, county, and municipals, and $58,000,000 are companies in Canada, Cuba, and Mexico, a total of about $800,000,000.

Then, on the following page, he states the months in which the amounts will fall due and the amounts which will fall due each month. Then, in another exhibit that was presented to the committee, he made this statement:

> The best available figures showing the totals of financial issues in the United States exclusive of foreign loans, for the four years prior to America's entry into the war, are as follows:
> Corporate financing, $1,864,000,000; State, county, and municipal financing, $696,800,000; or a grand total, on the par value of 1916, of $2,560,800,000.

Mr. OWEN. That is just of financial issues, of course?

Mr. SMOOT. Yes.

Mr. OWEN. But I am astonished to see that the total amount of these maturities during the year 1918 is only $800,000,000, while this bill provides for $4,500,000,000. What is the explanation of that?

Mr. SMITH of Michigan. The bill authorizes the issuance of bonds to the extent of eight times the capital stock of the corporation, or $4,000,000,000; would it not be better to send this whole matter to the reserve banks?

Mr. SMOOT. Why, Mr. President, there has to be, and is going on to-day, a great expansion of the industries of the United States. Congress has already passed a law authorizing the War Department and the Navy Department to advance one-third of the contract price for the manufacture of munitions of war and war material.

Mr. OWEN. That is, in addition to this.

Mr. SMOOT. In addition to this.

Mr. OWEN. How much is that?

Mr. SMOOT. No one can tell, Mr. President.

Mr. OWEN. I thought the Senator knew.

Mr. SMOOT. No; no one can tell, because there has been no report made yet.

Mr. SMITH of Michigan. It runs into many billions; I said a few minutes ago several billions. I think it is somewhere near right. I know it will run into large figures very fast.

Mr. SMOOT. I will say to the Senator that the object that the Secretary of the Treasury has in advocating the passage of this bill is to do away with all of these advances to contractors, and that all of the institutions of the United States that have to be assisted in the way of expansion to provide the necessary requirements of the Government for war materials of any kind shall receive assistance through this corporation.

Mr. SMITH of Michigan. Mr. President, I am not going to continue to occupy the floor because I do not feel that I ought to; but I will repeat, in a way, what I said when I rose—that this power to make advances directly does not appeal to me at all. I think there is great danger in it. There is great chance of favoritism in it. There is too much power over private business in it, in my judgment, to be rested in any single tribunal. I should much prefer to see the entire situation met in another way, and that by amendment of the Federal reserve bank act, which, I think, could be done in one day's time here if the personal ambitions of men could be subtracted from this situation.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from North Dakota?

Mr. SMITH of Michigan. Certainly.

Mr. McCUMBER. The Senator has voiced a very fine eulogy upon the management of the Federal reserve banks. Two of the directors of the Federal reserve banks came before the Committee on Finance, and both of them testified to the necessity of a law of this character. Both of them regarded the subject as too great to be handled by the Federal reserve banks under the present condition.

A great deal has been said about giving the Federal reserve banks the power to issue their money, and so forth, upon these ordinary long-time credits and to loan money upon them. The Senator knows that the experience of the banking business for 200 years has demonstrated the danger of long-time securities. The Government can carry those securities. The bank, if there is a run on it, can not reach its hands into the pockets of the people and get their money. The Government can. The bank must depend upon paper which it can liquidate in a very few days, something that will quickly become due. The Government does not have to do that, because it can, by tax law, say to the people, "You must give us that amount of money," and it will take it from them. You can not make a run upon the Government; you can upon a bank.

The point that I want to make is this: In the present condition of the money market, in view of the fact that the Government has preempted that market for every possible dollar that can be obtained for the purpose of selling its bonds, it was thought absolutely necessary by the Secretary of the Treasury, upon the advice of the very men that the Senator is extolling—the members of the board of directors of the Federal reserve bank—that some such measure as this should be enacted.

Mr. SMITH of Michigan. I will answer the Senator. In the first place, I was not referring to the general board of the Federal reserve bank at all. They make rules and regulations, but their function is generally a supervisory one. I was talking about the units composing the system, men of banking experience and experienced in credits, who are thereby enabled to pass upon the securities and paper offered for discount. I have nothing to say in criticism about the general board; they are honorable, able men; but I would very much prefer to leave these discounts to the Federal reserve banks.

With reference to long-time paper, the Senator knows that under our State banking laws about one-half, I think, of the deposits of State banks are invested in long-time securities; and we are obliged to do it under the law.

Mr. McCUMBER. The national law extended it so that they could take, I think, 25 per cent.

Mr. SMITH of Michigan. The national law has been changed; but in the States we loan upon real-estate mortgages practically, and they run for a long time. The longer they run the better they are, if the security in the first instance is good; so that the liquid character of that form of assets can not be questioned.

Now, I want some relief for these people. I am as anxious for it as anyone else. I want to maintain our monetary structure in all its strength and security, but I do not want to open the door to special favoritism. I do not want to leave in two or three hands the discretionary power to loan $4,500,000,000. I dislike to leave that in the hands of two or three people, and I think the same result could be accomplished in a better way.

Mr. McCUMBER. I agree with the Senator, if he will allow me. None of us would wish to vote for a bill of this kind. We have had to put very many measures through the Senate and the House which we never would have put through except under a most urgent condition, where we have had to centralize power. I certainly would not vote for a bill of this kind if I did not think it was necessary; and, while it does not in all respects conform to my own views, I believe that in the present financial condition, with the necessity for not only raising enormous sums of money by taxation but in addition to that raising billions upon billions by the sale of bonds, we have so monopolized the market that there will need to be something to steady that market and to hold up the credit of the country in such a way that we will be able to sell at par our long-term bonds bearing a low rate of interest.

Now, I would not be governed by my own judgment. I am governed by the judgment of the Secretary of the Treasury, which is supported by that of practically all of the financial

men in the country, and especially those in charge of the great Federal reserve banks. I believe it is necessary.

Mr. SMITH of Michigan. Mr. President, the Senator from North Dakota is one of the soundest men in this Chamber, and has a reason for everything he does, and I respect him very highly. I have gone along with him in meeting this extraordinary crisis in the country's affairs in a liberal and a broad and, I was almost going to say, a reckless way. But when we come up to a situation like this, dealing with the money of the country and its credit, I must say that I approach with a great deal of trepidation a proposition with such possibilities in it as there seem to be in this measure. This corporation may loan eight times its capital—$4,500,000,000. When you go to that board and ask for money, what are they going to give you? They have got to give you something with which to pay your debts. They can not give you the morning Post or the Evening Star. They have got to give you money, and they have got to give you current money that will pass for taxes and for other obligations. Where are they going to get that money; where are they going to get it?

Mr. McCUMBER. Mr. President, may I answer that question?

Mr. SMITH of Michigan. Certainly.

Mr. McCUMBER. They will not, in all instances, have to give money.

Mr. SMITH of Michigan. Then there will have to be a moratorium.

Mr. McCUMBER. The fact is that the only money they have to give is the $500,000,000 which we vote, and such sums as may be paid back again. That is all the money they have to spend. But, now, here is an institution. It has a certain character of paper—paper that it can not possibly take to the bank. It may be too long-term paper. It can not take it to even the Federal reserve bank and get currency on it.

Mr. SMITH of Michigan. Or it may be for too large an amount.

Mr. McCUMBER. Now, just let me explain. What will the Treasury do? "If you need a million dollars and take a million dollars of these bonds, we will take those bonds in trade for your paper."

Mr. SMITH of Michigan. That is, the corporation's bonds.

Mr. McCUMBER. Yes; the corporation's bonds. Then, the corporation's bonds can be taken by the institution to a Federal reserve bank, and the Federal reserve bank can issue currency thereon. In that way, and in that way only, can they get currency on the bonds.

Mr. SMITH of Michigan. How much of this kind of obligation does the Senator think will be presented to the Federal reserve bank?

Mr. McCUMBER. Of course the limit would be $4,000,000,000; but in addition to that limit, as has already been explained by the chairman, there is another limit, that the issue altogether must be supported by 40 per cent in gold. Therefore, for each billion dollars that they can issue there would have to be in the Treasury of these banks $400,000,000 in gold, and if they issue the full extent of $4,000,000,000 they must have 40 per cent of that, or $1,600,000,000, in gold in the treasury of the Federal reserve banks.

Therefore I do not think it possible that there can be an inflation of $4,000,000,000 upon these bonds, because the entire amount of gold in the United States, I think, is only a little over a billion dollars now.

Mr. SMITH of Michigan. Mr. President, the Senator is in fairly good health and he has a new certificate of election. I prophesy that before very much time goes by Congress will change the present necessary gold reserve to a new basis, and you will change it before very long. We can not protect our monetary system from inflation and exercise the full powers provided in this bill. When once the door is open for big borrowers to get relief from the Federal Treasury there will be no limit to their desires, and each step will make it more difficult to stay their hand. I think we are courting trouble and that bad results will follow our action. Other and better methods should be employed to aid these people.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from New Hampshire to the amendment of the committee.

The amendment to the amendment was agreed to:

Mr. GERRY obtained the floor.

Mr. HOLLIS. Mr. President, if the Senator from Rhode Island will pardon me, there is one other amendment that I said I would offer if this was adopted, to the same effect.

At the beginning of the paragraph, where the word "corporation" occurs, I move to insert, before the word "corporation," the words "person, firm," and then, after the word "corporation," the words "or association."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. In line 16, page 9, before the word "corporation," it is proposed to insert the words "person, firm," and, after the word "corporation," to insert the words "or association," so that, if amended, it will read: "to any person, firm, corporation, or association owning or controlling (directly or through stock ownership)."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Hampshire to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon the committee amendment as amended.

Mr. HALE. Mr. President, I have an amendment to offer to the committee amendment.

The PRESIDING OFFICER. The Chair will say to the Senator from Maine that the Senator from Rhode Island [Mr. GERRY] has already been recognized, and yielded merely for the purpose of having this amendment agreed to. The Chair now recognizes the Senator from Rhode Island, and the Senator from Maine will be permitted to offer his amendment just a few moments later.

Mr. GERRY. Mr. President, when the Senator from New Hampshire [Mr. HOLLIS] was discussing this bill the other day he referred to the revenue bill which was passed last October, and objected because he said only one-third of the revenue was raised by taxation, and he did not think that was a sufficient amount.

In the New York Times of to-day there is an article on the first page which shows that the cost of running the war for the past three months has averaged about a billion dollars a month, and that one-third of that amount in January was the amount expended for our allies. I find upon investigation that during the past eight months of the fiscal year about $7,000,000,000 has been expended, and that three billion and something over three hundred million dollars of this amount was loaned to the allies. Therefore, I think it is safe to assume, as the Senator from New Hampshire did, that our total expenditures for the fiscal year ending in June will amount to $12,000,000,000. Out of that amount about one-third is money that will be loaned to our allies for their expenditures, making the amount paid by this Government for its own account about $8,000,000,000. If we raise $4,000,000,000 in taxation, as the Senator from New Hampshire suggests—and I think he is right on that; in fact, I think he is conservative; we will probably raise more than that—these figures clearly show that we shall obtain at least 50 per cent of our expenditures in this country from taxation alone. That is a greater amount derived from taxation than any other country has attempted in this war, and, in fact, a greater proportion than I believe has ever been raised by any country in any war.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. The Chair has stated that he would recognize the junior Senator from Maine to offer an amendment.

Mr. HOLLIS. I understood that this question was addressed to me. I can answer it in two minutes, or give my idea of it. I do not desire to engage in any controversy, but merely to make a reply to the Senator.

The income of a Government is like the income of a person in that it depends upon what he is earning and what he can borrow.

The amount that he can borrow depends upon the amount that he is earning—that is, upon his income. A bank will loan a large amount of money to a man who is in business with but little capital if he can show that his earnings are high.

Now, it makes no difference in financing the war whether we raise money and spend it for the purposes of our own Army and Navy, or whether we raise it and loan it to other countries to spend for their purposes when they expend it in our country. Therefore, if we spend for both purposes $12,000,000,000 in this year and raise $4,000,000,000 in taxes, we are raising one-third of the total expenditure; and that that is not enough is shown by the fact that we can not borrow at a reasonable rate as much as is necessary to carry out our intentions in this war.

Mr. GERRY. Mr. President, if the Senator will yield, he will admit that our allies will pay us back this $4,000,000,000 that they have borrowed from us.

Mr. HOLLIS. I do not admit it. I hope so; but we will get it back so late that it will not do us any good. If they could pay us back at once, they would not be borrowing from us. We are spending that money just as much as if we hired their armies and their navies and paid the bills. It is just as hard for us to get it; and when we need such a vast sum over and

above what we get in our income, we have to pay more for it than we ought to pay.

Mr. GERRY. The Senator will admit, then, that we may have to pay more at the present time, but that that money will be *paid back*, and that what he really is recommending is that we should have a higher percentage raised by taxation than 50 per cent

Mr. HOLLIS. No; because when we loan it to our allies to spend it is exactly the same as if we spent it ourselves. I have a certain amount of money. It does not make any difference whether I spend it or give it to my family to spend; it will be spent, and I have to borrow more to take its place. It may be that at some time my son will be able to support me in my old age and pay it all back; but it is just as hard for me to borrow it now as if he never were going to.

Mr. GERRY. The Senator does not think that when we loan money which is to be repaid us in the future it is the same thing as giving it away?

Mr. HOLLIS. I hope we are not giving it away. We have given away several hundred millions to Russia. I hope we are not; but it will not do us any good as a quick asset when we get it back in 20 or 30 years.

Mr. SMOOT. Mr. President, in that connection I simply want to say that if we had placed a greater tax upon the industries of this country than we have already placed, we would simply have to advance more money through this bill, if it becomes a law, than we otherwise would. So, Mr. President, it only amounts to this—whether we shall make these loans to the institutions of this country, or whether we shall by direct taxes take money from the institutions of this country when it is absolutely impossible for them to run under present conditions with the tax already imposed.

Mr. HOLLIS. Mr. President, this is a fruitful topic for discussion. I will yield now to the Senator from Maine.

Mr. HALE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of the words proposed to be inserted by the committee, on page 10, at the end of line 7, the following words:

And provided further, That the corporation shall file quarterly reports with the Secretary of the Senate and Clerk of the House of Representatives, giving the name and place of business of the firm, corporation, or association to which such advances have been made under the provisions of this subdivision, the amount advanced, the terms, and the security accepted therefor.

Mr. GALLINGER. Mr. President, the Senator ought to put in the word "person," I think, as we have amended the bill.

Mr. HALE. Yes; the word "person" should be inserted.

The PRESIDING OFFICER. Without objection, the amendment will be modified so as to include the word "person."

The SECRETARY. So as to read: "That the person, firm, corporation, or association," and so forth.

Mr. HALE. Mr. President, I do not think it is necessary to make any explanation of this amendment, and unless some Senator desires to discuss it I shall not speak further upon it. The chairman of the committee, I understand, is willing to accept it.

Mr. SIMMONS. Mr. President, on behalf of the committee I will accept that amendment.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Maine to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SIMMONS. Mr. President, before we adjourn I want to put in just a brief statement by the governor of the Federal Reserve Board with reference to this bill. It is very brief, and I will read it.

Speaking of this particular bill, he says:

This particular bill has never been sent to the Federal Reserve Board for its consideration, and the board, therefore, has not taken any stand regarding it, either favorable or otherwise. The board, however, is interested in the objects which the bill seeks to attain, and is impressed with the importance of some measure of relief for the securities market.

Mr. OWEN. Mr. President, who was making that comment?

Mr. SIMMONS. Mr. Harding, the governor of the board.

Mr. OWEN. That this bill was never sent to the Federal Reserve Board?

Mr. SIMMONS. He says that the Federal Reserve Board has never acted upon this bill.

Mr. OWEN. I see.

Mr. SIMMONS. He says:

Some time ago the board adopted a resolution putting itself on record that some governmental intervention was necessary in order to take care of this situation, and it threw out the same idea in its annual report to Congress, which was submitted about two weeks ago.

The CHAIRMAN. Do you mind giving us the benefit of your individual opinion as to the necessity for legislation of this sort?

Mr. HARDING. I think that legislation providing for Government aid is absolutely essential.

Mr. President, I do not think it is a question whether the banks can finance the situation, because I do not understand that anybody familiar with the financial situation of the country believes for a minute, even if the powers of the Federal reserve banks with reference to the discount of paper and issue of notes were broadened as far as can safely be done, that the banks would be in any position to take care of the present financial situation. I think the Senator from Michigan and others who have spoken this evening have entirely misunderstood the general purpose of this legislation. This legislation is based upon the theory that it is necessary for the Government to come to the relief of the money market of the country and to loan the money that is necessary to finance these institutions that can not secure relief through the banks. The question, therefore, is simply one whether the Government shall issue Government bonds, put them on the market and sell them, and thereby further contract the abilities of the banks and the general investment security market to meet the situation, or will the Government extend this necessary aid through the intervention of a corporation of which it is the sole stockholder, authorized to issue bonds, and put them upon the market and sell them for the purpose of getting money.

It is not intended that all these bonds shall be exchanged for securities. Nobody proposes that. There is lodged in this corporation the authority to sell its bonds upon the market—the bonds, it is true, of a corporation, but of a corporation of which the Government is the sole and exclusive stockholder. So the Government is not legally bound for those bonds like its bonds issued through the Treasury Department. It is morally bound, and that moral obligation in this case is as strong and good as the legal obligation. Through the sale of those bonds money can be secured to add to the $500,000,000; but if the corporation is not able to sell its bonds, if an institution comes asking for aid, then the corporation can say, "I can not furnish you the money; the money is not in the Treasury, but I will furnish you my bond."

I merely wished to make that statement.

Mr. OWEN. Mr. President, I wish to ask the Senator a question. He says, very properly, that these bonds are a moral obligation of the Government. I wish to ask him, that being true, and it being true that the Government would be obliged by that moral obligation to have these bonds in case anything should happen with regard to the security of a corporation of an untoward character, would it not be better simply to put in a guaranty of the bond by the Government in the first instance, so as to give them the highest market quality possible?

Mr SIMMONS. Mr. President, I do not think the guaranty of the Government would add anything to the value of these bonds. If the Government is going to guarantee the bonds, it would be just about as well to lend them in the first instance.

Mr. OWEN. The Senator makes a distinction between a bond which is a moral obligation of the Government and a bond which is a legal obligation of the Government. If the Senator makes that distinction, then these bonds ought not to be used by the Federal reserve banks as a basis of issuing currency.

Mr. SIMMONS. I said that while that was a distinction it was practically a distinction without a substantial difference so far as the soundness of the obligation was concerned.

Mr. OWEN. There is a very substantial difference because, where the moral obligation exists it would necessarily lead to an appeal by the bondholders at some future time to the Government to make good any deficiency. But if the legal obligation exists in advance that matter is settled, and it will affect the market value of the securities. It would convert these bonds into what would be practically a quick asset, and there is always a good market for Government bonds at some reasonable figure.

Mr. SIMMONS. I do not share the opinion of the Senator that the Government would attach any more importance to a bond that it was legally liable for than to a bond it was morally liable for.

Mr. OWEN. The Senator misunderstands my position.

Mr. SIMMONS. I am afraid I do.

Mr. OWEN. I am not speaking about the significance which the Government would attach; I am speaking of the significance which the purchaser in the open market would attach to a bond which would be a legal obligation of the Government and a bond which merely had a moral claim on the Government.

Mr. SIMMONS. I do not think there will be any trouble about these bonds of the corporation. There is the moral responsibility of the Government behind it, commanding a price

in the market probably not as great but substantially as great as that of the bonds of the Government itself.

Mr. OWEN. I hope this matter will not take the attitude of being a mere difference of opinion between Senators on the floor, because this is a thing which will affect the Federal Reserve System in a serious way, and it ought not to be dealt with merely as a casual difference of opinion among Senators. It ought to be analyzed, and its consequences ought to be fully weighed before this legislation goes upon the statute books.

Mr. SIMMONS. I do not agree with the Senator that it will affect the Federal Reserve System in any harmful way. I think, however, what some Senators have suggested here this evening, to wit, to amend the Federal Reserve System so as to make these long-term notes eligible for discount, would very seriously impair the Federal Reserve System.

Mr. OWEN. That is another question entirely from the one I was raising on this particular bill. These bonds are put upon a parity with Government bonds as a basis of loan by the Federal reserve bank, and when that is done in this bill and then afterwards it proves that the market does not attach to these bonds the same quality it attaches to other bonds, the Federal reserve banks might have their assets impaired.

Mr. SIMMONS. I do not wish to prolong this colloquy. I think I understand the Senator's idea. His idea, as I understand him, is to have the Government guarantee these bonds. If the Senator desires to discuss that matter on Monday or when the bill is taken up again I shall be very glad to hear his views upon the subject. Now, merely upon the statement of the Senator, I do not think it would be advisable; but when the Senator elaborates his views about it and analyzes it, as I understand he intends to do, he may change my views about it.

Mr. OWEN. I realize the condition.

Mr. SIMMONS. I move that the Senate take a recess——

Mr. GALLINGER. Before the Senator makes that motion, may I suggest that he ask that the bill be reprinted with the amendments that have already been agreed to, so that we can see what shape it is in?

Mr. SIMMONS. I shall be very glad to do so. At the suggestion of my colleague on the committee, I ask unanimous consent that the bill be reprinted as amended.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 12 o'clock on Monday.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until Monday, March 4, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, *March 2, 1918.*

The House met at 12 o'clock noon.

Rev. John Huddle, D. D., of St. Paul's English Lutheran Church, Washington, D. C., offered the following prayer:

Out of the wreckage of dismembered nations and blighted civilization, a war-weary world, O God, cries unto Thee. O Lord, hear our cry.

In the midst of smoke and blood make bare Thy mighty arm, and confuse the intelligence and paralyze the force of all antagonism to human rights, and give to men everywhere the prerogative to govern themselves according to their own desires and standards, unhindered by the subtle devices of a designing and selfish ambition.

We praise Thee for the purity of America's purpose, for the unselfishness of her motive. We covet no man's gold, no nation's territory. We are responding to humanity's appeal for government of the people, for the people, and by the people, and we plead, O God, for Thy directing wisdom and almighty power.

Bless the legislators and executives of our land in this gigantic undertaking. Strengthen the bodies and inspire the souls of the men in uniform, in the air, on the sea, and in the trench. Vouchsafe unto them the continuance of the splendid courage they have so far displayed, and hasten the time when they, with their brave allies, shall win for the world a righteous and permanent peace.

Bless the loved ones here who are in sorrow, and others to whom grief will come as the days go. Help their patriotism to rise as far as possible above personal attachment, and comfort them with the thought that "greater love hath no man than this, that a man lay down his life for his friend."

Bless all the tender ministries of grace and mercy that bind up the wounded, and fire the hearts of the discouraged with new faith and fortitude. Abide Thou, O God, in all the hospitals, camps, and battle fields of earth, and may men everywhere in this crucial hour find Thee not an empty name, but an all-satisfying reality, giving a peace and a power that pass all understanding.

O Thou Lamb of God that takest away the sins of the world, remove our sins, individual and national, as far as the east is from the west, so that naught may insulate us from the spiritual energies and influences of Him who hath all power in heaven and on earth and is from everlasting to everlasting. In His name we ask it.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 123. Joint resolution providing for the calling into military service of certain classes of persons registered and liable for military service under the terms of the act of Congress approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States."

The message also announced that the Senate had passed the following order:

Ordered, That there be appointed by the President pro tempore two additional members of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, and that in compliance with the above order the President pro tempore had appointed Mr. ROBINSON and Mr. CUMMINS as such additional conferees on the part of the Senate.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 123. Joint resolution providing for the calling into military service of certain classes of persons registered and liable for military service under the terms of the act of Congress approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States"; to the Committee on Military Affairs.

HOUSING FOR WAR NEEDS.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 10265, known as the housing bill.

The SPEAKER. The gentleman from Florida asks unanimous consent for the present consideration of House bill 10265, which the Clerk will report.

The Clerk read the title of the bill, as follows:

A bill (H. R. 10265) to authorize the Secretary of Labor to provide housing, local transportation, and other community facilities for war needs.

Mr. GILLETT. Mr. Speaker, did the gentleman ask unanimous consent to consider this now?

The SPEAKER. That is what he did.

Mr. BYRNS of Tennessee. I shall have to object to that, Mr. Speaker.

The SPEAKER. The gentleman from Tennessee objects.

VACANCIES IN THE HOUSE.

Mr. EMERSON. Mr. Speaker, I ask unanimous consent for the present consideration of House resolution 261.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of House resolution 261. The Clerk will report it.

The Clerk read as follows:

Whereas there are several vacancies in this House, caused by the death and resignation of Members, and it is of vital importance to the country during this war that all districts be represented; and

Whereas the governors of the States of New York and Illinois have called special elections to fill the vacancies in those States, but that the governor of Ohio, although requested, has failed to call a special election to fill a vacancy now existing in the fourteenth district of the State of Ohio——

Mr. GARRETT of Tennessee. I object.

The SPEAKER. The gentleman from Tennessee objects.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10358, known as the legislative, executive, and judicial appropriation bill.

The SPEAKER. The gentleman from Tennessee moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10358, known as the legislative, executive, and judicial appropriation bill.

Mr. EMERSON. Mr. Speaker, I ask unanimous consent that my resolution be printed in the RECORD.

Mr. FOSTER. I object.

The SPEAKER. The gentleman from Illinois objects. The gentleman from Tennessee moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10358, the legislative, executive, and judicial appropriation bill. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Virginia [Mr. SAUNDERS] will take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, with Mr. SAUNDERS of Virginia in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10358, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes.

Mr. BYRNS of Tennessee. Mr. Chairman, will the gentleman from Wisconsin [Mr. STAFFORD] use some of his time?

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. AUSTIN].

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. AUSTIN. Mr. Chairman, I listened yesterday, along with my colleagues, with a great deal of interest to the able Representative from Missouri [Mr. BORLAND]. It was in reference to changing the existing law and writing upon the statute book a compulsory eight-hour provision as it affected the clerks in the various Government departments in Washington City.

Of course, we have listened to many speeches on that same subject delivered by our colleague from Missouri. It has been a continuous performance at every session of Congress, almost upon every appropriation bill carrying pay for Government clerks in times of peace as well as during the war. The gentleman has been here actively in season and out of season riding his hobby. He has become such an expert in hobby riding that I think seriously of commending him to the President for appointment to a high commission in the Cavalry service.

Now, what a severe arraignment was it of the present national Democratic administration, an administration elected upon a platform pledged to economy and the abolition of waste and useless and unnecessary offices! The administration not only obtained power and the confidence of the American people upon a pledge of that kind five years ago, but the pledge was repeated in the last campaign; and here is a gentleman who has been in Congress for nine years, elected as a representative of the Missouri Democracy, a champion of the Wilson administration, in the President's confidence, giving to Congress and the American people a certificate to the effect that the national Democratic administration has failed to keep its pledge of economy.

How often did the gentleman tell us yesterday that Congress was throwing away, by not adopting his oft-repeated amendment, $7,000,000 a year; $7,000,000 a year, and his administration pledged to economy, having controlled public affairs for seven years in the District of Columbia, is a total waste of $35,000,000, according to the testimony furnished by the able Representative from Missouri.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. AUSTIN. A little later on.

Mr. BORLAND. Will not the gentleman yield right there?

The CHAIRMAN. The gentleman declines to yield now.

Mr. AUSTIN. The Republican Party was arraigned for being wasteful and extravagant with the people's money, and creating, increasing, and continuing unnecessary and useless offices. After being intrusted with power five years it is not necessary for any Member on the Republican side of the House to point out this glaring failure on the part of a Democratic national administration to redeem its solemn pledge. We have as our leading unimpeachable witness the gentleman from Missouri [Mr. BORLAND]. And by and by, when our congressional election is on, it will only be necessary to say "we submit to you, voters of America, the statement of a leading Democratic member of the Committee on Appropriations, who says that for five years, without a protest, without an effort on the part of the President or any of his advisers, no attempt has been made to save this money."

Mr. SEARS. Will the gentleman yield?

Mr. AUSTIN. I am dealing with my beloved friend from Missouri now, and I ask my colleague from Florida to excuse me. I entered this body, was elected at the same time with this great critic of the Democratic national administration. We were both first elected to the Sixty-first Congress. Well do I remember that fortunate day which gave me my first introduction to him. It was in the great city of St. Louis nine years ago. We had assembled there on an invitation to join the President of the United States, the members of his Cabinet, United States Senators and Members of the House of Representatives, governors of the respective States, to go on that great trip on the father of waters—the Mississippi—from St. Louis to New Orleans.

What a magnificent trip it was. The boats were all beautifully decorated representing the various States and cities along the banks of the Missouri and the Mississippi Rivers. Everything was free. There was no bone-dry law in existence on the Mississippi River and the café ran night and day. Bands, music, and speeches on board the boats and at the various landings where the multitudes had gathered to meet these distinguished representatives of the American people from President Taft down.

It was on this wonderful excursion I first met the able and genial gentleman from Missouri. He had in his equipment, as I now recall, a large supply of magazines with a splendid article on Kansas City, Mo., pointing out its matchless attractions and great possibilities. And along with it a great and convincing argument in favor of the Government expending from twenty to thirty million dollars on the improvement of the Missouri River from his town, Kansas City, to the Mississippi River.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUSTIN. Can the gentleman give me a little more time?

Mr. STAFFORD. I yield to the gentleman 10 minutes more.

Mr. AUSTIN. I was soon captured by the persuasive arguments and the genial smile of the gentleman from Missouri, and pledged my support early to the $20,000,000 Missouri River proposition. Along with it was a proposition for a 14-foot channel on the Mississippi River from St. Louis to New Orleans. When the Army engineers got through with that proposition, they said it would cost in the neighborhood of $200,000,000, and they reported against it. I was told that the Missouri River was so shifting and changeable and so fickle that when a man went to bed at night on the bank of the river the chances were the river would be out of sight the next morning.

Mr. MADDEN. Over in the next State. [Laughter.]

Mr. AUSTIN. But I committed myself to his project, notwithstanding the enormous cost. The gentleman was so persuasive in his argument about the improvement of the Missouri and Mississippi Rivers that I have been voting for every river appropriation for the past nine years. The impression made upon me was lasting, and no sum staggered me at all. During this long period at no time, even when the gentleman as a member of the Committee on Appropriations was sending in bills here that carried countless billions of dollars, without any safeguard as to how it should be expended, whether contracts should be let to the lowest bidder or not, I voted for them until my head swam and I was dizzy. [Laughter.]

A little later on I was honored by a position on the joint commission for the construction of national highways. One night we were charmed and enlightened and made happy by the appearance of my colleague from Missouri [Mr. BORLAND] at the head of a western delegation in favor of building great national highways.

On January 3, 1918, of this year, when we need money so badly for the war, according to his statement of yesterday, the gentleman from Missouri introduced a bill which provided for constructing a highway over every scout and Indian trail known during the Revolutionary or colonial days. While not fully committing myself to the great, enormous, and far-reaching expenditure of the people's money for that purpose, I fail to

find my own State or district named in it, so I shall offer an amendment at the proper time. Mr. BORLAND, on January 3, 1918, introduced the following bill, which was referred to the Committee on Roads and ordered to be printed. It is to be known as the Daughters of the American Revolution old-trails act, to provide a national ocean-to-ocean highway over the pioneer trails of the Nation:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

Then it provides for building a highway beginning on the Atlantic Ocean, going through to the Pacific, with side lines, I suppose, to Alaska, Honolulu, and the Philippines. [Laughter.] That is the bill that this great economist introduced in a war period, when he says we ought to economize by increasing the hours of labor in Washington City.

Mr. LOBECK. Will the gentleman yield?

Mr. AUSTIN. I can not yield.

Mr. LOBECK. I simply wanted to ask if this road came by Omaha.

Mr. AUSTIN. Now, under existing law every member of President Wilson's Cabinet by a stroke of his pen can extend the hours of labor over Government clerks in the city. This proposed law is absolutely unnecessary. It does not require a law. It only requires an order issued by the department to extend the time to eight hours.

Now, I am sure that every member of President Wilson's Cabinet, appreciating and realizing how he obtained office by a platform pledged to economy and the abolition of waste and useless offices, that if he thought it was needed would issue the necessary order and extend the working hour. The gentleman from Missouri has consumed hours of the time of the House of Representatives which might be used to prosecute the war to a speedy termination. We are to delay the signing of the treaty of peace and the closing of this horrible and bloody war, until the gentleman from Missouri can ride his hobby up and down and before the House of Representatives on every appropriation bill from now till the final adjournment of Congress. I appeal to the gentleman in all seriousness, for we are all very fond of him. He is big enough, according to the Missouri standards, to be a Senator from that great State—not according to the Tennessee standards, but according to the Missouri standards. [Laughter.] He has had the training and the experience, he is able, full of energy, trained, tried, and I commend to him to take up a great big proposition which will mea re up with his talents, his ability, and his experience.

Mr. BORLAND. I thought the gentleman mentioned three or four big propositions that I had taken up.

Mr. AUSTIN. But the gentleman has abandoned them, and he is now making war upon some old women and men in various departments of this Government. I saw one of them yesterday on crutches trying to get to his office, and I actually saw one of these old men who had perhaps served in the Army actually pulling himself up the balustrade by all the strength that he had, pulling himself along the stairway leading into the entrance of the department to go to his desk.

Mr. BORLAND. It was on pay day that he was there, was it not? [Laughter.]

Mr. AUSTIN. Oh, no; and there is not a department of this Government, on account of our failure to pass a wise and just retirement bill, that is not filled with old, faithful, worn-out superannuated Government officials, and they are compelled to go there daily, some of them driven there by their loved relatives in the morning, and helped to their desks, and here is a great Democratic leader from the imperial State of Missouri spending his time asking us to delay legislation until he can crowd upon these old, withered, and palsied people an extra hour of labor. What has the war done for Washington? It has made this one of the greatest congested centers in the country.

Everything has advanced in price, all the necessities of life, everything that a Government clerk has to purchase has advanced in price. Everything has advanced except the salary of the Government clerk, fixed a half century ago, and there has been no general rearrangement or readjustment or equalization or advancement in Government salaries for a half century, but all during these 50 years every article which he must have for the home, every luxury, every necessity, every want for his loved wife and children has advanced, and he has become the victim of unfortunate circumstances here in the Capital City of his country incident to this great war. The gentleman from Missouri, not thinking of this, not appreciating this, not considering it at all, is here attempting to have his colleagues place upon these people greater and harder burdens and responsibilities. I object to it. He says that we are fighting a world war for democracy, but here is a great Capital City with three or four hundred thousand people, without a voice in Congress, actually being taxed without representation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. AUSTIN. Mr. Chairman, I will ask the gentleman to give me five minutes more, in which time I think I can finish.

Mr. STAFFORD. Mr. Chairman, I think we are all touched by the graphic narration of conditions in respect to the old, decrepid, and, in the language of the gentleman from Tennessee, withered employees of the Government in the District, and I feel compelled, even though my time is limited, to yield to the gentleman's entreaty and give him five minutes more.

Mr. AUSTIN. Mr. Chairman, here is this great Capital City without representation in Congress, and we are taxing its inhabitants. They have no voice in the selection of their local, municipal, or District officials, and yet we are sending our boys abroad for world-wide democracy, to establish and enforce the rule of the people everywhere in the world, except in the District of Columbia.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. AUSTIN. Yes; I yield to my handsome friend from Chicago.

Mr. MADDEN. Does not the gentleman from Tennessee think that he ought to withdraw a part of the promise he made to the gentleman from Missouri [Mr. BORLAND] in respect to the expenditure of these vast sums of money in this shifting stream that moves from one State to another overnight and ask the aid of the gentleman from Missouri for an increase in compensation of these very worthy employees of the Government in the District of Columbia?

Mr. AUSTIN. Mr. Chairman, that is a very good suggestion, and now, while the gentleman yesterday devoted some of his remarks to profiteering and attempting to get something from the Government by these humble clerks who are without a defender on the floor of the House of Representatives in the shape of their own chosen Representative, I commend to him the hearings of the various committees on Hog Island, on contracts for military camps, for war supplies, where his own committee has voted without a string to it millions of dollars without restrictions as to how they should be expended, without safeguarding the appropriations in reference to the letting of contracts, and I commend to him that he devote some of his talents to that important and far-reaching work if he seriously wishes to champion the interests of the taxpayer and save him money and for the time being give a rest to the Government clerks, to the watchmen, to the messengers, to the scrub women in the various departments of the Government, leaving to the Democratic members of the Cabinet to determine when public business requires an order to extend the hours of labor in the various departments of the Government. Although not a member of his party, but a partisan Republican, I shall not use my time and voice for a condemnation and indictment of the Democratic President and Democratic members of the Cabinet. I yield that honor to the gentleman from Missouri [Mr. BORLAND]. [Applause.] I yield back the remainder of my time.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. OLDFIELD having taken the chair as speaker pro tempore, a message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

The committee resumed its session.

Mr. STAFFORD. Mr. Chairman, I yield 20 minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, I ask the attention of the Members to a War Department regulation, which I hope will soon be changed as a matter of justice to soldiers who are properly enlisted, and who are discharged in less than 90 days for disability. I desire also to call attention to some war-risk insurance problems. The people demand that this Nation be fair and just in its treatment of its soldiers and sailors. As a rule, the United States has been fair and just, and I am pleased to report that one unfair regulation is now being adjusted. Recently I received some complaints that soldiers taken into the new Army, who had developed tuberculosis or other disease within three months after enlistment, were being discharged because of disability not incurred in line of

duty. I reported one of these cases to The Adjutant General and received the following statement:

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, February 20, 1918.

Hon. ALBERT JOHNSON.

DEAR SIR: In response to your letter of the 12th instant relative to Pvt. Gavin H. Bayne, Company M, One hundred and sixty-second Infantry, I have the honor to advise you that the tuberculosis in the case of this soldier was shown to exist within less than three months after his entry into service, and that under the rules of the Medical Department his disability must therefore be considered to have not been contracted in line of duty.

As this case is like many others, the same action must be accorded all, and no exceptions can be made to rules adopted.

Regretting that I am unable to advise you favorably in this matter, I remain,

Very respectfully, H. P. MCCAIN,
The Adjutant General.

Mr. MADDEN. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. MADDEN. Did this man pass the physical examination before he entered the Army?

Mr. JOHNSON of Washington. Yes. If the gentleman will permit me, I am coming to that. There is a desire on the part of the Medical Department to remedy this situation.

This man, after having been properly examined and enlisted, was found to have developed tuberculosis, and was promptly set out of the Army, the United States refusing to accept the liability it had incurred.

Manifestly, I could not stop with this statement from The Adjutant General, which is based on a regulation made at a time when men were being taken into the Army with great care, and after severe medical examination. I took the matter up with the Surgeon General, and have received the following letter, which will be of interest to the Members of the House and to the public generally:

WAR DEPARTMENT,
OFFICE OF THE SURGEON GENERAL,
Washington, February 27, 1918.

Hon. ALBERT JOHNSON.

DEAR SIR: In reply to your letter of February 23, addressed to Gen. Gorgas, the Surgeon General directs me to say that the ruling quoted by The Adjutant General is the ruling which has heretofore obtained, the principle being that men who manifest a chronic condition in less than three months after entering the service must obviously have had the disability before entering the service. It is not believed, therefore, that this ruling is an unfair one.

However, steps have been taken to change the ruling, and the Surgeon General has recently recommended that in all cases a man who has once passed the examination for entering the Army shall be considered to have contracted any subsequent disability in the line of duty.

Yours, very truly,

(Signed) G. E. BUSHNELL.
Colonel, United States Army, Retired.

It will be noted that the Surgeon General has recommended that—

In all cases a man who has once passed the examination for entering the Army shall be considered to have contracted any subsequent disability in line of duty.

Clearly such a recommendation must be approved by the War Department.

I sincerely hope that the recommendation will be considered and accepted. I presume that every Member has had cases of this kind.

Mr. WALSH. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. WALSH. I did not hear the first part of the gentleman's statement. Do I understand this is the case of a young man drafted who developed tuberculosis?

Mr. JOHNSON of Washington. Yes.

Mr. WALSH. Who is held not to be entitled now, under the ruling made, to the provisions of the benefits that we have provided?

Mr. JOHNSON of Washington. Yes. He was drafted into the Army and passed the medical examination, but within three months this disability was discovered, and it is held that it was not incurred in the line of duty, so he receives his discharge for disability received outside the line of duty.

Mr. WALSH. But there is nothing in the law requiring that.

Mr. JOHNSON of Washington. This is a regulation, nevertheless. These official letters are dated within the last two or three days.

Mr. ROBBINS. How does that affect the war-risk insurance that the man took out when he entered the service?

Mr. WALSH. He gets his benefits.

Mr. JOHNSON of Washington. I am coming to war-risk insurance matters.

Mr. ROBBINS. There are a number of similar cases all over the country.

Mr. JOHNSON of Washington. No doubt of it. I suppose every Member has had numerous cases. I might add that as war-risk insurance problems develop every Congressman will find his office work increased greatly beyond its present heavy run.

Mr. Chairman, the case of discharge I have mentioned refers to the Army, and is based on a regulation. Now, let me tell of a discharge case which I have which has been running in the Navy since last summer. It is this:

From southwestern Washington a boy 18 years old, after seeing and reading the alluring posters inviting enlistment in the Navy, enlisted regularly in the Navy out there, went to Puget Sound, and was put on a warship. He was taken down the far side of the Pacific coast through the Panama Canal into the Atlantic Ocean, and the vessel brought up at Pensacola, Fla., where that boy was discharged for undesirability and set ashore without even a street car ticket in his pocket; 18 years old and 4,000 miles from home, without bed or bread—the position of a tramp. That boy wrote a letter from Pensacola to his mother out in the State of Washington saying that he would try to work his way home and that he would go through New Orleans. His mother's friends telegraphed me to see why he had been discharged. I wrote to the Navy Department asking for the reason, and received a short, sharp letter saying that he was discharged "because he was undesirable and dirty." I could not send any such letter to that mother, who has another son in the service of the United States in the Army. I went down personally to investigate. I found that this boy, in the course of that trip in the service, about four months in the Navy, in coming through the Panama Canal had developed an extreme case of dysentery, had run way down in weight, had been unable to keep himself clean, had become sick and helpless, and was set ashore at Pensacola, discharged as undesirable, left there without a 5-cent piece in money, and was informed that he owed the Government $20 for his naval uniform. The boy reached New Orleans by dead-beating his way. With the aid of the Bankers' Association of the United States detectives were employed and that boy discovered and money was handed him to make his way home, where he arrived sick and helpless. The Navy Department afterwards admitted that a mistake had been made and that the boy should have been transferred back to the Puget Sound naval district before they discharged him. My contention is that once the Navy enlisted that boy and took charge of him this Government was in fact his guardian and he was its ward, and it was its duty to feed and clothe him and care for him in sickness and that instead of discharging him he should have been sent to a United States marine hospital. That boy, in my opinion, has a claim against this Government for money expended by kind-hearted friends in locating him and in sending him home and a further claim for the damage to his health.

Now, that is only one case. I have waited months to hear something further from the Navy Department, which has shown some interest in the matter, and I sincerely believe that the commander of that vessel who set that boy ashore deserves to be punished and reduced in numbers.

Mr. MADDEN. He ought to be dishonorably discharged from the service for doing such a thing.

Mr. JOHNSON of Washington. I have withheld a statement of this kind because we are at war, and I do not want to do one thing to embarrass the Government, but we can not have our parents believe that their boys are not receiving the best possible attention from those we have placed in charge of them, and officers who do not properly care for soldiers and sailors need to be punished.

Now, to get back to this war-risk insurance discussion. The wife of this soldier, sick with tuberculosis, whose case I just described, has been unable up to date to secure the allotment that this soldier undertook to make to her. Neither has she secured the Government allowance for dependence to which she is entitled, and her case is no different from that of many others in the far West, due, no doubt, to the great distance and the general confusion in connection with the organization of a great bureau. I want to say that before long the Bureau of War-Risk Insurance will be as large as the Treasury Department was before the war began. It is a bureau which was confronted on its very first day with a tremendous amount of work. These facts are responsible for a lot of this confusion. I make no criticism of the bureau, but it needs and will need much more help.

I have another case where a wife was receiving her allotment from the War Department up to the time that the Bureau of War-Risk Insurance was established. Her soldier husband is now in France.

When the War-Risk Insurance Bureau was established the allotment which she got under the law was dropped until trans-

fer could be made, after a new application by her husband. That soldier is far away in France, her allowance is cut off, and a long space of time has occurred in an effort to find that boy in France so as to get a new statement formally made. It has not come yet. That woman is without money.

Mr. FORDNEY. Will the gentleman yield?

Mr. JOHNSON of Washington. I will.

Mr. FORDNEY. I am not differing with the gentleman, but let me give the reason for this. I have had considerable experience in the same line. The War-Risk Insurance Bureau has no authority under the law to pay to a widow any portion of the soldier's salary until they have received an order from that soldier.

Mr. JOHNSON of Washington. I agree to that, of course. I contend that the transfer should have been automatic. This man dealt with the War Department before the war-risk law was enacted.

Mr. FORDNEY. Wait a minute, please; on the other hand, suppose the soldier withdraws that allotment to the family. Suppose he is in France and draws the money over there——

Mr. JOHNSON of Washington. That is true.

Mr. FORDNEY. If the law compels him to pay to his wife any portion of his money, that is one thing——

Mr. MADDEN. It does compel every soldier to allot to his wife.

Mr. FORDNEY. They have no authority to pay the money until they receive an order from him, law or no law.

Mr. JOHNSON of Washington. This man in good faith made an allotment as far as he knew under the law and then went to France. Now, let us see what really happened.

Mr. MADDEN. The law compels the allotment, it is compulsory.

Mr. JOHNSON of Washington. Let us see what really happened in this particular case. Here is a letter from Director Delanoy, of the War-Risk Insurance Bureau, and he advises as follows:

Under the act of October 6, 1917, every enlisted man is required to fill out and file an allotment statement, and unless he does, the bureau is powerless to make an allotment and allowance of his pay to his dependents. A careful search of the records in this bureau has failed to show that said Frank D. Wickersham has filed such an application. The $15 already received by Mrs. Wickersham, as referred to in her letter, evidently came from the War Department before this bureau went into operation under the act of October 6, 1917, and payments from November on are made through this bureau, provided the enlisted man files an allotment statement.

Mr. FORDNEY. Here is where the War-Risk Insurance Bureau's hands are tied. Suppose a man is in France and has a wife who left him and he does not want to allot any more and she has got some right to a portion of his income.

Mr. JOHNSON of Washington. If a man makes an allotment month by month she should receive it until he serves notice that she should be cut off.

Mr. FORDNEY. The gentleman will find that the order of every soldier in every instance is for a specific time.

Mr. WALSH. Will the gentleman yield?

Mr. JOHNSON of Washington. I will.

Mr. WALSH. Is it not true that the law provides that the soldier is compelled to allot that to his wife, and also there is a provision in the law where he is living apart from his wife, she is also entitled to an allotment?

Mr. JOHNSON of Washington. I think so.

Mr. HAMLIN. If the gentleman will permit, in case this soldier refuses to permit the making of an allotment the wife may apply herself and get it.

Mr. JOHNSON of Washington. It runs arbitrarily. Now, a word as to delay in payments. In the far West the delay in making allotments under the system of the organization has been fearful. The delay has caused me to receive a very heavy mail. Almost every day lately I receive a telegram from some commercial organization or municipal organization in my district reading like this one:

VANCOUVER, WASH., *March 1.*

HON. ALBERT JOHNSON,
Washington, D. C.:

We have men here who were drafted and have now been in the service almost five months who have families and children, and whose pay has been held back because of the allotment to the wife, whose families are now destitute because the allotment due the family held out of the soldier's pay has not been paid. Their families are virtually dependent on charity for houses in which to live and are without credit at the stores, and some of them are in actual want. Something must be done. Why can not the allotment due the families be paid? Applications have been coming to us daily in cases of this kind, and we can not provide for all of them.

W. G. DROWLEY,
President Commercial Club.

Mr. ROGERS. Will the gentleman yield?

Mr. JOHNSON of Washington. In a moment. I wish to call attention to still one more case out in my district. In this case a soldier boy was killed. He was the sole support of a mother who was divorced. That mother was not a widow within the meaning of our generous congressional act of October 6, 1917, as interpreted by the Bureau of War-Risk Insurance. She is not entitled to her dead boy's insurance, which was meant for her and for no one else.

Mr. ROGERS. Will the gentleman yield?

Mr. JOHNSON of Washington. I will; yes.

Mr. ROGERS. The Secretary of the Treasury, in his formal communication, which he sent to the Senate some days ago, said that he expected the work of the war-risk insurance would be right up to the minute by the last week in February. Does the gentleman know whether that statement was correct?

Mr. JOHNSON of Washington. I hope it is correct. If it was up by the last week of February that would mean one week later on the Pacific coast.

Mr. ROGERS. Certainly, but is not the great delay, when we reduce it to the lowest terms, owing to the miles intervening between us and the American Expeditionary Forces?

Mr. JOHNSON of Washington. I realize that and I am not making a criticism of the bureau. I am suggesting an amendment of the law. Of course, the War-Risk Insurance Bureau is working hard, night and day, trying to catch up.

Why they have 2,400 employees down there, and they need a whole lot more, and yet we read in the papers right now that another great bureau, the Shipbuilding Corporation, is just about to establish a weekly newspaper, another governmental newspaper. If I had my way I would order all these embryonic editors over into the War-Risk Bureau to help it catch up, and do it right quick, too. [Applause.]

Mr. ROGERS. Does the gentleman know that the Bureau of War-Risk Insurance has recently perfected a plan by which a wife can receive the allotment to which she is entitled from the Government, even though the soldier's allotment for her had not been received?

Mr. JOHNSON of Washington. I have no doubt they are perfecting a plan to do it, but I am afraid there will be a lot of red tape about it, and in the meantime I dislike to read telegrams from chambers of commerce and others saying that they can not take care of the dependents.

Mr. ROGERS. I am not trying to defend the bureau, but I think the difficulties are enormous.

Mr. JOHNSON of Washington. I admit that. The bureau needs no defense, but I think we should make some changes in the law.

Mr. WALSH. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. WALSH. Of course the gentleman appreciates the fact that this is an entirely new venture on the part of the Government, and that they have to take care of hundreds and hundreds of thousands of cases, and they have to start in anew and get them perfected.

Mr. JOHNSON of Washington. Of course. I say that they started on their first day with a tremendous business in front of them, and I say they need thousands of more clerks, and I contend that we should cut down during the war any and every inactive or dispensable bureau of the Government. For instance, the Geological Survey, suspend it and transfer the clerks over there where they are needed. And I am also inclined to think that before we perfect the War-Risk Insurance System we will be forced to set up a branch in every one of the States.

Mr. HAMLIN. Will the gentleman yield?

Mr. JOHNSON of Washington. I yield to the gentleman.

Mr. HAMLIN. You spoke a while ago about this divorced mother not being able to draw the insurance of this son. Does the gentleman understand that the soldiers name the beneficiaries?

Mr. JOHNSON of Washington. In this case it was automatic insurance. A letter which I started to read shows that.

Mr. HAMLIN. I will be glad to hear it.

Mr. JOHNSON of Washington. This is from the War-Risk Insurance Bureau of the Treasury Department, and is as follows:

FEBRUARY 26, 1918.

HON. ALBERT JOHNSON.

MY DEAR CONGRESSMAN: I beg to acknowledge receipt of your favor of the 12th instant in the matter of the claim for automatic insurance filed by Mrs. ———, of Tacoma, Wash., inclosing certified copy of the claimant's decree of divorce from her husband, ———, and in reply would advise that inasmuch as Mrs. ——— had been granted an absolute decree of divorce from her husband prior to the death of her son, she was not a widowed mother within the meaning of the term as used in the act of Congress of October 6, 1917, and as interpreted by this bureau.

If she should be able to prove the decree of divorce granted her was merely an interlocutory decree, which had never been made final, and if she could also prove that the deceased's father, ———, is actually

dead as a matter of fact, we would be glad to reopen the matter and give consideration to such proof, but as the case now stands Mrs. ——— is not entitled to automatic insurance on account of the death of her son.

It does not seem probable that the Kreider bill, H. R. 8644, if enacted by Congress, would have any effect upon this claim.

Sincerely, yours,

WILLIAM C. DE LANOY, *Director.*

Mr. HAMLIN. Now I think I understand that. I think the gentleman will remember that they made an order that all soldiers or drafted men or enlisted men who happened to die before the 1st of November, as I remember it now, would automatically come in under the law as we passed it.

Mr. KEARNS. The law provides that it shall be payable to his estate if he has named no one.

Mr. JOHNSON of Washington. That is correct; but here is a case of a soldier boy whose mother deserves her insurance and does not get it. Why, I understand that the mother of the first American boy killed in France is unable to get that boy's insurance because she was a widow who had remarried. That is the J. B. Gresham case—one of the three boys killed in the first German raid on our trenches. His was automatic insurance. My colleague, the gentleman from Indiana [Mr. DENTON], has the matter in hand.

In this bill there are some clauses pertaining to the method of payment of clerks to Congressmen. So far as I have been able to observe, most Members of Congress use more clerk hire than allowed to them by the Government; and I will venture the assertion that as this war-risk business goes on every Member will need an additional clerk. This matter has hardly started. From my State a large number of soldiers were sent very early to France on account of their knowledge of forestry, and my mail is loaded with problems and questions arising out of the insurance bill, the automatic insurance, and the allotments and allowances.

Mr. HAMILTON of Michigan. Has the gentleman any experience in the delay in the transmission of things sent to the boys in France?

Mr. JOHNSON of Washington. That is mostly accidental, with some cumbersome regulations in the way.

Mr. HAMILTON of Michigan. Not accidental.

Mr. JOHNSON of Washington. A registered letter can not get beyond New York to a boy in France, and neither can an insured parcel-post package.

Mr. HAMILTON of Michigan. Every once in a while a condition arises which is an absolute outrage. I am weary of that condition.

Mr. JOHNSON of Washington. Some of the little things are going wrong, but the big things are going right.

Mr. SNOOK. I would like to ask the gentleman from Washington what officer it is that has the right to say the final word on this regulation with regard to discharge of sick men?

Mr. JOHNSON of Washington. The Adjutant General, first, I presume.

Mr. MADDEN. The Adjutant General has no power over it. It is the President of the United States.

Mr. JOHNSON of Washington. Well, I think the Secretary of War. Finally perhaps it would run to the President.

Mr. FESS. Will the gentleman yield for a moment?

Mr. JOHNSON of Washington. Yes.

Mr. FESS. In reference to that feature of the compulsory allotment, may I not read the law?

Mr. JOHNSON of Washington. I will be very glad to hear it.

Mr. FESS. It says:

SEC. 201. That allotment of pay shall, subject to the conditions, limitations, and exceptions hereinafter specified, be compulsory as to wife, a former wife divorced who has not remarried and to whom alimony has been decreed, and a child, and voluntary as to any other person; but on the written consent of the wife or former wife divorced, supported by evidence satisfactory to the bureau of her ability to support herself and the children in her custody, the allotment for her and for such children may be waived, and on the enlisted man's application or otherwise for good cause shown, exemption from the allotment may be granted upon such conditions as may be prescribed by regulations.

Mr. JOHNSON of Washington. That is the law, of course, but the questions I have presented deal with the transfer of automatic insurance, the position of widows in connection therewith; and principally the discharge of soldiers who become sick during their first 90 days of service, which is not a war-risk insurance matter at all.

Mr. STAFFORD. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. EMERSON].

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes.

Mr. EMERSON. Mr. Chairman and Members of the House, the resolution which I sought to have adopted here by unanimous-consent request reads as follows:

House resolution 261.

Whereas there are several vacancies in this House, caused by the death and resignation of Members, and it is of vital importance to the country during this war that all districts be represented; and

Whereas the governors of the States of New York and Illinois have called special elections to fill the vacancies in those States, but that the governor of Ohio, although requested, has failed to call a special election to fill a vacancy now existing in the fourteenth district of the State of Ohio: Therefore, be it

Resolved, That the Speaker of this House write the governor of Ohio, requesting him to call a special election to fill such vacancy.

That was all my resolution called for—that the Speaker of this House should write to the governor of Ohio requesting him to call a special election in the fourteenth district of Ohio, which was represented by Congressman Bathrick, now deceased. Unless there is a special election called, the fourteenth district of Ohio will be without a Congressman for over a year, because the Congressman that is to be selected this year will not take his seat until the 4th day of March 4, 1919.

Mr. FESS. Mr. Chairman, will my colleague yield?

Mr. EMERSON. No; I can not yield now.

The CHAIRMAN. The gentleman declines to yield.

Mr. EMERSON. To this, my application for unanimous consent for the consideration of this resolution, some Democrat objected. I do not know what was in the colossal mind of a Democrat to object to the passing of a simple resolution of this kind. The Speaker of this House wrote the Republican governor of New York asking him to call a special election in the districts of that State that were without representation, and that Republican governor did it.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. Yes.

Mr. WILLIAMS. The districts in New York are Democratic districts. Has that escaped the gentleman's notice? The district in Ohio is a Republican district.

Mr. EMERSON. It does not make any difference whether the district is Republican or Democratic. That district ought to be represented, and a resolution calling upon the governor to call a special election ought to be adopted by this House.

Mr. FESS. Will my colleague yield?

Mr. EMERSON. Yes.

Mr. FESS. Has my colleague any information as to why the governor refused to call a special election?

Mr. EMERSON. I wrote to the governor two weeks ago requesting him to call a special election in the fourteenth district. I did that upon the request of some residents of that district. He never gave me the courtesy of a reply. Four days ago I telegraphed the governor of Ohio, asking him why he did not answer my letter. I have never received even the courtesy of a reply to that message.

Now, here is what the Speaker of this House said in his letter to the governor of New York:

In these troublous times we need a full membership. Can't you help us out by calling special elections in the New York districts?

Now, if that is true in New York, why should it not be true in Ohio? Why should not the fourteenth district of Ohio be represented on the floor of this House? Whether by a Republican or a Democrat, it makes no difference. And why should a Democratic Congressman object to a unanimous-consent request for the immediate consideration of that simple resolution?

Mr. DILL. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. Yes.

Mr. DILL. Does a special election in New York State apply to all the districts, including the one of the Congressman now in the Army?

Mr. EMERSON. I do not know how many districts there are. It does not make any difference. Every district should be filled on the floor of this House during this war.

Mr. DILL. I simply asked that for information.

Mr. EMERSON. Every Congressman from the State of Ohio has been called upon to perform the duties that the Congressman from this district should perform and would perform if he were here.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. Yes.

Mr. HAMLIN. I do not know who it was who objected to the consideration of the gentleman's resolution. May it not have been prompted by the idea that if you would go to the Speaker and make a request that he write to Gov. Cox you would accomplish the same thing?

Mr. EMERSON. I will say to my friend that no one has more respect for the Speaker of this House than I. Possibly the Speaker would have written the letter if I had asked him; but after I had written the governor himself two weeks ago and he did not give me the courtesy of a reply, I felt that a letter from the Speaker of this House, backed up by a reso-

lution of this House, might penetrate his stubborn brain. That is the way I thought about it. [Applause.]

Mr. HAMLIN. I think the gentleman could accomplish the same thing by speaking to the Speaker privately about it.

Mr. EMERSON. That may be true.

Section 4829 of the statutes of the State of Ohio provides:

"When a vacancy to the office of Representative to Congress or senator or representative to the general assembly occurs the governor, upon satisfactory information thereof, shall issue a writ of election directing that a special election be held to fill such vacancy in the territory entitled to fill it on the day specified in the writ."

There is nothing but politics in the refusal of the governor to call a special election. The fourteenth district, although it was represented by a Democrat, is normally Republican. The governor is undoubtedly afraid of the political effect of the election of a Republican Congressman from this district. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. ROGERS].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 10 minutes.

Mr. ROGERS. Mr. Chairman, some weeks ago the House passed a resolution calling upon the Postmaster General for information concerning the Postal Service between the United States and the members of the American Expeditionary Force in France. The Postmaster General replied in due course, stating, in substance, that the usual time for the transmission of mails from the United States to the soldiers in France was from 15 to 30 days. Subsequently to that time I made some remarks in the House in which, I think, I proved from my personal knowledge and experience that the Postmaster General had been misinformed when he made that statement, and that the average time was far in excess of 15 days; indeed, far in excess of 30 days, which the Postmaster General had cited as the maximum of the usual time in transit.

As a result of that speech in the House I have been flooded with letters from all parts of the country, some from as far as San Francisco, and from practically every State of the Union, giving me specific instances of the accuracy of my statements and of the misinformation contained in the report of the Postmaster General. I have time to read but one of those letters. I read it because I think it is typical of conditions which prevail throughout the United States:

I have recently read with interest of your remarks in relation to lost and delayed mail to our forces overseas. In substantiation of your claim I would like to state my own case, which I have every reason to believe is not unusual among those whose relatives are abroad with the American armies.

Since the middle of September, when my husband, who is a major of the Regular Infantry, went to France, I have sent not less than three letters to him each week, one package of magazines each week, and during the past months have sent innumerable packages containing toilet articles, tobacco, cigarettes, and such eatables as are not barred by regulations—shelled nuts, prepared coffee, chocolate, etc. I have adhered strictly to postal regulations in every particular and have put my return address on every package. In a recent letter from my husband, written January 19—

And at that time, it will be noticed, he had been in France something over four months—

he tells me but two letters reached him which were written by me during the month of November (which means about 15 were lost, written that month alone), and he had received but two packages of magazines—absolutely no tobacco, though I have sent pounds and pounds; not one package of toilet articles, though dozens have been dispatched. On November 15 I sent by American Express to New York a Christmas box, value upward of $30. This was taken by transport to France with promise of delivery by Christmas. January 19 it had not reached France, or rather had not been delivered, at least.

My husband writes he worries much about us at home, lest I am ill or the children are not well. Why do I not write? Why do I not answer his questions?

Our officers in France have too much responsibility and too much else to concern them to be annoyed in this way.

And I may say that every man in France, whether he be an officer or an enlisted man, has too much on his mind to be bothered about things of this kind—

I am now sending as many as five or six letters each week, hoping he will get part at least, and am registering some of them.

This letter incloses a copy of an article which appeared in the Paris edition of the Chicago Tribune in January, and which I think is of interest because it presents from the point of view of the soldiers who are in France the conditions as they are prevailing across the ocean at this moment:

Although more than six months have elapsed since the first units of the American Expeditionary Force arrived in France there seems to be very little improvement in the mail service between the various units of the forces now in this country, while the mail service between soldiers and their relatives in the United States surpasses anything America ever has seen before in red-tape inefficiency and callousness to improvement.

Mail between units of the forces in France now requires from three days to three weeks for transmission. The French Government transmits mail over the same respective areas in from one to three days, and in rare cases four.

The Army Edition—

Which is the name by which the Paris edition of the Chicago Tribune is known—

has been keeping a careful check on the mail it receives in its shopping department, where from 50 to 300 letters are received each day from soldiers in Europe. Most of these letters come through the Army post office, but a few from isolated units come by way of the French Government post. Almost invariably from three to four times the amount of time is consumed through the American Army post office.

The Army Edition made it the practice to send purchased goods to the soldiers through the American Army post, but several packages have not yet been delivered after one and two months, if they have not been lost altogether. Now an effort is made to send the goods by French express to some town where the buying soldier can call for the goods. In this case the goods are delivered in from one to four or five days.

The reason for the almost insufferable mail conditions in the American Expeditionary Force lies at the door of the Post Office Department in Washington; indeed, of Postmaster General Burleson himself. The Expeditionary post office in Paris does the best it can to handle the mail placed before it, but the force employed is hardly half the number which the volume of business requires.

The officials whom Washington still permits to direct the home postal affairs, seem unable to realize the unusual conditions with which the Expeditionary post office must cope in France. The Paris post-office headquarters never sees a day or a night with the work before it half done. Not only must it handle the mail with an inadequate force but it must turn the mail over to French conveyances. The two systems naturally do not coordinate.

The Army Edition has received several letters from residents of the United States asking us to trace certain soldiers from whom no word had been received for from four to five months. On investigation it was found that some of these soldiers had been writing home regularly, and in two cases had been sending money ever since their arrival in France. There is no way to discover whether or not these letters have been lost or are lying "somewhere in the mails."

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has one minute.

Mr. STAFFORD. At this juncture I will yield to the gentleman five additional minutes.

Mr. MADDEN. Will the gentleman yield for a suggestion?

Mr. ROGERS. Yes.

Mr. MADDEN. I made something of an investigation of this mail situation as a member of the Post Office Committee, and I think it might be illuminating to tell the story, if I may be permitted.

Mr. ROGERS. I should think it would be of extreme value if the gentleman would tell the story, but will he not do so in his own time? I have only six minutes.

Mr. MADDEN. I thought it would be just exactly where the gentleman would like to have it.

Mr. ROGERS. I have only six minutes.

Mr. MADDEN. The gentleman does not want information, then?

Mr. ROGERS. I certainly do, but I have only six minutes.

Mr. MADDEN. I thought perhaps if the gentleman wanted information I could give it to him, and explain the case he describes.

Mr. ROGERS. How long will it take?

Mr. MADDEN. I do not want to do it now.

Mr. ROGERS. If I can get more time, I shall be glad to yield.

Mr. STAFFORD. I shall be very glad to yield time to the gentleman from Illinois, so that he may give this information, which is of value to all Members of the House.

Mr. ROGERS. Mr. Chairman, I am not able to vouch for the accuracy of the article which I read from the Paris edition of the Chicago Tribune. I have quoted it here to-day largely because I assume it is believed to be accurate by the people across the sea, and because it is probably accepted as gospel by our soldiers who very generally read this particular paper to the exclusion of other papers, as it is the only one that contains the sort of news in which they are interested, and which they get fresh from the press. I recognize that the Post Office Department is fully conversant with the deficiencies of the mail service, and is seeking to improve them. I think it is working hard in order to bring about an improvement. I am inclined to think that on the whole the responsibility is not primarily with the Post Office Department, but is at least coordinately shared by some other department of the Government. Of course, the Post Office Department does not deliver the mails actually into the hands of the soldiers.

But we are not told what the Post Office Department is doing. We are not informed what plans it is maturing in order to bring about an improvement. I wish that the Postmaster General felt at liberty to take the House of Representatives and the country into his complete confidence as to where the difficulty lies and as to what steps are being taken in order to improve the service. The service really is execrable, and it is an important matter to the waging of this war. There is no question that the morale of the soldiers rises or falls in

accordance with the excellence or the deficiencies of the Postal Service to France.

Mr. Chairman, the Committee on Expenditures in the Post Office Department has begun an investigation of this question. I do not know how much progress it has made or is planning to make. There are two requests for rules pending before the Committee on Rules which, if reported out, would mean an investigation of this subject. To me it is a question upon which the best minds of the country should be at work in order to bring about a better condition of affairs. I hope that the House of Representatives may take up the matter and may seek to assist the Post Office Department in making conditions very much better than they are to-day. [Applause.]

I yield back the remainder of my time.

Mr. EVANS. I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, I was unfortunately detained out of the Chamber for a few moments and did not hear all of the remarks made by the gentleman from Ohio [Mr. EMERSON] just preceding the last speaker. I came in near the conclusion, however, and caught enough to understand that the gentleman was indulging in some criticism of me because I had objected earlier in the day's proceedings to the consideration of a resolution that he presented and asked unanimous consent to consider, calling upon the governor of Ohio to call an election to fill a vacancy which exists in one of the congressional districts in that State. I have simply asked for this time, therefore, Mr. Chairman, to state the reasons why I made that objection.

The Constitution of the United States provides that where a vacancy in representation occurs the executive authority of a State shall issue writs of election to fill such vacancy. I do not know that I quote the exact language, but that is the substance of it. That is a matter which addresses itself to the discretion of the executive authority of the State in which the vacancy occurs, and it seemed to me, and seems to me now, that it would be an unwarranted interference, or attempt at interference, with the discretion of the executive of a sovereign State for this body officially to pass a resolution calling upon that executive to perform that function. It occurs to me that it would be an improper encroachment, or attempt to encroach, upon that discretion for this body to take any such action. I think it would be in extremely bad taste. It was for that reason and that reason alone that I made objection.

Mr. STAFFORD. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. STAFFORD. Would it not be deemed by the governor of Ohio as simply advisory?

Mr. GARRETT of Tennessee. Oh, of course it could not be any more than that. There would be no way by which to compel the governor to do it. But the point I make is that it is in extremely bad taste to essay that advice to the executive authority of a sovereign State.

Mr. STAFFORD. Will the gentleman yield further?

Mr. GARRETT of Tennessee. Yes.

Mr. STAFFORD. The honorable Speaker of the House addressed a letter to the governor of New York requesting him to call a special election to fill vacancies, when, according to newspaper report, the governor was not going to call a special election to fill four vacancies.

Mr. GARRETT of Tennessee. My recollection is that that letter was addressed to the governor of New Hampshire, but possibly he addressed both the New Hampshire and New York governors. Let me say that I do not think there was any bad taste in that. That was the action of Mr. CLARK of Missouri as an individual making a suggestion to the governor.

Mr. STAFFORD. As the titular head of this body.

Mr. GARRETT of Tennessee. I do not so understand it. He was not then Speaker of the House except as he held over from a prior term. His action was that of an individual Member and in an advisory capacity, expressing his views in an effort to have some action.

Mr. STAFFORD. In the letter addressed to the governor of New York he was at that time Speaker of the House of Representatives and acting in the particular capacity of Speaker, and his individual views reflected the judgment of the House.

Mr. GARRETT of Tennessee. I do not remember when the letter was written, whether during the session of Congress or whether it was after the Sixty-fourth Congress had adjourned sine die; but it does not matter either way, because the gentleman from Missouri [Mr. CLARK] signed the letter, and not the Speaker of the House. It was, I understand, signed simply "CHAMP CLARK." But I see a very great distinction between one writing as an individual making a suggestion to the executive authority and this body itself passing a resolution and thus attempting official action. That is all I care to say upon that point. Now, if the gentleman from Tennessee will yield me three minutes more, I want to say something about the matter referred to by the gentleman from Massachusetts [Mr. ROGERS].

Mr. BYRNS of Tennessee. I yield to the gentleman three minutes.

Mr. GARRETT of Tennessee. I simply wanted to make this statement. I presume I violate no confidence in making the statement. I had occasion upon yesterday to have an interview with The Adjutant General of the Army, Gen. Henry P. McCain, in behalf of a mother who had written me asking me to aid her, if I could, in looking up her son, a second lieutenant in the Reserve Artillery Corps in France.

I presented the situation to The Adjutant General, and he said, in substance, "I am in a position to sympathize deeply with this lady. I have myself a son, a captain in the Artillery in France, from whom I have not heard since December last, and an effort to locate him by cable has failed."

Mr. MADDEN. Will the gentleman from Tennessee permit me to state something in reference to the situation which the gentleman from Massachusetts declined?

Mr. GARRETT of Tennessee. Yes; at the end of this sentence. The fact is, in my opinion, the delay in hearing from these young men is not due to faults of the Mail Service. Of course, I have no doubt that there are some inevitable conditions, but that there is wanton and willful neglect no one could convince me, and the very fact that The Adjutant General of the Army himself could not even by cable ascertain the whereabouts or hear from his own son would seem to me to be sufficient evidence that the fault is not in the Mail Service. Now, I yield to the gentleman from Illinois.

Mr. MADDEN. Mr. Chairman, my investigation discloses this situation. Until recently all of the mail sent to the soldiers in France was handled by the French Government, and no attempt was made to distribute or deliver the mail to the soldiers. Buildings under the jurisdiction of the French Government were literally filled with mail, piled up without even being unpacked.

But no such condition has arisen, I think, since the American Government organized and installed the Postal Service for the Expeditionary Force. That activity has been placed under the Second Assistant Postmaster General, who has jurisdiction over the transportation of the mail, and also over the handling of the mail after it reaches France. To-day the mail is sent to the soldier whose name must be written on the envelope, with his unit, care of the Expeditionary Forces in France, and handled by the postal employees of the United States Government, who are delivering the mail to the regimental headquarters for each regiment. The mail is distributed to the soldiers of the regiment by the organization of the regiment.

There ought not to be any difficulty about delivering the mail now, and I do not think there is any serious difficulty. All the complaints that have heretofore been made or the dissatisfaction which existed was due entirely to the fact that the delivery of the mail was supposed to be attempted by the French Government, but no attempt was made by the Government to deliver that mail. Thousands of men have been permitted, as my investigation shows, to go into buildings where the mail is piled up mountain high, and try to pick out their own mail, and you might as well look for a needle in a haystack. Since we have taken jurisdiction I do not believe there is any just cause for complaint, but, of course, the mail is not delivered as quickly as it could be across the street.

Mr. ROGERS. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. ROGERS. When did this improvement begin?

Mr. MADDEN. We have only had the organization a little more than a month, and it could not have begun until recently.

Mr. ROGERS. I had two letters this week postmarked in France December 18.

Mr. MADDEN. There is no trouble about getting the mail here.

Mr. ROGERS. There was in that case.

Mr. MADDEN. From all I can learn, they get the mail here as promptly as they could expect to receive it, considering the irregular movement of the ships.

Mr. STAFFORD. Mr. Chairman, I yield one minute to the gentleman from Massachusetts [Mr. GILLETT].

Mr. GILLETT. Mr. Chairman, I have had a great many letters complaining, as other Members doubtless have, of the inexcusable delay in the mail of our soldiers in France. I had one this morning from a constituent stating:

> I have just received a letter from my brother, dated February 7, advising me that he has not received any mail from his people here at home. We have been sending him letters, papers, and packages regularly since December 1, and it seems as if most of it should be delivered by this time.

That is just a specimen letter. I have received many similar letters and have referred to some of them before in the House.

Mr. MADDEN. Mr. Chairman, I want to say to my friend that a great many letters came back from soldiers whose parents had sent them letters, and they were handed to me, and that caused me to investigate this situation, and I am just as well satisfied as one can be from investigation that every effort possible is being made to make deliveries of mail now.

Mr. GILLETT. I hope so.

Mr. MADDEN. And that all of the delay up to within the last month was caused by the failure of the French Government to handle the mail.

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. I have not the floor.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. EVANS. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. COX].

Mr. COX. Mr. Chairman, I intend to support the bill under consideration with the exception of possibly two or three items in it. Recently there has been considerable criticism in the press of the country and by men in high political positions here in Washington of the War Department for its failure to come up to the ideal standard of certain people in the country. It is not my purpose in these few minutes to open that controversy or to enter into it now, but I believe the time has come when all criticism should cease, and we should all join harmoniously in trying to bring this war to as speedy a conclusion as possible by one and all, young and old, joining in the war against the Kaiser and not warring among ourselves.

Mr. JOHNSON of Washington. Mr. Chairman, the gentleman does not refer to criticism of the kind that I made a few moments ago, which was directed at legislation in accordance with war measures?

Mr. COX. Oh, no; I do not refer to that at all. What the gentleman said was not criticism but constructive pure and simple. I refer to recent criticisms made by a Senator at the other end of the Capitol. Criticism is one thing and constructive legislation is quite another. I never in my life have had much use for an out-and-out critic. I never had much use for a theorist. I have always all my life endeavored to deal with facts. It may be that has come to me as a result of my profession, dealing in cold-steel facts that surround a given proposition. I have never in my life taken very kindly to simply criticism unless the critic at the time of making it was able to substitute a constructive program that would supersede the other that was being criticized.

My friend from Massachusetts [Mr. ROGERS] a moment ago said that he wished the Post Office Department would take the Members of the House into its confidence. I had an occasion the other day to say that the Post Office was not only ready but willing and anxious to take every Member of this House into its confidence, and if the Members of the House will only go down and consult the Postmaster General about the delay in the mail between here and the fighting line in France I am sure they will get the information they desire.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes; for a short question.

Mr. ROGERS. Did not the Postmaster General in his report say there were no delays?

Mr. COX. I do not remember just what his report did say.

Mr. ROGERS. May I read just one short sentence—"The time required"——

Mr. COX. Oh, no; I object to that. The gentleman can put that into his own speech. As a matter of fact, there are some delays in the delivery of mail to the soldiers in France. There is no question about that. The gentleman from Illinois [Mr. MADDEN] hit the keynote. I think the mail is going to the soldiers in France and is being distributed as rapidly as possible. This follows, and will rapidly improve—as fast as the soldiers are definitely settled in their commands. Every foreign government fighting on French soil to-day had for months and months the same trouble that we are having. I had occasion to talk to a man from England the other day who had to do with the delivery of the mails to English soldiers in France for two years, and he told me that they had the same trouble in England getting the mail to and from the soldiers that we are having, and that their trouble lasted six months before they were able to overcome it.

Mr. JOHNSON of Washington. And Canada had the same trouble.

Mr. COX. I think that is true. We must remember that down to this time the soldiers are not permanently stationed over there unless it has been within the last 30 days. They are being moved from place to place and shifted around from point to point. Mail is constantly following the soldier on his rounds from the place where he was shifted to the place where he is going finally to land. I know how trying it must be to fathers, mothers, or wives who are trying to get letters delivered to their boys or husbands, but if people will be a little patient I am sure the Post Office Department will finally work that out, because I happen to know that the Post Office Department is exerting its utmost not only to expedite the mail to our soldiers but to deliver it as expeditiously as possible. Enough of that.

Mr. Chairman, I do not have much respect for theorists, and my idea and my knowledge of warfare is altogether theory. I am unable to offer any constructive legislation to the War Department in order to improve conditions, because I know nothing about it. My whole training in life has been in a different direction. Recently we had some rather unjust and stringent criticisms delivered in the Senate against the operation of the War Department. We have had able replies and answers made to it, not only in the other end of the Capitol but here. But the criticism of the way the War Department is handling the affairs of our country to-day, in a large way, is theoretical, and the men who answered the criticism here and in the Senate, though they are able, are again theorists. I would rather take the word of a man who was on the firing line, who is in the camps training, in the cantonments, on the submarine chasers, or on our dreadnaughts, detailing conditions surrounding those things, than to take the word of the critics, however much more eloquent their word may be than the language of the men who actually know the facts.

There went from my district last summer a young man, a volunteer, a soldier who heard the patriotic call of his country, uneducated except in the school of experience, a graduate with the saw in one hand and a hammer in the other, but imbued with all the fires of patriotism. He has been in the service of his country since last June or possibly last May. This soldier, who has never had the opportunity of becoming a graduate of a school or college, except, as stated, in the school of hard experience, wrote me a letter recently from Camp Selby, Miss., in answer to some of the criticism that is being made now against the War Department, and in my own time, Mr. Chairman, I ask that this letter be read and made a part of the RECORD.

In one short letter, in his own language, in his own way, and in his own thoughts, he has made a complete answer to all the would-be critics of the Secretary of War. Remember this answer comes from a plain soldier in camp, drilling day in and day out to enable him to do his duty and defend his country when the crucial and acid test comes for him to look into the muzzle of a Krupp gun in the trenches of France in defense of the flag of his country.

The CHAIRMAN. The Clerk will read the letter in the gentleman's time.

The Clerk read as follows:

ON THE RANGE, *February 17, 1918.*

Hon. W. E. COX, M. C.,
Washington, D. C.

MY DEAR SIR: It is some time since last I bothered you with a letter, but feel like a letter from me at this time in regard to what I've to say may interest you.

Firstly, I will say that our training course is advancing rapidly and I believe our regiment will soon be ready for service abroad, as soon as we can be shipped. I note with great disappointment that many so-called leading statesmen are causing much embarrassment to our military heads with their criticisms of the way our armies have been equipt. Let me tell you, from my own observation in this Camp Shelby, I never seen one case of suffering due to lack of equipment, and as far as ordnance is concerned we have been fully equipt, as far as I can learn, long ago, with the exception of machine guns; and, take it all in all, consider the enormous amount of work to gather, equip, and house this immense army we have gathered in less than a year and send hundreds of thousand across the pond in the orderly and quiet way in which all this miracle was wrought, my words are only those of thanks, praise, and thanksgiving toward the wonderful leaders we are serving under.

I want also to call to your attention that the majority of soldiers are very grateful for the thoughtful way in which our Government prepared ways for them to send part of their pay back home through the allotment process.

And also how deeply thankful we all are for "the war-risk insurance." It truly is the greatest piece of legislation ever enacted for soldiers of any nation in the world, and its liberality is so fine that my poor education makes it impossible to do it justice. It does all it claims and more for the men for whom framed. I can not feel as I do, a penniless man offering the only thing I have to my country, namely, my life and good health; and when I think that this insurance insures my mother and younger brothers a protection in case I may make the supreme sacrifice, and in case I come back a helpless cripple I am independent of a hated pension system, which in my eyes was unjust and graft ridden; and when one considers what this assurance means to men like me, why, I say, some day these men will bless this insurance bill as the greatest thing ever done for mortal man; and let me assure you

that the bill was so popular in our company that every man in it took out $10,000 worth, and they will all bless the day they did this; and I am glad I was the instrument that made some of these same men take it after first passing it up as a scheme. Some day I may be able to relate many humorous incidents in regard to same.

But there are other more weighty reasons on my mind why I take the liberty to write you, and it is this confounded peace talk that seems to be sweeping our country like wildfire, and our foolish people and press seems to be taking it up and shouting and proclaiming it so loudly from the house tops that I fear it is even doing our Army harm. Why I've had countless brushes with some of these hair-brained drafted men who hear so much peace talk that their little brains are not in their training, but planning to go home in three or four months, so you can see what damage, untold damage, this damnable and continuous peace talk is doing. It's dividing our people's attention between preparation for a long hard struggle and a speedy peace. And these same people claim they are very patriotic, and yet fail to see that a peace within a year means nothing else than an insecure peace, for Germany in her present position is using all her energy to get the world to talk peace while yet she sits on her dizzy heights of countless victories, and these people are helping this damnable Kaiser yell peace. My God, are they going to let them yell peace until it actually happens, and leave the world insecure in the hands of these heartless barbarians and autocratic beasts? Are we going to "holler" peace and find ourselves in Russia's plight? Or are we going to stop talking peace and sternly face the long years of bitter struggle that are in front of us, to drive these barbarians from power, and really and truly immortalize those noble words of our great President that democracy might be safe for the world?

Our Government is doing its work so nobly and grand that even the meanest partisans can find but few crumbs to chew upon, but isn't it the duty of every preacher, teacher, and writer, and every professional man to start in a campaign to counteract this peace talk that the Kaiser and his agents are spreading here in America.

You have lots to worry and not too much time to waste, but you, through your influence, can turn many people to talk preparation of a long hard war, of great sacrifice from our people, to really and truly crush out this monster, so, therefore, I took this liberty, hoping you will not think me a dreamer, or will not think it a presumption, but hoping you see it in my light.

I remain, your very grateful and respectful friend,

LEO FISCHER,
Corporal, Company I, One hundred and fifty-second Infantry,
Camp Shelby, Miss.

P. S.—We are on the rifle range at present and our regiment had a very beneficial shooting course. We are almost through, and move back to camp soon. Wishing you every success.

LEO FISCHER.

[Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield the gentleman from New York—how much time?

Mr. LONDON. I do not know; 10 minutes.

Mr. BYRNS of Tennessee. I yield the gentleman 10 minutes.

Mr. LONDON. Mr. Chairman, I regret that the gentleman from Missouri [Mr. BORLAND], who has been tin panning so long about the eight-hour day, is not here. Either the gentleman from Missouri is a great watchdog of the Treasury, a great statesman and the only statesman and the only man who takes care of the Treasury of the United States, or the head of every department and every member of the Cabinet who has failed to increase the hours to a minimum eight-hour day is an accomplice in a form of graft. I would not have talked about this proposition if an insiduous effort had not been made to bring about the permanent lengthening of the working day under the guise of war emergency. Every rule of efficiency requires a shortening of the working day instead of the lengthening of it. The shallowness of the reasoning of the gentleman from Missouri appears in his own words. He has characterized himself better than anyone possibly could when, in reply to the question by the distinguished gentleman from Wisconsin [Mr. COOPER], the question being this:

> Does the gentleman think what is paid by private employers necessarily constitutes a fair criterion as to what the Government ought to pay?

The gentleman from Missouri replied:

> Then the gentleman is condemning the American Federation of Labor, which is a private employer with the same class of office force in the District of Columbia. Why, of course what private employers pay is a criterion, because it fixes the standard of wages. What men pay in the market for potatoes fixes the price of potatoes.

Now, that is exactly what the man who refuses to learn would be expected to say. He would have human labor, he would have the value of human effort, he would have the work of men and women determined by what he calls "the law of supply and demand" supposedly regulating the price of potatoes. He would reduce the human being to the value of a commodity, of an inanimate article, and subject man to the law of supply and demand. I deny that there is a law of supply and demand in which the human agency does not enter as a factor. Every trust, every monopoly limits the operation of the law of supply and demand, and every law, every act of social legislation, every attempt to assert the collective conscience of the people in the direction of an ethical basis in the practices between man and man limits, qualifies, and curbs the operation of the law of supply and demand. There is nothing more absurd than to attempt to apply the law of supply and demand to human relations. There is nothing more iniquitous than to say to the laboring man, "I shall subject you to the law of supply and demand. If a thousand men apply for a job, I will have them work 14 hours and will pay them $1 a day, but if 2,000 men apply for the job I will have them work 18 hours a day and pay them 50 cents a day."

It is this law of competition, as it relates to the labor market, that the American professor, Richard T. Ely, designated as the law of the meanest employer. It is the law of the unthinking and unfeeling man. I would recommend the gentleman from Missouri, if that is all the political economy he knows, that so far as the expression "the law of supply and demand" goes the less he will use that expression the better off he will be. It is a rule to which there is no exception that efficiency is brought about by limiting the hours of labor. When you take one hour and multiply it by 8 it does not mean that you have increased the product by 8. It does not mean that in the eight-hour day the eighth hour you can work as effectively, as productively, as diligently, and as fruitfully as during the first hour of the day. You study the law of efficiency—by the way, there is a very scholarly work on the subject by a woman, Josephine Goldmark's Fatigue and Efficiency, in which she has compiled opinions from the best authorities in the world on the subject of the result of fatigue upon efficiency. Study statistical tables with respect to accidents and you will discover that accidents occur mostly in the afternoon, and the greater number of accidents occur during the last days of the week. It is in the morning when you are fresh, when you apply yourself with new vigor to your work, that you are most effective. The question is not whether a Government employee works seven or eight hours a day. The question is whether within those seven hours he does the work required of him. That is the question. And, judging even by Mr. BORLAND'S own standard that what people will ordinarily do in a community constitutes the standard, the seven-hour day which has existed in the District of Columbia since 1898, has by the practice, custom, and habits of 20 years become the standard of this community, and any attempt to lengthen the working-day is going backwards, is retrograding.

That seems to be the only thing a Democrat can do. If he moves at all, he moves backwards. Let him not claim to be the savior of the Treasury—a great statesman. Noise! Noise! "BORLAND, the savior of the Treasury." He will save Uncle Sam $7,000,000 a year, while every head of the Cabinet and the head of every department refuses to save to the Treasury these $7,000,000.

It is about time for the gentleman from Missouri to learn something, to realize that we are not making progress by going backward; that the world's forward march is for shorter hours and higher efficiency and better treatment of every man, and that the Government surely can not afford to be a mean employer.

The only men that will support the gentleman from Missouri in lengthening the hours of labor are those employers who look upon the movement for the reduction of hours of labor as a movement which will ultimately destroy them, the powers of plutocracy, the powers that would destroy every man who sympathizes with the cause of the men and women who work for a livelihood.

You know from your own experience that when you are at your best you are doing in 3 or 4 hours what will take you 8 or 10 hours to do when you are in a state of fatigue, when you are exhausted, when you are tired. Do not measure the value of human labor by the figure "8" or the figure "7." And the contribution which the employee of the Government makes by his seven hours is by the industry, by the intelligence, and the conscientiousness with which he performs the work for which Uncle Sam pays him.

Mr. KEARNS. Why do you say seven hours for the Government clerks. Some of them work 8 or 10 hours.

Mr. LONDON. I am speaking of those departments where they work seven hours to-day. That custom has existed in this city since 1898. It is the custom of the community. It is the practice. It is the standard to which they have become accustomed.

Mr. KEARNS. There is no custom of seven hours in the departments.

Mr. LONDON. I understand that in all the departments in which the gentleman from Missouri [Mr. BORLAND] tries to make a change there is.

Mr. KEARNS. His statements do not accord with the facts entirely. The facts are they have to do the work there whether it takes 6 hours or 10 hours or 12 hours.

Mr. LONDON. The work is and should be measured by the product and not by the length of hours taken to perform the work. It is exactly what I am trying to argue; and the

man who pretends he is going to confer a benefit upon the American people——

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONDON. Mr. Chairman, I ask for two minutes more.

Mr. GOOD. Mr. Chairman, I yield two minutes more to the gentleman.

Mr. LONDON. And the man who pretends he is going to confer a benefit upon the American people or save the money of the Treasury by increasing the hours of labor is talking hot air.

Mr. KEARNS. I happen to know that in the Post Office Department here in Washington there has been an order issued to about 200 girls to come back after 6 o'clock in the evening and work until 10 or 11 o'clock at night. Now, that order has been issued——

Mr. LONDON. Because they are short of help.

Mr. KEARNS. And they are not getting 1 cent additional pay, either.

Mr. LONDON. And I suppose that every one of them does the work willingly, realizing that they are called upon to do this work because of the extraordinary situation in which the country finds itself.

I suggest to the gentleman from Missouri [Mr. BORLAND] that he begin studying the labor problem. And let him please do away with the talk about supply and demand governing the price of potatoes becoming the law in the relations of human beings. [Applause.]

Mr. GOOD. Mr. Chairman, the gentleman from Wisconsin [Mr. STAFFORD], who is temporarily absent from the Chamber, has requested that I yield 20 minutes to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for 20 minutes.

Mr. MONDELL. Mr. Chairman, on yesterday the gentleman from Illinois [Mr. RAINEY] delivered a most interesting address, splendidly expressed, with regard to the coal production of the United States, with some reference to transportation conditions, and the vast increase of exports. Carefully listening to his statements, I gained the impression that most of this was to be accredited to the industrial shutting-down order issued by Dr. Garfield, head of the Fuel Administration, a short time ago. Possibly the gentleman from Illinois did not intend to credit Dr. Garfield with the increase of 64,000,000 tons in our output of bituminous coal last year; possibly did not intend to credit Dr. Garfield with our enormously increased exports and with the partial clearing up of the railway congestion. But such was the impression.

The gentleman from Illinois had a pretty hard task before him, that of attempting to justify the order of the Fuel Administrator which closed down a very large portion of the industry of the country a short time ago. I have no disposition to unduly, certainly I do not desire to captiously, criticize Dr. Garfield. I do not desire to criticize any public official who is acting in good faith, as I have no doubt Dr. Garfield was. The doctor was, I imagine, to a very considerable extent the goat of the railway administration, for even the gentleman from Illinois emphasized the alleged relief of the freight congestion through his order very much more than any relief in the matter of increased supplies of coal. Furthermore, I have no desire to unduly criticize Dr. Garfield, because, I believe, he has unintentionally performed a very great public service.

Unwittingly, no doubt, but nevertheless, he and his order have performed as great a public service as has been performed by any individual or any governmental agency in a long time, for he has again demonstrated, again illuminated, again emphasized the fact known to all thoughtful men and students of history that no government bureaucratic organization can successfully manage the intricate industrial affairs of a great people; that any attempt to regulate or control the industries of a nation through a government bureau is almost certain to result in disaster. It is necessary, it has been necessary in this time of war, to grant great autocratic power. Congress has not granted this authority in the belief that the grant was of itself desirable, but in the belief that under the circumstances and conditions it was necessary and inevitable. In authorizing the exercise of autocratic power Congress has not lost sight of the fact that in the exercise of that power mistakes will be made, unwise things will be done; while we have hoped for the accomplishment of great good we have realized that inevitably harm may be done.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. JOHNSON of Washington. When Congress authorized great powers to the Emergency Shipbuilding Corporation does the gentleman believe that it was ever intended for that corporation to commence the publication of a weekly newspaper?

Mr. MONDELL. Oh, no; furthermore, I do not believe it was the intent of Congress to have an official court journal published and sent to anyone in the Union who desired it at a time when the supply of print paper was said to be so short and so scarce that the only uncensored journal in the United States, the CONGRESSIONAL RECORD, is not being printed and sent out. That is also true.

Mr. JOHNSON of Washington. Then these powers having been given, and some newspaper of that kind being printed, and another, as I am told, organized, is there any way it can be prevented—any possible way?

Mr. MONDELL. Well, that is one of the difficulties of a grant of autocratic power. There is always danger that it will be abused, that men whose judgment is not sound or whose purposes are not the best may abuse that power.

Mr. JOHNSON of Washington. When a fuel administrator is looking about for a place to cut off nonessential industries, would it not be a good thing for some of the departments to shut off nonessential side lines of expense?

Mr. MONDELL. Of course. The gentleman knows how dangerous it is to have public sentiment formed, controlled, and molded by official publications, published at public expense to express and reflect the official view.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. COOPER of Wisconsin. So far as I am concerned, I can see no reason for there being a journal published by the Emergency Shipbuilding Corporation except to mold public sentiment in their own interest. I would like to ask the gentleman from Washington [Mr. JOHNSON] what authority he has for the statement that the Emergency Shipbuilding Corporation is going to establish a newspaper?

Mr. JOHNSON of Washington. Only from the statement of a public newspaper here and from the activity of a number of newspaper acquaintances of mine who expect to find employment on the Shipbuilding Corporation's weekly newspaper.

Mr. MONDELL. So many abuses are likely to grow out of the exercise of wide authority that Dr. Garfield has performed a great public service in challenging our attention to the dangers that lie in the granting of great power and authority and autocratic control. I do not know but it is worth all of the great loss and cost, enormous as it has been. The gentleman from Illinois [Mr. RAINEY] yesterday called attention to the fact that the people loyally responded and obeyed the order. Certainly they did. No one on this floor ever suggested that they should not. No good citizen ever suggested at any time anywhere that the order should not be obeyed, and the people did obey it, as it was their duty to do, to their great inconvenience, loss, and suffering. The fact that they did obey it, instead of justifying the order, should, on the contrary, teach a lesson and have a sobering effect on those who have great and unusual power, restraining them from exercising it in laying on the people great burdens, great hardships, knowing that their patriotism and law-abiding habit will persuade them to obey, however unjust, arbitrary, and needless it may be. There are a lot of good folks in the country who would try their best to stand on their heads if an order were issued through some officer of the Government to that effect, coupled with the claim that it was necessary for the winning of the war.

Those charged with responsibility ought to be careful as to the sort of orders they issue. As to Dr. Garfield—and I do not want to say anything unkindly of him—I never met him, and I know that he comes from an illustrious family, and I have no doubt he is a well-meaning man. But I can not help thinking of that other doctor that I once heard of, who, lacking experience and training qualifying him to diagnose and cure the ordinary ailments of his patients, adopted the very simple expedient of throwing them into fits, being very confident that he was "death on fits" and could cure that malady. [Laughter.]

One would not think very highly of an engineer put in charge of a great and intricate piece of machinery who, having discovered that there was a little leak of steam, a loosening of the joints, a slipping of the belts, a little troublesome friction, should proceed to try to remedy things by throwing a monkey wrench into the most essential part of the machinery.

The fact is—and the fact can not be changed by any argument made by anyone anywhere—that the fuel order to which reference has been made was a crude, cruel, useless, senseless act. As first issued it was proposed to close down manufac-

turing industries run by water power, to close down industries drawing coal from mines immediately adjacent to the factory. It did close down industries making the very locomotives that were the prime essential to the remedying of the conditions of railway congestion, in aid of which the fuel order was issued.

There was an unfortunate situation; there was a condition requiring some action. But no such drastic, far-reaching, all-embracing act of despotic power was necessary. It led to great loss and suffering, to the shutting down of industries of vast importance to the winning of the war. It deprived American workmen of millions of dollars of wages and entailed a loss of even greater magnitude to American industry. It accomplished nothing that could not have been accomplished with little loss or inconvenience. It would have been very easy indeed to have worked out some plan whereby the situation, bad as it was, might have been cured, rather than this plan, which, in my opinion, has not commended itself to the calm, deliberate, sober, unbiased judgment of a single individual under the flag.

And yet Dr. Garfield, as I said at the beginning of my remarks, has performed a great public service. He has reminded us of the danger of placing in any man's hands great autocratic power. We have felt it necessary in the prosecution of this war to do that. We may find it necessary to do it further. I am frank to say—I am glad to be able to say—that in the main and in many matters of moment this authority has been exercised with discretion and judgment.

It is my opinion that a Member of this House is not performing a service to his country when, having joined in granting great power and authority because it seemed necessary, he feels called upon to indorse, approve, and praise every exercise of the powers so granted, no matter how patently unwise and unjustified it may have been. [Applause.]

While I have the opportunity I desire to say a word about the class of people who have come to be designated as "alien slackers." We are engaged in a war against the powers and pretenses of arbitrary, despotic military despotism. We believe the liberties of mankind, the opportunities for independent, free self-government among men largely depend on the winning of the war.

Our young men, the bravest and best, are freely offering themselves and their lives to the service of their country and mankind. There are many men among us of military age who are citizens of the countries which are battling with us in this great contest. If they were in their native land they would be called into service; but here, under the protection of our flag and enjoying the benefits of our hospitality, they seek the exemption which they claim their foreign birth and citizenship gives them.

All honor to such of those of foreign birth and citizenship—and they are many—who claim no exemption and freely offer themselves for service. As to those who do not, when both the land of their birth and the land that has afforded them asylum, security, and opportunity needs and calls them, some way should be found to bring them to a realizing sense of the fact that he who will not share the burdens and responsibilities of free government is not entitled to its protection and opportunities.

I am in hopes that through treaty, or, failing in that, through legislative action, these slackers may soon be compelled to serve the common cause either under the flag of their native land or under the flag of the land which harbors and protects them. Of all slackers the one we have the least respect for is he who seeks under the cloak of foreign citizenship to escape the service our own boys gladly and patriotically undertake.

I yield back the rest of my time and ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GOOD. I yield 30 minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER of Minnesota. Mr. Chairman and gentlemen of the committee, I do not expect to occupy the full 30 minutes allotted to me. I am very glad to take the opportunity to address this very large and enthusiastic gathering of the House, and as I have been subtly reminded, with crowded galleries, on a subject that has not hitherto been discussed, but eventually will receive careful consideration by the people of this country.

We are reminded time and again that the fighting of this great war presents problems new and unique to humanity, new and unique to any nation, and particularly to this Nation of ours that hitherto has been peace loving and isolated so far as international entanglements were concerned. We find ourselves under the necessity of sending a large army a distance of 4,000 or 5,000 miles to fight the battles of the Republic. As I said on one prior occasion I now repeat, it is the most colossal undertaking ever attempted by any nation since history began. As time speeds by gradually there will be unfolded to us new problems connected with this great enterprise. It is in relation to one of these problems that is soon to arise that I want to speak for a few minutes.

First let me call attention to the fact that the news which came to us this morning indicates that the soldiers of Uncle Sam on the fighting line in France met the severe shock of battle and met it like veterans. [Applause.] They have during recent days been subjected to the supreme test of all the fiendish characteristics of this awful struggle. They have met the test of attack by the most intrepid and powerful soldiers, and the best trained, that the Kaiser has. They have met the test of the cold and the wet and the rain and the snow, privation and hunger. They have met these great tests in a way that thrills the heart of every American patriot. We are not, however, in any sense surprised. It was apparent to every man who journeyed along the western front during the autumn just passed and who saw the various troops fighting among the allies, saw the Belgians, saw the Portuguese, saw the various kind of British troops, saw the French, and later mingled and abided for a time among the soldiers of Uncle Sam, that for physical capacity, for courage, spirit, dash, all the elements that go to make a man a great soldier in this great warfare, the soldiers of the United States who have been trained and are in France are the best in the world. [Applause.] And there are many magnificent soldiers to-day in the world. However, we have a problem which is very, very serious; and I may be permitted to add in this connection that the people in the United States may take a great deal of comfort in the knowledge that our soldiers who in the shock of battle are wounded, or who fall a prey to sickness, are to receive the best treatment that has ever yet been given to soldiers of any nation in time of war.

The Medical Department of our Army and the Red Cross of this country are doing a class of work excellent in its character, inspiring in all its details, and any mother in this country can know to a certainty that if her boy is perchance wounded, or if her boy is taken sick, he is going to have as good treatment in France as though he were at home, as though he were back in the great country he is fighting for. And we ought to observe as we pass that no small degree of credit for this satisfactory condition should be given to the women of the United States. The men of this country have been working and performing great deeds during the period that this war has continued, but we recognize that we have fallen down in many respects. But, thank God, the women of the United States have not. [Applause.] Perhaps we are behind in machine guns, behind in artillery, behind in ammunition, behind in uniforms, behind in ships; but we are ahead in bandages, we are ahead in sweaters, we are ahead in socks, we are ahead in everything that woman was called upon to produce. [Applause.] I have not yet heard of any strikes among the knitting workers of this country. [Applause.] I have not found any strikes among the women who are rolling the millions of bandages that are going to relieve the suffering in Europe. And if you only knew the value of a clean bandage to a boy who is wounded! Any day along the front you may see men in the best armies in Europe who are obliged to undergo the danger that comes from a bandage that is not new and not clean. But our women already have provided and will continue to provide bandages and Red Cross supplies sufficient so that every man may be kept free from septic conditions.

But it is my purpose to speak on an entirely different subject. Life at the front in this war is a new life to civilization. It contains no elements at all to which we have accustomed ourselves through generations of civilizing and Christianizing influences. Men in the trenches are reduced back to primeval conditions. They live in holes in the ground. They work in the mud, they work in the rain, in the snow, in the cold. They suffer from hunger, they suffer from thirst, they suffer from cold, they suffer from all the elements of nature when nature seems to be at her worst. A man must battle against these conditions almost as primeval man battles against them. But in addition he must battle against all the forces of destruction that a vigilant and capable enemy can devise. He is not simply cold, he is not simply suffering from lack of food or lack of clothing or lack of water to drink, but he is in the midst of ever present danger. A little movement to one side, lifting the head above the trench, walking along the communicating trench in a way that he should not, moving along a

highway when he should have been in a trench may mean death to him. The atmosphere is charged with eternal vigilance if a man is going to live.

I realize in all this, no matter how strong a man may be physically, no matter how superb his spirit, he can not stand the wear and tear. There must be a letting up, an opportunity for relaxation. He must be allowed to get out of that hell region, out of the sound of shells, out of the sound of the roar of cannon, away from the danger, away from the cold and suffering, away from life under these awful conditions, and get where there is sunshine, get where there is comfort, get where there are refining influences that he knew in his lifetime, that his whole body may relax and recuperate.

The British recognizing this have perfected an elaborate system of leave. Every day there crosses the English Channel from the British front 10,000 men going back to England on leave. They have a period of rest in England of about 10 days, where they are permitted to enjoy some of the comforts that even exist to-day in England. They get out of that hell-charged atmosphere and the change is fairly complete. There is nothing that can express, there is no person that can express, that exultation of soul which comes to these men as they leave the trenches and know that they are going to Blighty.

I went on a troop ship across the Channel one day, and they filled several trains with troops, and I had a chance to watch them on the train. When we reached London they did not wait for the train to stop, they pried open the doors and leaped out on the platform and yelled, "Blighty at last."

I recall going back over that same route, and after we had landed in France we came up to the British front and saw the boys going back, and these fellows that had been on leave said, "God bless you, you are some lucky dogs." That does not spring from a slacker spirit at all. The British soldiers have the utmost interest and a dogged interest to end the war, and there is just one end, and that is victory, and they do not propose to stop until victory is achieved. [Applause.] There is no sacrifice too great to make without grumbling, but they realize the necessity of having frequent relaxation. They give the men leave once in four or five months. They are carrying that out pretty well.

Mr. JOHNSON of Washington. About how often does the gentleman say the British soldier receives leave to go to England?

Mr. MILLER of Minnesota. They intend to give him leave once in four months, but are not always able to do it exactly on time, so that it is four or five months. In the French army we have the same situation.

Mr. TOWNER. Will the gentleman yield?

Mr. MILLER of Minnesota. Yes.

Mr. TOWNER. Before the gentleman leaves that subject I think perhaps Members might get the impression that these soldiers were compelled to stay in the trenches until they made the trip to England. That is not the fact, is it?

Mr. MILLER of Minnesota. No; they never stay in the trenches more than 10 or 12 days, or perhaps 2 weeks, and then they have a period off.

Mr. JOHNSON of Washington. They are supposed to be six days in the trenches, are they not?

Mr. MILLER of Minnesota. That depends on the activity in the trenches. In France we find the same custom. There they give the men leave every 90 days, and they go home on permission. It is not any injustice to the French soldier, nor does it do him any lack of credit to say that he looks forward to the period home with a great deal of interest. In fact, I am told that should you deny to the British and French Army this opportunity of relaxation to which I have called attention the morale of the army would decline enormously, and it would be a difficult thing to keep them up to concert pitch.

The Germans themselves have a system somewhat of the character I have briefly outlined, but just pause for a minute and reflect how simple a problem for England and France. Soldiers of the British in France can leave the trench, and on the following day they are in Blighty. They can even leave the trench in the morning, if officers are lucky enough to catch a ride back on some lorry returning from the front—they can get to London that night. French soldiers can leave anywhere along the front line and get to their homes that same evening, no matter where it may be in France, or, at most, on the following day.

Our men are going to be subjected to the same severe trials. They are now subjected to the same severe trials and living conditions. They will have to have relaxation. Where are we going to provide it for them. That is a tremendous problem that disturbs many of our officers in France. Nobody has yet found a solution. There are two or three things, however, that by elimination will enable us to work out the problem as far as its consideration is concerned. First, we can not send them to London or England; second, we can not send them to Paris, nor can we permit them to go to Paris or any other large city. Manifestly they can not be brought home to the United States. In this connection I might observe that I mingled with a good many Australians and New Zealanders among the British troops, and I found the only cause of complaint—they did not care a rap about Gallipoli or the losses they sustained—the only thing that bothered them was that they did not have a home to go to every five months.

Great Britain is doing her level best to accomplish something in relief for the men, and the Canadians have the same situation that the New Zealanders and the Australians have. They are trying their best—the British Government—to bring relief by sending these men to England and permitting them to go in some parts of France.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Minnesota. Yes.

Mr. BORLAND. Has there been any consideration given to having some recreation point in Switzerland available to American soldiers?

Mr. MILLER of Minnesota. There has; and I shall be pleased to mention that briefly in a moment.

Mr. JOHNSON of Washington. Mr. Chairman, it might be interesting to add at this point that at one time in crossing the channel I saw a small shipload of Christmas cards and newspapers furnished by the Australian Government to the Australian soldiers living in France, post cards from the Government to the soldiers.

Mr. MILLER of Minnesota. Yes. That is a splendid testimony of the interest the Government itself takes in her sons, something that we might well emulate. Coming down to the problem of the United States, it is not necessary to state how many soldiers we have in France. We have enough, and some of them have been there now for eight months. We all know that it is our aim to get there a million and a half, at least, as soon as we can. It is my firm conviction that by the time the middle of 1919 shall arrive we will have more than 3,000,000 men in France. If you are going to give these men leave every four or five or six months, you can readily estimate the large number that must be accommodated while on leave. Some of the ways that have been suggested to give relaxation to the men we might enumerate, and, first, that to which the gentleman from Missouri has just alluded. It was suggested that our soldiers might go to the Alps, in Switzerland, where in the winter season they could have tobogganning and skiing and in the summer season Alpine climbing, but that is just what they do not want. They do not want to climb mountains, because they have been having all the hard physical exertion that they want. They do not want to go sleigh riding or skiing, because they have been buffeting their faces against the storms of snow for weeks and months already. They want to get away from that. It was then suggested that you might have a large number of sort of Cook's tours, so the men could be grouped together and taken on itinerant journeys through France, showing them the places of historic interest. Believe me, they do not care about those places of historic interest, at least not now. That would be the worst conceivable thing to inflict upon them. That gives them no rest. It might take them away from the sound of shells and take them from some of the awful conditions under which they are living, but it does not give them that relaxation and rest to which they are entitled. I with hesitancy present a plan which is mostly my own, but was suggested in its origin by certain of our officers in France who have been giving a considerable amount of their time to a study of this question. There is a place in France where relaxation can be had, and I call your attention to the southeastern part called the Riviera, near Cannes and Nice.

What attracted my attention to that first, having this in mind, was that I learned nearly all those magnificent hotels about Cannes and Nice are closed, shut up. A very few are open and accommodations given to certain of our officers, who have been down there, and certain others who could afford it, and the expense of the trip even to-day on a small individual scale is ridiculously low. I found on inquiry that undoubtedly those hotels could be operated in such a way as to give men good accommodations with all the comforts they could ask for, for not to exceed $1.50 a day. That region possesses just the qualifications needed for these men.

Mr. COX. Is that a resort of some kind?

Mr. MILLER of Minnesota. It used to be a great watering place, but now it is closed, and gentlemen might be interested

to know that all of the people who used to flock to France and Switzerland and other places, to these watering places and resorts, are not there now. They are not allowed there.

Mr. COX. I suppose these places are closed on account of the war?

Mr. MILLER of Minnesota. On account of the war entirely; but the buildings and the plants are there.

Mr. MADDEN. Who has control of the Mediterranean?

Mr. MILLER of Minnesota. Our allies have control of the Mediterranean up to date, and we expect to keep control. This is entirely safe here. That is a long distance from the German lines, and we hope it will never be any nearer the German lines than it is now. There is no reason on earth why the hotels there could not be taken over on a large scale, all of them, and a 25-mile zone established around that area, a military zone to keep out all undesirables. Those hotels could be opened and fitted and operated as a place for these men to go, and we could make it a second Atlantic City, if you like. I would give them all the foolishness their hearts might desire, and especially have some of the things that I know our boys want. They can play athletic games there every day of the year, for even during winter the climate is balmy and clear. Readily you can see there is opportunity for boating and all kinds of rowing and racing. There is opportunity for baseball every day of the year, and opportunity for football and any kind of outdoor sport you might name, track athletics, everything. The area is sufficiently large to accommodate any number that might be required to go there, and I think it ought to be done. I do not know that our Government will quite undertake the job. It ought to, but we are the slowest people in the world ever to undertake anything of this character.

We look after hogs and cattle and horses and cows and now and then sheep, but when it comes to the comforts and health of human beings, that is not a governmental function. It is each man for himself and the devil take the hindmost, usually, and I do not know that we can ever get our Government to do it; but it can be accomplished in another way. Already the American Red Cross has found it easy to raise $100,000,000, and it is going to raise another hundred million dollars, and every man who puts a dollar into that fund can feel that it is going to a splendid purpose. But this is not a job for the American Red Cross. This should be a job for an independent association, and if there are some American people who desire to put their money where it will do the most good in comfort for the men, let them organize an association, and the capital should run into millions, because this is no small job, and let them take over something of this character and perfect it.

Now, I come to the most important feature of all, and I say it with some deliberation and with all the earnestness I can command. These men at the war front after a period of time are longing for a touch of home life, that touch only woman can give. There is something about the war life that calls men to chivalric thought, calls them to an ideal state, one in which they long for a glimpse of pure, sweet womanhood. They need to know there is that sweetness in life which only the presence of woman can give. In these hotels, which should be rigorously controlled and operated, there should be a home touch, and American womanhood that already has shown its capacity wherever called upon can here perform a signal service. Under a careful system of matronage something akin to home influences can be provided.

Mr. MADDEN. Will the gentleman yield?

Mr. MILLER of Minnesota. Women of especial matronly qualities, with the assistance of such young ladies as might be called into the service, trained and discreet, should undertake this work and give the touch of home influence to these places.

Mr. MADDEN. That could, of course, be done under the direction of the Government, and should be done under the direction of the Government.

Mr. MILLER of Minnesota. I was about to say it should be put under the exclusive control of Gen. Pershing, where it belongs.

Mr. MADDEN. And at the expense of the Government of the United States?

Mr. MILLER of Minnesota. Entirely; because the Government ought to do it at its own expense. I am not certain it will or not; but if the Government will not, private individuals should.

Mr. MADDEN. Why should private individuals ever be called upon for that purpose? The governments of other countries are doing it.

Mr. MILLER of Minnesota. They are.

Mr. MADDEN. Why should not this Government be just as generous as any other Government in the world, and I think we are.

Mr. MILLER of Minnesota. We ought to do so.

Mr. MADDEN. The men who are sitting here have the decision on that question, have not they?

Mr. MILLER of Minnesota. Yes.

Mr. MADDEN. Then let us do it.

Mr. BUTLER. Will the gentleman yield?

Mr. MILLER of Minnesota. I will.

Mr. BUTLER. Why does the gentleman think this Government would not do it, because it is the right thing for the Government to do?

Mr. MILLER of Minnesota. But the Government is very slow about taking up matters of this character.

Mr. BUTLER. As the gentleman from Illinois said, it could originate here, and there are certainly enough red-blooded men in this House to do this thing.

Mr. MILLER of Minnesota. I hope it will be done and done speedily, and you have no idea what it will mean. For instance, men coming back every four or five months, a team will play a football match, they will play baseball matches, have field events, have races, have tennis matches, going on all the while. Why, it is the greatest opportunity in the world for the development of athletes and clean manhood. Life there can be made so attractive that the men will look forward to it with the keenest anticipation.

Mr. MADDEN. Will the gentleman yield further?

Mr. MILLER of Minnesota. Certainly.

Mr. MADDEN. Of course the hotel system runs a great many miles along the coast there?

Mr. MILLER of Minnesota. It does.

Mr. MADDEN. I do not know how many men the hotels that are there would accommodate, but a large number, but the chances are if our men on the other side amount to 3,000,000, and they are relieved every four months, that would mean a million men on furlough.

Mr. MILLER of Minnesota. There would not be that many, of course.

Mr. BUTLER. Fighting men.

Mr. MADDEN. Suppose you would not have accomodations for a million men in all the hotels along the Mediterranean coast?

Mr. MILLER of Minnesota. Oh, no.

Mr. MADDEN. We could provide means by which they could be accommodated easily enough.

Mr. MILLER of Minnesota. I should suggest we ought to make provision for about 250,000 at a time, ultimately, for I think that would be as many as we would ever be called upon to have there, and during another year accommodations for fifty or sixty thousand would be ample, and it is something that needs immediate attention.

Mr. COX. Will the gentleman yield?

Mr. MILLER of Minnesota. I will.

Mr. COX. Has the gentleman introduced a bill of this character?

Mr. MILLER of Minnesota. I have not.

Mr. COX. I hope the gentleman will and press it. I think he can get enough men behind it to put it through.

Mr. MILLER of Minnesota. I am very thankful to the gentleman for his cooperative suggestion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARLAND. Will the gentleman yield for one question?

Mr. MILLER of Minnesota. I will.

Mr. GARLAND. As to whether the gentleman knows that there has been action of that kind taken by the Government or intended action?

Mr. MILLER of Minnesota. Not on a comprehensive scale; no.

Mr. GARLAND. I remember three or four weeks ago I went up there with others to get passports for parties going over. We were informed that there was an intention, and especial intention, to establish what is known as an American city down on the Riviera along this very coast.

Mr. MILLER of Minnesota. That was discussed somewhat last fall when I was over, but no adequate plan has ever been attempted or even conceived of. [Applause.]

Mr. STAFFORD. May I have the attention of the chairman of the subcommittee for a moment? There is one other gentleman here to whom I would like to yield five minutes. The gentleman asked for it some time ago, and I promised it to him. I yield five minutes to the gentleman from Pennsylvania [Mr. FOCHT], and that will be the last speech under general debate.

Mr. FOCHT. The excellent speech of the distinguished gentleman from Minnesota [Mr. MILLER], who visited European points, has been accepted with great unanimity, due to the patriotic spirit which prevails throughout this House as well as the country, and I am confident that what he has suggested

is workable and would have the support of this House and the Nation.

The other subject discussed here to-day related to a matter that to my mind is next in importance in maintaining the morale of the troops in Europe to that of giving them entertainment while there. On account of the impossibility of their being able to come home on a furlough communication with the home folks, with the home family, with the fireside should be free, frequent, and unbroken. There is nothing that would inspire and thrill a soldier more than the martial music and the patriotic airs of his home country than a letter from the fireside he left when he went forth to battle for his home. A suggestion was offered this morning by the gentleman from Massachusetts [Mr. ROGERS] and other gentlemen, the gentleman from Indiana [Mr. COX] among them, and a spirit not of criticism—far from it—but from a desire to bring about a correction with regard to the transmission of mail to and from our soldiers in Europe. The gentleman from Illinois [Mr. MADDEN] said that the failure to make a distribution of mail might be on account of the language in France and it may have been due to the inability to promptly land the letters and the packages. But in support of what the gentleman from Massachusetts [Mr. ROGERS] said, and that it might be understood that these distressing and intolerable conditions exist, I would like to have the Clerk read a letter from a gentleman who would do anything but criticize, who is a distinguished scholar, a gentleman and a patriot, whose son is in France to-day fighting for his country. I wish to have the Clerk read this letter from President Warfield, of Wilson College, Chambersburg, Pa.

The CHAIRMAN. Without objection, the Clerk will read the letter.

The Clerk read as follows:

WILSON COLLEGE,
Chambersburg, Pa., February 18, 1918.

MY DEAR MR. FOCHT: Individually and as president of one of Pennsylvania's colleges I have endeavored to boost and not to knock, to support the Government and to abstain from criticism. But there comes a time when patriotism seems to mean to correct as well as to promote the activities or inactivities of the Government.

The outcry on behalf of the boys in France a short time ago was so entirely expressive of my own experience that I venture to ask your interest in so stirring up those who administer the mails as to secure for our boys at the front the enjoyment of the many efforts that are put forth for their happiness.

That they are not getting their letters or packages I know from the experience of my own boy and what he writes me of those who are with him. My family is a large one and my son in France has been sent several letters every week and a large number of packages, beginning about November 1. Some of the packages that arrived had been plundered of their contents, and the poignancy of this kind of disappointment only those who have served at the front are able to understand.

He complained in October that he was not able to keep his feet warm or to get warm socks in France. I sent him a large package from Philadelphia on November 3, which I know was properly addressed, and it had not reached him January 12.

He writes:

"December 25: We had a very nice Christmas, though I have not had a letter for six weeks and no package has arrived, but I will keep my eye open and have a long Christmas, extended through the 'guerre,' if necessary."

"January 17: Letters are rare things here. I have had only one from you all winter, in December, one from papa, and only one from E., so that altogether, adding the wet, rainy weather, I feel like 'going out in the garden to eat worms.' But that, I fear, would not be economical as long as I have received one box of books and one box of chocolates, and you say others are coming."

A large number of magazines have been regularly sent, none of which has reached him except an occasional number of the Independent. Among the magazines which have been sent and which have not reached him are the Red Cross, Literary Digest, National Geographic, Harper's, Scribner's, and others. Packages of books, packages of chocolates—only two out of many have been received intact—knit goods, sweater, helmet, socks.

Many of these things have only been intended for recreation and relief from the strain of service, but some of them have been to replace the inadequate clothing supplied by the Government.

What I feel for my boy tens of thousands are feeling for their boys—and they are all "our boys."

Yours, very truly,

E. D. WARFIELD.

Hon. BENJAMIN K FOCHT,
House of Representatives, Washington, D. C.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOCHT. I wish but a second to say that I have submitted this letter in order that the country may know the conditions that prevail in specific instances and that it is not some vague and unsupported rumor we are discussing.

Mr. COX. Mr. Chairman, I ask unanimous consent to revise and extend my remarks made to-day.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SENATE.

For compensation of Senators, $720,000.

Mr. GARLAND. Mr. Chairman, I move to strike out the last word. I wanted to say a few words only along the lines of efficiency and the getting out of work during this war in the shipyards and in all the operations that have been taken over and taken charge of by the Government.

It will be well remembered that in the Sixty-fourth Congress when these several large appropriation bills passed with reference to Navy work and Army work that onto each of them was hitched an amendment providing that no man should be required to work on the time-measuring system, and that the system then established in the navy yards be abolished. And I charge it largely to the impracticability of the Democratic side, and among others, I believe, too, the gentleman from Missouri [Mr. BORLAND], who, I think, voted in that particular way and who now proposes to get more efficiency from the employees by increasing the number of hours of labor. But there is no other thing as efficient as giving men piece or tonnage work in shops and mills and factories. And I speak from absolute experience.

Only about three weeks ago, I think it was, an article appeared in the Washington Post, of several columns in length, deploring the fact that in every shipyard of the United States the output had "fallen way off," and further stating this fact: That the average number of rivets driven by an individual prior to the war and the taking over of these works by the Government, or, rather, the supervision of them, was 350 per day, and that the same individuals were now driving but 130 rivets per day, a falling off of from 350 to 130. Now, at the time these measures were up it was conceded that there would have to be some effort to try to incite work, although the necessity for it did not seem as plain as now. But the gentlemen on that side, almost to a man, stood up and voted to eliminate the right to reward men for work on piecework. Now, a man that is working in these shipyards must have some incitement to cause him to work, or else he will not do all that he can do, and it is true we need the output and we want the men to be content. The prices of living are advancing all the time, and by having the right to work on piece or tonnage work and not adding one minute more to the hours of employment, it would increase the output in that way and in the direction I have just stated. I have seen time and again in factories and in mills going from the use of the day's work to that of output, where the increase, starting at $40 a month—and this is in railroad shops—ran up to $65 a month in less than two months, and shortly after doubled. That is an established fact in some shops over in the State from which I come.

I think there is where the last Congress erred very much; and it seems to me if we want to remedy this matter, if we want to get the output, if we want to stop strikes, if we want to have the men content, we should permit the practice that was in force before the passage of the decision against it by the last Congress.

Mr. COX. The gentleman is making, to me, a very interesting and instructive statement. As I understand the gentleman now, he is taking the position of favoring the pieceworkers?

Mr. GARLAND. Yes, sir; and I did at that time.

Mr. FOCHT. Bonus.

Mr. GARLAND. It is not bonus; it is piecework.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended two minutes.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that the time of the gentleman from Peunsylvania be extended two minutes. Is there objection?

There was no objection.

Mr. COX. What is the position of organized labor on that? Does the gentleman know?

Mr. GARLAND. It varies. A large number of the organizations favor and use piecework entirely. The trade to which I belonged, that of iron and steel workers, uses tonnage work. It has always done it.

Mr. COX. What is the policy in that regard of the organization known as the American Federation of Labor?

Mr. GARLAND. It has no decided policy, except that some of our trades affiliated with the American Federation of Labor prefer daywork and decide for that. As a matter of fact, that is where the mistake came in here. They do not declare in any of their conventions for entire daywork. Some of the organizations, I believe—among which are the machinists and others—do declare for daywork only.

Mr. COX. If I recall correctly, the American Federationist, the paper or organ of the American Federation of Labor, when this contest was going on heretofore in regard to the stop-watch system, stated that the test of the friendship of Members of Congress was soon to come on the vote on the stop-watch question.

Mr. GARLAND. There was not a resolution of the American Federation of Labor as a whole asking Congress to vote against it that I am aware of.

Mr. COX. It was stated that piecework had a tendency to overspeed the men and affected their physical endurance, and things like that. What does the gentleman think of that?

Mr. GARLAND. I do not think it does. It is claimed that situation occurred down here under what is known as the Taylor system. As a matter of fact, no one can determine the cost of operation of making a single article in iron or steel or any other article in any other line of manufacture unless they measure it by some kind of time and wage computation, and the attempt at that time was not to permit the use of the clock and thereby determine the cost of an article. I claim that by using a system of piecework you can more readily and more fully determine the cost of the production of an article. But it seems to me the Democrats were so intent on taking the industry of armor-plate making from the State of Pennsylvania they did not want that kind of legislation.

Mr. COX. The gentleman is correct. I want to say to the gentleman that in my little town there are three desk factories, and the ambition of every man working there is to be put on piecework, where they get seven or eight dollars a day. When a man gets to doing piecework he is not overworked at all.

Mr. GARLAND. A man used to drive 350 rivets as an average day's output before the war in these shipyards, but owing to its being Government work and owing to the laws passed by the Sixty-fourth Congress, which I have already explained here, they went onto the basis of daywork, and the same authority in the newspaper article I referred to says that they are now driving 130 rivets a day and consider that a day's work.

Mr. FOCHT. Mr. Chairman, I would like to ask the gentleman a question, inasmuch as he is regarded in Pennsylvania as the fountain to which we go on the labor question. I would like to know what the distinction is as to the piecework method and the bonus system which is in operation where they are making shells for the Government. As I understand, they pay them $3 a day for a whole day, and a certain percentage above a certain number of shells that they grind. How does that relate to this policy in regard to the piecework system, which you say they were prohibited from using at a certain time? I know that they are working on the bonus system in Government work.

Mr. GARLAND. On daywork they do a day's work irrespective of the amount turned out. If they are working on piecework, they agree to pay them on the piecework plan, and that, I insist, incites a man to greater effort; he does more work and not one minute more of labor.

Mr. ROBBINS. They work the same length of time?

Mr. GARLAND. Yes. They work the same length of time, but it keeps them from loafing on the job. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. SIMS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing letters from the Secretary of War and the Secretary of Agriculture and the Secretary of the Interior respecting proposed water-power legislation.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD by printing the document indicated. Is there objection?

Mr. WALSH. Reserving the right to object, Mr. Chairman, I did not understand what the document was.

Mr. SIMS. It is a letter from the Secretary of War, the Secretary of the Interior, and the Secretary of Agriculture respecting proposed water-power legislation, addressed to me as chairman of the Committee on Interstate and Foreign Commerce. It is an official document.

Mr. WALSH. Has it not been included in the hearings?

Mr. SIMS. No. I have just received it. The hearings have not been commenced.

The CHAIRMAN. Is there objection?

There was no objection.

Following is the letter referred to:

WASHINGTON, *February 27, 1918.*

Hon. T. W. SIMS,
House of Representatives.

DEAR MR. SIMS: It is understood your committee will take action at an early date upon various proposals which have been made concerning water-power legislation. On account of the conditions now affecting the power industry and the need of maintaining our entire industrial machinery at its highest efficiency, a satisfactory solution of the water-power problem is, in our judgment, one of the most important steps for the consideration of this Congress and one which should receive attention at the earliest practicable date.

The industrial expansion which has been necessary in order to produce the materials and equipment needed in the prosecution of the war has placed unprecedented demands upon the electric-power industry, to such an extent in fact that the output of commercial central stations has increased more than 60 per cent since 1914. This increase has been greatest in the manufacturing sections of the East where water-power development is comparatively limited, and has been chiefly in the form of steam-generated power, because steam power can be developed more quickly and at less capital cost than water power. This increase in power output has taken place notwithstanding advances in costs of construction and of operation.

While the form of bill which has been presented for your consideration is directly concerned with water-power development only, an adequate solution of this problem will have a favorable and stabilizing effect upon the whole power industry. Probably no considerable increase in new water-power development can be expected immediately, but legislation is urgently needed in order to put existing water-power developments, which have been made under inadequate law, into a position of security which will enable them to make extensions and to meet maturing obligations upon favorable terms.

There is also need of legislation in order that time may be given to prepare for the developments that must take place after the close of the war, if the United States is to maintain its proper place in world trade, or even to supply its domestic needs. A survey of our water-power resources is needed, particularly with relation to specific districts and specific industries. The various establishments of the Federal Government which have had to do with the administration of water power should be coordinated through a single agency, and as far as practicable all agencies, Federal, State, and private, should be brought into cooperation. It is urgently recommended that a Federal power commission be established as provided in the proposed bill and be given ample authority to undertake this work of preliminary investigations.

Beyond the need of power development as such is the need of increasing the proportion of water power in order to reduce the drain on our coal and petroleum supplies, particularly the latter. Even if the coal supply were unlimited, the reduction in the demands upon labor and transportation equipment would be sufficient reason for substituting water power for steam power whenever possible. The petroleum supply, particularly in the West where the greatest proportion is used for fuel, is being rapidly depleted, consumption has exceeded production and stocks in storage are fast disappearing. With the substitution of water power for steam power in central stations and with the electrification of railroads, a large part of the use of petroleum for fuel could be eliminated.

Water-power legislation should have in view not only the maintenance of the rights of the public in the national resources, but also the adequate protection of private capital by which such resources are developed. The bill before you aims to do both. After careful consideration, however, it is believed that certain changes in language could be made which would more clearly express the intent of the proposed legislation.

It is particularly important that the conditions which affect the disposition of the property at the termination of the license should be so definite that uncertainties will be reduced to a minimum. If the properties are not taken over, the conditions under which a new license may be secured should be entirely clear. If the properties are taken over, the price to be paid should not include alleged values not represented by investment, or, on the other hand, require needless amortization of capital during the period of the license in order to protect the investment. It is, therefore, believed advisable to define in specific language the items which should or should not enter into the price to be paid. The following definition which it is recommended should be inserted at the end of section 3 has been prepared after thorough consideration and after consultation with accounting and banking experts. It is believed to be eminently fair from the point of view of the public and of the investor. The use of this term will require certain changes in other parts of the bill, particularly section 14:

"'Net investment' in a project means the actual legitimate original cost thereof as defined and interpreted in the 'Classification of investment in road and equipment of steam roads, issue of 1914, Interstate Commerce Commission,' plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) Unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for extensions or betterments. The term 'cost' shall include, in so far as applicable, the elements thereof prescribed in said classification, but shall not include expenditures from funds obtained through donations by States, municipalities, individuals, or others."

The language of section 6, which fixes the period of the license, has been changed somewhat in order to make its intent more clear and in order to make certain that there shall be no time when the holder of a license may not have the privilege of receiving a new license if the properties are not taken over either by the United States or by a new licensee.

Certain other changes, minor in character, have been made for the purpose of clarifying the language or improving the form of the bill. All these changes are shown upon the attached copy of the confidential committee print.

Very truly, yours,

NEWTON D. BAKER,
Secretary of War.
FRANKLIN K. LANE,
Secretary of the Interior.
D. F. HOUSTON,
Secretary of Agriculture.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of Secretary: Secretary of the Senate, including compensation as disbursing officer of salaries of Senators and of contingent fund of the Senate, $6,500; assistant secretary, Henry M. Rose, $5,000; chief clerk, $3,250; financial clerk, minute and Journal clerk, principal clerk, and enrolling clerk, at $3,000 each; reading clerk, $3,600; executive clerk, and assistant financial clerk, at $2,750 each; librarian, file clerk, chief bookkeeper, assistant Journal clerk, and printing clerk, at $2,500 each; first assistant librarian, and keeper of stationery, at $2,400 each; assistant librarian, $1,800; skilled laborer, $1,200; clerks—3 at $2,500 each, 4 at $2,220 each, 2 at $2,100 each, 1 $1,800, 2 at $1,600 each, 1 $1,440; assistant keeper of stationery, $2,000; assistant in stationery room, $1,200; messenger, $1,440; assistant messenger, $1,200; laborers—3 at $840 each, 3 at $720 each, 1 in stationery room $720; in all, $94,410.

Mr. BORLAND. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri moves to strike out the last word.

Mr. BORLAND. Mr. Chairman, this morning in the general debate two Members of the House came valiantly to the defense of the profiteers in Washington who are the beneficiaries of the seven-hour law, and they did me the honor to refer rather pointedly to me in person. One of them was the gentleman from New York [Mr. LONDON] and the other the gentleman from Tennessee [Mr. AUSTIN].

Now, as to the gentleman from New York, I have always had the misfortune since he has been a Member of this House of not being able to communicate with him. For some reason or other he and I do not speak the same language. I have never been able to arrive at his mental processes. It may be my misfortune. If so, I am too old to change, but I do not either read, speak, or understand the bolshevik language, so that I am at loss to discuss his proposition. [Laughter.]

But it is quite otherwise with the distinguished gentleman from Tennessee. I think I understand clearly what he says. The gentleman from Tennessee has had a unique reputation in this House, and I rather think, if I am not mistaken, that he has somewhat gloried in it. He has taken the position, as I understand, that he never votes against any appropriation and never votes for any tax. By some strange system of magic all of these beautiful expenditures that he is in favor of come out of a clear blue sky, and none of them come out of the pockets of the American taxpayer. None of them represents the sweat and blood of our constituents, according to his beautiful optimistic ideas and statements. I wish I could subscribe to them.

He never wants to levy a tax on the American people. He wants the other Members of Congress to do that; but he always wants to vote for an appropriation. Now, that is a very beautiful theory. It is a good rule to go by, but, like all rules, there are exceptions. They say it takes an exception to prove the rule, and this particular rule of the gentleman from Tennessee has had one conspicuous exception. In the 10 years I have served with him I have never known him to vote against any appropriation except one, and that was the appropriation for the investigation of the Beef Trust. When the appropriation came before this House for the investigation of the Beef Trust, that had the American farmer by the throat, the gentleman from Tennessee voted against that appropriation. Why, he not only voted against it, but he worked with feverish energy over here at the door as his colleagues were coming in to vote on the floor. He was determined to beat that investigation. That is the sole exception that I know of. Now, I do not know how the gentleman is going to explain to his farmer constituents in eastern Tennessee why they should work 12 and 14 hours a day in the field to support seven-hour clerks in Washington, but I understand even less how he is going to explain to his farmer constituents why, when he never votes against an appropriation——

Mr. KEARNS. Mr. Chairman, I rise to a point of order. What right has the gentleman to discuss the previous votes or conduct of the gentleman from Tennessee on a motion to strike out the last word of this bill?

The CHAIRMAN. Does the gentleman make the point of order against the gentleman's remarks?

Mr. KEARNS. I do.

Mr. BORLAND. Then I ask unanimous consent to proceed out of order

The CHAIRMAN. The gentleman must proceed in order.

Mr. BORLAND. I ask unanimous consent to proceed out of order.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed out of order.

Mr. KEARNS. I object.

The CHAIRMAN. To which objection is made.

Mr. BORLAND. I will endeavor to proceed in order.

Mr. BUTLER. Can you do it?

Mr. BORLAND. I can. I would not refer by name to any gentleman in this House. I want simply to explain the necessity and bearing and some of these expenses that we are now levying on the American people. I have noticed, however, that there are a certain class of gentlemen in the House who always come valiantly to the rescue whenever the special interests are attacked.

Mr. MADDEN. What does the gentleman mean by that—"when special interests are attacked"?

Mr. BORLAND. Mr. Chairman, that is not a question of order. If the gentleman will pardon me, I have been held down here to a question of order.

The CHAIRMAN. Does the gentleman make the point of order?

Mr. MADDEN. There is nothing before the House dealing with "special interests."

The CHAIRMAN. The gentleman from Missouri must speak, of course, with reference to what is before the committee. The Chair would not hold that a reference to "special interests" was out of order, but as the Chair understands, the gentleman has made no motion.

Mr. BORLAND. I moved to strike out the last word.

The CHAIRMAN. Then the gentleman must speak to that.

Mr. BUTLER. The gentleman must speak to the motion to strike out the last word.

Mr. BORLAND. Gentlemen are getting very sensitive on that side of the House. I do not blame them, but I am very glad to say that I do not refer to the gentleman from Illinois.

Mr. MADDEN. The gentleman from Illinois needs no defense from the gentleman from Missouri.

The CHAIRMAN. The gentleman from Missouri must proceed in order.

Mr. BORLAND. I renew my request to speak for five minutes out of order.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent for five minutes to speak out of order. Is there objection?

Mr. MADDEN. I object.

Mr. BORLAND. Mr. Chairman, I notice that the gentleman from Tennessee [Mr. AUSTIN] has returned to the Hall of the House. I renew my request to speak for five minutes out of order.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. AUSTIN. I hope the request will be granted, and I regret I was not here to hear the gentleman's interesting talk.

Mr. MADDEN. If the gentleman from Tennessee requests that the gentleman from Missouri be given the time, of course I am not going to object.

The CHAIRMAN. Is there objection? No objection is heard. The gentleman from Missouri will proceed.

Mr. BORLAND. Mr. Chairman, I regret also that the brilliant gentleman from Tennessee was not present when I began my remarks. I was discussing his attitude toward appropriations and expenditures in this House, and I recalled the fact that during our service here, which has been equal in length of time, my understanding has been that he never voted against an appropriation and never voted for a tax; but I called attention to one conspicuous exception to that rule. That was the appropriation made in this House for the investigation of the Beef Trust. In that particular instance the gentleman overstepped his usual rule and voted against the appropriation.

As I say, it may be somewhat difficult, to my mind, for the gentleman to explain to the farmers of eastern Tennessee why they should be taxed for seven-hour clerks in Washington.

Mr. DYER. Will the gentleman yield for a question?

Mr. BORLAND. No; I regret I can not.

The CHAIRMAN. The gentleman declines to yield.

Mr. BORLAND. But it would seem more difficult to my mind to explain to them why, in view of the revelations which have come out in regard to the activity of the swarm of attorneys for the Beef Trust who were here in Washington, the gentleman from Tennessee should vote against that particular appropriation when he was universally in favor of all other appropriations. I said that whenever the special interests were attacked in this House there were always gentlemen ready to come to their defense, whether it was the profiteers of Washington or any other class.

> How sweet to hear the watchdog's honest bark
> Bay deep-mouthed welcome as we draw near home.

[Applause.]

Mr. AUSTIN. Mr. Chairman, I ask the indulgence of the House for five minutes. I regret that I am unable to answer that part of the gentleman's [Mr. BORLAND'S] speech, which was delivered in my absence from the floor of the House. I believe the gentleman was present this morning when I discussed him, and attempted in my feeble way to answer his observations of yesterday. In reference to his statement that I never vote against an appropriation, although I began pledging myself to enormous expenditures of money under the spell of his magic while on that wonderful Mississippi River trip—$230,000,000 at the very beginning of our acquaintance—I want to tell him that on several occasions here in the House I have voted against appropriations. I voted against the appropriation giving the Members of the House of Representatives their mileage; that is, I voted in favor of putting it on the actual amount expended rather than the 20 cents per mile basis. I do not know how the economist from Missouri voted on that proposition and I do not care.

This proposition about investigating the Beef Trust—I think the gentleman will find in the RECORD that I have consistently opposed and voted against all the so-called Democratic investigations from the Sixty-second Congress down to the present Congress, which I considered simply a waste of time and the public money in order to furnish gentlemen on that side for partisan purposes campaign material and not to advance the interests of the taxpayers.

The Beef Trust investigation was a proposition to investigate the high cost of living; that was the propaganda and the argument made in the House of Representatives. I took the position that all we needed to stop the high-cost-of-living prices was the enforcement of present laws and the indictment by the Federal grand jury of the packers and other people who were attempting to oppress the people; that we were paying for the expenses of the necessary prosecuting attorneys and assistant prosecuting attorneys who had access to Federal grand juries, and instead of wasting this money—$250,000—to furnish jobs for Democratic office seekers we should put the district and assistant attorneys appointed by President Wilson to work in the Department of Justice and in every Federal courthouse in the United States to investigate before the grand juries the doings of the packers and all other people who were seeking to advance the price of the necessities of life and who were outraging the American people rather than to dissipate the money and time in a political investigation originated by the gentleman in favor of cattle raisers in his district for whom he seemed to be the special champion.

The Clerk read as follows:

For captain, $1,800; 3 lieutenants, at $1,200 each; 2 special officers, at $1,200 each; 47 privates, at $1,050 each; 10 additional privates, at $840 each; one-half of said privates to be selected by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House; in all, $65,550.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. GREENE of Vermont. Under this item for Capitol police is there any provision for these so-called Capitol guides, or are they anywhere taken care of in this bill?

Mr. BYRNS of Tennessee. They are not.

Mr. GREENE of Vermont. What are the duties of Capitol guides with regard to being in any sense under the control of the authorities in charge of the Capitol?

Mr. BYRNS of Tennessee. They are permitted, as I understand it, to act as guides here in the Capitol under a permit which they receive, and they are permitted to receive such compensation as is given them by those who employ them.

Mr. DYER. Who gives the permit to these gentlemen?

Mr. BYRNS of Tennessee. I am informed that the Sergeant at Arms of the House and the Sergeant at Arms of the Senate jointly issue these permits. Probably one issues one half of them and the other the other half.

Mr. GREENE of Vermont. Do the Sergeants at Arms have any authority of law for this, or is it a long-established practice and custom that they are following?

Mr. BYRNS of Tennessee. It is a custom that has obtained for many years, and I assume that they have taken jurisdiction of it, because they have jurisdiction in the Capitol.

Mr. GREENE of Vermont. Of course my remarks should not be interpreted as meaning that I hint that there is anything wrong on the part of those who have followed the practice or custom, but it gives me this opportunity to suggest to the gentleman's committee, with his permission, that it seems to me there is something strangely inconsistent in the administration of a democratic form of government when a citizen who comes to this Capitol has to pay 25 cents to see his own building.

Mr. BYRNS of Tennessee. That is, of course, not necessary unless he desires to do it.

Mr. GREENE of Vermont. That is what he does.

Mr. BYRNS of Tennessee. If he wishes to go through the building without an escort, he can go through.

Mr. GREENE of Vermont. I understand that; and yet, by way of contrast, at the Treasury Department, for instance, when the visitor presents himself—and that is his building, too, in the same general sense—he is met by a guide who takes him about and shows him his own property.

Mr. MADDEN. He could not steal anything up here except a Member of Congress, and they do not care if he does do that.

Mr. BORLAND. Mr. Chairman, there have been repeated attempts to get these guides put on the pay roll, and a great many arguments have been urged in favor of it, among others the argument of the gentleman from Vermont, that the public ought to have free service. Of course, the public does not have to pay those guides unless it chooses to do so. The building is free and it is policed. The guides are supervised by the Sergeant at Arms, and they are kept in order and their fees are kept within limits and they are respectable, law-abiding men. That is the only object in licensing them.

Mr. CANDLER of Mississippi. The guides will not show a man through unless they are paid.

Mr. BORLAND. It is a fee which is voluntarily given on the part of the visitors; but it is apparent that if the guides were put on the pay roll and paid a salary, and distributed around as patronage among the Members, that exactly the same thing would occur that now occurs in respect to the barbers. A Member of Congress who patronizes the barber shop pays the same price exactly for the service that he would have paid if the man was not on the public pay roll. The only difference is that the public pays an additional price. That would be the only difference here in the practical operation of it. For a short time there might be free service given by a few guides, but you can not prevent the American public from tipping that class of service. You can not prevent it by law or in any other way, and the public would begin to do it and it would become a custom.

Mr. DYER. Can not you prevent the guide from accepting it?

Mr. BUTLER. Is it impossible to put the obligation upon the American Republic?

Mr. BORLAND. But you can not prevent the public from giving the quarter extra.

Mr. BUTLER. Does the gentleman understand that tipping is an absolute necessity?

Mr. BORLAND. Some believe it is a necessity.

Mr. GREENE of Vermont. It seems to me absolutely belittling the dignity and majesty of this Government and all of its theories of democratic ownership and equality of rights of the owners that when a man comes here from across the continent, maybe, to see the property he has been told by the school books he owns, he is held up at the door of the great Capitol of this great Nation and has to pay a quarter to see it.

Mr. BORLAND. No. He is not held up at the door.

Mr. GREENE of Vermont. It is a distinction in terms and not in effect; in language, and not in what it amounts to the pocketbook. That is all. Even if it is true that the visitor has his option of paying or not paying to have the features of interest in his own Capitol shown to him and explained to him, the fact is that if he does not pay he is not shown them and they are not explained, while other people, willing to pay and having the money to pay, have all that courtesy extended to them. I believe that some arrangement should be made whereby guides, paid by the Government, shall regularly conduct parties of sightseers about the Capitol Building without exacting any fees from the visitors themselves.

Mr. BORLAND. If we had the guides on the pay roll the man whom the guide suspected would not tip would not find a guide. There might be plenty of guides, but he could not find them.

Mr. MADDEN. Does this illustrate what would happen in the case of great business enterprises controlled by the Government?

Mr. WALSH. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman in charge of the bill with reference to the item on page 10, beginning line 10, in reference to the automobile provided for the Vice President. Can the gentleman state how long the present automobile has been in use?

Mr. BYRNS of Tennessee. It was purchased in July, 1914, nearly four years ago.

The CHAIRMAN. The Clerk will read.

Mr. GOOD. Mr. Chairman, I move an amendment, on page 11, line 12, after the second word "each," to strike out "one-half" and all of lines 13 and 14 and insert "said privates to be selected by the Superintendent of the Capitol."

Mr. FOSTER. I reserve a point of order on that, Mr. Chairman.

Mr. GOOD. It is not subject to a point of order.

Mr. FOSTER. I do not know whether it is or not. I want to find out.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Iowa [Mr. GOOD].

The Clerk read as follows:

Amendment offered by Mr. GOOD: Page 11, line 12, after the second word "each," strike out "one-half" and all of lines 13 and 14 and insert "said privates to be selected by the Superintendent of the Capitol."

Mr. GOOD. Mr. Chairman, as I understand, one-half of the amount appropriated for the policing of the Capitol is disbursed by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House. One-half of this police force is selected by the Sergeant at Arms of the Senate and the re-

maining half by the Sergeant at Arms of the House, and now for the remainder of this year the Superintendent of the Capitol will select the persons to be added to this force, who will be under his direction.

The point brought out by the gentleman from Massachusetts [Mr. GILLETT] was that we are dividing here the responsibility of a little army brought here to protect the Nation's Capitol, to preserve the property, and yet we are scattering the responsibility, so far as dividing the command of that army among three officials of the Government is concerned. There ought to be one man responsible for that force—one man responsible for any depredations to the Government property here at the Capitol—and I do not believe you will ever get that desired responsibility until you place the control in one single person. I do not know whether Mr. Elliott Woods, the Superintendent of the Capitol, is the person to be in command of this force or not, but I do know that that responsibility—and it is a great responsibility—ought not to be vested in three persons. It ought not to be vested in two persons. There ought to be but one responsible head, and it seems to me that when a suggestion is made that is so eminently sound and businesslike as that made by the gentleman from Massachusetts [Mr. GILLETT] our committee and this House ought to adopt it.

Mr. FOSTER. Mr. Chairman, this amendment proposes to place the Capitol police force all under the control of Mr. Elliott Woods. Mr. Woods, as we all know, is one of the most efficient men that there is up here on Capitol Hill. He has to do with the management of the Capitol Building and Grounds. No man has a higher regard for Mr. Woods than I have.

If this police force is to be reorganized, it seems to me that the committee should have taken the action necessary before they reported this bill to the House. I do not know whether this force ought to be brought under the control of Mr. Woods or not, but the police force as now constituted is under one head—a captain. I do not know who he is. It may not be a good thing to have the responsibility of the management of this police force divided between three persons, but I think before the House takes action of this kind it ought to be studied out, and there ought to be a properly prepared amendment, and that no one ought to undertake to offer an amendment here, as the gentleman from Iowa [Mr. GOOD] has done, who is a member of the committee, and had a long time to study this proposition. I think the provision offered by the gentleman from Iowa is subject to the point of order.

Mr. BYRNS of Tennessee. The law authorizing the appointment of this force provides—

There shall be a captain of police, the member of which shall be appointed by the Sergeants at Arms of the two Houses and the architect of the Capitol Extension. There shall be a captain of the Capitol police and such other members with such rates of compensation, respectively, as may be appropriated for by Congress from year to year.

It seems to me it is clearly subject to a point of order. Do I understand the gentleman to make it?

Mr. FOSTER. I will make the point of order; but let me say before I do so that I am not averse to any proper arrangement, but I believe we ought to have it done in the right way. If there is to be a reorganization, I shall not object to it; but I do not believe we ought to adopt this amendment at this time and in this way. If the gentleman wishes to draw a provision placing the police force of the Capitol all under one head, I should not object to such a provision if properly worked out. I make a point of order on this amendment.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard on the point of order?

Mr. GOOD. No.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Office of the Speaker: Secretary to Speaker, $4,000; clerk to Speaker's table, $3,600, and for preparing Digest of the Rules, $1,000 per annum; clerk to Speaker, $1,600; messenger to Speaker, $1,440; messenger to Speaker's table, $1,200; in all, $12,840.

Mr. WALSH. Mr. Chairman, I move to strike out the last word, for the purpose of asking the gentleman in charge of the bill a question. We have had a rather strenuous week. I wonder how late he expects to continue with this measure today?

Mr. BYRNS of Tennessee. I had hoped that the committee would be willing to sit patiently in session until 5 o'clock. The gentleman is aware of the fact that very liberal time was extended in general debate, and we have not had much opportunity to read the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Office of the Clerk: Clerk of the House of Representatives, including compensation as disbursing officer of the contingent fund, $6,500; hire of horse and wagon for use of the Clerk's office, $900, or so much thereof as may be necessary; chief clerk, $4,500; journal clerk, and two reading clerks, at $4,000 each; disbursing clerk, $3,400; tally clerk, $3,300; file clerk, $3,250; enrolling clerk, $3,000 and $1,000 additional so long as the position is held by the present incumbent; chief bill clerk, $3,000; assistant to chief clerk, and assistant enrolling clerk, at $2,500 each; assistant to disbursing clerk, $2,400; stationery clerk, $2,200; librarian, $2,100; assistant file clerk, $1,900; two assistant librarians, messenger and assistant Journal clerk, at $1,800 each; clerks—one $1,800, three at $1,680 each; bookkeeper, and assistant in disbursing office, at $1,600 each; four assistants to chief bill clerk, at $1,500 each; stenographer to Clerk, $1,400; locksmith, who shall be skilled in his trade, $1,300; messenger in chief clerk's office, and assistant in stationery room, at $1,200 each; messenger in file room, messenger in disbursing office, and assistant in House library, at $1,100 each; stenographer to chief bill clerk, $1,000; seven telephone operators, at $900 each; three session telephone operators, at $75 per month each from December 1, 1918, to March 31, 1919; substitute telephone operator when required, at $2.50 per day, $500; two laborers in bathroom, at $900 each; six laborers, at $720 each; page in enrolling room, $720; two janitors, at $720 each; allowance to chief clerk for stenographic and typewriter services, $1,000; in all, $102,270.

Mr. WALSH. Mr. Chairman, I notice that this paragraph totals nearly $2,000 more than last year. What increases have been inserted? Have these laborers in the bathroom had their salaries raised?

Mr. BYRNS of Tennessee. I may state to the gentleman that the only increases in this paragraph consist of $1,000 additional for the enrolling clerk. The gentleman will notice that the provision reads:

Enrolling clerk $3,000, and $1,000 additional so long as the position is held by the present incumbent.

That was incorporated in this bill because of a House resolution passed heretofore, which is now the law so far as the House is concerned.

Mr. WALSH. I notice that increase.

Mr. BYRNS of Tennessee. The other increases are two telephone operators, at $900 each. Those are the increases. The appropriation is reduced from what it would otherwise have been on account of the fact that the next session will be a short session.

Mr. WALSH. May I ask the gentleman another question?

Mr. BYRNS of Tennessee. Yes.

Mr. WALSH. In lines 19 and 20 there are two laborers for the bathroom, at $900 each. Does that refer to the bathroom in the House Office Building?

Mr. BYRNS of Tennessee. I so understand.

Mr. WALSH. How is it that the bathroom in the House Office Building is under the jurisdiction of the Clerk, while the tonsorial parlors are under the jurisdiction of the Doorkeeper?

Mr. BYRNS of Tennessee. I really can not tell the gentleman why that is. It has been the custom ever since the House Office Building was erected and first occupied, as I understand. The committee have simply followed the established custom and have continued the appropriation in this manner. I do not know whether it was because originally the Clerk was supposed to have peculiar knowledge and qualifications concerning the duties of a bathroom attendant or not, or whether the Doorkeeper was supposed to have peculiar tonsorial abilities.

Mr. HUMPHREYS. These bathroom laborers were under the Clerk of the House before the House Office Building was erected, when the bathroom was in the Capitol.

Mr. BYRNS of Tennessee. The gentleman from Mississippi [Mr. HUMPHREYS], who has been here a great number of years, longer than the gentleman from Massachusetts [Mr. WALSH] and myself, has, I think, given a very clear explanation.

Mr. WALSH. They were under the jurisdiction of the Clerk before the House Office Building was erected, in the old days when they not only had bathrooms, but when thirst might be quenched downstairs in the Capitol.

Mr. HUMPHREYS. The gentleman says I have been here a long time. I have not been here so long as that. [Laughter.] There was no place where a thirst could be satisfied when I came here.

Mr. WALSH. I would like to know if these two laborers are in the classified service or in the patronage that goes to the party that may be unfortunate enough to be in power?

Mr. BYRNS of Tennessee. One, I understand, has been here 40 years and another 17 years.

Mr. WALSH. I think they are classified. [Laughter.]

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee a question. Where is the provision for the compensation of the Speaker?

Mr. BYRNS of Tennessee. That is carried on page 12. His salary being fixed by law it is carried in that lump appropriation.

Mr. COOPER of Wisconsin. In express terms you provide for the salary a little later for the President, $75,000, and the Vice President, $12,000. Their salaries are fixed by law. Why should the Speaker be omitted and these two salaries mentioned which are fixed by law?

Mr. BYRNS of Tennessee. The President is an executive officer and it has been the custom to appropriate his salary in specific terms. It is a matter of custom; this bill could appropriate for each Member individually if it was desired to do so, but this has been the custom.

Mr. COOPER of Wisconsin. The salary of the President is fixed by law and so is that of the Vice President.

Mr. GARRETT of Tennessee. If the gentleman will pardon me, let me say that the Vice President is not a Member of the Senate, while the Speaker of the House is a Member of the House.

The Clerk read as follows:

Clerks, messengers, and janitors to the following committees: Accounts—clerk $2,500, assistant clerk $1,800, janitor $1,000; Agriculture—clerk $2,500, assistant clerk $1,800, janitor $1,000; Appropriations—clerk $4,000 and $1,000 additional so long as the position is held by the present incumbent, assistant clerk and stenographer $2,500, assistant clerks—1 $1,900, 1 $1,800, janitor $1,000; Banking and Currency—clerk $2,000, assistant clerk $1,200, janitor $720; Census—clerk $2,000, janitor $720; Claims—clerk $2,500, assistant clerk $1,200, janitor $720; Coinage, Weights, and Measures—clerk $2,000, janitor $720; District of Columbia—clerk $2,500, assistant clerk $1,800, janitor $720; Election of President, Vice President, and Representatives in Congress—clerk $2,000; Elections No. 1—clerk $2,000, janitor $1,000; Elections No. 2—clerk $2,000, janitor $720; Elections No. 3—clerk $2,000, janitor $720; Enrolled bills—clerk $2,000, janitor $720; Flood Control—clerk $2,000, janitor $720; Foreign Affairs—clerk $2,500, assistant clerk $1,800, janitor $720; Immigration and Naturalization—clerk $2,000, janitor $720; Indian Affairs—clerk $2,500, assistant clerk $1,800, janitor $720; Industrial Arts and Expositions—clerk $2,000, janitor $720; Insular Affairs—clerk $2,000, janitor $720; Interstate and Foreign Commerce—clerk $2,500, additional clerk $2,000, assistant clerk $1,500, janitor $1,000; Irrigation of Arid Lands—clerk $2,000, janitor $720; Invalid Pensions—clerk $2,500, stenographer $2,190, assistant clerk $2,000, janitor $1,000; Judiciary—clerk $2,500, assistant clerk $1,600, janitor $720; Labor—clerk $2,000, janitor $720; Library—clerk $2,000, janitor $720; Merchant Marine and Fisheries—clerk $2,000, janitor $720; Military Affairs—clerk $2,500, assistant clerk $1,500, janitor $1,000; Mines and Mining—clerk $2,000, janitor $720; Naval Affairs—clerk $2,500, assistant clerk $1,500, janitor $1,000; Patents—clerk $2,000, janitor $720; Pensions—clerk $2,500, assistant clerk $1,600, janitor $720; Post Offices and Post Roads—clerk $2,500, assistant clerk $1,400, janitor $1,000; Printing—clerk $2,000, janitor $1,000; Public Buildings and Grounds—clerk $2,500, assistant clerk $1,200, janitor $720; Public Lands—clerk $2,000, assistant clerk $1,200, janitor $720; Revision of the Laws—clerk $2,000, janitor $720; Rivers and Harbors—clerk $2,500, assistant clerk $1,800, janitor $1,000; Roads—clerk $2,000, janitor $720; Rules—clerk $2,000, janitor $720; Territories—clerk $2,000, janitor $720; War Claims—clerk $2,500, assistant clerk $1,200, janitor $720; Ways and Means—clerk $3,000, assistant clerk and stenographer $2,000, assistant clerk $1,900, janitors—1 $1,000, 1 $720; in all, $171,790.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. I want to make a few observations in reference to some of the inequalities, apparently, in the treatment of compensation that is paid to the assistants for these various committees. I desire to direct the attention of the committee to one very important committee which has been able to struggle along without a janitor, and I congratulate the distinguished chairman of that committee, the gentleman from Missouri [Judge RUCKER], the Committee on Election of President and Vice President, in being able to get along with simply a single clerk. And I wonder how it is that the great and extremely busy Committee on Elections No. 1 requires a clerk at $2,000, a janitor at $1,000, when the equally distinguished and busy Committee on Elections No. 2 gets along with a clerk at $2,000 and a janitor at $720.

Mr. MADDEN. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. MADDEN. I notice that there are only one or two cases where a janitor gets $1,000; most of the others get $720.

Mr. WALSH. Yes.

Mr. MADDEN. I do not know why the particular service in these two places are so much more valuable than the other places.

Mr. WALSH. That had occurred to me in making these observations. I wondered why it was that the janitor of the Committee on Printing received $1,000 and the Committee on Invalid Pensions has a clerk at $2,500, a stenographer at $2,190, an assistant clerk at $2,000, and a janitor at $1,000, while the Committee on War Claims, which has not been very active during this Congress, is given a clerk at $2,500, an assistant clerk at $2,200, and a janitor at $720.

It seems to me, Mr. Chairman, that when the Committee on Military Affairs and the Committee on Naval Affairs can get along with a clerk at $2,500, an assistant at $1,500, and a janitor, that these other committees, which especially during the war session have not been very active, can get along with less help. This Committee on Military Affairs and the Committee on Naval Affairs have had some measures of the greatest importance, and yet we provide them in this bill—I do not know whether there are any special resolutions or not—for less assistance than we do to some other committees that have had much less to do. I suppose there must be some reason for it.

Mr. MADDEN. Has the gentleman noticed that the important Committee on Industrial Arts and Expositions has a clerk at $2,000 and a janitor at $750? How many expositions have there been for the last year or so?

Mr. WALSH. I do not know of any expositions which have been held in the country as a result of legislation initiated by this committee within the last year or so.

Mr. MADDEN. I should think that this clerk would be overworked, and I am sure that the janitor must be. Some day, if the committee should by chance have a meeting, I suppose they will bring in a bill for extra compensation.

Mr. WALSH. Either that or for services of a doctor. I would like to ask the gentleman in charge of the bill further, in all seriousness, whether this is a matter that is taken as a matter of course each year, or whether any attempt is made in framing the bill to ascertain whether the services are needed or whether it is necessary to have these assistants that have heretofore been provided for.

Mr. BYRNS of Tennessee. I will say to the gentleman that the committee never investigates the necessity of the employment of these clerks and assistant clerks and janitors to committees, for the reason that they are already provided for by House resolution. The committee therefore feels that it has no discretion, in view of the action of the House taken by resolution, to fail to make appropriation for their salaries.

Some committees have stated that they do not have sufficient help and we have informed them that the proper way to secure it was by a resolution formally introduced in the House, so that it could go to the Committee on Accounts and be taken up in the regular way.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WALSH. I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WALSH. Does the gentleman mean that if way back in 1897 Congress appropriated for an employee for some of these committees the Appropriations Committee would from year to year continue the appropriations?

Mr. BYRNS of Tennessee. No; not if the Appropriations Committee was convinced that the services of an employee in any department of the House was not necessary to be continued. In such case it would call the attention of the House to it and the House could take such action as it pleased. But I assume that the committees are as busy to-day as they were in 1897. The work of the committees of the House has grown tremendously, and it is certainly a safe assumption to say that if clerks were necessary in 1897 they are necessary now.

Mr. WILLIAMS. Will the gentleman yield?

Mr. WALSH. I will.

Mr. WILLIAMS. I notice that the Committee on Roads has a clerk at $2,000 per annum and a janitor at $720 per annum. This committee has not been a very active one during this session, yet during the last Congress it was one of the important committees of the House and did a great deal of work. I have the honor to serve on that great committee.

Mr. MADDEN. Did the gentleman say "serve"?

Mr. WILLIAMS. Yes.

Mr. MADDEN. Does not the gentleman mean that he is a member of that committee?

Mr. WILLIAMS. I am a member of that committee. But there has not been a meeting of our committee now for sometime.

Mr. DYER. That clerk must be overworked.

Mr. WILLIAMS. Of course, I am at loss to know what the duties of the clerk and the janitor of that committee are at this time.

Mr. BYRNS of Tennessee. I am sure the gentleman ought to know more about the duties of the clerk and the janitor to his committee than the gentleman who is in charge of this bill. Has the gentleman any idea that there would be objection to a motion to eliminate the clerk and janitor of this committee?

Mr. WILLIAMS. Oh, no; I would not object. I do not know what the chairman of the committee thinks about it.

Mr. MADDEN. Mr. Chairman, let us try. I move to amend on page 15, line 24, by striking out the provision for the clerk.

The CHAIRMAN. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 15, line 24, strike out, after the word "roads," the words "clerk, $2,000."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. ROBBINS) there were—ayes 3, noes 33.

So the amendment was rejected.

Mr. COOPER of Wisconsin. Mr. Chairman, I beg the indulgence of the House while I recur to a suggestion I made a moment ago and the reply that was made to it by the chairman of the committee and the gentleman from Tennessee [Mr. GARRETT]. I called attention to the fact that on page 29 there is this provision:

For compensation of the President of the United States, $75,000.
For compensation of the Vice President of the United States, $12,000—

And that there is no similar provision in express terms for the compensation to the Speaker. Thereupon the gentleman from Tennessee [Mr. GARRETT] rose and said that the reason that there was an express provision for the Vice President was that the Vice President is not a Member of the Senate, whereas the Speaker is a Member of the House. That, however, is merely the custom—that the Speaker is a Member of the House. The House could elect anybody not a Member of the House as its Speaker at any time. It could, in its discretion, depose the present Speaker and elect another who is an entire outsider, and if that should happen this provision would not be applicable at all.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Wisconsin. In a moment. Then this provision would not be applicable to the next House of Representatives until it shall have chosen a Member of the House as its Speaker, and in strict accuracy the language ought to be changed. I do not desire to be hypercritical about it, but my suggestion was well founded, because the next Speaker of the House of Representatives may not be a Member of the House of Representatives.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. FESS. By what authority does the gentleman say that this House could elect some one its Speaker who is not a Member of the House?

Mr. COOPER of Wisconsin. Because the Constitution provides simply that the House of Representatives shall elect a Speaker, and we could elect a Speaker who is not a Member of the House, exactly as does the House of Commons in England.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FESS. Mr. Chairman, I rise in opposition to the pro forma amendment, to make the observation that I do not believe that that statement of the gentleman from Wisconsin [Mr. COOPER] that the House could elect as its Speaker one who is not a Member of the House.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman permit one interruption right there, so that I may call his attention to the language of the Constitution, for then he may not wish to continue his statement.

Mr. FESS. I yield.

Mr. COOPER of Wisconsin. The Constitution reads:

The House of Representatives shall choose their Speaker and other officers.

The words "and other officers" have uniformly been held to mean that they could in their discretion elect anyone a Speaker who is not a Member of the House, just as they choose their officers from gentlemen who are not Members of the House.

Mr. FESS. Mr. Speaker, simply because there has not been a Speaker elected who was not a Member of the House would not, of course, be conclusive that it could not be done.

Therefore I do not offer that as an argument that it could not have been, but the language employed, read by the gentleman from Wisconsin, is not to be interpreted, I take it, that the membership of this House could go beyond its membership to select its chief officer, because under the rules of the House the Speaker of the House can vote on every measure whether his vote will change the result or not. Now, in the Senate the presiding officer can not vote on every measure, but only in case of a tie, but in this House the presiding officer can vote on every measure. Now, in case that he was not a Member of this House he certainly could not vote on any measure.

Mr. MADDEN. Will the gentleman yield?

Mr. FESS. I do.

Mr. MADDEN. I thought perhaps the gentleman from Wisconsin might have it in his mind the danger of the House electing the Secretary of the Treasury to another job. [Laughter.]

Mr. GARNER. Will the gentleman yield?

Mr. FESS. That is a very pertinent observation.

Mr. GARNER. It occurs to me the gentleman from Wisconsin is absolutely correct in the construction of the Constitution, and I do not see where the point that the gentleman from Ohio makes is tenable here because the rules are made after the Speaker has been elected and the House is organized, and it is only by virtue of the rules that the Speaker is permitted to vote. I will illustrate. Suppose we come in here and elect some distinguished gentleman, as suggested by the gentleman from Illinois, Speaker of the House and made no change of the rules providing that he could not vote; he would still be Speaker of the House and would not violate the Constitution.

Mr. HAMLIN. If the gentleman will permit a suggestion, I think the gentleman from Texas is wrong in his premises. The Speaker of the House is permitted to vote by virtue of the fact that he is a Member of the House, and the House would not be authorized to take from him that privilege because he is a Member of the House.

Mr. FESS. That would be my interpretation of it.

Mr. HAMLIN. That is unquestionably and undoubtedly so.

Mr. FESS. I think the observation made by the gentleman from Tennessee [Mr. GARRETT] a while ago was well made and is the real explanation of putting it in a lump sum in one case and setting out the Vice President in the other.

The Clerk read as follows:

Office of Doorkeeper: Doorkeeper, $5,000; maintenance and repair of folding room motor truck, $500, or so much thereof as may be necessary; special employee, $1,500; superintendent of reporters' gallery, $1,600; janitor, $1,500; messengers—16 at $1,180 each, 14 on soldiers' roll at $1,200 each; laborers—17 at $720 each, 2 known as cloakroom men at $840 each, 8 known as cloakroom men, 1 $600 and 1 $120 additional so long as the position is held by the present incumbent, and 7 at $600 each; 2 female attendants in ladies' retiring rooms at $800 each; superintendent of folding room, $2,500; foreman, $1,800; 3 clerks, at $1,600 each; messenger, $1,200; janitor, $720; laborer, $720; 32 folders, at $900 each; 2 drivers, at $840 each; 2 chief pages, at $1,200 each; 2 messengers in charge of telephones (1 for the minority), at $1,500 each; 46 pages, during the session, including 2 riding pages, 4 telephone pages, press-gallery page, and 10 pages for duty at the entrances to the Hall of the House, at $2.50 per day each, $13,800; superintendent of document room, $2,900; assistant superintendent, $2,100; clerk, $1,700; assistant clerk, $1,600; assistants—7 at $1,280 each, 1 $1,100; janitor, $920; messenger to press room, $1,000; in all, $147,920.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word. I may not be quite in order in this place in what I wish to say, but I thought, while we were here close to the paragraph for employees of the Office Building, that it would not be amiss to call attention to the fact that in my room they have only washed the windows once since this session began and only furnish towels every other day, and the rest of the time we have not got any, and no attempt is being made to keep the rooms clean. If the kind of janitor service which we are receiving there was rendered in a private office building there would be a good deal of a row about it. There is not any reason why we should not have the offices kept clean, there is no reason why the windows should not be washed, there is no reason why towels should not be supplied and soap. It may be that some people do not care to wash, but I do once in a while.

Mr. HAMILTON of Michigan. Does not the gentleman think cobwebs ought to be removed once in a while?

Mr. MADDEN. I think we ought to have a real janitor service. We have got enough people on the pay roll to give the service.

Mr. BYRNS of Tennessee. I just wondered if the gentleman had called the attention of the commission which has charge of the House Office Building to this.

Mr. MADDEN. No; I have not. I do not think it is necessary for me to get down on my knees to the man in charge of the building to get service. We ought to have it without appealing to him.

Mr. BYRNS of Tennessee. I was not referring to the superintendent of the building.

Mr. MADDEN. I do not want to be put in the attitude of asking favors from the man in charge of the building.

Mr. BYRNS of Tennessee. The point of my inquiry, if the gentleman will pardon me, was this: The commission, which the gentleman knows consists of three distinguished Members of this House, no doubt is not acquainted with the facts the gentleman has stated, and I am sure they would be very glad to have the gentleman give them this information.

Mr. MADDEN. I do not know the membership of the commission——

Mr. HUMPHREYS. Will the gentleman yield for a second? I suggest this, that if the gentleman makes a complaint to the House Office Building commission or any member thereof he will have to leave the House Office Building in order to find those Members, because no one of the Members has his office in the House Office Building itself, strange as it may appear.

Mr. MADDEN. Of course, the men who are acting as commissioners for the building are a favored set.

Mr. HUMPHREYS. No; I understand it is the statute. The statute was framed, undoubtedly, without due consideration of the fact that the Speaker, who is a member of it, has his room in the Capitol; that the minority leader has his room in the Capitol; and the chairman of the Committee on Appropriations has his room in the Capitol. So it finally results that the three gentlemen charged with the administration of the House Office Building have their offices in the Capitol.

Mr. MADDEN. Of course, they do not understand the importance of having clean rooms in the other building. They do not visit the building at all and do not understand the situation.

And I wish to call attention also while I am on my feet to the fact that the elevator service over there is very poor, and the elevator men do not give much attention. I do not want to complain about the men if I can help it, but I am complaining about the system, and there is no regulation requiring them to give respectful consideration to those who ride upon the elevators. They s oke when ladies are on the elevators, which ought not to be allowed. They come when they please. If you are on the second floor and you ring for them to come, they pass you by frequently without waiting to find whether you want to go up or down. They do not know whether you are a Member of Congress or not, and do not care.

Mr. COX. Can the gentleman tell why during the rush hour, when we quit here at night, that nine times out of ten there is but one elevator there, and we have to stay down in the basement and wait for an elevator? And at the noon hour it is the same way.

Mr. MADDEN. We have 14 elevator men over there, and I think only six elevators. I think if we have 14 men we ought to have sufficient elevators to keep them employed.

Mr. COX. They ought to work.

Mr. MADDEN. That is what I say.

Mr. ROBBINS. My experience over there is that they have gone into my offices and taken out the hair brushes and——

Mr. MADDEN. You would not say that about the elevator force.

Mr. ROBBINS. I say that about the janitor force.

Mr. MADDEN. All I can say is that when I leave here I take everything of any value and lock it up, and no matter how hard it is locked up, when I come back it is gone.

Mr. PURNELL. Will the gentleman kindly pay his respects to the cockroaches while he is on his feet?

Mr. MADDEN. I do not associate with them. [Laughter.]

Mr. WALSH. Mr. Speaker, this is a very important item, and of course the criticisms that have been made are also very important, and I think are of vital interest to the Members, in view of the present emergency, and I think we ought to have a larger attendance in order to discuss this matter. I do not want to hasten the gentleman from Tennessee unduly, but I do make the point of no quorum.

Mr. BYRNS of Tennessee. Will not the gentleman from Massachusetts allow us to get down to the bottom of the next page?

Mr. WALSH. I have a great many inquiries that I wish to make in reference to this item, and I do not think we can do that before 5 o'clock.

Mr. BYRNS of Tennessee. Of course, if the gentleman insists I will yield to him and move that the committee do now rise.

The CHAIRMAN. The gentleman from Tennessee moves that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SAUNDERS of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, and had come to no resolution thereon.

ADJOURNMENT.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned, pursuant to the order previously made, until to-morrow, Sunday, March 3, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of War, submitting a proposed clause of legislation for inclusion in the sundry civil appropriation act for the fiscal year ending June 30, 1919 (H. Doc. No. 963), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SLAYDEN, from the Committee on Immigration and Naturalization, to which was referred the joint resolution (H. J. Res. 255) authorizing the readmission to the United States of certain aliens who have been conscripted or have volunteered for service with the military forces of the United States or allied forces, reported the same without amendment, accompanied by a report (No. 353), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (S. 3299) authorizing the President to reappoint Maj. Chalmers G. Hall, retired, to the active list of the Army, reported the same without amendment, accompanied by a report (No. 352), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 9331) granting an increase of pension to Alonzo Brown, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 10394) to add certain lands to the Minam National Forest, Oreg.; to the Committee on the Public Lands.

By Mr. FIELDS: A bill (H. R. 10395) providing for the repair, improvement, and construction of ice piers in the harbor of Maysville, Ky., on the Ohio River; to the Committee on Rivers and Harbors.

By Mr. DILL: A bill (H. R. 10396) relating to admission to the United States Naval Academy; to the Committee on Naval Affairs.

By Mr. DENT: A bill (H. R. 10397) to amend certain sections of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, and for other purposes; to the Committee on Military Affairs.

By Mr. CARLIN: A bill (H. R. 10398) to amend and reenact sections 139, 157, 164, and 175 of the Judicial Code; to the Committee on the Judiciary.

By Mr. HAMILTON of New York: A bill (H. R. 10399) to ratify and confirm the constitution of the Seneca Nation of Indians, to enact as a Federal law certain provisions of the Indian law of the State of New York, and to grant to the council of the Seneca Nation of Indians the right to regulate hunting, fishing, and trapping on reservation lands; to the Committee on Indian Affairs.

By the SPEAKER: Memorial from the Commonwealth of Massachusetts, urging the passage of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLIVAN: Memorial from the Commonwealth of Massachusetts, urging the passage of the daylight bill, so called, now pending in Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. LUFKIN: Memorial adopted by the General Court of Massachusetts, urging the passage of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS: Memorial of the General Court of the Commonwealth of Massachusetts, urging the passage of the daylight-saving bill, so called, now pending before Congress; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 10400) granting a pension to Herman Platz; to the Committee on Pensions.

By Mr. AUSTIN: A bill (H. R. 10401) granting an increase of pension to Lorenzo D. West; to the Committee on Pensions.

By Mr. BLAND: A bill (H. R. 10402) granting a pension to Sabina Chaney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10403) for the relief of the heirs, assigns, and legal representatives of William Watson; to the Committee on the Public Lands.

Also, a bill (H. R. 10404) to reimburse John Anderson, former postmaster at Sandborn, Knox County, Ind., for stamps and funds stolen from the post office; to the Committee on Claims.

By Mr. CARY: A bill (H. R. 10405) granting an increase of pension to Benjamin Macy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10406) granting an increase of pension to Henry F. Caplick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10407) granting an increase of pension to John Felzen; to the Committee on Pensions.

Also, a bill (H. R. 10408) granting a pension to Catharine Bamberg; to the Committee on Pensions.

Also, a bill (H. R. 10409) granting a pension to Jane F. Taylor; to the Committee on Pensions.

By Mr. DUPRÉ: A bill (H. R. 10410) granting an increase of pension to Amanda Foster; to the Committee on Pensions.

By Mr. HAMILTON of New York: A bill (H. R. 10411) granting an increase of pension to Thomas McKay; to the Committee on Invalid Pensions.

By Mr. HICKS: A bill (H. R. 10412) for the relief of Stephen J. Haff; to the Committee on Military Affairs.

By Mr. KEY of Ohio: A bill (H. R 10413) granting an increase of pension to John W. Edie; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10414) granting an increase of pension to John A. Couts; to the Committee on Invalid Pensions.

By Mr. KRAUS: A bill (H. R. 10415) granting a pension to William Bowman; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 10416) granting an increase of pension to David H. York; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10417) granting an increase of pension to Jackson Brandenburg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10418) granting an increase of pension to William P. Dorton; to the Committee on Invalid Pensions.

By Mr. ROGERS: A bill (H. R. 10419) granting a pension to Arthur E. Garland; to the Committee on Pensions.

By Mr. STAFFORD: A bill (H. R. 10420) granting an increase of pension to Michael Reichert; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10421) granting an increase of pension to John A. Hollander; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 10422) granting an increase of pension to Edward McIntyre; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 10423) granting a pension to Andrew F. Welfley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10424) granting a pension to Mary H. Mills; to the Committee on Pensions.

Also, a bill (H. R. 10425) granting an increase of pension to Thomas Paxson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10426) granting an increase of pension to Joseph Horner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10427) granting an increase of pension to William D. Harris; to the Committee on Pensions.

Also, a bill (H. R. 10428) granting an increase of pension to Frances L. Young; to the Committee on Pensions

By Mr. WELTY: A bill (H. R. 10429) granting a pension to William B. Stroope; to the Committee on Pensions.

By Mr. WOODYARD: A bill (H. R. 10430) granting an increase of pension to James Ross; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of the farmers of Franklin County, Mo.; members of the Smith Schoolhouse Farm Club, of Lincoln County, Mo.; and sundry farmers of Lincoln County, asking that the Food Administration set more equitable prices for produce of the farm; to the Committee on Agriculture.

Also (by request), a resolution of the City Council of Minneapolis, requesting Congress to grant the President broad powers to fix prices of food products; to the Committee on Agriculture.

Also, resolution of the Yavapai (Ariz.) County Chamber of Commerce, protesting against the passage of the Foster bill; to the Committee on Mines and Mining.

Also (by request), memorial of Lincoln County Sunday School Association, urging passage of emergency war prohibition law; to the Committee on the Judiciary.

Also (by request), resolution of St. Luke's Hospital Social Service, asking that military rank after the model of the Canadian service be given to members of our Nursing Corps; to the Committee on Military Affairs.

Also (by request), memorial of the Missouri State Medical Association, favoring the Dyer bill, H. R. 9563; to the Committee on Military Affairs.

Also (by request), resolutions of the Lithuanians of Shenandoah, Pa., asking that Lithuania be allowed to send delegates to the peace conference, at the close of the war, as an independent nation; to the Committee on Foreign Affairs.

Also (by request), resolution of the board of governors of the Investment Bankers' Association of America, favoring the principles of the war corporation finance bill and suggesting changes; to the Committee on Ways and Means.

Also (by request), resolution of the Wimodausis Club, Gordon, Ga., and the Luverne Tourist Club, Luverne, Minn., asking for the repeal of the second-class postage provisions of the war-revenue act; to the Committee on Ways and Means.

Also (by request), letter of Alan R. Hawley, president of the Aero Club of America, protesting against the proposed reduction of pay to our aviators, giving reasons for position taken; to the Committee on Appropriations.

By Mr. BLAND: Evidence to accompany a special pension bill to grant a pension to Sabina Chaney, widow of William J. Burcham; to the Committee on Invalid Pensions.

Also, evidence in the case to reimburse John Anderson, former postmaster at Sanborn, Knox County, Ind., for funds stolen from the post office on the night of February 18, 1907; to the Committee on the Post Office and Post Roads.

By Mr. CARY: Resolution of the Milwaukee Typographical Union, No. 23, favoring the Sherwood bill to pension all American workers of a certain age; to the Committee on Pensions.

Also, resolution of the New York Zoological Society, regarding enabling act for migratory-bird treaty with Canada; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Resolution of the New York Zoological Society, regarding enabling act for migratory-bird treaty with Canada; to the Committee on Foreign Affairs.

By Mr. EMERSON: Resolution of the Cleveland Clearing House Association, relative to extension of time of payment of income and excess-profits tax; to the Committee on Ways and Means.

By Mr. GEORGE W. FAIRCHILD: Memorial of the Underwriters' Association of Chicago, favoring universal military training; to the Committee on Military Affairs.

By Mr FAIRFIELD: Evidence to accompany House bill 10377 in re claim of Ira C. Kilpatrick and Guy C. Dill; to the Committee on the Public Lands.

By Mr. GALLIVAN: Resolution of the Boston Typographical Union, No. 13, favoring the Sherwood bill, providing old-age pensions for all American workmen; to the Committee on Pensions.

Also, memorial of board of governors of the Investment Bankers' Association of America, favoring the principles of the War Finance Corporation bill, but suggesting certain changes in it; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Resolution of the Lumbermen's Exchange, of the city of Philadelphia, favoring a board of war control and a director of munitions; to the Committee on Military Affairs.

By Mr. LINTHICUM: Petition of the Gottschalk Co., Baltimore, Md., protesting against the passage of House bill 9248; to the Committee on the District of Columbia.

By Mr. MORIN: Petition of 65 citizens of Pittsburgh, Pa., urging an increase in the salaries of postal employees; to the Committee on the Post Office and Post Roads.

Also, petition of the Chamber of Commerce of Pittsburgh, Pa., urging the provision of necessary money for the early completion of the improvements of the Ohio River, and also for the enactment of legislation providing for the immediate construction by the Government of the Lake Erie and Ohio River Canal; to the Committee on Rivers and Harbors.

Also, petition of the council of the city of Pittsburgh, Pa., urging the provision of necessary money for the early completion of the improvements of the Ohio River, and also for the enactment of legislation providing for the immediate construction by the Government of the Lake Erie and Ohio River Canal; to the Committee on Rivers and Harbors.

HOUSE OF REPRESENTATIVES.

SUNDAY, *March 3, 1918.*

The House met at 12 o'clock noon, and was called to order by Mr. TILSON, as Speaker pro tempore.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Infinite Spirit, our Heavenly Father, we bless Thee for the faith that holds our course to Thee; for the hope that cheers us on our way; for the love that reflects itself from a thousand angles in crystallized thought and acts, in deeds of kindness and generosity, in the sacrifices around the fireside which pour themselves out in motherly solicitude and fatherly care, in the heroism for the principles we love, and in the glory of the holy sacrifices on the field of battle; for these angels enthroned in the heart of man; the wireless telegraphy that keeps us in touch with Thee.

We are here to-day in memory of a statesman who has finished the work Thou didst give him to do for his constitutents, State, and Nation. Strong in his conceptions, pure in his motives, firm in his convictions, he leaves behind him a record worthy of a place on the pages of history.

Comfort his colleagues, friends, and those who were near to him in the ties of love; and bring us all, in Thine own good time, to dwell together with the faithful in Him who taught us life, liberty, truth, justice, mercy; and everlasting praise be Thine. Amen.

THE JOURNAL.

The SPEAKER pro tempore. The Clerk will read the Journal.

Mr. MERRITT. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with.

The SPEAKER pro tempore. The gentleman from Connecticut asks unanimous consent that the reading of the Journal be dispensed with. Is there objection?

There was no objection.

THE LATE REPRESENTATIVE HILL OF CONNECTICUT.

The SPEAKER pro tempore. The Clerk will read the special order.

The Clerk read as follows:

On motion of Mr. MERRITT, by unanimous consent,

Ordered, That Sunday, March 3, 1918, be set apart for addresses upon the life, character, and public services of Hon. EBENEZER J. HILL, late a Representative from the State of Connecticut.

Mr. MERRITT. Mr. Speaker, I offer the following resolution.

The SPEAKER pro tempore. The gentleman from Connecticut offers a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 263.

Resolved, That the business of the House be now suspended, that opportunity may be given for tributes to the memory of Hon. EBENEZER J. HILL, late a Member of this House from the State of Connecticut.

Resolved, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, the House at the conclusion of these exercises, shall stand adjourned.

Resolved, That the Clerk communicate these resolutions to the Senate.

Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

The resolutions were agreed to.

Mr. MERRITT. Mr. Speaker, it is hard for me to appreciate that I speak here not merely as Mr. HILL'S friend and constituent but as his successor. He had for so many years and so adequately represented the district that he had become an institution, and, I may add, an institution which the district and the country could ill afford to lose. The district regarded him with confidence in his honesty and wisdom, and those who knew him, with affection, also. While it is true that he was a strong party man, it is true, also, that he regarded all individuals and all interests in his district as under his care, and they received it, Democrats and Republicans alike, so that after election was over all parties regarded him as their Representative and he accepted the trust in that broad way. He had a peculiar right to represent Fairfield County. There have been in this country no hereditary titles or privileges, but fortunately there are some families with hereditary ability and character. The Hill family is one of these, and its paternal ancestors have been residents in Fairfield County from its earliest settlement. Andrew Ward, the only man appointed by the Colony of Massachusetts on both its Committee of the Church and Committee of the State to organize the Colony of Connecticut, was an ancestor.

William Hill, the first Hill ancestor in America, was a member of the first colonial Connecticut Legislature, at Hartford, and so continued until his death.

Two hundred and fifty years later his descendant, EBENEZER J. HILL, was a member of that same legislature, by that time, however, the legislature of a sovereign State.

During that interval of two hundred and fifty years there was no time when members of the family were not serving the church and state.

The Rev. John Jones, of Concord, Mass., the first minister of the town of Fairfield, was an ancestor, and was publicly recognized as active in forwarding the interests of the colony.

Many other persons prominent in the county history from colonial times down to the present are among his ancestors.

And a study of this ancestry shows also how and why he was among the earliest to form and avow the conviction that women should have equal rights and opportunities with men.

Mr. HILL'S own mother was the wife of a minister of Hartford, and when her husband was ill for some weeks she conducted the services to the satisfaction of the congregation. His grandfather Hill was one of the early Methodists in Connecticut and was also a leading abolitionist and suffered considerable persecution on that account.

His maternal ancestors were Scotch and came to Portland, Me., then called Falmouth and under the jurisdiction of the Colony of Massachusetts.

These ancestors were of the same sort, and, being nearer the frontier, took even a more active part in the Indian and colonial wars.

Pacifists were at that period neither popular nor numerous, and if there were any slackers they were not in the Hill ancestry.

Time will not permit to follow this inquiry over the seas, but it is of interest to note that the wife of the first Hill in America was the daughter of Ignatius Jourdain, who was deputy mayor of Exeter, in England; and he, during a plague, when the mayor had fled, remained at his post and did almost superhuman relief work. Later he was summoned before the star chamber under the Stuarts for refusing to yield his religious convictions.

And so, to represent this line of God-fearing and man-serving people, EBENEZER J. HILL was born in Redding, Conn., in 1845.

This lineage and this background were a precious inheritance and a strong incentive, and well did he profit from the first and respond to the second.

His ability and industry were early shown by the fact that he passed his entrance examination for Yale at the age of 14, but owing to the regulations he could not enter until 1861, in the class of 1865.

The young men of that time, like our young men now, felt the call of country, and in his sophomore year, 1863, he tried to enlist, but was still too young, so he took the only opening that presented itself and entered in the Quartermaster's Department as assistant to his brother, Maj. Asbury Hill, and there remained until the end of the war.

He did not complete his undergraduate course, but in 1895 Yale conferred upon him the degree of A. M. in recognition of his public services.

Upon reentering civil life after the war he at once went into active business, not neglecting his public duties and responsibilities.

To indicate his varied activity it may be mentioned that for 25 years and until he was elected to Congress he was in the lumber business; and also, at different times, he was president of the Norwalk Street Railway Co., Norwalk Gas Light Co., Norwalk Mills Co., and later vice president and then president of the National Bank of Norwalk, which office he held at the time of his death.

During this period he was active in performing his duties as a citizen in the town and borough of Norwalk, serving as a member of the city government and also upon the board of school visitors.

In 1884 he was a delegate to the Republican national convention at Chicago, which nominated James G. Blaine; and in 1886 he was elected a member of the Connecticut State Senate, and some valuable constructive legislation was credited to him at that time.

In 1894 he was elected to the Fifty-fourth Congress, and began that service which lasted, with the exception of a single Congress, the Sixty-third, until his death, in 1917.

This period of service in the House, consisting of more than 20 years, was longer by over two years than that of any man who had previously represented Connecticut.

His ability and industry early gave him a standing in the House which time and experience confirmed and strengthened. Aside from other committee work, he served for 8 years on

the Banking and Currency Committee and 14 years on the Ways and Means Committee. Of his work on those committees and in Congress his colleagues here present can speak with more intimate knowledge and greater authority than I. We in his district, however, had good reason to know of his untiring devotion to his work, his constant study of economic conditions, especially with regard to manufactures in this country and abroad, and his wonderful accumulation of facts, which was indeed encyclopedic.

In his later years he had a deserved national reputation as an authority on matters of the tariff and banking. In addition to his studies he added to his store of knowledge by wide travel and careful and accurate observation. Scarcely a vacation passed without his going to some foreign land for pleasure and study combined, and he always added to his store of useful information.

I say useful advisedly, because he was no collector of dry facts but rather of facts as tools for use.

He cared for this knowledge not as a historian but as a forward-looking statesman. This is shown by the fact that he not merely helped on good measures, but he either originated or was among the pioneers in legislation which was now and has been most beneficial in this country.

He had a leading part in establishing the gold standard, his speech in Congress on that subject being used throughout the United States as a textbook and authority. To his credit largely are to be placed the establishment of rural free delivery, his own district being the second district in which rural free delivery was established; free alcohol for the arts; and the chemical schedule in the present tariff bill, which promises to establish the dyestuff industry in this country.

He was also an ardent supporter of national enfranchisement of women—and this years before it became a political issue or even popular. Indeed, he stood on this platform in the face of threats that it might imperil his renomination. He was prominent in the Methodist Church and in the order of Odd Fellows.

And with all this tremendous activity and diversity of interest and occupation he had a fine capacity for friendship and good fellowship.

There was no town in his district where he had not hosts of friends; no assembly where he was not welcome nor where his coming did not add to its pleasure. To illustrate one phase of his character which did not always appear on the surface, may I give one personal anecdote?

Among his friends was a Catholic priest, Father Furlong, of Norwalk. Before his trip to the Holy Land Mr. HILL called on his friend, then sick unto death, and asked him if there was anything he could bring him. Said the father, "If I live so long I should like, above all things, to have you bring me a rosary from the Holy City." When Mr. HILL was in the Garden of Gethsemane, which was under the care of monks of the Franciscan order, he noted an old olive tree said to have been there since the days of our Lord. In conversation with the abbot he learned that the olive stones were carefully preserved and made into rosaries, but were reserved strictly for the members of the order and never sold. Thereupon Mr. HILL told the abbot the story of his dying friend, the priest in Norwalk, and what a solace and inspiration this rosary coming from this particular place and made by the monks of his order would be to this dying man. The abbot was touched by the story and said that he felt justified in breaking the rule, and presented Mr. HILL with this rosary, which, fortunately, he was able to place in the hands of his friend before he died; and when he died this rosary was clasped in his hand.

Mr. HILL's high devotion to duty never left him. Although he was too ill, he made a special trip to Washington last July in order to speak on an important pending measure. On the 25th of July he made a brilliant speech in the House that attracted the attention both of the House and the country. Then he went home, and on the very next day, though suffering from exhaustion and overwork, he went to the station to join in the farewell to the boys of the Sixth Company of Coast Artillery, of which his own nephew, Albert Mossman, is captain. He spoke inspiringly to those young men, pointing out to them that they were not going out for conquest, but for the fulfillment of a patriotic duty, and then called on those remaining at home to fulfill their duty in the maintenance of democracy in its best form.

That was his last public appearance, and from then until the 27th day of September, 1917, when he died, he grew steadily weaker, until his splendid constitution was worn out, although his mind remained clear and alert until the last. And I think we can say of him that he, like his friend the priest, died clasping to his heart his rosary of public duty.

Gentlemen, this seems to me a record of a happy and well-spent life. President Eliot has said that the only real happiness is in doing some good thing well. Our friend did many good things in the service of his town, his State, his country, and his fellow men; and he did them all well.

We can readily believe that he has heard the Master say "Well done, thou good and faithful servant; enter thou into the joy of thy Lord."

Mr. CLARK of Missouri. Mr. Speaker, I served several years with our lamented friend, EBENEZER J. HILL, on the great Committee on Ways and Means, long service on which is, within itself, a liberal education. First and last, strong men of almost all occupations or professions testify or argue before it—in fact, every class of men except fools. So far as I know, they never appeared before that committee. Mr. HILL was a working member of both the committee and the House. He was one of the most industrious of mortals, and by constant toil he accumulated a vast quantity of information on a variety of subjects—particularly on economic subjects, on which he was an expert.

One of my college professors frequently said that some people had memories like a tar bucket, to which everything that touched it stuck. Certainly Mr. HILL's memory was of that variety. Consequently he probably possessed as much information as any other man in the House.

He was not an orator, but a forceful speaker—a crack debater. He was exceedingly tenacious of his opinions, advocating and defending them with energy—indeed, with vehemence. He enjoyed a mental and linguistic contest, and when he thought he had the best of a clash the evidences of his pleasure were patent to all observers.

A staunch Republican partisan, he was a thoroughgoing American, fighting for his country in his youth, serving her faithfully in his mature years in this great arena of intellectual struggles.

He was a seasoned traveler, and illumined his speeches and his conversation with facts and illustrations garnered in foreign lands—always to the edification of his hearers.

He was an intense protectionist, but he never fell out with men of different views or underrated their capacity.

He was an agreeable companion and estimated highly the value of friendship.

His death was a positive loss to this House, to his State, and to the country.

Mr. KITCHIN. Mr. Speaker, when I first met Mr. HILL, back in the Fifty-seventh Congress, his fourth term and my first, he impressed me as a most forceful character and a most courteous and considerate gentleman. In my 15 years of service with him here I never saw anything to impair, but everything to strengthen that impression. For more than a decade preceding his death HILL was a commanding figure in the House. His intellect, his integrity, his courage, his sense of right and truth, his diligent study of legislation, his courteous deportment, his sympathetic impulses combined to qualify him as such. And he looked the part.

If we except the gentleman from Illinois [Mr. MANN], the incomparable minority leader, I doubt if any man in Congress in the last 15 years was as tireless a worker or as diligent a student of legislation as he. While well informed on every subject of legislation, he was more of an expert on questions of finance and the tariff. I doubt if the late Mr. PAYNE in his best day had more accurate information with respect to the tariff or gave to it closer study that had Mr. HILL.

I remember hearing Speaker CLARK say once that Mr. Payne knew more about the tariff than any living man. In the Sixty-second Congress, when the House under Democratic control was attempting to revise the tariff, schedule by schedule, I regarded Mr. HILL the most aggressive, the most agile, and the most dangerous opponent of the several revision measures. Frequently I was struck with amazement at the fund of information, and the accuracy of it, he displayed on this floor. He was a splendid debater, with a keen, penetrating mind. He saw at once the weak and strong points of every question, argument, or position. He was a factor to be reckoned with in every contest. His logic and arguments seemed convincing. He was never rhetorical. He expressed his thoughts with emphatic clearness. His delivery was earnest and forceful and oftentimes picturesque. At times he rushed on his opponent like a whirlwind. In the fiercest combat he never gave offense but remained civil and courteous throughout. He was a foeman worthy of the best steel. He was a hard hitter but never an unfair one. He struck always in the open. He and I had many a lively tilt, both on the floor and in the Ways and Means Committee, of

which, for many years, he was a leading member. We have given and taken many hard blows, but they never left a sore spot on either. I admired him and held him in the highest esteem. I am happy in the belief that we enjoyed one another's confidence and friendship.

He frequently visited my office, especially in the Sixty-fourth Congress. The last time he visited the Capitol we spent together in my office an hour of most pleasant conference. He was then a sick man, but his mind was as vigorous as ever. He was then keenly interested in and anxious over coming legislation. I never saw him, well or sick, that his eagle eye and nose did not reveal the fighter. I observed it with admiration on this last occasion. As the gentleman from Connecticut, his honorable successor, indicated in his interesting and splendid address, he came from a race of fighters. Yet he was as genial and sweet-spirited and lovable a gentleman as one cares to meet. He was of unimpeachable character. I never heard the slightest reflection cast upon him. The breath of the faintest suspicion never blew about him. He led a clean, pure, open life, both private and public. He was a Christian gentleman in the truest sense. The State and the district, which he served so long, so faithfully, so ably, were most fortunate in having such a man to represent them at the Nation's Capital.

His loved ones who mourn his death have full right and reason to be proud of his career and of his name. The House in honoring to-day the memory of one so worthy does honor to itself. The opportunity extended me by his distinguished successor to speak these simple words of appraisement of our deceased friend and comrade I count as a real privilege, as it is a genuine happiness.

Mr. MANN. Mr. Speaker, I was shocked and inexpressibly saddened when I learned of the death of Mr. HILL. Of course, I knew that he had been ill, like myself. We had mutually advised each other to cut out work and rest.

Mr. HILL was a real statesman. He became a recognized authority, particularly upon economic problems, and especially upon finance, and under that on banking currency and the tariff.

When I became the Republican leader in the House I often turned to Mr. HILL for advice and information. I had a number of sessions with him, and his remarkable fund of information was very striking. He was one of the most intense characters that I have ever met. I used to wonder sometimes, in the House, when Mr. HILL was in debate, with that fiery earnestness and intensity, with his hand and finger pointed as though his words would burn—I used to wonder sometimes, looking at him, whether he would come down to earth again. Then would come that genial smile following the intense argument, showing that his feet were on the ground all the time. I never saw him when he was so intense that he could not be a good-natured, smiling, sweet-tempered gentleman.

If it were not for my own condition I should be glad to speak longer. This is the first time, Mr. Speaker, that I have spoken in the House since toward the middle of last July, and it was only because of my intense admiration and affection for Mr. HILL that I felt obliged to-day to satisfy myself in making these few remarks in memory of one of the great men of the House, a distinct loss to the House and to the country, and also my particular friend.

Mr. FORDNEY. Mr. Speaker, every great country recognizes and honors its great men. To-day we meet to honor the memory of a veteran Member, who for more than a score of years stood among the foremost in the framing of legislation. Almost from the first he was known as a strong, fearless, able, and intelligent advocate of all that tends to make us great and keep us free. He came here an accomplished, energetic, successful man of affairs, and in all matters pertaining to business, revenue, and finance his advice was early recognized as wise, conscientious, and sound. In the days when Payne of New York, Dalzell of Pennsylvania, Grosvenor of Ohio, and Boutell of Illinois were often spoken of as the big four of the Republican side, it would have been hard to say that HILL of Connecticut was not just as much entitled to membership in the leading quartet.

He represented an element of which there is always too small a representation in Congress—the constructive, successful man of affairs. In its hours of ease the Congress has been prone to bait and belittle the men of this country who organize and finance its business, and to imagine that in some way the lawyer and politician can run things; but after doing a great deal to hamper and handicap the men who accomplish results, the recent months of stress and peril have seen the Government turn its appealing hands to these men as the hope of the country. And they are.

MR. HILL came here at the opening of the Fifty-fourth Congress, on the first Monday in December, 1895. Of the Members who outranked him in length of service only six remain with us—JOSEPH G. CANNON, of Illinois, with 21 terms to his credit; WILLIAM A. JONES, of Virginia, 14 terms; HENRY ALLEN COOPER, of Wisconsin, and FREDERICK H. GILLETT, of Massachusetts, 13 terms; CHAMP CLARK, of Missouri, and J. FRED TALBOTT, of Maryland, 12 terms each. GEORGE EDMUND FOSS, of Illinois, FRANK W. MONDELL, of Wyoming, and RICHARD WAYNE PARKER, of New Jersey, each with 11 terms of service, first came to this House in the same Congress, and stood before the Speaker's desk to receive the oath of office at the same time as Mr. HILL. Two Members of shorter service, CHARLES R. CRISP, of Georgia, and BENJAMIN L. FAIRCHILD, of New York, also served in the Fifty-fourth Congress.

A glance at Mr. HILL's early speeches will show that from the very start he showed that broad, piercing vision that always is found in the statesman and the man of large affairs. The very first speech that he delivered, on February 11, 1896, reads almost like a prophecy. He said that the issues were three: First, adequate revenue, based on protection lines, to fully meet expenses, reduce to some extent the national debt and develop the resources of the Nation; second, a sound system of national finance, and give the business interests of the country peace; third—and could he have said it better if he had been speaking today—we must maintain the honor and protect the rights of the American people everywhere, abroad as well as at home, and give sympathy, encouragement, and hope to men who are fighting for freedom in other lands.

Throughout his whole membership here he was always the champion of the rights and prerogatives of the House, and his very last utterance on this floor was on July 25, 1917, when he rose to a question of privilege and, as a member of the Ways and Means Committee, called attention to the fact that he thought the privileges of the House were being invaded by the action of the Senate in proposing to raise money by certificates of indebtedness, the function of this House to originate. He said the Republican Members of the House proposed to stand by the administration, but they wanted to do it "legally, fairly, and squarely." Legally, fairly, and squarely! That was the way Mr. HILL always did things. He was manly, straightforward, direct, affirmative, constructive—an American of whom his associates, his State, and his country are proud.

Mr. HILL's two great specialties in legislation were our financial system and the tariff. In matters relating to banking and currency he possessed a practical knowledge and a breadth of vision rarely equaled and never surpassed by any Member within this generation.

He was sent here by a constituency that recognized the value of long service, and so was able to develop his capacity as a legislator, and to give to his district and his country the benefit of the ripe experience that can come only from years of apprenticeship in the business of being a Congressman.

I have said that there were six men of longer service than Mr. HILL remaining in the House and two others who had served as long. It is only a little while ago, and yet, of the great company of 357 men who formed the House of the Fifty-fourth Congress, where are the rest? Some, like Pitney, of New Jersey, and McMillin, of Tennessee, now occupy high posts in other departments of the Government. A few others, like BANKHEAD, of Alabama, CURTIS, of Kansas, SHAFORTH, of Colorado, SMITH, of Michigan, and UNDERWOOD, of Alabama, now hold places of honor in the Senate of the United States. Some are prosperous in private life. But we have held solemn services like these for many of them, and many others have died since their membership here was ended.

In that Congress the Speaker was Thomas B. Reed, of Maine, who was ex-officio chairman of the Committee on Rules. Nelson Dingley, of Maine, was chairman of the Committee on Ways and Means. Among the other members of that committee were Sereno E. Payne, of New York; Charles H. Grosvenor, of Ohio; Jonathan P. Dolliver, of Iowa; Charles F. Crisp, of Georgia, ex-Speaker and father of our honored colleague CHARLES R. CRISP. JOSEPH G. CANNON, of Illinois, was chairman of the Committee on Appropriations. In his right hand is length of days, in his left hand honor and affection. Long, long, indeed, may he be spared to us and to his country. The chairman of the Committee on Interstate and Foreign Commerce was William P. Hepburn, of Iowa: on Banking and Currency, Joseph H. Walker, of Massachusetts; on the District of Columbia, Joseph W. Babcock, of Wisconsin; on Education, Galusha A. Grow, of Pennsylvania; on Foreign Affairs, Robert R. Hitt, of Illinois; on Indian Affairs, James S. Sherman, of New York; on Invalid Pensions, John A. Pickler, of South Dakota; on the Judiciary, David B. Henderson, of Iowa; on the Merchant Ma-

rine and Fisheries, Sereno E. Payne, of New York; on Naval Affairs, Charles A. Boutelle, of Maine; on Pensions, Henry C. Loudenslager, of New Jersey; on the Post Office and Post Roads, Eugene F. Loud, of California; on Public Buildings and Grounds, Seth L. Milliken, of Maine.

On what was then the minority side of the House were Leonidas F. Livingston, of Georgia; Francis G. Newlands, of Nevada; James D. Richardson, of Tennessee; James E. Cobb, of Alabama; David A. De Armond, of Missouri; William H. Crain, of Texas; Hernando D. Money, of Mississippi; Josiah Patterson, of Tennessee; and Henry G. Turner, of Georgia. Scores of others that I might mention call up vivid memories of great debates and great service. As we hear their names their voices echo again in our ears. We see their faces; we recall their hearty handclasps as we greeted them session after session. They make for us a moving picture of friendship, of character, of manly strength. Yesterday they were with us. Now the calling of the roll of their names is answered only by silence and our own heartache. Our Members fall like soldiers. And, Mr. Speaker, what a scene of struggle this Hall has been. The issues for which the men of 22 years ago were fighting here have many of them gone. Then Grover Cleveland was in his second term, and the country was divided on the question of the free and unlimited coinage of silver. Since then the legislative pendulum has swung both ways on the tariff question. Government operation of utilities, the efficient coordination of all business activities, the development to the utmost of national resources, the conservation of food and fuel, the quick development of a great merchant fleet, these and the other paramount questions now under discussion were unborn and unknown subjects in legislative halls. The great roll of missing men, as well as the new subjects that we must discuss and settle as best we can, serve to remind us of the thought so eloquently expressed long ago by Edmund Burke, when, on hearing of the death of his opponent for a seat in Parliament, he exclaimed, "What shadows we are, and what shadows we pursue!"

Mr. MOORE of Pennsylvania. Mr. Speaker, we call the flower of American manhood for the purposes of war. The aged we leave behind for counsel. The infirm, the halt, the unfit, we do not take. It is one of the curious inconsistencies of our times that when the sound of battle calls we send forward to the supreme test the best we have and leave behind, even as a burden or a menace, much that the body politic might well dispense with; but this is the soldier's way.

If we go into the orchard when the fruit is ripening, we take not the gnarled and unfit fruit. We leave it to sap the strength of the tree, possibly, and take that fruit only which is wholesome, that which is rosy-red. When we enter the garden we do not pluck the thistles and the thorns nor the rose that is shedding its bloom. We pick that flower which is purest and fairest.

Sometimes I think it is so with men in private and in public life. We yield up those who have been most serviceable, those who are most capable by experience and learning to sustain our aims. Strange, is it not, that when one has perfected himself for public work and has acquired such knowledge and information as has been accurately attributed to our lamented colleague, Mr. HILL, that we should suddenly be bereft of his association and services? But this surely is not our way; it is God's way, and we may neither question nor resist it.

EBENEZER J. HILL, as has been so eloquently stated by the distinguished leader of the majority [Mr. KITCHIN] and by our beloved minority leader [Mr. MANN], was of statesman stature. He was a strong legislator. The foundation was in him. He had grown step by step, through the influences that environed him yonder at Norwalk and throughout Connecticut, until he was the peer of those with whom he came in contact here.

He had specialized upon economics, upon finance, upon the national revenues. He made these great national topics his special study, but he equipped himself in other ways to match the masters of debate in this House and to bring credit to his State and his country. He was a genius at figures, and he noted the small things, so that he might be able to control the larger ones. Did he give information to the gentleman from Illinois [Mr. MANN], as indicated in the feeling speech so recently delivered? Yes; because he had studied, because he had investigated, because he had made notes, and was sure of his facts. Passing events of importance did not drift from his memory; he noted and preserved them for such emergencies as might arise. He did not let the incidents of the day pass by so that they might be useless to-morrow. Therein was much of his strength as a debater.

My personal acquaintance with Mr. HILL began about that time when he was a contemporary in this House, with Mr. Payne, Mr. Dalzell, and Mr. FORDNEY on the one side, and with Mr. CLARK, now Speaker, Mr. UNDERWOOD, and Mr. KITCHIN on the other. I came here in the Fifty-ninth Congress when Mr. HILL was in the heyday of his activities. It was my privilege to observe and to follow him in all essentials, for in the larger, broader sense EBENEZER J. HILL stood for the rights of America and the preservation of those rights. He had observed and studied the economic conditions that prevailed elsewhere. He believed in American ideals, and hoped for the perpetuation of all that was superior in American life.

Mr. GREEN of Iowa. Mr. Speaker, I first became acquainted with Mr. HILL when I entered this House in 1911. As a new Member, my attention was naturally called to him as one of its leaders. I well remember in the early days of my membership seeing him take the floor in the midst of an exciting political conflict to deliver one of those powerful addresses for which he was noted. The impression which he made I shall not easily forget. With all the energy he possessed he struck, without fear or favor, and like some champion of old, whose blows sounded upon his enemy's shield, his voice rang out in challenge to his adversaries. Striding back and forth in front of the rostrum, with gestures as vigorous as his speech, always in attack and never in defense, he seemed the impersonation of a parliamentary debater.

He who rises to eminence in so great a parliamentary body as a House of Representatives selected from a hundred millions of people must possess both ability and industry and one or the other to a marked degree. Nor is that all. The path to that elevation is usually a long and weary road, ascended through struggle and combat, by toil and labor. At rare and long intervals some genius has speedily risen, but often generations pass without any quick and dazzling success. In the few years that I have been in the House I have seen lawyers of rare talent, jurists of high standing, authors of note, scholars of reputation, business men of renown, come, and in many cases go, only to find that a high position here must be established by capacity shown for the new work which they were undertaking.

In truth, the science of legislation is the most comprehensive of all studies. He who would understand it fully must know not only the history of his own country, but the history of all countries. He must be familiar with the development and growth of society, the principles upon which civilization rests, and the lines upon which it must advance. Nor must he be a mere theorist or a dreamer. In no place is a capacity for the practical so much needed. Nowhere is a vision for the future so much desired. The learning of the past, the tendency of the present, the demands of the future, the methods of business, and the toil of labor must be considered. The field is limitless. None can hope to cover it all, and many must content themselves with but a small portion of the ground within its boundaries. But the field is divisible, and if a legislator has thoroughly mastered one of its important divisions, we say that he has done well.

Mr. HILL brought to his duties a mass of useful material. He had been both a student and a man of affairs. No economic work worth while had escaped his attention. There was no line of business with which he did not have an acquaintance, and his personal experience and practical knowledge in connection with and in relation to some of the most important lines of industry qualified him to speak as an expert. He had traveled widely, both at home and abroad, not with the carelessness of the sightseer, but as a student of world conditions, and often made use of the knowledge thus acquired to illuminate discussion and shape the course of his own legislative action. Few men in this House have brought to their duties such a wealth of acquired knowledge and practical experience. As a result, his counsel and advice was sought not only by members of the House, but by Cabinet Secretaries and Presidents.

But no amount of information and learning, however great it may be, will complete the finished legislator. There are many who think they are able to see what ought to be done. To the uninitiated the enactment of a statute seems an easy task. Knowing the object of legislation, they fancy it is easy to so express it in a law that the purpose will be carried out. In fact, it is most difficult. Hence the orator, no matter how great he may be, has his limitations in Congress. Speeches seldom change votes. Debates may possibly turn the tide of history. But the man of high legislative ability must be capable of originating constructive policies and forming statutes which will effectuate their purpose. For this there is needed not only a creative mind, but also one which is logical, accurate, and precise. Men have passed through Congress and emerged with the fame of great orators; sometimes with the reputation of great debaters, and yet have left upon the statute books not so

much as a mark to indicate that they have ever been Members of that body. Their ability was, in fact, confined to a flow of eloquence or a capacity for sharp retort and stinging repartee. Mr. HILL was not one of that class. In fact, I may say truthfully he rose far above it. His abilities were of the solid and enduring type, and his course in Congress marked by definite achievements. He could not only shape and defend a policy, but he could look beneath the glitter and veneer which covers the vagaries of the thoughtless and the wiles of the demagogue and expose their fallacies with merciless logic. As he passed along the evidence of his work remained behind him. We find it securely preserved in the laws of the land.

While connected with large enterprises, Mr. HILL realized fully that the greatness of this country must depend upon the prosperity and advancement of the masses of its people. Indeed he was too just in his perceptions and too clear in his thought to in any event deny them that to which they were justly entitled. While never a theorist, his dream was to make this land one which throughout its boundaries was inhabited by a prosperous, contented, and enlightened people. He believed that the laborer was worthy of his hire and that his wages should always be commensurate with his production. He wished to put hope in the mind of the toiler and ambition in his breast; to have our social system and laws so maintained as to give opportunity for all and justice to everyone. Thus the great problems of labor and capital were ever studied by him to find some solution which would rightfully apportion the share which each could claim, always regarding the necessities of the toiler as coming first and endeavoring that conditions should be so adjusted that his reasonable demands should be met. He rightfully considered that the policies of this Nation should be such as would give the greatest return and the widest opportunity possible to the working man. To accomplish this purpose he advocated that the foundation for this policy should be laid on a system of protection to our industries, and no one was better able to present the argument in favor of this position than he. He believed in it with all his heart and soul and mind and brought to its support a wealth of argument, experience, and logic which made him one of the great champions of this cause.

The ability and industry which Mr. HILL possessed in such a marked degree and the natural bent of his talents drew him into a branch of work in which industry of the highest order was absolutely necessary to complete success. While I was not in Congress during the early stages of his career, I can readily see why he was chosen to sit as a member of the Ways and Means Committee, that great committee which not only provides the means of carrying on our Government but also outlines to a large extent our fiscal policies. For proper service on this committee unremitting toil and study is necessary. So, also, a thorough mastery of every system of taxation must be acquired, and the application of these systems is so highly technical that it produces a never-ending round of labor. In this division of legislative work none excelled Mr. HILL, and few equaled him. He was indefatigable in his labors, but it was not the mere routine of the pendant. He reveled in figures, but in his hands they were not cold and dull, but lifelike and speaking. He explored all the labyrinths of the tariff until its provisions became so familiar to him that it was easy for him to enlighten others, and only one who is a member of the Ways and Means Committee can fully understand Mr. HILL'S wonderful grasp of the legislation which fell under its jurisdiction. I had the honor to become a member of that committee and the good fortune, sitting by his side, to receive the benefit of his study and application.

It must not be supposed, however, that Mr HILL confined himself to the duties of his committee, vast as they are, or that his duties were discharged with a thought single to the benefit which might be received by the region which he represented. His mind was too broad and comprehensive to be so confined. With far-seeing vision and discerning eye he looked beyond the boundaries of his own State with whirring spindles and clanging hammers. He saw the great city with its skyscrapers and its port teeming with ships from every mart of the world, toward which all our commerce centers; he saw the regions where boundless supplies of coal and iron are brought together, marked by the smoke of thousands of chimneys; he saw the broad expanse of the prairies, where under a smiling sun and beneficent sky a bounteous soil brings forth its stores to feed the waiting nations; he saw the rugged sweep of the western mountains wherein were hidden treasures surpassing the fabled wealth of the Orient and the dreams of magic; he looked across the broad expanse of the ocean to our islands blooming with tropical verdure, then again far beyond the Arctic Circle, where the midnight sun still shines upon our possessions, and south to where the Atlantic and Pacific are joined by that great canal which is the monument to the genius and enterprise of the American people. His was the vision of the statesman, which had no limitations but that of the world itself.

Mr. HILL was first of all and above all an American. He had unbounded confidence in the people of this Nation, its institutions, its form of government, its future, and believed that its destiny was to lead the march of civilization in the triumph of democracy and representative government. Well might he say with the poet:

When the centuries behind me like a fruitful land reposed,
When I clung to all the present for the promise it reposed,
When I dipt into the future far as human eye could see,
Saw the vision of the world and the wonder that would be,
Yet I doubt not through the ages our increasing purpose runs,
And the thoughts of men are widened with the process of the suns.

He saw, as many did not see, that we had come to be a world power, with duties which we must perform and responsibilities from which we could not escape. He saw that our future depended to a large extent upon that of other nations and that our policies must be broadened and our actions shaped to meet the crisis which might, and eventually did, arise. When the resistless tide of time carried us into the great European war his patriotism, ever present, arose to meet every emergency which confronted us.

Unfortunately he was sick. His mind was as active as ever, but he was weakened physically by age, incessant toil, and disease. The strain imposed by the new and staggering problems which the war brought upon us was too much for him to endure. The frail body could no longer contain the soul which still burned with tireless energy; the weakened cord snapped, and he passed away just as the curtain was rising upon the greatest drama which all history has ever known.

I had thought that perhaps he would have liked to have played his part in these eventful scenes which are now about us, just as we would have wished to have had the benefit of his judgment and capacity in this crisis of our Nation's affairs; but an all-wise Providence has said that his work is done, and we can say that it has been well and nobly done. A great debater, a great legislator, a statesman in the best of all that work implies has left us; but his work will endure ineffacably recorded in the history of his country.

Mr. FREEMAN took the chair as Speaker pro tempore.

Mr. SLOAN. Mr. Speaker, it is fitting that this House should set aside this sacred Sabbath to do honor to the memory of EBENEZER J. HILL. The tribute to him should be the product of careful thought and choice construction. His life and work are subjects that would call for the beauties of the poet's dream and the most profound thought of the philosopher. I regret that the halting sentences I may offer will not be a more finished tribute to his life and memory.

I came here in the Sixty-second Congress when he and those who had wrought with him had been reduced from the majority to the minority. As a new Member I watched with interest the changed conditions, observed how men met these changed conditions. The course of the once majority leaders had changed. There was demonstrated what we often see among men. They are often strong in battle when the offensive is on, but when reverse comes it takes a strong and peculiar character to still show that militancy which quails not before adversity but can battle in the minority as effectively as in the majority.

It is easy to advance to the blare of the bugle, but it is sometimes difficult in the forced retreat to save as many positions as may be possible. I thought, among the characters of the few men I studied, that there was in the eminent statesman from Connecticut that which made him not only a strong and militant character when the offensive was on, but a mighty force in defeat.

When legislation reversing that which he had aided in passage was presented upon this floor, never did I see a debater who seemed to successfully save as much of the situation as did EBENEZER J. HILL.

He was a remarkable character here. He was persistent, intense, and industrious in laying out plans and aiding the plans of those with whom he worked. When he came to the floor in debate he was militant. He charged like a Rupert, a Navarre, a Stonewall Jackson, or a Sheridan. He threw all his intellectual force and all the might of his militant being into the debate. Seldom, if ever, did I see EBENEZER J. HILL worsted in an intellectual combat on this floor. He combined the two qualities of militancy in debate and persistency in preparation.

Years ago Prof. Swing, in criticising the then great iconoclast, Robert G. Ingersoll, attributed Mr. Ingersoll's peculiar course to an interesting trait of human nature that compelled a man who had been a great advocate, once having taken up a cause, to follow it so far that it became his master. Out of

his discussion Prof. Swing crystallized his thought into this expression, "The master of a learned profession at last becomes its slave."

The best that we have in life, those things that we idolize, those virtues that we extol, often become the most tyrannic of our being, the most destructive of our lives. As I sat here this afternoon and listened to the words of our eminent and beloved leader, JAMES R. MANN, paying rich, deserved, and loving tribute to his deceased colleague, I thought of him and EBENEZER J. HILL together; not that they were of the same trend and bent of thought—because they frequently differed—but because in the matter of industry they resembled each other so much. True, our deceased brother had passed his three score years and ten; yet he seemed vigorous, and promised well for years to come. I have no doubt that, speaking by and large, call the malady to which he succumbed what you will, it was industry, excessive, overwrought industry that called him home. That industry is calling home so many I hope the warning will be effective to some who are now straining under the lash and scourge of tyrannic industry.

Our Brother HILL had his triumphs. They have been recounted here. But one remarkable triumph I must advert to, which must have been a matter of distinctive pride to him. He was a lifelong supporter of a policy on which he believed the welfare of America and Americans rested, the protection of American industry and American labor. He was in the minority. Yet when the great world war came on, after a great line of industries had been neglected in America, over the repeated warning of Representative HILL, he presented to an adverse Ways and Means Committee the facts developed by his study on the dye industry. He pointed to our national need, and overcame the prejudice of a majority of that committee. They said: "Yes, Mr. HILL, we accept your facts, we acknowledge the force of your reasoning, and we will write into law a concrete admission to you that you are right, and the country will profit by it. We will lay a measure of protection around this great industry that we need so much to keep our textile industries going, and furnish a measure of preparation for the conflict that is on."

The protection that Mr. HILL obtained for the dye industry will be the greatest legislative monument which can be raised in his behalf. It will stand as a tribute to his industry and a vindication of his life's course. With others I was permitted to attend the last rites accorded him up there in that New England State. They were held on a beautiful, bright autumn afternoon in Norwalk, the city of his home. The silenced mill wheel, the closed business doors, the vast concourse of people, the coming from every part of the State of the Commonwealth's greatest, attested the esteem in which he was held. The tributes paid from the pulpit before which he had so often sat were worthy of the gifted men who spoke them and of the great subject which called them forth.

Under the soft radiance of a sinking sun we repaired to the hillside resting place of Norwalk's dead. We passed under the trees which were already paying tribute to earth for their season's glory and annual life.

There was the fading leaf. Every color of the rainbow was depicted in the foliage of Connecticut's fields and forests. There was the maturing of corn. There were the ripening pome and grape ready for gathering before the winter came. Nature was giving evidence that time's penalties were being exacted as well as man's rewards were being granted. There on that afternoon we laid away all that remained of that stalwart character—a character as rugged as the rocks and hills round his Connecticut home. I saw the rich fruitage ready for the gathering, but the richest ripened product of all New England that day returned to earth was this eminent citizen, mighty legislator, and true American.

Mr. TILSON. Mr. Speaker, others have referred to the long and honorable history of the Hill family in Connecticut. I shall touch upon that subject no further than to say that with Mr. HILL it was not only a matter of pardonable family pride but it was both a source of inspiration and a challenge to his best efforts not only to maintain the high record already made by his progenitors but to add to it. Instead of being content to rest upon laurels won by those gone before, he acted upon the belief that he had a heritage which could be maintained only by his own highest endeavor. The record of Mr. HILL as business man and public official prior to his first election to this body has been referred to also and may be summed up by saying that both were worthy of the man whom later you came to know here, worthy of the long line of his forbears, and worthy of the great State that he loved, served and honored by serving.

He took his seat in this body in 1895 at the beginning of the Fifty fourth Congress. He came with no previously acquired reputation as a public speaker. In fact, there was nothing on the surface at that time to indicate that he would prove to be more than simply a worthy Member of that honorable class of substantial men of affairs known here as safe, level headed, and dependable, but not leaders of the thought of other men.

In this respect Mr. HILL furnishes in some measure a parallel to another distinguished son of Connecticut. I refer to the lamented Senator Orville H. Platt, who, coming to the Senate without being known outside the boundaries of his own State and with no outward apparent promise of special distinction, rose slowly but surely by his own fine effort and the irresistible force of his own high character to be one of the truly great Senators of his time, known throughout the land and across the seas.

The development of Mr. HILL into one of the most forceful and convincing debaters this House has produced in many years is an interesting story well known to the older Members of the House. The fact that he was such is well known to all of us, having been demonstrated many times on the floor of this House and on the stump in many a hard-fought campaign.

The secret of Mr. HILL's success as a public speaker and debater is really no secret at all. His power lay not so much in fine phrases or rhetoric of any kind as in the irresistible force of the logic of facts. So buttressed with stubborn facts was every argument that it was a most difficult matter to dislodge him or drive him from a position. He spared no pains, toil, or expense in thoroughly equipping and arming himself with essential facts, and so carefully were they marshaled that he was ready at all times to use them to advantage against all comers.

During the vacation periods between sessions of Congress—and, strange as it now may seem, there were formerly vacations—while other Members enjoyed a needed rest or replenished depleted bank accounts by attending to business at home, Mr. HILL made it the rule rather than the exception to journey abroad, sometimes to our outlying possessions, frequently to foreign countries, and one time all the way around the world. These trips he made not simply for pleasure, not even for his own information or education, but for the purpose of more thoroughly equipping himself for the effective performance of his duties as a Representative of the people. The natural result followed. He became a tower of strength in his own political party, a power in this House, and a most effective and useful Representative of his people.

Whatever else may be said of the House of Representatives, good, bad, or indifferent, this is true: The Member who knows what he is talking about, knows his subject thoroughly, knows it better than other Members know it, invariably commands the attention, the interest, and the respect of the House On this sound premise Mr. HILL proceeded and by adhering to it preeminently succeeded.

Others might be content with skimming the surface. He insisted upon going to the bottom of whatever subject engaged his attention. Recognizing the illimitable realm of human knowledge and the narrow limitation upon human endeavor, he did not attempt to cover the field of the universe and did not pretend to know all that is to be known. The field chosen by him, however, was always covered in a most thorough manner. He never hesitated to admit his lack of information or to seek information from others on a subject with which he had reason to believe them to be more familiar than himself.

On the other hand, he was ready to impart information to those less informed on any subject than himself, and he was so widely known to be thoroughly posted on a number of such highly important matters that he was being called upon constantly to give information.

The two most important specialties to the study of which Mr. HILL devoted his tireless energy and commanding ability were revenue legislation, especially tariff legislation, and banking and currency. On these two subjects he was the peer of any Member of either branch of Congress.

It is often said of him that he was a tireless worker. He needed no prodding. The spur of a biennial election was misapplied in his case. His district, his State, and the country would have been the gainer if he could have been elected for 20 years at one time, so that he could have given his entire time and energies to the work he loved so much. He did not complain, however, but in every even year for twelve successive times he made a vigorous campaign, never failing of success except in 1912, when his own party, rent in twain, went down before the united opposition.

As we saw him toiling here under the load that grew heavier year by year we knew what would be the inevitable and all too early result.

Near the close of the twenty-first year of his service here he fell in the harness. He had passed the allotted span of three

score and ten years and yet appeared to be unusually vigorous until he suffered a breakdown less than a year before his death. After that he made a brave fight, appearing in his place in the House oftentimes, and on one occasion, not many weeks before the end, making a somewhat extended speech with much of his old-time zeal and vigor. However, the inexorable destroyer would not be denied, and on September 27, 1817, all that was not mortal of this able, loyal, and faithful son of Connecticut and servant of an entire Nation passed to the beyond. Of him it may be said as truly as of any man who ever died on the field of battle that he gave his life for his country.

Mr. GLYNN. Mr. Speaker, a considerable portion of the district which I represent was formerly a part of the district long represented in Congress by the Hon. EBENEZER J. HILL, whose memory we honor to-day. My home county of Litchfield was a part of his district, and for 18 years he was our Representative. We were proud of him in those days, and we continued to be proud of him until the day of his death. We knew of his ability, his integrity, and his energy. We realized that he was one of the leaders in this great body and that we did honor to ourselves in returning him to the halls of legislation term after term. From the Fifty-fourth to the Sixty-second Congresses, inclusive, his district comprised the counties of Litchfield and Fairfield, and, because of the great confidence we had in him, no other candidate was seriously considered during all of those years. We had learned to know him and to love him. We had learned to admire his force of character, his tireless energy, his keen and penetrating intellect, his power to cope with and to solve difficult economic questions.

He was not one of those who measured his value to his constituents by the amount he was able to obtain for his district in the way of appropriations, and to the honor and glory of his constituents be it said that they never measured his worth by any such yardstick. The scope of his vision was too broad to be limited by any such narrow horizon, and while he was always loyal and faithful to the interests of his district and State, he was of that splendid type of men who think and legislate from a national viewpoint.

My acquaintance with Mr. HILL commenced more than a score of years ago and gradually grew in intimacy. In the early years I knew him as the average man knows his Member of Congress back home, meeting him only infrequently when he happened to be in that part of the district where I resided; but I early realized, as did his constituents, that he was a tower of strength. When we were asked by a stranger the name of our representative in Congress, we were proud to say that it was E. J. HILL. We somehow felt that we had contributed more than our share, that we had a man in Congress great enough to be a leader. Respect and admiration ripened into genuine affection. He made enduring friendships and never went back on a friend. He was faithful to every trust. It was not in his nature to wrong any human soul nor to take a mean advantage of any man. He was a friend to every man in need.

Others have spoken of his ancestry and his business activities, and it is unnecessary for me to dwell upon these. During his service of more than 20 years in Congress he was identified with practically all of the important legislation enacted during that time and rendered invaluable service as a member of the Committee on Banking and Currency and the Committee on Ways and Means. He possessed a constructive mind and was a statesman of the best and truest type. He abhorred sham and hypocrisy. He had the courage of his convictions and would never compromise upon a question of principle. He had no sympathy for the demagogue or timeserver. As a speaker and debater he was always ready, always eloquent, keen and irresistible in his logic—a veritable intellectual gladiator.

Mr. HILL'S last appearance in the House was on July 25 last, when he rose to a question of privilege involving the constitutional rights of the House of Representatives. In the course of a five-minute talk he vigorously assailed the attempt on the part of the Senate to invade the prerogatives of the House, and called attention to the fact that under the Constitution the power of issuing bonds and incurring indebtedness must originate in the House of Representatives. The day before the Secretary of the Treasury had appeared before the Finance Committee of the Senate and proposed $5,000,000,000 of additional funds, part to be raised by bonds and part to be raised by certificates of indebtedness, matters within the function of the House to originate.

In closing, he drew vigorous and prolonged applause when he said:

I feel it my duty, Mr. Speaker, to call the attention of the House of Representatives to this invasion of its prerogatives, so that in the future, when such a bill comes to us for consideration, if nobody else does it, I will move to send it back, as Mr. Sereno E. Payne once did under similar circumstances, and the House refused to consider it. I think we ought to stand on our rights and have this business attended to more promptly than it has been attended to. If I am not mistaken, I have the support of the Republican Members of this House in standing by the Administration during the war, but we want to do it legally, fairly, and squarely, and I therefore call the attention of the House to this invasion of our prerogatives.

The story of his life is the story of a boy reared from good New England stock, who early learned the value of time and the value of a dollar, because he had little of either to spare in his early days. It is the story of a boy who made the most of his opportunities and was not afraid to work, a boy of splendid mental attainments, rugged honesty, and force of character, who would command respect anywhere and who knew no such word as failure. Others might spend their time complaining because of lack of opportunity, but not so with E. J. HILL. He turned stumbling blocks into stepping stones and could succeed where others failed. All his life he was a student of men and things and was never satisfied with a superficial knowledge of anything. He was an encyclopedia of information. He has carved for himself an enduring name in the history of his country, and his work will be a lesson and an inspiration to the young men of this Nation through the coming years. With many things yet undone, with many splendid dreams yet unrealized, with his intellectual powers still undimmed, he passed from this earthly abode, leaving as a rich heritage a splendid record of accomplishment and the memory of a life well spent.

Mr. LONERGAN. Mr. Speaker, it was not my privilege to know EBENEZER J. HILL intimately. I first meet him five years ago, but from the opening of the Sixty-fifth Congress to the time of his illness I was associated with him on several occasions and had opportunity to observe his work as a legislator.

He was a companionable man, ready and effective in debate, a leader not only in his own party but in the House. His record stands out as one of service and achievement. His appointment to the Ways and Means Committee was a merited recognition of his ability.

Mr. HILL was always informed because he was always a student. With unflagging industry he applied to every new problem the test of experience of years. There was not a subject of financial or economic importance which might affect the welfare of his district, his State, or his country on which he was not informed. He worked always with directness of purpose and sureness of plan. He believed that a public office is a public trust.

To his duties he was ever faithful, and in this he was true to the best traditions of New England.

The power of New England in the Congress of the United States has always been recognized. In April, 1910, the Hon. THETUS W. SIMS, of Tennessee, present chairman of the House Committee on Interstate and Foreign Commerce, quoted from an article in the Kansas City Times, in which it was pointed out that the aggressiveness, the sagacity, the courage of the people of New England commanded admiration, for despite a sterile soil and an inhospitable climate they controlled the politics and policy of the United States. And further, it was added:

The six States which form the New England group have figured prominently in the settlement of every question that has been presented to the Republic.

The reason given for the recognized leadership of New England by the writer was that long service of Members from the States mentioned naturally entitled such men to greater influence.

Mr. HILL'S life was a conspicuous example thereof. No man in Connecticut's history served the State in the House of Representatives so long as he. The Hon. E. Stevens Henry, it is true, entered Congress at the same time in 1895, but his service numbered 18 years. Mr. HILL was completing his twenty-first year. The late Senator Joseph R. Hawley, whose 28 years of public life at Washington stand unequaled for Connecticut, was in the House but four years, advancing to the United States Senate in 1881. The Hon. Orville H. Platt was 26 years in Washington, during all of which time he was in the Senate. Excepting these two illustrious men, the only other public servant of the State whose record as a national legislator exceeded that of Mr. HILL'S was the Hon. Samuel W. Dana, of Middletown. Mr. Dana was in the House from 1796 to 1810, and in the Senate from 1810 to 1821, a total of 25 years in Washington. In his own district, one must go back to the days of the Hon. John Davenport, of Stamford, who was in the House as Representative at Large and later as Congressman from the fourth district, from 1799 to 1817, 18 years, to approach the service of the man whose memory we have come to-day to honor. Mr. HILL'S record is indeed an unique one, and one that will not be excelled in Connecticut in many years.

There are but nine men in Congress to-day who sat in the Fifty-fourth Congress when Mr. HILL first entered national life—Mr. CANNON of Illinois, Mr. JONES of Virginia, Mr. COOPER of Wisconsin, Mr. GILLETT of Massachusetts, Mr. FAIRCHILD of New York, Mr. CRISP of Georgia, Mr. FOSS of Illinois, Mr. MONDELL of Wyoming, and Mr. PARKER of New Jersey. Our beloved Speaker had been in the Fifty-third Congress, and returned in the Fifty-fifth Congress, from which time he had been associated with Mr. HILL in many important matters, and has on more than one occasion indicated his admiration of our deceased colleague.

The longer an industrious man remains in service, the more valuable he is to his constituency, the greater opportunity he has for the development of his talents, and the richer is his State for his achievements.

Mr. HILL was in Congress when the United States declared war against Spain in 1898, and when the existence of a state of war thrust upon it by the Imperial German Government was formally declared in 1917. He has seen other problems, less historic, indeed, but in themselves large, met and overcome by the country he served so faithfully.

He left to his family the priceless heritage of a life well spent. It should be to them a rich source of consolation; and it should be to every man an incentive to added effort.

When a man has worked so ceaselessly as did Mr. HILL for the things he thought best, one wishes that an All-Knowing Providence had granted him more years in which to continue his constructive activity and to enjoy association with those for whom and with whom he labored, but in his being taken off "still achieving, still pursuing," his family and his friends are comforted with the assurance that when he entered into his reward, his stewardship was accounted for a hundredfold.

Mr. TILSON resumed the chair as Speaker pro tempore.

Mr. FREEMAN. Mr. Speaker, it is acknowledged by all that in the death of the late EBENEZER J. HILL the State of Connecticut has lost an able and faithful Representative, and this Congress and the Nation at large has been deprived of a strong and experienced legislator at a time when such effective services as Mr. HILL was able to render were most sorely needed.

I remember in 1894 when he was first elected to represent the fourth district of Connecticut, and since that time I have watched his career here in Congress with ever-increasing interest and appreciation. It was my privilege first to meet him personally in the summer of 1903 when he paid a visit to his son at the encampment of the Connecticut National Guard, and at that time I was impressed with his thorough knowledge of the subjects he discussed, his wealth of information, and his strong, sincere convictions upon the financial and economic questions of the day. At that time his party was in control of the affairs of the Government, and he certainly devoted to his share of the task all his energy, industry, and talent. Because of the unfortunate division of our party in 1912 Mr. HILL failed of reelection, but I had a long talk with him at Bridgeport in the winter of 1913-14, and I was surprised at his intimate acquaintance with the affairs of Congress—his knowledge of the state of the national Treasury, and of many other matters which indicated that with the exception of not being daily upon the floor of the House, he was as active and as interested as if still a Member of Congress.

When he was reelected by his district in 1914 it was my fortune to be elected as his colleague, and from that time until his death I relied upon his counsel and advice. I found him one of the most hard-working Members of Congress, but never too busy to aid, encourage, and advise a new Member of Congress. During his last illness he remained constantly in touch with the situation here, with intellect unimpaired, and when "God's finger touched him" he had well earned eternal rest and peace.

LEAVE TO PRINT.

Mr. MERRITT. Mr. Speaker, I ask unanimous consent that Members desiring to print remarks on the life and services of Mr. HILL may have permission to do so.

The SPEAKER pro tempore. The gentleman from Connecticut asks unanimous consent that Members desiring to print in the RECORD remarks on the life and services of Mr. HILL may have permission to do so. Is there objection? [After a pause.] The Chair hears none. In compliance with the resolution already adopted the House will stand adjourned.

ADJOURNMENT.

Accordingly (at 1 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Monday, March 4, 1918, at 12 o'clock noon.

SENATE.

MONDAY, *March 4, 1918.*

(Legislative day of Saturday, March 2, 1918.)

The Senate met at 12 o'clock meridian.

THOMAS J. WALSH, a Senator from the State of Montana, appeared in his seat to-day.

DISTRICT OF COLUMBIA TELEPHONE SYSTEM.

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Postmaster General in response to a resolution (S. Res. 207) of February 25, 1918.

Mr. GORE. I ask that the communication be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

Mr. NORRIS What is the request?

The PRESIDENT pro tempore. That the communication of the Postmaster General, in response to a resolution passed February 25, regarding the telephone service of the District of Columbia be printed in the RECORD.

Mr. NORRIS. Why not have it read? It seems to me that the answer of the Postmaster General ought to be read.

Mr. OWEN. I should like to hear it read.

Mr. SIMMONS. I hope the communication will not be read. We took a recess on Saturday for the purpose of expediting the unfinished business, and I am very anxious to begin the consideration of Senate bill 3714.

Mr. NORRIS. I do not want to delay the unfinished business, but it seems to me that the answer of the Postmaster General on the question we have submitted to him ought at least to be read to the Senate, although if the Senator from North Carolina objects I will be content to have it printed in the RECORD.

Mr. SIMMONS. I have no earthly objection to its being printed in the RECORD.

Mr. GORE. I will state that I did not prefer the request to have it read, because I apprehended the objection suggested by the Senator from North Carolina.

Mr. NORRIS. Let it be printed in the RECORD, then.

The PRESIDENT pro tempore. The request is that the communication of the Postmaster General be printed in the RECORD. Is there objection? The Chair hears none, and it is so ordered.

The communication is as follows:

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 4, 1918.

Hon. THOMAS R. MARSHALL,
Senate of the United States of America.

MR. PRESIDENT: I have received Senate resolution of date February 25, reading as follows:

"Whereas it is reported in the public press that the Postmaster General of the United States offered to take over and operate in behalf of the United States the telephone system of the Chesapeake & Potomac Telephone Co. within the District of Columbia: Therefore be it

"*Resolved*, That the Postmaster General be, and he is hereby, directed to transmit to the Senate the proposition made by him to the Chesapeake & Potomac Telephone Co., and also to transmit to the Senate any information which he may possess authorizing him to make such, or any, proposition looking to the taking over of the operation by the Government of said telephone system."

In compliance with this resolution I deem it proper to recite the circumstances referred to therein and officially reported by the Commissioners of the District of Columbia sitting as a public utility commission, to wit:

"Chairman BROWNLOW. I asked the Postmaster General if he desired to be heard in this matter, since I know of the interest of the Post Office Department in the telephone situation. He was not able to be present, but he sent as representing him the chairman of the telephone and telegraph committee of the Post Office Department. Mr. Chance is present and desires to make a statement.

"Mr. CHANCE. Mr. Commissioner, my statement is very short. I am here representing the Postmaster General, and he has directed me to say that, if he is given authority, the Post Office Department can take over the entire telephone service within the District of Columbia and operate it without increased charges to the patrons and without reducing the salaries of the employees and pay for it out of the surplus revenues of the Postal Service.

"That is all I have to say."

With respect to the information upon which the statement made by Mr. Chance was made, beginning with the statement of the undesirable telephone situation prevailing, and threatened, in the District of Columbia, it may be well to briefly detail the history of the subject matter, the measures proposed heretofore by Members of Congress looking to its treatment, and the relation of the Post Office Department to such measures, as well as the proposals of the Chesapeake & Potomac Telephone Co. itself.

In the Sixty-fourth Congress, early in 1917, bills were introduced in the Senate by the Hon. THOMAS P. GORE, of Oklahoma, and the Hon. ATLEE POMERENE, of Ohio, and in the House of Representatives by the Hon. David J. Lewis, of Maryland, which provided for the taking over of the Washington telephone system by the Government, with a view to its substantial extension and development to meet existing and future needs. These bills made provision for the development of an adequate telephone service for both public and private needs, as they should arise. The bill of Senator POMERENE was referred to the Committee on the District of Columbia of the Senate, which committee requested the opinion of the Postmaster General as to its merits. The Postmaster General, in response to such request, gave the bill his approval.

The like bill in the House of Representatives was referred to the Committee on the District of Columbia of the House, and the Postmaster General was asked in like manner by said committee for his opinion on the merits of the bill, as were also the District Commissioners of the District of Columbia. Both the Postmaster General and the commissioners made reply, giving their approval to the measure. If any of those measures had been enacted into law, the present telephone system in Washington, which may be described at this time as deplorable, would have been avoided.

The House bill was made the subject of extended hearings before the Committee on the District of Columbia which continued so near to the close of the session that no final action was taken on the bill.

Meanwhile, with the same objects in view, the Postmaster General caused to be made by telephone experts a careful study and investigation of the telephone situation in Washington, with a view to definitely ascertaining the necessary operating expenses of conducting the system as a part of the Postal Service. These experts reported on the 1st day of May, 1917, that the final cost of a network—including value of the existing plant—embracing 80,000 telephone stations, would be $10,862,310. The network of the present system in 1915, the latest previous data, included 54,671 telephones. The larger network proposed would have fully met the needs of the city for both its present and prospective emergencies.

With respect to the costs of operating the telephone system these experts, after careful study, reported that including capital, depreciation, and all operating expenses—if conducted by the Post Office Department as a part of the Postal Service—the cost per telephone could easily be reduced more than one-third. The Chesapeake & Potomac Telephone Co. estimates the expense per telephone in 1918, without making allowance for capital charges or taxes, to be $38.10, which is grossly in excess of what the cost would be if the service were operated by the Post Office Department. Such was the proposal of Members of Congress and the Post Office Department to meet the requirements of a public and private character for telephone service within the District of Columbia.

In its statements made before the Public Utilities Commission the Chesapeake & Potomac Telephone Co. reports having 71,276 telephones in December, 1917, and it proposes to increase this number to 75,000 during the year 1918, a number which may prove inadequate. The study made for the Post Office Department, by the expert engineers referred to above, contemplated a network of 80,000 telephones. Their study was based on the data of the year 1915, it being the latest available, and represented as stated 54,671 telephone stations, with a capital of $6,241,134. Thus the addition of an investment of $4,621,176 would have added 25,329 stations to the network, raising it to 80,000 in number, and at the same time rendering it susceptible to prompt and economical extension and development. The proposal of the Chesapeake & Potomac Telephone Co. for the year 1918 raises its capital to $10,694,001, but raises the number of telephones to only 75,500.

The quality of service rendered in the city of Washington was extremely low before the war, the lowest per telephone reported for any city in the United States in 1914, while the average rate charged for completed calls was the highest for all the cities reporting, with one exception, as is shown by the following table:

Average calls per telephone and average rate per 100 calls in different cities.

	Annual calls per phone.[1]	Average telephone rate per 100 local calls.[1]
New York, Manhattan [2]	962	$4.45
Brooklyn [2]	875	4.21
Washington, 1914 [2]	823	4.21
Washington, 1915 [2]	888	3.88
Washington, 1917 [2]	1,099	3.13
Baltimore [2]	993	3.53
Philadelphia [3]	1,445	2.20
Pittsburgh [2]	1,998	1.52
Cleveland [2]	2,000	1.48
Indianapolis [3]	2,238	1.15
Spokane [2]	2,155	1.08
Kansas City [3]	3,366	1.05
Rochester [3]	2,940	1.04
Plattsburg	2,090	.94
Buffalo [3]	2,710	.77
Louisville [3]	4,027	.69

[1] Not counting toll calls. [2] Bell System. [3] Independent.

While Washington is given a service of only 800 to 1,100 calls per telephone, the average calls per telephone in the United States was 2,055, according to the census of 1912, and some of the cities show a phone utilization of more than 3,000 calls per annum. For this half-normal service I am informed that the average paid per 100 calls in Washington was $3 to $4, when the average for the United States was 89 cents per hundred for the independents, with a general average of less than $1 per hundred in some of the large cities.

Obviously, the test of any service institution is the amount and quality of service rendered the public, stated in terms of the number of employees and the amount of capital employed to obtain such service.

The committee of the Post Office Department on telephones and telegraphs which made an elaborate investigation of this subject, the report of which I had the honor to transmit to the Senate on the 31st day of January, 1914, and which was published as Senate Document No. 399, second session Sixty-third Congress, found that the assumption by the Post Office Department of the function of electrical communication would permit of substantial savings and economies through the coordination of these two now diversely organized and operated services of communication. They differ only in this: That the railroad or personal carrier bears one communication and the wires carry the other.

The following bureaus or services are now maintained, each independently, by the Post Office Department and the telephone system:

THE POST OFFICE.	THE TELEPHONE SYSTEM.
Postmaster General.	President of the company.
Four assistants.	Vice presidents and directors.
Law department.	Law department.
Auditor.	Auditor.
Treasurer's office.	Treasurer's office.
Purchasing bureau.	Purchasing bureau.

The "commercial account" under private management includes such items as "advertising, canvassing, promotion, revenue accounting, revenue collecting, collection expense, salaries of general officers, and their clerks." These are susceptible of complete elimination by postal methods. Indeed, it is not too much to say that their entire revenue-collecting and accounting system can be practically displaced under postal methods and the work reduced substantially to one of maintenance and development.

Much—indeed, nearly all—the above duplicating official telephone personnel represent established functions in the Post Office Department, dischargeable by it with slight, if any, additional expense. There is, besides, the very considerable item of earnings on investment. Public utility commissions proceed on the theory that private enterprises are entitled to claim, if they can earn, a return of 8 per cent per annum, which is not unreasonable to private enterprise. Government capital, on the other hand, should cost only about one-half this amount. Taking the savings from unification of mail and telephone communication systems, along with the immense saving in capital charges, I have the fullest confidence in the statement made to the District Utilities Commission as to the results of postal management of the District telephone system if authority be given to unite it with the Postal Service.

In fact, the accomplishments suggested present a very great understatement of what postal policy and postal management

can accomplish in operating the telephone system in the District of Columbia.

The suggestion that the Post Office Department enter the field of electrical communication is in no sense new or recent. As Postmaster General I have made the recommendation in my annual reports five successive times. The recommendation was made by my immediate predecessor and by many other Postmasters General. In the infancy of telephone communication a like recommendation was made by Postmaster General John Wanamaker. Among other things he stated:

"A year from next March the telephone patent expires, and unless Congress acts promptly to authorize its adoption for communication among the people it requires no stretch of the imagination to believe that in the next two years one immense syndicate will unite and control all the hundreds of telephone plants of the country as the telegraph is now controlled, or the two will be united, and then for the next 20 years the most astute attorneys will be legitimately earning large salaries in indignantly opposing the so-called attacks of future Postmasters General upon defenseless vested rights."

How prophetic this statement was! At this time how familiar we are with it! How often did we hear it when there was pending before the Congress the propositions for the establishment of the parcel post and the postal savings!

The function of communication so clearly appertains to the Government that it is provided for in the Constitution of the United States.

Communication is a means primal to the gratification of all human requirements. It should therefore be made accessible to all persons, whatever their fortunes may be, as considerations of public economy will allow. This means that ample facilities should be provided by the Government which is charged by the Constitution with this great function. It means, too, that the service should be provided at reasonable cost; in fact, at as low cost as efficient service permits, so that the largest number possible may use it. The Postal System has so realized these great objects, so formulated its rates, that the poorest self-sustaining human being can afford to use any service it performs. The only postal limitation on his communicating from end to end of the Republic is the cost of a 2-cent stamp. On the other hand, the use of these great facilities of communicating by electricity is woefully restricted among the masses of the people by the necessities of the interest of private persons who own and manage them. Among the masses of the people, even here in Washington, the Capital of the richest country of the world, the majority are shown to be denied this great convenience. The following table on the testimony of the president of the Chesapeake & Potomac Telephone Co., testifying as to the distribution of the telephone service among the residences of the city before the Committee on the District of Columbia of the House of Representatives, speaks conclusively as to the effect of high rates and private control upon this great agency of communication:

One hundred families, paying a house rent—

Up to $20, have 10 phones—10 per cent.

Up to $35, have 23 phones—23 per cent.

Above $35, have 82 phones—82 per cent.

It is no criticism of private endeavor to quote the above facts. They represent failures—grave failures—in modern communication; but they are failures judged by postal standards, not by the standards of private enterprise. The wealth of the United States is ample to justify a complete telephone service in its Capital. Private endeavor does not have the kind of motive necessary for the accomplishment of this or other postal objects. Great organizations of national scope it has built up in that part of the field of communication which the Government has so long neglected—neglected, I say, but not surrendered either its right or duty to perform. While the postal rates in the United States are the lowest among postal systems, the following table, taken from the report of the telephone and telegraph committee of the Post Office Department, shows how postal telephone rates in other countries compare with the private rates in the United States:

Statement of the average rates for nine countries on the Continent of Europe:

Toll telephone rates.

	Distance.				
	100 miles.	300 miles.	400 miles.	500 miles.	700 miles.
Continental rate	$0.20	$0.37	$0.39	$0.46	$0.53
Bell rate	.60	1.80	2.40	3.00	4.20

Of the long-distance telephone rates it has been stated by one who has made a most searching study of the question that "it costs the American as much to ship his communication over the wires, mile for mile, as it costs him to ship a ton of freight on the railway. The telephone rate equals 6 mills a mile, the average railway rate about 7 mills."

It should be added that the aggregate postal revenues in the 16 great postal systems conducting these, as well as other functions of organized communication, show a surplus profit of 20 per cent in their annual receipts. A reason why the postal system can achieve cheap rates and provide efficient service is that it has no uneconomic, no wasteful interests to serve. Hence the great disparity of the telephone rates in the United States as compared with those of postal systems, notwithstanding our postal rates are as low or lower. Hence, too, the humiliating knowledge that instead of ranking first in the frequency of our use of the telephone communication we rank low, and not high, in the use of these services.

The conclusion can not be escaped that private rate making is responsible for the out-of-date and inadequate telephone service, and for its resulting breakdown from congestion of traffic, in Washington. And the local company proposes relief only by destroying, through higher rates, even more of the existing traffic of the city. The rates now restrict the use of the phone to about one-half the utilization obtaining throughout the country. Its proposed remedy is to eliminate, by higher rates, a large part of the service that is left.

PROPOSITIONS RESTATED.

Finally, I wish to add that there is much other information gathered, studied, and compiled by the Post Office Department, reflecting on the proposition that, if given authority, the Post Office Department can achieve the results stated in the announcement made before the Utilities Commission.

In concluding I wish to repeat, on the basis of the information hereinbefore produced, and as the result of careful studies:

First. That, if given authority by the Congress, the Post Office Department can take over the telephone service of the District of Columbia and be able to—

(a) Operate it without increased charges to the patrons.

(b) Without reducing the salaries of employees.

(c) And pay for the system out of the surplus revenues of the Postal Service.

To which propositions I am able to add another:

Second. That within a reasonable time after receiving such authority the Post Office Department will permanently remove the present congestion of telephone traffic and bring about a more general use of the lines to both the Government and private patrons.

I have only to further add that so much as might be necessary of the surplus of the Post Office Department for the fiscal years 1916 and 1917 could nowhere and in no way be more appropriately applied than in giving the Government, in its stress, and the people of the Capital City permanent, adequate facilities for communication, and at reasonable rates.

Permit me also to direct attention to the fact that there is no Government engaged in the present war—there is hardly a government anywhere—which intrusts its official secrets and correspondence to unofficial and private carriers.

Respectfully,

A. S. BURLESON,
Postmaster General.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a petition of Lewis McKune Post, No. 27, Grand Army of the Republic, Department of Minnesota, of Waseca, Minn., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

Mr. THOMPSON presented a petition of W. T. Sherman Post, No. 113, Grand Army of the Republic, Department of Kansas, of Concordia, Kans., praying for an increase of pensions to veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a petition of Local Branch, International Brotherhood of Locomotive Engineers, of Parsons, Kans., praying for an increase in the salaries of postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Farmers' Union, of Groveland, Kans., praying for the enactment of legislation fixing the price of the 1918 wheat crop at $2.50 per bushel, which was ordered to lie on the table.

Mr. JONES of Washington presented a memorial of Local Branch, Brotherhood of Railroad Trainmen, of Bellingham, Wash., remonstrating against the enactment of legislation providing for the placing of railroad employees under the pro-

visions of the Federal employees' compensation act, which was referred to the Committee on Interstate Commerce.

Mr. McLEAN presented a petition of Local Branch No. 192, National Association of Letter Carriers, of New Britain, Conn., praying for an increase in the salaries of postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of Bridgeport and New Haven, in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. TOWNSEND presented a petition of the Board of Commerce of Detroit, Mich., praying for the creation of a commission to report a plan for the adoption of a national budget system, which was referred to the Committee on Appropriations.

He also presented a petition of the Ladies' Literary Club, of Shelby, Mich., and a petition of the Pastors' Association, of Jackson, Mich., praying for national prohibition as a war measure, which were referred to the Committee on Military Affairs.

REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 3426) to empower the President to requisition timber and timber products for war purposes, reported it with amendments and submitted a report (No. 298) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3980. A bill to prevent interference with the use of homing pigeons by the United States, to provide a penalty for such interference, and for other purposes (Rept. No. 296); and

S. 3982. A bill to suspend certain restrictions on the purchase and distribution of military stores and supplies, and for other purposes (Rept. No. 297).

STATUS OF ARMY NURSE CORPS.

Mr. FLETCHER. On January 16 the Senator from Florida [Mr. TRAMMELL] submitted a resolution (S. Res. 185) directing the Committee on Military Affairs of the Senate to investigate and report as to the available number of trained nurses for service in the United States Army. The resolution was agreed to, and I am directed by the Committee on Military Affairs to makes a report (No. 299) pursuant to that resolution, which I ask to have printed in the RECORD.

There being no objection, the report submitted this day by Mr. FLETCHER was ordered to lie on the table and to be printed in the RECORD, as follows:

[Senate Report No. 299, 65th Cong., 2d sess.]

Mr. FLETCHER, from the Committee on Military Affairs, submitted the following report:

The Committee on Military Affairs, which was directed by the Senate to investigate and report upon certain matters relative to the status of the Army Nurse Corps, having had the matter under consideration, begs leave to submit herewith a memorandum from the Surgeon General of the Army giving detailed information on the subject, together with a communication of similar import from Dr. Franklin Martin, member of the advisory commission, Council of National Defense, which your committee presents as its report:

MEMORANDUM FOR THE SECRETARY OF WAR RELATING TO STATUS OF THE ARMY NURSE CORPS.

WAR DEPARTMENT,
OFFICE OF THE SURGEON GENERAL,
Washington, January 24, 1918.

There are at present in the United States about 200,000 nurses, of whom it is estimated between 80,000 and 90,000 are registered, the remainder being composed of graduate nurses and the so-called practical nurses. Approximately 30,000 nurses will be needed for service in the Army hospitals during the present year. In 1909 the plan was evolved whereby the enrolled nurses of the American Red Cross were constituted the reserve of the Army Nurse Corps for service in time of war or other emergency. It is estimated there are about 16,000 nurses enrolled with this organization at this time, 8,000 of whom have enrolled since the declaration of war. Nurses are also admitted into the regular corps, and for the period of the war emergency. The applications of all graduate nurses who are professionally, morally, and physically qualified for service will be given consideration, whether registered or not.

There are at present 40,000 student nurses in accredited training schools for nurses in this country, and about 13,000 graduate annually. The plan of organizing training schools in connection with Army hospitals is not believed to be practicable, and it is thought preferable to accept only nurses who have graduated from civil institutions.

It is not contemplated at this time to employ any but graduate nurses in the Army hospitals, but should conditions indicate there will be a shortage of graduate nurses, steps will be taken in ample time for the establishment of courses for nurses' aids in certain civil institutions in this country. These aids will be selected from among those women who have taken the course in home care of the sick and elementary hygiene under the American Red Cross, and also other women who are considered suitable. They will be given a course of practical instruction in a civil institution with a view to assignment as nurses' aid in an Army hospital if needed.

At the present time there are 534 members of the regular corps and 4,204 who have entered the service as reserve nurses, Army Nurse Corps, through the American Red Cross. It is believed that the present supply of nurses is sufficient to meet the prospective needs of the service.

W. C. GORGAS,
Surgeon General, United States Army.

COUNCIL OF NATIONAL DEFENSE,
Washington, January 24, 1918.

From: Dr. Franklin Martin, member of advisory commission.
To: Hon. GEORGE E. CHAMBERLAIN, chairman Senate Committee on Military Affairs.
Subject: Present and prospective supply of nurses for military service.

1. We have the honor to submit to you the following report:

2. The committee on nursing of the general medical board, Council of National Defense, will be pleased to appear before your committee at any time and submit full information regarding the present and prospective status of the nursing supply for military service.

3. In the meantime, however, I submit the following facts: There are approximately 80,000 registered nurses in the United States, 40,000 student nurses in accredited schools, 13,000 nurses graduating annually.

4. The following are figures received to-day from the Army, Navy, and Red Cross Department of Nursing:

Assigned to active duty in the Army:	
From the Army Nurse Corps	534
From the Red Cross	4,204
Total	4,738
Assigned to active duty in the Navy:	
From the Navy Nurse Corps	257
From the Red Cross	570
Total	827
Assigned to active duty under the Red Cross:	
United States Public Health Service	70
Over-seas service	64
Specialized services in United States	3
Total number furnished by Red Cross to Army and Navy, now on active duty	4,911
Total number awaiting orders	2,500

Nine thousand nurses have been enrolled by the Red Cross since the declaration of war. The total enrollment of Red Cross nurses is approximately 17,000, which includes, however, those enrolled for special service and a proportion who are not available for active service.

5. At the present date the Army, Navy, and Red Cross are filling all demands. A mobilization camp for nurses has just been established which will facilitate the movement of nurses to their posts.

6. A definite publicity program has been planned and is in progress by the committee on nursing for the purpose of rapidly increasing enrollment for service and for strengthening the reserve. Since war was declared approximately 1,000 nurses have been enrolled for service each month.

7. This committee now has under serious consideration other radical measures to propose which, if found feasible, will, in its judgment, insure an adequate supply of nurses for the anticipated future increments, taking into consideration the increased demand when the Army shall more largely engage in active conflict.

FRANKLIN MARTIN,
Member the Advisory Commission.

URGENT DEFICIENCY APPROPRIATIONS.

Mr. MARTIN. With the consent of the Senator from North Carolina [Mr. SIMMONS], who has charge of the pending bill, I ask leave out of order to report back from the Committee on Appropriations with amendments the bill (H. R. 9867) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes, and I submit a report (No. 295) thereon. As the matters in the bill are very urgent, I shall endeavor to have the Senate take it up to-morrow.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

ISSUANCE OF WAR-RISK INSURANCE.

Mr. WILLIAMS. I ask permission to make a favorable report from the Committee on Finance on Senate joint resolution 133, authorizing the granting of insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, on application by a person other than the person to be insured, and I shall follow that, after the joint resolution has been read, with the request for unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The Senator from Mississippi asks unanimous consent for the immediate consideration of the joint resolution reported by him from the Committee on Finance. Is there objection?

Mr. SMOOT. Mr. President, I wish to have the joint resolution read first. I am a member of the Finance Committee, but I know nothing about it.

The PRESIDENT pro tempore. The Secretary will read the joint resolution.

The joint resolution (S. J. Res. 133) was read, as follows:

Resolved, etc., That insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, shall be granted by the Bureau of War-Risk Insurance on application made by the person to be insured or, subject to such regulations as the bureau may prescribe, by any other person.

Mr. SMOOT. Mr. President, I should like the Senator from Mississippi, reporting the joint resolution, to explain it, because I have not seen the joint resolution, nor have I heard it read, except as it was read from the desk just now.

Mr. WILLIAMS. Mr. President, in reply to the question of the Senator from Utah, I will say that we have found some difficulty in the execution of the insurance clause of the soldiers and sailors' allowance and allotment and insurance bill, growing out of the fact that we provided in the bill that the soldier alone should make the application. Many of these soldiers have gone to France; and when their agents here, or somebody on behalf of them, wants to make the application the law stands in the way. This joint resolution does not change the beneficiaries under the law; it does not widen or restrict them, or the choice of them, in any way; but it merely permits the father or the mother or any other person here to make the application for the soldier, under the provisions of the law as now written, for the insurance as now provided. It was accompanied by a letter from the Secretary of the Treasury, who wanted as quick action as possible. As a consequence, the committee, not being able to be called together, was polled and all of the members of the committee that could be seen immediately signed it. It happened that the Senator from Utah was not in the Chamber, I suppose, at the time; but it was signed by the Senator from Massachusetts [Mr. LODGE], the Senator from North Carolina [Mr. SIMMONS], the Senator from Rhode Island [Mr. GERRY], and myself.

Mr. SMOOT. Mr. President, I have had a chance to read the joint resolution, and I hope it will pass at this time.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 4012) to protect persons in the military or naval forces of the United States during the present war from loss of rights under claims initiated upon the public lands, and for other purposes (with accompanying papers); to the Committee on Public Lands.

A bill (S. 4013) to amend certain sections of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, and for other purposes; to the Committee on Military Affairs.

A joint resolution (S. J. Res. 136) providing for the registration for military service of the subjects or citizens residing in the United States of a foreign country with whose Government the United States has concluded or hereafter concludes a convention or agreement consenting to such aliens being drafted into the military forces of the United States under the terms of the act approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," and all amendments thereto; to the Committee on Military Affairs.

AMENDMENT TO URGENT DEFICIENCY BILL.

Mr. LODGE submitted an amendment proposing to appropriate $15,000 for the installation of an electrically operated fog-signal whistle on the east breakwater, Nantucket Harbor, Mass., intended to be proposed by him to the urgent deficiency appropriation bill (H. R. 9867), which was ordered to lie on the table and be printed.

CLAIMS OF OFFICERS AND ENLISTED MEN.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 3527) to amend an act entitled "An act to provide for the settlement of the claims of officers and enlisted men of the Army for loss of private property destroyed in the military service of the United States," approved March 3, 1885, which was ordered to lie on the table and be printed.

CALLING OF THE ROLL.

Mr. SIMMONS. I suggest the absence of a quorum. I think it important before we take up the amendments to Senate bill 3914 to secure a fuller attendance than we now have.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Owen	Smoot
Beckham	Johnson, S. Dak.	Page	Sterling
Brandegee	Jones, N. Mex.	Pittman	Stone
Colt	Jones, Wash.	Poindexter	Sutherland
Culberson	Kendrick	Pomerene	Swanson
Curtis	King	Ransdell	Thomas
Dillingham	Kirby	Reed	Thompson
Fernald	Lodge	Saulsbury	Tillman
Fletcher	McCumber	Shafroth	Underwood
Gallinger	McKellar	Sheppard	Vardaman
Gerry	McNary	Sherman	Walsh
Gore	Martin	Shields	Warren
Gronna	Nelson	Simmons	Watson
Hale	New	Smith, Ga.	Williams
Harding	Norris	Smith, Md.	Wolcott
Hardwick	Nugent	Smith, Mich.	
Henderson	Overman	Smith, S. C.	

Mr. GRONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to illness in his family.

Mr. ASHURST. I wish to announce that my colleague, the senior Senator from Arizona [Mr. SMITH], is absent by reason of illness.

Mr. BECKHAM. I desire to announce that my colleague, the senior Senator from Kentucky [Mr. JAMES], is detained on account of illness. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Sixty-six Senators have answered to their names. There is a quorum present.

DISTRICT OF COLUMBIA TELEPHONE SERVICE.

Mr. KING. Will the Senator from North Carolina yield to me for a moment?

Mr. SIMMONS. I yield.

Mr. KING. On the 25th day of February I offered a resolution, which reads as follows:

Senate resolution 207.

Whereas it is reported in the public press that the Postmaster General of the United States offered to take over and operate, in behalf of the United States, the telephone system of the Chesapeake & Potomac Telephone Co. within the District of Columbia: Therefore be it

Resolved, That the Postmaster General be, and he is hereby, directed to transmit to the Senate the proposition made by him to the Chesapeake & Potomac Telephone Co., and also to transmit to the Senate any information which he may possess authorizing him to make such, or any, proposition looking to the taking over of and the operation by the Government of said telephone system.

I am just advised, Mr. President, that in response to this resolution, which was adopted, the Postmaster General transmitted this day to the Senate——

Mr. NORRIS. Mr. President, we are unable on this side to hear the Senator. I should like to hear what he has to say. I ask that we may have order.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. SIMMONS. The Senator from Utah was not in the Chamber at the time I think when the Senator from Oklahoma [Mr. GORE] asked that the communication of the Postmaster General be ordered printed in the RECORD.

Mr. KING. I rose for the purpose of submitting an objection to what was done by the Senate.

The PRESIDENT pro tempore. The Chair will inform the Senator from Utah that the communication came to the President pro tempore and by the Chair was laid before the Senate, and on request of the Senator from Oklahoma and by unanimous consent it was ordered printed in the RECORD. That is the situation.

Mr. KING. Later during the day I may offer a motion to set aside the order for the printing of the report. I have just come into the Chamber and have had no opportunity to examine the communication from the Postmaster General, except very hastily, but, I believe it goes beyond the terms of the resolution. The resolution merely requested the Postmaster General to state under what law he had made a proposition, if any, for the Government to take over and operate the telephone system owned by the Chesapeake & Potomac Telephone Co. In response to such resolution there is submitted an argument of 10 pages of typewritten matter in favor of the Government taking over the telephone system. We did not ask him for an argument in favor of governmental ownership or operation of the telephone system; we asked him by what authority of law he submitted a proposition, if one was made, to the telephone company.

Mr. STONE. Do I understand the Senator favors taking over the telephone system?

Mr. KING. I have hardly looked at the report, but I gather from it that the Postmaster General is in favor of the Government taking over the telephone system.

Mr. STONE. The Postmaster General, I understand, is in favor of it. I was asking the Senator if he is in favor of it?

Mr. KING. I am very much opposed to it. I will state to the Senator from Missouri I think that the Government of the United States has burdens enough now, and ought not to be called upon to assume additional ones, unless absolutely necessary. In my opinion, it ought not to purchase and take over the telephone system of the District of Columbia or undertake its operation. However, the question of governmental ownership or operation and control is one which can be considered in a proper way and at the proper time. But the point I am making is that when an executive officer is asked for the authority for a certain proposition, it is not a proper response to submit an argument in favor of the proposition.

Mr. STONE and Mr. JONES of Washington addressed the Chair.

Mr. KING. I yield to the Senator from Missouri.

Mr. STONE. I have nothing to say at the present moment as to whether the reply of the Postmaster General to the resolution is proper or not, nor have I anything at this moment to say as to whether the Government should take upon itself the burden indicated by the Senator from Utah, if the taking over of the system of telephones is a burden, but I do undertake to say that the system as operated in the District of Columbia is so absolutely inefficient that it would seem to me that even the Government's business would require that some better service be rendered. Whether or not that service can be better rendered in this way I do not know, but I do undertake to assert that the service could not be worse than it is.

Mr. KING. Mr. President, that is not the question which is involved in this matter. A simple resolution was adopted asking the Postmaster General to state whether he had submitted a proposition to take over and operate a certain telephone system, and if so, what law existed authorizing it; and I submit that it is not proper under that resolution for an argument to be sent to this body in favor of Government ownership or operation of the telephone system. It is that of which I am complaining. We did not ask in the resolution for the opinion of the distinguished and able official or for an argument in favor of governmental control or operation of the telephone system.

Mr. JONES of Washington and Mr. NORRIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Utah yield, and, if so, to whom?

Mr. KING. I yield to the Senator from Washington, who first addressed the chair, and then I will yield to the Senator from Nebraska.

Mr. JONES of Washington. I was merely curious to know whether the Postmaster General has in fact given the Senate the information asked for in the resolution.

Mr. KING. In a certain way he does furnish it. In effect he says there is no statute authorizing governmental control, but he furnishes an argument in support of the Government taking over the control and operation of the telephone system in the District. I now yield to the Senator from Nebraska.

Mr. NORRIS. I should like to suggest to the Senator from Utah that it seems to me his suggestion is that the answer of the Postmaster General is not responsive to the request of the Senate. If that be true, I presume it would be perfectly proper for the Senator or the Senate to call on the Postmaster General for another reply, but it must be apparent to the Senator that the Senate can not decide that question until it has before it the response of the Postmaster General. Therefore I think it ought either to be read to the Senate or it ought to be printed in the RECORD, so that the Senate will be able to see whether the response of the department is responsive; and if it is not, it would be very proper, it seems to me, to pass an additional resolution calling attention to the fact that it is not responsive and ask him for a more definite reply.

Mr. KING. I am inclined to think, without reading the entire reply submitted by the Postmaster General, that it is apparent he concedes a lack of authority for making a proposition for governmental control and also alleges that any proposal made was conditioned upon congressional approval. The resolution could have been answered categorically in half a dozen words. My point is that in the report submitted in reply to the resolution I do not think that part of the report which contains an argument for Federal control was responsive or proper.

Mr. SMITH of Michigan. Mr. President——

Mr. KING. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I should like to ask the Senator from Utah if in the reply of the Postmaster General there is any indication that in the interest of the conduct of the war private conversation should be controlled in the District of Columbia?

Mr. KING. I have not had the opportunity to sufficiently acquaint myself with the report in order to determine.

Mr. SMITH of Michigan. And that certain hours of the day should be assigned for Government business exclusively?

Mr. KING. I do not know whether such a suggestion as that was made, but that does not reach the point to which I am calling the attention of the Senate. I am submitting to the Senate this proposition: A resolution was adopted asking the department if it made a certain proposition; and if so, to state whether there was any legal authority for the same; and I am contending that it is not the proper or orderly way for the department to submit a reply which contains an argument in favor of some governmental policy.

Mr. HARDWICK. Mr. President——

Mr. KING. I yield to the Senator from Georgia.

Mr. HARDWICK. As the Senator knows, I am quite in sympathy with his views on this matter, but it occurs to me that on an examination of the communication which the Postmaster General has sent it will be seen that he is simply saying, "I did not make any proposition; I merely said I would do this thing if Congress gave me authority," and besides that he goes further to make an argument to the Senate that Congress ought to give him authority. That is about the situation.

Mr. KING. I ask the Senator from Georgia if he thinks that was warranted by the resolution which was adopted?

Mr. HARDWICK. It is difficult to say. Of course the Postmaster General ought to have answered directly the question of the Senate. I think possibly he has done so, if the Senator will examine what he says. He states that the postmaster of Washington, Mr. Chance, went before the Utilities Commission and stated that if the Postmaster General would give him the opportunity he would be glad to take over and operate this system.

Of course the question of propriety which the Senator raises is not of much interest, but there are many precedents on both sides of the question in both Houses as to whether or not a Cabinet officer, having answered the specific inquiry of either one of these legislative bodies, should proceed further to advance argument in support of his views on the question about which he is asked. That is all there is in it.

Mr. KING. Will the Senator yield to me, and allow me to ask him another question?

Mr. HARDWICK. Of course, I yield, and in the Senator's time.

Mr. KING. Does the Senator think that the departments and branches of the Government should be volunteering information or suggestions to Congress with respect to legislation when they are not asked for their opinions with respect to the matter?

Mr. HARDWICK. I quite agree with the Senator. I want the Senator to understand exactly what has happened. If the Senator wants my opinion, I will say that I do not think the Postmaster General delivers a message to Congress under the Constitution, and I do not think he has any right to make an argument, except as that argument is invited by the Senate or by the House. I do not think that the resolution of the Senate, which was introduced by the Senator from Utah, invited the Postmaster General to make an argument. It invited him simply to state what the facts were in connection with this matter.

Mr. KING. I wish merely to say, in conclusion, that I was not in the Chamber when the present occupant of the chair submitted this report, or I should have objected to the request of the Senator from Oklahoma that it be printed in the RECORD. The order having been made that it be printed in the RECORD, I shall not move to reconsider it; but I do want to register my protest against the course which has been pursued by the Postmaster General in this matter.

Mr. REED. Mr. President, I want to make an inquiry.

Mr. KING. I yield to the Senator for that purpose.

Mr. REED. I understand the complaint of the Senator from Utah is that he asked the Postmaster General to answer a specific question, and that he has sent a rather long argument to the Senate?

Mr. KING. He has sent 10 pages here.

Mr. REED. Has the Senator from Utah been acquainted with the Postmaster General very long?

Mr. KING. I have had the pleasure of knowing the Postmaster General for 18 years.

Mr. REED. Then, I think the Senator might be charged with at least contributory negligence. [Laughter.]

Mr. KING. I might plead guilty.

Mr. WILLIAMS. Mr. President, I want to go on record in connection with this question as saying that when either House of Congress propounds an inquiry to the chief of a department, that chief is not confined to making a categorical reply. He not only can give reasons for what has been done by his depart-

ment, if "invited" by the legislative branch in making an inquiry, but he can do it if it be relevant to the inquiry. So far as I have been able to see—I have not read the resolution itself but only a synopsis of it in the newspapers—the reply or the argument—call it that if you choose—is perfectly relevant to the inquiry. The inquiry is, What have you done? The reply is to state what was done, which was merely to say that if the Post Office Department were given authority, it would be glad to take over this function. Then, the inquiry was, "By what authority did you do it?" And the answer was, "By no authority of law"; but then the Postmaster General goes on to make an argument—if you choose to call it such—which is perfectly relevant to the inquiry about the reasons which, seemingly to him, justified Mr. Chance in making the proposition.

There also comes into play the other side of that; whether it is proper and right for a Senator to criticize an officer of the executive department because that officer has exercised his right of judging for himself whether or not what he said in his reply, outside of a categorical "yes" or "no," was or was not relevant. If it be granted that he has a right to go further than a mere "yes" or "no" and to put in such other things in his reply as are relevant, then it seems to me that he must be the judge of the relevancy.

Mr. POINDEXTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. WILLIAMS. I do.

Mr. POINDEXTER. I desire to ask the Senator from Mississippi what this question has to do with the general policy as to the taking over of the telephone company by the Government? What does the question of whether or not this is printed in the RECORD have upon that, and what bearing has it on the winning of the war?

Mr. WILLIAMS. It has no bearing upon the winning of the war; but I have sat here for about two weeks now and have heard some thousands of words per day—per Senator in some cases—that had no bearing at all upon the winning of the war. But it has this bearing, to answer the other part of the Senator's question, that if it were a wrong thing to ask to be authorized by Congress to do, that is one thing; if it were a right and proper and useful thing to be asked to be authorized to do, then the Postmaster General had a right to say that in his opinion it was proper, and that if it were achieved as a purpose it would be useful.

Mr. STONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Missouri?

Mr. WILLIAMS. Yes.

Mr. STONE. I understood the Senator from Washington [Mr. POINDEXTER] to ask what the taking over of the telephone system of the District of Columbia had to do with the winning of the war.

Mr. POINDEXTER. May I correct the Senator from Missouri?

Mr. STONE. Certainly.

Mr. POINDEXTER. The Senator has misstated my question. My question was, What bearing would the discussion here in the Senate—the taking up of the morning hour—on the subject of whether or not this communication should be printed in the RECORD, have upon the winning of the war? If the Senator from Mississippi [Mr. WILLIAMS] will allow me, I will say that it took me on one occasion four hours to get the War Department on the telephone. I think if it can be arranged in some way so that one could get the War Department on the telephone inside of half an hour, that that would have some bearing upon the winning of the war.

Mr. STONE. If my friend from Mississippi will permit me, I wish to say——

Mr. WILLIAMS. Let me conclude, and then I will yield.

Mr. STONE. No; I wish to make the statement in the time of the Senator from Mississippi.

Mr. WILLIAMS. Very well.

Mr. STONE. I wish to say that it does seem to me that the effective use of the telephone in Washington has something to do with the public service of the Government, which public service has a vast deal to do with the winning or the losing of the war. I do not know what the department's troubles may be in getting telephonic connection, but my experience is something like that which has just been detailed by the Senator from Washington [Mr. POINDEXTER]. If it takes a half hour for him, as it has often taken for me, to get connection with the departments or the bureaus of the departments, to communicate with them about the public business, then I am prepared to say that it is a matter of great importance to the public service of the Government.

Mr. WILLIAMS. Mr. President, I agree perfectly with the Senator from Missouri, of course, but the inquiry of the Senator from Washington was not directed to that phase of the matter. If I had been asked the question, "What t king over the telephones had to do with the winning of the war," my answer would have been that it might have a great deal to do with it or it might not; I think probably it would have; but I was asked what all this so-called argument of the Postmaster General and what the argument now going on, in which I am participating, had to do with the winning of the war, and my answer was frankly nothing at all.

Mr. KING. Mr. President, just a word. The Senator from Missouri and the Senator from Mississippi are good lawyers, but certainly they have forgotten the rules of evidence or have misapplied them when justifying the reply of the Postmaster General to the simple interrogation which was propounded to him.

Mr. WILLIAMS. Mr. President——

Mr. KING. I will not yield for the present; I will do so in a moment. We are not discussing whether or not it is advisable to take over the telephone system. We are not discussing whether or not the telephone system has been inefficient. We may come to a discussion of that question, and the great knowledge of the Senator from Missouri about telephone systems will doubtless be of great advantage to us when we shall discuss that question; but I submit again that when a proposition is submitted to an executive officer asking a question——

Mr. STONE. The Senator must not misrepresent me.

Mr. KING. Let me complete my statement. I do not yield until I conclude, and then I shall yield to the Senator. When a question is submitted asking for a reply as to whether or not there is any legal authority for a proposition which it is reported the Postmaster General submitted, in my opinion it is not relevant for him to submit an elaborate argument in favor of the governmental control of a telephone system. It would have been just as irrelevant if a question had been submitted to the Secretary of the Treasury, if there had been some publication to the effect that he had proposed to take over for the Government all of the railroads of the United States, asking him by what authority he made the proposition, and he had replied with an exhaustive argument in favor of governmental ownership and control of railroads. That would not be relevant; it would not be proper; and I submit the propriety of it could be challenged by any Senator.

Now I yield to the Senator from Missouri, if he desires to propound a question.

Mr. STONE. No; I do not.

Mr. WILLIAMS. I had asked the Senator to yield to me first.

Mr. KING. I beg the Senator's pardon; I yield to him.

Mr. WILLIAMS. Mr. President, in the first place, the Postmaster General made no proposition to take over the telephones. All that was said was that, if the authority were granted by the Congress, the Post Office Department would gladly take them over. So much for that.

Now, the Senator from Utah is himself a great lawyer, and, being a lawyer, he ought to know that a Cabinet officer having an inquiry directed to him is not in the attitude of a witness on the stand in a court of justice and that the technical rules of legal evidence do not apply to him; but, even if the technical rules of legal evidence did appear, when a witness in court is asked a question the court will not let counsel confine the witness to a categorical reply; the witness has a right to explain the reasons why he makes the reply or to explain the reply or to modify it from a "yes" or "no."

Mr. NORRIS. Mr. President, the Senator from Utah [Mr. KING] introduced a resolution, which the Senate passed, and so it became a Senate resolution, making an inquiry of the Postmaster General. The Postmaster General has responded to that resolution, and the response is laid before the Senate by the Presiding Officer. It has never been read and it has not yet been printed in the RECORD, so that Members of the Senate may have an opportunity to read it. I have not read it, and I presume no Member of the Senate has read it. The Senator from Utah himself, who has the copy in his possession at the present time, has only glanced through it, and he says in effect that it is not responsive to the resolution of the Senate. Now, it seems to me the proper course to pursue, since we have not been allowed to hear it read, is to wait until to-morrow, so that Senators may have an opportunity to read the response, and then if the Senator from Utah still thinks the answer of the Postmaster General does not respond to his resolution, it would be perfectly proper, and I would be glad to see it done, to have a resolution introduced and passed that would call for a more definite response; but we certainly ought not to be asked now

to say that the answer of the Postmaster General is not responsive when we have neither read it nor had an opportunity to read it.

The Senator from Utah referred to other Senators as great lawyers. That reference can also be made to the Senator himself, and I should like to suggest to him that if he made a motion in a court and in response to his motion some document or report had been introduced on the other side by order of the court and he determined that the production of the paper or the document was not an answer and a compliance with the order of the court, he could not expect the court to pass on his request, reject the report, and ask for an additional report until the court had an opportunity to examine the report that had been made.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. KING. The Senator from Utah is not making any request that calls for a determination by the Senate as to whether or not the resolution adopted was complied with or was not complied with.

Mr. NORRIS. I understood from what the Senator said that he did not regard the reply as a proper answer. It may be that when we have an opportunity to read it we may all agree with the Senator. Certainly I am not finding fault with him for wanting a direct reply to the resolution. I would be glad, so far as my vote goes, to assist in bringing about such a reply, if the answer of the Postmaster General is not responsive; but before I take any action officially to do that I want an opportunity either to read or to have read that response.

When it is read I do not believe that we ought to take it upon ourselves to say that the Postmaster General might have answered this request with fewer words; that he might have done it in one sentence, whereas he has used 100 sentences. We must permit him to use some discretion in his answer; in other words, we ought not to begin now in the Senate a censorship proposition. I confess if we ever did begin it the Postmaster General would be the right official to begin with, because it would give him some of his own medicine.

Mr. KING. Mr. President, will the Senator yield for just a moment?

Mr. NORRIS. But instead of doing something that might be in the nature of a censorship of his department, we ought to give the Postmaster General the widest latitude to respond. I now yield to the Senator from Utah.

Mr. KING. Mr. President, I think the Senator misunderstood the statement which I made. I said in substance, as I recall, that, taking the entire report, I believed that it was an answer, that it was a confession that there was no law authorizing him to take control or operate the telephone system, and that any proposal made calls for legislation. My criticism is that the distinguished Postmaster General submitted an argument, for which we did not ask, in favor of legislation by Congress.

Mr. NORRIS. Mr. President, it may be that when I have examined the reply of the Postmaster General I will entirely agree with the Senator; but I understood the Senator to say, when he first took the floor on this subject being brought up, that he expected later on to make a motion of some kind affecting it.

Mr. GALLINGER. Mr. President, I dislike to take a moment of the valuable time of the Senate in continuing this discussion, but if the Postmaster General did make his usual argument in behalf of Government ownership of telephones it does not surprise me, although I think he had no right to do it in answering a direct question that emanated from the Senate. The Postmaster General loads down every report that he makes with arguments in favor of Government ownership of telegraphs and telephones; but Congress has not paid any attention to them, and I do not believe that Congress will pay any attention to what he has said in response to the Senate resolution in this instance.

Just one further word, Mr. President, and I am done.

In view of what has been said, I can not for the life of me understand how a minority Senator, in my person, can get connection with the War Department very promptly over the telephone. I have had no trouble, not the least in the world, and I have had my secretary call the War Department a dozen times in the last 10 days. I have always gotten the connection, and have made appointments to see officials of the War Department. For Senators to say that it takes two hours to get telephone connection with the War Department surprises me beyond measure.

Mr. LODGE. Mr. President——

Mr. GALLINGER. I yield to the Senator from Massachusetts.

Mr. LODGE. May I ask the Senator a question just there?

Mr. GALLINGER. Certainly.

Mr. LODGE. I have never found any difficulty in being landed at the War Department by the telephone company in Washington; but after you get into the War Department, under the management of Government employees, they pass you about from one place to another, and it may take hours or it may take five minutes.

Mr. GALLINGER. I confess I have not had that trouble; but, if that be so, it is not the fault of the telephone company.

Mr. President, we have had 40,000 people loaded into this District in the last six months, and of course there is some disarrangement of everything connected with the Government service. While I do not speak for the telephone company, because I do not know anything at all of the officials, I think this is a matter that might well rest until we have an investigation, if one is required, to ascertain whether the service here is good or bad or indifferent. I know that in every country on the face of the earth where they have tried government ownership of telephones they have had a service that was utterly execrable, and some of us know that from personal experience in Germany and in England and in France; and it does not compare with the service we have had in the United States.

Mr. GORE. Mr. President, the Senator from Nebraska [Mr. NORRIS] seems to overlook the fact that in the Senate the less we know about a subject the more we are disposed to discuss it. The Postmaster General served for a number of years in the House. He is familiar with the rules and practices which prevail in the Senate. He knows that there is no rule in the Senate which requires a speech to be germane to the subject. If not the rule, that certainly is the practice; and if he had confined himself rigorously to the subject he would have sinned not only against the rule but against all the precedents and practices which obtain in this body. I may say that if his answer is not direct—and I have not had an opportunity to examine it—of course steps will be taken to obtain a direct answer. For the present we ought to proceed on the maxim that that is certain which can be made certain.

My purpose, however, in rising was to say that my original intention was to ask that the report be read into the RECORD, in order that Senators might hear it this morning. This discussion has hardly risen to the dignity of an ex parte proceeding, because Senators have not heard it. I asked that the report be printed, rather than that it be read, because I feared that objection might be made to the reading. I knew how anxious, not to say how impatient, Senators were to proceed with the regular order. I say this in explanation of why I did not ask to have it read, so that if a discussion was to be had Senators could proceed with the document clearly in their minds. I will merely add to that that the objections indicated by the Senator from North Carolina and the Senator from Utah justify the fear which I entertained as to having the document read.

WAR FINANCE CORPORATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The SECRETARY. The pending amendment is in section 7, on page 13, where it is proposed to strike out and insert——

Mr. SIMMONS. Mr. President, in order that we may save time I have consented that the bill be laid aside until to-morrow. I have conferred with the committee about it, and I am satisfied that owing to certain conditions we shall facilitate final action upon the bill by letting it go over until to-morrow.

I therefore ask that the unfinished business may be temporarily laid aside.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I ask unanimous consent that the Senate proceed to the consideration of House bill 9054, being the Agricultural appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9054) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1919.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The Secretary proceeded to state the pending amendment.

Mr. GORE. Mr. President, it has been suggested with considerable force that Senators did not apprehend that this meas-

ure would be taken up at this time. I therefore suggest the absence of a quorum in order to afford Senators an opportunity to be advised.

The PRESIDENT pro tempore. The Senator from Oklahoma suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, S. Dak.	Overman	Swanson
Beckham	Jones, N. Mex.	Page	Thomas
Borah	Jones, Wash.	Poindexter	Thompson
Culberson	Kirby	Ransdell	Trammell
Curtis	Lodge	Saulsbury	Underwood
Dillingham	McCumber	Shafroth	Vardaman
Fernald	McKellar	Sheppard	Wadsworth
Fletcher	McLean	Sherman	Walsh
Gallinger	McNary	Shields	Warren
Gore	Martin	Simmons	Watson
Gronna	Nelson	Smith, Ga.	Weeks
Hale	New	Smoot	Williams
Harding	Norris	Stone	Wolcott
Hardwick	Nugent	Sutherland	

Mr. SHEPPARD. I desire to announce that the Senator from California [Mr. PHELAN] is necessarily detained.

Mr. HOLLIS. I wish to announce that the Senator from Arkansas [Mr. ROBINSON] and the Senator from South Carolina [Mr. SMITH] are detained on official business.

Mr. MCNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of illness.

Mr. NORRIS. I wish to announce the absence of the senior Senator from Iowa [Mr. CUMMINS] and the junior Senator from Iowa [Mr. KENYON], who are in Iowa in attendance upon the funeral of the wife of the senior Senator.

Mr. ASHURST. I announce the absence of my colleague [Mr. SMITH of Arizona] on account of sickness.

Mr. SUTHERLAND. I desire to announce the absence of the senior Senator from West Virginia [Mr. GOFF] on account of illness.

The PRESIDING OFFICER (Mr. FLETCHER in the chair). Fifty-five Senators have answered to their names. There is a quorum present. The Secretary will state the pending amendment.

The SECRETARY. The amendment of the committee is, on page 13, on line 19, after the word "authorities," to strike out "$250,000" and to insert "$500,000: *Provided*, That hereafter the act approved May 29, 1884 (23 Stat. L., p. 31), be, and the same is hereby, amended to permit cattle which have reacted to the tuberculin test to be shipped, transported, or moved from one State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia for immediate slaughter in accordance with rules and regulations prescribed by the Secretary of Agriculture," so that, if amended, the paragraph will read:

For investigating the disease of tuberculosis of animals, for its control and eradication, for the tuberculin testing of animals, and for researches concerning the cause of the disease, its modes of spread, and methods of treatment and prevention, including demonstrations, the formation of organizations, and such other means as may be necessary, either independently or in cooperation with farmers, associations, State or county authorities, $500,000: *Provided*, That hereafter the act approved May 29, 1884 (23 Stat. L., p. 31), be, and the same is hereby, amended to permit cattle which have reacted to the tuberculin test to be shipped, transported, or moved from one State, Territory, or the District of Columbia to any other State, Territory, or the District of Columbia for immediate slaughter, in accordance with rules and regulations prescribed by the Secretary of Agriculture.

Mr. GRONNA. Mr. President, I should like to have the attention of the chairman of the committee. This is an amendment which was offered by the Senator from Nebraska [Mr. NORRIS]. I was, however, in favor of increasing this amount to $750,000. That amendment was proposed by the Senator from Wyoming [Mr. WARREN]. I shall not, of course, now attempt to further increase the appropriation, but I wish only to say that there never was a time when this country was in need of meat and of beef as much as it is to-day, and when we realize, as has been stated by the Secretary of Agriculture, that it has been estimated we are losing $25,000,000 worth of meat by this tubercular disease it seems to me it would be well to appropriate at least $1,000,000.

While I am on my feet I wish to ask the chairman of the committee if he has any objection to striking out the amendment which the committee proposed, limiting the shipment of tubercular cattle to immediate slaughter?

Mr. GORE. I would not object to striking out the words "immediate slaughter."

Mr. GRONNA. I was going to suggest that the latter part of the amendment I believe takes care of the whole situation—"in accordance with rules and regulations transmitted by the Secretary of Agriculture." That gives the Secretary of Agriculture entire control, and it seems to me we can well afford to trust it to the discretion of the Secretary of Agriculture.

Mr. GORE. Upon further investigation I am inclined to believe that the words "immediate slaughter" ought to be stricken out.

Mr. SMOOT. Before that is done I should like to have a little more information.

Mr. NORRIS. May I make a suggestion in regard to the parliamentary situation? The Secretary read it all as one amendment. As a matter of fact, there are two amendments, and it was so considered in the committee. I think the Chair stated that it was agreed to.

The PRESIDING OFFICER. The Chair was about to announce that the amendment was agreed to when the Senator from North Dakota [Mr. GRONNA] rose.

Mr. GRONNA. I have no objection to the first amendment. I am perfectly willing that the first amendment shall be adopted.

Mr. GORE. I think that would be better.

The PRESIDING OFFICER. Without objection, the amendment will be divided, and the amendment proposing to increase the appropriation from $250,000 to $500,000 will be agreed to without objection.

Mr. GRONNA. I move to strike out——

Mr. WARREN. Will the Senator wait a moment until I offer an amendment which may meet the point, and then the Senator can go on with his remarks?

Mr. GRONNA. I will be glad to hear the amendment.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. After the amendment just agreed to—that is, after the numerals $500,000—insert the following proviso:

Provided, however, That if in carrying out the purpose of this appropriation destruction of tuberculous animals becomes necessary, there may be paid from this appropriation not more than one-third the net loss to the owner, and in no event shall there be paid more than $20 for any grade or $50 for any pure-bred animal so destroyed, or a greater sum than shall be paid by the cooperating State or municipality.

Mr. WADSWORTH. May the last paragraph be read again? This is exceedingly important legislation.

The Secretary again read Mr. WARREN's amendment.

Mr. SMOOT. I should like to ask the Senator from Wyoming, first, what is the law now in relation to paying for cattle which may be affected by tuberculosis?

Mr. WARREN. I do not know of any specific law regarding payments for stock killed on account of tuberculosis, but the Government has provided payment for stock killed because of other diseases.

Mr. SMOOT. Has the Government in the past paid for it?

Mr. WARREN. The Government has in cases of the foot-and-mouth disease adopted similar legislation and paid a third to a half of the value of the cattle killed.

Mr. SMOOT. Has the Government ever paid in the past for tubercular cattle that may be killed upon the order of the Government?

Mr. WARREN. I think so. The States themselves have usually provided a part, as this amendment proposes, the Government paying the expenses and some proportion of the value of the animals killed.

Mr. SMOOT. Then this is imposing an additional burden upon the Government of the United States.

Mr. WARREN. The facts are as follows: We want to appropriate money to arrest and stamp out tuberculosis wherever it may be. This mainly is for the reactionists, for those that have had the tuberculin test applied and have reacted. We provide in another amendment which the department has asked for, and which the Senator from North Dakota may move to strike out, that these cattle can be shipped across State lines, which they can not do under the present law, provided they are consigned for immediate slaughter. For instance, Utah or Wyoming may ship to the market at Omaha, if it is for slaughter.

The destruction of tuberculosis which would be taken care of by the Government is in isolated cases. For instance, in a dairy where it is discovered that there may be only one or two animals that are past the point where they can be shipped for meat slaughter, those one or two or more can be immediately destroyed, and the Government will pay its part of it, one-third of the value.

Mr. SMOOT. In the past the State has always paid for cattle killed within the State?

Mr. WARREN. No; they have not always done so.

Mr. SMOOT. I mean it was supposed they would.

Mr. WARREN. Some of the States have provided fully and some have not.

Mr. GORE. This is not to be available in any State where the local authorities may make any provision for it.

Mr. WADSWORTH. There is no such provision in the amendment.

Mr. GORE. It says it shall not exceed the amount paid by the local authorities.

Mr. WADSWORTH. That does not prevent their paying.

Mr. GORE. If they pay nothing, then the Government pays nothing.

Mr. WARREN. This is not a matter that I care to impress unduly upon the Senate. If under this appropriation we leave it to the Government and we meet the losses of this kind, of course we can still perhaps take care of it in the western country as they have done in some parts of the East. The trouble with tuberculosis is mainly in the dairies. I think myself the amendment is one that will cost the Government a very trifling sum, but it does insure a sum on which they can immediately act in case tuberculosis is discovered in a very advanced stage.

Mr. SMOOT. I do not believe we ought to pass legislation now imposing on the Government of the United States an expense that they have never yet assumed. It seems to me it should be paid by the State itself. If this amendment is adopted, I think the result will be that wherever there is a tubercular animal, I care not in what State it may be, the Government of the United States will have to pay at least $20 if a common cow or calf or steer, but if it is an improved animal the Government will have to pay not to exceed $50.

Mr. WARREN. It is much the same as in the case of the foot-and-mouth disease, no more and no less.

Mr. GORE. I think the Senator from Wyoming is mistaken about that. I think the foot-and-mouth diseases proceeded on the "fifty-fifty" ratio.

Mr. WARREN. It is the same system; but the Government was more liberal than in this proposal.

Mr. GORE. This contemplates that the State or municipality will meet one-third of the loss, the Federal Government one-third of the loss, and the individual owner of the stock slaughtered will sustain one-third of the loss, and as an additional limitation in no case shall it exceed $20 for grade or $50 for a pure-bred animal. I call the attention of the Senator from Utah to the further fact that it does not relate to the amount of appropriation at all.

Mr. SMOOT. Of course, it does not relate to the amount of appropriation, but it will have to be paid by the Government of the United States, no matter what it amounts to.

Mr. GORE. And none will be paid in States where no provision is made to meet any part of the expenses.

Mr. WARREN. Under the regulation of the Agriculture Department it never has been paid except where the States share the loss.

Mr. WADSWORTH. May I ask the Senator from Oklahoma if he understands that the Federal Government to-day is authorized to kill tuberculous cattle without the consent of the owner?

Mr. GORE. I am not able to answer the question.

Mr. WADSWORTH. I think not.

Mr. GORE. I think not, myself.

Mr. WADSWORTH. They may do it with the consent of the owners or they may invoke the law of the State in which they are cooperating where the State law may authorize the State to kill the animal, not the Federal Government.

Mr. GORE. I think the Federal statute relates to interstate shipments.

Mr. WADSWORTH. The point I am endeavoring to bring out is that the Federal Government, not being clothed with the power to do as it pleases, is yet compelled by this suggestion to pay the money for what somebody else desires to have done.

Mr. WARREN. Except that the State pays its share, of course.

Mr. WADSWORTH. I am not entirely certain about the last clause of the proviso.

Mr. WARREN. If the amendment does not cover that, I desire that it shall do so.

Mr. WADSWORTH. I would like the Secretary to read it again. This is a very important question.

The PRESIDING OFFICER. The amendment submitted by the Senator from Wyoming will be again read.

The Secretary read as follows:

Provided, however, That if in carrying out the purpose of this appropriation destruction of tuberculous animals becomes necessary there may be paid from this appropriation not more than one-third the net loss to the owner and in no event shall there be paid more than $20 for any grade or $50 for any pure-bred animal so destroyed, or a greater sum than shall be paid by the cooperating State or municipality.

Mr. WADSWORTH. The amendment forbids the payment of a sum greater than that paid by the cooperating State. Now, the State of New York pays for animals killed on the order of the State department of agriculture. My recollection is that they can pay as high as $100 for a registered dairy cow.

Mr. WARREN. Under the State law.

Mr. WADSWORTH. And under this amendment the Federal Government may pay another $50. There is no question about it. Is not that the understanding of the Senator from Oklahoma?

Mr. GORE. Mr. President, I feel sure that no practice of that sort would prevail under this provision. I take it that it would be administered a good deal like the taking and slaughtering under the foot-and-mouth disease appropriation.

Mr. WADSWORTH. As I recollect that appropriation there was a specific provision that there should be a definite amount paid.

Mr. GORE. No; I think not, but that was the practice which prevailed.

Mr. WADSWORTH. At least the Federal Government had a right to kill the animal on its own motion.

Mr. GORE. No; I do not think so.

Mr. WADSWORTH. This legislation does not give the Federal Government that right?

Mr. GORE. I do not think that gave the Federal Government the right to slaughter the animals. In fact I do not think that this could.

Mr. WADSWORTH. Under what authority did they slaughter them?

Mr. GORE. I think this is essential to the eradication of tuberculosis among animals. The reason it has persisted so long is the fact that the Federal Government has not had power to make this arrangement. It is the opinion of experts that this would arrest the progress of the disease and I think at present we ought to be more generous and more insistent that the disease be eradicated.

I send to the desk and ask to have read a telegram from the president of the Live Stock Exchange of Chicago which illustrates the importance of the subject by those more familiar with it. It is believed that legislation of this sort is necessary for the eradication of the disease itself.

The PRESIDING OFFICER. The Senator from Oklahoma desires to have the telegram read?

Mr. GORE. Yes, sir.

The PRESIDING OFFICER. The Secretary will read it.

The Secretary read as follows:

UNION STOCK YARDS, ILL., *February 16, 1918.*

Senator THOMAS P. GORE,
Senate Office Building, Washington, D. C.:

Wire received. Records of Government meat inspection show that out of total of 40,000,000 hogs slaughtered under Federal inspection in the United States last year 10 per cent were found affected with tuberculosis. It comes from infected cattle, either through milk or dropping. Losses from tuberculosis more than all other diseases combined, approximately $30,000,000 annually. Enormous waste of meat condemned as inedible. Urge appropriation of $1,000,000 so Department of Agriculture can indemnify owners of cattle which react to tuberculosis test in those States which will cooperate by appropriating additional funds. Tuberculosis among cattle in the District of Columbia reduced from 18.8 per cent to less than 1 per cent by tuberculosis testing and payment of indemnity by Department of Agriculture. Similar results can be had in all States, and the general feeling among stockmen and legislators of these Middle West States is that the States will make liberal appropriations if Congress will take the initiative in providing indemnity. Tuberculosis is our biggest conservation problem, discouraging increased production of meat and milk. Tuberculin testing of cattle and partial indemnity to owners of reacting cattle slaughtered is only way by which rapid progress can be made in eradicating this disease. Our committee will come to Washington if needed.

CHICAGO LIVE STOCK EXCHANGE,
By EVERETT C. BROWN, *President.*

Mr. WADSWORTH. Mr. President, I am not out of sympathy with the object of this amendment and not in the slightest degree with the object of this legislation generally. I have seen the ravages of tuberculosis among dairy cattle in the State of New York. That State embarked several years ago on the problem of eradicating it. It has established a thorough system of compensation for the cattle that are killed on the order of the inspectors of the State department of agriculture.

My contention is with respect to the amendment offered by the Senator from Wyoming, that while it seeks to place a limit which the Federal Government shall pay from its Treasury for the destruction of grade cattle and registered cattle, it does not attempt to place any limit upon that payment when combined with the payment made by the State. The closing sentence of the amendment of the Senator from Wyoming recites that the Federal Government shall not pay a sum greater than the sum paid by the cooperating State.

Mr. GORE. That point ought to be met, and I would be glad if the Senator would offer an amendment.

Mr. WARREN. The amendment has been offered on the assumption that no States were paying in full; and I know of none except New York, and that New York is doing it I am very glad. I congratulate the Senator upon his State having

taken it up so thoroughly, but is he aware of any other State that has the same law and pays in full?

Mr. WADSWORTH. I am not positive, but I think Massachusetts pays liberally and I think Pennsylvania pays liberally.

Mr. GORE. That point can be easily met if the Senator thinks there would be an overpayment by the Federal Government.

Mr. GALLINGER. I will state to the Senator from Wyoming that I am quite sure the State of New Hampshire does pay a portion, I think 40 per cent, of the value of the stock.

Mr. WARREN. Without regard to the United States Government?

Mr. GALLINGER. Without regard to the United States Government. I think that the point that the Senator from New York [Mr. WADSWORTH] has made is a very good one, and it ought to be guarded against so that the payments may not be duplicated.

Mr. WARREN. I agree and I have no objection whatever to that; but the telegrams and letters which I have had from great cattle States, like Iowa and other similar States, have sought to bring about an amendment whereby the State would pay a third, the owner stand for a third, and the United States pay a third. I should be glad to have the amendment so framed that it may cover and protect the States generally, if the Senator knows what States should be covered.

Mr. WADSWORTH. Mr. President, it is rather difficult to introduce or to suggest an appropriate amendment.

Mr. WARREN. I suggest that the matter go into conference, where it can be properly shaped.

Mr. GORE. I suggest that the amendment be passed over for the present. If the Senator from New York desires that the amendment be framed on the theory that one-third of the total loss shall be devolved on the owner of the stock, of course it would be well enough to safeguard the possibility of making excessive payments. It seems to me there should be a proviso that in any case the payment should be by the Federal Government, except one-third of the actual loss, and that in no case should the aggregate payment made exceed the loss.

Mr. WARREN. Let me ask the chairman of the committee a question: Would it not be better to let the matter be voted on and go into the bill, if it can be so ordered, and then take the subject before it goes to conference and provide against what the Senator from New York has brought to our attention?

Mr. GORE. I suggest that the amendment be passed over, and that the Senator from New York offer his amendment when the bill comes into the Senate.

Mr. GALLINGER. Mr. President, I think the wiser course is to pass the matter over for the present and let those of us who want to look into it have an opportunity to do so.

The PRESIDING OFFICER. The present order, the Chair understands, is that the Senate is first considering committee amendments. This is not a committee amendment, and the regular order is to first dispose of committee amendments.

Mr. GORE. Then I ask that this amendment be passed over for the present.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The Senate will proceed with the consideration of committee amendments. The next committee amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 13, line 19, after the word "authorities," to strike out "$250,000" and to insert "$500,000: *Provided*, That hereafter the act approved May 29, 1884 (23 Stat. L., p. 31), be, and the same is hereby, amended to permit cattle which have reacted to the tuberculin test to be shipped, transported, or moved from one State, Territory, or the District of Columbia to any other State, Territory, or the District of Columbia for immediate slaughter, in accordance with rules and regulations prescribed by the Secretary of Agriculture," so as to make the clause read:

> For investigating the disease of tuberculosis of animals, for its control and eradication, for the tuberculin testing of animals, and for researches concerning the cause of the disease, its modes of spread, and method of treatment and prevention, including demonstrations, the formation of organizations, and such other means as may be necessary, either independently or in cooperation with farmers, associations, State or county authorities, $500,000: *Provided*, That hereafter the act approved May 29, 1884 (23 Stat. L., p. 31), be, and the same is hereby, amended to permit cattle which have reacted to the tuberculin test to be shipped, transported, or moved from one State, Territory, or the District of Columbia to any other State, Territory, or the District of Columbia for immediate slaughter, in accordance with rules and regulations prescribed by the Secretary of Agriculture.

Mr. GRONNA. Mr. President, as I understand, the chairman of the committee has no objection to striking out the words "for immediate slaughter."

Mr. GORE. I have no objection to that. I rather think it ought to be done.

The PRESIDING OFFICER. Does the Senator from North Dakota make that motion?

Mr. GRONNA. At the top of page 14, line 1, in the committee amendment, I move to strike out the words "for immediate slaughter."

Mr. SMOOT. Mr. President, I want to ask the Senator having the bill in charge if cattle which have reacted to the tuberculin test are sound cattle in every respect, and whether or not they could be used as milch cows with safety to the public health?

Mr. GORE. Mr. President, I would say that about 80 per cent of the reactors are used as human food.

Mr. NORRIS. But not for milk?

Mr. GORE. Not for milk, I think.

Mr. SMOOT. That was my question. They are never used for milk purposes, are they?

Mr. GORE. I would not want to give a categorical answer to that question.

Mr. SMOOT. But generally they are not so used?

Mr. GORE. No; I think not.

Mr. SMOOT. I have understood that such use would be unsafe. Mr. President, if we strike out the words "for immediate slaughter," then there will be nothing in the bill to prevent such tubercular cattle from being shipped into any part of the United States.

Mr. GORE. The Senator will observe that the language used is "in accordance with rules and regulations prescribed by the Secretary of Agriculture."

Mr. SMOOT. But that applies only to shipments.

Mr. GORE. Yes, sir.

Mr. SMOOT. And the Secretary of Agriculture may say that such cattle should be shipped in a car by themselves; he may say that they can only be shipped upon certain trains running on certain days in the week, and so forth; but there is nothing to prevent such cattle being shipped into any State in the Union where they may be sold to any person and used by any person for milk purposes.

Mr. GORE. I would say as to the history of this amendment that it was prepared by the Department of Agriculture and sent to the Senate Committee on Agriculture and Forestry. It has, I think, the approval of the stock-breeding associations of the country. As the amendment was prepared and sent to me it did not contain the words "for immediate slaughter," but when the committee came to consider it they decided to insert those words out of an abundance of caution and in anticipation of such results as the Senator indicates. The Department of Agriculture, however, expressed the opinion that the words ought not to be inserted, for this reason: As I have said, 80 per cent of these cattle are still available for human food. It is suggested—and it seems to be a very forcible suggestion—that if the words "for immediate slaughter" are retained in the amendment, then the situation will be turned over to the packers, and they can probably dictate and control the price, because the cattle can not be held by the feeders for any length of time but would have to be sold immediately. It would, therefore, subject the owners of cattle to further control and combination on the part of the packing houses.

Mr. SMOOT. Mr. President, I believe that the owner of a tubercular cow ought to keep that cow until it is to be sold for slaughter. I do not think such cows should be sold indiscriminately to anybody anywhere in the United States.

Mr. GORE. This does not affect that situation at all. It does not affect the availability of these cattle for slaughter at all. The illustration used by the department as they look upon this subject is that, for instance in the State of Iowa, cattle just across the Missouri River from Omaha may be in this position: They could not be shipped 1 mile to a packing house in Omaha but they must be shipped to Des Moines or to some other point in Iowa for slaughter.

Now, as to the availability of cattle for slaughter, this provision makes no difference whatever. It simply provides that in that sort of case the owner of cattle could ship to Omaha and not be subjected to the loss which would result from paying freight for a longer shipment.

Mr. SMOOT. But, Mr. President, I am not trying to interfere at all with the shipment of these cattle from one State to another.

Mr. GORE. But that is all this provision proposes to do.

Mr. SMOOT. No; but I do think, if such cattle are to be shipped from one State to another, they ought to be shipped for immediate slaughter; and if not shipped for immediate slaughter, then a cow could be shipped from one State to another and from that State to another and sold to an innocent purchaser, he never knowing at all that she had been diseased

in any way, and she might be innocently used for the purpose of producing milk for the family of such a person.

Mr. GORE. Mr. President, if there is any objection to that, I will say that a similar situation now prevails in Texas, which is larger than either France or Germany. Such cattle are now shipped from one point to another, and not for immediate slaughter.

Mr. SMOOT. But Texas is the only State in the Union as to which that is true.

Mr. GORE. That is true as to any State in the Union, so far as the Federal Government is concerned. Take Iowa. Cows may be shipped from the neighborhood of Des Moines to the northeastern part of Iowa. This simply saves the owners of stock the loss resulting from long shipments. They do not have to ship them now from point to point in the State for "immediate slaughter."

Mr. SMOOT. Yes; but that is within the State, and this provision widens the scope so that they may be shipped all over the United States.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Certainly.

Mr. NORRIS. Mr. President, I have a good deal of sympathy with the argument the Senator is making, and it seems to me there is something in it. At the same time I can see that it might be a hardship to require immediate slaughter. As the chairman of the committee has said, it would force a man to sell immediately and would place him, perhaps, at the mercy of the packing interests, when it might be desirable for him to hold the cattle for a few days, to feed them, or something of that kind.

I should like to have the attention of the Senator from North Dakota to the suggestion I am about to make, as he has made the motion to strike out. Would not the result be accomplished, and would it not meet all the requirements of the situation if, instead of of striking out the words "for immediate slaughter," we should strike out the word "immediate." Then it would permit the shipment for slaughter and would obviate the objection the Senator from Utah [Mr. SMOOT] makes, that diseased cattle might be shipped in interstate commerce and the milk produced by them then be used.

Mr. GRONNA. Mr. President——

Mr. NORRIS. Mr. President, if I may be permitted to go on for just a moment. The adoption of the amendment I have suggested would permit the department to make regulations by which the shipper of the stock would not be required to offer his stock for immediate sale, but it would not permit the shipment of the stock if the milk of the animal was to be used. Would not that meet the entire situation?

Mr. GRONNA. No, Mr. President; that would not meet the entire situation; but I am perfectly willing for the present to withdraw my amendment, and I shall take it up again later on.

Mr. NORRIS. If the Senator withdraws his amendment, I desire to make a motion to strike out the word "immediate."

Mr. SMOOT. Mr. President, so far as the motion of the Senator from Nebraska is concerned, its adoption will obviate the objection which I have, and I shall then be perfectly willing that the amendment be agreed to.

Mr. NORRIS. I think that it would accomplish all the other suggestion seeks to accomplish.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. GRONNA] withdraws his amendment and the Senator from Nebraska offers an amendment to strike out the word "immediate." The Secretary will state the amendment to the amendment.

The SECRETARY. On page 14, line 1, before the word "slaughter," it is proposed to amend the committee amendment by striking out the word "immediate."

Mr. GRONNA. I prefer, rather than to have that word stricken out, that the amendment go over.

Mr. NORRIS. I have no objection to that; that is perfectly satisfactory to me.

Mr. SMOOT. Let the amendment go over, then.

The PRESIDENT pro tempore. Without objection, the amendment will be passed over. The next amendment reported by the committee will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 14, line 4, after the words "cattle ticks," to strike out "$620,420" and insert "$750,000," so as to read:

For all necessary expenses for the eradication of southern cattle ticks, $750,000, of which sum $50,000 may be used for live stock and dairy demonstration work, in cooperation with the States Relations Service, and of this amount no part shall be used in the purchase of animals.

Mr. GALLINGER. Mr. President, I will ask the chairman of the committee if there is a recommendation for an increase of this appropriation? There appears to be a very specific amount named in the bill as it came from the House. It is $620,420, and it is proposed by the Senate committee to make the amount an even $750,000.

Mr. GORE. I will say that there has not been a specific recommendation upon this subject.

Mr. GALLINGER. Then I either want the amendment passed over or I will make a point of order that it makes an increased appropriation which has not been recommended. On second thought, however, the amendment having been reported by the committee, perhaps a point of order will not lie.

Mr. GORE. I think that would save the point of order. If the Senator desires, I have no objection to the amendment going over; but I do not think it would be subject to a point of order.

Mr. GALLINGER. I think it had better go over. This is a pretty large appropriation, and it is one of the appropriations we are constantly increasing year by year. Whether this trouble, or whatever it may be called, is becoming more and more serious, I do not know.

Mr. GORE. Mr. President, I will say that the work of the Federal Government is entirely in conjunction with that of the States and local authorities.

Mr. GALLINGER. Certainly.

Mr. GORE. They are required to put up dollar for dollar. The record of the results obtained, I think, is remarkable.

Mr. GALLINGER. So that if we should allow the appropriation to stand as it comes from the House, there will be over $800,000 available for the work of eradicating the cattle tick.

Mr. SMOOT. The amount would be over a million dollars.

Mr. GALLINGER. Yes; the amount will be over a million dollars. I was thinking the amount appropriated by the House was $420,000, but it is over $620,000, and if the State and local authorities contribute an equal amount, the total will be nearly $1,300,000.

Mr. GORE. Yes, sir.

Mr. SMITH of Georgia. Mr. President, I should like to say to the Senator from New Hampshire that they are just gradually driving the tick toward the ocean. A large section of territory has been freed from the presence of the tick. By the system employed of dipping in vats and washing cattle with the character of chemicals necessary, the tick is being gradually eradicated, and as the process goes on the tick will be entirely eradicated in time.

Mr. GORE. The record of the progress of this work has been most remarkable.

Mr. GALLINGER. They may drive the tick into the ocean, I presume.

Mr. GORE. We all hope so.

Mr. SMITH of Georgia. It should be driven into the ocean.

Mr. GALLINGER. As was done in the case of a certain other plague in the Scriptures.

Mr. GORE. I am quite sure nobody would rejoice more than the Senator from New Hampshire if the work were successfully completed. It has been a most remarkable record. We have rescued 379,000 square miles from the domination of the tick. There still remain, however, 349,000 square miles subject to its ravages. Seventy thousand square miles were rescued last year. The department says that it is really a matter of available funds and that they can expand their organization to the limit simply by the cooperation of the local authorities.

Mr. GALLINGER. If I may ask the Senator a question, the department I apprehend recognized that the amount that is now in the bill as it came from the House was sufficient, and they did not ask to be given any larger amount?

Mr. GORE. Yes. Of course the department has to balance these various appropriations for various purposes. The committee, however, realized the importance of this work, and the fact that it was merely a matter of time and money, there being no doubt that the tick can be entirely eradicated from the United States, and we thought that under existing circumstances it was a matter of wisdom and of conservation to increase this appropriation in order to facilitate this work.

It is a matter serviceable to all sections of the country. Breeders are shipped from the North into the South, and when the territory is rid of these ticks feeders are shipped from the rescued territory in the South to parts of the North for feeding. It is of double service; and no argument against it can be made, except the one of general economy; but it seems to me that it would be very short-sighted economy in this situation to withhold an appropriation of this character, simply tolerating the tick, rather than getting rid of it, and realizing the benefits that may come from its eradication, because wherever territory is rescued there is a great stimulus to cattle breeding. I may say that the State of Mississippi is now entirely out from under quarantine.

Mr. GALLINGER. Will the Senator kindly state what territory is still infected?

Mr. GORE. I think that parts of Florida, Georgia, South Carolina, Louisiana, and Texas are still infected.

Mr. GALLINGER. I am not going to be factious about this at all, but the point is that the extent of the infected territory is lessening, while the appropriation grows larger year by year.

Mr. GORE. That is true; it is merely a matter of speed; that is all.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me in this connection, I want to call the attention of the Senator from New Hampshire to the fact that there is a good deal of skepticism in the efficacy of and opposition to the work of cattle dipping and employing vats for that purpose. Four years ago, however, officers came to my farm, which was infected with the Texas fever tick, and began their operations, and in two years they had my entire place freed from the tick.

The peculiar biology of this little insect is that he does not go over a space of 2 feet. When the tick that propagates the little tick drops from the cattle, it then propagates millions of the species. They are very small insects, called "seed ticks," and the cattle in moving over them pick them up by coming in contact with the little twigs or whatever the little colonies of ticks may cling to. If they can be kept from propagating on a given piece of ground for one year, that piece of ground will be entirely immune, provided a tick infested cow or animal is not allowed to come on that land any more. Now, when you get rid of them it is permanent. The reason why we have suggested this larger amount was that since we have the force educated and know the territory, in place of spreading it out over these years, in a short time we can eradicate the pest from the whole tick-infested region of this country, and there will not be any danger of reinfection.

Mr. GALLINGER. Yes; but upon the theory of the Senator from South Carolina we ought to make this appropriation five or ten million, so as to try to clean up the job in one year.

Mr. SMITH of Georgia. If we had the force ready to do it, I would be in favor of making it five million to finish it.

Mr. GORE. By all means.

The PRESIDENT pro tempore. The Chair must suggest that Senators address the Chair, because otherwise the Chair can not tell whom to recognize.

Mr. FLETCHER. Mr. President, may I interrupt the Senator a moment?

The PRESIDENT pro tempore. The Senator from New Hampshire has the floor. The Senator from North Dakota has requested a number of times the privilege of interrupting.

Mr. GALLINGER. I yield to the Senator from North Dakota.

Mr. GRONNA. Mr. President, the Senator from South Carolina and the Senator from Oklahoma have really explained what I was going to explain to the Senator from New Hampshire. I want to say that the committee was convinced that it was in the interest of economy to appropriate a larger amount, and I am quite sure that this money can be expended with splendid success. The Agricultural Department have done most wonderful work in the eradication of ticks, and as long as they have the force to do the work I believe we ought to be liberal in the appropriation for this purpose.

Mr. FLETCHER. Mr. President——

Mr. GALLINGER. I yield to the Senator from Florida. I am seeking light on this important subject.

Mr. FLETCHER. I do not know that I can be of any assistance, but perhaps I can in this way—that I know that this plan is successfully operating in Florida. At first there was a disposition to resist interference by the Federal Government, and a great many of the cattle growers were disposed to say, "We do not like to have our business interfered with at all; we propose to handle this thing ourselves." But it has been so thoroughly demonstrated to the people of the State that the plan is absolutely successful—there is no theory about it; there is no guess about it at all; they clean up the tick wherever they dip the cattle—that now the people have become thoroughly sympathetic with it and are cooperating with the Federal Government, and the tick is being absolutely eliminated from portions of the State wherever they are putting it in practice, and they are doing it rapidly.

For instance, they have demonstrated it at the country fairs, and now at the State fair at Jacksonville. They have a vat there, and they actually bring in the cattle and put them through this dipping process. The people are shown the results, and, as I say, there is no longer objection to it on the part of the people, and there is not any question at all about its effect. So that it is just a question of spending enough money to carry on the work as rapidly as the department can carry it on, because no one will deny that it is a splendid work, and the effect of it is to increase very greatly not only the size of the cattle but the cattle industry itself.

I hope the Senator will not object to this amendment, because whereas a few years ago they might have not been able to utilize as much of an appropriation as they can utilize now, there is not any doubt but that their forces are thoroughly organized, the plant is thoroughly demonstrated to be a success, and the people are cooperating. It is just a question of pushing it on to completion; that is all.

Mr. RANSDELL. Mr. President, will the Senator yield to me?

Mr. GALLINGER. I yield to the Senator from Louisiana.

Mr. RANSDELL. Mr. President, I should like to remind the Senator of a little piece of history in connection with the first legislation on this subject. It became a law in June, 1906. Mr. Wilson was then Secretary of Agriculture. He had studied this subject very carefully, and I remember an address he made before the Committee on Agriculture of the House. He said at that time that if Congress would give him enough money he would very speedily drive the cattle tick into the Gulf of Mexico; that it would take a considerable amount of money; that the cattle tick was at that time costing the Government nationally between seventy-five and one hundred million dollars every year. It is a very expensive proposition to the Nation to allow the cattle tick to go ahead with its ravages.

That was nearly 12 years ago. As stated by the Senator from Oklahoma [Mr. GORE], the tick has been eradicated from a very large portion of the South; but it still exists in many portions, and it is quite a difficult problem. I raise a few cattle myself, and I know that on my plantation for the past three years we have been religiously dipping the cattle and doing our utmost to eradicate the ticks; but, unfortunately, that is a largely wooded area. Only a small percentage of the land in my portion of Louisiana is cultivated, and it is thought that these ticks get on the deer and other wild animals. At any rate, we have not been able to entirely free East Carroll Parish, where I live, from the tick, in spite of the fact that we have done everything that was humanly possible for three years. The people in the adjoining parish did not make the same attempts that we did. They did not have the dipping vats and they did not try to eradicate the tick, and the cattle would move from one place to the other in this big, continuous forest; but at the last session of the legislature in Louisiana stringent laws were passed making it obligatory on every community to eradicate the ticks.

I will say that the dipping vats are constructed by the local communities. The Government does not contribute for that purpose. It is done locally, and the people are most enthusiastic and earnest in their endeavors and their determination to get rid of the tick. As one result in my community, let me say that some cotton plantations there which could not make anything at all in cotton have gone into cattle raising. There is one plantation near me where there are 3,500 head of cattle which have been brought in from the north and west. The good varieties of cattle have been bought, as I understand, largely in Missouri, and I have no doubt they have come in from Iowa and other parts of the West. Hundreds of fine bulls were brought into that community and the people are beginning to increase the grade of their stock there very much. Formerly if you would bring in these fine animals they would die with the Texas fever, and there was no inducement to bring them in; the loss was too great. Now we are protecting our animals and we are increasing the grade very, very rapidly, with the result that I think there is a strong hope of increasing the national supply of livestock from the South so much as to give us cheaper meat; and that certainly is something in which we are all very much interested.

I know that in my State every effort is being made to eradicate these ticks. I know it is said that in Mississippi the people have been successful, and Mississippi is practically free from the tick. The papers last fall stated that they were having a big celebration in Mississippi of the complete eradication of the cattle tick from that State. I understand that the whole State was to come out from under the cattle-tick quarantine on the 1st of January, and they are raising many fine cattle there. It is certainly a matter of the greatest national importance, and I hope the Senator will not insist on his motion to strike out this amendment.

Mr. GALLINGER. Mr. President, I have not made any motion. I am not going to make any motion. I have been seeking light, and I have received some light and some darkness as a result. The suggestion that we are going to have cheaper meat is so often made that it has failed to produce much impression on my mind. I think it is a delusion and a snare.

Mr. RANSDELL. I will say to the Senator that we will probably have more. Whether it will be any cheaper or not I can not say.

Mr. GALLINGER. It is the cheapness to which I am addressing myself. My impression is that the more we get the higher the price will be.

But however that may be, Mr. President, I am not opposing this amendment. I was asking some questions about it. I am so deeply impressed with the feeling—and perhaps I ought not to be, because I belong to the minority of this body, and the responsibility of making the appropriations is upon the other side of the Chamber—I am so deeply impressed with the feeling that we are going recklessly along, appropriating the money of the taxpayers of the country, that I had hoped there would be some effort at economy at some point in our proceedings.

I have just come from a committee that considered a bill that came over from the House. The committee added only $73,000,000 to it in addition to what the House appropriated. I presume it is necessary, and I am not going to criticize the additions that were made to that bill, although there was a time when it would have startled every one of us and would have startled the country, and there would have been a protest against it that would have been heard around the world. But now it does not disturb us at all to add half a million or a million dollars, or $10,000,000 for that matter, to any bill that we may have under consideration.

Mr. RANSDELL. Mr. President, will the Senator permit a suggestion?

Mr. GALLINGER. Certainly.

Mr. RANSDELL. We added only $1,115,160 to the House agricultural bill.

Mr. GALLINGER. Well, I know; but $1,000,000 used to trouble us somewhat. It does not now, because we are dealing in billions nowadays; and I have observed this in connection with the Agricultural appropriation bill: We put an item in the bill to cure some evil connected with the live stock of the country, and the next year it is increased, and the next it is further increased, and it goes along until we lose all interest in it and pay no attention to it. I just thought that it might be well for us to look at this a few minutes, and see whether it is absolutely essential that this added appropriation should be made.

The Agricultural Department is very apt to suggest a sum large enough to meet emergencies, and they recommended certainly not more than the sum that was in the bill as it came from the House of Representatives, and without any suggestion from the department the committee think that they had better add a hundred or a hundred and twenty-five thousand dollars to it. It is not much, and there is an emergency existing, so it is said, and we are supposed to vote for it without giving it any special consideration.

As far as I am concerned, I am not going to make any factious opposition to this thing. I am quite willing that it should be voted on at this very moment. I shall vote against it, because I am getting anxious about the Democratic majority in this matter of appropriations. I am afraid that they are going at a rate that will be very troublesome to them in the near future, and I want to save them from their own indiscretions as far as I can. That was the feeling I had when I occupied a good deal of time in debate on a certain river and harbor bill not long ago; and while I have never advertised it to anybody, it was a great gratification to me that the minority did save thirty millions on that bill, and it did not do any harm. If we can save a hundred thousand dollars in this bill, I think it will be worth trying for; but I am not going to take up the time of the Senate. I am quite ready to vote on the proposition.

Mr. THOMAS. Mr. President, like the Senator from New Hampshire [Mr. GALLINGER], I have tried on one or two occasions to limit the appropriations in the agricultural bill; but the only success—if success it may be called—that has thus far attended my efforts has been the adoption of every appropriation that I have opposed. Consequently, I have come to the conclusion that the only headway I can make, in view of my past experiences, toward reducing them is to advocate the bill, or to suggest their enlargement.

Now, the cow tick is a very insidious and pernicious little insect. It interferes with the growth and prosperity of live stock, and particularly of cattle, and it should be exterminated; but it would seem that we are not making much headway in that direction, or that of the various other insects so long sheltered under the ægis of the agricultural appropriation bill. Indeed, the cow tick seems to thrive in proportion as our appropriations to extinguish it increase. It not only holds the trenches all the time, but frequently comes over the top; and whenever that occurs we cheerfully increase the appropriation, and so it goes with the others. The increase of cow ticks and the increase of appropriations to head them off are much like increasing salaries that employees may overcome the high cost of living. But the "H. C. of L." has better facilities for climbing than the salary enjoys. To keep pace with it is impossible.

Therefore, this bill should embrace something more than cow ticks. We should extend the appropriation to enable the department to investigate bedticks as well. They are the origin and the lair of a number of very pernicious insects, whose activities seriously decrease the efficiency of labor; and inasmuch as we can strike at the source of their creation, and possibly cut them off in their youth, why not make an appropriation not only for the investigation of bedticks as well as cow ticks, but also create a bureau to investigate the anatomy, the physiology, and the habits of the flea, the louse, and the nit? [Laughter.] I think it is very important, Mr. President, if we are to develop our economic productivity to the highest possible point of efficiency during the war.

Mr. WADSWORTH. These are war measures?

Mr. THOMAS. This is decidedly a war measure, and I think I can demonstrate it. Mr. President, no man can be as efficient when his body is infested with the louse or with the flea as when he is free from those parasites. They work while he sleeps [laughter], and the victim of their toil must necessarily scratch whenever the industry of the parasite becomes serious and irritating; and if accurate time were kept of every such interruption of the activities of the individual it would show that a man so unfortunately infested loses probably 30 per cent of his efficiency.

There is another standpoint from which this subject may be considered. I have said that these pestiferous insects never stop their activities. They work all the time and overtime; and, as a consequence, the activities of the individual to get rid of them, or at least to mitigate their disagreeable attention, tend to violate the eight-hour law. When a man is bitten by these insects, no matter whether he has worked eight hours or not, he must stop to relieve himself of their attentions; and that requires an expenditure of physical energy. So I am sure that we should also utilize this bill to work both ends of the line—the insects which attack crops, and those which attack those who plant and who reap them. By that means, Mr. President, we shall reach the point of complete efficiency, which some departments and bureaus would do well to imitate. I therefore suggest an increase of this appropriation, with a view to doing everything possible to win the war; and certainly if we can add to the efficiency of the farmer by relieving him of these pests and conserving all his time we ought to do it.

Now, the flea is perhaps the worst of these pests, because he is superactive and his powers of locomotion are so infinitely out of proportion to all the other representatives of the insect world that in all probability if we could provide funds for the study of the little beast we might discover some way of hamstringing him, and thus, if we can not rid ourselves of him we could reduce his activities to the "nth" power. [Laughter.]

The suggestion is well worthy of consideration. Perhaps the flea should deserve our special attention at this time if we can not cover them all, for they are the most irritating of all these pests. Moreover, they feed other parasites. I think Dean Swift once said:

> And little fleas have other fleas
> Upon their legs to bite 'em;
> And lesser fleas have other fleas,
> And so ad infinitum.

Therefore the annihilation of the little flea would necessarily annihilate those infinitely microscopic parasites which, the poet says, infest the larger insect and is infested in turn by others. So why, Mr. President, should we make several bites at the cherry?

We have the assurance of the distinguished Senator from Louisiana that the appropriations of this bill have been increased in the Senate by only $1,115,150. What are $1,115,000 between friends? I am surprised by the committee's exceptional conduct. I am really ashamed of this meanly modest showing. It is completely out of proportion to the magnitude of our other increases, to one of which the Senator from New Hampshire has just referred; and I have no doubt he feels, as to that increase of $73,000,000, that the committee making it could well say with Lord Clive that it is astonished at its own moderation.

Indeed, Mr. President, in these times any Senate increase of less than $100,000,000 is too trifling to arrest our attention; it amounts to nothing. I heard some time ago that the chairman of one of the House committees was visited by a constituent who had a tremendous scheme for relieving the Government which required an initial expenditure of $100,000,000. The

Representative said: "Go and see my secretary; I am dealing in billions; he will attend to your trifling affair, no doubt. I am too busy with billions to consider it."

Seriously, Mr. President, we have reached and long ago passed the limit of appropriations designed to investigate and destroy certain insectiverous parasites which do very seriously interfere with the growth of plants and with the healthy increase of live stock, because we do not seem to get actual results. Whenever an item of this sort, however small and insignificant, is designed to meet, study, and, if possible, remove these little plagues, it becomes a greater source of legislative concern and is far more deadly to the Treasury of the United States than the pest is to the thing to which it relates.

I think I can say that, without exception, if a solitary pest has been destroyed by these means, if the amount needed for continuing the study of its habits, of chasing it from its lurking places, and killing it has ever been reduced in succeeding bills I ask the chairman to inform me what particular insect has been so unfortunate?

Mr. GORE. Mr. President, I would not undertake to enumerate the insects, but I would instance as an illustration of Government service of this character the eradication of the foot-and-mouth disease. It took $10,000,000 to do it, but it was cheap at that price. It would not have done at all to permit that worst of all animal maladies to range unbridled throughout the country.

Mr. THOMAS. Let met ask the Senator if the foot-and-mouth disease is caused by an insect or parasite?

Mr. GORE. It is a microbe; it is not an insect.

Mr. THOMAS. A microbe is perhaps too small to come under the provisions of a bill like this, except it be disguised under the cover of a disease.

Mr. GORE. The Senator, though, seems to have greater faith in his ability to prevail over it than over the insect. The smaller the enemy the more animated is his hostility.

Mr. THOMAS. The fundamental difference between the microbe and the tick is that you can extinguish the microbe if he exhibits himself in the shape of the foot-and-mouth disease, but the tick, like the poor, is with us forever; and so I may say of the cow tick, the boll weevil, and the gypsy moth, and the moth that has nothing to do with gypsies. These, Mr. President, are constantly occurring sources of appropriation from the Treasury. I am now advocating extensions of such appropriations. I may offer an amendment appropriating a certain sum of money—not a great deal—starting with only a few millions to the consideration of the matters to which I have called attention in the hope that by advocating the bill in that shape I may be able to defeat some of its more objectionable features.

Mr. PAGE. Mr. President, I should like to ask a question of the chairman of the committee. I was not present, although a member of the committee. I was ill at the time this appropriation was increased from $620,000 to $750,000. Is it not true that the Secretary of Agriculture made a very careful estimate of what he could profitably spend in the eradication of the cattle tick?

Mr. GORE. Mr. President, of course we have to assume that the estimates of these items are made with more or less care, but I am pretty sure the attitude of the department is that the speed of exterminating the cattle tick is largely a matter of money and organization.

Mr. THOMAS. Particularly money.

Mr. GORE. Every dollar expended by the Federal Government is matched by a dollar expended by the State or local authorities. That is a perfect guaranty against extravagance. If the money can not be expended under those circumstances it will not be expended. It will lapse; it will return to the Treasury.

I wish to say, while I am on my feet, that the Senator from Colorado [Mr. THOMAS], who ordinarily has accurate information as to facts, in this instance is incorrectly advised when he assumes that the cattle tick is spreading. When this crusade was commenced there were 728,000 square miles infested and infected with ticks—larger than Germany, France, Spain, Portugal, Italy, Switzerland, Holland, and Denmark combined. I am satisfied that there is not a Government on this globe making any pretension to civilization that would tolerate a pest of this sort for one year if it were possible to exterminate it. It is merely a matter of time and money. It will be exterminated in time. We will appropriate the money in time to carry out this work. The only question is, Will we appropriate it in larger amounts and speed the day of extermination or spread it over a longer series of years? Now, that is the only question.

I suggested a few moments ago that 379,000 square miles have already been rid of the tick, and 349,000 square miles are still subject to its ravages. Seventy thousand square miles were released from quarantine last year. I reiterate the statement that the only question is as to whether wisdom would recommend that larger appropriations be made and the time of eradication be shortened in order that we may enjoy the larger benefits at an earlier date, or whether we shall procrastinate and project those benefits further into the future.

Mr. CURTIS. May I ask the chairman of the committee whether there was an unexpended balance last year, or was the appropriation last year expended? Has the Senator that information at hand?

Mr. GORE. I am advised there was no unexpended balance. There is no doubt that the amount would be expended. I will say this, not by way of criticism at all, I think that the opposition of Senators to appropriations is in inverse proportion to their amount. Some bill has been increased $73,000,000, and, as suggested by a Senator across the aisle, I apprehend the Senate will concur in the $73,000,000 increase in less minutes than are taken upon this item of the bill. I doubt if any measure could occupy as much time of the Senate as this particular amendment. As suggested by the Senator from Louisiana, we have increased the appropriation $1,100,000, with, I believe, only one exception. The amounts have been studiously limited to questions of production and conservation of food, an urgent and important question in peace times, but a matter of supreme importance in times of war. The fate of this war may depend even more than Senators realize upon an available food supply in the United States, and for this small amount we ought not to jeopardize the fullest possible service in that direction. I do not believe it is sound economy.

In the main I agree with the Senator from New Hampshire [Mr. GALLINGER] and the Senator from Colorado [Mr. THOMAS] in their efforts to maintain reasonable appropriations and to obviate unreasonable appropriations, but I think this appropriation comes in the former category and is in no sense unreasonable.

Mr. PAGE. May I ask the Senator one question at that point? Is it not true that there has been no estimate made showing that we need $130,000 more? Many seem to go on the simple principle that if $620,000 was good, $750,000 might be better, and we might just as well have gone on and increased the appropriation to $1,000,000.

Mr. GORE. The Senator was away for a few minutes. I have already stated that there was no estimate for this amount. The Senate Committee on Agriculture ventured to take one step forward, without being commanded to do it by some executive department of the Government. The committee has not abdicated either its appreciation of public questions or its devotion to the common good.

The Senate Committee on Agriculture, in the absence of the Senator from Vermont, thought if we could, by increasing this appropriation $130,000, speed the extermination of the cattle tick, if we could encourage the cattle business in this country, if we could provide larger supplies of cattle and of beef, not only for the civilian population and our own armies but for the civilian population and armies of our allies, we had rendered a service; and the fact that $130,000 is essential to that purpose did not deter the Senate Committee on Agriculture from venturing to submit such a recommendation to the Senate. It is, of course, a matter for the Senate entirely to determine whether the Committee on Agriculture outran either the propriety or the safe limitations upon public expenditures.

Mr. PAGE. I simply suggest, Mr. President, if I may be allowed, that it is quite common for the Committee on Agriculture to take the estimate of the Secretary of Agriculture and, without any showing whatever except the general claim, as it has been made by the Senator from Oklahoma this morning, that there is a great evil, and without any especial reason being given, without the facts or figures having been submitted, increase it by $130,000.

Mr. GORE. The Senator is aware, of course, that the Senate has already voted an increase of $250,000 to eradicate tuberculosis, an increase of 100 per cent upon the amount recommended by the Department of Agriculture. I think it a wise appropriation. It will be used to exterminate tuberculosis in every part of the United States where that disease prevails; and I think it would be a shortsighted, a niggardly sort of economy that would withhold a quarter million dollars in an effort to save an annual loss of $25,000,000 in the value of meat products. The loss used to be estimated from the cattle tick at $70,000,000. I believe it has now dropped to between $40,000,000 and $50,000,000. An increase of $130,000 to reinsure against a loss of $40,000,000 to $50,000,000 of foodstuffs when the world faces a crisis in foodstuffs is the act of boldness which the Committee on Agriculture has committed.

Mr. PAGE. Why not, on the same principle, may I ask the Senator from Oklahoma, increase this appropriation of $620,000 to $1,000,000?

Mr. GORE. Mr. President, nothing that the Senate could do and nothing that it will do would afford a higher or more unmistakable proof of statesmanship than to make such an appropriation increasing this amount to $1,000,000. Nothing, I say, would betray symptoms of intelligent patriotism on the part of the Senate to a greater extent, except an appropriation of $2,000,000 or $3,000,000 or $4,000,000, or whatever amount it would take to rid this great country, professing to be enlightened and civilized, of this pest which costs $50,000,000 a year and places a limitation upon our food supplies.

Mr. President, there is no act which I would rather be the author of than an appropriation securing at one time a sufficient and a perpetual fund available until the tick is eradicated, so that the spectacle will not be exhibited every time the Agricultural appropriation bill comes up for consideration in the Senate that this very debate has to be gone through with, and have Senators sit here and pare cheese and nibble at cherries when the destiny of the Nation may be to a measurable extent affected by this measure. I think it is extremely short-sighted.

I do not mean to be critical when I say that we ought like a great Nation and like, I believe, any other nation on earth would do, make an appropriation to carry this work out and complete it. Say it will take $5,000,000 to do it and we extend the appropriations over 8 years We have been 12 years now. We will probably be 8 years more. It would have been wiser to have made the appropriation in the beginning and to have cleaned up the entire country by this time. We would not then in war times find in our country with 350,000 square miles subject to a pest which is eradicable and which places a limitation upon our food supplies.

Mr. PAGE I thank the Senator. The Secretary of Agriculture is a very good man; he has made his estimates as to what sums he can use properly and efficiently for the coming year. I do not know but that we might by adopting the theory which the Senator from Oklahoma has just expressed increase every one of these appropriations immensely to our advantage. So far as I am concerned I propose to vote against the amendment, because we have a man at the head of the department who has given the matter his careful consideration, and who says that $620,000 is what he can wisely and properly expend. We ought to stop there and not increase it by $130,000, without some facts or some figures or some data upon which to vote a larger sum.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Agriculture was, on page 16, line 23, after the words "general expenses," to strike out "$2,743,098" and insert "$3,122,678," so as to make the clause read:

In all, for general expenses, $3,122,678.

The amendment was agreed to.

The next amendment was, on page 17, line 6, after the words "Animal Industry," to strike out "$3,700,008" and insert "$4,079,588," so as to make the clause read:

Total for Bureau of Animal Industry, $4,079,588.

The amendment was agreed to.

The next amendment was, on page 22, line 11, after the words "United States," to strike out "$85,510" and insert "$107,510," so as to read:

For acclimatization and adaptation investigations of cotton, corn, and other crops introduced from tropical regions, and for the improvement of cotton and other fiber plants by cultural methods, breeding, and selection, and for determining the feasibility of increasing the production of hard fibers outside of the continental United States, $107,510.

The amendment was agreed to.

The next amendment was, on page 23, line 18, after the word "production," to strike out "$241,505" and insert "$291,505"; and in line 21, after the word "That," to strike out "$50,000" and insert "$100,000," so as to make the clause read:

For the investigation and improvement of cereals and methods of cereal production and the study of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broom corn and methods of broom-corn production, $291,505: *Provided*, That $40,000 shall be set aside for the study of corn improvement and methods of corn production: *Provided also*, That $100,000 shall be set aside for the investigation and control of the diseases of wheat, oats, and barley known as black rust and stripe rust, which sum shall be immediately available; *Provided also*, That $25,000 shall be set aside for the investigation of corn root and stalk diseases and for the inauguration of such control measures as may be found necessary.

The amendment was agreed to.

The next amendment was, on page 27, line 19, after the words "general expenses," to strike out "$2,232,698" and insert "$2,304,698," so as to make the clause read:

In all, for general expenses, $2,304,698.

The amendment was agreed to.

The next amendment was, on page 27, after line 19, to strike out:

Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants; all necessary office fixtures and supplies, fuel, transportation, paper, twine, gum, postal cards, gas, electric current, rent outside of the District of Columbia, official traveling expenses and all necessary material and repairs for putting up and distributing the same; for repairs and the employment of local and special agents, clerks, assistants, and other labor required, in the city of Washington and elsewhere, $242,320. And the Secretary of Agriculture is hereby directed to expend the said sum, as nearly as practicable, in the purchase, testing, and distribution of such valuable seeds, bulbs, shrubs, vines, cuttings, and plants, the best he can obtain at public or private sale, and such as shall be suitable for the respective localities to which the same are to be apportioned, and in which same are to be distributed as hereinafter stated, and such seeds so purchased shall include a variety of vegetable and flower seeds suitable for planting and culture in the various sections of the United States: *Provided*, That the Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packeting, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. An equal proportion of five-sixths of all seeds, bulbs, shrubs, vines, cuttings, and plants shall upon their requests, after due notification by the Secretary of Agriculture that the allotment to their respective districts is ready for distribution, be supplied to Senators, Representatives, and Delegates in Congress for distribution among their constituents, or mailed by the department upon the receipt of their addressed franks, in packages of such weight as the Secretary of Agriculture and the Postmaster General may jointly determine: *Provided, however*, That upon each envelope or wrapper containing packages of seeds the contents thereof shall be plainly indicated, and the Secretary shall not distribute to any Senator, Representative, or Delegate seeds entirely unfit for the climate and locality he represents, but shall distribute the same so that each Member may have seeds of equal value, as near as may be, and the best adapted to the locality he represents: *Provided, also*, That the seeds allotted to Senators and Representatives for distribution in the districts embraced within the twenty-fifth and thirty-fourth parallels of latitude shall be ready for delivery not later than the 10th day of January: *Provided, also*, That any portion of the allotments to Senators, Representatives, and Delegates in Congress remaining uncalled for on the 1st day of April shall be distributed by the Secretary of Agriculture, giving preference to those persons whose names and addresses have been furnished by Senators and Representatives in Congress and who have not before during the same season been supplied by the department: *And provided, also*, That the Secretary shall report, as provided in this act, the place, quantity, and price of seeds purchased, and the date of purchase; but nothing in this paragraph shall be construed to prevent the Secretary of Agriculture from sending seeds to those who apply for the same. And the amount herein appropriated shall not be diverted or used for any other purpose but for the purchase, testing, propagation, and distribution of valuable seeds, bulbs, mulberry and other rare and valuable trees, shrubs, vines, cuttings, and plants.

And, on page 30, line 10, after the words "Plant Industry," to strike out "$2,915,038" and insert "$2,744,718," so as to make the clause read:

Total for Bureau of Plant Industry, $2,744,718.

Mr. SMOOT. I ask that the amendment may go over.

Mr. GORE. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment will go over for the present.

The next amendment was, under the subhead "Forest Service," on page 45, after line 17, to strike out:

That, during the existing state of war, the Secretary of Agriculture is authorized to make sales, without advertisement, at a fair valuation, to be determined by him, of national forest timber which is to be used so far as suitable for the construction of aeroplanes.

And in lieu to insert:

That hereafter during the existing state of war, the Secretary of Agriculture is authorized under regulations to be prescribed by him, to permit the War Department, or any other department, board, or commission, of the Government, to take from the national forests such timber as may be needed in the prosecution of the war, and the Secretary of Agriculture is further authorized to sell, or otherwise dispose of, any timber necessarily cut in carrying out the provisions of this paragraph and any materials manufactured therefrom which are not necessary for war purposes.

Mr. WADSWORTH. Mr. President, the chairman of the committee is absent for a few moments and in his absence he asked me to suggest an alteration in the amendment now before the Senate to conform to the suggestion made by a memorandum from the Forestry Bureau. I therefore move, on page 46, lines 3 and 4, that the words "the Secretary of Agriculture is further" be stricken out and to insert:

Secretaries of the departments, the boards, or the commissions which may obtain such timber are severally.

Mr. SMOOT. I ask that the amendment may be read at the desk.

The PRESIDING OFFICER. The amendment to the amendment will be read.

The Secretary read the amendment to the amendment.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). The Senator from Utah [Mr. SMOOT], then, has the floor. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I do.

Mr. GRONNA. Mr. President, I merely want to say a word. I assume that the reason for suggesting this amendment is that the sale of this timber will come under various departments. The committee thought, of course, it would come under the Department of Agriculture, but I can readily see that the Secretary of the Interior may have something to say about the sale of some of this timber. I can see no other reason for the change.

Mr. SMOOT. That is not what the amendment provides for, I will say to the Senator from North Dakota.

Mr. GRONNA. It speaks of different departments.

Mr. SMOOT. It authorizes all of the departments or any of the departments.

Mr. GRONNA. It simply authorizes them to cooperate.

Mr. SMOOT. No; it authorizes them to sell the timber.

Mr. GRONNA. Yes; on examination I see that is correct.

Mr. SMOOT. It authorizes any board that we create to sell this timber, and it authorizes any commission to sell the timber.

Mr. GRONNA. The Senator from Utah, of course, understands that this timber is simply for the purpose of constructing ships or aeroplanes; that it is absolutely for nothing else but for use in this war. This does not authorize anyone to sell any timber except what may be used in the construction of ships and aeroplanes.

Mr. SMOOT. Mr. President, the Senator from Utah understands that, because it is specifically so stated in the amendment. What I desired time for was merely to see what the amendment did provide, because a Senator can hardly ascertain that by the reading from the desk, and without reading it in connection with the amendment itself.

Mr. WADSWORTH. Mr. President, I can enlighten the Senator from Utah on that point.

Mr. SMOOT. After comparing the Senator's amendment with the amendment of the committee I see that his amendment is a wise one and I think it ought to be adopted.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New York to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Agriculture and Forestry was, on page 46, after line 7, to strike out:

Whenever, during the fiscal year ending June 30, 1919, the Secretary of Agriculture shall find that the expenses of travel can be reduced thereby, he may, in lieu of actual traveling expenses, under such regulations as he may prescribe, authorize the payment of not to exceed 2 cents per mile for a motorcycle or 6 cents per mile for an automobile, used for necessary travel on official business in the Forest Service: *Provided*, That there shall be no payment of mileage for the use or travel of motorcycle or automobile furnished or owned by or maintained by the Government of the United States.

Mr. SMOOT. Mr. President, I should like to ask the Senator having the bill in charge if the provision proposed to be stricken out has not generally been in Agricultural appropriation bills and also in other appropriation bills?

Mr. RANSDELL. I understand that the department is anxious to have that provision, and that it has usually been in the bill, but in this case it is proposed to strike it out. I was not present in committee, I will say to the Senator from Utah, when that action was taken, and the Senator in charge of the bill has momentarily left the Chamber.

Mr. SMOOT. I remember when the wording contained in this proviso of this bill was first placed in an appropriation bill; and, if I remember rightly, it has been generally in regular appropriation bills. It reads:

Provided, That there shall be no payment of mileage for the use or travel of motorcycle or automobile furnished or owned by or maintained by the Government of the United States.

The reason for inserting those words in previous appropriation bills, Mr. President, was because there had been claims for mileage and there had been payments for mileage, in which the persons claiming the mileage had used motorcycles and automobiles which had been furnished by the Government of the United States. The claim for such mileage was unfair to the Government and should never have been allowed. I have, therefore, wondered why the committee proposed to strike this provision out of the bill.

Mr. RANSDELL. I can not give an explanation of that, and I will suggest to the Senator from Utah, if he desires such explanation, that the amendment be passed over until the chairman of the committee returns.

Mr. SMOOT. I should like to have some explanation of that matter, and so I ask that the amendment go over until the chairman of the committee returns.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

The reading of the bill was resumed. The next amendment of the Committee on Agriculture and Forestry was, under the subhead "Bureau of Soils," on page 54, line 9, after "$217,600," to insert:

Provided That the product obtained from such experimentation may be sold at a price to be determined by the Secretary of Agriculture, and the amount obtained from the sale thereof shall be covered into the Treasury as miscellaneous receipts.

So as to make the clause read:

For the investigation and demonstration within the United States to determine the best method of obtaining potash on a commercial scale, $127,600: *Provided*, That the product obtained from such experimentation may be sold at a price to be determined by the Secretary of Agriculture, and the amount obtained from the sale thereof shall be covered into the Treasury as miscellaneous receipts.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Entomology," on page 56, line 4, after the word "nuts," to strike out "$83,380" and insert "$93,380"; so as to read:

For investigations of insects affecting deciduous fruits, orchards, vineyards, and nuts, $93,380.

The amendment was agreed to.

The next amendment was, on page 57, line 12, after the words "general expenses," to strike out "$557,300" and insert "$567,300"; so as to make the clause read:

In all, for general expenses, $567,300.

The amendment was agreed to.

The next amendment was, on page 58, line 11, after the words "Bureau of Entomology," to strike out "$976,680," and insert "$986,680"; so as to make the clause read:

Total for Bureau of Entomology, $986,680.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Biological Survey," on page 60, line 25, after the words "wild animals," to strike out:

Provided further, That of this sum $10,000, or as much thereof as may be necessary, shall be used for the purpose of investigating the extent and effect of the killing and harassing by dogs of sheep and other meat-producing animals and of the best methods for reducing and preventing the same;

So as to make the clause read:

For investigating the food habits of North American birds and mammals in relation to agriculture, horticulture, and forestry, including experiments and demonstrations in destroying wolves, coyotes, prairie dogs, and other animals injurious to agriculture and animal husbandry, and for investigations and experiments in connection with rearing of fur-bearing animals, including mink and marten, $394,820: *Provided*, That of this sum $15,000 shall be used for the destruction of ground squirrels on the national forests, and other public lands: *And provided also*, That of this sum not less than $125,000 shall be used on the national forests and the public domain in destroying wolves, coyotes, and other animals injurious to agriculture, animal husbandry, and wild game: *And provided further*, That of this sum not more than $125,000 shall be used on the public lands, national forests, and elsewhere in the Western and Northwestern States for the protection of stock and other domestic animals through the suppression of rabies by the destruction of wolves, coyotes, and other predatory wild animals.

Mr. WADSWORTH. Mr. President, I simply desire at this time to congratulate the Senate, if it is about to adopt this amendment, on its wisdom in refraining from the attempt to teach people how to kill dogs.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Agriculture and Forestry was, on page 61, line 13, after the words "insectivorous birds," to insert "and any act of Congress to give effect to the treaty with Great Britain relating to migratory birds"; so as to make the clause read:

For all necessary expenses for enforcing the provisions of the act approved March 4, 1913 (37 Stats. L., pp. 847 and 848), relating to the protection of migratory game and insectivorous birds, and any act of Congress to give effect to the treaty with Great Britain relating to migratory birds, and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, $50,000.

Mr. SMOOT. Mr. President, I will ask the Senator having the bill in charge to make an explanation of that amendment.

Mr. GALLINGER. First, I should very much like to have the paragraph read and then read in conjunction with the proposed amendment.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary again read the clause as proposed to be amended.

Mr. VARDAMAN. Mr. President, I will ask that this section be passed over until the Senator from Oklahoma [Mr. GORE] returns to the Chamber. He will be here in a moment.

Mr. SMOOT. Mr. President, the treaty with Great Britain relating to migratory birds has not yet been ratified, and it

seems to me rather strange that we should put into an appropriation bill an item referring to a treaty that is yet to be ratified by Great Britain and the United States. The only question in my mind is whether or not it is really consistent legislation.

Mr. VARDAMAN. Mr. President, if the Senator will pardon me, though I am not a member of this committee, I am very sure there was some good reason for putting the amendment into the bill. In order that the chairman of the committee may be permitted to explain it, I ask that the section may be passed over until he returns, which will be in a few moments.

The PRESIDING OFFICER. Without objection, the amendment will be temporarily passed over.

The reading of the bill was resumed. The next amendment of the Committee on Agriculture and Forestry was, under the subhead "Bureau of Public Roads," on page 76, line 2, after the word "expenses," to strike out "$25,000" and insert "$60,900, of which sum $35,900 shall be made immediately available," so as to make the clause read:

For investigating farm domestic water supply and drainage disposal, the construction of farm buildings, and other rural engineering problems involving mechanical principles, including the erection of such structures outside of the District of Columbia as may be necessary for experimental purposes only, the employment of labor in the city of Washington and elsewhere, supplies, and all other necessary expenses, $60,900, of which sum $35,900 shall be made immediately available.

The amendment was agreed to.

The next amendment was, on page 76, line 7, after the words "general expenses," to strike out "$489,520" and insert "$525,420." so as to make the clause read:

In all, for general expenses, $525,420.

The amendment was agreed to.

The next amendment was, on page 76, line 8, after the words "Public Roads," to strike out "$593,540" and insert "$629,440," so as to make the clause read:

Total for Bureau of Public Roads, $629,440.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Markets," on page 79, after line 7, to strike out—

For enabling the Secretary of Agriculture to investigate and certify to shippers the condition as to soundness of fruit, vegetables, and other perishable farm products when received at such important central markets as the Secretary of Agriculture may from time to time designate and under such rules and regulations as he may prescribe, including payment of such fees as will cover the cost of the service rendered: *Provided*, That certificates issued by the authorized agents of the department shall be received in all courts as prima facie evidence of the truth of the statements therein contained, $113,000.

And insert—

For enabling the Secretary of Agriculture to investigate and certify to shippers and other interested parties the quality and condition of fruits, vegetables, and other perishable farm products when received at such important central markets as the Secretary of Agriculture may from time to time designate, under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable for the service rendered: *Provided*, That certificates issued by the authorized agents of the department shall be received in all courts of the United States as prima facie evidence of the truth of the statements therein contained, $113,000.

The amendment was agreed to.

The next amendment was, on page 81, after line 15, to insert:

To enable the Secretary of Agriculture to install an experimental flour mill, baking and other apparatus, in order to investigate the milling and baking qualities of wheat and other grains, including the payment of rent in the city of Washington, $50,000.

Mr. JONES of Washington. Mr. President, I do not care particularly to discuss this amendment, but I have a matter which I wish to put in the RECORD, and I will take this opportunity to do it.

At the last session of Congress a bill looking to the control of food products was prepared and sent to Congress by the administration. In that bill provision was made giving the President full control over the matter of the use of food products in the manufacture of malt, vinous, and distilled liquors. When the matter came up in Congress, Congress was prepared to relieve the President from that responsibility and prohibit by positive act the use of food products in the manufacture of liquors of this kind. One body of Congress adopted a positive provision to that effect. That provision was substantially reported by the Senate committee, and the Senate was prepared to pass it, when the President practically requested us to leave that authority in him and place upon him that responsibility. That was done; and although Congress did prohibit the manufacture of distilled spirits, Congress, as the President requested, left the authority in him and the power in him to permit or prohibit the use of food products in the manufacture of malt and vinous liquors.

There is a tremendous sentiment throughout the country in favor of war prohibition independent of the merits of the question in times of peace, and much pressure has been brought upon Congress; but the country is beginning to understand and realize that this power is in the hands of the President, that the responsibility is his, and that while Congress was perfectly willing to assume this responsibility and discharge this duty, it left it with the President at his own request.

A few days ago, Mr. President, one of the most remarkable petitions ever prepared was presented to the President of the United States, asking in very respectful terms that he exercise the power that Congress has given him and, as a war measure, prohibit the further use of grain and other food products in the manufacture of malt and vinous liquors. That petition was signed by many of the most prominent women of this country of every class and occupation. It was signed by the representatives of all of the temperance organizations in the United States. It represented over 6,000,000 of the patriotic women of this country, of the most representative character, not only in their own persons but in those whom they represented as the officials of organizations of various kinds. This was distinctly a "winning of the war" appeal by the patriotic women of this country, who are doing everything in their power to bring this war to a successful termination. The women of America are doing their part now, as they have always done in the history of the Nation, and they presented the petition to the President as a war proposition. They believed that it would have much to do with the winning of the war, and as patriots they presented it to him and not as partisans of any particular idea.

Mr. President, I have the letter transmitting this petition to the President. I have also the petition signed by about a thousand of the most representative women in this country. Not all of the representative women of the country who would have signed it have signed it, simply because they did not have the opportunity; but these women do represent the patriotic, loyal sentiment of the great majority of the women of the Republic.

I think this is the first time in the history of the temperance movement that all of the leading organizations of women have united in behalf of a particular proposition. They have all united in behalf of this proposition and they are all represented in the petition that was presented to the President.

This petition is signed by and represents the women whose husbands, sons, and brothers are in training camps, on ships, and at the battle front. They favor the conservation of our food products for the boys at the front, and are denying themselves and will deny themselves to the limit. They favor the use of food products for bread rather than for beer, and make this appeal to the Commander in Chief of the Army and Navy as stanch patriots whose highest aim and purpose now is "to win the war."

This petition was prompted by that great organization the Woman's Christian Temperance Union, and, in my judgment, will take rank among the historic petitions of the world. I have, as I have said, the letter tendering this petition to the President; I have the petition with the names which was presented to him March 1, and also a summary of the petition and the character and standing of the signers. I ask that they be printed in full in the RECORD, including the names.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Mr. PRESIDENT: We deeply appreciate the privilege of presenting to you a memorial representing 6,000,000 women patriots of the United States.

We believe this is the first petition in the history of our country in which all leading organizations of women—civic, fraternal, social, patriotic, and religious—as well as hundreds of notable women in the educational and official life of the Republic, have united. It comes to you, Mr. President, as the voice of the women of America. It comes to you, our Commander in Chief of the Army and Navy, at the time of an appalling crisis which peculiarly concerns the mothers of the Nation.

Educated by the Government to believe that food will win the war, these women, whose magnificent war service and sacrifice are everywhere attested, plead for the maximum conservation of food materials for the duration of the war. They earnestly and respectfully ask that all food materials now used in the production of malt liquors be diverted to food supplies desperately needed by our Army and the armies of the allies.

On behalf of the 6,000,000 petitioners, Mr. President, we thank you for the steps in this direction already taken, and we beg your early and favorable consideration of the prayer of the memorial we have the honor to place in your hands.

ANNA A. GORDON,
President National Woman's Christian Temperance Union.

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To Hon. WOODROW WILSON,
President of the United States:

Believing that the women of the United States are loyally doing their utmost in our national crisis to carry out all Government plans for the conservation of food; and

Realizing that there is still an alarming waste of foodstuffs in the production of malt and vinous liquors;

We, in behalf of mothers, wives, daughters, sisters, and sweethearts of enlisted men, appeal to you, our Commander in Chief of the Army and Navy, to prohibit the further waste of these foodstuffs in the production of malt and vinous liquors during the period of the war.

NATIONAL PRESIDENTS WOMEN'S ORGANIZATIONS—OFFICIAL SIGNERS.

Mrs. Josiah Evans Cowles, president general Federation of Women's Clubs, Los Angeles, Cal	2,600,000
Sarah E. Guernsey (Mrs. George Thacher), president general National Society Daughters American Revolution, Independence, Kans	101,178
H. K. Schoff (Mrs. Frederick), president National Congress of Mothers and Parent-Teacher Association, Philadelphia, Pa	150,000
Emma Bailey Speer (Mrs. Robert E.), president Young Women's Christian Associations of America, New York City	362,191
Myra Kingman Miller, president National Federation of College Women, New York City, N. Y	70,000
Mrs. Alice V. Morrill, president Woman's Board of Foreign Missions of Christian Church, Dayton, Ohio	5,000
Mrs. Wilbur P. Thirkield, president Woman's Home Missionary Society of the Methodist Episcopal Church, New Orleans, La	260,000
Mrs. M. Katherine Bennett, president Woman's Board of Home Missions, Presbyterian Church, Englewood, N. J	175,000
Mrs. William Watters, acting president the Woman's Foreign Missionary Society of the Presbyterian Church, Philadelphia, Pa	90,000
Marietta B. Wilkins, president Women's National Missionary Association of the Universalist Church, Salem, Mass	6,200
Mary A. Davis, honorary president National Free Baptist Women's Missionary Society, Pittsburgh, Pa	9,000
Clotilda L. McDowell (Mrs. Wm. F.), president the Woman's Foreign Missionary Society of the Methodist Episcopal Church, Washington, D. C	220,804
Helen Barrett Montgomery (Mrs. W. A.), president Woman's American Baptist Foreign Missionary Society, Rochester, N. Y	752,000
Maude M. Chadsey, president Woman's Home and Foreign Missionary Society of the Advent Christian Church, Boston, Mass	1,700
Miss Lucy Lowell, president of the Alliance Unitarian and Other Liberal Christian Women, Boston, Mass	21,700
Bina M. West, supreme commander Woman's Benefit Association of the Maccabees, Port Huron, Mich	194,000
Mrs. Walston Hill Brown, president National Child Welfare League, New York City, N. Y	400
Mary B. Talbert, president National Association of Colored Women, Buffalo, N. Y	100,000
Mrs. Charles R. E. Koch, national president Dames of the Loyal Legion, Evanston, Ill	360
Anna A. Gordon, president National Woman's Christian Temperance Union, Evanston, Ill	450,000
Emmeline B. Wells, president National Woman's Relief Society, Salt Lake City, Utah	50,000
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(Mrs.) Lois M. Knauff, national president Woman's Relief Corps, Chagrin Falls, N. Y	160,000
Alice Cary Risley, president National Association Army Nurses Civil War, Jefferson City, Mo	113
Mrs. Cynthia Westover Alden, president general the International Sunshine Society, New York City, N. Y	50,000
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Mary Clark Barnes (Mrs. Lemuel Call), president Neighbors' League of America, New York City, N. Y	100
Martha H. Tingey, president Young Ladies' National Mutual Improvement Association, Salt Lake City, Utah	35,080
Mary M. North, president American Woman's Press Association, Herndon, Va	150

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Martha Post, assistant State librarian, Cheyenne, Wyo.

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Ella Polk Hubbert, Birmingham Ledger, Birmingham, Ala.
Martha B. Keller, journalist, Skagway, Alaska.
(Mrs.) Bernie Babcock, Arkansas representative League of American Pen Women, Little Rock, Ark.
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(Miss) May E. Countryman, Connecticut representative League of American Pen Women, East Hadden, Conn.
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(Mrs.) C. V. S. Wilson, Florida representative League of American Pen Women, Sarasota, Fla.
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Alice W. Hunt, president Rhode Island Consumers' League, Providence, R. I.
Mrs. F. L. Mayes, State chairman Woman's Committee Council of National Defense, Greenville, S. C.
R Cora Brunson, president South Carolina Christian Woman's Board of Missions, Holly Hill, S. C
Mrs. J. L. Coker, jr., president South Carolina Federation of Women's Clubs, Hartsville, S. C.
Mrs. Joseph Sprott, State president Woman's Christian Temperance Union, Manning, S. C.
Mrs. Zillah E Wilson, State director South Dakota and member Executive Board of General Federation of Women's Clubs, Aberdeen, S. Dak.
Mrs. A. N. Aldrich, president South Dakota Christian Woman's Board of Missions, Aberdeen, S. Dak.
Helen S. Peabody, State chairman Woman's Committee Council of National Defense, Sioux Falls, S. Dak.

Mrs. Anna R. Simmons, State president Woman's Christian Temperance Union, Faulkton, S. Dak.
Lizzie Dickey Laughlin, department president Woman's Relief Corps, Pierre, S. Dak.
Gertrude B. Gunderson, president South Dakota Federation of Women's Clubs, Vermilion, S. Dak.
Anne Dallas Dudley (Mrs. Gilford), president Tennessee Equal Suffrage Association, Nashville, Tenn.
Laura Lee Sharp Polk (Mrs. Thomas), State regent Daughters of American Revolution, Jackson, Tenn.
Mrs. N. L. Carney, president Tennessee Christian Woman's Board of Missions, Clarksville, Tenn.
Mrs. Mary Phillips Bang, State president Woman's Christian Temperance Union, Nashville, Tenn.
Minnie Fisher Cunningham, president Texas Equal Suffrage Association, Galveston, Tex.
Mrs. W. W. Woodson, president Texas Women Bankers' Association, Waco, Tex.
Mrs. Elizabeth H. Potter, third vice president Texas Equal Suffrage Association, Tyler, Tex.
Mrs. M. Eleanor Brackenridge, honorary president Texas Equal Suffrage Association, San Antonio, Tex.
Mrs. E. A. Watters, president Texas Congress of Mothers and Parent-Teacher Association, Fort Worth, Tex.
Estelle B. Sharp (Mrs. W. B.), State chairman National League for Woman's Service, Houston, Tex.
Mrs. Rebecca J. Fisher, president Texas Daughters of the Republic, Austin, Tex.
Mrs. Laura B. Hart, past most worthy grand matron Order Eastern Star, San Antonio, Tex.
Mrs. James Lowry Smith, State regent Daughters American Revolution, Amarillo, Tex.
Mrs. Edward B. Frysinger, president Texas Branch International King's Daughters and Sons, Cleburne, Tex.
Mrs. Nannie Webb Curtis, State president Woman's Christian Temperance Union, Waco, Tex.
Mrs. Edward Bichsel, president Utah Federation of Women's Clubs, Ogden, Utah.
Mrs. W. W. Williams, State chairman Woman's Committee Council of National Defense, Salt Lake City, Utah.
Mrs. C. A. Walker, State president Woman's Christian Temperance Union, Salt Lake City, Utah.
Nannie V. Owen, department president Woman's Relief Corps, Ogden, Utah.
Helen Norris Cummings, general federation State secretary Virginia Women's Clubs, Alexandria, Va.
Lila Meade Valentine (Mrs. B. B.), president Virginia Suffrage Association, Richmond, Va.
Mrs. S. W. Jamison, former State regent Daughters American Revolution, Norfolk, Va.
Sara H. Hoge (Mrs. Howard M.), assistant recording secretary, National Woman's Christian Temperance Union; State president Woman's Christian Temperance Union, Lincoln, Vt.
Martha T. Buckham, president Vermont Woman's Board of Foreign Missions, Burlington, Vt.
Mrs. John A. Mead, president Vermont Colonial Dames of America, Rutland, Vt.
Isabel Reynolds Marsh, State regent Daughters American Revolution, Brandon, Vt.
Mrs. J. E. Weeks, State chairman woman's committee, Council of National Defense, Middlebury, Vt.
Mary B. Coan, vice president Vermont Parent-Teacher Association, Rutland, Vt.
Mrs. Henry A. Harman, president Vermont Branch National Congress of Mothers, Rutland, Vt
Mrs. Minnie L. Pearson, State president Woman's Christian Temperance Union, Orleans, Vt.
Mrs. Martha A. Stoddard, grand matron Vermont Chapter, Order Eastern Star, Charlotte, Vt.
Nellie C. Crowley, Department Vermont Woman's Relief Corps, Rutland, Vt.
Mary D. Hickman Price, president Washington Colonial Dames of America, Seattle, Wash.
Mrs. Solon Shedd, former State president Federation of Women's Clubs, Pullman, Wash.
Mrs. Lottie P. Shotwell, president West Washington Woman's Missionary Society, Christian Church, Seattle, Wash.
Mrs. N. L. McCready, president Washington State Federation of Women's Clubs, Olympia, Wash.
Ruth Karr McKee, former State president Federation of Women's Clubs, Hoquiam, Wash.
Mrs. Carrie M. Barr, State president East Washington Woman's Christian Temperance Union, North Yakima, Wash.
Mrs. Harriet B. Dunlap, State president West Washington Woman's Christian Temperance Union, Seattle, Wash.
Mary Isabel McRae, State commander Ladies' Maccabees, Olympia, Wash.
Mrs. Kate Carlin, department president Woman's Relief Corps, Spokane, Wash.
Mary M. De Bolt (Mrs. George), State president Federation of Women's Clubs, Fairmont, W. Va.
Julia W. Ruhl, president West Virginia Equal Suffrage Association, Clarksburg, W. Va.
Lenna Lowe Yost (Mrs. Ellis A.), State president Woman's Christian Temperance Union, Morgantown, W. Va.
Mrs. Kittie E. Moore, State supervising deputy Ladies of the Maccabees, West Virginia.
Mrs. D. O. Kinsman, former State president Federation Women's Clubs, Appleton, Wis.
Mrs. J. C. Thurman, president Wisconsin Woman's Board of Missions, Green Bay, Wis.
Lellie B. Harvey (Mrs. L. D.), State president Federation Women's Clubs, Menominee, Wis.
Mrs. John Faville, president Wisconsin Woman's Home Missionary Union Congregational Church, Appleton, Wis.
Mrs. John Hume, State regent Daughters American Revolution, Milwaukee, Wis.
Mrs. W. A. Lawson, State president Woman's Christian Temperance Union, Milwaukee, Wis.
Mrs. R. A. Morton, president Wyoming Federation Women's Clubs, Cheyenne, Wyo.
Mrs. Edward Gillette, president Wyoming Colonial Dames of America, Sheridan, Wyo.
Mrs. Anna Allison, State president Woman's Christian Temperance Union, Cheyenne, Wyo.
Miss Winifred D. Stuart, deputy commissioner public lands for Wyoming, Cheyenne, Wyo.
Cornelia B. Mills, secretary State Board of Charities and Reform, Cheyenne, Wyo.
Mrs. L. B. Bush, State factory inspector, Montgomery, Ala.
Mrs. Thomas W. Palmer, wife of president Alabama School for Girls, Montevallo, Ala.
Miss Ethel Moore, vice president southern Pacific section, Association of Collegiate Alumnæ, Oakland, Cal.
Mrs. Alice Stebbins Wells, president International Association Policewomen, first policewoman, Los Angeles Cal.
Helen Wooster Peckham, Berkeley, Cal.
Mrs. William H. Crocker, San Francisco, Cal.
Mrs. Annie E. K. Bidwell, philanthropist, Chico, Cal.
Mrs. Luther Burbank, Santa Rosa, Cal.
Margaret G. Hyatt (Mrs. Edward), deputy superintendent public instruction, Sacramento, Cal.
Dr. Mary Elizabeth Bates, second vice president Medical Women's National Association; president Humane Education Society; Denver, Colo.
Mrs. Daisy Harrison Snyder, wife of president Fort Lewis School of Agriculture, Hesperus, Colo.
Clara B. Kelley (Mrs. J. H.), wife of president State Normal School, Gunnison, Colo.
Carrie Richards Lory (Mrs. Charles A.), wife of president State Agricultural College, Fort Collins, Colo.
Clara Ruth Mozzor, assistant attorney general, Denver, Colo.
Mrs. Fannie Shattuck Howe, wife of dean Denver University, Denver, Colo.
Mrs. J. G. Crabbe, wife of president State Teachers' College, Greeley, Colo.
Mrs. R. C. Newton, Woodbridge, Conn.
Mrs. A. N. Farnham, Westville, Conn.
Katharine Houghton Hepburn, member national executive committee Woman's Party, Hartford, Conn.
Mary H. Saulsbury, sister of late United States Senator, Wilmington, Del.
Elizabeth Everett du Pont (Mrs. Victor), Guyencourt, Del.
Florence Bayard Hilles (Mrs. W. S.), member national executive committee Woman's Party, Wilmington, Del.
Josephine du Pont (Mrs. Victor du Pont, sr.), Wilmington, Del.
Lucy Madeira Wing (Mrs. David L.), vice president southern Atlantic section, Association of Collegiate Alumnæ, Washington, D. C.
Mrs. Cato Sells, wife of United States Commissioner Indian Affairs, Washington, D. C.
Mrs. Philander P. Claxton, wife of United States Commissioner of Education, Washington, D. C.
Mrs. Kirk Munroe, club woman, Miami, Fla.
Eloise M. Hulley, wife of president Stetson University, De Land, Fla.
Flora B. Brown, traveling teacher, Orlando, Fla.
Mrs. James L. Dickey, jr., president Catholic Altar Society, Atlanta, Ga.
Mrs. W. L. Pickard, wife of president Mercer University, Macon, Ga.
Bernie Sheffield Covington (Mrs. W. A.), Moultrie, Ga.
Mrs. Lillian Kemp Malone (Mrs. J. W.), wife of president Andrew College, Cuthbert, Ga.
Mrs. Sam P. Jones, wife of evangelist, Cartersville, Ga.
Mrs. L. G. Hardman, Commerce, Ga.
Mrs. Seaborn Wright, Rome, Ga.
Mary Harris Armor, Macon, Ga.
Mrs. H. R. Slack, Lagrange, Ga.
Mrs. W. R. Stubbs, Savannah, Ga.
Mrs. Marvin McT. Parks, wife of president Georgia Normal and Industrial College, Milledgeville, Ga.
Mrs. Jere M. Pound, wife of president State Normal School, Athens, Ga.
Mrs. C. R. Jenkins, wife of president Wesleyan College, Macon, Ga.
Mrs. W. L. Hopper, Honolulu, Hawaii.
Mrs. C. E. Rose, Boise, Idaho.
Ethel W. Cunningham (Mrs. R. D.), president Evanston Political Equality League, Evanston, Ill.
Jane Addams, founder and head of Hull House, Chicago, Ill.
Frances Pride Parks, corresponding secretary National Woman's Christian Temperance Union, Evanston, Ill.
Margaret C. Munns, treasurer National Woman's Christian Temperance Union, Evanston, Ill.
Margaret Robins (Mrs. Raymond), president National Trade Woman's League, Chicago, Ill.
Grace Abbott, Hull House, Chicago, Ill.
Celia Parker Woolley, lecturer, Chicago, Ill.
Katharine Puncheon Pomeroy, treasurer National Association Collegiate Alumnæ, Chicago, Ill.
Elizabeth A. Sweets, general secretary Young Woman's Christian Association, Indianapolis, Ind.
Adelaide G. Mason (Mrs. W. N.), wife of former president Baker University, Topeka, Kans.
Mrs. G. A. Supple, president Good Government Club, Topeka, Kans.
Mrs. O. L. Moore, president The Woman's Club, Topeka, Kans.
Mrs. D. Lee Curry, Harrodsburg, Ky.
Mrs. V. O. Gilbert, wife of State superintendent of education, Frankfort, Ky.
Mrs. A. J. G. Wells, Lexington, Ky.
Mrs. W. A. Frost, wife of president Berea College, Wingo, Ky.
Mrs. Sarah E. Morse, Pineville, Ky.
Mrs. Henry L. Stone, Louisville, Ky.
Mrs. Charles A. Hardin, wife of Commonwealth attorney, Harrodsburg, Ky.
Julia Washburn, M. D., Lexington, Ky.
Mrs. Edwin P. Morrow, Somerset, Ky.
Mrs. H. V. McChesney, Frankfort, Ky.
Rebecca Gordon Averell, president Philanthropy Club, Frankfort, Ky.
Mrs. J. E. Grubbs, Winchester, Ky.
Mrs. S. M. Hubbard, Hickman, Ky.
Mrs. W. W. Tinsley, Barbourville, Ky.
Mrs. James M. Benton, Winchester, Ky.
Alice Lloyd, chairman Food Conservation Campaign, Maysville, Ky.
Mrs. Frank L. McVey, wife of president State university, Lexington, Ky.
Alice Lewis (Mrs. William), London, Ky.
Mrs. J. H. Gilliam, wife of Commonwealth attorney, Scottsville, Ky.
Mrs. Mary B. R. Day, Frankfort, Ky.

Kate M. Gordon, New Orleans, La.
Fannie R. Gordon, New Orleans, La.
Mrs. J. E. Kenny, Ruston, La.
Mrs. A. F. Storm, Morgan City, La.
Mrs. A. M. Mayo, Lake Charles, La.
Helen Frye White (Mrs. W. H.), daughter of late United States Senator, Lewiston, Me.
Eunice H. Frye (Mrs. George C.), club woman, Portland, Me.
Julia D. Dow (Mrs. Frederick Neal), Portland, Me.
Harriette Gray (Mrs. Carl R.), Roland Park, Md.
Mrs. Wilfred T. Grenfell, wife of medical missionary to Labrador, Boston, Mass.
Miss Ellen M. Stone, missionary to European Turkey, Chelsea, Mass.
Laura A. C. Hughes, former national president Spanish-American War Nurses; medical inspector, department of health, Boston, Mass.
Mary Almira Smith, M. D., chairman committee, Women's Army Hospitals in Home Zone of Medical Women's National Association, Boston, Mass.
Emma B. Culbertson, M. D., Boston, Mass.
Adeline A. Davidson (Mrs. F. F.), vice president Review Club, Auburndale, Mass.
Gertrude Halladay Leonard, lecturer, Brookline, Mass.
Mrs. Austin C. Wellington, president Daughters of the American Revolution, Cambridge, Mass.
Mrs. Emory F. Chaffee, vice president Harvard Woman's Club, Belmont, Mass.
Ida Marion Chase Baker (Mrs. George Minot), president Fathers and Mothers' Club, Concord, Mass.
Maud Wood Park, lecturer; congressional chairman National American Woman Suffrage Association, Boston, Mass.
Lucia Ames Mead, lecturer, Brookline, Mass.
Rev. Ada C. Bowles, Gloucester, Mass.
Mary Hutcheson Page, president Equal Suffrage Association, Boston, Mass.
Mrs. Kenyon L. Butterfield, wife of president Massachusetts Agricultural College, Amherst, Mass.
Elizabeth L. Clark (Mrs. S. F.), vice president North Atlantic Section Association Collegiate Alumnæ, Williamstown, Mass.
Mary Thompson Stevens, M. D., Detroit, Mich.
Mrs. Truman H. Newberry, president Needlework Guild of America, Detroit, Mich.
Mrs. Samuel Dickie, wife of president Albion College, Albion, Mich.
Mary C. Leet (Mrs. Thomas), president Central District Woman's American Baptist Foreign Mission Society, Detroit, Mich.
Mrs. H. J. Van Zalingen, child-welfare work, Muskegon, Mich.
Cora E. Ketcham (Mrs. John) wife of master State Grange, Hastings, Mich.
Mrs. Huntley Russell, Grand Rapids, Mich.
Margaret U. Ferguson (Mrs. C. M.), club woman, Minneapolis, Minn.
Emily H. Noyes, president St. Paul Young Women's Christian Association, St. Paul, Minn.
Grace Swift Strong (Mrs. A. W.), chairman Minneapolis Division, Public Safety Commission, Minneapolis, Minn.
Mabel W. Sprong (Mrs. C. E.), Duluth, Minn.
Mrs. George H. Patridge, Minneapolis, Minn.
Edith G. Mayo (Mrs. C. H.), wife of surgeon, Rochester, Minn.
Mrs. J. L. Washburn, club woman, Duluth, Minn.
Mrs. N. H. Winchell, Minneapolis, Minn.
Mrs. W. H. Smith, wife of president Agricultural and Mechanical College, Mississippi.
Mrs. W. H. Frazer, wife of president Belhaven College, Jackson, Miss.
Daisy McLaurin Stevens, member Naval Commission on Training Activities, Hattiesburg, Miss.
Stella C. Stimson (Mrs. S. C.), club woman, Terre Haute, Ind.
Mrs. Philip N. Moore, president National Council of Women, St. Louis, Mo.
Mary H. McLean, M. D., third vice president Medical Woman's National Association, St Louis, Mo.
Mrs. W. H. Bisland, president Woman's Presbyterian Board of Foreign Missions of the Southwest, St Louis, Mo.
Mrs. G. V. R. Mechin, president Woman's Council of St. Louis, St. Louis, Mo.
Maria M. Dean, M. D., vice president North Rocky Mountain Section Association of Collegiate Alumnæ, Alma, Mont.
Mrs. C. F. Zoller, Roundup, Mont.
Mrs. Carrie E. Armstrong, Culbertson, Mont.
Mrs. J. A. Morrow, Ryegate, Mont.
Mrs. Mary J. Wilkinson, Antrim, N. H.
Marguerite Whipple Stoddard, president Teachers' Guild, Manchester, N. H.
Grace P. Tracy (Mrs. Charles Alden), wife of principal Kimball Union Academy, Meriden, N. H.
Fanny E. Minot, past national president Woman's Relief Corps, Concord, N. H.
Mabel Nevins Adams (Mrs. Wesley), home economics committee; woman's committee, Council of National Defense, Derry, N. H.
Mrs. Olive Rand Clark, president Manchester Equal Suffrage Association, Manchester, N. H.
Mrs. Mary Packard Cass, club woman, Tilton, N. H.
Mrs. Stephen B. Harrison, club woman, Newark, N. J.
Mrs. Margaret Dye Ellis, national legislative representative, Woman's Christian Temperance Union, Newark, N. J.
Emily P. Dennis (Mrs. Laban), Orange, N. J.
Emily P. Jenkinson (Mrs. Richard C.), president Newark Young Woman's Christian Association, Newark, N. J.
Mrs. Julius Levy, Newark, N. J.
Mrs. John Francis Yawger, president New York City Federation of Women's Clubs, New York City, N. Y.
Miss Mabel Cratty, president New York City Young Women's Christian Association, New York City, N. Y.
Fanny G. Villard (Mrs. Henry), daughter William Lloyd Garrison, New York City, N. Y.
Katharine Bement Davis, chairman Parole Commission, New York City, N. Y.
Mrs. James S. Allen, corresponding secretary Woman's Board Missions, Reform Church, East Branch, N. Y.
Eliza M. Mosher, M. D., honorary president Medical Women's National Association, Brooklyn, N. Y.
Isabella Charles Davis, cofounder International Order King's Daughters and Sons, New York City N. Y
Marion Craig Potter, M. D., chairman membership committee, Medical Women's National Association for War Service, Rochester, N. Y.
Mrs. Richard M. Colgate, New York City, N. Y.
Belle Thomas, M. D., Medical Women's National Association, New York City, N. Y.
Gertrude S. Martin, executive secretary Association Collegiate Alumnæ, Ithaca, N. Y.
Elizabeth Johnson Van Slyke, M. D., superintendent Woman's Hospital, New York City, N. Y.
Maud Ballington Booth, Volunteers of America, New York City, N. Y.
Elizabeth Bisland Wetmore, Flushing, N. Y.
Rosalie Slaughter Morton, M. D., chairman American Women's Hospitals organized by war service committee of the Medical Women's National Association; member of the general medical board of the Council of National Defense; New York City, N. Y.
Mary G. Hay, chairman New York City Woman Suffrage Party, New York City, N. Y.
Carrie Chapman Catt, New York City, N. Y.
Mrs. Stephen S. Wise, wife of Rabbi Wise, chairman child adoption committee of Free Synagogue Social Service, New York City, N. Y.
Angenette Parry, M. D., New York City, N. Y.
Martha Wollstein, M. D., chairman laboratory work committee of Medical Women's National Association, New York City, N. Y.
Georgina F. Dewey, New York City, N. Y.
Bessy R. Finley, New York City, N. Y.
De Lan Kinney, DD. S., New York City, N. Y.
Mrs. E. W. Bedell, Clinton Corners, N. Y.
Edith R Hatch, M. D., chairman substitution in private practice committee of Medical Women's National Association, Buffalo, N. Y.
Mrs. William L. Poteat, wife of president Wake Forest College, Wake Forest, N. C.
Mrs. F. P. Hobgood, wife of president Oxford College, Oxford, N. C.
Mrs. C. P. Blalock, teacher, Raleigh, N. C.
Sally S. Kirby, president Charity Organization Society, Goldsboro, N. C.
Mrs. R. M. Pollock, chairman press committee North Dakota Federation of Women's Clubs, Fargo, N. Dak.
Minnie B. Featherstone (Mrs. J. E.), president Tuesday Club, Valley City, N. Dak.
Mrs. W. J. Knoeshaw, wife of district judge, Pembina, N. Dak.
Mrs. J. A. Coffey, wife of judge district court, Jamestown, N. Dak.
Mrs Charles Malcolm Cooley, wife of judge, Grand Forks, N. Dak.
Eleanora S. Evarhard, M. D., chairman committee care of soldiers' dependents Medical Women's National Association, Dayton, Ohio.
Mrs. G. B. Hester, temperance missionary, Muskogee, Okla.
Mrs. Lilah D. Lindsey, secretary and treasurer Tulsa County Council National Defense, Tulsa, Okla.
Mrs. Booth Tarkington, wife of author, Indianapolis, Ind.
Evalyn C. Lovejoy (Mrs. Owen R.), New York City, N. Y.
Miss Laura Clay, Lexington, Ky.
Mrs. Charles L. Houston, Coatsville, Pa.
Caroline McDowell (Mrs. J. C.), chairman of temperance bureau of Woman's Home Missionary Society of Methodist Episcopal Church, Pittsburgh, Pa.
Rosamond K. Bender, secretary the Needlework Guild of America, Philadelphia, Pa.
Mrs. Samuel Semple, member of industrial board Pennsylvania Department of Labor and Industry, Titusville, Pa.
Carrie H. Smith (Mrs. Howard Wayne), president Atlantic District Woman's American Baptist Foreign Missionary Society, Philadelphia, Pa.
Mrs. J. D. O'Neil, wife of commissioner of highways, McKeesport, Pa.
Anna Jarvis, founder of Mothers' Day, Philadelphia, Pa.
Margaret E. Hodge, former president Woman's Foreign Missionary Society Presbyterian Church, Philadelphia, Pa.
Eliza G. Chase (Mrs. Arnold B.), Providence, R. I.
Maude Howe Elliott, daughter of Julia Ward Howe, Acquidneck, R. I.
Helen C. Putnam, M. D., former president American Academy of Medicine, Providence, R. I.
Alice B. Ham (Mrs. Livingston), Providence, R. I.
Mrs. Henry Fletcher, wife of former mayor of Providence, Providence, R. I.
Mrs. W. H. P. Faunce, wife of president Brown University, Providence, R. I.
Ingeborg Kindstedt, suffrage lecturer, Providence, R. I.
Ada Wing Mead, state chairman food conservation committee woman's division Council of National Defense, Providence, R. I.
Ellen A. Stone, M. D., city school physician, Providence, R. I.
Edith Weir Perry (Mrs. James De Wolf), wife of Episcopal bishop, Providence, R. I.
Mrs. Trisham Tupper Hyde, wife of mayor of Charleston, Charleston, S. C
Lucie Barrow Gonzales, Columbia, S. C.
Mrs. W. G. Bickelhaupt, Aberdeen, S. Dak
Mrs. May P. King, St. Lawrence, S. Dak.
Elizabeth Kane, M. D., first vice president Medical Woman's National Association, Memphis, Tenn.
Eunice Fite Yost (Mrs. Fielding H.), wife football coach, University of Michigan, Nashville, Tenn.
Mrs. John M. Hanna, chairman Southwestern Field Committee Young Woman's Christian Association, Dallas, Tex.
Mrs. John G. Willacy, San Antonio, Tex.
Mrs. Cone Johnson, Tyler, Tex.
Mrs. A. V. Lane, vice president general National Society Daughters American Revolution, Dallas, Tex
Kate Waller Barrett, president National Florence Crittenton Mission, Alexandria, Va.
Mrs. Henry Louis Smith, wife of president Washington and Lee University, Lexington, Va.
Mrs. E. B. White, Leesburg, Va.
Grace W. Sherwood, M. D., St. Albans, Vt.
Mrs. Guy Potter Benton, wife of president University of Vermont, Burlington, Vt.
Mrs. Frances C. Axtell, vice chairman United States Employees' Compensation Commission, Bellingham, Wash.
Maud M. Gill (Mrs. Hiram C.), wife of mayor Seattle, Seattle, Wash.
Mrs. J. W. Bryan, Seattle, Wash.
Mrs. George F. Cotterill, wife of former mayor Seattle, Olympia, Wash.
Genevieve S. Blethen, Seattle, Wash.
Laura Whipple Carr (Mrs. Alvah L.), vice president Southern Pacific Association Colegiate Alumnæ, Seattle, Wash.

Mrs. Corwin S. Shank, president Columbia River District Woman's American Baptist Foreign Missionary Society, Seattle, Wash.
Harriet B. Jones, M. D., Glendale, W. Va.
Mrs. R. L. Hutchinson, director general Federation Women's Clubs, Huntington, W. Va.
Rev. Olympia Brown, national president Federal Suffrage Association, Racine, Wis.
Mrs. A. P. Nelson, wife of president Wisconsin University, Grantsburg, Wis.
Mrs. Edward Dwight Eaton, wife of president Beloit College, Beloit, Wis.
Mrs. Donald D. MacLaurin, president Northwestern District Woman's Baptist Foreign Missionary Society, Madison, Wis.

WASHINGTON, D. C., *March 1, 1918.*

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Headed by the name of Mrs. Frances F. Cleveland Preston, a notable petition representing nearly 6,000,000 women was presented to the President to-day, urging that the production of malt liquors in the United States be stopped in the interest of the conservation of foodstuffs. The petition states that the grain being used in the brewing of beer and ale and other malt beverages in America is enough to make more than 4,000,000 loaves of bread daily. It also states that the women of America ask that this great saving be made by a proclamation of the President.

The petition contains the official signatures of 28 presidents of national organizations, representing 5,917,976 women. Among these signatures are to be found the names of Mrs. Josiah Evans Cowles, president General Federation of Women's Clubs; Mrs. George Thacher Guernsey, president general Daughters American Revolution; Mrs. H. K. Schoff, president National Congress of Mothers and Parent-Teacher Association; Mrs. Robert E. Speer, president of the Young Women's Christian Association of America; Myra Kingman Miller, President National Federation of College Women; Anna A. Gordon, president National Woman's Christian Temperance Union.

In addition to this official group there are individual signatures of almost a thousand noted women of America. Among the signers are many wives of United States Senators and Representatives, wives of governors and former governors, women members of State legislatures, and Miss JEANNETTE RANKIN, of Montana, the woman Member of the National Congress.

Among the educators who have signed the petition are Mrs. C. C. Bradford, president National Education Association; Ella Flagg Young; Julia C. Lathrop; Mary E. Wooley, president Mount Holyoke College; Ella F. Pendleton, president Wellesley College; M. Carey Thomas, president Bryn Mawr College; and the dean of women of many of the largest colleges in America.

With the individual group of petitioners are presidents and chairmen of State organizations, such as Colonial Dames, Daughters American Revolution, Woman's Christian Temperance Union, Red Cross societies, Florence Crittenton missions, missionary societies of all denominations, equal-suffrage associations, Federation Women's Clubs, woman's committees Council National Defense, Dames of Loyal Legion, Woman's Liberty Loan Committee, Woman's Relief Corps, National League for Women's Service, Federation Music Clubs, war work councils, Order Eastern Star, Mother's Congress and parent-teacher associations, Juvenile Protective Association, State boards charities and corrections, Sunshine Society, Good Government Leagues, Royal Neighbors, Anti-Suffrage Association, Ladies' of the Grand Army of the Republic, Graduate Nurses' Association, Home Makers' Associations, Child Welfare Leagues, International Order King's Daughters and Sons, Ladies of the Maccabees, consumers' leagues, humane education societies, woman's party, Catholic altar societies, medical women's associations, associations collegiate alumnæ, needlework guilds, woman's farm and garden associations, neighbors leagues; Rebekah assemblies, Pythian Sisters, playground associations, Council Jewish Women, United Daughters Confederacy, women's bank associations.

There are the signatures of women State officials in suffrage States—deputy commissioners public lands, members labor commissions, State factory inspectors, deputy superintendents public instruction, chairmen State public safety commissions, and assistant attorneys general.

Standing out conspicuously are the signatures of women of national reputation—Jane Addams, Hull House; Mrs. Raymond Robins; Laura Clay; Kate M. Gordon; Jean Gordon; Mrs. Truman H. Newberry; Daisy McLaurin Stevens, member Naval Commission on Training Activities; Maud Ballington Booth; Mrs. Frances C. Axtell, vice chairman United States Employees' Compensation Commission; Alice Stebbins Wells, president International Association of Policewomen; Katherine Bement Davis; Anna Jarvis, founder Mother's Day; Kate Waller Barrett; Helen Ring Robinson; Mrs. John A. Logan.

Of wives of prominent men in America, Mrs. Philander P. Claxton, Mrs. William J. Bryan, Mrs. Wilfred T. Grenfell, Mrs. Stephen S. Wise, Mrs. Booth Tarkington, Mrs. Owen Lovejoy, Mrs. Luther Burbank, and wives of United States Senators and Representatives, of governors, of members State supreme courts, attorneys general, State senators and representatives, State auditors, commissioners labor, secretaries state.

Among the petitioners are authors, editors, artists penwomen, doctors, lawyers. From almost every State in the Union are the signatures of journalists. Conspicuous are the names of the authors, Alice Hegan Rice, Gene Stratton Porter, Marietta Holley; of artists and illustrators, Mary Mears, Jessie Wilcox Smith, and Annetta St. Gaudens.

It is a "win-the-war" appeal from women who are responding to all conservation requests of the United States Government.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Agriculture and Forestry was, on page 81, line 24, after the words "general expenses," to strike out "$961,705" and insert "$1,011,705," so as to make the clause read:

In all, for general expenses, $1,011,705.

The amendment was agreed to.

The next amendment was, on page 82, line 24, after the words "Bureau of Markets," to strike out "$1,973,255" and insert "$2,023,255," so as to make the clause read:

Total for Bureau of Markets, $2,023,255.

The amendment was agreed to.

The next amendment was, on page 82, after line 24, to insert:

In the performance of the duties required of the Bureau of Markets in the administration or enforcement of provisions of acts (United States cotton-futures act, 39 Stat. L., 476; United States grain standards act, 39 Stat. L., 482; United States warehouse act, 39 Stat. L., 486; standard container act, 39 Stat. L., 673; and the acts making annual appropriations for the Department of Agriculture) relating to the Department of Agriculture, the Secretary of Agriculture, or any representative authorized by him for the purpose, shall have power to administer oaths, examine witnesses, and call for the production of books and papers during the fiscal year ending June 30, 1919.

The amendment was agreed to.

The next amendment was, on page 85, line 26, after the words "ordinary work," to strike out "$25,195,173" and insert "$25,500,333," so as to make the clause read:

Total, Department of Agriculture, for routine and ordinary work, $25,500,333.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous," on page 91, line 6, after the word "distribution," to strike out "$400,000," and insert "$700,000," so as to make the clause read:

To conduct surveys and inspections in Texas or in any other State to detect any infestation and to conduct such control measures, including the establishment of cotton-free areas, in cooperation with the State of Texas or other States concerned, as may be necessary to stamp out such infestation, to establish in cooperation with the States concerned a zone or zones free from cotton culture on or near the border of any State or States adjacent to Mexico, and to cooperate with the Mexican Government or local Mexican authorities, or otherwise, by undertaking in Mexico such measures for the extermination of the pink bollworm of cotton as shall be determined to be practicable from surveys showing its distribution, $700,000: *Provided*, That no part of the money herein appropriated shall be used to pay the cost or value of crops or other property injured or destroyed.

Mr. GALLINGER. Mr. President, I ask that the entire provision relating to the comparatively new pest called the pink bollworm be read, commencing in line 23, page 89.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

Eradication of pink bollworm: To enable the Secretary of Agriculture to meet the emergency caused by the existence of the pink bollworm of cotton in Mexico, and to prevent the establishment of such insect in the United States by the employment of all means necessary, including rent outside of the District of Columbia and the employment of persons and means in the city of Washington and elsewhere, as follows:

To prevent the movement of cotton and cotton seed from Mexico into the United States, including the regulation of the entry into the United States of railway cars and other vehicles, and freight, express, baggage, or other materials from Mexico, and the inspection, cleaning, and disinfection thereof, $50,000;

To make surveys to determine the actual distribution of the pink bollworm in Mexico and to exterminate local infestations in Mexico near the border of the United States, in cooperation with the Mexican Government or local Mexican authorities, $25,000;

To investigate in Mexico or elsewhere the pink bollworm as a basis for control measures, $25,000;

To conduct surveys and inspections in Texas or in any other State to detect any infestation and to conduct such control measures, including the establishment of cotton-free areas, in cooperation with the State of Texas or other States concerned, as may be necessary to stamp out such infestation, to establish in cooperation with the States concerned a zone or zones free from cotton culture on or near the border of any State or States adjacent to Mexico, and to cooperate with the Mexican Government or local Mexican authorities, or otherwise, by undertaking in Mexico such measures for the extermination of the pink bollworm of cotton as shall be determined to be practicable from surveys showing its distribution, $400,000: *Provided*, That no part of the money herein appropriated shall be used to pay the cost or value of crops or other property injured or destroyed.

Mr. GALLINGER. Mr. President, I want to ask the Senator in charge of the bill what the appropriation was last year for the eradication of this pest called the pink bollworm?

Mr. GORE. Mr. President, I will say to the Senator that there was no appropriation under this item last year. It is a new pest that has been introduced, I believe, into Mexico and comes to the United States from Mexico.

Mr. GALLINGER. Is the Senator quite sure that there was no appropriation last year? There surely was at some time an appropriation.

Mr. VARDAMAN. That was for the boll weevil.

Mr. GORE. I fear the Senator has confused this with the Mexican boll weevil.

Mr. GALLINGER. Not at all. I know all about that appropriation; but I am very sure that last year the question was up as to this new pest, called the pink bollworm.

Mr. GORE. There was an item in regard to it in the urgent deficiency bill, not in the Agriculture appropriation bill.

Mr. GALLINGER. Yes; that is it. Can the Senator state the amount?

Mr. GORE. Two hundred and fifty thousand dollars.

Mr. GALLINGER. We have made quite a jump in this matter. It is taking a wide range now. There are several paragraphs relating to it—one of $50,000, another of $25,000, another of $25,000, and another of $700,000. It seems to me that we are traveling at rather a rapid rate, a most extraordinary rate, concerning this new pest.

Mr. GORE. Mr. President, I will say to the Senator that the appropriation is based on the theory that it is better to prevent the spread of this pest than to wait until it has spread and then try to eradicate it. It has lately come over from Mexico. It is the most deadly and destructive pest which has yet attacked the cotton plant; and in this case we have raised the appropriation to the amount estimated by the department. They estimated $800,000.

Mr. GALLINGER. Can the Senator tell the Senate how extensive this pest is, so far as our own territory is concerned?

Mr. GORE. I think not very extensive at this time. I have here a letter from the department that I will have read to the Senate, and also a suggested amendment to this provision.

Mr. GALLINGER. I will say to the Senator that I thought, from the reading of the text, that this was rather a preventive measure.

Mr. GORE. It is; yes, sir.

Mr. GALLINGER. They are going to arrest it at the Mexican border and keep it on Mexican territory.

Mr. GORE. That is so.

Mr. GALLINGER. I wish we might do that, because I think it is a good thing to keep those pests on Mexican soil rather than on the soil of the United States.

Mr. GORE. Yes; and they have no troubles down there. We have enough of our own already.

Mr. GALLINGER. Well, they have some, I think, in Mexico at the present time.

Mr. GORE. I believe Abe Martin said he would rather be wrong than be President of Mexico.

Mr. GALLINGER. Does the Senator desire to have that letter read? I am interested in this matter, but I will not ask for it.

Mr. GORE. Then I will not inflict it on the Senate.

Mr. VARDAMAN. Mr. President, if the Senator will permit me, I will state that even as far away from the Mexican line as Mississippi the cotton planters are very much exercised over the appearance of this pest. Recently a convention of the planters of the entire State was held at the capital, and it was stated that the pest really menaces the entire cotton industry of the South if it is not stopped.

Mr. GALLINGER. Mr. President, I was rather startled by recalling the fact that we had made a small appropriation for this purpose—I had forgotten what appropriation bill it was in, but my memory is refreshed by the suggestion of the Senator from Oklahoma that it was $250,000—and now $800,000 is asked; and yet the bug is not yet on the territory of the United States to any considerable extent.

Mr. GORE. I think it is in Texas to some extent.

Mr. GALLINGER. To some extent?

Mr. GORE. Yes, sir; in Texas.

Mr. VARDAMAN. It is in several States.

Mr. GALLINGER. I presume we have got to try to exterminate this insect if we can. I am much interested in the development of the cotton industry, which seems to be doing mighty well in these days, when cotton is selling at $180 a bale.

Mr. GORE. No; about $150 to $170. Including the seed, it would be more, however.

Mr. GALLINGER. Yes; about $180 a bale. But however that may be, Mr. President, we want to protect that great crop. It is very essential to our own welfare and to the conduct of the war. I have sometimes thought it ought to be taxed; but that, I presume, we will never accomplish, and perhaps we ought not. I am not so sure on that point. But the rapid increase in these appropriations attracted my attention, and I wanted to ask this question. If this insect is as deadly as is suggested to the culture of cotton, of course this will be a wise appropriation, provided we can halt its progress into the cotton States; but it was so great a jump from the appropriation of last year to this proposed appropriation that I wanted some information about it.

The truth is, it seems to have become rather an industry to hunt up some insect that is going to attack an agricultural crop. Somebody said to me that the sweet potatoes are in danger. I do not know how that is. It has been suggested to me that we ought to look after some insect that threatens that crop; and I shall be very sorry if that crop is in danger or in danger of being destroyed.

I am satisfied with this matter so far as the answer concerning it is concerned, and shall make no objection to it, beyond expressing the hope that we may not be met by a proposed appropriation of $1,600,000 next year; and I trust they will be able to stop the ravages of that pink insect at the Rio Grande. That is where it ought to be. It ought to be relegated to Mexican soil, and kept there, rather than to come into Texas or any other State of the Union.

Mr. GORE. Mr. President, I entirely coincide with the Senator, in the hope that we can stay this invader at the border. I now send to the desk an amendment suggested by the department to the amendment which has just been read.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. On page 90, at the end of line 11, it is proposed to insert——

The PRESIDING OFFICER. The Chair will say to the Senator from Oklahoma that that will be an amendment to the bill and not an amendment to this amendment. The question is on the adoption of the amendment to strike out "$400,000" and insert "$700,000." This has not any relevancy to that amendment.

Mr. GORE. Yes; it does not refer to the amendment, but to the bill.

Mr. WADSWORTH. Mr. President, before the committee amendment is adopted I want to ask the chairman of the committee, or some Senator from one of the cotton States, to state, in a few words, if possible, the results thus far accomplished under the appropriations which have been made by Congress for several years in the attempt to eradicate the boll weevil. What has been done with an average of $600,000 per year?

Mr. GORE. Mr. President, I will say that the Government has not been able to eradicate the weevil, but on account of the weevil the production of cotton was reduced. I understand, as much as 75 per cent in some portions of the great cotton belt of Texas. In Louisiana and in Mississippi there was a corresponding reduction when the pest first made its appearance in that region, but the department has succeeded, by cooperative methods with farmers, in restoring the production of cotton to the old level by improved cultural methods and ways and means of circumventing the weevil and counteracting its effects, but not in the way of direct extermination of the weevil itself.

Mr. WADSWORTH. Is it the opinion of the Senator that it is necessary to continue to appropriate this sum indefinitely in order to circumvent the weevil?

Mr. GORE. I think for the present it is, because the weevil has not extended itself over the entire cotton country, but is extending its invasion eastward all the while, and it is necessary to institute these ways and means wherever it does make its advance; and until that is done I presume the necessity will continue. I imagine that the Senator from Texas [Mr. SHEPPARD] or the Senator from Mississippi [Mr. VARDAMAN] could give some statistics as to the actual losses from the appearance of the weevil in those two States. They have been enormous.

Mr. WADSWORTH. Of course I realize that the losses have been very, very severe, but I think it can be contended that after this series of years we should have some report as to progress.

Mr. GORE. I think I might, however, express the opinion that this appropriation will not disappear.

Mr. WADSWORTH. I never knew one that did, Mr. President.

Mr. GORE. That is too true; but I will say to the Senator that it is connected in a way with the general demonstration work and the improvement of agriculture generally; and the appropriations were growing so large, and the benefits were so great and were so well recognized, that Senators from other sections insisted that corresponding appropriations be made to carry forward the same sort of work in their States, notwithstanding they were not cotton-growing States. That has been done. Demonstration agents all over the country have grown out of that; and I think the appropriations for other sections outside of the cotton States amounted to something more than $400,000 a year or two ago, and I think they are above that now. So it has come to be a permanent part of our agricultural education, and to some extent in the cotton States this is really a misnomer.

Mr. WADSWORTH. That is just what I was driving at. Is not this a misnomer?

Mr. GORE. Yes; it is. It was born of this necessity, but its name has never been changed; and the service has been extended, I think, to the entire country. There are 2,860 counties in the United States. I think that 2,100 counties now have agents corresponding to those who were evolved in the Southern States to meet this situation; and they are being rapidly extended to all the counties.

Mr. WADSWORTH. Mr. President, I do not desire to be overinquisitive. I have had a fleeting idea that this boll-weevil appropriation was, in fact, not alone an appropriation for stamping out the boll weevil; that it was an appropriation to extend the farm-agent system throughout the counties. Now, I am in entire sympathy with the extension of that system; and I

remember also, as the Senator has already reminded the Senate, that when these great appropriations were first commenced another section of the country said: "We must have our share."

Mr. GORE. Yes, sir.

Mr. WADSWORTH. So they promptly got their share.

Mr. GORE. They did; yes, sir.

Mr. WADSWORTH. And it has been going on ever since. One part of the country calls it the farm county agents' work and another part of the country says: "We are chasing the boll weevil with it."

Mr. GORE. That is the state of facts.

Mr. WADSWORTH. Very well. I am glad to have it cleared up.

Mr. GORE. I will say to the Senator that the Government has never professed to be able to eradicate the boll weevil. It has discovered no ways and means of combating the weevil so as to exterminate the insect itself; but it has so countervailed its ravages as to restore the production of cotton to normal, even where the weevil was most riotous where it first made its appearance.

Mr. WADSWORTH. I venture the hope that the pink boll weevil will not give rise to a pink-colored farm agent.

Mr. GORE. If so, then there will probably be a pink invader of some sort in all sections of the country. I will say that this appropriation, I think, has been abundantly rewarded, not only in the Southern States but in other States, although agriculture was perhaps more scientific in other sections than in the South; but it has been serviceable even in those States, and abundantly so in the Southern States.

Mr. JONES of Washington. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. GORE. I yield.

Mr. JONES of Washington. I wanted to ask the Senator about the character of this pink boll weevil and what damage it does.

Mr. GORE. Mr. President, I shall have to have read the letter of the department to which I referred a few moments ago.

Mr. JONES of Washington. Can not the Senator state the matter just briefly?

Mr. GORE. It destroys the fruit entirely. It even destroys the seed, so that it will not reproduce.

Mr. JONES of Washington. To what extent has it gotten into our territory?

Mr. GORE. I think only to a limited extent, and only in the State of Texas, as I am informed.

Mr. JONES of Washington. And it is hoped, by this appropriation and under this appropriation, to devise ways and means, in conjunction with the Mexican authorities, to keep it out of our territory, at least?

Mr. GORE. That is the point exactly; yes, sir—to eradicate where it has already made its appearance, and so to inspect and disinfect cars coming over as to prevent its introduction in the future.

Mr. JONES of Washington. How is it propagated? That is, I mean, how does it get into this country from Mexico?

Mr. GORE. It is supposed to have come in in cars in which cotton seed has been shipped from Mexico.

Mr. JONES of Washington. It comes in with the seed?

Mr. GORE. Yes, sir; or it comes in cars which have been used for the shipment of seed.

Mr. JONES of Washington. Have we been inspecting these cars during the last year, and have we tried to prevent its being brought in?

Mr. GORE. I do not know to what extent that has been done. I assume so, and I assume also that the letter explains the matter fully. I had not expected to reach this item this afternoon. Consequently I am not familiar with the contents of the letter.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. GORE. I yield.

Mr. THOMAS. I merely wish to express my surprise to the Senator from New York that he should be surprised to discover in this bill an appropriation of this nature. We have a number of appropriations called revolving appropriations. They are so called because they never revolve; they only jam.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma now proposes an amendment, following line 9, on page 91, which will be stated by the Secretary.

The SECRETARY. It is proposed to insert, on page 91, after line 9:

Any moneys hereafter received by the United States in payment of charges fixed by the Secretary of Agriculture on account of such cleaning and disinfection at plants constructed therefor out of any appropriation made on account of the pink bollworm are hereby appropriated and made immediately available during the continuance of such emergency, in the discretion of the Secretary, for expenditures necessary to prevent the movement of cotton and cotton seed from Mexico into the United States and the establishment of the pink bollworm in the United States.

Mr. SMOOT. Mr. President, do I understand that this is a committee amendment?

Mr. GORE. No, sir. The committee did not report it. It was sent up by the department since the bill was reported.

Mr. SMOOT. Did the Senator having the bill in charge offer this amendment?

Mr. GORE. Yes, sir.

Mr. SMOOT. Let it be stated again, Mr. President.

The PRESIDING OFFICER. The amendment will be stated again.

The Secretary again stated the amendment.

Mr. SMOOT. Mr. President, that may be necessary; but I want to call the Senator's attention to the fact that that is reviving a practice that grew to such an extent that we were compelled to stop it by legislation, and to provide that all moneys received from all sources should go into the Treasury of the United States, and all moneys to be appropriated should be carried in a regular appropriation bill for any expense that the Government desired to undertake. I do not believe that the Senator having the bill in charge can say how much money will come from these charges. Was there any information on that subject before the committee?

Mr. GORE. I have no estimate on that subject, Mr. President. I will say, while I am interrupting the Senator, that I think the principle he lays down is a sound one, generally speaking.

Mr. SMOOT. There is not any doubt about its being a sound principle. If I wanted to take the time of the Senate this afternoon, I could rehearse here dozens of cases where it has been abused in the most flagrant manner; and as far as I am concerned, I believe that every single cent that is collected from any source by the agencies of the Government of the United States ought to go into the Treasury of the United States, and not a dollar of it ought to come out of the Treasury of the United States unless it is appropriated directly for the purposes named.

Mr. GORE. The Senator will remember, however, that we created a revolving fund of $150,000,000 under the food-control act.

Mr. SMOOT. Well, we have done so many things during the past year that can not be defended that I do not want to take time now even to undertake to defend that kind of legislation.

Mr. GORE. No; I do not cite that as justification for this practice.

Mr. SMOOT. I should very much prefer that whatever charges are imposed by the Secretary of Agriculture for the cleaning under this paragraph shall go in the regular channels. Then, if an additional appropriation is wanted by him for this purpose, let him come to Congress and ask for the appropriation, and I have no doubt that it will be granted.

I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Oklahoma [Mr. GORE]. [Putting the question.] By the sound the ayes seem to have it.

Mr. SMOOT and Mr. WADSWORTH called for a division.

The PRESIDING OFFICER. A division is called for.

Mr. GALLINGER. I suggest that the question be stated again.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma [Mr. GORE] and read by the Secretary.

On a division, the amendment was rejected.

Mr. VARDAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Mississippi suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Jones, N. Mex.	Ransdell	Sutherland
Brandegee	Jones, Wash.	Reed	Swanson
Culberson	McCumber	Robinson	Thomas
Curtis	McNary	Saulsbury	Thompson
France	Martin	Shafroth	Trammell
Gallinger	Myers	Sheppard	Vardaman
Gerry	New	Smith, Ga.	Wadsworth
Gore	Norris	Smith, Md.	Warren
Gronna	Overman	Smith, Mich.	Williams
Henderson	Page	Smoot	

Mr. CURTIS. I desire to announce the absence of the senior Senator from Maine [Mr. FERNALD] and the junior Senator from Maine [Mr. HALE] on official business. I will let this announcement stand for the balance of the afternoon.

Mr. ROBINSON. The junior Senator from South Carolina [Mr. SMITH], the senior Senator from Ohio [Mr. POMERENE], and the junior Senator from Michigan [Mr. TOWNSEND] are absent from the Senate Chamber on business of the Senate.

Mr. SUTHERLAND. I announce the absence of my colleague [Mr. GOFF] on account of illness.

Mr. CURTIS. I have been requested to announce the absence of the Senator from Minnesota [Mr. KELLOGG] and the Senator from New Jersey [Mr. FRELINGHUYSEN] on official business, and the unavoidable absence of the Senator from New York [Mr. CALDER].

The PRESIDING OFFICER. Thirty-nine Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of absent Senators, and Mr. COLT, Mr. HARDWICK, Mr. KING, Mr. LODGE, Mr. SMITH of South Carolina, Mr. TILLMAN, Mr. UNDERWOOD, and Mr. WOLCOTT answered to their names when called.

Mr. FLETCHER, Mr. KENDRICK, Mr. POMERENE, Mr. POINDEXTER, Mr. TOWNSEND, Mr. JOHNSON of California, Mr. JOHNSON of South Dakota, and Mr. NUGENT entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. There is a quorum present. The reading of the bill will be proceeded with.

The Secretary resumed the reading of the bill at line 10, page 91, and read as follows:

No part of any amount herein appropriated shall be used to pay salaries or for personal services in any department, bureau, or office in the District of Columbia which does not, subject to the provisions and exceptions of section 7 of the legislative, executive, and judicial appropriation act, approved March 15, 1898, require eight hours of labor each day.

Mr. SHEPPARD. I move to strike out lines 10 to 16, which have just been read.

Mr. GORE. I ask that that amendment may go over.

Mr. SHEPPARD. I understand the bill is being read merely for action upon the amendments of the committee at the present time.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. SHEPPARD. Was there a unanimous-consent agreement to that effect?

The PRESIDING OFFICER. There was.

Mr. SHEPPARD. Then I am willing to have the matter passed over for the present.

The PRESIDING OFFICER. It will be passed over.

Mr. BORAH. I desire to ask the chairman of the committee if he expects to dispose of the bill this evening?

Mr. GORE. I do not expect to dispose of the bill this afternoon.

Mr. BORAH. I will state the reason why I asked the question. I do not object to having the amendment offered by the Senator from Texas go over, but I do not want to remain here this afternoon, if I can help it, waiting for it if it is not coming up.

Mr. GORE. My impression is that it will not come up this afternoon. I apprehend that it will involve a good deal of discussion. There are other items that will not take much time, and I prefer to dispose of those first. I think the Senator will be safe in going away.

The next amendment of the Committee on Agriculture and Forestry was, on page 91, after line 16, to insert the following:

That any moneys heretofore or hereafter received by the United States for or in connection with the disposition of nitrate of soda pursuant to section 27 of the act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel," approved August 10, 1917 (Public, No. 41, 65th Cong.), are hereby appropriated and made immediately available as a revolving fund to be used at the discretion of the President for further carrying out the purposes of said section and extending its operation throughout the period of the existing war as ascertained and proclaimed in accordance with section 24 of said act: *Provided*, That nothing herein shall be construed as prohibiting the sale or disposal of any nitrates remaining on hand at the time of, or contracted for previous to, such termination.

Mr. SMOOT. The same objection could be urged against this amendment that is urged against the paragraph beginning after the word "destroyed," in line 9 on page 91. This, however, is an emergency matter and it refers particularly to the question of securing a product that is absolutely necessary during the continuation of this war. For that purpose, and that only, I shall not object to its adoption, but the principle of it, as I stated before, is absolutely wrong.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 92, after line 9, to insert:

That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000, to be used and expended by the Secretary of Agriculture as herein provided in offering and awarding prizes and premiums for the encouragement of the growing of staple foodstuffs on the farms throughout the country. The money appropriated by this paragraph shall be apportioned among the several States in accordance with the value of the farm products as shown by the last Federal census, and shall be expended under rules and regulations to be prescribed by the Secretary of Agriculture.

Mr. THOMAS. Mr. President——

Mr. GORE. I desire to offer a substitute for this amendment.

The PRESIDING OFICER. Does the Senator from Colorado yield?

Mr. THOMAS. I should like to inquire of the Senator having charge of the bill whether there is a sum of $250,000 in the Treasury not otherwise appropriated?

Mr. GORE. We expect to issue Liberty bonds to the amount of $3,600,000,000. I do not think it is all appropriated.

Mr. THOMAS. If there is that amount in the Treasury, it is blessed news to the country.

Mr. SMOOT. I wish to say to the Senator from Oklahoma that I think he is rather mistaken when he says it has not all been appropriated. It has already been appropriated.

Mr. GORE. I believe it has a time or two over.

Mr. HARDWICK. If the money is not there, they can not get it.

Mr. GORE. I thank the Senator for that suggestion. That is the only thing that will stand them off, I think.

Mr. GALLINGER. The Senator offers a substitute?

Mr. GORE. I do.

Mr. GALLINGER. I understand from reading the section that we are going to engage in giving prizes.

Mr. GORE. The substitute relates to another paragraph.

Mr. GALLINGER. We used to give chromos and now we are going to give money, I suppose, for certain experiments in agriculture.

Mr. THOMAS. Only in case the money is not otherwise appropriated. I do not think there is any danger of doing that.

Mr. GALLINGER. We may get some money in the Treasury——

Mr. OVERMAN. After the war is over.

Mr. GALLINGER. Before the war is over; after the taxes which are becoming due are collected. Then we may have money.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. GORE. I yield if I have the floor.

Mr. REED. Mr. President, it is very entertaining to hear the plaintive wailing begin the minute it is proposed to appropriate a little money to the farmers of this country. I did not hear any of it the other day when it was proposed to give the railroads very favorable terms for the period of the war.

Mr. THOMAS. Will the Senator allow an interruption?

Mr. REED. As soon as I conclude the sentence. What we have been doing to the farmer up to this time is to take his market away from him, fix his prices, upset all his calculations, and leave him at the mercy of abnormal conditions made worse by the abnormal acts of some abnormal men. That goes without challenge, and when it is proposed to give a little money to help the agriculturist it arouses a great deal of comment.

But a few days ago, as I looked over the floor of this Chamber, it seemed to me that there was about the same enthusiasm in trying to take care of the railroads handsomely that you would find among the aspirants for a premium among a lot of bread makers at a country fair. Everybody was there to do his best. Now, I hope that even if there is no money otherwise appropriated from the Treasury we will not begin cutting down the farmer. Whether there is any money otherwise appropriated now or not, there will be plenty of money appropriated in this Chamber within the next 30 days, plenty of thousands of dollars, plenty of millions of dollars, and probably plenty of thousands of millions of dollars, and it will then be done in the high name of patriotism, and whoever dares hold out an arresting hand or raise a questioning voice will be classed as an enemy of his country. But when it is proposed to spend a few dollars with the farmer that may help to make better crops, produce more food for the world, it at once becomes the object of scorn and contemptuous remark.

I hope the bill will not be treated in that form.

Mr. THOMAS. Mr. President, the Senator from Missouri will recall that so far as I am concerned——

Mr. REED. Evidently, I did not mean my remarks to apply at all to the Senator from Colorado. I was referring to the general situation.

Mr. THOMAS. Of course I accept the Senator's explanation, but his remarks were of so sweeping a character that it called for a statement from myself.

Let me say, while I have the floor, that it is my intention to vote for every appropriation which I think is absolutely necessary for the prosecution of the war or for the proper conduct of the Government's business. My objection to many of the items of this bill is not a new one. I have opposed them in past years because I have felt that they were not essential.

I made the remark before the Senator from Missouri came in that I had become so accustomed to see every appropriation to which I objected pass the Senate that I was becoming somewhat discouraged. I have no doubt that my attempt in this regard will be another instance of love's labor lost. I am not objecting to any of these items because this is an agricultural bill any more than I objected to the very large rewards that were recently awarded to the railroads because the bill affected the railroads. In each instance my criticisms have been designed to center attention upon conditions which, in my judgment, in the one case did not warrant so high a return, and which in this case do not seem to be now essential, when of all times we should be frugal.

Mr. GALLINGER. I ask that the proposed amendment be read again.

The PRESIDING OFFICER. The Secretary will again read the amendment.

The SECRETARY. On page 92, after line 9, insert:

That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000, to be used and expended by the Secretary of Agriculture as herein provided in offering and awarding prizes and premiums for the encouragement of the growing of staple foodstuffs on the farms throughout the country. The money appropriated by this paragraph shall be apportioned among the several States in accordance with the value of the farm products as shown by the last Federal census, and shall be expended under rules and regulations to be prescribed by the Secretary of Agriculture.

Mr. WADSWORTH. Mr. President, I am not in the habit of opposing any appropriation which I think will actually advance the agriculture of this country, but this particular appropriation, which I confess meets my view for the first time, as I was absent from the meeting of the committee at which the amendment was adopted, excites my curiosity and fails to excite my admiration.

The Senator from Missouri [Mr. REED] has said something about a more liberal treatment of the farmers of the country. He has recited how their markets have been taken away to a large extent and their prices fixed in many articles, generally fixed in a downward direction. What he says is true. I do not think this appropriation, however, will move one inch toward curing that evil. Here it is proposed to spend $250,000 to award prizes as a premium for the encouragement of the growing of stable foodstuffs. You might just as well appropriate 250 cents as $250,000 to a country of this size and expect that it is going to increase the production of stable foodstuffs.

This reads to me like a pleasant little sop to the farmer, something handed to him that does not cost the Government very much, and which, it is hoped, will make him feel good when he reads about it. You might just as well throw the money out in the middle of the street.

Let me suggest that you do not fool the farmers with this kind of legislation. There is item after item in this appropriation bill that seems to assume that the people who live in the rural parts of the United States are children, little babies, and have to be taught the simplest things—how to conduct their daily life, how to conduct their business from morning until night, and here we have a suggestion in this time of war, when the farmer knows perfectly well what the trouble is—it does not need the Congress nor the Secretary of Agriculture nor anybody else to tell him—to soften his feelings with the distribution of $250,000 in prizes. To my mind, it seems ridiculous.

I do not think there is any Senator here who will contend that the distribution of these prizes apportioned among the States in accordance with their relative production is going to encourage at this time the production of stable foodstuffs. The only thing that will encourage the production of stable foodstuffs at this time is a more liberal attitude on the part of the Food Administration, and nothing else. Had some of the Senators listened to the testimony that was given before the Committee on Agriculture within the last two weeks they would be, I am quite sure, deeply disturbed as to the food prospects in this country and in our allies' countries. The distribution of prizes, may I say to the Senator from Missouri, is not going to do any good. It is not going to make the farmer feel much better about it.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. WADSWORTH. I yield.

Mr. REED. Mr. President, I should like to say at this point that I have been with the Banking and Currency Committee and had just come into the Chamber when I heard the remark made that occasioned my remark. I did not intend my remarks to apply to this question of prizes at all. I intended it to apply to the general cheese-paring policy that has been pursued here in regard to our agricultural bills in the Senate and the attitude that has been assumed so often. I am glad to have the opportunity to make that statement.

Now, while I am on my feet, if the Senator from New York will allow me, I wish to make a further statement. There is absolutely no question that the Senator from New York, so far as he has stated the case, has stated the absolute fact with regard to the conditions that confront the country.

I expect in a day or two to pay some attention to this policy that has produced a higher price for rye and barley and inferior grain than wheat is permitted to bring, to this policy that makes it more profitable for a farmer to plant rye and barley and oats than it does to plant wheat, and much more profitable to plant corn than either, to this policy that is causing thousands of immature hogs to be marketed because the corn is worth more in the bin than it is when it has been transformed into pork, to this policy of the Food Administration that has produced consternation among the farmers of this country from one end to the other, and that instead of giving us that stability which is necessary to investment and to labor has given us instability, to this policy which tells us for 8 or 10 months of the year to have meatless days, and then turns around and tells us all at once that we need to eat more meat in order to save wheat, this policy which tells us one day that there is wheat that can not be moved and that the railroads are to blame, and the next day when the cars are tendered backs away from the proposition and then assigns, as it assigned this morning, as the cause of wheat shortage, that the wheat is not in the country, when everybody knows that there has been less wheat shipped abroad than has been shipped in normal years.

I think that statement is so everybody knows it. I feel confident of it. I have not looked it up, but this policy, I say, that gave us meatless days and prescribed that we should eat chicken, and then turned around and provided that we should have meat days and that chicken should not be marketed, to this foolish, idiotic policy which seems to think you can save food by eating all of a certain kind one day and all of another kind the next day, alternating in that manner, instead of eating in the ordinary and usual way that human beings have done until our friend came here from England to reform the world and change the habits of the American people and to introduce a good deal of confusion into American life, and who, according to the Chicago Tribune, has taken into his working force some representatives of the packers who have been drawing very large salaries and who are the occasion of examination by Mr. Heney.

Mr. WADSWORTH. I simply desire to express the hope that the Senate will save this $250,000 and use it for something real.

Mr. WILLIAMS. Mr. President, I do not want to enter into any debate with the Senator from Missouri [Mr. REED] concerning the Food Administration or the Food Administrator. What he said upon that subject is irrelevant to the present question under discussion. But I do want to answer something that was said by the Senator from New York [Mr. WADSWORTH].

The Senator from New York criticizes the appropriation which is made for this purpose of encouraging improved agriculture by prizes and premiums as being absolutely useless amongst a people of 100,000,000 with our agricultural production. If the Senator from New York means by that that the appropriation ought to be larger, I agree with him, but if he means by it that prizes to men in the agricultural business do not have any effect upon the production of agricultural products I beg leave to disagree with him, and my disagreement grows out of observation and experience.

The prizes offered to the boys' corn clubs in the South—every southerner here will bear me out—have led almost to a revolution in corn production in that part of the country. It has not been very long since nearly every southern State imported the major part of its food for man and beast, while it raised other things. It has not been very long since in my State an average crop of corn was 19 to 22 bushels per acre, depend-

ing upon the year. After the State and Federal agricultural agencies and other interests began giving prizes to boys in corn clubs and to girls in canning-food clubs, and all that, the production of corn per acre went up and the supply of vegetables for winter increased very much. Why? Because the boys made more corn? No. They did make more corn, but that could not affect the entire production in any appreciable percentage. They made more corn, I say, because in my county three or four boys made over 100 bushels to the acre, and a young fellow in South Carolina made 236 bushels, I believe, though I have forgotten the exact figures—anyhow, the largest production per acre in the Union. That was all in a country not regarded as a good corn country.

It does not compare with the "Egypt" country in Illinois, nor Indiana, nor Iowa as a corn country. The real increase came from this, that when these boys had learned it it astonished their fathers, and their fathers got on the methods which the boys had been taught and which resulted in this miraculous added production. Their fathers took advantage of the lessons which their children had learned, and the consequence has been that the production per acre has been increased enormously. That is not all; the Senator from Missouri tells us that we have been "marketing immature hogs." That is also erroneous. Southern corn has not been going into hogs for the market hitherto. No southerner felt that he could make money at fattening hogs with corn, because the corn in the market was worth more than the hogs. But so far from that statement of marketing immature hogs being true, I saw the report yesterday or the day before that the average weight of hogs in the American market had gone up some 20 pounds this year over the year before, and that I think is very largely due to the fact that in the South more hogs were kept, and the hogs were better fed. Instead of being merely called up to be fed when we were ready to kill them they were fed pretty nearly all the year around, not upon corn always but upon products of various sorts.

The Senator from New York is mistaken in thinking that prizes given to men for increased production in agriculture stop with the prize maker. The achievement goes all over his neighborhood. It spreads from one neighborhood to another. "You say that John Martin's boy raised 102 bushels of corn to the acre!" "Yes; I do. I saw it gathered and measured." "In the name of Heaven how did he do it?" Then, the other fellow sits down and tells him how it happened, how he fertilized, what sort of seed corn was planted, what was the species of cultivation, and all about it, and then the inquirer goes home and attempts at any rate to imitate him, and the emulation or rivalry spreads all over the country.

Mr. President, there are all sorts of expenditures made by the Federal Government less profitable than this, and I do not speak of war expenditures, because as far as I am concerned I would drop the appropriations for almost everything in the world, if necessary to have money in order to win the war. My soul is so wrapped up in this war that if I thought the other side of the Chamber could bring it to a successful termination and this side could not, I would be willing to give that side full power. I am so wrapped up in the necessity of winning it, caused by the conviction upon my part that national life will not be worth living unless we do win it, that I would not take one dollar from military purposes, and if I thought this money was to be subtracted from military purposes I would not do that. I would not vote, and will not vote, for a single new building nor park nor monument, and I will not vote for anything useful merely for peace purposes that we can postpone until after the war. But here is a direct war purpose. Increase the production of corn; increase the production of cattle; increase the production of hogs, into which the corn and the other agricultural products go. How? By forcing the people to do it? You can not do that under a free government. By inducing them to do it is the answer. In the South I know that the process of inducing has been begun, and that it has been very highly successful.

I served for 10 years in the House of Representatives upon the Agricultural Committee with the father of the Senator from New York [Mr. WADSWORTH]. His father was the chairman of the committee, and I was its senior Democratic member. We held appropriations down to a reasonable point all the time. I have never been extravagant about an Agricultural appropriation bill. His father and I together saved the Treasury from the expenditure of many a useless dollar that was put on the bill for the purpose of "farming the farmer," and not for the purpose of farming the land. In this particular case, however, the Senator from New York is mistaken. This is a matter of great importance and will result in great good. My only objection to it is that, being of the utmost importance, we yet can not very well at this time appropriate any more than the bill now carries.

Mr. McCUMBER. Mr. President, I am going to ask the chairman of the committee if he will not consent to put this appropriation of $250,000 in another portion of the bill, where it will bring practical results? I presume the Senator has had before him, and that there has been before the committee, some argument concerning the rust and the methods of meeting the rust. I notice that $100,000 has been appropriated for that purpose.

Let me call the attention of the Senator in charge of this bill to the fact that three days of a change of weather in 1916 caused a loss in three States in the Union of very close to $100,000,000 in the value of a crop. That was caused by the black rust. The black rust differs in no respect from the yellow rust, except that the spore are a little older. Several hundred years ago, in France, after a careful investigation, it was found that the origin of these spores was located and that they were always developed on a certain kind of vegetation, which is known here as the barberry bush. Scientists and those of the highest standing in biology tell us that the rust spores always originate from the barberry bush hedges, and so forth; that, at least, they have never been known to originate anywhere else; that they will travel with the wind, and in a single day may spread over a thousand miles from the place of their origin.

Now, it is proposed to appropriate $100,000 for the eradication of the rust. The loss every year from that source will run into many millions of dollars; and, if the straw is exceptionally heavy and there is the likelihood of a moist season, the loss will even run into the hundreds of millions of dollars.

These same scientists say that the only remedy now is to destroy the barberry bush, which is used for hedges in different cities and throughout the States. You can not destroy them by an act of Congress, because we can not reach by our legislation into the States and assume police authority, but we can act in conjunction with the several agricultural States. I do not believe there is an agricultural college in any one of the States that does not agree, and absolutely agree, with the assertion that the rust spores always originate in the barberry bush, and if you can destroy that you can probably destroy the ravages of rust.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. McCUMBER. I shall do so in just one moment.

This bill carries about $28,000,000 or $29,000,000, if I remember rightly, and here is a damage that is never less than twenty-eight or thirty or forty million dollars in a year, and it often runs very close to a hundred million dollars in a year.

There is no necessity of studying further as to the question of where the rust originates, because I understand that all scientists practically agree about that. So it is not simply a question of destruction. That being the case, you will do a hundred times as much good if you will take that extra $250,000 that you now appropriate for prizes and provide that it may be used, in conjunction with the States, in the extermination of the barberry bush, from which originate the spores that destroy the crops of the Northwest.

I now yield to the Senator from Mississippi.

Mr. VARDAMAN. Mr. President, I desired to ask the Senator from North Dakota if it were possible, by spraying or other similar treatment, to destroy the insect, germ, or whatever it may be, that produces the rust. Is it necessary, in order to accomplish that object, to destroy the bush?

Mr. McCUMBER. When I state to the Senator from Mississippi that in a single day, if the wind is blowing in the right direction, those spores cover an acreage equivalent to three or four of the big States of the Union, he will see the impossibility of affording a remedy by spraying.

Mr. VARDAMAN. I did not ask the Senator if the spores could be killed by spraying after they fall on the wheat, but I asked the Senator if they could be destroyed by spraying the bush where they originate.

Mr. McCUMBER. Well, they might possibly be.

Mr. VARDAMAN. I want to say to the Senator that I shall cheerfully vote to give him or the farmers of his section any amount that he thinks could be prudently and profitably expended for the destruction of that pest, and I think the money would be well invested if the appropriation should be made. Agriculture is the base, the substratum, upon which all permanent prosperity rests in this country, and I deem it a privilege as well as a patriotic duty to vote for every measure which has for its purpose and that I believe will promote the interest

and prosperity of the people who till the soil. I believe that any help to the farmers by the Government which increases their yield promotes the well-being of all classes of society.

Mr. McCUMBER. Mr. President, there is a limit, of course, to our right to expend the people's money. We can not in any appropriation bill give everything that we should like to give. We ought, however, to appropriate the money which is raised by taxation in such manner that its use will do the greatest possible good; and I insist that this $250,000, if it is used for the purpose of meeting the ravages of rust, will accomplish a thousandfold more good than it would be possible for it to accomplish in the matter of these prizes. I hope the chairman of the committee will be willing, if there can not be appropriated more than the amount which is provided for in this bill, to drop the provision which proposes to appropriate $250,000 for the purpose of giving prizes, and use it in meeting the evil of the rust.

Mr. GORE. Mr. President, I wish to say that I do not underestimate the importance of the proposition which has been advanced by the Senator from North Dakota [Mr. McCUMBER]. The desirability of exterminating the source and origin of the rust must be obvious to every man. My recollection is that the committee gave what the department estimated upon that item. The Senator's argument has convinced me that the estimate was not sufficient. There is nothing binding about estimates. I shall not, therefore, as chairman of the Committee on Agriculture and Forestry, hesitate to vote for an increase in that particular item.

Mr. GALLINGER. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. GORE. I yield.

Mr. GALLINGER. I will ask if the Senator knows whether or not the department made an estimate and advised the committee to place in the bill the item under consideration covering prizes?

Mr. GORE. No; I will say that it did not, Mr. President; and I will touch on that point in a moment. This was another instance where the committee felt that it had an opportunity to render some public service without a direct commission from the department to render that service.

I wish to say, in reference to the remarks of the Senator from New York [Mr. WADSWORTH], that I think he put his finger on the fundamental aspects of the present situation. I think that the Food Administration has discouraged production. I think the production of wheat this year will be less than it would otherwise have been. I think that is a misfortune, which certainly may amount to a calamity.

I also agree with him that perhaps the Food Administration and perhaps the Senate do not appreciate the real gravity of the situation. The president of Cornell University, which is one of the largest agricultural institutions in America, recently declared that there was only a narrow margin between this country and an inferno of starvation. That is pretty strong language; I do not know whether I should use language so strong as that; but I do know that the situation is serious, and that we may before long be looking famine in the face, which we ought to have averted. It is incumbent upon us to avert not only the danger but the possibility of a shortage of foodstuffs in this country, so far as human foresight can anticipate conditions, and meet them looking to that end.

Evidence is accumulating as to the food crisis which is threatened. I hope that before long a report may be submitted to the Senate, or an argument may be presented to the Senate, which will impress the gravity of the situation upon each and every Member of this body.

One of the Senator's complaints was that the amount provided in this amendment was not enough. I think that is the only objection to which the amendment is liable. I do not think it is enough.

I do not agree with the Senator that the prospect of prizes and premiums would not stimulate increased production. The spirit of emulation is one of the strongest instincts and impulses of human nature. It has impelled men to feats of heroism which mere sordid gain could never inspire. This is not a matter of theory; it has been applied in many of the Southern States. The production of corn in the Southern States has been doubled, and in many localities it has been trebled by the prizes which have been offered on the part of voluntary organizations and associations. I have proved my faith by my works. For five years in my State I gave an annual premium of $100 to the boys making the best record in contests between the boys' corn clubs in that State. Those contests, born of a spirit of emulation and a desire to excel, have borne splendid fruit in many of the Southern States.

There are 46 State fairs in the United States; there are 2,000 or more county fairs; and I have no doubt that by wise administration and distribution of these prizes and premiums production can be greatly stimulated.

Mr. GALLINGER. Mr. President, I desire to ask the Senator from Oklahoma whether all of those State fairs and all of those county fairs are not giving prizes for the best exhibition of the products of the farm?

Mr. GORE. I think they are; but the Committee on Agriculture felt that this was a national problem—not a State problem and not a local problem. The Committee on Agriculture was not willing to be outrun in this great national service by the States, by the counties, or by mere local organizations of merchants and commercial clubs. We felt that we ought to have sufficient vision to appreciate the importance of this situation. The Committee on Agriculture feels that some responsibility devolves upon it to aid in arousing interest in the conditions as they relate to food and to food supply, and in recommending any wise means possible which may contribute to a satisfactory solution of that problem. If these prizes increase production a half million dollars only, we will have realized 100 per cent profit on our investment. That it will do so, if wisely administered through the various State and county fairs, I think there can not be the slightest possibility of doubt.

While much has happened under the Food Administration which might profitably have happened otherwise—and I shall not be diverted at this point to a discussion of that question—the fact that it has done somethings it ought not to have done, that it has discouraged production, and that it may be beyond our power to remedy that situation, is no reason why we should not, so far as we can, meet our responsibility and discharge our duty at least by stimulating production. I hope the amendment will be adopted, and I have no doubt——

Mr. WILLIAMS. This will encourage States and counties and other organizations to offer additional prizes.

Mr. GORE. Undoubtedly it will, and the national prize, in addition to the State prize, would be an object worthy to be striven for and undoubtedly would be an object of ambition. Boys' corn clubs and boys' pig clubs and girls' poultry clubs throughout the country have contributed a great deal to increased production. Production, production, production is the supreme and paramount purpose to-day.

Some have minimized production by laying too much emphasis on distribution. I think that has been the fundamental defect in our policy up to this time. We have magnified the importance of distribution and have minimized the importance of production. A perfect system of distribution, the most elaborate and perfected machinery for distribution, would be utterly vain if there be nothing to distribute. We can not, Senators, overdo production this year. However much we may expand it, there will be an urgent and an insistent demand for more. We will hear from the lips of our allies the cry of the horse leech's daughter, worthily made, and it should be our desire to gratify it—more, more, more, and still more food. To meet that cry let us have more production, and in this instance let us resolve the doubt in favor of offering the prizes and premiums in the hope that it will stimulate production, and if it falls short of that result, if evil days come, if lean months come upon us in the future, let no one say that the Senate Committee on Agriculture at least was derelict in its duty. That is the theory upon which the committee acted.

Mr. GRONNA. Mr. President, I shall detain the Senate only a few moments, because I have been called to the Committee on Banking and Currency; but, in addition to what my colleague [Mr. McCUMBER] has said, I desire to state that his estimate as to the loss from the black rust within one year alone is not high enough.

I desire to say to my colleague and to the Senate that we estimated in North Dakota in 1916 that we would produce 160,000,900 bushels of wheat, but, due to the black rust, as my colleague has stated, we raised only 39,000,000 bushels.

I have pleaded and pleaded with those in authority to make recommendations and ask for appropriations to destroy the barberry bush, because there is where the black-rust microbe originates. I have stood on this floor time and again asking Members of this body to take action, and calling the attention of the department to the necessity of increasing these appropriations in order to increase the production of grain, and I think we must all agree that that is highly necessary, especially at this time.

I am not opposed to this particular appropriation. I am a member of the Committee on Agriculture and Forestry, and I

was present when the amendment was proposed. I said at that time to the other members who were present that, while I had no objection to it, I knew of other methods which would be far superior to this one to increase production, especially of wheat.

I am glad the Senator from Mississippi [Mr. WILLIAMS] is here, because I want to read to him and to the Senate a statement which can not be controverted. I heard the Senator from Mississippi say the other day that prices could not be fixed by law, but that ultimately they would be regulated and fixed on a competitive basis under the law of supply and demand.

Mr. WILLIAMS. Mr. President, I do not want to be misquoted.

Mr. GRONNA. I do not desire to misquote the Senator.

Mr. WILLIAMS. I did not say that prices could not be fixed, but I said if they were fixed the result would be either to disturb production if they were fixed too low or to encourage speculation if they were fixed too high.

Mr. GRONNA. That is absolutely true.

Mr. WILLIAMS. Of course there is a psychological influence of an appeal to patriotism that might have some effect, but it is a natural economic law that governs, and there is no escape from it.

Mr. GRONNA. That is perfectly true. I wish at this point to read from a newspaper the quotations on different kinds of grain. On February 27 the market at Duluth, Minn., was, for No. 1 dark northern, $2.21; for No. 1 northern, $2.17; for No. 2 dark northern, $2.18; for No. 2 northern, $2.14; for No. 3 dark northern, $2.14; for No. 3 northern, $2.11; for No. 1 durum, $2.11; for No. 2 durum, $2.14; for No. 3 yellow corn, $2.14 to $2.15; for barley, $1.83 to $2.16; for rye, $2.53.

A bushel of barley has to weigh only 48 pounds, and yet, Mr. President, a bushel of barley is worth more in the market than a bushel of wheat. Every sensible man knows that a bushel of barley is not as valuable for food as a bushel of wheat. Every sensible man knows that a bushel of rye, weighing 56 pounds, is not as valuable for bread and for food as is a bushel of wheat. The economic conditions have been disarranged, and people in the agricultural sections of the country have been discouraged from producing wheat.

That is not the whole story. While we are talking about the microbes propagated on the barberry bush, let us refer also to the microbe at the other end which we have to confront every year, whether we have the barberry bush and the black rust or not, and that is some of the combinations and grain exchanges, also called chambers of commerce, which are always operating. I am going to take the time of the Senate when we reach the amendment which I introduced at the suggestion of the Secretary of Agriculture, proposing that standardization of grades shall be fixed on milling tests, and he realizes now the importance of it. I will try to show the effects of the false standards now prevailing and also show the effects in the prices of grain. We will say that No. 1 hard wheat is mixed with 15 per cent of No. 1 winter wheat. One is as good and as valuable for flour as the other, but if there is a small percentage of this winter wheat mixed with the spring wheat it is reduced to No. 4. I have a sample of that kind on my desk. The difference in the price to the farmer is from 24 to 25 cents a bushel; and yet when we ask an appropriation of $50,000 for a little flour mill—and it is not intended to erect a building, but to provide machinery in order to make tests—but when it is proposed to fix standards based upon the baking and milling qualities of grain we are laughed to scorn by some of the Senators here, although the reduction in grade involves millions and millions of dollars of loss to the farmers of this country. That is how production is discouraged.

I understand the item for the flour mill has been passed over; I was not here at the time because I was in attendance upon other business of the Senate, but I understand that item has been passed over.

Mr. WARREN. I understand that amendment has been accepted.

Mr. GRONNA. I refer to the item for a flour mill to make tests as to milling and baking properties, and I understand it was passed over. It was designed to enable the Agricultural Department to make tests to ascertain the value of different kinds of grain and then to make their standardization accordingly. Yet Senators on this floor say that it is an extravagance to appropriate $50,000 to enable the Secretary of Agriculture or the Bureau of Standards to get the information which is needed in order to do justice not only to the section of the country from which I come but to the entire country.

Now, Mr. President, I am not objecting to the appropriation of $250,000 for prizes and premiums, as is proposed in this bill. I believe it will do some good and perhaps help to stimulate production; but why should we discriminate against the people in certain sections of the country, restrict the price on wheat, and discourage production, and then let the industries in the other sections of the country go unrestricted? The production of wheat can not be increased by any such method as is proposed here; I know that very well. Perhaps you can increase the production of vegetables and encourage some schoolmarm who has a few spare dollars to buy a pig and enter the new field of patriotic pig raising, or something of that sort, but you can not increase the production of wheat by promising such premiums as proposed in this amendment after having taken from the farmer his market, as you did a year ago.

What is the result? What did we have to do in my State this year? The governor of the State called the legislature together in extraordinary session for the purpose of enacting a law that would enable the counties in the State to issue bonds to buy seed and feed for the farmers and sell it to them on time. This is not a very good story to tell; it presents a gloomy picture, but it is true. It shows the financial condition of the wheat farmer. In my State there are many counties that have voted to bond themselves for upward of $300,000, to be used in the purchase of seed, to be sold to the farmers on time. Does that indicate that these people have made an unduly large amount of money? On the other hand, does it not indicate that they have been discriminated against and that they are unable to go on with their farming operations simply because they have not received as much for the product as it has cost them to produce it?

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER (Mr. MYERS in the chair). Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. GRONNA. Yes.

Mr. BRANDEGEE. I am very much interested in what the Senator is saying, but I wondered why the farmers did not have the seed wheat. Did they not raise enough wheat for seed or did they sell all the wheat they raised without reserving any for seed?

Mr. GRONNA. I will say to the Senator that I think the State raised more than enough to meet the seed requirements. In the so-called Red River Valley we raised a good crop. In the western section of the State the farmers averaged about from 2 bushels to 3 bushels to the acre, and that would have been more than enough for seed. The quality was exceptionally good; we raised no poor wheat in our State this year because we had a dry season, but every bushel of wheat cost them a great deal more than they received for it. The average for the State was about 7 bushels, and any man who knows anything about the cost of cultivating an acre of ground in the West knows that it can not be done for $14 an acre, without even taking into consideration the cost on the investment.

Mr. BRANDEGEE. What I am trying to get at is, why the farmers parted with their seed wheat? I supposed their primary duty was to keep enough wheat for next year's seed.

Mr. GRONNA. I want to say to the Senator that the reason why they parted with the seed was that they had to sell in order to meet certain obligations and in order to get something to eat, something to live on. That is the condition.

Mr. President, as I said, I shall not oppose this amendment; but I believe, as my colleague [Mr. MCCUMBER] said, that we should have appropriated more money for the destruction of the barberry bush, and we should also change the language so that we could be sure that we could use the money for its destruction. The language of this provision is to enable the department to study and to learn something about these insects. Why, we know what is to be done. It is the same with the barberry bush as it is with the cattle tick. All you have to do is simply to get the men and means to do it, to eradicate it, to get ride of it. That is all there is to it; and I doubt whether the Agricultural Department will let us use any of this money for the real destruction of the barberry bush.

Mr. WILLIAMS. As I understand, then, the Senator wants to change the language so that it can be appropriated for the purpose of being used in cooperation with the State authorities for the destruction of the barberry bush. Is that it?

Mr. GRONNA. Exactly. That is what I should like to have done.

Mr. WILLIAMS. If it is known that that is the cause of this spore, it seems to me evident that there ought to be no

indefiniteness about the language which will prevent its being used for the purpose of reaching the evil.

Mr. GRONNA. That is exactly the truth. There is no need of further study of it, because, as my colleague has said, practically all the scientists agree that it orginates in the barberry bush, and all we have to do to eradicate this evil is simply to destroy the barberry bush.

Mr. McCUMBER. Mr. President, if I may have the attention of the chairman of the committee again, I am not complaining at all against a proper appropriation to be expended in prizes. I agree that it may stimulate production to some extent, but I want the earnest and serious consideration of the chairman to this point:

He provides for an appropriation of $250,000 to be expended in prizes to stimulate production. He thinks that that may stimulate production $500,000, half a million dollars, in value. Possibly that is true; but what is more important than increasing the production half a million dollars is to decrease the destruction $100,000,000; and he appropriates only $100,000 to meet this great ravage, which, my colleague says, amounted in our State alone to more than $100,000,000 in a single year, while he appropriates $250,000, or two and a half times as much, to stimulate production which he himself thinks might produce half a million dollars more. It is the disproportion in the matter of these appropriations that appeals to me.

Mr. GORE. Mr. President——

Mr. McCUMBER. I yield to the Senator.

Mr. GORE. The Senator does not have to reason with me about the importance of this matter. I have no objection. I hope the language will be changed, if a change be necessary or even desirable, so as to authorize the use of this money for the extermination of the barberry bush. I will say to the Senator that the Senate Committee on Agriculture and Forestry increased the estimate for the rust $50,000. We were venturesome enough to increase that appropriation $50,000 without any special permit to do so. If that is not enough, I am willing to go farther, and I am willing to go faster. I doubt if anybody will go farther or faster than I will go in advocacy of any proposition which really promises, on the one hand, to stimulate production, to increase production, or, on the other hand, to obviate the artificial, arbitrary, or accidental destruction of production. I think that both purposes ought to be studiously observed. They are the same in effect.

Mr. McCUMBER. Let me say to the Senator that I think the language of the bill as proposed is sufficient to cover destruction. I do not think it is absolutely necessary as a matter of fact, although I think it is preferable to insert the words "for the destruction," because the provision is that $100,000 shall be set aside for the investigation and control of these diseases; and if the only method of control is the destruction of the barberry bush, where the germ originates, then I should think that that was broad enough to cover it. But I want to say to the Senator that before we get through with this bill I shall ask to have that $100,000 increased to $250,000, and I hope the Senator will agree also to an amendment that it shall be used in the investigation and the destruction of this particular bush. As I stated before, that can not be done without the assistance of the several States; but I do not know of a single agricultural State, in the spring-wheat section at least, that would not find means to assist in getting rid of every such bush in the State.

Mr. GORE. Mr. President, I think it would be very short-sighted for the Senate to overlook anything which might carry out the Senator's object and stay the ravages of the spores originating with the barberry bush. The only point I was making is that we are associating here, in this debate, two things which have no relation to each other. It is desirable to have an abundance of milk available for infants and growing children. It is also desirable to find ways and means to eradicate infantile paralysis, but there is no reason to diminish the supply of available milk in order to eradicate the paralysis. Let us do both. Let us offer these prizes to stimulate production, and let us eradicate the barberry bush and eradicate the rust. It seems to me that the proposition which the Senator from North Dakota has advocated is not inferior to the proposition touching the cattle tick which was discussed here this afternoon. They are of equal importance; and it would be extremely short-sighted on the part of the Senate to practice an unwise or niggardly economy in arresting the prosecution of that work of eradication.

Mr. BRANDEGEE. Mr. President, may I suggest to the Senator from North Dakota that if he will offer an amendment to carry out his views, I think——

Mr. GORE. We have not reached it yet.

Mr. GRONNA. My amendment would not be to the particular question now under consideration.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. [Putting the question.] The Chair is in doubt.

Mr. FLETCHER. Mr. President, I think if the question is put again, the Chair will be satisfied.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The SECRETARY. On page 92, after line 20, in lieu of the amendment proposed by the committee, the Senator from Oklahoma proposes the following substitute:

To enable the Secretary of Agriculture to establish and operate plants for the drying or dehydration of vegetables, fruits, and other edible products, including the erection or rent of necessary buildings and cooperation——

Mr. GORE. Mr. President, is the Secretary reading the substitute or the amendment reported by the committee?

The PRESIDING OFFICER. The Secretary is reading the substitute of the Senator from Oklahoma.

The SECRETARY (continuing)—

with plants maintained and operated for the manufacture of such products, to purchase raw material, to standardize, sell, or otherwise dispose of dried products, and for all necessary expenses including salaries in Washington and elsewhere, $250,000, which sum shall be immediately available upon the passage of this act, and this fund may be used as a revolving fund until June 30, 1919.

Mr. SMOOT. Mr. President——

Mr. WILLIAMS. Mr. President, the Secretary has read the substitute, but I do not remember his having read the committee amendment for which it is a substitute.

The PRESIDING OFFICER. Does the Senator ask that the committee amendment may be read also?

Mr. WILLIAMS. Yes.

The PRESIDING OFFICER. The Secretary will read the amendment of the committee.

The SECRETARY. On page 92, after line 20, the committee proposes to insert the following:

To enable the Secretary of Agriculture to establish plants for the drying and dehydration of vegetables, fruits, and other edible products, in connection with the land-grant colleges in the several States, $250,000: *Provided*, That the Secretary of Agriculture may establish such plant at some other location in any particular State whenever in his judgment the public interest would be subserved thereby: *Provided further*, That the Secretary of Agriculture may, in his discretion, establish such plant in any particular State in cooperation with States, counties, municipalities, individuals, or associations not organized for profit, in which case the Secretary of Agriculture shall not pay more than one-half of the cost of establishing such plant.

Mr. NORRIS. Mr. President, I had not heard the substitute until it was read and did not know the Senator from Oklahoma was going to offer it. I have prepared an amendment that I was going to offer to the committee amendment, but I will offer it to the substitute.

Mr. GORE. Mr. President, in view of the Senator's statement, I think it would be better to pass over this matter.

Mr. NORRIS. I am going to ask that it be passed over when my amendment is offered, so that it will be printed together with the substitute, because I expect to address the Senate at some length on this question of dehydration. I am not prepared to do it this evening.

I offer to the substitute the amendment that I send to the desk. It may be that it will not exactly correspond, because, as I say, I have had no opportunity to examine it; but if it does not, I will correct it later on, when it comes up before the Senate.

The PRESIDING OFFICER (Mr. KIRBY in the chair). Is there objection to the request that the amendment go over?

Mr. GORE. Mr. President, I hope it will take that course; and I ought to say, in justification of offering the substitute, that it was prepared by the department. I offered it without conference with the Committee on Agriculture and Forestry as a substitute for the committee amendment, but, as Senators know, I did not anticipate that the bill would come up for consideration this afternoon.

Mr. NORRIS. I ask that the amendment that I send to the desk be read by the Secretary.

Mr. GORE. Yes, sir: let it be read, and then I will ask that the whole matter be passed over.

The PRESIDING OFFICER. Is this an amendment to an amendment or an amendment to a substitute for an amendment?

Mr. NORRIS. No; my amendment is offered as an amendment to the substitute. I have a right, as a matter of course, under the rules, to offer this amendment. A substitute is subject to amendment.

The PRESIDING OFFICER. Without objection, the further consideration of this amendment will be postponed for the day.

Mr. NORRIS. I should like to have my amendment read before it goes over.

The PRESIDING OFFICER. The Chair is in doubt as to whether the amendment of the Senator from Nebraska is in order.

Mr. NORRIS. I can be read, however.

The PRESIDING OFFICER. Yes; let it be read.

The SECRETARY. At the end of the substitute proposed by the Senator from Oklahoma it is proposed to add the following proviso:

Provided, That the Secretary of Agriculture is hereby authorized, upon request of the President, to use all or any part of this appropriation for the establishment of such plant or plants at any place in the United States for the purpose of supplying food for the Army and Navy.

The PRESIDING OFFICER. Without objection, the further consideration of this amendment will be passed over. The Secretary will state the next amendment of the committee.

The next amendment was on page 93, after line 9, to insert:

Farmers' National Congress and Pan-American International Farm and Live-Stock Exposition.—To enable the Secretary of Agriculture to cooperate with and make and exhibit illustrative of the investigations, products, and processes relating to farming in the United States at the Pan-American International Farm and Live Stock Exposition, to be held at Jacksonville, Fla., in conjunction with the Florida State Fair and Exposition, during the fiscal year ending June 30, 1919, including labor and all expenses in the city of Washington and elsewhere, $10,000.

The President is hereby authorized to extend invitations to other nations to appoint delegates or representatives to the Farmers' National Congress, to be held at Jacksonville, Fla., in connection with said Pan-American International Farm and Live-Stock Exposition: *Provided*, That no appropriation shall be granted or used for the expenses of delegates.

Mr. SMOOT. Mr. President, I will inquire of the Senator if this is the first appropriation that has been made by the Government to assist the Pan-American International Farm and Live Stock Exposition to hold a session in conjunction with the Florida State Fair and Exposition, or any other State fair?

Mr. GORE. I will say that so far as I know this is the first appropriation; but the precedent was found in the appropriation for the International Dry Farming Congress, for which a series of appropriations has been made, extending over some five or six or seven years. At that congress exhibits are made from the various arid and semiarid States, and the Federal Government has been appropriating about $20,000 a year, I think, with the possible omission of last year, to make an exhibit representing the National Government at this international exposition. I believe this year it is to meet at Kansas City. So far as I know, this is the first appropriation for this particular purpose.

Mr. SMOOT. Then hereafter we will have an annual appropriation, will we, for the Farmers' National Congress and Pan-American International Farm and Live Stock Exposition?

Mr. GORE. I should not imagine so.

Mr. SMOOT. I think we will, if we start it.

Mr. GORE. I do not know anything that justifies that apprehension.

Mr. FLETCHER. Mr. President, I will state to the Senator and to the Senate that this suggestion arises by reason of a very important meeting in Jacksonville, at the time of this State fair and exposition, of the Farmers' National Congress in conjunction with the Pan-American International Farm and Live Stock Exposition. The Farmers' National Congress and the Pan-American International Farm and Live Stock Exposition are all holding sessions on the exposition grounds, the exposition furnishing the buildings and all that sort of thing. This is a small appropriation to exhibit there what the Government has to offer, showing its investigations, products, and processes relating to agriculture, but mainly live stock and matters of interest both to the Farmers' National Congress and to this international exposition. It is a small appropriation of only $10,000. I think the Government usually makes those exhibits anyhow, but it is directly in line with precedents where these conventions or congresses have been held in Western States. In such cases appropriations similar to this have been made, but of a larger amount. I think it is entirely appropriate, and will be of very great advantage, because this Farmers' National Congress is itself a very large organization, and has a large membership, and is doing splendid work; and then, in addition to that, the International Farm and Live Stock Congress is a large organization, doing splendid work in that field. This is simply to furnish an exhibit there of the result of the investigations and studies of the Department of Agriculture, which will thus be carried to the members of these organizations that happen to be holding their session now at this exposition.

Mr. SMOOT. Mr. President, I am not at all surprised at the appropriation. Not only do I expect that this association will ask for $10,000 or more each year, but I expect that there will be new organizations established in the future, and, seeing that the Government appropriates annually certain amounts for these associations to meet at different parts of the country, they will be added to annually hereafter.

Mr. TOWNSEND. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I do.

Mr. TOWNSEND. I have not been able to attend the session this afternoon. I should like to have the Senator from Utah tell me briefly of what advantage the Government is going to be to this exposition down in Jacksonville, Fla., for which this $10,000 is to be appropriated?

Mr. SMOOT. I think the only advantage is that unless the Government of the United States appropriates this money, perhaps the Farmers' National Congress and Pan American International Farm and Live Stock Exposition could not make a show at that State fair. They, perhaps, could not collect enough money in order to have their representatives down there. I think that is all there is to it.

Mr. TOWNSEND. Is the United States to make an exhibit there, or to do anything as a Government which would be beneficial to the farmers?

Mr. SMOOT. I will say to the Senator that there has been no appropriation for that purpose, and I doubt whether the Government does make an exhibit there. I think this is a Florida State fair and exposition.

Mr. FLETCHER. Mr. President, I will say in answer to the Senator from Michigan that the Florida State Fair & Exposition Co. is holding a State fair at Jacksonville. That happens to be going on. That fair will be held irrespective of any appropriation, and it is asking nothing from the Government. The Farmers' National Congress is not a Florida organization or a southern organization. The Pan American International Farm and Live Stock Exposition is not a southern organization nor a Florida organization. This is no appropriation made to either of those associations. This is simply to cover the expense of the Government making an exhibit where these organizations are holding their conventions. They happen to be holding them this time in Florida. If they had been held anywhere else we would not have heard a word about the matter, because the Government has appropriated year after year $20,000 for these congresses to be held in the semiarid States, and nobody has ever raised any objection to that action. It has been going on year after year. It happens now that the proposition is to appropriate $10,000 to cover the expense of an exhibit in Florida, and we hear a great deal of talk about it, and raise a lot of questions about it.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. I do.

Mr. TOWNSEND. What kind of an exhibit will the Government make down there?

Mr. FLETCHER. The Government has been making investigations and studies for years and years relative to the subjects in which this farmers' congress and this international congress are interested. I do not know what the exhibit covers. It covers a great deal; the result of their studies and investigations, and the point is to bring that result home to the members of the associations that are holding their convention at this point.

Mr. TOWNSEND. Does the Senator believe that will be brought home to them in any other way than through lecturers sent out, possibly, Government representatives, and publications?

Mr. FLETCHER. Oh, no; they carry there the actual exhibits of what has resulted from their studies appertaining to the live-stock industry, all the diseases and ailments of animals, and that sort of thing. That is of immense educational value to the people engaged in those industries. They carry out those exhibits in cases. The exhibits are very considerable, I think, and very instructive. This is a place and an opportunity to bring these things home to the people who are engaged in those industries.

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the committee.

Mr. THOMAS. Mr. President, I should like to have the amendment stated again.

The Secretary again stated the pending amendment.

Mr. SMOOT. Mr. President, I want to ask the Senator if he will not insert, after the word "shall," on page 94, line 2, the word "hereafter," so as to read:

Provided, That no appropriation shall hereafter be granted or used for the expenses of delegates.

I think that is the language that is generally used in the provisions affecting legislation of this sort.

Mr. FLETCHER. I have no objection at all to that amendment, if the Senator desires to offer it.

Mr. SMOOT. Then, Mr. President, I move that the word "hereafter" be inserted after the word "shall," on line 2, page 94.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 94, line 4, after the words "Department of Agriculture," to strike out "$26,943,773" and insert "$28,058,933," so as to make the clause read:

Total carried by this bill for the Department of Agriculture, $28,058,933.

Mr. SMOOT. Mr. President, that will not be the correct amount of the total appropriation; but I take it for granted that it is understood that the clerks will have the right to put in the exact figures.

The PRESIDING OFFICER. Without objection, the clerks will be authorized to correct the total.

Mr. VARDAMAN. Mr. President, I ask permission to have inserted in the RECORD a letter which I have received from the entomologist of the Agricultural and Mechanical College of Mississippi, treating of the sweet-potato weevil—a new bug to me, but it seems he has been busy in the sweet-potato business for some years, and has operated extensively in the States of Georgia, Florida, Mississippi, Louisiana, Texas, and Alabama. He has been in Florada for very many years, and the people of the State of Florida have spent a great deal of money in the effort to exterminate this rapacious little bug. The importance of destroying the pests is seen in the fact that unless something is done to stop the ravages of this little insect it will materially reduce the great crop of potatoes, which amounts annually to something like $90,000,000. The sweet potato is a valuable article of food, and at this time anything that interferes with its production is an evil to be feared. The matter calls for prompt and vigorous attention on the part of the Government.

I also ask to have inserted in the RECORD an amendment, which I shall offer to-morrow or when the bill comes up for consideration, carrying an appropriation of $25,000 for the investigation and possible extermination of the pest.

The PRESIDING OFFICER. Without objection, the matter referred to will be included in the RECORD.

The letter is as follows:

MISSISSIPPI AGRICULTURAL AND MECHANICAL COLLEGE,
Agricultural College, Miss., February 21, 1918.

Senator JAMES K. VARDAMAN,
United States Senate, Washington, D. C.

DEAR SENATOR VARDAMAN: I understand that an effort is being made to get an appropriation from Congress to be used in a campaign to eradicate the sweet-potato weevil, Cylas formicarius, from the Southern States, but that this item has been left out of the agricultural appropriation bill now before the Senate.

The sweet-potato weevil is by far the most serious insect pest of the sweet potato. From the nature of this insect it seems that it will not be a very difficult task to eradicate it. The insect seldom, if ever, flies, and is only known to feed upon the sweet potato and morning glory. At the present time our records show that this pest is only known to occur in four counties in Mississippi. These counties are Hancock, Harrison, Jackson, and Pearl River. We know of only 28 properties that are infested. There are probably many others that we do not know about. If steps are not taken to eradicate this pest, it will gradually spread to other properties until it becomes so generally distributed that eradication will be much more difficult. On one property in this State we found 99 per cent of the potatoes infested with these weevils, and on several other properties the infestations were as high as 85 to 90 per cent. In parts of Louisiana and Texas conditions are even worse, so far as this insect is concerned.

At this time, when we are in need of all kinds of foods, I believe that it is important that this pest be not allowed to spread further, and that every effort be made to eradicate it. I sincerely hope that the Secretary of Agriculture will be authorized to carry on this work.

With kind personal regards, I am,

Very respectfully, yours,

R. W. HARNED, *Entomologist.*

The proposed amendment of Mr. VARDAMAN is as follows:

For applying such methods of eradication or control of the sweet-potato weevil as in the judgment of the Secretary of Agriculture may be necessary, including the payment of such expenses and employment of such persons and means in the city of Washington and elsewhere, in cooperation with such authorities of the States concerned, organizations, or individuals as he may deem necessary to accomplish such purposes, $25,000, which shall be immediately available, and, in the discretion of the Secretary of Agriculture, no expenditures shall be made for these purposes until a sum or sums at least equal to such expenditures shall have been appropriated, subscribed, or contributed by State, county, or local authorities or by individuals or organizations for the accomplishment of such purposes: *Provided*, That no part of the money herein appropriated shall be used to pay the cost or value of sweet potatoes, sweet-potato plants, or other property injured or destroyed.

EXECUTIVE SESSION.

Mr. GORE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 5 minutes p. m., Monday, March 4, 1918), the Senate adjourned until to-morrow, Tuesday, March 5, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate March 4 (legislative day of March 2), 1918.

SURVEYOR GENERAL.

Ingwald C. Thoreson, of Utah, to be surveyor general of Utah. (Reappointment.)

REGISTER OF LAND OFFICE.

Peter Hanson, of Utah, to be register of the land office at Vernal, Utah. (Reappointment.)

RECEIVER OF PUBLIC MONEYS.

Albert F. Young, of Vernal, Utah, to be receiver of public moneys at Vernal, Utah, vice Samuel L. Page, resigned.

APPOINTMENT IN THE NATIONAL ARMY.

JUDGE ADVOCATE GENERAL'S DEPARTMENT.

To be brigadier general with rank from February 18, 1918.

Lieut. Col. Edward A. Kreger, Judge Advocate.

TEMPORARY PROMOTION IN THE ARMY.

INFANTRY ARM.

To be lieutenant colonel with rank from August 5, 1917.

Maj. Lorenzo D. Gasser, Infantry.

To be major with rank from August 5, 1917.

Capt. Lorenzo D. Gasser, Infantry.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY ARM.

Second Lieut. Frederick D. Sharp, Infantry, to be second lieutenant of Field Artillery, with rank from October 26, 1917.

PROVISIONAL APPOINTMENT, BY TRANSFER, IN THE ARMY.

INFANTRY ARM.

Second Lieut. Mark A. Van Liew, Field Artillery, to be second lieucenant of Infantry with rank from October 26, 1917.

POSTMASTERS.

ALABAMA.

Edmund P. Lakeman to be postmaster at Haleyville, Ala., in place of W. H. Cleere, resigned.

ARKANSAS.

Archibald S. Rogers to be postmaster at Osceola, Ark., in place of Adah L. Roussan, resigned.

CALIFORNIA.

Elmer S. Slade to be postmaster at Calipatria, Cal., in place of Charles W. Brown, resigned.

Myrtle M. Crawford to be postmaster at Ceres, Cal., in place of C. H. Bronaugh, resigned.

COLORADO.

Marshall Q. Starr to be postmaster at Hayden, Colo., in place of Robert E. Norvell, resigned.

Cornelia C. Simpson to be postmaster at La Veta, Colo., in place of Fanny Hamilton Simpson, resigned.

FLORIDA.

Israel F. Titus to be postmaster at Lynn Haven, Fla., in place of Florida E. Gay, resigned.

GEORGIA.

Bessie Waldrop to be postmaster at Jackson, Ga., in place of I. J. Slaughter, resigned.

Joseph W. Osborn to be postmaster at Porterdale, Ga., in place of John A. Cowan, resigned.

HAWAII.

M. G. Santos to be postmaster at Lihue, Hawaii, in place of L. D. Timmons, not commissioned.

IDAHO.

Lida Cox to be postmaster at Rigby, Idaho, in place of Edmund Ellsworth, jr., resigned.

INDIANA.

Harry C. Harness to be postmaster at Hamlet, Ind., in place of George H. Weninger, resigned.

KANSAS.

Roy F. Santner to be postmaster at Glen Elder, Kans., in place of Alice W. Lee, removed.

KENTUCKY.

Henry H. Caudill to be postmaster at Morehead, Ky., in place of J. D. Caudill, resigned.

MICHIGAN.

Floyd Sanford to be postmaster at Addison, Mich., in place of Herbert E. Iveson, resigned.

Frank G. Hamilton to be postmaster at Mesick, Mich., in place of Charles E. Dean, resigned.

William D. Colegrove to be postmaster at Remus, Mich., in place of Frederick H. Miller, resigned.

MINNESOTA.

Mabel C. Benson to be postmaster at Clara City, Minn., in place of Cornelius Berghuis, removed.

MISSISSIPPI.

Grey Jack to be postmaster at Scooba, Miss., in place of Elisha E. Jack, resigned.

MISSOURI.

Willard N. Bledsoe to be postmaster at Atlanta, Mo., in place of John H. Lyda, removed.

MONTANA.

Louis C. Bade to be postmaster at Bigtimber, Mont., in place of Augusta C. Sheridan, resigned.

Chauncey W. Griffin to be postmaster at Dodson, Mont., in place of Ovid J. Gagnon, resigned. Office became presidential October 1, 1916.

Clarence R. Miller to be postmaster at Circle, Mont., in place of Earl L. McClatchie, resigned. Office became presidential January 1, 1917.

James S. Honnold to be postmaster at Joliet, Mont., in place of John B. Farrell, resigned.

NEW MEXICO.

Robert J. Lentz to be postmaster at Magdalene, N. Mex., in place of H. A. Hodges, resigned.

NEW YORK.

Lewis O. Wilson to be postmaster at Long Beach, N. Y., in place of Clinton A. Parsons, removed.

NORTH CAROLINA.

Bessie F. Nicholson to be postmaster at Maxton, N. C., in place of O. C. Nicholson, deceased.

OHIO.

Fred W. Pace to be postmaster at Roseville, Ohio, in place of J. W. Stoneburner, resigned.

OREGON.

Charles M. Crittenden to be postmaster at Hubbard, Oreg., in place of Kenneth B. Grimm, resigned.

PENNSYLVANIA.

Frederic P. Laub to be postmaster at Bath, Pa., in place of John J. Remaly, resigned.

Loyal G. Hoffman to be postmaster at Boswell, Pa., in place of of Thomas J. McClelland, resigned.

John F. Henry to be postmaster at Cresco, Pa., in place of John A. Seguine, resigned.

Iva S. Martin to be postmaster at Masontown, Pa., in place of C. C. Sterling, deceased.

RHODE ISLAND.

James A. Wright to be postmaster at Wakefield, R. I., in place of J. Elmer Thewlis, deceased.

SOUTH CAROLINA.

Jean C. Sloan to be postmaster at Pendleton, S. C., in place of Paul H. E. Sloan, jr., deceased.

Robert R. Miley to be postmaster at Walterboro, S. C., in place of J. Mitchell Witsell, resigned.

Richard W. Adams to be postmaster at Ridgeway, S. C., in place of H. W. Des Portes. Incumbent's commission expired August 6. 1916.

TEXAS.

Robert E. Watson to be postmaster at Crowell, Tex., in place of J. G. Witherspoon, resigned.

Grace Lemmon to be postmaster at Garland, Tex., in place of Nora Lemmon. Incumbent's commission expired May 22, 1917.

Hoyte H. Burchard to be postmaster at Harlingen, Tex., in place of Hugo J. Letzerich, removed.

Florence K. Winsett to be postmaster at Higgins, Tex., in place of J. W. Winsett, deceased.

William J. Hamlett to be postmaster at Milford, Tex., in place of Z. T. Bundy, deceased.

Sallie P. Lunday to be postmaster at Naples, Tex., in place of James M. Kennedy, deceased.

Ben B. Ward to be postmaster at Newcastle, Tex., in place of Henry C. Williams, resigned.

Annie Kilpatrick to be postmaster at Ratcliff, Tex., in place of Joe Green, resigned.

VIRGINIA.

G. C. Turner to be postmaster at Dante, Va., in place of R. W. Ervin, resigned.

Ethel V. Vaughan to be postmaster at Timberville, Va., in place of Charles E. Fahrney, deceased.

WEST VIRGINIA.

William E. McDowell to be postmaster at Mount Hope, W. Va., in place of J. Frank Grimet, resigned.

Armistead S. Lucas to be postmaster at Shepherdstown, W. Va., in place of William L. Reinhart, deceased.

WYOMING.

J. Arthur Mecham to be postmaster at Afton, Wyo., in place of William H. Cazier, removed.

Edith E. Sumner to be postmaster at Glenrock, Wyo., in place of Kinsler H. Padden, resigned.

Walter E. Patterson to be postmaster at Wheatland, Wyo., in place of Malcolm R. Merrill, removed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate March 4 (legislative day of March 2), 1918.

UNITED STATES DISTRICT ATTORNEYS.

William C. Hammer to be United States attorney, western district of North Carolina.

Francis H. Weston to be United States attorney, eastern district of South Carolina.

William W. Ray to be United States attorney, district of Utah.

UNITED STATES MARSHALS.

Henry M. Cox to be United States marshal, eastern district of Kentucky.

Aquila Nebeker to be United States marshal, district of Utah.

PUBLIC HEALTH SERVICE.

Marion Flint Haralson to be assistant surgeon.

John Friend Mahoney to be assistant surgeon.

Hugh David Ward to be assistant surgeon.

POSTMASTER.

ILLINOIS.

Patrick H. Fitzgerald, Tiskilwa.

PROMOTIONS IN THE NAVY.

The following-named lieutenants to be lieutenant commanders:

Eddie J. Estess,
James D. Moore,
William W. Wilson,
William H. Stiles, jr.,
Victor D. Herbster,
David F. Ducey,
Donald T. Hunter,
Cary W. Magruder,
Edmund W. Strother,
William H. Pashley,
Fred T. Berry,
William R. Purnell,
Edwin Guthrie,
James D. Smith,
Frederic T. Van Auken,
Marshall Collins,
Kinchen L. Hill,
Thomas C. Kinkaid,
Lee P. Warren,
Ernest F. Buck,
Allan G. Olson,
Charles M. James,
Ralph G. Walling,
Selah M. La Bounty,
Henry E. Parsons,
Harry G. Donald,
Abner M. Steckel,
John L. Schaffer,
Leland Jordan, jr.,
Edward G. Blakeslee,
John H. Everson,
Worrall R. Carter,
James G. Stevens,
Robert R. M. Emmet,
John C. Jennings,
Henry B. Le Bourgeois,
Paul J. Peyton,
Laurence S. Stewart,

Guy C. Barnes,
William A. Hodgman,
Cleveland McCauley,
Martin J. Peterson,
Robert E. Rogers,
Samuel S. Payne,
Leslie C. Davis,
Harry H. Forgus,
Franklin P. Conger,
Raymond G. Thomas,
Aquilla G. Dibrell,
Henry D. McGuire,
Edward H. Connor,
William B. Cothran,
Theodore S. Wilkinson, jr.,
William W. Smith.
David I. Hedrick.
Olaf M. Hustvedt,
Harold T. Smith,
Cummings L. Lothrop, jr.,
Preston B. Haines,
Gerard Bradford,
Mark L. Hersey, jr.,
Frank T. Leighton,
Alva D. Bernhard,
Chester S. Roberts,
Penn L. Carroll,
Benjamin V McCandlish,
Daniel A. McElduff,
Arthur S. Dysart,
Hugh P. Le Clair,
Edmund S. R. Brandt,
Harold S. Burdick,
James D. Maloney,
Alan G. Kirk,
Fitzhugh Green,
Levi B. Bye,
Granville B. Hoey,
Tracy L. McCauley,
Francis W. Scanland,
Joel W. Bunkley,
Max B. De Mott.
Ernest J. Blankenship,
John J. Saxer,
Leo L. Lindley,
Harold C. Train,
Wallace L. Lind,
Richard McC. Elliot, jr.,
Lee P. Johnson,
Monroe Kelly,
Marion C. Robertson,
Edward C. Raguet,
Ward W. Waddell,
Charles C. Davis,
Robert R. Paunack,
Frank D. Manock.
George K. Stoddard,
Williams C. Wickham,
Freeland A. Daubin,
Hugh V. McCabe, and
Claude S. Gillette.

The following-named lieutenants (junior grade) to be lieutenants:

James A. Scott,
Julius W. Simms,
William E. Miller,
George F. Chapline,
Douglas C. Woodward,
William J. Forrestel,
Armistead C. Rogers,
John S. Roberts,
John D. Price,
Norman O. Wynkoop,
James B. Ryan.
William W. Schott,
Sidney W. Kirtland,
Joseph H. Lawson,
Stanwix G. Mayfield, jr.,
Richard E. Webb,
Edwin F. Cochrane,
Charles T. Gilliam,
Gilbert C. Hoover,
Thomas V. Cooper,
Walter S. Carrington,
Newbold T. Lawrence, jr.,
Roy K. Jones,
Martin B. Stonestreet,
Heman J. Redfield,
Richard H. Jones,
Lowell Cooper,
Linton Herndon,
Andrew C. McFall,
Leon F. Brown,
Herbert S. Jones,
Herbert J. Grassie,
Robert N. Kennedy,
Isaiah Parker,
Carl H. Hilton,
Chaplin E. Evans,
James K. Davis,
George D. Price,
Cassin Young,
Carlyle Craig,
Knefler McGinnis,
James P. Compton,
George G. Robertson,
Fred W. Connor,
Dallas Wait,
Frederick E. Haeberle,
John E. Ostrander, jr.,
Edmund E. Brady, jr.,
Houston L. Maples,
George W. McIver, jr.,
Henry R. Oster,
Randall E. Dees,
Colin Campbell.
Paul W. F. Huschke,
Theodore L. Schumacher,
Clarence W. Johnson,
Douglas W. Coe.
Frank G. Fahrion,
Albert Noble.
Norborne L. Rawlings,
Ingolf N. Kiland,
Frank H. Dean.
Edward A. Mitchell,
Harold S. Klein.
Alexander D. Douglas,
Lawrence Wainwright,
Homer N. Wallin,
Donald B. Duncan,
Sydney J. Wynne.
Earle E. Muschlitz,
Robert B. Dashiell,
Julian L. Woodruff.
John O'D. Richmond,
David C. Fox,
Andrew G. Shepard,
Simon P. Fullinwider,
Lisle F. Small.
William P. O. Clarke,
Edmund B. Caldwell,
Jay K. Allen.
Nicholas Vytlacil.
Stanton H. Wooster,
Edward B. Rogers,
George T. Howard,
Charles L. Hayden,
Robert L. Randolph, jr.,
Robert G. Tobin,
Theodore M. Waldschmidt,
Herbert B. Knowles,
Adolph P. Schneider,
Anson A. Bigelow,
Robert R. Ogg,
John C. Tyler.
Harold B. Sallada,
Benjamin Buchalter,
George R. Fairlamb, jr.,
Joseph W. Gregory,
John R. Cruse,
John T. Metcalf,
Ross F. Collins.
Benjamin F. Staud,
Paul F. Shortridge,
Francis C. Denebrink,
John J. Twomey,
Felix B. Stump.
Robert B. Matthews,
Hugh St. C. Sease,

Walter C. Calhoun,
Carl F. Holden,
Lester J. Hudson,
Kingsland Dunwoody,
Samuel B. Brewer,
Vincent J. Moore,
Frank W. Lively,
James H. Conyne,
Davenport Browne,
Frederic W. Neilson,
Franklin S. Irby,
Allen I. Price,
Colin DeV. Headlee,
Byron K. Presnell,
Merrill Comstock,
Robert W. McReynolds, jr.,
Richard W. Gruelick,
Harrison Avery,
Paul U. Tevis,
Leonard Doughty, jr.,
Wilbur V. Shown,
Hanson E. Ely, jr.,
George K. Weber,
Ralph U. Hyde,
William F. Dietrich,
Ralph Wyman,
Andrew G. Reaves,
George C. Cummings,
Richard H. Harper,
George M. Keller,
John B. Heffernan,
Edward J. Moran,
Harry C. Blodgett,
John H. Keefe,
Elliott M. Senn,
Francis W. Benson,
Thomas R. Cooley, jr.,
Vernon F. Grant,
George L. Harriss,
Francis T. Spellman,
Homer W. Clark,
Carl L. Hansen,
Edward Sparrow,
Ben H. Wyatt,
Robert L. Porter, jr.,
Ward P. Davis,
Guido F. Forster,
Volney O. Clark,
Edward H. Jones,
Gaile A. Poindexter,
Earl W. Morris,
Robert W. Fleming,
Thomas B. Hendley,
William J. Morcock,
Kenneth L. Coontz,
Karl Keller,
Howard F. Councill,
Robert E. Keating,
Philip W. Warren,
John N. Walton,
Earl S. Hurlbut,
Allan R. McCann,
Evan G. Hanson,
Herbert W. Anderson,
William G. Ludlow, jr.,
Carl W. Brewington,
Leonard B. Austin,
Chester McK. Holton,
John H. Jenkins,
Leonard P. Wessell,
Emile Topp,
Frank L. Worden,
Donald R. Evans,
Frank J. Hanafee,
Andrew R. Mack,
John G. M. Stone,
Ralph F. Skylstead,
Clarence O. Ward,
Guy W. Clark,
Thomas D. Ross,
James P. Conover, jr.,
John V. Murphy,
Francis A. Smith,
Peyton H. Park,
Conrad L. Jacobsen,
Kenneth Floyd-Jones,
William McK. Reifel,
William H. Ball,
Laurence P. Sargent,
Seabury Cook,
Constantine N. Perkins,
Rollin V. A. Failing,
Benjamin O. Wells,
Laurence E. Kelly,
Herbert V. Wiley,
Douglas A. Spencer,
John J. Bartholdi,
Charles W. Weitzel,
Harold F. Ely,
Isidore Lehrfeld,
Stephen E. Dillon,
John H. Forshew, jr.,
William S. B. Claude,
William S. Heath,
Guy B. Hoover,
Kenneth M. Hoeffel,
Joseph W. Paige,
Forrest P. Sherman,
William R. Nichols,
Ernest B. Colton,
Joseph W. Fowler,
William H. Hopkins, jr.,
William J. Malone,
Oscar H. Holtmann,
Lawrence B. Richardson,
James Fife, jr.,
Moses B. Byington, jr.,
Frank R. Dodge,
George T. Cuddihy,
William W. Warlick,
Vincent R. Murphy,
Ralph S. McDowell,
Henry A. Hutchins, jr.,
Charles W. Styer,
Thomas L. Sprague,
Owen E. Grimm,
Einar R. Johnson,
Martin J. Connolly,
Pal L. Meadows,
John D. Crecca,
Frederick L. Douthit,
Frederick S. Holmes,
Thomas B. Inglis,
Earl E. Stone,
James D. Jacobs,
John J. Ballentine,
Edwin H. Price,
Everett B. Browne,
John R. Sullivan,
James V. B. Lawyer,
John D. Alvis,
John N. Whelan,
Daniel W. Tomlinson, 4th,
Edward F. McCartin,
Hayden H. Smith, and
Donald A. Green.

The following-named ensigns to be lieutenants (junior grade):

Emory F. Hosmer,
Ernest Heilmann,
Otto J. W. Haltnorth,
Percy H. Bierce,
Franklin E. Chester,
Frank G. Mehling,
James J. O'Brien,
Edward Crouch,
William DeFries,
John B. Hupp,
Daniel Dowling,
Edward C. Wurster,
Arthur B. Dorsey,
Arthur D. Freshman,
Gustav C. Tanske,
Leroy Rodd,
Charles W. A. Campbell,
Edward Wenk,
Frank C. Wisker,
Louis M. Wegat,
Harry E. Stevens,
David P. Henderson,
Harry A. Pinkerton,

Herman Kossler,
Oscar E. Anderson,
Henry McEvoy,
Lawrence Wittmann,
Alvin E. Skinner,
Joseph Chamberlin,
Newton R. George,
Ralph G. Moody,
John McN. D. Knowles,
Robert G. Greenleaf,
Charles F. Beecher,
Frank R. King,
William H. Hubbard,
James MacIntyre,
Ernest W. Dobie,
Stephen H. Badgett,
Jonathan H. Warman,
Walter M. Shipley,
John C. Parker,
Charles O. Hathaway,
James M. Berlin,
Walter Lau,
Robert B. Sanford, jr.,
Charles D. Welker,
Rufus H. Bush,
John E. Burger,
Patrick J. Solon,
Francis A. Pippo,
Joseph W. Bettens,
Frank Bruce,
Michael J. Conlon,
Henry W. Stratton,
Clyde Keene,
George C. Smith,
William Seyford,
Gottlieb Sherer,
George E. Maynard,
Arthur B. McCrary,
Axel Lindblad,
Seldon L. Almon,
William E. O'Connor,
William Twigg, jr.,
Frederick R. Kalde,
Burton W. Lambert,
Allen I. Seaman,
William D. Dadd,
Charles Swanberg,
Malcolm C. Davis,
William H. Muehlhause,
Leroy Neil,
Oscar D. Parker,
John A. Ward,
John C. Hines,
John Gallagher,
George W. Robbins,
Cyrus S. Hansel,
Ernest A. Healy,
Frederick G. Keyes,
William Eberlin,
Frederick Petry,
John Meyer,
Frederick Evans,
Godfrey P. Schurz,
Clarence L. Tibbals,
Thomas J. Bristol,
William Taylor,
Daniel F. Mulvihill,
Michael J. Bresnahan,
Lafayette P. Guy,
Edmond Delavy,
Frank J. Mayer,
Horace de B. Dougherty,
James J. Joyce,
Fred Rasmussen,
Warner K. Bigger,
Frank Schultz,
Joseph Sperl,
Daniel J. Sullivan,
David F. Mead,
Edwin W. Hill,
Henry A. Lowell,
Charles Antrobus,
Oliver T. Miller,
August Logan,
John J. Coyle,
George F. Blass,
Walter S. Belknap,
George C. Lacock,
Anton Hengst,
John W. Boldt,
Fred San Soucie,
Claude S. Padgett,
Howard H. Chambers,
Percy R. Abrams,
Vincent F. LeVerne,
Charles E. Briggs,
George B. Llewellyn,
William C. Milligan,
Frederick J. Legere,
James Reilly,
John H. MacDonald,
William A. James,
William A. Fulkerson,
Jerry C. Holmes,
Conrad T. Goertz,
Edwin R. Wroughton,
William E. Cook,
Lewis H. Cutting,
Ernest L. Jones,
William C. Carpenter,
Murry Wolfe,
Charles L. Greene,
Arthur T. Brill,
Ward T. Hall,
Michael Garland,
Erich Richter,
John C. Heck,
James L. McKenna,
George W. Waldo,
Anthony E. Bentfeld,
Arthur Boquett,
John Harder,
Sigvart Thompson,
Stephen A. Farrell,
William A. Vick,
John J. Welch,
Arthur S. Rollins,
Charles C. Stotz,
John C. Maxon,
Bailey E. Rigg,
Walter A. Buckley,
Frank E. Nelson,
Norman McL. McDonald,
Philip S. Flint,
Charles W. Wagner,
Henry A. Reynolds,
George F. Veth,
James E. Kemmer,
James A. Newell,
William W. Holton,
Fred C. Wolf,
Charles J. Naprstek,
Max Bayer,
Paxton Hotchkiss,
Leon W. Knight,
Harry M. Peaco,
Henry H. Beck,
Frank F. Webster,
John Reber,
Charles N. Koch,
Fred T. Rider,
William S. Evans,
Sofus K. Sorensen,
George J. Romulus,
Arthur L. Hecykell,
Charles King
Quintus R Thomson, jr.,
Ora A. Martin,
John A. Pierce,
Stephen Ingham,
William R. Spear,
William T Shaw,
Roy K. Madill
William R. McFarlane,
Nils Anderson,
Melvin C. Kent,
John E. Armstrong,
Albert C. Fraenzel,
William A. Martin,
Ralph B. Wallace,

James Roberts,
Joseph D. Glick,
Anthony Prastka,
Joseph W. Birk,
Edmund D. Duckett,
Raymond A. Walker,
Hermann Jorgensen,
Charles F. Dame,
Arthur J. Holton,
Vincent Benedict,
Ola D. Butler,
Edgar C. Wortman,
Joseph G. N. Johnson,
David Duffy,
Clyde H. McLellon,
Noel Chatillon,
William F. Schlegel,
Lee W. Drisco,
James J. Delany,
William H. Stephenson,
Arthur E. Rice,
John P. Millon,
Frank L. Elkins,
Sol Shaw,
Ernest J. Leonard,
Thomas J. Sullivan,
John P. Sasse,
Will Mueller,
John H. Chase,
Will S. Holloway,
George J. Blessing,
James D. Brown,
Patrick H. Cassidy,
Frank A. Manuel,
Frank Flaherty,
Arthur A. F. Alm,
Bennett McC. Proctor,
James Donaldson,
John A. Silva,
James Hauser,
John E. Sullivan,
Charles A. Armstrong,
Chauncey R. Doll,
James S. Trayer,
Gregoire F. J. Labelle,
Theodore Andersen,
Henry Hartley,
Eugene J. Frieh,
Philip J. Kelly,
Alfred Doucet,
William E. Benson,
Fred C. A. Plagemann,
Peter J. Gundlach,
Albert M. Hinman,
Leon W. Becker,
William Cox,
Stephen A. Loftus,
Herman C. Schrader,
Asa V. R. Watson,
William A. Eaton,
James M. MacDonnell,
Herbert R. Mytinger,
Harold A. Turner,
Charles B. Bradley,
Curry E. Eason,
Samuel C. Washington,
Brice H. Mack,
James A. Featherston,
Walter N. Fanning,
Herbert J. Meneratti,
Niels Drustrup,
Abraham DeSomer,
George Bradley,
Donald McDonald,
Warren E. Magee,
Robert J. Kingsmill,
Charles F. Merrill,
Charles B. Shackelton,
Benjamin F. Ranger,
Robert C. McClure,
Carl S. Chapman,
George C. Martin,
Wilmer W. Weber,
Mark Strosk,
William W. Wilkins,
Helge Ohlsson,
Elroy G. True,
James W. O'Leary,
Warren H. Langdon,
Andrew C. Skinner,
Emery Smith,
Benjamin F. Maddox,
George Keeser,
John A. Rogers,
Alfred E. Raue,
John C. Richards,
Frank W. Yurasko,
Albert H. Mellien,
Philip A. Astoria,
Thomas A. Graham,
William A. Mason,
Everest A. Whited,
John F. Murphy,
Charles A. Kohls,
Clarence R. Rockwell,
Paul E. Kuter,
William E. Snyder,
David McWhorter, jr.,
George H. Kellogg,
Elery A. Zehner,
Samuel E. Lee,
Frank Stinchcomb,
Simon L. Shade,
Ludwig W. Gumz,
Wildon A. Ott,
Hugh W. Nimmo,
Junius G. Sanders,
Frederick B. Webber,
George T. Campbell,
Charles A. Dannemann,
Harold G. Billings,
Albert E. Freed,
Frank Kinne,
Andrew N. Anderson,
Frank C. Nigg,
Frank Kerr,
Arthur H. Cummings,
Harry J. Hansen,
Rony Snyder,
Newcomb L. Damon,
Jack K. Campbell,
George Kleinsmith,
Albert G. Martin,
Daniel McCallum,
John M. Buckley,
John J. Madden,
Robert Semple,
Henry H. Fowler,
Stanley H. Sacker,
Elmer J. McCluen,
John M. Kirkpatrick,
Clyde Lovelace,
Claude B. Arney,
Martin Dickinson,
Jesse J. Alexander,
John J. Enders,
Jesse J. Oettinger,
William H. Farrel,
Thomas M. Buck,
John Shottroff,
John Whalen,
Raymond C. McDuffie,
Oscar Benson,
William Martin,
John S. Conover,
Fayette Myers,
John G. M. Johnson,
Frederick Clifford,
Alexander Anderson,
Frederick T. Walling,
Charles V. Kane,
Joseph M. Gately,
Joseph H. Gerrior,
George S. Dean,
Ralph A. Laird, and
Charles F. Fielding.

Capt. Arthur B. Owens to be a major in the Marine Corps.

Capt. Clarke H. Wells to be a major in the Marine Corps.

The following-named first lieutenants to be captains in the Marine Corps:

Harry Paul, and
William Workman.

The following-named second lieutenants to be first lieutenants in the Marine Corps:

Frank R. Armstead, and
Lee H. Brown.

First Lieut. Ethelbert Talbot to be a captain in the Marine Corps.

Francis B. Reed to be a second lieutenant in the Marine Corps.

HOUSE OF REPRESENTATIVES.

MONDAY, *March 4, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, our heavenly Father, source of all good, help us to concentrate our wisdom, power, and influence, with our allies, with whom we are associated, against the powers of evil; that we may overcome their machinations and inhuman desires; and bring order out of chaos, peace out of war, righteousness out of evil, and establish liberty, truth, justice, righteousness in the heart of mankind; that Thy Kingdom may come in all its fullness, in the spirit of the Lord Jesus Christ. Amen.

The Journals of the proceedings of Saturday, March 2, and Sunday, March 3, 1918, were read and approved.

CALENDAR FOR UNANIMOUS CONSENT.

The SPEAKER. This is Unanimous-Consent Calendar day. The Clerk will report the first bill on that calendar.

RESERVE OF THE PUBLIC-HEALTH SERVICE.

The first business on the Calendar for Unanimous Consent was S. J. Res. 63, to establish a reserve of the Public-Health Service.

The Clerk read the title of the joint resolution.

Mr. COADY. Mr. Speaker, I ask unanimous consent that that joint resolution be passed over without prejudice.

Mr. FOSTER. Mr. Speaker, reserving the right to object, I think that where bills have been passed over twice already they ought to go to the foot of the calendar. They ought not to be allowed to clog the calendar, and I suggest that if this joint resolution is passed over it be with that understanding—that it go to the foot of the calendar.

Mr. BORLAND. Why is it to be passed over? This is a very important measure, and it seems to me we might pass it.

Mr. COADY. It is a very important measure, but I understand there is objection to it on the part of some Members.

Mr. BORLAND. The need for this public-health reserve is critical right now.

Mr. COADY. I agree with the gentleman. I would have it considered now if I felt that there would be no objection to it.

The SPEAKER. Is there objection to the request of the gentleman from Maryland to pass this joint resolution over without prejudice?

Mr. FOSTER. If it goes to the foot of the calendar I have no objection.

The SPEAKER. Yes; but there is no rule to put it at the foot of the calendar.

Mr FOSTER. I object.

The SPEAKER. Is there objection to the present consideration of this joint resolution?

Mr. STAFFORD. I object.

The SPEAKER. The gentleman from Wisconsin objects.

Mr. STAFFORD. I have no objection to the matter being passed over without prejudice.

The SPEAKER. But the trouble about that is that the gentleman from Illinois [Mr. FOSTER] does have objection to it.

Mr. FOSTER. I think it is hardly fair that a bill should be passed over day after day and retain its position at the head of the calendar.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield in that particular? If the Chair will indulge me just a moment, I think there is considerable merit in the position taken by the gentleman from Illinois [Mr. FOSTER]. I think that the Committee on Rules should bring in a rule providing for the consideration of bills on Unanimous-Consent Calendar day, so that the call of committees shall begin where it left off on the last preceding unanimous-consent day. Under the existing practice we rarely get to the bills that have been recently placed on the Calendar for Unanimous Consent.

The SPEAKER. All this is out of order. The gentleman from Wisconsin [Mr. STAFFORD] objected to the present consideration of this joint resolution, and it will be stricken from the calendar. The Clerk will report the next bill.

ADDITIONAL JUDGE, EASTERN DISTRICT OF MISSOURI.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 294) to provide for the appointment of an additional judge of the district court of the United States for the eastern district of Missouri.

The Clerk read the title of the bill.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice and placed at the foot of the calendar.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that this bill be passed over and put at the foot of the calendar.

Mr. STAFFORD. I object to the consideration of the bill, and also to the request of the gentleman from North Carolina.

The SPEAKER. The gentleman from Wisconsin objects to the whole thing. The bill will be stricken from the calendar.

VOCATIONAL EDUCATION.

The next business on the Calendar for Unanimous Consent was Senate joint resolution 110, to amend an act entitled "An act to provide for the promotion of vocational education," approved February 23, 1917.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object——

Mr. CLARK of Florida. I ask unanimous consent that this joint resolution may be passed over informally.

Mr. STAFFORD. Will the gentleman yield?

Mr. CLARK of Florida. Yes.

The SPEAKER. The gentleman from Florida [Mr. CLARK] asks unanimous consent that joint resolution be passed over without prejudice.

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, will the gentleman from Florida allow me?

Mr. CLARK of Florida. Yes.

Mr. STAFFORD. The matter covered by this joint resolution was taken care of in the deficiency appropriation bill that recently passed the House, and there can be no need of it in case the item is agreed to in the Senate as it passed the House. I have no objection, however, to letting this matter go over until it is known whether the Senate agrees to the provision as incorporated in the deficiency appropriation bill.

Mr. CLARK of Florida. Very well.

The SPEAKER. The gentleman from Florida [Mr. CLARK] asks unanimous consent that this joint resolution be passed over without prejudice. Is there objection?

Mr. FOSTER. To take its place at the foot of the line, Mr. Speaker.

Mr. CLARK of Florida. That is all right, Mr. Speaker. We understand each other.

The SPEAKER. To be placed at the foot of the calendar. Is there objection?

Mr. MADDEN. Reserving the right to object, Mr. Speaker, if the gentleman from Florida will allow me, I think there ought not to be any blanket authority granted to any officer of the Government to go where he pleases and when he pleases to put up buildings.

Mr. CLARK of Florida. We are not talking about buildings. This is the educational matter.

Mr. MADDEN. I thought it was the building bill. This is all right.

The SPEAKER. Is there objection to passing this joint resolution over and putting it at the foot of the calendar?

Mr. SHERLEY. Mr. Speaker, I object.

Mr. CLARK of Florida. Mr. Speaker, I want to state my reason. It will take only a moment to do it.

My colleague [Mr. SEARS] is interested in the joint resolution and made the report. He is before a very important meeting of the Committee on Agriculture. I want it passed until he can be here on the floor.

Mr. SHERLEY. I have no objection to that.

The SPEAKER. The gentleman from Florida asks unanimous consent that this joint resolution be passed over temporarily, so that it may be called up again to-day. Is there objection?

There was no objection.

POST OFFICES AT GLENDALE AND ALHAMBRA, CAL.

The next business on the calendar for unanimous consent was the bill (H. R. 7239) to amend the postal laws.

Mr. RANDALL. Mr. Speaker, this is a bill to reestablish two post offices in California.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I feel inclined from the information I now have in my possession to

object, although I am willing to withhold it for further information if the gentleman from California can give it to us.

REESTABLISHMENT OF SECOND-CLASS POST OFFICES.

Mr. RANDALL. Mr. Speaker, this is not a bill to establish new post offices; it is to reestablish post offices which were formerly independent post offices but were discontinued against the will of the inhabitants of the cities in which they were situated. This is a bill simply to restore the status of second-class post offices in the cities of Glendale and Alhambra, Cal., discontinued several years ago and made substations of the city of Los Angeles. If gentlemen desire further information before consideration of the bill I can give it.

Mr. GARD. By whose order were the post offices discontinued and made substations?

Mr. RANDALL. By order of the Postmaster General; and they can not be reestablished as post offices of the second class except by enactment of Congress.

Mr. GARD. When were they discontinued?

Mr. RANDALL. About seven years ago.

Mr. GARD. And they have since operated as substations?

Mr. RANDALL. Yes. I will ask the Clerk to read the resolution of the city councils of the two cities and the chambers of commerce of Alhambra and Glendale.

The Clerk read as follows:

ALHAMBRA, CAL., *February 15, 1918.*

Hon. CHARLES H. RANDALL, *Washington, D. C.*

DEAR SIR: At a meeting of the Alhambra Chamber of Commerce held February 5, 1918, I was authorized to convey to you the wishes of the chamber concerning an independent post office for Alhambra and to assure you that the members of the chamber are back of you in the undertaking.

This is a city of 10,000 population, with a property valuation amounting to the sum of $15,000,000. We have 66 miles of streets, of which 45 miles are paved and 50 miles are illuminated with an ornamental lighting system. We have spent over $700,000 in streets and sidewalks alone.

The building which is being used for post office at present is really an insult to the intelligence of the people of this city, not only being too small and inadequate altogether, but the same is closed at 6.30 every evening and one is unable to obtain mail from the boxes after that time.

It might be well at this time for me to cite an instance which occurred about eight months ago, when an $80,000,000 corporation opened its offices in this city and were unable to rent a post-office box adequate to their needs, with the result that they were compelled to take one of the small boxes at a monthly rental of 15 cents. This will give you an idea as to the character of advertising our city is getting from our post office.

I am inclosing herewith a few photographs and cuts which will show you the character of our post office as compared with our other buildings.

In order to advise you of the caliber of the residents of this city, I might take this opportunity to inform you that we oversubscribed our quota in each of the liberty loan campaigns, together with the Red Cross and Y. M. C. A. movements.

In conclusion, kindly be informed that it is the unanimous desire of this body, the Alhambra Chamber of Commerce, that the Government establish an independent post office in this city, although we know it will cause considerable increase in our expense, due to the additional postage that will be required between here and the city of Los Angeles.

ALHAMBRA CHAMBER OF COMMERCE,
M. B. GRAVES, *Secretary.*

RESOLUTION OF CITY COMMISSION OF ALHAMBRA, CAL.

Whereas Representative C. H. RANDALL has presented to the House of Representatives bill No. 7230, which is a bill to reestablish as a post office of the second class the substation of the post office at Los Angeles, Cal., known as Alhambra; and

Whereas the City Commission of the City of Alhambra believes that said change from a branch office to an independent office will prove a material benefit to the entire city: Now, therefore, be it

Resolved, That the city commission heartily approves the action of Representative C. H. RANDALL and earnestly urges the passage of this bill; and be it further

Resolved, That the city clerk of the city of Alhambra be, and he is hereby, instructed to forward a copy of this resolution to Representative C. H. RANDALL.

Ayes: Commissioners Hall, Bailey, Williams, and Stuart.

JAMES STUART,
President of the Commission of the City of Alhambra.

The foregoing resolution was duly adopted at a regular meeting of the commission of the city of Alhambra held on the 4th day of February, 1918.

ALBIN E. JOHNSON,
City Clerk of the City of Alhambra.

RESOLUTION OF CITY COUNCIL AND CHAMBER OF COMMERCE OF GLENDALE, CAL.

GLENDALE, CAL., *February 17, 1918.*

Hon. C. H. RANDALL,
Member of Congress, Washington, D. C.:

At a joint meeting of members of board trustees and chamber of commerce of Glendale, Cal., the following resolution was adopted:

"Whereas Glendale is city of 13,000 and has contiguous thereto 3,000 additonal, and is entitled to an independent post office: Therefore

"*Resolved*, That we hereby affirm our former action and petition for an independent post office to serve needs of our city and population tributary thereto."

J. S. THOMPSON,
Chairman, Board of Trustees.
A. T. COWAN,
President, Chamber of Commerce.

Mr. RANDALL. Mr. Speaker, these cities are not suburbs of Los Angeles. They are independent cities; in one case 7 miles from the Los Angeles post office, and in the other case 8 miles. The service given by the substation method has been entirely unsatisfactory.

Mr. SHERWOOD. Will the gentleman yield?

Mr. RANDALL. Yes.

Mr. SHERWOOD. What is the reason given by the Postmaster General for their discontinuance?

Mr. RANDALL. The Postmaster General is willing to reestablish the offices. The initiative was taken in the city of Los Angeles, which desires to consolidate all the cities of Los Angeles County with that city, and it began by influencing the department to discontinue the independent post offices. That is the origin of it.

Mr. FOSS. Is there any proposition by Los Angeles to annex these cities?

Mr. RANDALL. None in an official way, except the agitation in the city of Los Angeles.

Mr. FOSS. But there has been no vote or referendum?

Mr. RANDALL. No.

Mr. WHEELER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WHEELER. Has unanimous consent been given for the consideration of this bill?

The SPEAKER. It has not.

Mr. WHEELER. Then why can we be considering it at this time?

The SPEAKER. Because the gentleman from Wisconsin reserved the right to object.

Mr. RANDALL. Mr. Speaker, the only action we have had on this question of annexation is in the case of the city of Tropico, lying between Glendale and Los Angeles, which recently voted on a proposition to annex to Los Angeles, and voted it down. Then at a later election Tropico voted to annex to Glendale. Apparently some cities would rather annex themselves to cities outside than to Los Angeles.

Mr. GILLETT. Will the gentleman yield?

Mr. RANDALL. Yes.

Mr. GILLETT. Do I understand that these post offices were established as substations by the department without action of Congress?

Mr. RANDALL. Yes; the offices were discontinued by the Postmaster General and made substations, but he has no power to reestablish them except as post offices of the fourth class. In such a case there is no money available for clerk hire or carrier service.

Mr. GILLETT. Then I understand that the Postmaster General has power to destroy but not to restore?

Mr. RANDALL. He has power to destroy any presidential post office, but he can not restore it without action of Congress.

Mr. GILLETT. When was this done?

Mr. RANDALL. About seven years ago.

Mr. STAFFORD. What is the attitude of the present Post Office Department as to a change of the status of postal stations tributary to large city post offices?

Mr. RANDALL. I can not inform the gentleman as to the general attitude, but I can say that the Post Office Department drew the language of the bill in this particular case.

Mr. STAFFORD. Has the gentleman a letter from the Postmaster General in which he says that he approves of this?

Mr. RANDALL. No. The First Assistant Postmaster General was before the Post Office Committee and interrogated, and there he drew the language for this bill. The Post Office Committee has unanimously recommended the passage of this bill.

Mr. STAFFORD. Mr. Speaker, until we have some express recommendation from the Postmaster General favoring this administrative policy I shall have to object.

The SPEAKER. Objection is made, and the bill will be stricken from the calendar.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had agreed to the amendments of the House of Representatives to joint resolution (S. J. Res. 92) providing additional time for the payment of purchase money under homestead entries within the former Colville Indian Reservation.

The message also announced that the President had, on March 1, 1918, approved and signed bill of the following title:

S. 3389. An act to authorize and empower the United States Shipping Board Emergency Fleet Corporation to purchase, lease, requisition, or otherwise acquire, and to sell or otherwise dispose of improved or unimproved land, houses, buildings, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to joint resolution of the following title:

S. J. Res. 92. Joint resolution providing additional time for the payment of purchase money under homestead entries within the former Colville Indian Reservation, Wash.

FOREIGN DECORATIONS AND MEDALS OF HONOR.

Mr. CALDWELL. Mr. Speaker, I ask unanimous consent that the two next bills on the Calendar for Unanimous Consent, S. 2796 and S. 1720, be passed momentarily, as both Mr. SHALLENBERGER and Mr. ANTHONY are attending a meeting of the Committee on Military Affairs.

The SPEAKER. The Clerk will report both of these bills by title, and the Chair will then put the request.

The Clerk read as follows:

S. 2796. An act to permit American citizens to wear medals or decorations received from certain foreign countries on entering the military or naval service of the United States, and for other puposes.

S. 1720. An act to provide for the award of medals of honor and distinguished service medals.

The SPEAKER. The gentleman from New York requests that the bills just reported by the Clerk be passed temporarily, to be brought up later, when the gentleman from Nebraska [Mr. SHALLENBERGER] and the gentleman from Kansas [Mr. ANTHONY] are in the Chamber. Is there objection?

There was no objection.

DESERT-LAND ENTRYMEN.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 175) to amend an act entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year 1915 and for prior years, and for other purposes."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. STAFFORD. Mr. Speaker, as no member of the Committee on Public Lands is present, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin that the bill be considered in the House as in Committee of the Whole?

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object, this bill comes from the Committee on Public Lands?

Mr. STAFFORD. It does.

Mr. COOPER of Wisconsin. Is any member of the Committee on Public Lands present?

Mr. JOHNSON of Washington. I think that committee is engaged in important hearings on the leasing bill at this time.

Mr. STAFFORD. This bill merely seeks to extend the date of a bill that passed here in 1915 so as to permit certain entrymen that entered under the desert-land law a few months subsequent to the passage of this act to have the benefits of the provisions of the law. It is a remedial measure of minor character in which the gentleman from Colorado [Mr. TIMBERLAKE] is interested.

Mr. COOPER of Wisconsin. Mr. Speaker, I have not a copy of the bill before me, but from what the gentleman from Wisconsin has just said, the bill we passed in 1915 allowed certain entrymen who had already made certain entries to have certain privileges, and now this amendment, he says, merely permits other people who made entries after that to have the same privilege. It strikes me that this grants a privilege of some consequence.

Mr. STAFFORD. To permit those who made entry, as I recall it, in the few weeks pending the legislation, to have the same privileges as were conferred by the law that was passed at that time. I may say that this bill has the approval of the Secretary of the Interior, as is evidenced by a letter which is incorporated in the report.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin to consider the bill in the House as in Committee of the Whole?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the last three paragraphs of section 5 of the act of March 4, 1915, "An act making appropriations to supply deficiencies in appropriations for the fiscal year 1915, and for prior years, and for other purposes," be, and the same are hereby, extended and made applicable to any lawful pending desert-land entry made prior to March 4, 1915: *Provided*, That in cases where such entries have been assigned prior to the date of the act the assignees shall, if otherwise qualified, be entitled to the benefit hereof.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. STAFFORD. Mr. Speaker, I have a minor amendment which I desire to offer, on page 2, line 1, after the last "the," to insert the words "approval of this."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 1, after the word "the," where it occurs the last time in the line, insert "approval of this."

The SPEAKER. The question is on agreeing to the amendment.

Mr. COOPER of Wisconsin. Mr. Speaker, I would like to have the gentleman from Wisconsin explain precisely what that amendment does.

Mr. STAFFORD. Mr. Speaker, this proviso grants the privileges of this act, not only to those who entered upon the land under the desert-land laws in the period prior to March 4, 1915, and subsequent to July 1, 1914, but to any assignees of those entrymen in which the assignment has been made prior to the approval of this act. The purpose of the proviso is to grant the same privilege to the assignees of these entrymen as to the original entrymen, and the purpose of my amendment is merely to clear up the phraseology; but if there is any objection to it I shall withdraw it, because it is merely to improve the phraseology.

Mr. COOPER of Wisconsin. All of these entrymen could assign to the same assignee?

Mr. STAFFORD. They could under the provisions of the bill as recommended by the Secretary of the Interior.

Mr. SHERLEY. Do I understand the gentleman's amendment is to clarify the meaning of the language on page 2 of the bill, "prior to the date of the act"?

Mr. STAFFORD. Yes.

Mr. SHERLEY. And how does the gentleman propose it shall read?

Mr. STAFFORD. "Prior to the date of the approval of this act."

Mr. SHERLEY. I think that enlarges the bill very much.

Mr. STAFFORD. I think that was the purpose of the framer of the bill; but if there is objection I shall withdraw the amendment.

Mr. SHERLEY. Mr. Speaker, if the gentleman will yield further, I suggest to him that the real amendment ought to be to make this language so clear as to indicate without doubt that the assignment must have been made prior to March 4, 1915.

Mr. STAFFORD. I will say to the gentleman from Kentucky it was not the purpose, as the gentleman will see from reading the letter of the Secretary of the Interior, to limit the privileges to only those assignees who received the assignment prior to that date.

Mr. SHERLEY. Why should it not be?

Mr. STAFFORD. I am merely carrying out the suggestion of the Secretary of the Interior. Under the original law incorporated in the appropriation bill, which this is seeking to amend, the privilege was granted to all assignees of these rights up to a certain date.

Mr. SHERLEY. The Secretary does not seem to be overly enthusiastic about the bill at all.

Mr. STAFFORD. I agree with the gentleman that it merely extends certain privileges to certain entrymen who made entry in an interregnum so as to give them the same privileges. I am merely doing this in the absence of the gentleman from Colorado, who is engaged in committee work.

Mr. SHERLEY. I think the way the act is now drawn it is limited to that date, so I am willing to let it go.

Mr. STAFFORD. Then I withdraw my amendment upon the suggestion of the gentleman from Kentucky.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. TIMBERLAKE, a motion to reconsider the vote by which the bill was passed was laid on the table.

RELIEF OF SETTLERS UNDER FORFEITED CAREY ACT PROJECTS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 5559) to authorize a preference right of entry by certain Carey Act entrymen, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. SHERLEY. Mr. Speaker, reserving the right to object, I would like to know something about a bill as important as this before it passes.

Mr. TAYLOR of Colorado. Mr. Speaker, I will be glad to explain the bill to the gentleman and to the House. Mr. Speaker, in several of the Western States there are a number

of what are known as "Carey Act" irrigation projects. Those projects are started by agreement between the Federal Government and the various States. The States enter into an agreement with some large corporations to build large irrigation ditches, reservoirs, and so forth, and allow settlers to come in and take a 160-acre homestead on those projects. On some of those projects the companies that have agreed to build the ditches have fallen down. They have been unable to get the money to finance the proposition, or the available supply of water has proven insufficient, and for various reasons the parties have been unable to go ahead with it, and there are a number of those projects where hundreds of people have been living on the land for a number of years, hanging on the best they could, and improving their claims as much as they can, and waiting and hoping that some day the company would build its ditches and extend water to their land. After nearly 10 years of waiting, the Interior Department has the authority, under certain conditions, to cancel and forfeit the project and declare the lands thereunder open to entry under the public-land laws, and there is no law that allows those settlers on these Carey Act projects any prior or preference right to take or hold their claims. They may have lived on their land 5 or 10 years, they may have put in all the improvements they could, and all of their time, and yet, when the entry is canceled the land is thrown open to public entry by the Interior Department; if somebody else can get a faster horse and beat these men to the land office, they can file on the land and get the first right to it and beat the man out of his home. This bill of mine merely gives the settler who has established a bona fide residence upon the land, made valuable and permanent improvements upon the land, 90 days' prior right to file upon the land that he is living on. This bill, if passed, would hold that claim as against all strangers 90 days for the rightful occupant to go to the land office and file on it. The bill is very short, and reads as follows:

That the Secretary of the Interior, when restoring to the public domain lands that have been segregated to a State under section 4 of the act of August 18, 1894, and the acts and resolutions amendatory thereof and supplemental thereto, commonly called the Carey Act, is authorized, in his discretion, and under such rules and regulations as he may establish, to allow for not exceeding 90 days, to any qualified person, a preference right of entry under applicable public land laws of any of such lands to which such person had initiated a claim under the State laws, and upon which such person had established actual bona fide residence, or had made substantial and permanent improvements.

This bill was referred to the Department of the Interior for recommendation, and the Acting Secretary reported thereon as follows:

DEPARTMENT OF THE INTERIOR,
Washington, August 20, 1917.

Hon. SCOTT FERRIS,
House of Representatives.

MY DEAR MR. FERRIS: I am in receipt of your letter dated August 3, 1917, transmitting a copy of H. R. 5559, introduced by Mr. TAYLOR of Colorado.

In the operation of the Carey Act it has unfortunately occurred that lands segregated thereunder to a State, and entered under the State laws by individuals, have been eventually abandoned by the State, with consequent prejudice to the interests of its entrymen, whose legal rights depend upon those of the State, and terminate with the cancellation of the segregation. The purpose of the bill is to minimize the losses of such entrymen, so far as it may be done. The bill as presented is workable, but it is believed that with slight changes in phraseology the purpose can be better effectuated.

The bill is intended to apply to every case where lands are eliminated from a segregation under the Carey Act and the introductory clause, "In cases where Carey Act projects upon the public lands are not consummated by the States holding same," adds nothing to the meaning of the act, and might well be eliminated, since there is a possibility that some might take the clause to limit the operation of the act to cases where the project is abandoned in its entirety, while the bill should cover, as well, cases where only part of the lands are eliminated from the project.

The granting of the preference right is in the nature of an equitable action, and should be granted only when the equities are clear. It would be difficult to provide, in advance of actual consideration of cases, for general rules that would be applicable to all cases. While some such "claims" initiated under the State laws are meritorious, others are of a more or less doubtful character. Accordingly, it would appear that the Secretary should have the authority to allow the preference in his discretion, and to make special rules in any particular case that seemed to require such action, as, for instance, in restricting the preference right to those who had made entry prior to a specified date, on which the State had been advised of the opinion of the department or of the General Land Office, that the water supply would be insufficient. It should be stated in this connection that it is not now the practice of the States to allow filings under the State law until the successful completion of the project is reasonably assured.

Ordinarily the only law under which the contemplated entries could be made would be the homestead law. However, it might be well to broaden the scope of the act to include any applicable public-land law so as to govern any exceptional cases that might arise in which entries could be made under other laws.

It is accordingly suggested that the act be amended to read as follows:

"*Be it enacted, etc.*, That the Secretary of the Interior, when restoring to the public domain lands that have been segregated to a State under section 4 of the act of August 18, 1894, and the acts and resolutions amendatory thereof and supplemental thereto, commonly called the Carey Act, is authorized, in his discretion, and under such rules and regulations as he may establish, to allow for not exceeding 60 days to any qualified person a preference right of entry under applicable public-land laws of any of such lands to which such person had initiated a claim under the State laws, and upon which such person had established actual bona fide residence or had made substantial and permanent improvements."

Cordially, yours,

ALEXANDER T. VOGELSANG,
Acting Secretary.

The committee adopted the substitute recommended by the Interior Department as an amendment, the only change being to extend the time in which entrymen are allowed to take advantage of the law to 90 days rather than limit it to 60 days, because of the fact that in many cases the settlers would not be able to learn of their rights within the 60 days recommended by the Secretary. The time really ought to be longer, because some of these settlers have gone into the Army or Navy and are now in France.

There have been started in former years a very large number of Carey Act projects throughout the Western States. Some of them have been successful, others have been partially successful, and a number of them have already been forfeited, and many others undoubtedly ought to be and will be forfeited, because of their utter failure. These failures have very few been fraudulent, or through bad faith, or bad management. Many of them have been started through a misunderstanding of the quantity of water available, and through incompetency in engineering, and failure to properly estimate the necessary expenses of construction of reservoirs and dams and canals, etc., and some have failed through the inability of the parties to properly finance their enterprise. In many cases large numbers of innocent home-seekers and poor people have been induced to go upon these projects and locate upon 160 acres of land and commence improving it.

Many of them have built houses and lived there in good faith for years, claiming the land and improving it as best they could without any water to irrigate with, waiting and hoping that the irrigation works would be constructed. And after spending years of time and labor and money the projects have proven a failure and been abandoned and forfeited and thrown open to settlement by the Secretary of the Interior. At the present time there is no law that in any way protects the prior rights of the settlers upon those projects to the lands they actually occupy. When the lands are thrown open to entry, any person who can beat them to the land office can file and get a first right to the land upon which these settlers have spent many years of hard labor and time and all of their money toward improving and making a home.

This bill merely protects them to the extent of giving them a 90 days' preference or prior right after the land is forfeited and thrown open to entry by the Secretary of the Interior in which they may go to the land office and file upon the lands themselves under the homestead law or the desert-land law, or the preemption law in some cases—that is, they can file under whatever law that is applicable to the character of land that is thrown open to entry. No one could take more than 160 acres, because that is all he can take under the Carey Act, and that would be the extent of the amount of land that he is living upon or improving. It is a humane measure in the interest of protecting the homes and improvements and property rights of these pioneer settlers who have in good faith been trying under the Carey Act projects to acquire a home. The Government loses nothing under this proposed act, and certainly the people who are living upon and who have improved the land are more entitled to a first claim to the land and a preference right to enter it than a mere stranger who has done nothing toward living upon or improving it. For the above reasons the committee is heartily in favor of expeditiously passing this bill, because several of those projects will probably be forfeited and opened to entry in the near future.

Mr. SHERLEY. Does it not do this: Does it not give him an inducement to take this matter out of the Carey Land Act and put it in the hands of the Government, and thereby put a burden on the Government in connection with irrigation?

Mr. TAYLOR of Colorado. No; the bill has no such effect or tendency. I do not think so; no.

Mr. SHERLEY. If he had not a preferential right, he would still try to get the State to do what it agreed to do and had fallen down on.

Mr. TAYLOR of Colorado. The State and the settlers have been trying for many years to induce the promoters of the projects to complete work and furnish water to the lands under it. These projects have been started in good faith, but the difficulties encountered have been too great and they have been unable to complete the projects.

Mr. SHERLEY. If the gentleman will yield, I want to say this to him: It is impossible for a Member to examine bills of this character who is not familiar with them as a member of

the Committee on Public Lands, so as to determine whether they ought to be taken up by unanimous consent. I do not think the Committee on Public Lands should ask of the Congress constant consideration by unanimous consent of bills of this magnitude. They ought to be taken up as other public bills are on the regular calendar, and I shall for that reason object to its consideration.

Mr. TAYLOR of Colorado. Will the gentleman withhold his objection for a moment?

The SPEAKER. Is there objection?

Mr. SHERLEY. I will withhold the objection, but I am going to make it on account of the principle I have announced.

Mr. MONDELL. Mr. Speaker, I hope the gentleman will not. This is a very simple matter, and it is an act of such simple justice, if my friend will listen to me, that there certainly ought to be no objection to it.

Mr. SHERLEY. If the gentleman will permit, he does not get the point of it at all——

Mr. WALSH. Mr. Speaker, I object.

The SPEAKER. The gentleman from Massachusetts objects, and the bill is stricken from the calendar.

Mr. TAYLOR of Colorado. Will the gentleman from Massachusetts permit the bill to remain on this calendar until I have an opportunity to more fully explain it to him and the gentleman from Kentucky [Mr. SHERLEY]?

The SPEAKER. The gentleman from Colorado asks unanimous consent that this bill be passed over without prejudice and go to the foot of the calendar. Does the gentleman from Massachusetts agree to that?

Mr. WALSH. I have no objection.

The SPEAKER. It is so ordered, and the bill goes to the foot of the calendar.

AMENDMENT TO THE ESPIONAGE ACT.

The next bill in order on the Calendar for Unanimous Consent was the bill (H. R. 8753) to amend section 3, title 1, of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. SHERLEY. Mr. Speaker, reserving the right, I do not think we ought——

The SPEAKER. The Chair could not hear the gentleman; he had his head tucked down.

Mr. SHERLEY. I am making myself heard now.

Mr. WEBB. Mr. Speaker, I will be very glad to explain the effect of this amendment to section 3 of the espionage act.

The committee amended section 3 of the espionage act by inserting the following words:

Or shall willfully make or convey false reports or false statements with intent to obstruct the sale by the United States of bonds or other securities of the United States or the making of loans by or to the United States.

It is perfectly apparent, Mr. Speaker, that any man who falsely and willfully circulates a report for the purpose of injuring the sale of bonds upon which the success of this war is bound to be based ought to be declared to be guilty of an offense and punished, and that is all this bill does as an amendment to section 3 of the espionage act.

The SPEAKER. Is there objection?

Mr. SHERLEY. Mr. Speaker, I have no objection whatever to this amendment. I think we need some legislation going even further than this goes. The reason for my reserving the right to object was this, that I think with matters that are not purely local—private bills, practically—that we ought to have some sort of explanation made to the committee touching them before they are taken up on this calendar. If we do not do it, all of us are going to wake up with regret touching some bills that will go through under misapprehension or nonappreciation of their importance. I have no objection to this bill.

The SPEAKER. Is there objection to the consideration of this bill? [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 8753) to amend section 3, title 1, of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917.

Be it enacted, etc., That section 3 of title 1 of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, be, and the same is hereby, amended so as to read as follows:

"SEC. 3. Whoever, when the United States is at war, shall willfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States, or to promote the success of its enemies, or with intent to obstruct the sale by the United States of bonds or other securities of the United States or the making of loans by or to the United States, and whoever, when the United States is at war, shall willfully cause or attempt to cause insubordination, disloyalty, mutiny, or refusal of duty in the military or naval forces of the United States, or shall willfully obstruct the recruiting or enlistment service of the United States, to the injury of the service or of the United States, shall be punished by a fine of not more than $10,000 or imprisonment for not more than 20 years, or both."

Also the following committee amendment was read:

Insert, on page 2, line 7, the words: "shall willfully make or convey false reports or false statements."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. MILLER of Minnesota. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. MILLER of Minnesota. I move to amend by striking out the last word.

The SPEAKER. This is a House Calendar bill. The Speaker will recognize the gentleman.

Mr. MILLER of Minnesota. I desire to ask the gentleman from North Carolina [Mr. WEBB] a question. Perhaps he made a statement, but I did not hear it through the confusion in this part of the Chamber, definitely stating how this amends the existing law. I did not understand that he so stated. I wish he would kindly explain it. I could not get it from the reading which the Clerk just made.

Mr. WEBB. Section 3 of the espionage act contains these words:

Whoever, when the United States is at war, shall willfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States, or to promote the success of its enemies, or—

And this amendment adds—

shall willfully make or convey false reports or false statements—

And then—

with intent to obstruct the sale by the United States of bonds or other securities of the United States or the making of loans by or to the United States.

I may say that this amendment is urgently recommended by the Secretary of the Treasury and the Attorney General. They say they know of a number of cases where disloyal persons have been going around making false reports in order to influence people against the buying of liberty bonds. And a man who does that is disloyal, and we think the act ought to be amended so as to make him guilty of a crime.

Mr. MILLER of Minnesota. The purpose of this bill is to make it a crime and punishable as a crime any act that tends to obstruct this Government in the sale of its bonds?

Mr. WEBB. Not any act, but any false statement deliberately made for the purpose of obstructing the sale of bonds.

Mr. MILLER of Minnesota. I think it is timely legislation.

Mr. JOHNSON of Washington. For instance, Judge Rutherford, of Georgia, I think, who is the president of the American Bible Study Club, a successor to Pastor Russell, has been going through the Northwest to advise people to get rid of their bonds, in that we are going to have a revolution in this country. Will this get a man of that character?

Mr. WEBB. I do not think so. It is hardly that broad. I think this bill covers prospective purchases and not those already made.

Mr. SHERLEY. Will the gentleman yield?

Mr. WEBB. I will.

Mr. SHERLEY. Has this committee under consideration additional legislation dealing with this broad general subject?

Mr. WEBB. Not with reference to bonds.

Mr. SHERLEY. No; but the general subject of acts of people ill disposed toward the Government that do not come technically under the law as to sedition or treason?

Mr. WEBB. We have a bill which we are going to offer as a substitute to the bill S. 383, defining what war utilities and premises are, and make it a crime for anybody to injure or obstruct those war utilities, which will get the man who can not be convicted of treason, and yet commits an offense that ought to be punishable.

Mr. SHERLEY. How soon may the House hope to have it?

Mr. WEBB. I hope to have that in the House by Wednesday. The committee has agreed on a substitute.

Mr. COX. I want to ask the gentleman a question along the line propounded by the gentleman from Kentucky, as to the proposition which his committee will bring out probably soon.

Take a case of this kind, where a citizen of this country advises drafted soldiers to go into the Army, learn drilling tactics, and become efficient in the use of the gun, in that the time will come when those soldiers will be asked to turn their guns upon the President of the United States. I am told down here at the Department of Justice that with declarations like that, that do not amount to treason, there is no Federal law that will catch men of that kind, and it strikes me they ought to be caught and prosecuted most vigorously. Now, will your proposed bill touch men of that kind?

Mr. WEBB. No, sir. We have been as diligent as possible in passing all the legislation recommended by the heads of these departments, including the Attorney General and the Secretary of the Treasury, but of course new conditions arise and demand new legislation, and we shall meet them as rapidly as the rules of the House permit.

Mr. SHERLEY. The point I was asking the gentleman about, I think, is the same point the gentleman from Indiana is interested in. We are constantly told of instances arising in different parts of the country where the department claims to be unable to act because there is no penal statute that covers the case. Now, there is no doubt that the sentiment of this Congress and the country is such that they do not propose to tolerate the continuation of those acts, and if additional legislation is needed it ought to be forthcoming.

Mr. WEBB. I want to say to my friend that I agree with him, and the legislation, so far as that is concerned, will be presented to the House.

Mr. COX. In that connection, now, does the Attorney General recommend any legislation as suggested by the gentleman from Kentucky and myself?

Mr. WEBB. It covers the legislation suggested by the gentleman from Kentucky, and we will offer it as a substitute for Senate bill 383.

Mr. COX. I beg the gentleman's pardon; I am not expressing any dissent from what the committee is going to do, but it strikes me that if the Department of Justice is correct in its opinion as to what the law is now—and no doubt the department is correct—we ought to have some wider and broader and deeper legislation in this country that would reach out and take hold of the men who are uttering seditious statements against this Government, criticizing the President right and left, and talking about a revolution to come.

Mr. WEBB. I think a great many of those people have been arrested by the authorities and put in jail under the espionage and other acts.

Mr. COX. I have been trying my best to have action taken, but it seems I can not do it to save my life.

Mr. JUUL rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. JUUL. I rise to say that I wish the gentlemen would let us in on this debate.

Mr. WEBB. The Committee on the Judiciary of the House is in close touch with the Department of Justice, and we are gladly acting on practically every suggestion which they make to us.

Mr. COX. I am seeking information, because I am called upon almost every day to advise some action back in my district. Suppose a case of this kind comes up: A man says to another man, "You and I should stand together, and your people and my people should stand together, because there is going to be a revolution in this country before long, and we have got to stand together in this thing." If a case like that is brought to the attention of the Department of Justice, or a case similar to that, I am told that there is no remedy for it. I am told that "it is all up to the boys on the hill." Has the gentleman in view such legislation as that?

Mr. WEBB. No recommendation as to that has been made to us.

Mr. COX. They told me that they had substantially that kind of legislation, I think, embodied in the espionage act last fall, designed to cover the very case I was citing, but that it was cut out up here. They said that if we enacted such legislation they would enforce it down there.

Mr. WEBB. I have no recollection of such legislation being proposed, but we thought, and the country thought, that the espionage act covered practically every offense that we could then think of.

Mr. COX. It may not have been the espionage act that they referred to, but they said they had urged it, and that Congress had eliminated it.

Mr. GARD. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Certainly.

Mr. GARD. I would suggest that the language of section 3 might cover the case suggested by the gentleman from Indiana [Mr. Cox].

Mr. COX. What does it provide?

Mr. GARD. It provides that—

Whoever, when the United States is at war, shall willfully make or convey false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States, or to promote the success of its enemies, or with intent to obstruct the sale by the United States of bonds or other securities of the United States or the making of loans by or to the United States, and whoever, when the United States is at war, shall willfully cause, or attempt to cause insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States, or shall willfully obstruct the recruiting or enlistment service of the United States, to the injury of the service or of the United States, shall be punished by a fine of not more than $10,000 or imprisonment for not more than 20 years, or both.

Mr. COX. Well, it strikes me that that is pretty broad language.

Mr. GARD. I do not see how it could be broader. If the Department of Justice wants it, it seems to me they could get action under that clause.

Mr. COX. Why not pass it?

Mr. WEBB. That is in the law now—a part of the espionage act, which came from our Committee on the Judiciary.

Mr. COX. Well, then, if I may express my opinion, it is that we have plenty of law now.

Mr. MILLER of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes.

Mr. MILLER of Minnesota. I want to make a statement and call it to the attention of the gentleman and to the committee. I recently received information of a thoroughly reliable character—and I got it at first hand—that efforts will undoubtedly be made by sinister individuals to reduce the agricultural output, especially of the Northwest, where breadstuffs are grown, the method being to try to organize farm hands and cause them to strike at the critical or harvest time.

This is not anything new. They have been at it for two or three years. I refer to the Industrial Workers of the World. They have tried it in North Dakota. They tried it farther west, and apparently agents are now busy in Minnesota. Unfortunately, however loyal people may be as a whole in any region, there are always some malcontents. In addition, the Industrial Workers of the World, during the year 1916, brought on a big strike in the iron mines of my State. The iron mines are now running at their full capacity, and they are furnishing 75 per cent of all the iron ore used in this country.

The department was able by extra activity and the thorough cooperation of local people to prevent that which was attempted in the way of organizing strikes in the iron mines shortly after we entered the war. I find that these same agents are just now getting busy up in that country. If a man sets a wheat stack on fire or burns an elevator or bridge he has committed a crime and may be punished; yet that crime is mild compared to that of an individual who goes among farm hands and pours into their ears the worst kind of seditious stuff quietly and privately and forms them into an organization that will cause them to strike and demand impossible conditions about the time the harvests are on. I hope I am not seeing things dark, or through a dark glass. I do not think I am, but I know that that danger exists.

Mr. WEBB. Have you got a State law providing against that kind of activity?

Mr. MILLER of Minnesota. We have not a State law providing for that kind of activity. I do not think there is any State law that provides that men can not organize. Men have the right to organize themselves into any kind of an economic organization.

Mr. WEBB. But that amounts to disloyalty or treason.

Mr. MILLER of Minnesota. These things are not really economic, although on their face they may appear to be so. They are absolutely hostile to the welfare of the country. It seems to me the General Government ought to be armed with full legal authority promptly to handle a situation like this, if the committee can formulate legislation that will do more good than harm.

Mr. WEBB. If the State government can not pass such legislation, how can the Federal Government?

Mr. MILLER of Minnesota. The State can not pass such laws that will protect the Government.

Mr. WEBB. It can pass laws that will protect itself and the Government, and ought to. The gentleman says the State government has no right to prevent a man from going around and organizing labor organizations; neither has the Federal Government such right or, at present, such inclination. If you go fur-

ther and make a man guilty of organizing for the purpose of interfering with the prosecution of the war, you can get him under the State and Federal Governments both.

Mr. MILLER of Minnesota. I hope the gentleman will support legislation of that character.

Mr. WEBB. I rather think a man of that kind can be caught under the espionage law that we passed last summer, and he ought to be apprehended, because he is a dangerous character and a dangerous citizen.

I ask for a vote, Mr. Speaker.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

COCONINO AND TUSAYAN NATIONAL FORESTS, ARIZ.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 273) to extend the time for cutting timber on the Coconino and Tusayan National Forests, Ariz.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. FOSTER. Mr. Speaker, reserving the right to object——

Mr. WALSH. Mr. Speaker, I object.

LAND IN BATTERY COVE, ALEXANDRIA, VA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 8834) authorizing the sale of a tract of land lying below the original high-water line of the Potomac River in what is known as Battery Cove, at Alexandria, Va.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. FOSTER, Mr. COOPER of Wisconsin, and Mr. TAYLOR of Colorado reserved the right to object.

Mr. HARRISON of Virginia. Mr. Speaker, I will undertake to explain this bill if I may have the opportunity. A dispute arose between the United States Government and certain private parties as to the ownership of certain lands in Alexandria. It was agreed that the dispute should be transferred from the land to the purchase price of the land. Certain parties wanted to buy the land for private purposes, and the Secretary of War and the United States Government entered into a contract with the other claimants for the land that the Government should sell the land to these parties who desired to buy it and that the money should be paid into court and the question litigated to determine who was entitled to the purchase money.

The bill has been approved by the Secretary of War. The letter of the Secretary of War is here, desiring that the bill pass, and it has been favorably reported by the Military Affairs Committee.

Mr. FOSTER. May I ask the gentleman under what authority the Secretary of War enters into a contract to sell this land?

Mr. HARRISON of Virginia. He simply agrees that these parties shall purchase it, the title to the land being in litigation in the courts.

Mr. FOSTER. I understand that.

Mr. HARRISON of Virginia. This is to give him the authority to do that.

Mr. FOSTER. That is what I did not understand—how he could do it without authority from Congress. I understand that this land was reclaimed by the Federal Government, that there are nearly 47 acres of it, and now there is a manufacturing plant there building ships, so the report says, and they want to get this land in order to be used by this ship-manufacturing company.

Mr. HARRISON of Virginia. I so understand.

Mr. FOSTER. Now it is proposed to sell the land to the ship-manufacturing company for $70,000.

Mr. HARRISON of Virginia. Something like that.

Mr. FOSTER. I see that the rent of the land amounts to $42,000 a year.

Mr. CARLIN. Four thousand two hundred dollars, which is 6 per cent on the amount of the proposed purchase price.

Mr. FOSTER. Why not give them a lease of this land instead of selling it? What is the objection?

Mr. CARLIN. It is to be leased for five years under this agreement. I can explain the reason for this. The expenditure require to be made on the land by the shipbuilding company is about $1,500,000, and they are unwilling to make that expenditure without owning the title to the land.

Mr. FOSTER. They refuse to make it unless they can buy the land?

Mr. CARLIN. There is a claim by the Government to the ownership of the fee.

Mr. FOSTER. I understand that.

Mr. CARLIN. Against the riparian owner. The title is in dispute. The Government has not yet established its claim. The shipbuilding company have bought the rights of the riparian owners and have negotiated a contract with the Secretary of War, subject to the authority of Congress, providing that the Secretary of War may sell them the land and given them title, and then pay the money into court and let the courts adjudicate the question to whom the money shall be paid, so that the litigation will be concerning the money and not concerning the land.

Mr. FOSTER. More than that, I understand the rental that comes to the Government is to be deducted from the $70,000.

Mr. CARLIN. Only in the event that the Government establishes its title.

Mr. FOSTER. So that they would buy it for $70,000, less the amount paid for rental?

Mr. CARLIN. In the event that the Government establishes its ownership of the land. If the Government loses out, the Government does not get anything. This is a suit between the riparian owners and the Government.

Mr. FOSTER. It seems to me a bad policy to sell this land.

Mr. MONDELL. Will the gentleman from Virginia yield?

Mr. CARLIN. Yes.

Mr. MONDELL. The gentleman from Virginia understands, of course, that the whereases which precede this bill would not become a part of the law.

Mr. CARLIN. I understand that.

Mr. MONDELL. Has the gentleman's attention been called to the fact that with the whereases separated from the bill, the bill would be hardly understandable?

Mr. CARLIN. This is in the form suggested by the War Department, which practically drew the bill. I understand there is an amendment to be offered by some on that side striking out the whereases, which would be perfectly acceptable.

Mr. MONDELL. But in that event I doubt if anyone could interpret or carry out the act.

Mr. CARLIN. I think it would be better to leave them in. In other words, the whole contract is set out in the bill so that Congress may understand it.

Mr. MONDELL. It would be very easy to redraft the bill so as to make reference to the contract in such a way as would identify it; but as the act stands, the enacting portion of it with the whereasas left out would not be understandable.

Mr. CARLIN. Oh, yes; it would, if you strike out only a portion of the whereases. The whereases simply recite the contract. That was done so that Congress might have before it every line and letter of the contract.

Mr. MONDELL. I suggest to the gentleman that he redraft his bill.

Mr. CARLIN. This is the form suggested by the War Department.

Mr. MONDELL. I suggest to the gentleman that he redraft the bill so that without the whereases it would be clear and definite.

Mr. CARLIN. The only effect of redrafting would be to shorten the bill. It is longer by this process, but it was lengthened so that we might know what the contract was. If that was not recited in the bill you could say that nobody knows what the contract is and nobody knows anything about it. It was put in the bill so that you could know all about it.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object, I call the attention of the gentleman from Virginia to the fact that if the preamble should be stricken out the law enacted would read in this way:

That whenever the title to the whole of said reclaimed area—

"Said" refers to something preceding that language. If the preamble is stricken out there will be nothing in the language preceding it, and therefore "said" will refer to nothing.

Mr. CARLIN. That is correct, unless you insert something in its stead.

Mr. COOPER of Wisconsin. Before I make the objection, Mr. Speaker, I wish to say that the Government of the United States has already relinquished very much more of its title to the water front in the United States than it ought ever to have relinquished. State after State is now being compelled, in order to get justice at the hands of transportation companies—steamboat and even railroad companies—to buy land at terminals at enormous prices, whereas if they had always retained

the title and leased the land on suitable terms the transportation facilities of this country would have been greatly enhanced and improved. Here it is proposed to rent property for $4,200 a year, which would aggregate in five years $21,000, and then when the five years are up sell the same land for $70,000. No legislation of such importance as this should come up on the Unanimous Consent Calendar, and I object.

Mr. CARLIN. Will the gentleman withhold his objection for a moment?

Mr. COOPER of Wisconsin. I will withhold it, but I am going to renew it.

Mr. CARLIN. I have no objection to that, but I want to reply to what the gentleman has said. In the first place, if the gentleman will take time to figure he will find that the rental value of $4,200 is exactly 6 per cent on the purchase price of $70,000.

Mr. COOPER of Wisconsin. Then that is good property for the Government to keep.

Mr. CARLIN. But the gentleman does not understand; the Government has not yet acquired the title.

Mr. COOPER of Wisconsin. But you seem to expect that it will.

Mr. CARLIN. The contest will go on between the riparian owners and the Government and the Government may never own it; and yet the gentleman will stop the shipbuilding plant where they will have to spend a million dollars. It may be that the gentleman does not want the Government to build ships.

Mr. COOPER of Wisconsin. After that somewhat insulting speech——

Mr. CARLIN. I did not mean it in that way, and if it is offensive to the gentleman I will withdraw it.

Mr. COOPER of Wisconsin. I have heard of gentlemen like the gentleman from Virginia getting up and making insinuating reflections of that kind when a man was simply interested in protecting the people of the United States from being robbed——

Mr. CARLIN. I have withdrawn the remark.

Mr. COOPER of Wisconsin (continuing). By asking for great privileges on navigable streams. I do not know whether the gentleman is interested in this iron company or some other company in trying to get under unanimous consent this importat legislation, but I do know that when he undertakes by unanimous consent of this kind to make me withdraw an objection, I notify him that he is pursuing the wrong tactics. That will not affect anybody who has at heart the interests of the country, and who knows what the practical giving away of the water front does and has done, so far as the transportation facilities of this country are concerned. Therefore I object.

The SPEAKER. Objection is made, and the bill will be stricken from the calendar.

Mr. CARLIN. Will the gentleman withhold it? The gentleman has prevented me from replying to his insinuations.

The SPEAKER. All this is out of order, and the bill will be stricken from the calendar.

CHEROKEE NATION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 4699) providing for the payment of certain interest on items 1 and 4 of the judgment of the Court of Claims of May 18, 1905, in favor of the Cherokee Nation.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object. I will withhold the objection if the gentleman from Oklahoma wishes to say something.

Mr. HASTINGS. Mr. Speaker, this bill provides for the payment of interest on items 1 and 4 of a judgment entered by the Court of Claims and afterwards affirmed by the Supreme Court of the United States in 1906. It is contended by the Cherokee Nation that an error was made in the calculation of the interest on two of the four items. It is contended that there was a mistake in the calculation of the interest on items 1 and 4 of the judgment. Now, this bill has been referred to the Interior Department and has been referred to the Comptroller of the Treasury, and by reference to the report, as shown on pages 4 and 5, it will be seen that the Comptroller of the Treasury recommended it and the Department of the Interior recommended it.

Mr. STAFFORD. The gentleman says in his closing statement that the Department of the Interior recommended this legislation, and yet I find in a letter from the Secretary of the Interior a strong protest to allowing this fund to go to an attorney, who seemingly is more interested in this issue than the Cherokee Nation. He strongly objects to the language of the proviso as incorporated on page 3, which provides for the payment of these funds to this attorney by name of Boudinot, if I remember correctly. I have no objection, and I do not believe the House would have any objection to the payment of interest on this fund, which was virtually a trust fund that failed to be placed to the trust fund of the Cherokee Nation because of some oversight of bookkeeping in the department. There is a question whether we should in this bill give interest for 10 years on another item which is ascribed to have been the result of a clerical error of the Court of Claims.

Mr. HASTINGS. And the comptroller states that, and the department concedes it.

Mr. STAFFORD. The comptroller does not state it positively. He states that it may have been the result of a clerical error. In the bill following on the Unanimous-Consent Calendar it is purposed to refer certain interest claims that have already been passed upon by the Court of Claims for reinvestigation by the Court of Claims of items 2 and 3, and I can not see any reason—though I think that bill is much more objectionable than this one—why you should not incorporate in that bill the finding by the Court of Claims as to that interest which is claimed to have been overlooked by reason of clerical error.

Mr. HASTINGS. The only difference is that the department has already conceded that the interest is due on items 1 and 4. There is no dispute about that.

Mr. STAFFORD. I grant that, and I have no objection to the payment of that interest, but the department, if the gentleman will bear with me, does most strenuously object to having this money turned over to a claim agent who has a contract that will not expire until 1920 for the payment of this fund.

Mr. COX. What is his per cent?

Mr. STAFFORD. Fifteen per cent of the amount recovered under that contract.

Mr. HASTINGS. And that was the amount of fee given on the original judgment, but if that would overcome the gentleman's objection to the bill, I shall be very glad to have him make a motion or make a motion myself to strike out the objectionable proviso to the bill.

Mr. STAFFORD. I think we should have some further assurance than that.

Mr. HASTINGS. I say that I shall make the motion myself.

Mr. STAFFORD. I think we should have an assurance from the gentlemen who will be conferees on the bill.

Mr. HASTINGS. Of course, I could not say anything about that.

Mr. STAFFORD. Here we have a bill coming into this House with a provision that is strongly opposed by the Secretary of the Interior. The bill may leave this Chamber and go to another body where that same objectionable provision may be incorporated, and still the wishes of the Secretary of the Interior may be thwarted by the agreement in conference. Until I can have some assurance from the chairman of the committee or others who may be conferees that that objectionable feature will not be assented to, I shall feel constrained to object.

Mr. HASTINGS. Let me say to the gentleman that with the elimination of this proviso, then, it would leave this bill, as I recall it, in the verbatim language as reported upon by the department, and they concede that the interest is due on items 1 and 4.

Mr. STAFFORD. Yes.

Mr. HASTINGS. And that this legislation ought to be enacted. I have done all that I possibly could do. I have assured the gentleman that so far as I am concerned I shall make a motion to strike out the proviso and pass it in the form the department recommends, which is conceded by all is due the Cherokee Nation. Let me say one word more. There is not an officer living of the Cherokee Nation to-day. Every dollar of their money except this has been provided to be paid out. The principal chief of the Cherokee Nation who made this contract with this attorney, as shown in the report, died in November last. There are no executive officers left of the Cherokee Nation. We are trying to wind up their affairs. It is the biggest tribe in point of numbers of the Five Civilized Tribes, and, as I recall, the biggest tribe of Indians in America. They have completed the making of their roll, they have allotted their lands, and their affairs are practically all wound up. We have one or two pieces of legislation that I am endeavoring to get Congress to enact so that their affairs will be completely and finally settled up. I can not give the gentleman any assurance of what another body will do, but I do say to the gentleman in good faith, in order that this might be wound up, in order that this attorney might apply elsewhere, wherever he can—and, of course, that is open to him—I shall make the motion to strike out this objectionable proviso, although I do not agree with the gentleman that it is objectionable or unjust. He has a contract with the principal chief of the Cherokee Nation. I do agree with the gentleman that that proviso as to the manner of its being receipted for is objected to by the de-

partment, but there is no objection to the payment of the interest, and there is no objection to any other provision of the bill. It is conceded by all that this interest is due.

Mr. STAFFORD. I see the gentleman's colleague [Mr. CARTER of Oklahoma], and I would like to ask him, if he has no objection, what his attitude will be?

Mr. CARTER of Oklahoma. Mr. Speaker, without reference to what my position might be, I always consider it my duty if I happen to be a member of a conference committee to carry out the will of the House to the letter, and I have always attempted so to do.

Mr. STAFFORD. The gentleman has that record in this House, and I know that no one will question it.

Mr. CARTER of Oklahoma. I am somewhat inclined to agree with the gentleman from Wisconsin.

Mr. STAFFORD. I have not at this moment before me the recommendation of the Secretary so as to say whether the bill with the proviso stricken out would leave the bill in the form so that the money will be paid over to the Cherokee Nation, as suggested by the Secretary of the Interior.

Mr. HASTINGS. There is no question but what it would be.

Mr. STAFFORD. Would the gentleman have any objection to having the bill passed over without prejudice so as to take it up two weeks hence?

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. FOSTER. To go to the foot of the list.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that this bill be passed over without prejudice.

Mr. FOSTER. And go to the foot of the list.

The SPEAKER. And go to the foot of the docket. Is there objection? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

By unanimous consent, Mr. HOWARD was granted leave of absence for to-day, on account of serious illness in his family.

CERTAIN CLAIMS OF THE CHEROKEE NATION AGAINST UNITED STATES.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 357) conferring jurisdiction upon the Court of Claims to hear, consider, and determine certain claims of the Cherokee Nation against the United States.

The title of the bill was read.

Mr. HASTINGS. Mr. Speaker, I make the same request with reference to this bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and it goes over without prejudice, and goes to the foot of the calendar.

TWO ADDITIONAL JUSTICES, SUPREME COURT OF THE DISTRICT OF COLUMBIA.

The next business in order on the Calendar for Unanimous Consent was the bill (S. 2489) to create two additonal associate justices of the Supreme Court of the District of Columbia.

The SPEAKER. Is there objection to this bill creating two new judges in the District of Columbia?

Mr. COX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, and let it go to the foot of the calendar.

The SPEAKER. The gentleman asks unanimous consent that this bill be passed over without prejudice and go to the foot of the calendar. Is there objection? [After a pause.] The Chair hears none.

Mr. COX. Now, Mr. Speaker, I ask unanimous consent at this place to insert in the RECORD a statement furnished me by the clerk of this court, showing the volume of business which they have done down there in the law department for the last 15 years, and I respectfully ask the Members of the House to read it.

The SPEAKER. The gentleman asks unanimous consent that the printed communication from the clerk of the court stating the quantity and quality of the business transacted by this court in the last 15 years——

Mr. COX. And that it go in the RECORD as this place.

The SPEAKER. And that it go into the RECORD at this particular place. Is there objection? [After a pause.] The Chair hears none.

The statement is as follows:

INFORMATION FURNISHED BY CLERK OF DISTRICT SUPREME COURT TO CONGRESSMAN WILLIAM E. COX, IN RESPONSE TO LATTER'S REQUEST.

Q. Are lawsuits filed in District Supreme Court docketed in consecutive order as filed and given consecutive law cause numbers?—A. Yes.

Q. Are appeal and certiorari cases from municipal court docketed as lawsuits filed, and included among such consecutive numbering?—A. Yes.

Q. How many lawsuits were filed in 1895? Commencing with what number and ending with what number?—A. One thousand seven hundred and twenty-eight cases; 37409 to 39136, inclusive.

Q. How many lawsuits were filed in 1896? Commencing with what number and ending with what number?—A. One thousand five hundred and ten cases; 39137 to 40646, inclusive.

Q. How many circuit court cases (excluding the appeal and certiorari separate calendar) were on the printed law trial calendar of October, 1895?—A. Nine hundred and seventeen cases.

Q. How many circuit court cases (excluding the appeal and certiorari separate calendar) were on the printed law trial calendar of October, 1896?—A. Five hundred and ninety-one cases.

Q. How many of such circuit court cases on the printed law trial calendar of October, 1896, were carried forward from the October, 1895, law trial calendar?—A. Four hundred and thirty-nine cases.

Q. By what method did the court make such progress upon the law trial calendar between October, 1895, and October, 1896? How many hours a day and how many days a week did each of the two circuit divisions hold jury trials during that year?—A. By striking old cases long pending from the calendar under rule of court.

Q. How many contested jury trials were conducted in circuit division No. 1 between October, 1895, and October, 1896?—A. One hundred cases.

Q. How many contested jury trials were conducted in circuit division No. 2 between October, 1895, and October, 1896?—A. Sixty cases.

Q. How many contested jury cases were conducted in circuit division No. 1 between October, 1916, and October, 1917?—A. Forty-five cases.

Q. How many contested jury trials were conducted in circuit division No. 2 between October, 1916, and October, 1917?—A. Sixty-nine cases. (None of the foregoing answers in any way disclose the full amount of work accomplished.)

Q. Are both of the circuit divisions conducting jury trials now; and, if not, which division is not, and when did it last conduct any, and when will it commence again?—A. No. Circuit court No. 1. Last jury trials held January 23, 1918. The justice assigned to this branch has been called by the President to serve on the Railroad Wage Commission.

Q. How many hours a day and how many days a week does either circuit division regularly conduct jury trials?—A. Four days a week. Convening at 10 a. m. and adjourning at 3 p. m. usually.

Q. Was there any period during your connection with the court when the circuit divisions made it a general practice to conduct jury trials during a longer schedule of days or hours, or both? If so, during what period or periods?—A. From 1863 down to fall of 1896 jury trials were held every day in the week excepting Saturdays.

Q. How many circuit court cases (excluding the appeal and certiorari separate calendar) were on the printed law trial calendar of October, 1916?—A. Eight hundred and nineteen cases.

Q. How many of such circuit court cases on the printed law trial calendar of October, 1916, were carried forward from the October, 1915, law trial calendar?—A. Four hundred and forty-nine cases.

Q. In October, 1917, how many of the circuit court cases on the October, 1916, trial calendar remained untried?

Q. How many new circuit court cases were calendared and ready to go on the law trial calendar of October, 1917, if one had been printed? (Do not include appeal and certiorari cases which belong on a separate calendar to be heard by criminal division No. 2).—A. Three hundred and ninety-two cases.

Q. Has there been any year since 1880 when as many as 600 new circuit court cases (excluding appeal and certiorari cases) were placed on the law trial calendar within one year? If so, please state each year separately, followed by the number of such new cases during each of such years. A. No.

Q. How many new circuit court cases went on the law trial calendar of October, 1915, in addition to those carried over from the previous year? And how many were carried forward from previous year?—A. Carried forward from 1914, 214. New cases added, 222.

Q. How many lawsuits were filed between January 1, 1890, and January 1, 1900? Commencing with what number and ending with what number?—A. Thirteen thousand three hundred and forty-nine cases; 30231 to 43580, inclusive.

Q. How many lawsuits were filed between January 1, 1908, and January 1, 1918? Commencing with what number and ending with what number?—A. Ten thousand eight hundred and sixty cases; 50094 to 60954, inclusive.

Q. How many lawsuits were filed in 1917? Commencing with what number and ending with what number?—A. One thousand and ninety-eight cases; 59858 to 60955, inclusive.

Q. How many lawsuits were filed in 1880? Commencing with what number and ending with what number?—A. One thousand and ninety cases; 21450 to 22539, inclusive.

J. R. YOUNG,
Clerk, Supreme Court of the District of Columbia.
By A. J. G. BEEKMAN,
Assistant Clerk.

FEBRUARY 28, 1918.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to insert in the RECORD a statement showing that the District Supreme Court judges terminated last year 1,313 cases per judge. No other United States judge ever approached such a record.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none.

The statement is as follows:

Cases commenced.

1907–8	4,830
1911–12	5,350
1912–13	5,433
1913–14	7,088
1914–15	7,220
1915–16	9,667
1916–17	9,682

For the last year there was an average of 1,613 cases commenced for each of the six judges.

Cases terminated.

1907–8	4,892
1911–12	5,256
1912–13	5,345
1913–14	6,936
1914–15	6,900
1915–16	8,188
1916–17	7,884

For the last year there was an average of 1,313 cases terminated for each of the six judges.

Cases pending June 30, 1917	12,520
Cases pending June 30, 1916	11,119
Accumulation on the docket for year	1,401
Cases pending June 30, 1917, for each judge	2,086
Cases terminated per judge last year for District of Columbia	1,313
Cases terminated per judge last year in Indiana	183
Cases terminated per judge last year in Pennsylvania	129
Cases terminated per judge last year in Ohio	159
Cases terminated per judge last year in Nebraska	182
Cases terminated per judge last year in southern district of New York, with many relief judges	639

INCREASE OF LIMIT OF COST OF PUBLIC BUILDING AT MOULTRIE, GA.

The next bill in order on the Calendar for Unanimous Consent was the bill (H. R. 7223) to increase the limit of cost for the purchase of a site and the erection thereon of a public building at Moultrie, in the State of Georgia.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object——

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, a few moments ago there were a couple of bills called from the Public Lands Committee, and each one of them was objected to by the gentleman from Massachusetts. Another distinguished Member of the House said that he objected to the Unanimous Consent Calendar being used by the Public Lands Committee as a clearing house for its measures. Now, I want to say to the House that, generally and practically speaking, the only way that the western Members can secure imperative and pressing relief for the protection of public-land settlers and absolutely necessary legislation for the development of the Western States is by using the Unanimous Consent Calendar; and, in the main, the House has been very fair and liberal in its recognition of our necessary use of that calendar. But I do feel, as a western Member, when the statement is made here on the floor of the House and the statement is made that the Public Lands Committee is improperly using the Unanimous Consent Calendar as a clearing house, and that it will not be hereafter permitted, or words to that effect, that if there is to be hereafter a discrimination made on this floor against that committee, that I ought to and must resent it, and that if that is going to be carried out I ought to make the same discrimination against all other committees. No other committee has any more right to or as much need of that calendar as the Public Lands Committee.

The SPEAKER. The Chair will inquire of the gentleman if he is talking about this bill that has been called up?

Mr. TAYLOR of Colorado. I am reserving the right to object to this bill; yes, sir; and I expect to object to it, and to others.

Mr RUCKER. I hope the gentleman will not do that until he hears from us

Mr. TAYLOR of Colorado. If this House is going to take that unjust position here against my committee——

Mr. WEBB. The House has not done any such thing, but an individual Member.

Mr. TAYLOR of Colorado. It looks to me like a plain and announced discrimination against the Public Lands Committee, and I feel it is time we ascertained here now what committees are going to be penalized and what are not. There are 33 bills on this Unanimous Consent Calendar for consideration to-day, and only 4 of them came from the Public Lands Committee, and all 4 of them are so plain and fair and eminently just that they ought to pass without any objection, and yet two of them are already objected off.

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. I object.

Mr. SHERLEY. Mr. Speaker, reserving the right to object, I would like to say a word. It is evident the gentleman from Colorado had me in mind because of a statement which I made a few moments ago, but which, unfortunately, he has not accurately quoted. I said then, and I say now, I do not think the Public Lands Committee ought to use the Unanimous Consent Calendar as a clearing house for that character of legislation which is not of a local and private nature. The Unanimous Consent Calendar was not created for the purpose of affording an easy medium for the consideration of bills of a general nature. It was created for the purpose of considering in an easy method bills which were local or private and to which no general policy attached. Now, no one more than the gentleman from Colorado ought to know that there has never been in this House a discrimination against the West as such.

And no man ought to know better than the gentleman from Colorado that no Member of this House has ever shown less disposition to discriminate against any section or against any committee than myself. In the doing of things on this floor many of them are not personally pleasant, but they have always been done simply from a sense of public obligation. The Committee on the Public Lands will receive, I am sure, at the hands of the House that same treatment that the other committees do. If there has been any discrimination, men could say it was in favor of that committee, because most of us realize some of the pressure on Members from a new country. But the West in point of legislation and of time and of consideration on the floor has had more than any other section of the country. Now, I do not say that against it. I state what are simply the plain facts, known to every man here.

Mr. MONDELL and Mr. RUCKER rose.

The SPEAKER. The gentleman from Colorado [Mr. TAYLOR] has the floor.

Mr. TAYLOR of Colorado. I yield to the gentleman from Missouri a moment.

The SPEAKER. Does the gentleman yield?

Mr. RUCKER. I want to say to the gentleman——

Mr. TAYLOR of Colorado. I yield to the gentleman from Wyoming, if the gentleman from Missouri will——

Mr. RUCKER. I am trying to talk, but the gentleman from Colorado is all the time trying to talk, begging the gentleman's pardon.

The SPEAKER. To whom does the gentleman from Colorado yield?

Mr. TAYLOR of Colorado. I yield three minutes to the gentleman from Missouri.

The SPEAKER. The gentleman can not yield time.

Mr. RUCKER. So far as I am concerned, if the gentleman wants to be discourteous to one of his colleagues, I do not care. He may go ahead and be discourteous, but you will not pass much legislation by unanimous consent.

Mr. TAYLOR of Colorado. I do not intend to be discourteous.

The SPEAKER. Both gentlemen are out of order. The question is, Is there objection to the present consideration of this bill?

Mr. TAYLOR of Colorado. I reserve the right to object.

Mr. RUCKER. I demand the regular order. Make your objection, if you want to object

The SPEAKER. The gentleman from Massachusetts objects, and that is the end of it. And the bill is stricken from the calendar.

Mr. WALSH. Mr. Speaker, what gentleman from Massachusetts objected?

The SPEAKER. The gentleman from Massachusetts, Mr. WALSH.

Mr. WALSH. No; I did not.

The SPEAKER. Did not the gentleman from Massachusetts call for the regular order?

Mr. RUCKER. I called for the regular order.

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. I object.

The SPEAKER. The gentleman from Colorado objects, and the bill is stricken from the calendar.

The Clerk will report the next bill.

TO AMEND SECTION 4067 OF THE REVISED STATUTES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9504) to amend section 4067 of the Revised Statutes by extending the scope to include women.

Mr. RUCKER. Mr. Speaker——

The SPEAKER. Is there objection to the consideration of the bill?

Mr. RUCKER. Reserving the right to object, is it in order to strike out the last word in order to get a minute or two?

The SPEAKER. It is not. The gentleman has the right to reserve the right to object.

Mr. WEBB. I will be glad to explain the features of the bill.

Mr. RUCKER. Wait a minute.

Mr. Speaker, the bill I desired to have the House consider a moment ago is one that presents much merit in my opinion. This Congress appropriated money to erect a building upon a site bought by it in the State of Georgia. The authorizations for the site and the building are in the same act—so much for the site and so much for the building. The building was contracted for. After the building was well up and practically complete, as it is to-day, other Government activities were established in this town, and the Secretary of the Treasury says it is absolutely necessary to provide housing for these activities by enlarging the building now under construction or the Government will have to erect a new building or rent a building. The Secretary reported that it would require a very small additional sum to add an additional story while the house is in process of construction. In the absence of the chairman and the gentleman who introduced the bill I felt justified in saying this much. The bill ought to pass. But by reason of the fact

that some gentleman suggested, and perhaps very wisely suggested, that this calendar should not be made a clearing house for the disposal of the public domain, the gentleman from Colorado [Mr. TAYLOR] is objecting to everything. He will make haste slowly if he continues such tactics. I want to say that much for his benefit.

The SPEAKER. Is there objection?

Mr. CRAMTON and Mr. MONDELL rose.

The SPEAKER. The gentleman from Michigan [Mr. CRAMTON] is recognized.

Mr. CRAMTON. Mr. Speaker, it occurs to me that the bill that has just come up from the Committee on the Judiciary is a very good answer to the position which the gentleman from Kentucky [Mr. SHERLEY] has taken. As I understood his statement, it was this: That no bills coming from any committee, not only the Committee on the Public Lands but from any committee, because he stated it was not his purpose to discriminate between committees, that no bill coming from any committee that was of a general nature ought to come up on this Calendar for Unanimous Consent. And if the position is sound and correct the gentleman from Kentucky ought to be on his feet now to object to this present bill. I do not anticipate that he will so object. I hope that no one will object, because this is a bill to which probably no one in the House has any objection. It is a bill of importance, and there is no good prospect that it can be reached at any time soon or in any other way except on this calendar. I was not here when the House adopted the rule for the Unanimous Consent Calendar, but it seems to me ridiculous to say now that it shall have such a limited scope that a bill of general purpose that everyone wants to see passed must fail of passage because the Unanimous Consent Calendar was not created to take care of it. This is a bill to make the present statute as to spies and aliens applicable to women as well as to men. It ought to be enacted on the call of this calendar.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. CRAMTON. In a minute. If that bill, to which no one has objection, should be passed to-day, a bill from the Public Lands Committee of a general nature, and to which no one has objection, likewise should be passed.

I will be glad to yield to the gentleman from Colorado.

Mr. TAYLOR of Colorado. Is it not true that no private bill could go on this calendar—no private claim could come on this calendar? They are absolutely forbidden.

Mr. CRAMTON. The gentleman will admit there are bills of more or less local application——

Mr. TAYLOR of Colorado. Private claims can not be considered.

Mr. CRAMTON. No; private claims can not be considered, but the bill just stricken off was, of course, a bill of local interest. I think that is the distinction that the gentleman from Kentucky wanted to make.

Mr. SHERLEY. Mr. Speaker, if the House will indulge me a moment, I do not want unduly to detain it, but the proposition is not simply that no matter of a general nature should ever be considered by unanimous consent. No one ever so stated; but, speaking by and large, the Unanimous Consent Calendar should not be the medium for the consideration of matters of complicated legislation affecting general policies.

Now, everyone knows that public-land legislation is very involved. There are a great many public-land laws that only a very limited number of men in this House are familiar with. I submit in all candor—and I submit it not as a critic, but as one friendly to the West—that gentlemen from that section ought not to ask of the House constant consideration on the Unanimous Consent Calendar of bills involving detailed consideration of public-land laws, either from the Committee on Public Lands or any other committee.

Now, I do not claim infallibility. I have made objections when I felt it my duty to make them, and I shall do it in the future, undeterred by the scoldings of anybody or the threats of anybody. All I can say is that, as a general rule, this calendar should not be used to deal with matters of a general nature.

Mr. CRAMTON. Mr. Speaker, I think the distinction the gentleman now makes is a much different one, and one on which we can better agree, that a bill of a complicated and involved nature should not be considered, not that any bill of a general nature should not be considered.

Mr. MONDELL. Reserving the right to object, Mr. Speaker, I think the difficulty in regard to the bill introduced by the gentleman from Colorado [Mr. TAYLOR] grew out of the fact of a misunderstanding of its nature, character, and scope. The gentleman from Kentucky [Mr. SHERLEY] very properly, I think, suggested that general legislation of a very complicated nature, difficult of understanding by those not familiar with the subject matter, should not be taken up and disposed of by unanimous consent. This is not that kind of a bill. It is an exceedingly simple bill, and it is quite limited in its application.

Under the Carey Act, which is a law authorizing the States under certain conditions to reclaim desert lands, the States have in certain instances attempted to do that; in some cases the attempts have not been successful. Settlers, however, had gone upon the land, expecting to have it reclaimed. Now, it so happens that the Interior Department holds that in a case of that kind the settler who has gone upon the land, without regard to the length of his residence there or the character or value of the improvements, does not have the preferential right of entry under the homestead law which the same citizen would have had he settled anywhere else on the public domain except on public lands within the Carey Act.

My own opinion is that the department should not so hold, but it does. Those men are clearly settlers upon the public domain, in good faith, for the purpose of making and securing a home, and this bill only grants such persons a preference right to make a homestead entry on the lands which they have settled upon under the Carey Act. It is very limited in its effect. It is very conservative in its provisions. It is too conservative, as a matter of fact, and it will only help in comparatively few cases. It should give a preference right without regard to homestead qualification.

I hope the gentleman from Kentucky [Mr. SHERLEY] will withdraw his objection, because none of the suggestions that he has made as to the class of legislation that should not be considered under unanimous consent applies to this bill.

Mr. SAUNDERS of Virginia. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the consideration of the bill?

Mr. TAYLOR of Colorado. I object.

Mr. WEBB. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. TAYLOR of Colorado. Yes.

Mr. WEBB. I want to state, Mr. Speaker, that this bill is recommended by the President of the United States as a war emergency bill. It was so recommended last December in his annual message, and it was recommended by the Attorney General, and it is very urgent legislation, because it enables the Government to take care of female alien enemies as well as male enemies. The present statute—Four thousand and sixty-seventh Revised Statutes—is confined to persons being males over 14 years of age. We strike out the word "males" and make the statute include women among the alien enemies of the country. If the gentleman wants to object to this kind of important matter to our country he is at perfect liberty to do so.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That section 4067 of the Revised Statutes be, and the same is hereby, amended so as to read as follows:

"SEC. 4067. Whenever there is declared a war between the United States and any foreign nation or government, or any invasion or predatory incursion is perpetrated, attempted, or threatened against the territory of the United States by any foreign nation or government, and the President makes public proclamation of the event, all natives, citizens, denizens, or subjects of the hostile nation or government, being of the age of 14 years and upward, who shall be within the United States and not actually naturalized, shall be liable to be apprehended, restrained, secured, and removed as alien enemies. The President is authorized, in any such event, by his proclamation thereof, or other public act, to direct the conduct to be observed, on the part of the United States, toward the aliens who become so liable; the manner and degree of the restraint to which they shall be subject and in what cases, and upon what security their residence shall be permitted, and to provide for the removal of those who, not being permitted to reside within the United States, refuse or neglect to depart therefrom; and to establish any other regulations which are found necessary in the premises and for the public safety."

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word.

The SPEAKER. The gentleman from Wisconsin moves to strike out the last word.

Mr. STAFFORD. While the bill as reported is in exactly the same language as the existing law, with the exception of eliminating the word "male," I wish to inquire of the chairman of the committee whether the language in the first line of the section is not rather awkward—"Whenever there is declared a war"?

Mr. WEBB. Yes, it is awkward; but that is the way we find it in the Revised Statutes.

Mr. STAFFORD. Yes; but while we are amending the law, why not use proper language—"Whenever a war is declared"?

Mr. WEBB. I agree with the gentleman entirely; but we believed we would not trouble the language of the statute, which is hoary with age, passed in 1791.

Mr. STAFFORD. Well, if the Committee on the Judiciary is wedded to the cobwebs of the past and to the language of a century ago, I am not going to interpose any suggestion of a change in making the language modern, and therefore I withdraw the pro forma amendment.

The SPEAKER. The pro forma amendment is withdrawn. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

FREE SURVEY OF HOMESTEAD IN ALASKA.

The SPEAKER. The Clerk will report the next one.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 8563) to amend the homestead law in its application to Alaska, and for other purposes.

The title of the bill was read.

Mr. SULZER. Mr. Speaker, this bill seeks to extend a certain measure of assistance and relief to certain deserving and worthy homesteaders in the Territory of Alaska by extending to them the privilege of free surveys of their homesteads where the public land surveys have not been extended over them.

The legislation here contemplated has been recommended by various officials of the Government for a number of years. It has the approval of——

Mr. MADDEN rose.

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. MADDEN. I would like to know what the gentleman is asking permission to do?

Mr. SULZER. I ask that the bill be considered in the House as in Committee of the Whole.

Mr. MADDEN. The gentleman has not yet got consent to consider the bill at all.

The SPEAKER. No. The Chair supposed that the gentleman thought it necessary to make a preliminary statement.

Mr. SULZER. I ask unanimous consent for the present consideration of the bill, and that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SHERLEY. Reserving the right to object, we want to find out something about it.

Mr. FERRIS. Let the gentleman explain the bill. I think there will be no objection to it. It is a very inoffensive little bill.

Mr. STAFFORD. Even though it comes from the Committee on the Public Lands. [Laughter.]

Mr. FERRIS. Yes.

The SPEAKER. Is there objection?

Mr. RUCKER. Even if it does come from the Committee on the Public Lands, I reserve the right to object.

Mr. SULZER. Mr. Speaker, this bill is purely of a local character, and applies only to certain homesteaders in the Territory of Alaska. As I was about to state, it has the approval and recommendation of the Secretary of the Interior, and the unanimous recommendation of the Committee on the Public Lands. The area of surveyed land in the Territory of Alaska is to the total area of that Territory as the area of one-half of the State of Maryland is to the total area of the United States. Undoubtedly it will be many years before the public-land surveys can be extended all over Alaska, whereas there are certain homesteads being located in various parts of the Territory wherever development is taking place and wherever markets are afforded. This bill is to provide relief for these homesteaders, who will not come under the public-land surveys without it. It is designed to extend to them the free public surveys upon application and proper showing that they have complied with the various requirements of the homestead laws.

Mr. MONDELL. Will the gentleman yield for a question?

Mr. SULZER. I yield to the gentleman.

Mr. MONDELL. Does this bill modify the present law, or enact new law in any way, except in its provisions for a free survey?

Mr. SULZER. That is all. It simply modifies the present law by adding a section, which is section 2 of this bill.

Mr. MONDELL. Do you modify section 1 at all?

Mr. SULZER. No, sir.

Mr. MONDELL. Then, why is section 1 set out?

Mr. SULZER. It is simply a repetition.

Mr. MONDELL. The gentleman is quite certain that there is no change in section 1 of the existing law?

Mr. SULZER. I will read from the report of the Secretary of the Interior, in which he says:

This bill amends the act of July 8, 1916 (39 Stat., 352), by the addition of a new section, which will be numbered section 2, providing that if the system of public surveys has not been extended over the land included in a homestead entry, the entryman may, after compliance with the terms of the homestead law, submit proof thereof to the register and receiver, who thereupon, if satisfied with the showing, will so advise the surveyor general of the Territory, this officer to then take the necessary steps for the survey of the homestead at the expense of the Government.

Mr. MONDELL. But does the gentleman know, as a matter of fact, that section 1 as set out in the bill is section 1 of the present law, which is sought to be amended by the addition of a section?

Mr. SULZER. This was copied from the present law.

Mr. STAFFORD. Will the gentleman yield?

Mr. SULZER. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. I assume that the framer of the bill, instead of drafting it so as to provide for an additional section which is included in section 2, framed it in this form because section 3 is part of the existing law, which is now section 2, and therefore the drafters of the bill wished to have the whole law presented for consideration in one measure?

Mr. SULZER. I will state to the gentleman that the bill was drafted by the Interior Department.

The SPEAKER. Is there objection?

Mr. SHERLEY. Still reserving the right to object, I have been trying to read this report and listen to the gentleman at the same time, but I have missed a good deal of what the gentleman stated. I would be obliged to the gentleman if he would repeat what he has already said so that I may know what the single effect of this bill is.

Mr. SULZER. I will state to the gentleman that there is a very small area of the public land of Alaska that has been surveyed.

Mr. SHERLEY. I understand that.

Mr. SULZER. There are certain areas that probably will not be surveyed for a great many years, for instance, along the coast. It is a very mountainous country but there are certain small areas at the mouths of streams, or in pockets in the mountains, that are suitable for homesteading, and where homesteads have been located, and it is designed to enable these people to have the same privilege as those who come under the public-land surveys; that is, that the Surveyor General can authorize a survey of their homesteads free upon application and proper showing to be made that they have complied with the homestead laws. That can be done very much more cheaply than the individual homesteader can have his homestead surveyed, because it can be done in groups.

Mr. SHERLEY. What you mean is to take the expense off the back of the homesteader and put it on the Government.

Mr. SULZER. That is it precisely.

Mr. SHERLEY. Why?

Mr. SULZER. Because they are a very deserving class of people.

Mr. SHERLEY. I understand; and the Government is occasionally deserving, and is at present struggling under very difficult circumstances to get money enough to keep itself from going bankrupt.

Mr. SULZER. This will involve a very small expense to the Government; as a matter of fact it will not make any more expense to the Government because when the homesteader has his homestead surveyed the Government has to go and check that up and that means a resurvey, and the work under the present conditions is done twice which puts the homesteaders to great expense unnecessarily.

Mr. SHERLEY. Do you require the Government to survey this land?

Mr. SULZER. It is at the Government's discretion upon the application of the homesteader who is required to make a proper showing.

Mr. SHERLEY. You propose to let the homesteader go on the land and establish a homestead right prior to a survey being made.

Mr. FERRIS. That always has been permitted in the States.

Mr. SHERLEY. It depends upon what you mean by "right." He may establish a claim but not establish a right.

Mr. JUUL. There could not be any settlement on the land without a survey.

The SPEAKER. Is there objection?

Mr. SHERLEY. Mr. Speaker, I am not trying to delay the House, but I can not determine these matters offhand.

Mr. MADDEN. In order to expedite matters, Mr. Speaker, I object. I do not think the Government ought to be compelled to pay the expenses of these surveys.

EXCLUSION OF SUBJECTS OF AUSTRIA-HUNGARY AND GERMANY FROM ALIEN ENEMY ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9159) to authorize the President of the United States to exclude certain subjects of Austria-Hungary and Germany from the classification of alien enemies and to naturalize certain members of the Army, Navy, and Marine Corps.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, this is a most important bill. It is rather involved in some of its provisions and would require some time to consider it. If it is considered I hope the gentleman from Virginia will be rather liberal in the time allowed for its consideration.

Mr. FLOOD. I have no objection to any reasonable debate on the bill. It is an important measure. The most important features of the bill are those which authorize the naturalization of men in our Army, Navy, and Marine Corps who are subjects of our enemies.

Mr. STAFFORD. Will the gentleman yield?

Mr. FLOOD. I will.

Mr. STAFFORD. I have had difficulty—I may be obtuse—in ascertaining the purpose of the committee in the phraseology of the last paragraph of section 2, found on page 3. It is as follows:

And except as hereinafter specified in this act, the method herein provided for acquiring citizenship shall apply to all aliens hereinbefore described, whether or not they are natives, citizens, subjects, or denizens of a country, State, or sovereignty with which the United States is at war: *Provided*, That they are not otherwise ineligible to become citizens of the United States under the naturalization laws now in force.

My specific question is as to whom that phraseology pertains—that "the method herein provided for acquiring citizenship shall apply to all aliens hereinbefore described." Is it limited merely to the men of alien birth who are serving in the Army, Navy, and Marine Corps, or is it more general in its scope and extends to the class of aliens enumerated in the first section of the bill?

Mr. FLOOD. It only extends to aliens serving in the Army, Navy, and Marine Corps.

Mr. STAFFORD. But the language expressly states otherwise. You have already in prior language authorized aliens serving in the Army and Navy to avail themselves of citizenship by applying to the district court and showing that they have been residents of the United States one year, and now you go on in this general language and provide:

And, except as hereinafter specified in this act, the method herein provided for acquiring citizenship shall apply—

To whom?

to all aliens hereinbefore described.

They are found in the first section. They are:

Alsatians, Bohemians, Croatians, Hungarians, Italians, Jews, Lithuanians, Loranians, Moravians, Poles, Roumanians, Ruthenians, Serbs, Slovaks, Slovenes, and other natives, subjects or denizens of Austria-Hungary or Germany, or any individual or class thereof from the classification of alien enemies, wherever such classification now exists by reason of any act of Congress of the United States.

Why does not the general language to which I have directly referred relate to aliens hereinbefore described in section 1?

Mr. FLOOD. The intention of the committee was to restrict that to the aliens described in section 2.

Mr. STAFFORD. If that was the intention of the committee, what is the necessity of making any reference whatever to them in the language referred to in the last paragraph? They have already been taken care of by the direct provision in section 2.

Mr. SABATH. If I may be permitted, I may be able to explain this provision to the gentleman from Wisconsin. It has reference to those who can not under present naturalization laws be naturalized, namely, the Japanese and such other people. That is what was intended. As to the first section, I wish to say to the gentleman that it has been agreed on the part of the chairman of the committee to strike out the first section, and then we will have only section 2; so that the objection that the gentleman from Wisconsin has raised to that wording will not apply, because section 1, as I understand, will go out.

Mr. COOPER of Wisconsin. Mr. Speaker——

Mr. STAFFORD. I will yield to my colleague.

Mr. COOPER of Wisconsin. Mr. Speaker, I think I can explain to the satisfaction of my colleague from Wisconsin the provision he is discussing. The language is:

And except as hereinafter specified in this act the method herein provided for acquiring citizenship shall apply to all aliens hereinbefore described, whether or not they are natives, citizens, subjects, or denizens of a country, State, or sovereignty with which the United States is at war: *Provided*, That they are not otherwise ineligible to become citizens of the United States under the naturalization laws now in force.

My colleague will observe in lines 5 and 6 the provision is that it shall apply to all aliens, whether they are citizens of a country with which we are now at war or not. The first part of the bill applies to aliens who are citizens of a country with which the United States is at war, but there may be aliens in our Army who are citizens of a neutral country. For instance, they might be citizens of Holland, of Norway, of Sweden, of Spain, of Brazil, or any other country in South America or Central America. That language would cover them, because they would be citizens of a country with which the United States is not at war; but, Mr. Speaker, recurring to the first part of that clause, "and except as hereinafter specified in this act," and coming down to section 3 we find this language:

That application for naturalization in the mode herein provided shall not be open to natives, citizens, subjects, or denizens of Austria-Hungary or Germany, except such individuals and classes as may be exempted by the President under the provisions of section 1 of this act.

The first class to which my colleague referred covers all aliens who are citizens of a country with which we are at war who are in our Army, and also aliens who are citizens of neutral countries who are in our armies, and the next section excludes those who can not be naturalized.

Mr. FLOOD. Mr. Speaker, I want to say to the gentleman from Wisconsin [Mr. STAFFORD] there may be something in the suggestion he makes. I think probably there is. If it is an error, I think that it grew out of the fact that this bill was largely amended after it was introduced. Section 2 was taken from one bill and section 1 was taken from another bill. I have been requested by the Department of Justice, for very good reasons, to strike out the first and third sections. If that is done, the gentleman will see that the language to which he called attention is very proper in the bill with reference to section 2 and the rest of it.

Mr. MADDEN. Sections 3 and 1 will go out?

Mr. FLOOD. Yes.

Mr. STAFFORD. The gentleman will agree that if section 1 should remain the general language in section 2 would apply to all those aliens referred to in section 1.

Mr. FLOOD. It would seem so.

Mr. STAFFORD. I can readily understand the error the committee got into by reason of framing this composite bill from different measures. Of course, if it is the purpose to strike out section 1 everything in section 2 will be intelligible.

Mr. MADDEN. And section 3 will have to go out also.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes.

Mr. WALSH. How does the gentleman contend that this bill comes within the rule laid down in section 8 of the Constitution requiring uniform rules of naturalization to be provided throughout the United States?

Mr. FLOOD. This is uniform. This applies only to men who are in war and men who have rendered special services. It has been held that such legislation does not violate the provision requiring uniformity.

Mr. WALSH. It is not uniform with those not in the war. It gives a certain class certain privileges with reference to naturalization.

Mr. MILLER of Minnesota. But the rule of uniformity has reference to the laws of the various States of the United States.

Mr. WALSH. I submit it does not do anything of the kind. Under the Supreme Court decisions you can not set up certain classes and say that gentlemen from England can come in here and be naturalized under certain conditions, and that gentlemen from Italy can come in and be naturalized under certain other conditions.

Mr. MILLER of Minesota. That is not what we say.

Mr. WALSH. But you are setting up classes.

Mr. MILLER of Minnesota. Oh, no; we simply say that any man who serves in the armies of the United States under certain conditions may be naturalized.

Mr. DYER. As he ought to be.

Mr. MILLER of Minnesota. As he ought to be.

The SPEAKER pro tempore (Mr. FOSTER). Is there objection?

Mr. CAMPBELL of Kansas. Mr. Speaker, reserving the right to object, this is a very important measure and should be carefully considered. These sections 1 and 3 are to be stricken out. I think it is due to the House that it has an opportunity to consider the measure, and I suggest to the gentleman from Virginia that he pass the matter over until we reach the close of the Calendar for Unanimous Consent and take it up at that time.

Mr. MILLER of Minnesota. Mr. Speaker, I trust the gentleman will not insist upon that.

Mr. DYER. I hope the gentleman will not ask that.

Mr. SABATH. Will the gentleman yield for a moment?

Mr. CAMPBELL of Kansas. Yes. This is an important measure.

The SPEAKER pro tempore. Is there objection?

Mr. CAMPBELL of Kansas. I simply suggest that the bill be passed over until the Calendar for Unanimous Consent has been concluded, and that we take it up then as the last bill on the calendar to-day.

Mr. FLOOD. Mr. Speaker, I agree with the gentleman that it is an important measure. It involves the well-being if not the retaining in our armies of probably 75,000 splendid soldiers and drawing to our standard many others whom we are in duty bound to protect as far as we can when they go abroad and meet the soldiers of the Governments to which they owe some sort of allegiance now. I am willing to accept the gentleman's suggestion if we can——

Mr. CAMPBELL of Kansas. We can let the bill go over until the calendar is completed and then take it up.

Mr. MONDELL. Mr. Speaker, reserving the right to object——

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the bill be taken up at 4 o'clock.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think that is a very bad practice, and I shall have to object to setting any definite time.

The SPEAKER pro tempore. The gentleman from Wisconsin objects.

Mr. MONDELL. Mr. Speaker, will the gentleman from Virginia yield?

Mr. FLOOD. Yes.

Mr. MONDELL. Does the gentleman know whether or not there is now in force an order issued by the Secretary of War to the effect that no native of Germany or of any of the territory within the German Empire, though he may now be a citizen of the United States, shall be given a commission in the Army?

Mr. FLOOD. I do not.

Mr. MONDELL. Unless I am very much mistaken, there is such an order; and if there is an order of that sort, how much good does section 2 do the Government, anyway? I have a constituent, born in Schleswig-Holstein of Danish parents, who came to America as a very young child, served 12 years in the Regular Army, a fine soldier, who has passed several examinations and stood high, and was refused a commission on the ground of an order issued by the Secretary of War to the effect that no native of any of the territory within the German Empire or Austria-Hungary, I presume, may receive a commission. Now, that is the word I received directly from the War Department, as I understand it.

Mr. MILLER of Minnesota. How recently is that order supposed to be issued?

Mr. MONDELL. I do not know; but I do know this young man—very capable, very efficient, very anxious to serve his Government—was refused a commission after having passed a number of examinations splendidly and having all sorts of favorable recommendations from people who have known him for years because, as he understands it, he was born in Germany, though of Danish parents.

Mr. FLOOD. It must be a recent order.

Mr. MILLER of Minnesota. There must be a mistake——

Mr. FLOOD. I know of cases where they have gotten commissions.

Mr. MONDELL. That must have occurred, I assume, or this legislation would not be here.

Mr. HAMLIN. Mr. Speaker, I do not object to considering this measure, but I do object to having it considered in this manner, and I therefore ask for the regular order.

The SPEAKER pro tempore (Mr. FOSTER). The regular order is, is there objection to this bill. [After a pause.] The Chair hears none. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 9159) to authorize the President of the United States to exclude certain subjects of Austria-Hungary and Germany from the classification of alien enemies and to naturalize certain members of the Army, Navy, and Marine Corps.

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and empowered by proclamation or otherwise to exclude Alsatians, Bohemians, Croatians, Hungarians, Italians, Jews, Lithuanians, Loranians, Moravians, Poles, Roumanians, Ruthenians, Serbs, Slovaks, Slovenes, and other natives, subjects, or denizens of Austria-Hungary or Germany, or any individual or class thereof from the classification of alien enemies, wherever such classification now exists by reason of any act of Congress of the United States: *Provided, however*, That such exclusion shall not apply to any individual who claims exemption from the military service of the United States under the selective-draft act of May 18, 1917, on the ground of alienage.

SEC. 2. That during the present war any alien now or hereafter in the service of the United States as a member of the Army, Navy, or Marine Corps, who has an honorable record in such service, may, while in such service be admitted to become a citizen of the United States upon his petition filed in any district court of the United States, the United States district courts for the Terriories of Hawaii or Alaska, the United States district court for Porto Rico, the Supreme Court of the District of Columbia, or a court of record of any of the States having a common-law jurisdiction and a seal and a clerk, whether or not any such alien be a resident of the State, Territory, or District in which the application is made; the court before admitting such alien to citizenship shall require oral or documentary proofs, by witnesses under oath or by affidavits, that he is of good moral character and loyal to the United States, but shall not require him to prove more than one year's residence in the United States previous to filing such petition, and shall also require him to make the oath of allegiance to the United States as now prescribed under the law relating to naturalization. And except as hereinafter specified in this act, the method herein provided for acquiring citizenship shall apply to all aliens hereinbefore described, whether or not they are natives, citizens, subjects, or denizens of a country, State, or sovereignty with which the United States is at war: *Provided*, That they are not otherwise ineligible to become citizens of the United States under the naturalization laws now in force.

SEC. 3. That application for naturalization in the mode herein provided shall not be open to natives, citizens, subjects, or denizens of Austria-Hungary or Germany, except such individuals and classes as may be exempted by the President under the provisions of section 1 of this act.

SEC. 4. That the President of the United States is hereby authorized to make and promulgate such regulations as may be necessary to carry out the purposes of this act, whether or not such regulations conform to the procedure now existing.

SEC. 5. That certificates of citizenship obtained in the mode provided in this act shall be subject to cancellation in any district court of the United States upon proof that the person so naturalized has been guilty of mutiny, sedition, desertion, or of committing a felony against the criminal laws of the United States, or of committing a crime which, according to the laws of the place where it was committed, is punishable by death or imprisonment for a term exceeding one year in a penitentiary, or that he has been dishonorably discharged from the military or naval service of the United States. The procedure in the district court of the United States for such cancellation shall follow the procedure described in the act of June 29, 1906 (ch. 3592, sec. 15), and shall be in addition to modes of cancellation and of expatriation provided by all statutes now in force.

SEC. 6. That the provisions of this act shall remain in force and effect during the continuance of the present war, and all laws or parts of laws in conflict with the provisions of this act are hereby suspended during the continuance of the present war.

During the reading of the bill,

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to go back a little, and I want to move to strike out——

Mr. WALSH. The bill has not been read yet.

The SPEAKER pro tempore. The bill is being read under the five-minute rule.

Mr. STAFFORD. This is a House bill, and at the conclusion of the reading of the bill the gentleman from Virginia has a right to offer an amendment or to move the previous question on the passage of the bill.

The Clerk proceeded with and concluded the reading of the bill.

Mr. FLOOD. Mr. Speaker, I move to strike out all of the first section after the enacting clause.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all of section 1 after the enacting clause.

Mr. COOPER of Wisconsin. Mr. Speaker, I would like to ask the chairman to explain just why it is necessary to strike out that first section.

Mr. FLOOD. I am making this motion, Mr. Speaker, in deference to a request of the Attorney General, supplemented by a request of the State Department. The reasons given for wanting this section stricken out were that there was no necessity now for it, the liberal terms of the proclamation of the President in reference to subjects of Austria-Hungary satisfying those most interested in this section that the President by his proclamation could serve the same purpose as the enactment of this law. Then, the Department of Justice feared that if the President should exclude any one of the races named in the bill from the classification of alien enemies he would automatically lose power to intern dangerous members of that particular race, and evildoers or dangerous persons of that particular race could therefore be reached only by the ordinary course of judicial process. Exemption by him of one of these races would result also in releasing from the war prison camps any members of that particular race who have already been interned.

Again, to confer upon the President this discretion would make him the center of a strong agitation on the part of members of each of the races mentioned in the bill, requesting that he exempt members of that particular race from the classification of alien enemies. This fact would foment great discontent, particu-

larly if he should, after consideration, exempt part of the races and not the rest.

The chief object of this measure is to protect the members of the different classes or races who have volunteered or have been willingly drafted into our Army. There are quite a number of them. Gen. Crowder stated before the committee when we were considering this bill that there were nearly 11,000 subjects of Austria-Hungary alone—Bohemians, Slovaks, Slovenes, Italians, and others—who have been drafted into the Army and many thousands who have volunteered to go into the Army. There are probably 75,000 subjects of Austria-Hungary and Germany in our Army, Navy, and Marine Corps to-day and who will soon be sent abroad to face the armies of the governments to which they belonged in the past and which still claim their allegiance. These soldiers would be treated, if captured, as traitors and shot as such. The chief desire of those who advocated this measure was to give what protection we could to those people and put us in the position of insisting that the rules of war should be applied to them just as they are to our other soldiers.

Mr. HAMLIN. Will the gentleman yield right there?

Mr. FLOOD. I will.

Mr. HAMLIN. I am in entire sympathy with the suggestion and the purpose of this matter, but has the gentleman any assurance that the other nations, Germany, for instance, would recognize the citizenship of these people after we had them naturalized and not treat them as deserters, as the gentleman says they would be, and correctly, under existing conditions?

Mr. FLOOD. None in the world. We have no assurance in the world that they would recognize this. I believe Austria-Hungary does not recognize extradition now, but I believe that by the practice of reprisal we could force these countries to recognize this citizenship.

Mr. HAMLIN. That is exactly what I had in mind.

Mr. FLOOD. This is all we can do.

Mr. HAMLIN. And very likely it would not be any protection to these people if we granted it.

Mr. FLOOD. It is all the protection we can give; it is the very best we can do for them, and it may not amount to very much, yet it is the very best protection this Government can give to them, and that is what we are trying to do by this bill.

Mr. MILLER of Minnesota. Would not it amount really to a great deal? If these men of whom the gentleman speaks are citizens of the United States and are captured by Austria, for instance, and are not treated by her as prisoners of war, citizens of a belligerent country with which Austria is at war, then retaliation is always in order in war.

Mr. FLOOD. Yes.

Mr. MILLER of Minnesota. We have in our possession Austrian soldiers, German soldiers, and we would mete out to them exactly what they meted out to these men, and they would drop it mighty quick. That is the only way to stop the central powers.

Mr. HAMLIN. We should do it even if these boys are not naturalized if they are loyal enough to fight in our Army.

Mr. MILLER of Minnesota. We could not at this time grant anything but naturalization.

Mr. HAMLIN. I am in favor of naturalization; I think they ought to be naturalized. I was asking if the measure was in force would it be any protection to them?

Mr. FLOOD. None, except the question of retaliation and reprisal. I want to say to the gentleman from Wisconsin [Mr. COOPER] that those are the reasons why the Attorney General requested that the bill be amended.

The reason the Committee on Foreign Affairs was very much wedded to section 1 was on account of the moral effect we thought at that time it would have on the subjects of Austro-Hungary. I do not believe anything we can do now will have any great effect upon those who are not hostile to that Government, at any rate, and the importance of that section does not seem to me as great now as it was a month ago.

Mr. COOPER of Wisconsin. During the consideration of the bill it was my impression that section 1 was looked on as the important section of it.

Mr. FLOOD. I believe it was then. But the important thing now, it seems to me, is to give what protection we can to these 75,000 men who have volunteered to go into our service and take upon themselves the risk that service will entail upon them.

Mr. WALSH. Will the gentleman yield?

Mr. FLOOD. I yield.

Mr. WALSH. What do the brilliant legal experts of the State Department, to whom the gentleman referred the other day, think of this measure?

Mr. FLOOD. I can not hear the gentleman.

Mr. WALSH. I ask the gentleman what the brilliant legal experts of the State Department, as he termed them the other day, have to say in reference to this measure?

Mr. FLOOD. They are very much in favor of it.

Mr. WALSH. Where do they say so?

Mr. FLOOD. What?

Mr. WALSH. Where in the report do they say so?

Mr. FLOOD. They do not say so in the report. They said so in the hearings. The Acting Secretary of State, Mr. Polk, appeared at the hearings and so stated, and he subsequently wrote me a letter, which I have here, in which he withdraws his support of section 1, but not to the rest of the bill.

Mr. WALSH. And renews it to the other sections of the bill?

Mr. FLOOD. He withdraws his support only to section 1. Here is the letter:

THE COUNSELOR FOR THE DEPARTMENT OF STATE,
Washington, February 9, 1918.

The Hon. HENRY D. FLOOD,
House of Representatives.

DEAR MR. FLOOD: The Attorney General has called my attention to the fact that the bill in Congress, H. R. 9159, which relates in part to the subject of naturalizing alien enemies in the military forces, has a provision in the first section conferring on the President the power to exclude from the present classification of alien enemies some 15 races. This feature, I understand, is opposed by the War Department and the Department of Justice, and this department is in agreement with these other departments.

I am taking the liberty of writing you, as I stated at the hearing before your committee when this bill first came up, that I saw no objection to conferring discretionary powers on the President. This was an off-hand opinion, and I gave it before I had had an opportunity to read the bill. I think I also stated that this was a matter peculiarly within the province of the Attorney General, and the department felt that his views on the subject should control.

With warm regards, yours, sincerely,

FRANK S. POLK.

Mr. WALSH. Will the gentleman answer a question with reference to section 2, which has now, I understand, become section 1? Is it intended to permit these men to file their petitions for naturalization in courts which do not now have jurisdiction over naturalization matters?

Mr. FLOOD. No.

Mr. WALSH. It says here:

That upon his petition filed in any district court of the United States or a court of record in any of the States having a common-law jurisdiction and a seal and a clerk.

Now, that would include a great many courts that do not now have naturalization jurisdiction in some States.

Mr. MILLER of Minnesota. I would like to have the gentleman name any court having common-law jurisdiction that is not now having jurisdiction over naturalization cases.

Mr. FLOOD. That section, I will say to the gentleman from Massachusetts [Mr. WALSH], was drawn by a very distinguished Harvard professor of international law——

Mr. WALSH. That is the reason I think we ought to scrutinize it right closely.

Mr. FLOOD. I have not finished. Drawn by this Harvard professor in conjunction with a district attorney of the United States, and in explanation of that language, about which the committee questioned them closely, they stated that they were substantially following the language of the existing statute.

Mr. WALSH. The naturalization law?

Mr. FLOOD. Yes.

Mr. MILLER of Minnesota. I think the gentleman from Massachusetts [Mr. WALSH] will find that any court of to-day having common-law jurisdiction is competent to give naturalization.

Mr. ROGERS. How about the police courts and the district courts of Massachusetts? I think they have common-law jurisdiction?

Mr. WALSH. They have a seal and have a clerk.

Mr. MILLER of Minnesota. No police court in the world has common-law jurisdiction. They may exercise it.

Mr. FLOOD. That was the statement made. The draftsmen of this section undertook to follow, as near as possible, the existing naturalization laws. They only changed it where it was necessary to give these privileges contained in this bill to the men to whom it applied.

Mr. BURNETT. Will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Alabama.

Mr. BURNETT. Mr. Chairman, when the bill was originally drawn, as is stated by the chairman of the committee and the gentleman from Wisconsin [Mr. COOPER], the important section of it was the first section. I think the chairman of the committee—but if he did not, the gentleman from Wisconsin [Mr. STAFFORD]—spoke to me about the second section, which is peculiarly within the province and jurisdiction of the Committee on Immigration. And viewing as I did the fact that the first section was the important section, I stated to those gentlemen that, so far as I was concerned, we would make no point on that.

It seems it has progressed to the point where the first section should be stricken out, and the bill having been reported and gone that far, I still would make no objection to it. I think the statement of the gentleman, the chairman of the committee, is

correct in regard to the naturalization law, that the language there used in regard to naturalization, as to the courts that may have jurisdiction, is the exact language of the general naturalization law. I examined it when the gentleman from Illinois [Mr. SABATH], who is a member of both our committee and the Committee on Foreign Affairs, called my attention to it, and I felt that it was in proper form for the adjudication of the courts of the country having jurisdiction in this matter, and, so far as I was concerned, I could see no objection to that part of it. And the fact that the main part, or the head, has been stricken out will not cause me to make any objection to the jurisdiction of the committee as to the other part.

Mr. FLOOD. Mr. Speaker, I will state that when section 2 and the other sections of this bill were being considered I realized the fact that the committee having jurisdiction was the Committee on Immigration and Naturalization. I went to the gentleman from Alabama [Mr. BURNETT] and told him that we were considering this matter, and he generously said that, in view of the importance of it and in view of the fact that we had the whole subject under consideration, he would be glad to have the Foreign Affairs Committee proceed with it and report it. His statement now is the statement he made then.

Mr. BURNETT. Here is the language of the statute:

The courts having a seal, a clerk, and jurisdiction in actions at law or equity, or law and equity, in which the amount in controversy is unlimited.

Mr. SABATH. That is the present law.

Mr. WALSH. I could not hear the gentleman.

Mr. BURNETT. I think this conforms to the present general law.

Mr. WALSH. Mr. Speaker, may I ask somebody to read that section again? I could not hear the gentleman.

Mr. BURNETT. I read:

That exclusive jurisdiction to naturalize aliens as citizens of the United States is hereby conferred upon the following specified courts: United States circuit and district courts now existing or which may hereafter be established by Congress in any State, United States district courts for the Territories of Arizona, New Mexico, Oklahoma, Hawaii, and Alaska, the Supreme Court of the District of Columbia, and the United States courts for the Indian Territory; also all courts of record in any State or Territory now existing, or which may hereafter be created, having a seal, a clerk, and jurisdiction in actions at law or equity, or law and equity, in which the amount in controversy is unlimited.

That is the language covering the jurisdiction of the courts under the general law.

Mr. MILLER of Minnesota. And the language in the proposed act is really more restrictive than that?

Mr. BURNETT. Yes.

Mr. FLOOD. We undertook to make it conform to that.

Mr. ROGERS. The suggestion is made that the law may be too narrow. My inquiry is as to whether it is not too narrow in another respect. A great many of our soldiers are going to be abroad in France. They are not going to be able to take advantage of this law in its present form, because this permits them to acquire citizenship only before a court within the territory of the United States. Would the gentleman think it practicable to allow the consul general to France or some other officer of the United States to bestow citizenship on our soldiers while they are in France, while they may be especially anxious to take advantage of it?

Mr. FLOOD. I think this goes far enough. We were informed that the purpose of the War Department was, as soon as this became a law, to get these judges to go into the camps and hold court and facilitate the naturalization in every way. But that was some time ago, probably two months ago, and many of these aliens may now have gone abroad.

Mr. ROGERS. The judges would not go abroad?

Mr. FLOOD. No; they would not go abroad, but would give opportunity to the soldiers in the camps and cantonments here.

Mr. ROGERS. The soldiers will be going abroad every month. Many of them not now are eligible, but they will become eligible later. We recently passed a repatriation statute somewhat analogous to this and applying to men who enlisted in the armies of the allies. They can go before the consular officers in France. Would there be any objection to following that analogy here? I would like the gentleman to answer my question.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes.

Mr. FESS. It is not likely that any of these soldiers who are not citizens who are now in camp will be sent to a foreign field until this limitation is removed?

Mr. FLOOD. My understanding is that if this bill passes in reasonable time an opportunity will be given to all these soldiers to become citizens before they go abroad. That is, those who will not already have sailed.

Mr. FESS. It is not possible that our Government will send these soldiers abroad until this disability is removed?

Mr. FLOOD. I think most of them will be held here until they have opportunity to be naturalized.

Mr. HUDDLESTON. I understand that all of those not naturalized have been returned to the United States. I understand they have been weeded out abroad and have been sent back here.

Mr. FESS. That is to prevent embarrassment. Now, the gentleman will recall that when Paderewski was before our committee his idea of naming these particular classes was that it would be psychological, and it would create a very important situation on the part of those over there under the Government who were still suffering, although their sympathy was with us. That is why it was put in. It was purely psychological.

Mr. FLOOD. Yes.

Mr. ROBBINS. Is not this bill drawn to cover the very persons cited by the gentleman from Ohio? It says a petition may be filed in any district and proved by affidavit. I understand it is broad enough in the provision to permit an alien soldier to file his affidavit, and it would cover the case that has been raised of an absent soldier taking out papers.

Mr. CAMPBELL of Kansas. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes; I yield.

Mr. CAMPBELL of Kansas. If the bill does not provide for a soldier to be represented by attorney, does not the gentleman think that that should be done?

Mr. ROBBINS. I think it does provide in line 23 for the very contingency that the gentleman from Kansas suggests.

Mr. CAMPBELL of Kansas. I thought perhaps it did, but it is not entirely clear. I thought that the court should clearly have jurisdiction to grant citizenship in the absence of a soldier with his company on appearance by attorney.

Mr. FLOOD. The gentleman does not think that is accomplished by the bill?

Mr. CAMPBELL of Kansas. It is not clear.

Mr. FLOOD. The bill provides that the courts before admitting such alien to citizenship shall require oral or documentary proofs by witnesses under oath or by affidavits to show that he is of good moral character and loyal to the United States, but shall not require him to prove more than one year's residence in the United States previous to filing such petition.

Mr. CAMPBELL of Kansas. There should be a proviso here that that should be done on the application of the alien, either in person or by attorney.

Mr. FLOOD. Certainly there would be no objection to that.

Mr. TOWNER. In line with what the gentleman from Kansas says, the present law, of course, requires the application to be made and presented in person, and unless there was a specific section in the bill to modify that the courts, I think, would hold that that would still be required.

Mr. CAMPBELL of Kansas. I think it will be necessary. If the gentleman from Virginia, who has the floor, can offer an amendment that will do that, I think it should be done.

Mr. FLOOD. I will do it.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. Yes.

Mr. COOPER of Wisconsin. I think it would be well to consider that very carefully. If the aliens now in the Army of the United States who were in France or abroad anywhere have been, a large proportion of them, already returned to the United States because of their alienage, and the others are to be returned, I think the law then should still be as it is, requiring the applicant himself to appear and be identified, and so forth, before the officer where he makes the application.

Mr. CAMPBELL of Kansas. May I make this observation? Many of these young men are far from the courts having jurisdiction. Some of them are located 1,500 miles from their homes. It would take 15 days' leave.

Mr. FLOOD. That is not intended. The language could not be construed that way.

Mr. COOPER of Wisconsin. They do not have to go to the home courts, but to any court?

Mr. FLOOD. It was stated before the committee that the judges could go into those camps and hold court there for naturalization.

Mr. COOPER of Wisconsin. Will the gentleman permit another suggestion?

Mr. FLOOD. Yes.

Mr. COOPER of Wisconsin. He can go to a court in the vicinity of the cantonment, and not only that, but he can prove his moral character by affidavits sent from his home?

Mr. FLOOD. Yes.

Mr. COOPER of Wisconsin. So that every convenience is afforded to the soldier.

Mr. FLOOD. Yes.

Mr. CAMPBELL of Kansas. Even though the bill with the consent of the Department of Justice should provide for that, I think the better practice would be for the friends and neighbors of the applicant to appear in court and testify to his right to become a citizen, upon his application by an attorney who knows him, and on his affidavit that might be prepared and sent to him. The applicant may go into a court established in the camp, but he has no one there who knows him. He has no affidavit there. It is more difficult to arrange the details of the application for citizenship in the camp, away from the friends of the soldier, than it would be to have it arranged in the home court, where witnesses and friends know the soldier.

Mr. GALLAGHER. Will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Illinois.

Mr. GALLAGHER. Here is the situation: A great many people in our city have gone to Canada and enlisted in the Canadian Army. They were not taking volunteers in the United States, and these men went over there because they wanted to fight, and they are in the army over there. What becomes of that element, of whom great numbers are over there?

Mr. FLOOD. They are not in our Army.

Mr. GALLAGHER. No; they are in the Canadian Army.

Mr. FLOOD. This would not apply to them, and I do not think it ought to apply to them. Does the gentleman think so?

Mr. GALLAGHER. They are citizens of this country

Mr. FESS. They could not enlist over there without relinquishing their American citizenship.

Mr. BURNETT. This is not a repatriation bill.

Mr. SABATH. I think the gentleman means residents of the United States not citizens.

Mr. GALLAGHER. They resided here and many of them became citizens, and then they went over there and enlisted.

Mr. FLOOD. They would come in under a bill that we passed sometime ago.

Mr. SABATH. And another bill which is pending and liable to be called up at almost any time.

Mr. FLOOD. I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, having the utmost confidence in the loyalty and patriotism of the people of the nationalities described in section 1, I introduced a resolution some time ago exempting them from the operations of the alien-enemy act. Since that time the President of the United States in a proclamation has exempted all of these people and has added other nationalities, exempting them from the operations of the alien-enemy act. That I have been justified in my confidence I offer this fact, that nearly 100,000 aliens of these nationalities are now in the Army, Navy, and Marine Corps of the United States. It is to protect these men, to enable them to remain in our armies, that this legislation is sought. All this bill aims to do is to naturalize all these men who desire to fight for the country of their adoption, who otherwise would have no chance or opportunity to become American citizens.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Does not section 2 admit of the naturalization of other aliens apart from those referred to in section 1?

Mr. FLOOD. Oh, yes.

Mr. SABATH. Section 2 applies to all of the aliens who are now serving in the United States Army, Navy, or Marine Corps; it matters not of what nationality they are. I believe that any man who has volunteered, or any man who has not claimed exemption under the selective act, is a good enough man, is made of the right material, has the right conception of his duty to this country, and as such is entitled to all the protection that we can give him, and is also entitled to become a citizen of the United States without any unnecessary trouble or delay.

Mr. MOORE of Pennsylvania. The gentleman has made a study of this matter and has introduced a bill, as he indicates. While the gentleman is on his feet, and since he is talking in the time of the gentleman from Virginia [Mr. FLOOD], the chairman of the Committee on Foreign Affairs, I desire to ask him one or two questions. Is it not a fact that any alien, not those particularly mentioned in paragraph 1, but any alien who has been in the country one year and who has enlisted for service in the Army or Navy, may become a naturalized citizen of the United States on petitioning a court of competent jurisdiction, as referred to here?

Mr. SABATH. Yes; and on complying with the rules and laws and regulations of our country pertaining to the naturalization of aliens.

Mr. MOORE of Pennsylvania. As the gentleman is something of an expert I want to ask this question, so that this matter may be made clear to my constituents, who are interested in it: If an alien comes forward to-day and enlists in the Army, he may apply to-morrow for naturalization and be naturalized a citizen of the United States if he can prove that he has been in the country one year. Is not that the fact?

Mr. SABATH. He must prove that he has been in the United States for one year, and he must also prove that he is a man of good moral character, and in addition to that, that he has an honorable record in the Army or Navy or Marine Corps of the United States.

Mr. MOORE of Pennsylvania. He must have the usual qualifications.

Mr. SABATH. Yes.

Mr. TOWNER. Yes; and be loyal to the United States.

Mr. SABATH. And be loyal to the United States is right.

Mr MOORE of Pennsylvania. Exactly. That is one of the qualifications. Now, ordinarily a man must wait in this country for five years before he can become a citizen of the United States.

Mr. SABATH. Not only that, but he is subjected to examination, and must prove that he is capable of answering a great many questions that are propounded to him; he must know how to read and write the English language, and there are a great many other things that he is obliged to do before he can become an American citizen.

Mr. MOORE of Pennsylvania. Let us get down to the point I wanted to make. An alien under the law must remain in the United States for five years before he can become a citizen of the United States?

Mr. SABATH. Yes.

Mr. MOORE of Pennsylvania. If he joins the Army or the Navy or the Marine Corps and has one year's residence in the United States, he may apply for citizenship and secure it if he has the necessary qualifications?

Mr. SABATH. Yes.

Mr. MOORE of Pennsylvania. That is to say, he can cut short the period of residence four years and become a citizen if he joins the Army or the Navy?

Mr. SABATH. Yes; that is the intention.

Mr. MOORE of Pennsylvania. Following up the purpose of the alien-slacker bill, if this bill is adopted, it means that anyone who is an alien in the United States who has been here one year may become naturalized if he enlists in the Army or Navy?

Mr. SABATH. Yes; it means that he will be permitted to fight for our country, because otherwise, if the law is not enacted, there is great danger that he may be discharged on account of being an alien; that he is not an American citizen; and thereby this country would lose from the Army and the Navy seventy-five to a hundred thousand deserving men desirous of fighting for our country.

Mr. MOORE of Pennsylvania. Some gentlemen on this side seem to misunderstand the point that the gentleman has been making, and I want to repeat it. This will apply to any alien now or hereafter in the service of the United States, and not only to those specifically referred to in paragraph 1.

Mr. SABATH. That enlist in the Army, Navy, and Marine Corps.

Mr. MOORE of Pennsylvania. It would apply to anyone. Any alien except a German enemy alien could become a citizen of the United States after one year's residence upon enlistment if he wanted to.

Mr. SABATH. It will apply to all aliens that are now or will be in the Army, Navy, or Marine Corps.

Mr. FESS. Not quite as broad as that, for there is a proviso.

Mr. SABATH. There is a proviso as to people who can not become citizens now.

Mr. FESS. That is what the gentleman from Pennsylvania is driving at.

Mr. MOORE of Pennsylvania. I want to show that if a man likely to be deported from the country under the slacker bill is qualified to become a citizen he can make a short cut to citizenship under this bill by enlisting in the Army, the Navy, or the Marine Corps if he has had a year's residence and the requisite qualifications.

Mr. SABATH. Yes.

Mr. JAMES. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. JAMES. The people in paragraph 1 have been ordered back by Austria to fight in the Austrian Army. They have not gone, but in case they should be caught they will be treated as deserters. They will be deserters according to the law of Austria and according to our own law, and therefore, unless this bill is passed, we will place all these men in an embarrassing po-

sition. If it passes we can claim the men and look upon them as American citizens.

Mr. WALDOW. Will the gentleman yield?

Mr. SABATH. Yes.

Mr. WALDOW. Does this bill give a change of status to the Poles who have formed themselves into an independent organization? A great many of them have gone to France to fight. We have right outside of my city an army of about 8,000 men, all of them of Polish nationality. Is this going to change their status in any way?

Mr. SABATH. We can not aid them in this bill. There is a separate bill pending now in which I hope we will be able to protect the brave Poles and men of other nationalities who are now joining the so-called Polish and Cecho-Slovak Army in France as well as in Canada. I expect that the bill will be shortly reported and that it will receive the unanimous support of all Members of the House.

Mr. WALDOW. Why is it not possible to have that bill incorporated in this bill?

Mr. SABATH. I think it is a very wise suggestion, and if it will not be objected to I would be more than pleased to look upon the amendment with favor.

Mr. WALDOW. I am very much interested in the proposition. We have over a thousand men from the city of Buffalo alone who have joined the Polish brigade, and it seems to me that they ought to have the protection of the United States.

Mr. SABATH. They are entitled to all the protection we can give them.

Mr. JAMES. Are these people going in a Polish legion—are they going as Poles or Americans?

Mr. SABATH. They are going as Americans. Many of them are citizens of the United States and many of them are not as yet citizens of this country.

Mr. JAMES. Who pays the expense?

Mr. SABATH. The Polish-American people in the United States, as well as other people vitally interested in organizing this splendid body of men. And what applies to the Polish legion and the Polish Army applies to the so-called Bohemian-Slavic Army that is being formed here, in Russia, and France, and is now fighting the cause of the allies across the sea.

Mr. JAMES. Those who are citizens will be taken care of.

Mr. SABATH. No; they will not be taken care of by our Government.

Mr. JAMES. Those who are citizens of the United States?

Mr. SABATH. Yes; but they will not be entitled to any pension or special benefits because they are not joining our forces. For that reason they are entitled to greater consideration than the men who are drafted and who are American citizens, because they do not have to go, but do it of their own free will, desirous of being of aid and assistance to the country of their adoption.

Mr. GALLAGHER. If the gentleman will permit, I want to say that this is the army I referred to a moment ago when I was talking to the chairman. They are not in our Army and therefore this bill would not cover them. They joined the French forces.

Mr. SABATH. I realize the force of the gentleman's statement, and, as I stated before, if an amendment can be framed and will meet with the approval, as it should, of Members here, we should embody it in this bill.

Mr. MILLER of Minnesota. Mr. Chairman, I would like to ask the gentleman a question. Can he conceive of any legislation that we could pass which would protect men not citizens of this country who join the armies of one of our allies?

Mr. SABATH. I say in answer to that that we are trying to reach that before the Immigration Committee in this way: We have a bill pending there whereby we will suspend the operation of the immigration law as to all of the aliens who are now going abroad with our forces or with the Polish legions or the Jugo-Slovak armies, or who join the allied forces in Europe.

Mr. MILLER of Minnesota. That is true. That will enable those men ultimately, after the war is over, to come back to the United States to become citizens, not having lost any rights by reason of absence from the United States, but it does not protect them during this war.

Mr. SABATH. No; it does not, but the amendment suggested by the gentleman from New York [Mr. WALDOW] might help the situation.

Mr. FLOOD. The gentleman does not think we ought to undertake to enact a law here throwing the protection of this Government around soldiers enlisted in the army of another nation, does he?

Mr. SABATH. I will say this: They are there fighting the same cause, and where they are of aid and benefit to our country I think we ought to extend to them all the protection and advantages we possibly can.

Mr. MILLER of Minnesota. That is very true. We ought to give them every bit of help in our power, and if we take no action at all, if men joining this legion go over and are captured and their lives are in danger, our country ought to aid them and do everything that we can in a moral way, even to the extent of threats of retaliation, to protect them, but could we in any way be justified in passing a law that would say that a man fighting in the Army of Italy or a man fighting in the Army of France or a man fighting in the Army of England, not a citizen of this country, should be a citizen of the United States?

Mr. SABATH. As to those fighting in the allied armies, it might be very hard, because we have no organization by which we could bring about the aid in giving them the benefits of this legislation. We have no courts there and no instrumentalities by which we could make them citizens.

Mr. WALDOW. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. WALDOW. Why I am so vitally interested is this: Not so much that the men shall receive the pensions and the benefits that our soldiers are going to receive, but, as I said before, there are fully 8,000 men in training now at Fort Niagara, and the great majority of those are not citizens of the United States. I understood our chairman to say that we expected to have a judge visit our different camps and confer citizenship upon the men.

Mr. FLOOD. Upon those who were in our Navy or Marine Corps, not those who are in the armies of other nations.

Mr. WALDOW. Can we not have an amendment to this bill that would take care of that particular camp, because some of them are American citizens and they are all going to fight for the American cause, and I think they ought to have that protection.

Mr. SABATH. Mr. Speaker, to those in whom there remains any doubt as to the merits of this bill I desire to say that the people covered by this bill came to these shores to escape a tyrannical dynasty, allegiance to which they never subscribed and the overthow of which they have struggled and sought for centuries. They came here eager to grasp the opportunities afforded under our institutions and denied them in the land of their birth. They sought to advance and educate themselves and their children, to understand our institutions and the form of government that had given them every opportunity and every advantage afforded to its own citizens and that had made them free men and women. They came here to better their own conditons and to relieve, if possible, their oppressed and persecuted brethren abroad.

That they have done this none can deny. In the mines and in the factories, in the mills and in the shops, upon the farms and in the forests, in the industries and in the professions, in commerce—everywhere they have toiled, labored, and studied for the increased development of the land of their adoption. They have helped and are now helping to turn the great wheels of our industry. They have aided our commerce. They have contributed to our science. They have always been good, true, and loyal residents of this great country of ours. Who can challenge their industry? Who can question their constancy? Who dare impugn their loyalty?

And now, in the hour of our Nation's trial, they have sprung to the support of our country, to sustain our glorious flag, by the thousands, aye, by the tens of thousands, patriotically volunteering and loyally waiving all claims for exemptions, to the end that the Stars and Stripes may ever float over a free and happy people.

We who live in this wonderful democracy of ours can only speak of the wrongs of autocratic government from a theoretical knowledge, but these people who have suffered under it know this form of government from bitter, practical experience.

We are at war to preserve "humanity and democracy." They go to war not only for this reason but in the fond and passionate hope that they might help to secure it for their oppressed kinsman across the seas. Shall we deny them this opportunity because in a technical, and a purely technical, sense they are subjects of Austria-Hungary and Germany? Shall we say to these people that because a brutal and overpowering military force has subjugated you to despotic and tyrannical rule you are barred from assisting in its overthrow, even though you are a loyal and devoted resident of this country? Shall we discourage and dishearten these people, interfere with the wheels of our industries, deplete the mines and the factories of their much-needed man power, diminish the output of our workshops, increase our economic problems, already stupendous, and thereby give "aid and comfort" to our enemies, who are even more their enemies, because of a status beyond their control, the removal

of which they have sought with their life's blood these many centuries? Shall we deny them the right to fight for the colors of their adoption and force them into the foreign legion division of France and Italy?

Mr. Speaker, I do not believe such action would be compatible with the principles for which we are striving. In the mines and in the steel mills, in the great ammunition factories, they are steadfastly preparing this country for the mighty conflict in which we are engaged. Whether it be before the fiery furnaces of the steel mills, the stifling depths of the coal mines, the hazards of the ammunition factories, they go about their work steady and contented, satisfied to be of service to this country, the country of their adoption. To be of service is all they ask. Shall we deny them this?

In our Army, Navy, and Marine Corps they are represented by over 76,000, and, if I am reliably informed, that if they are not excluded from the operation of the "alien enemy" laws, our armed forces will in the course of time be deprived of some 400,000 men. What is there that would justify such a course of action?

I know that some will say that these people are responsible for this unpleasant situation because they did not become naturalized. This, however, is due to the harshness and stringency of our naturalization laws.

Mr. Speaker, with a deep faith and irrepressible confidence, I have stood upon the floor of this House upon many an occasion and vouchsafed the good and unimpeachable conduct and behavior of these people. I have never had occasion to regret it, and I say now, with a calm assurance that rests upon my complete faith in them, that they will never give me cause to regret one word or one sentiment. I call upon them now to vindicate my every assertion, to sustain my every utterance, to uphold my every assurance. I call upon them to prove, as I know they will, true to their best traditions, to meet every condition and make every sacrifice required of them with firm resolve and stout hearts, to uphold the ideals of the flag of their adoption—the red, the white, and the blue—to give their lives and their all in defense of these glorious colors, to the end that liberty and democracy may forever be preserved to our sacred country and to her brave "comrades in arms."

I call upon them to inspire and encourage their oppressed brethren in despotic Austria and military-controlled Germany; to rise in their might and break the chains that have held them in bondage and slavery, in misery and in want; to throw off the yoke of their oppressors and those tyrants who are responsible for this terrible war that has destroyed millions of lives; that has taken from mothers their sons, from wives their husbands, from millions of innocent children their fathers; that has driven from the humblest shelter and deprived of life's every necessity—life's every means of sustenance—millions of aged men, women, children, and babes. I also beseech them to call to their kinsmen across the seas and with loud voice exclaim, "Rise from your slumber, you Czecho-Slovaks, descendants of Huss-Ziska! Rise you Poles, descendants of Sobieski, Pulaski, and Kosciusko! Rise you Jugo-Slavs, descendants of Dusan and Kara George! Rise all you subjugated peoples so that the liberty and freedom for which your forefathers hoped, suffered, bled, and died may be attained and to you forever made secure.

And when, aided by all other democracies of the world who are engaged in this monumental struggle to obtain for you this liberty and freedom, you will have helped to break the chains that have shackled you these centuries, then extend in the spirit of brotherly love and benevolence to the peoples of Germany, who are dominated by the iron and ruthless heels of military lords, the hand of friendship and aid, so that they, too—the great common masses of these German peoples who would live in peace with all the peoples of the world, but who are forcefully subjugated by the brutal power of Prussian militarism, which is attempting to conquer the nations of the world.

And, in conclusion, I fervently hope that the great Russian people and their leaders will have the wisdom and foresight to realize that the freedom they have attained and the liberty they have gained can be protected only in concert with the allied democracies of the world; that they will detect the cunning and deceit of the archenemies of every form of democracy and liberty, the autocracies of the Hapsburgs and the Hohenzollerns; that they will not, after all these years of struggle and sacrifice, lose the freedom for which they have paid with their life's blood; that they will once more join hands with the other democracies of the world, so that the sunshine of liberty and democracy may throw its light and its warmth upon all the oppressed countries of the world, be they large or small, powerful or weak; that the peace we seek shall be a righteous and permanent peace wherein all tyrannized peoples and nations shall once more breathe the air of freedom and independence.

Therefore, Mr. Speaker, in justice to these peoples, in recognition of their unquestioned and devoted loyalty, in consideration of their industry and constancy, and, finally, as a measure of self-protection, a means to sustain and increase our tremendous war preparations, this bill should be passed.

Mr. FLOOD. Why do they not stay here and join the American Army?

Mr. GALLAGHER. They could not do that under our laws. They are outside of the draft age.

Mr. WALDOW. That was the amendment that I had in mind.

Mr. FLOOD. Thousands and thousands of these people have joined the Regular Army, volunteered, who are outside of the draft age.

Mr. GALLAGHER. But these men started since we stopped volunteers from joining the Army. They had no chance to volunteer.

Mr. MILLER of Minnesota. Mr. Speaker, will the gentleman from Virginia yield?

Mr. FLOOD. Yes.

Mr. MILLER of Minnesota. Can I have a moment or two? I would like to have about three minutes.

Mr. FLOOD. I yield three minutes to the gentleman from Minnesota.

The SPEAKER. The gentleman has just three minutes remaining.

Mr. MILLER of Minnesota. Then I had better take two and a half minutes, so that the gentleman from Virginia will have a half minute left.

Mr. Speaker, I have long been interested in organization of this Polish legion. I think it is a splendid thing, and one of the finest things on earth about it is that these Poles do not hesitate to join that legion for fear they will be captured by Germany or Austria. I had opportunity to meet with these gentlemen who came from the Continent of Europe when they first started the propaganda in this country. Most of them had been in the German Army, and had been captured or had gotten out, and are now organizing the forces of their brethren to go home to Europe and fight for liberty. That meant to fight against Germany. Those people are not going to be deterred at all because we are not able to give them citizenship, and if we could adopt the suggestion of the gentleman from New York [Mr. WALDOW] it would be splendid, but we can not do it. They are not fighting in our forces, nor fighting strictly for our country. I do not believe that those in the Bohemian organization are going to be one whit less courageous and vigorous than those in the Polish organization; and the fact that we can not give them the protection of citizenship is not going to deter them from performing this highly patriotic service. The man who is willing to enlist, who has the courage and the patriotism to enlist in that cause, does not need to be helped by any little addition we might give in a legislative way. He has staked his all, and he is going through with it, and while they should receive every bit of encouragement that we can give, we can not go that far. But this, too, must be said——

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. FLOOD. Mr. Speaker, have I any time remaining?

The SPEAKER. The gentleman has half a minute.

Mr. FLOOD. I yield that to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, I ask unanimous consent to speak for three minutes.

The SPEAKER. The gentleman from Ohio asks unanimous consent to speak for three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FESS. Mr. Speaker, I want to say to the committee that the question raised by the gentleman from New York [Mr. WALDOW] as to why we should not allow this bill to cover these Poles, who are not citizens of the United States, but are in a training camp, came to us in a very interesting way through the great pianist, Paderewski, when he made a plea before the committee to give these Poles an opportunity to form an army here not to be coalesced with the American Army. When our friends are asking why we did not cover them with citizenship, may I say that he requested that it be not done; that they did not want to lose themselves in the American or any other army. When we raised the question with him that we could not give any particular protection to them if they did not become either American citizens or enter our own Army, he said that we did not really appreciate what the Poles were trying to do. His point was that the Poles in Europe were suffering so much from persecution that they wanted to know there was an army over here, not Polish-Americans nor Polish allies, but an army of Poles and formed as a unit, fighting beside our Army and the allied army, but still as an automatous army that belonged to Poland. He

said that it was not any disrespect to the American Government nor any suggestion that they did not want to be allied with the American Government, but the psychological effect it would have upon people back in Poland if they had a real Polish army as a unit fighting for the same thing that we were fighting for. So if it does not cover it it is upon the suggestion of their representatives over here.

Mr. BURNETT. Mr. Speaker, I ask for three minutes, by unanimous consent.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none.

Mr. BURNETT. Mr. Speaker, I do not agree with the gentleman from Minnesota [Mr. MILLER] that we could not grant citizenship to these people, but I do not believe it would be wise to encumber this bill with that proposition now. We have a bill before the Committee on Immigration looking to the admission of these very people, not as ordinary immigrants, not as aliens, but just like any other American citizen coming back to this country. If these men were to be discharged or if any alien were to be discharged who had joined our Army on the other side and should possibly remain on the other side for a period of several months and not come back with his uniform on, or as a soldier, he would have to come back as an ordinary alien, and if he had been shot up over there, although a former member of our Army, having volunteered in our Army or having joined these Czecho-Slovak and Polish independent legions, he could not come back here, because he would be excluded by the immigration law. Therefore, in order to meet that very condition, the Department of Labor sent a bill to me as chairman of the committee, the purpose of which was to allow such alien to come back just like an American citizen who had fought in our Army would come back. We have reported the bill, introduced by Mr. SLAYDEN, and reported by unanimous vote of the members of our committee who were present, which will permit these people to come back. I believe, Mr. Speaker, it ought to pass, and I would not object upon a proper bill being framed and properly considered that these people should be granted the right to make an immediate application for citizenship, if they desire to, and immediately become citizens of this country.

They are not in the same class, Mr. Speaker, with resident alien subjects of cobelligerent nations who join our armies, because every Hungarian, every Pole, who is a citizen or subject of Austria-Hungary or Germany who joins those independent legions and goes over there and fights for the same causes that we are fighting for, if he is captured he will not be treated as an ordinary prisoner as those of cobelligerents who joined our Army would be. He would be treated as a traitor and shot at sunrise, perhaps, because he was guilty of treason against his country. Sometimes I have been denounced as an A. P. A. and an enemy of all foreigners. There is not a man in this House in whose heart beats a greater admiration and reverence for those men who absolutely take their lives into their own hands and know that when they join these independent legions, or join our armies, if they are captured by the Germans or Austrians they will be shot down at once as traitors to their country. It takes almost superhuman courage to volunteer to fight under such conditions. Hence, I believe that upon a properly framed bill—I had not thought of it until this discussion arose—I believe we should endow these men with the same rights and privileges of citizenship that we do other aliens who join our marines, our naval forces, or our armies. I do not believe, as has been said by the chairman of the committee, that we ought now without due consideration to undertake to cumber what seems to me to be a wise bill with provisions which we might well consider at a more opportune time.

The SPEAKER. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was agreed to.

Mr. FLOOD. Mr. Speaker, I have another amendment to offer, and that is to strike out section 3.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out section 3.

Mr. WALSH. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. Is the motion to strike out debatable; is this amendment debatable?

The SPEAKER. Of course it is debatable; but the Chair wanted to find out what the gentleman wanted to do.

Mr. WALSH. I wanted to ask the chairman of the committee a question in respect to his amendment.

This says:

That application for naturalization in the mode herein provided shall not be open to natives, citizens, subjects, or denizens of Austro-Hungary or Germany, except such individuals and classes as may be exempted by the President under the provisions of section 1 of this act.

Now, is it open to all the other nations associated with Germany and Austria-Hungary in the war?

Mr. FLOOD. I did not catch the gentleman's question. I understood what he said at first.

Mr. WALSH. Is a Bulgarian permitted to become a citizen if he happens to be——

Mr. FLOOD. The amendment I submitted struck out section 3. That would leave the provisions of the bill applicable to any alien of any nation who served in our Army and had had a residence of a year in this country and had complied with the other provisions of this bill, except, of course, those who by our laws are not permitted to become citizens.

Mr. WALSH. That would include, then, enemy aliens?

Mr. FLOOD. Certainly.

Mr. WALSH. And would permit them to be naturalized?

Mr. FLOOD. Yes.

Mr. WALSH If they qualified by having become connected with the military and naval forces of the United States?

Mr. FLOOD. Yes.

Mr. WALSH. And having resided here for a year. Now, does the gentleman think that it is a wise provision to make them citizens of the United States?

Mr. FLOOD. Yes; I thought so.

Mr. WALSH. Although they may have only recently joined the Army or the Navy?

Mr. FLOOD. If they join the Army or Navy of their own free will, showing their desire to fight for this country, can prove their loyalty and a good moral character, I think it is very advisable to make them citizens in order to give them this protection. In the Austro-Hungarian Empire, for instance, half the population is hostile to the Government of that Empire—probably over half of the population—and their feelings are friendly toward the allies and to us. A great many of those people—the Bohemians, Italians, Poles, Slovenes, and others—are in this country. Many of them are already in our military service and are entitled to the protection of our citizenship; others will be encouraged by this legislation to join our forces. They want to fight for America and the cause of human liberty. They want to fight the Government which has suppressed their wills, and they go into the Army for the purpose of making war on the Governments that still claim them as subjects. When they go over to the other side and meet the armies of those Governments and happen to be captured, they are subjected to very much more rigorous treatment than an American soldier with American citizenship would be; they will be treated as traitors, and I think that men who had shown their patriotism to this country, had shown their love of liberty, as they have, and have taken such great risks, should have some consideration shown them, and should have such a law as this passed in their behalf and for their protection.

Mr. SNYDER. Does the gentleman think that if a man became a citizen in the Army a few days after a year in the country that that qualification would be looked upon with favor by Germany in case he should be taken prisoner?

Mr. FLOOD. I do not know about that. As I said in answer to a question asked by the gentleman from Missouri, we do not know what attention the German Government will pay to this action of ours. But as has been stated here by the gentleman from Minnesota [Mr. MILLER] and myself, we can retaliate on German and Austrian citizens if those countries treat our citizens, however they may have acquired citizenship, in a way contrary to the rules of civilized warfare.

The SPEAKER. Does the gentleman from Massachusetts yield to these gentleman in debate?

Mr. WALSH. I yielded to the gentleman from New York [Mr. SNYDER] in order to ask a question, and I am yielding to the gentleman from Virginia [Mr. FLOOD] to answer the question.

Now, if he has answered, I desire to ask a question myself. I would like to ask the gentleman from Virginia how these aliens about whom he has been talking, who are made eligible to become citizens, could in any way be punished by the foreign nations of which they were subject, when under the terms of this bill they are not required to renounce their allegiance to those nations? I would like the gentleman to answer the question, and will yield to him for that purpose.

Mr. FLOOD. What was the question?

Mr. WALSH. I said I would yield to the gentleman from Virginia.

Mr. MOORE of Pennsylvania. Look at the proviso on page 3. I think that answers the gentleman's question.

The SPEAKER. Does the gentleman from Virginia desire to answer?

Mr. FLOOD. I want to answer if I can find out what the question is.

Mr. WALSH. The gentleman has been talking about these aliens who are now subjects or citizens of certain of the European nations who have seen fit to join our military or naval forces, and stated that if they become citizens under this act these aliens of these foreign nations would probably be punished by their native countries because they joined our forces and because under the provisions of this act they became naturalized. Now, what I want to ask him is why that should necessarily follow, if they are not required to renounce their allegiance to those foreign countries of which they have been heretofore subjects or citizens?

Mr. FLOOD. Because under this law we will naturalize them. They will become citizens of this country under this law, when they take the oath of allegiance to this country.

Mr. WALSH. But that does not divest them of their citizenship in other countries.

Mr. SABATH. It does.

Mr. FLOOD. Oh, yes.

Mr. ROGERS. The requirement of this law is that they shall take the oath of allegiance to the United States as now prescribed under the law relating to naturalization.

Mr. SABATH. If the gentleman from Massachusetts would read section 4 of the naturalization act he would save himself all this trouble in repeating his question, because that sets it out clearly that such an alien, before he can become a citizen under this act, must subject himself and do all other acts required under the present act.

Mr. WALSH. The gentleman contends that that is contained in section 4?

Mr. SABATH. Yes; section 4. Has the gentleman the law there—the naturalization act?

Mr. WALSH. Yes.

Mr. SABATH. Well, if he will read it he will find that what I say is correct. The gentleman has the bill. I was referring to the naturalization act.

Mr. WALSH. I have the law before me in this volume. I was holding the bill. I was not holding the book.

Mr. SABATH. If the gentleman desires, I can read the section to him. The gentleman is satisfied now, I presume?

Mr. WALSH. I am satisfied nobody has answered the question.

Mr. SABATH. It has answered itself. It is the law.

Mr. MEEKER. Mr. Speaker, I move to strike out the last two words.

The SPEAKER. The gentleman from Missouri moves to strike out the last two words.

Mr. MEEKER. Mr. Speaker, in reply to the gentleman from Massachusetts [Mr. WALSH], I think the proviso at the end of section 2, taken in connection with section 4 of the immigration law, takes care of the thing about which he has some concern. There would be absolutely no possibility of making anyone a citizen of the United States until he had renounced his allegiance to the nation whence he comes, so that for that he need have no fear of this law.

I only want to say one thing in regard to the principle contained in this law in connection with what might be termed the companion bill, which has already been reported out from the Committee on Immigration, which provides, as was stated by the chairman of the committee, Mr. BURNETT, for the admission of aliens who have served under our flag and who had taken out their first papers. That bill should be reported and should be acted upon at the earliest possible moment, and when that bill shall have been passed and this one it will practically complete the work of Congress, so far as providing for the care of the immigrant or alien soldier is concerned. About a year ago I took it upon myself to try to ascertain the status of alien soldiers in the armies of all the different nations of the world. It has been a most difficult thing to get exact facts in regard to the status of men in the armies of the different nations, but I have obtained within the last few days the last reports from the different nations throughout the world as to the status of alien soldiers, and with the permission of the House in the very near future I shall address the House on that subject.

I want to say that when we shall have passed this bill in connection with the other laws which we have enacted the United States will be centuries ahead of the rest of the world in caring for its alien soldiers. There is no question so involved as the status of an alien soldier in the several armies of the world. We have been working along here in a spirit of fairness in our attempt to do justice to any man who is willing and ready to don the uniform of the United States and go and fight for our cause and under our flag. With the completion of this legislation—and I speak also when I refer to that to the Slayden bill, which is yet to come—there has been no civilized nation on the earth that has ever dealt so fairly and so honorably and with such consideration for the alien soldier as we have done here.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. MEEKER. Yes.

Mr. GALLAGHER. Is it not a fact, too, that the pay that we give our soldiers, compared with what other soldiers get, and the insurance and the pensions, are greater than those of any other country?

Mr. MEEKER. There has never been anything like it in the world's history—the way this Congress has attempted to provide for our military forces.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. MEEKER. Yes.

Mr. FESS. Our country has a larger proportion of people who have come to us, not natives, than any other country in the world. Is not that a fact?

Mr. MEEKER. Yes.

Mr. FESS. And it is a greater problem with us than with any other nation?

Mr. MEEKER. Certainly. But the attitude of the American Congress, which of course is the voice of the American people on this question, the willingness on the part of the American Government to go the whole length for the alien soldier under our flag, is one of the most striking illustrations of the really cosmopolitan spirit of the United States that could be given. I am sure that when I submit to you the different reports of the nations throughout the world as to what they will do and what they will not do for alien soldiers in their armies it will be a surprise to the Members of this House as to how far we have gone. And yet we have not gone beyond the line of justice in any instance, in my judgment, but we have done only the fair thing.

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield?

Mr. MEEKER. Yes.

Mr. SHALLENBERGER. I think it would be interesting to add there that the record of the Provost Marshal on this shows that the proportion of aliens is 8 to 5; in other words, out of 123,000 men called out, 85,000 are aliens under the law.

Mr. MEEKER. I thank the gentleman for his statement.

Mr. MILLER of Minnesota. Mr. Speaker, I rise to oppose the amendment and to ask the chairman a question. The gentleman from Kansas [Mr. CAMPBELL] suggested that the language ought to be changed so that the applicant will not personally have to appear in court. I desire to ask the chairman if he has an amendment pending to accomplish that purpose? I understood that it was expected to be accomplished.

I will say, after a further reading of the bill, that I do not know but that the point raised by the gentleman from Kansas is well taken, although I did not think it was at first. For instance, on line 25 it reads:

> And shall also require him to take the oath of allegiance to the United States as now prescribed under the law relating to naturalization.

Now the man has to take that personally in the presence of the court, before the court, and if we do not make an exception he would still have to do that.

Mr. CAMPBELL of Kansas. I noticed that provision in the law. He should make the oath before the commanding officer in the presence of his comrades.

Mr. MILLER of Minnesota. If the gentleman has nothing better to offer, I will make a suggestion.

Mr. FLOOD. What is the gentleman's suggestion?

Mr. MILLER of Minnesota. To amend the bill in two places. In line 20, after the word "require," I propose to insert the words "the appearance of the applicant in person or by attorney, and," so that it will read:

> The court before admitting such alien to citizenship shall require the appearance of the applicant in person or by attorney, and oral or documentary proofs—

And so forth. And then, in line 25, strike out the word "as" and at the end of the sentence, or after the word "naturalization" and before the period, insert:

> Such oath to be taken orally in court or to be made in writing by subscribing to such oath in writing and in the presence of at least two witnesses.

Mr. SNYDER. I should like to ask the gentleman what section 4 does to that? Does not that authorize the President to make rules and regulations?

Mr. MILLER of Minnesota. I do not think the President could make a rule or regulation that would violate the law.

Mr. SNYDER. No; but he might make a rule or regulation that would establish a court.

Mr. MILLER of Minnesota. The gentleman from Alabama [Mr. BURNETT], who is thoroughly familiar with this question, can inform us whether or not under section 2, without that, the applicant himself would not be required to go into court.

Mr. BURNETT. It is a question of the construction of legal terms more than of familiarity with these rules. I will ask the gentleman, as it is upon petition filed, a man may file a petition either himself or by attorney, or by sending it, that following it up by "oral or documentary proofs," taking those two together, does not the gentleman think the fact that he is required to file a petition does not require his personal appearance there?

Mr. MILLER of Minnesota. I think that would be true as to the first part but not as to the latter.

Mr. CAMPBELL of Kansas. But the general law provides that he must appear in court.

Mr. BURNETT. As I recollect it. I can not recall all those details.

Mr. BUTLER. He is subject to catechism when he reaches court.

Mr. SNYDER. How can you get a man into court when he is in France?

Mr. FLOOD. Mr. Speaker, it seems to me that the amendments proposed by the gentleman from Minnesota [Mr. MILLER] are all right. I suggest to him that he ask unanimous consent to return to those sections and offer those amendments.

Mr. BUTLER. It does not require unanimous consent.

Mr. MILLER of Minnesota. All right. I move to amend——

The SPEAKER. There is already an amendment pending. The gentleman from Virginia [Mr. FLOOD] moves to strike out section 3.

The question being taken, the amendment was agreed to.

The SPEAKER. The gentleman from Missouri [Mr. DECKER] withdraws his pro forma amendment, and the gentleman from Minnesota [Mr. MILLER] is recognized to offer his amendments.

Mr. MILLER of Minnesota. I move to amend, in line 20, page 2, after the word "require," by inserting the words "the appearance of the applicant in person or by attorney and."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Minnesota: Page 2, line 20, after the word "require," insert the following: "the appearance of the applicant in person or by attorney and."

The amendment was agreed to.

Mr. MILLER of Minnesota. I move to amend, on page 3, line 1, after the word "naturalization," by inserting the following: "such oath to be taken orally in court or to be made in writing by subscribing his name thereto under oath and in the presence of at least two witnesses who are citizens of the United States."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Minnesota: Page 3, line 1, after the word "naturalization," insert the following: "such oath to be taken orally in court or to be made in writing by subscribing his name thereto under oath and in the presence of at least two witnesses who are citizens of the United States."

Mr. BURNETT. Mr. Speaker, I suppose that would necessarily imply that the oath must be taken before some officer authorized to administer oaths.

Mr. MILLER of Minnesota. Yes.

Mr. BURNETT. We would not want any lapsus on that.

Mr. PADGETT. That ought to be specified.

Mr. BURNETT. Possibly the debate showing that was the intention might be sufficient, but it would not hurt us to have it so stated.

The SPEAKER. Does the gentleman from Minnesota offer that language?

Mr. MILLER of Minnesota. I do. After the word "oath" in the amendment which has been submitted insert "before an officer authorized to administer an oath."

Mr. PADGETT. Having a seal of office.

Mr. MILLER of Minnesota. And having a seal of office.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Mr. MILLER of Minnesota modifies the amendment as follows: After the word "oath" insert "before an officer authorized to administer an oath and having a seal of office."

Mr. WALSH. Mr. Speaker, I am opposed to this amendment, for the reason that we are opening the door here pretty wide to all sorts of opportunities for abuses and fraudulent naturalization, although I heartily favor conferring citizenship on the thousands of patriotic aliens who have joined our colors. The general law upon the matter of administering the oath to the certificate of naturalization requires that before a person can be admitted to citizenship he shall declare on oath in open court that he will support the Constitution of the United States, and so forth. Now, the amendment here proposes that the applicant, after having filed his petition in court in accordance with the requirements of law, which set forth his intention to subscribe to the oath of allegiance and to take the oath of renunciation against any foreign Government, can go before some official and take the oath in the presence of two witnesses. It may be a justice of the peace or a notary public having a seal of office, and we divest that act of all the solemnity and dignity with which we now clothe the administration of the oath of citizenship to the applicant under the general law. A further objection, in my opinion, is that I have grave doubts whether we can prescribe in this way for these particular people under the Constitution a rule of naturalization and take them out of the general law in the way we are attempting to do here. I agree with the gentleman from Minnesota and the gentleman from Virginia and the gentleman from Alabama that it is wise to naturalize these patriotic men who have responded to the call, who have joined our Army and Navy, and have gone forth to fight for the preservation of humanity, and to make the world safe for democracy and democracy safe for the world.

Mr. TILSON. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. TILSON. Does the gentleman realize that this is intended to apply to men in the Army and in the Navy, and if it is to be of any avail it will have to be provided that the oath can be taken where the soldier and the sailor is?

Mr. WALSH. I realize the difficulty, and I appreciate that there are many gentlemen on the high seas who will not be able to subscribe to the oath because there is no official there having a seal; but when they come into port they can go into a court of record having a seal prescribed by the law and take that oath. I think that is not too much to require of them, even though they are performing heroic service, and in a sense are hereby rewarded for it by this legislation.

Mr. TILSON. If this is intended to make it easy, ought it not to be provided that they may take the oath before the Judge Advocate General?

Mr. MILLER of Minnesota. Oh, no; it ought to be in some court of record.

Mr. WALSH. It would destroy the uniformity of the law, and the Constitution requires that we shall have established uniform rules of naturalization.

Mr. BURNETT. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. BURNETT. I recognize the force of the suggestion in regard to the uniformity required by the Constitution, but I call the gentleman's attention to the fact that for many years we have had a species of this kind of naturalization—that of a discharged alien soldier, seaman, or marine; that has lacked uniformity in the way that there is a difference in the period of time. Those were cases which, under the strict construction made by the gentleman, would be a lack of uniformity of naturalization; but the courts have upheld them. The main difference between this and the statutes that have existed is the personal status that they were granted a naturalization after discharge, and this is for the purpose of making all the statutes harmonize and uniform and allowing them naturalization independent of a discharge. That is the difference between the law as it exists and this bill.

Mr. WALSH. The gentleman will not contend that this law harmonizes the naturalization laws?

Mr. BURNETT. According to the construction of the court those previous laws harmonized with the naturalization laws, and this makes it more harmonious.

Mr. WALSH. Since the general naturalization law was passed, which differed materially from the law prior to that time, the Supreme Court of the United States has not passed on the question which the gentleman raises and which he says arose during the days of the Civil War. My contention is that we are not providing a uniform rule, but that in enacting this statute we are affecting the uniformity that prevailed under the general law and destroying it. In that respect we are not harmonizing the naturalization laws of the country.

Mr. BURNETT. These other statutes were not technically harmonious, and yet the courts have construed it where it applied to a general class, not to individuals, as not conflicting with the constitutional provisions that the gentleman refers to.

Mr. WALSH. I have serious doubts as to whether any court would hold that the provisions of this law were applicable to a class; they are only applicable to certain individuals who may have joined the military forces. There is no class about that; it is an individual action, purely voluntary; the action of these gentlemen who may volunteer and join these forces is an individual action, and would not seem to me to establish a classification in the true sense of the word.

Now, what do you do? Any man who may hereafter join our military forces, who may be a pacifist, who may be the subject or a citizen of Austria-Hungary, who may have lived here for 20 years, who may have been a citizen or subject of Germany, who may have been voting in certain jurisdictions throughout the country, may join the Army—and he may have joined the Army in some occupation which does not require him to shoulder a gun—he files his petition, and he can get two of his pacifist colleagues to go before some little obscure official, make oath of allegiance to the United States, if that official has a seal. And after having filed his petition and making his oath submitting his oral proof, not by himself as an individual but through an attorney, we confer upon him the citizenship of this great Republic. I say the mere fact that these gentlemen have joined our forces and are assisting us in fighting these battles, rather than joining the forces of their own nation, is not a sufficient reason why we should tear down the naturalization laws and make it easy to procure naturalization and open the door for opportunities for fraudulent practices.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. WALSH. Yes.

Mr. CAMPBELL of Kansas. I think the gentleman from Massachusetts has unintentionally borrowed a good deal of trouble that he has put into the statute. A petitioner for citizenship who is in the service of the United States, either on land or sea, may file his petition for citizenship in the court at his home having jurisdiction, through his attorney, where his friends will appear, and when he has been notified that the court has passed upon his case he may appear before an officer and subscribe to the oath sent to him by the court. That I take it is the procedure if this bill becomes a law.

Mr. SNYDER. With the permission of the gentleman from Massachusetts, I would like to ask how that would benefit a man who has gone to France.

Mr. CAMPBELL of Kansas. In the same way exactly.

Mr. SNYDER. When would he become a citizen? As soon as he got back to this country?

Mr. CAMPBELL of Kansas. As soon as the oath was returned and filed in the proceedings of the court.

Mr. SNYDER. He could become a citizen practically in the field?

Mr. CAMPBELL of Kansas. Certainly.

Mr. SNYDER. That is the way I want it.

Mr. CAMPBELL of Kansas. That was the intention of the amendment, to apply to any man on the seas or in the foreign service who can comply with the necessary requirements. All that he would have to do would be to submit the matter to his attorney. He would go through the usual proceedings in the court having jurisdiction, offer his proof as to the loyalty or good character of the applicant, as is provided in the general statute, and then the soldier or the sailor, as the case might be, whether on the sea, in a camp 1,500 miles from his home, or in a foreign field, would subscribe the oath provided for, return that to the court having tried the case, and file it with his petition. That is the intention I think of this bill. Unfortunately the bill has been considered in a rather informal way. The bill would have more effective consideration if it had come up on some other calendar. I think there is no danger of opening the door to fraud or injustice by simply providing that these men who have regularly enlisted, whose enlistments are known, shall have the opportunity to become citizens.

Mr. WALSH. Mr. Speaker, of course the gentleman is aware that frauds are practiced under the law as it now exists?

Mr. CAMPBELL of Kansas. Yes.

Mr. WALSH. I would like to ask the gentleman what is his understanding as to when this alien becomes a citizen?

Mr. CAMPBELL of Kansas. As soon as the oath is filed in the court that heard the proceeding.

Mr. BURNETT. Mr. Speaker, I would like to ask the Chairman of the committee a question that suggested itself to my mind. Is there anything in this second section that presupposes that the applicant or the petitioner shall have been a resident? I do not believe that we ought to let people become citizens who have never been here?

Mr. SABATH. They must have been residents of the United States for at least a year.

Mr. BURNETT. I had overlooked that.

Mr. WALSH. Mr. Speaker, the explanation of the gentleman from Kansas [Mr. CAMPBELL] certainly does not satisfy me that we ought to adopt the amendment proposed by the gentleman from Minnesota [Mr. MILLER]. I have expressed my views upon it, and I hope that it will not prevail.

The SPEAKER. The question is on agreeing to the Miller amendment.

The question was taken and the amendment was agreed to.

Mr. ROGERS. Mr. Speaker, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: Insert, after section 2, as a new section the following:

"Any alien who comes within the provisions of section 2 and who is in the performance of his duties in a foreign country may be admitted to citizenship by a consul general or consul of the United States stationed in such country: *Provided, however*, That the requirements of section 2 in respect to proofs and the oath of allegiance shall apply to aliens seeking citizenship under the provisions of this section: *And provided further*, That the Secretary of State and the Secretary of Labor shall jointly prescribe regulations for the administration of this section."

Mr. MADDEN. Mr. Speaker, will the gentleman yield before he begins his argument?

Mr. ROGERS. Yes.

Mr. MADDEN. Does not that do away with all court proceedings?

Mr. ROGERS. Yes.

Mr. MADDEN. Then I think it ought not to be passed.

Mr. ROGERS. Mr. Speaker, Congress last autumn passed a law permitting repatriation of Americans who had lost their citizenship by enlisting in the armies of our allies before the United States entered the war and who had taken the oath of allegiance to such countries, which under our laws automatically operated as an expatriation. That law which Congress passed provided that citizenship could again be acquired simply by appearing before a consular officer of the United States abroad and taking the oath of allegiance to the United States. In other words, Congress has already committed itself to the policy of permitting the acquisition of American citizenship while the seeker of citizenship is abroad. That law had the approval of both the Secretary of State and the Department of Labor, and was very carefully considered by the Committee on Immigration of the House as well as by the Committee on Military Affairs. I think we are all in sympathy with the purpose of the bill which is now under consideration. I think we want to make it easy for these American boys to acquire the name of American citizenship in addition to possessing the attributes of American citizenship, which they have shown they already possess by their service in our Armies. Gov. SHALLENBERGER a few moments ago stated that there are 123,000 aliens in our draft camps to-day, all of whom will presumably be going over to France within a very few months. We do not know how long this bill will be under consideration in Congress; we do not know how long it will take before it becomes a law. Even if it should be enacted promptly, many men would not realize the opportunity that was held out to them by the provisions of the law and would not take advantage of it to acquire citizenship before they sailed for France.

After they are in France they could, perhaps, under the amendments offered by Mr. MILLER which have just been adopted, in time acquire citizenship; but we all know it would be an exceedingly cumbrous and an exceedingly lengthy process if they should undertake to acquire citizenship over in France in view of the slow mail service, of the delays incident to working out the mechanical processes, and of the scantiness of the information at their disposal upon the procedure to be followed. Suppose a man performs an act of great bravery; suppose a man shows himself worthy of a commission while he is in France. He can not be an officer unless he is a citizen. It may be months, it may be a year, before he gets his papers in such shape that he may receive an award of a commission of which his superior officers deemed him abundantly worthy and which is held up only by the fact, and the incidental fact, of his noncitizenship.

Mr. HICKS. Will the gentleman yield?

Mr. ROGERS. I will, with pleasure.

Mr HICKS. My friend spoke a moment ago about the repatriation law which we passed last fall. Does the gentleman from Massachusetts happen to know or can he give a guess as to the number of our citizens who are now in foreign armies, that is to say, approximately?

Mr. ROGERS. I have no information on that particular point. I do recall, however, that the best estimate we could obtain of the men covered by that act was from forty to sixty thousand. It has been taken advantage of by a considerable number of men. I regret that I can not tell the gentleman from New York how many are left who might come within its terms or the exact number of men who have already acquired citizenship under it.

As I said a moment ago, Congress has established the policy of granting American citizenship abroad. It did it in that exceedingly worthy case, and I submit to the House there can be no serious argument why it should not extend the policy so as to apply in this worthy case. The amendment

which I have offered provides that the regulations shall be arranged jointly by the Secretary of State and by the Secretary of Labor. They are the naturalizing and the citizenship officials of our Cabinet, and they can be depended upon to surround this process with every possible safeguard.

Mr. SABATH. Will the gentleman yield for a suggestion?

Mr. ROGERS. I do.

Mr. SABATH. The amendment as the gentleman submitted it for consideration refers to section 2?

Mr. ROGERS. Yes.

Mr. SABATH. As section 1 has been eliminated, section 2 will be numbered section 1 by the Clerk, and I suggest to the gentleman in those two particulars that the gentleman change it to section 1

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to amend my amendment by inserting section 1 in lieu of section 2.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MONDELL and Mr. MILLER of Minnesota rose.

The SPEAKER. To whom does the gentleman yield?

Mr. MONDELL. Mr. Speaker, I desire to be recognized in my own right.

Mr. MILLER of Minnesota. Mr. Speaker, may I make a further suggestion to the gentleman?

Mr. ROGERS. Certainly.

Mr. MILLER of Minnesota. I gathered, when the Clerk read the amendment offered by the gentleman, it made no reference to procedure, excepting in a few instances, and my suggestion is, would it not be advisable in that part of the gentleman's amendment in which he refers to this act that he use the word "procedure." If I had the amendment before me, I could tell exactly where it should come in.

Mr. WALSH. I would like to ask my colleague what is the object in allowing the Secretary of State and Secretary of Labor to make regulations, when in section 4 the President is authorized to make such regulations as may be necessary to carry out the purposes of the act. I wondered——

Mr. ROGERS. Mr. Speaker, I think the point is well taken, and I will eliminate that portion of my amendment.

Mr. MILLER of Minnesota. That portion of the gentleman's amendment to which I referred was where it reads "that the requirements of section 1 in respect to proof and the oath of allegiance shall apply," and so forth. Now, that does not cover the procedure which they are put to on account of taking the oath and submitting proof, and I therefore suggest that the word "procedure" be substituted——

Mr. ROGERS. Be added?

Mr. MILLER of Minnesota. Be added just ahead of the word "proof." That also would make it conform to section 4, which would be section 3.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to have read the amendment as modified and that it be considered in lieu of the amendment offered by me which was just read.

The SPEAKER. The gentleman asks unanimous consent to have the modified amendment read in lieu of the other, which he withdraws. Is there objection? [After a pause.] The Chair hears none.

Mr. FLOOD. Mr. Speaker, I would like to know if we can not get an agreement. I would like to move the previous question on the bill and all amendments——

Mr. MONDELL. I would like to have about five minutes.

Mr. BURNETT. I would like to have about three minutes in opposition to the amendment.

Mr. FLOOD. How would it do to say at the end of 10 minutes?

Mr. WALSH. I would like to know whether there are any other amendments.

Mr. FLOOD. I have not heard of any more.

Mr. WALSH. Perhaps the gentleman from Massachusetts, my colleague——

Mr. ROGERS. I have no other amendments to offer.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that at the end of 10 minutes' debate the previous question be considered as ordered.

The SPEAKER. The gentleman from Virginia asks unanimous consent that at the end of 10 minutes the previous question be considered as ordered. Is there objection?

Mr. MONDELL. Who is to have the 10 minutes?

Mr. FLOOD. How much did you say you wanted?

Mr. MONDELL. Five minutes.

Mr. FLOOD. And the gentleman from Alabama three.

Mr. MONDELL. The gentleman from Massachusetts [Mr. ROGERS] may desire more time.

Mr. ROGERS. I do not wish any more time.

Mr. BURNETT. Do you mean the previous question on the bill?

Mr. FLOOD. And all amendments thereto.

The SPEAKER. The amendments and the bill to final passage. Is there objection to the requestion of the gentleman from Virginia [Mr. FLOOD] for 10 minutes? [After a pause.] The Chair hears none. The Clerk will report the modified amendment.

The Clerk read as follows:

Amendment by Mr. ROGERS: Insert, after section 1, as a new section the following:

"Any alien who comes within the provisions of section 1 and who is in the performance of his duties in a foreign country, may be admitted to citizenship by a consul general or consul of the United States stationed in such country: *Provided, however*, That the requirements of section 1 in respect to procedure, proofs, and the oath of allegiance shall apply to aliens seeking citizenship under the provisions of this section."

Mr. MONDELL. Mr. Speaker, a few days ago we were considering the case of alien slackers. To-day we are considering the case of alien patriots. Many thousands of patriotic men, citizens of the lands with whom we are at war, have enlisted in the service of the United States. Those men when they reach foreign shores and take their places on the battle line, if captured while still citizens of their native lands will be subject to the pains and penalties of treason. It is not altogether certain that we can beyond question save them from such punishment. Whatever we may do, Germany and Austria may still claim them as citizens and if captured treat them accordingly. We should at least go as far as possible toward protecting them in case of capture. We can give them the opportunity to become American citizens and then insist with all our might that they shall if captured be treated as other American citizens taken as prisoners of war. If this is to be done, as it should be for these patriotic men, it must be done in a way that will be effective, and make it possible for them to take advantage of the American citizenship we hold out to them and secure the protection that it affords. It may be said that what is proposed is irregular, that this is not a usual and approved procedure.

It is true it is not the proper procedure for conferring citizenship under ordinary conditions, but unless we make some such provision as is contained in the amendment offered by the gentleman from Massachusetts we might just as well forego any attempt to bring these men within the protection of American citizenship, for some of them are not and will not be able to appear before the courts or have their cases considered by the courts in time to afford them the protection they deserve. Some of them are already on foreign shores, some of them are on the ocean on their way over there, and we must make it possible for them to acquire citizenship in some such way as this amendment provides or it will be utterly impossible for us to protect them or to attempt to protect them as American citizens. That being true, it seems to me we ought to waive all questions of unusual or irregular proceedings. These are unusual and extraordinary cases, and we must depart from the usual procedure if we are to give these men the protection we seek to give them. Let us do it in a way that will be effective by adopting the amendment offered by the gentleman from Massachusetts [Mr. ROGERS]. I glory in the courage and loyalty of these men, who boldly and freely offer themselves to our cause though by so doing they subject themselves to dangers the native born is not subjected to. There are no better patriots than these men of foreign birth. Let us give them the protection of American citizenship.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] is recognized for three minutes.

Mr. BURNETT. Mr. Speaker, my recollection is that I had a conversation with some gentleman representing the Bureau of Naturalization in regard to a question of this kind, and if I am correct in that statement, and I think I am, the suggestion was made by him that it would greatly confuse the records, and that there would be so much uncertainty involved in the whole question, that there would be nothing here to determine the question of the citizenship for months perhaps after they had made their attempt to acquire citizenship. Granting naturalization is at least a quasi judicial function that is sought to be conferred on American consuls and consuls general. It seems to me that the Miller amendment makes the bill go as far as it ought to go unless we have mature deliberation upon it. The committee evidently considered very carefully the other phases of the bill——

Mr. SNYDER. Will the gentleman answer this question?

Mr. BURNETT. Yes.

Mr. SNYDER. How long do you think it would take under the Miller amendment for a man who is now in France, a soldier, who lived out in Kansas somewhere, to get his papers back and become a citizen, from the time he applied?

Mr. BURNETT. No longer, Mr. Speaker, than it would take for the consul general or the consul to get the papers back here, if he took the testimony over there.

Mr. SNYDER. That does not quite answer the question. I would like the gentleman's judgment on the time it would take to do what I asked.

Mr. BURNETT. With the retarded mails, I would refer the gentleman, with due respect, to the Post Office Department, but I can not say either when the decision of the consul general would get here——

Mr. MONDELL. What would be the status of the soldier in the meantime if he was captured?

Mr. BURNETT. If you conferred this judicial function upon the consul or consul general, perhaps his status would be that of a citizen. But, gentlemen, it is doubtful whether we should thus rapidly citizenize. Who is the consul general? The consul general usually performs his duty over there by a deputy, and frequently that deputy is an alien himself who would pass upon that question. I remember at Messina the deputy consul was an Italian, who never was naturalized, and he performed the duties of a consul.

Mr. SNYDER. Will you not kindly make an estimate of the time you think it would take to make a soldier who is now in France, who might be a resident of some city in Kansas, a citizen?

Mr. BURNETT. It ought not to take, Mr. Speaker, in due course of mail, more than three or four weeks. He could mail his application and affidavits, and the judge would pass upon it eo instanti, because when it got there that would be the duty of the judge, and he could pass on it in court or in chambers, as they frequently do.

Mr. FLOOD. Mr. Speaker, I move the previous question on the bill and amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Massachusetts [Mr. ROGERS.]

Mr. LONDON. Mr. Speaker, may we have that amendment read again?

The SPEAKER. Without objection, the amendment will be again read.

The amendment was again reported.

The SPEAKER. The question is on the Rogers amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. FLOOD. Mr. Speaker, I move to amend the title of the bill.

The SPEAKER. Without objection, the title of the bill will be amended in conformity with the text.

There was no objection.

On motion of Mr. FLOOD, a motion to reconsider the vote whereby the bill was passed was laid on the table.

SOLDIERS' AND SAILORS' CIVIL RIGHTS.

Mr. WEBB. Mr. Speaker, I desire to call up the conference report on the bill H. R. 6361, known as the soldiers and sailors' civil rights bill.

The SPEAKER. How long will it take?

Mr. WEBB. It would not take longer than for the Speaker to put it, unless some gentleman wants to ask a question.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the conference report.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The statement was read.

CONFERENCE REPORT (NO. 334).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, 11, 12, 22, 23, 24, 25, 26, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 7, 8, 9, 10, 14, 16, 17, 18, 19, 20, 21, 27, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 42, and 43, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Army field clerks; field clerks, Quartermaster Corps; civilian clerks and employees on duty with the military forces detailed for service abroad in accordance with provisions of existing law"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "or against a person secondarily liable under such right"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 103. Whenever pursuant to any of the provisions of this act the enforcement of any obligation or liability, the prosecution of any suit or proceeding, the entry or enforcement of any order, writ, judgment, or decree, or the performance of any other act, may be stayed, postponed, or suspended, such stay, postponement, or suspension may in the discretion of the court likewise be granted to sureties, guarantors, indorsers, and others subject to the obligation or liability, the performance or enforcement of which is stayed, postponed, or suspended.

"When a judgment or decree is vacated or set aside in whole or in part as provided in this act, the same may in the discretion of the court likewise be set aside and vacated as to any surety, guarantor, indorser, or other person liable upon the contract or liability for the enforcement of which the judgment or decree was entered."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the word "chiefly"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter stricken out and the matter inserted by said amendment, strike out the following in lines 10, 11, 12, 13, and 14, page 13: ", and in all cases where under the terms of the contract of insurance any person other than the insured has a vested interest therein the consent of such other person shall be included in such application"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In line 1, page 18, after the word "settlement," insert the words "or payment of dividend"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Before any dividend is paid or any loan or settlement is made the written consent of the Bureau of War-Risk Insurance must be obtained"; and the Senate agree to the same.

E. Y. WEBB,
C. C. CARLIN,
A. J. VOLSTEAD,
Managers on the part of the House.

LEE S. OVERMAN,
D. U. FLETCHER,
KNUTE NELSON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war submit the following written statement explaining the effect of the action agreed on:

On amendments Nos. 1, 3, 16, 17, 18, 19, 20, 21, 31, 32, 33, 34, 35, 36, 37, 39, and 43, on which the House recedes: Are but changes in the verbiage and do not substantially change the meaning of the act.

On amendment No. 2: The House here recedes with an amendment. This amendment relates to those who are entitled to come

in and have the benefits of the act. The House included "field clerks who have taken the oath as members of the military forces of the United States." The Senate amended the bill by striking this out and inserting "Army field clerks; field clerks, Quartermaster Corps; civilian clerks and employees on duty with the military forces or detailed for service abroad in accordance with provisions of existing law." The amendment agreed upon in conference to the Senate amendment was to strike out the word "or," and the effect thereof is to make the act apply only to civilian clerks and employees when detailed for service abroad.

On amendment No. 4: The Senate recedes. The amendment added by the Senate was deemed surplusage.

On amendment No. 5: The House here recedes with an amendment. The Senate amendment was added to protect the rights of persons secondarily liable, including guarantors, sureties, and indorsers, in cases where relief under the terms of the act had been granted to the principal obligor. The amendment as agreed upon in conference rewrites the section 103 as added by the Senate without substantially modifying the meaning. The part of the Senate amendment which provides that "such contract or obligation shall be construed as if such payment were not due or the time for the performance of such act had not arrived" was so modified as not to provide for a change in the date when payment was due or the date when the act was to be performed, but provided for relief by a stay, postponement, or suspension of proceedings, or by the setting aside and vacating judgments or orders.

On amendment No. 6: The Senate here recedes. The effect of the Senate amendment was to require the fact to appear by affidavit that the defendant is in the military service. As agreed upon in conference, this fact may appear from any competent testimony.

On amendments Nos. 7 and 8: The House recedes as to both amendments. The effect of these amendments is to make the provisions of the act applicable where the person in military service is the plaintiff as well as where he is the defendant in any action or proceeding.

On amendment No. 9: The House recedes. As the bill passed the House relief was to be given the party in military service unless his ability to comply with the judgment or order sought was not materially affected by such service. The amendment agreed on makes the test depend upon his ability to conduct his defense.

On amendment No. 10: House here recedes. This amendment makes a verbal correction.

On amendment No. 11: The Senate recedes.

On amendment No. 12: The Senate recedes. The matter contained in this Senate amendment seemed to the conferees to be sufficiently covered by the provisions in the bill as it passed the House.

On amendment No. 13: The House recedes with an amendment by which the word "solely" is changed to "chiefly." The effect of this change is apparent.

On amendment No. 14: The House recedes. This amendment makes section 300 apply in proceedings as well as actions.

On amendment No. 15: The House recedes, with an amendment which strikes out the clause requiring the insured to file with his application for the benefits provided the consent of any person other than the insured who may have an interest in the insurance. This will leave this matter of detail to be taken care of by the rules promulgated by the Bureau of War-Risk Insurance.

On amendments Nos. 22, 23, 24, 25, and 26: The Senate recedes as to these amendments. Section 402 as passed by the House applied to contracts of insurance. The Senate amendments would make it apply to insurance where policies had been issued. The conference agreement leaves the section applicable to all contracts of insurance whether covered by policies or not.

On amendment No. 27: The House recedes. This amendment takes out of the class of policies which the Government will keep from lapsing those on which there is outstanding a policy loan or other indebtedness equal to or greater than 50 per cent of its cash surrender value.

On amendment No. 28: The Senate recedes. This amendment was made by the Senate to effect the change sought to be made to section 402 as pointed out above.

On amendments Nos. 29 and 30: The House recedes as to these. The House bill provided that where the applications were on policies aggregating more than $5,000, whether on one or more policies or in one or more companies by a person in military service, the Bureau of War-Risk Insurance should select which of such applications should be rejected. These amendments permit the insured to indicate an order of preference, and in event he does not then it required the Bureau of War-Risk Insurance to reject the policies having the least cash surrender value sufficient to reduce the face value of the insurance within the $5,000.

On amendment No. 38: The House recedes. This amendment added by the Senate requires semiannual statements to be made by the insurer to the Bureau of War-Risk Insurance.

On amendment No. 40: The House recedes with an amendment. This Senate amendment provides for the Government holding the policies on which premiums have been paid by it free from liens except such as existed at the time the policy became subject to the act. The amendment added in conference prohibits the payment of dividends on the policy which may prejudice the security given the Government by the lien provided.

On amendment No. 41: The House recedes with an amendment. This Senate amendment requires the consent of the Bureau of War-Risk Insurance, in writing, before any loan or settlement is made by the insurer, and by the amendment agreed to in conference such consent must also be obtained before any dividend is paid by the insurer.

On amendment No. 42: The House recedes. This Senate amendment excepts those proceedings, remedies, privileges, stays, limitations, accountings, or other transaction from the effect which would result from the clause limiting the act to six months after the termination of the war, when authorized under any section or provision of the act, for such time as may be necessary for their exercise or enjoyment.

E. Y. WEBB,
C. C. CARLIN,
A. J. VOLSTEAD,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. WEBB. I do.

The SPEAKER. How much?

Mr. WEBB. Just for a question.

Mr. STAFFORD. Will the chairman of the committee explain in a general way what changes have been made in the bill as it originally left the House, and particularly as to amendment No. 5, covering section 103, which I believe is a substantial amendment to the bill?

Mr. WEBB. I will say, Mr. Speaker, that the bill has not been changed in any substantial degree from the way it passed the House. The Senate added 42 amendments, but most of them were verbal, and in many cases we substituted new language for their amendment.

Now, as to amendment No. 5, if the gentleman will read the substitute for it he will notice that that takes care of those secondarily liable. The Senate in its amendment arbitrarily deferred the obligation for payment on the part of the person secondarily liable, but the conferees objected to that because they felt that there were occasions when indorsers for bonding companies ought to pay the soldier's obligation if it appeared to the court that the soldier was bankrupt, and we therefore drew an amendment leaving it to the discretion of the court to determine whether the indorser or bonding company should immediately pay the obligation of the soldier.

Mr. STAFFORD. Is there any substantial change as to insurance companies?

Mr. WEBB. No; excepting that we add that no dividends should be paid to the soldier without consent of the Government; in fact, that the dividend should be paid to the Government after the policy is transferred to the Government.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

CIVIL-SERVICE EXAMINATIONS.

Mr. KITCHIN. Mr. Speaker, to facilitate the passage of this joint resolution rather than make a motion to suspend the rules and pass it, I would ask for unanimous consent for the immediate consideration of Senate joint resolution 117, relative to the holding of civil-service examinations.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of Senate joint resolution 117, which the Clerk will report.

The Clerk read as follows:

Joint resolution (S. J. Res. 117) amending the act of July 2, 1909, governing the holding of civil-service examinations.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the act of July 2, 1909 (36 Stat. L., 1), is hereby amended so as to permit the United States Civil Service Commission, during the period of the war, to hold examinations of applicants for positions in the Government service in the District of Columbia, and to permit applicants from the several States and Teritories of the United States to take said examinations in the said District of Columbia. Said examinations shall be permitted in addition to those required to be held by said act of July 2, 1909 (36 Stat. L., 1).

With the following committee amendments:

Page 1, line 6, insert, after the word "the," the word "present."
Line 10, after the word "Columbia," insert "and elsewhere in the United States where examinations are usually held."
Page 2, at end of line 4, add:
"*Provided*, That nothing herein shall be so construed as to abridge the existing law of apportionment."

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, is this the bill that was formerly submitted by the gentleman from North Carolina [Mr. GODWIN] for consideration?

Mr. KITCHIN. Yes, sir.

Mr. STAFFORD. I believe when it was under consideration before that he had no objection to certain amendments that were suggested at that time. I believe they were suggested by the gentleman from Illinois [Mr. FOSTER]. Can the Chair inform the House what the calendar is of this bill?

The SPEAKER. House Calendar 86.

Mr. KITCHIN. I will say to the gentleman from Wisconsin that the gentleman from Illinois [Mr. FOSTER] does not insist on the amendment now. He is of the opinion, as are other gentlemen who have made the same objection to it, that the resolution covers the objection. The amendment of the committee covers it.

Mr. FOSTER. I am satisfied, after looking into the matter, that it does cover it, and that it will not go back beyond the 12 months' time, so that I see no necessity for putting that amendment in.

Mr. KITCHIN. Each one of those who made the objection, including the gentleman from Iowa [Mr. DOWELL], have looked into it and have withdrawn their objections.

Mr. STAFFORD. The gentleman from Pennsylvania [Mr. ROBBINS] desired to offer an amendment to this resolution when it was considered. He was in the Chamber a few minutes ago. He desires to offer an amendment to the following effect: At the end of the proviso on page 2, to change the requirements of the existing law as to legal residence and domicile of such applicant.

Mr. KITCHIN. That is absolutely unnecessary. I looked up the law myself. This resolution does not change the law as to residence and domicile of applicants. It simply gives the qualified applicant the privilege of taking the examination in the District of Columbia or elsewhere when an examination is held, if he be temporarily absent from the State of his residence and domicile, without compelling him to return to his State to take the examination, as the law now requires. Mr. McIlhenny, the chairman of the Civil Service Commission, is emphatic in the opinion that this resolution does not change any of the requirements as to residence and domicile; that an applicant, if this resolution is passed, must have the same identical qualifications that he must now have under the law.

Mr. STAFFORD. The gentleman from Pennsylvania [Mr. ROBBINS] stated that he had taken this matter up with the Civil Service Commission and had also given considerable study to the law itself, and he was of the opinion that this amendment should be incorporated. I can not see where any harm can be done by incorporating it.

Mr. KITCHIN. We would like this to be a law at the earliest possible moment.

Mr. STAFFORD. I do not desire to delay.

Mr. KITCHIN. I will assure the gentleman that the gentleman from Pennsylvania [Mr. ROBBINS] is mistaken in his construction, and that his proposed amendment is unnecessary; that the resolution itself as it is accomplishes what he wishes. If he were here, I think I could convince him. The plain language is to permit the applicant, who must be a qualified applicant under existing law, to take the examination in the District or State where he is temporarily, instead of requiring him to go back to his home State. For instance, in Wisconsin——

Mr. STAFFORD. Will not the gentleman kindly defer consideration of this measure until the gentleman from Pennsylvania comes into the Chamber?

Mr. KITCHIN. We have postponed this a half a dozen times until some gentleman or other came in.

Mr. STAFFORD. I would even be willing to have an order made to consider it to-morrow under a suspension of the rules.

Mr. KITCHIN. The gentleman by a reading of it will see that this resolution needs no amendment to prevent what the gentleman from Pennsylvania fears.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I will.

Mr. FESS. In conversation with the man who has charge of the allotments from the Civil Service Commission in the Ordnance Department I was told that the present practice was very hurtful and quite inconvenient, and without this bill under the present regulations people would be sent back, and that it would be very hurtful. He urged that it be passed.

Mr. KITCHIN. I am glad the gentleman called the attention of the House to the necessity of early passage of the resolution. A member of the War Trade Board has been to see me not less than three times urging it. Mr. McIlhenny, chairman of the Civil Service Commission, and Mr. Gans, a member of the War Trade Board, came down four or five days ago to see the gentleman from Massachusetts [Mr. GILLETT] and myself. I will say that the gentleman from Massachusetts [Mr. GILLETT], who has just stepped out, favors the bill, and both of us were convinced that the resolution should not be delayed longer. Here is what this will remedy——

Mr. STAFFORD. I understand the whole purpose of the bill, but I have not given as much thought to the amendments as the gentleman from Pennsylvania [Mr. ROBBINS] has, and in his absence I am acting in his stead.

Mr. KITCHIN. If the gentleman will permit me, he will remember that before our holiday recess the gentleman from Oklahoma [Mr. CARTER], member of the Committee on Reform in the Civil Service, attempted to get this bill or a similar bill without the present amendments up by unanimous consent. I objected, because I thought it ought to be amended. It came over from the Senate. The Committee on Reform in the Civil Service, as I recollect, had reported the bill or resolution without amendment.

Mr. STAFFORD. I think the gentleman is in error. The bill was not reported until the middle of January.

Mr. KITCHIN. Oh, no; I am not mistaken as to what took place with regard to this or a similar bill unamended.

Mr. STAFFORD. Oh, yes.

Mr. KITCHIN. Such a bill or resolution came over from the Senate just before we adjourned for Christmas, and it was sought to take it up in the House.

Mr. STAFFORD. It never came into this House until January 4.

Mr. KITCHIN. Evidently since the holidays another bill or resolution was introduced and sent over here. The gentleman from Oklahoma the day we adjourned or the day before asked that the bill or a similar bill without the present amendments be considered. The gentleman from Oklahoma [Mr. CARTER] will recall that.

Mr. CARTER of Oklahoma. Yes; that is true.

Mr. KITCHIN. The gentleman from Oklahoma came to me with some kind of a bill or joint resolution to amend the civil-service act so that parties could take their examinations here instead of going back home, and I objected to it because the amendments now in the resolution were not in it.

Mr. CARTER of Oklahoma. Yes.

Mr. CAMPBELL of Kansas. How much time will this bill take if unanimous consent is granted?

Mr. KITCHIN. Oh, it is just a page and a half long.

Mr. CAMPBELL of Kansas. Will it provoke discussion?

Mr. KITCHIN. We are discussing it now, and as soon as we get unanimous consent it will pass, I hope, without any further discussion.

Mr. MONDELL. Mr. Speaker, reserving the right to object—and I shall not object—I do, however, want to call attention to the condition of affairs that renders this sort of legislation seemingly necessary. It seems that there are a large number of people here from the various States of the Union, who, it is to be assumed, came here with the understanding that they were to obtain positions in the Government departments. A large number of them are now holding temporary positions. Who brought these people here? Where did they come from? On whose invitation did they come here? Did any gentleman on the Republican side suggest to any constituent that there was a chance of securing a job, however insignificant or temporary, without passing a civil service examination? I imagine not. These folks came here, did they not, on the invitation of gentlemen on the Democratic side? "Yes, come on," we can imagine the gentlemen on the Democratic side saying to their inquiring constituents, "there are opportunities galore, plenty of jobs for deserving Democrats. Come ye all; come ye all. Come to Washington. Your Uncle Sam will give you a good job instanter on the recommendation of a Democratic Congressman or Senator." And they are here in large numbers; good folks, no doubt, well intentioned probably. It is not their fault that they have been brought here without an understanding of the situation as a part of the patronage of Democratic Congressmen and Senators; but that every one of them is a deserving Democrat, or a Democrat who claims to be deserving, there is no manner or sort of

doubt. What we on this side are asked to do is to give an opportunity to Democrats who have been brought from hither and yon, invited here by their Congressmen or their Senators, and given temporary employment to fill up the Government service—we are now asked to give these people an opportunity to take the civil service examinations in order that they may become permanently attached to the Federal crib. Well, I think probably some of them at least are needed, and it is hardly fair to compel them to go back home to take the examinations. We will try and overlook the fact that probably few, if any, of our political faith will be aided or affected by the legislation. I can say that with knowledge, so far as I am personally concerned. And yet I am very glad to have this done. In fact I think it is necessary and important under the circumstances that it should be done.

Mr. COX. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. COX. There are two from my district and both are Republicans.

Mr. MONDELL. What Democratic Congressman invited them here?

Mr. COX. I did not do it. [Laughter.]

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, the gentleman from Pennsylvania [Mr. ROBBINS] is on his way here from his office. Will not the gentleman defer the case for a few minutes?

Mr. MADDEN. The regular order!

The SPEAKER. Is there objection?

Mr. STAFFORD. If that reasonable request can not be granted, I will object.

Mr. KITCHIN. Mr. Speaker, I move to suspend the rules and pass the Senate joint resolution as amended by the House Committee on Reform in the Civil Service.

The SPEAKER. The Clerk will report the bill with the amendment.

The Clerk read as follows:

Joint resolution (S. J. Res. 117) amending the act of July 2, 1909, governing the holding of civil-service examinations.

Resolved, etc., That the act of July 2, 1909 (36 Stat. L., 1), is hereby amended so as to permit the United States Civil Service Commission, during the period of the present war, to hold examinations of applicants for positions in the Government service in the District of Columbia, and to permit applicants from the several States and Territories of the United States to take said examinations in the said District of Columbia and elsewhere in the United States where examinations are usually held. Said examinations shall be permitted in addition to those required to be held by said act of July 2, 1909 (36 Stat. L. 1): *Provided*, That nothing herein shall be so construed as to abridge the existing law of apportionment.

The SPEAKER. Is a second demanded?

Mr. STAFFORD. I demand a second.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that a second be considered as ordered. Is there objection?

Mr. STAFFORD. I object.

The SPEAKER. The gentleman from Wisconsin objects, and the Chair appoints as tellers the gentleman from Wisconsin [Mr. STAFFORD] and the gentleman from North Carolina [Mr. KITCHIN] to act as tellers.

The committee divided; and there were 102 ayes and 3 noes.

The SPEAKER. The gentleman from North Carolina is entitled to 20 minutes and the gentleman from Wisconsin to 20 minutes.

Mr. STAFFORD. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. ROBBINS].

Mr. ROBBINS. Mr. Speaker, the purpose of this bill is to enable those who wish to enter the Government employment who come here to take the civil-service examination. The present law requires them to take the examination in the district in which they reside. This bill proposes to permit them to take it in Washington City or elsewhere, wherever they happen to be.

Now, there is, I think, an amendment that ought to go in the bill in order to protect the various districts against an unfair assignment of civil-service employees against them. For instance, if a man has lived in Washington 25 or 30 years, held a Government position, raised a family, and that man still continues to go back in presidential years to his district to vote, he is a resident of that district, and under the civil-service law he is charged against that district. The children that have grown up in his family, if this bill is passed, can take an examination in Washington City, take a Government position under the civil-service law, and yet be assigned or charged against the district of the parent's residence, although they have never lived a day therein.

I am speaking of a concrete example that occurred in my own district. I know a man that has not been in my district except on presidential-election days, and not always then, who holds office in Washington, enjoys a large salary, and is charged against my district. His family, if this bill passes, will be entitled to take Government service, be examined here in Washington City by the Civil Service Commission, and be charged up against my district, to the exclusion of bona fide residents there who should be charged against it, and no others should be so charged.

Mr. MADDEN. Will the gentleman yield?

Mr. ROBBINS. I would like to finish my statement.

Mr. MADDEN. I want to ask a question right here. Does not this bill provide that whoever takes the civil-service examination in this bill within the District of Columbia shall be charged to the District of Columbia?

Mr. ROBBINS. No; it provides on page 2, line 4:

Provided, That nothing herein shall be so construed as to abridge the existing law of apportionment.

The purpose of that amendment was to cover the cases where the people had lived all their lives in the District that they should be charged back to their district from which their parents came.

Now, I propose an amendment to be added to the proviso after the end of line 5, in these words: "Or change the requirements of the existing law as to legal residence and domicile of such applicant."

Not only is the man who applies in the District of Columbia to be resident of some district, if he is to be charged against his home district, but he ought to have a domicile in that district if he is to be charged up against it. In other words, the concrete example which I have in mind, which confronts every Member of the House, is that the men who are living in the District of Columbia, have been born and raised here, or have lived here so long that they are not attached to any district and do not vote in any congressional district, ought to be charged to the District of Columbia and not to the respective districts from which their parents came.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. ROBBINS. Yes.

Mr. BORLAND. If these Government clerks are so underpaid and badly treated as they claim to be, why does anyone want to come from any district, why should it be any attraction to anyone?

Mr. ROBBINS. Oh, that is foreign to what I am trying to discuss. The gentleman enjoys a monopoly upon that theme, and I shall not invade his province.

Mr. BORLAND. I want to know why the gentleman is insisting upon this as a right.

Mr. GILLETT. Mr. Speaker, will the gentleman yield?

Mr. ROBBINS. Yes.

Mr. GILLETT. Why does the gentleman favor having other men from his district come down here and become practically aliens from the district and be charged up against the district, rather than to have the children of those who are here, I should think the gentleman would rather keep people at home.

Mr. ROBBINS. I would.

The SPEAKER pro tempore (Mr. CALDWELL). The time of the gentleman from Pennsylvania has expired.

Mr. ROBBINS. I will ask the gentleman from Wisconsin to grant me five minutes more.

Mr. STAFFORD. Mr. Speaker, I yield five minutes more to the gentleman.

Mr. ROBBINS. What I want to do is this. Take the case of a man who comes here and wishes to enter the Government service. If he wants to take the examination outside of his district, he must not only have a residence in the district but he must be domiciled there also. Then he can be charged up against the district. That is a fair requirement. If these offices are to be filled up and apportioned to the various congressional districts of the Nation, and that is right, then the men who are charged against our districts should be residents of our districts; but that is not enough, because the man that I speak of has a residence in my district, but is not domiciled there. He comes back there every presidential election, and parades up and down, and claims that he carries that district in his pocket, and yet at the same time he is not domiciled there. I want the children of this man, or any other resident who comes here to Washington and who is to be charged against my district and against your district, not only to be a resident of my district or your district but to have a domicile there also. This amendment merely provides for that thing, that they shall

not only be residents, but must be domiciled there. I do not happen to have the civil-service act before me, but I have read it in connection with this proposed law, and I want to make that specific provision very clear, and that is the object of this amendment. It does not change the purpose of the bill, but does clinch that fact.

Mr. STEVENSON. I have a great many stenographers who have come up here at the solicitation of the departments, who now have to take civil-service examinations before they can continue permanently in the departments. To return to take the examination would involve a thousand miles of travel. Would the gentleman's amendment affect them?

Mr. ROBBINS. Oh, no. Those people have a residence in the gentleman's district, and a domicile there as well. This amendment strikes only at people who live here in the city of Washington, who have lived here for years, who are the sons of people who have come on from some district or from my district and are charged against those districts, but who have no domicile in the gentleman's district or in mine. I do not think it is right that they should be charged against our districts. The people the gentleman speaks of have a residence and a domicile in his district, and it is proper that they should be charged against the gentleman's district. They must be charged some place.

Mr. LUFKIN. Does the gentleman contend that the children of his constituent who has lived here for 25 years and who has maintained a voting residence back in the district, can go back there and take the civil-service examination as residents of his district?

Mr. ROBBINS. They can not go back there certainly. They have no other residence, but they have no domicile there which the law requires.

Mr. LUFKIN. They must have a domicile there under existing law.

Mr. ROBBINS. Then, they can not go back there.

Mr. LUFKIN. Then, they have to take the examination here, and they must be charged here.

Mr. ROBBINS. That is it exactly.

Mr. LUFKIN. Then, this bill does not change it in the least.

Mr. ROBBINS. Yes, it does. This amendment I propose prevents them being charged against my district, but they can be charged against the District of Columbia where they have a domicile as well as a residence.

Mr. LUFKIN. There is an amendment proposed here:

Provided, That nothing herein shall be so construed as to abridge the existing law of apportionment.

Mr. ROBBINS. That is all right as to apportionment, but I want to go further and have this amendment:

That it shall not change the requirements of existing law as to the local residence and domicile of such applicants.

I want "domicile" put in there, because I consider that is an important fact in determining the districts against which applicants shall be charged.

Mr. FESS. Will the gentleman yield?

Mr. ROBBINS. I will.

Mr. FESS. Would the amendment of the gentleman preclude the appointment of anybody who is domiciled here and has no domicile elsewhere?

Mr. ROBBINS. Not at all. They will be appointed from the District of Columbia. It only provides that a man who has a domicile here and a residence here and was born here must be appointed and charged to this district and not to the district from whence his father came and where his father maintains the right to vote.

Mr. CARTER of Oklahoma. What the gentleman's amendment does is to substitute in the civil-service law the word "domicile" for the word "residence."

Mr. ROBBINS. No; I retain both.

Mr. CARTER of Oklahoma. The gentleman adds the word "domicile."

Mr. ROBBINS. That is the idea. I simply add "domicile" to the word "residence," so that he must be charged to the district where he is both domiciled and resident; having a domicile in the District of Columbia, he must be charged here to the district.

Mr. KEARNS. Will the gentleman yield?

Mr. ROBBINS. Certainly.

Mr. KEARNS. Take a case where a man comes here from, say, Indiana and who has a position here as a clerk in one of the departments. He and his family have moved here, and he is living here with his family, although he is credited to some district in Indiana——

The SPEAKER. The time of the gentleman has expired.

Mr. STAFFORD. Does the gentleman desire more time?

Mr. ROBBINS. Two minutes more.

Mr. STAFFORD. I yield the gentleman five minutes additional.

Mr. KEARNS. Suppose one of his children would want to take an examination, and passes a successful examination, and be appointed, would he be credited to the same district?

Mr. ROBBINS. He would have to have a domicile in Indiana, otherwise he would be credited to the District of Columbia.

Mr. KEARNS. Suppose this boy wanted to go back to his father's old home or his voting district and vote. Would that estop the boy from voting?

Mr. ROBBINS. No; that does not affect any qualifications for voting. This is not a voting law, this is a civil-service law with reference to the apportionment of the various persons who wish to enter the civil service from the various States.

Mr. KEARNS. I think that is a very important matter.

Mr. ROBBINS. But it does not affect that. Your voting qualification is fixed in the constitution of your State, and nothing Congress could do would in any way impair or curtail or limit that.

Mr. KEARNS. Suppose I certified my domicile and perhaps my residence is here in the District of Columbia?

Mr. ROBBINS. You would have to get your appointment where your domicile and residence are under this bill.

Mr. KEARNS. This boy I was talking about, his domicile would be here if he was credited to the District of Columbia?

Mr. ROBBINS. He would have to get his appointment here.

Mr. KEARNS. Even when he goes to vote in Indiana——

Mr. ROBBINS. That does not affect it. Residence is a question of intention.

Mr. ROSE. Will the gentleman yield?

Mr. ROBBINS. I will.

Mr. ROSE. I presume then there are clerks in the employ of the United States Government who have never seen the district from which they are credited for 40 years under the gentleman's statement?

Mr. ROBBINS. Why, there are some of them, I suppose, but I have only this concrete example in mind, because it is unfair to my district, and the working out of this proposition was very unfair in that it filled up the quota of my district with appointments from the District of Columbia to the exclusion of bona fide residents of my district who deserve these places, and that is the reason why I cling so tenaciously to the amendment, which I think should be put in the bill now.

Mr. COOPER of Wisconsin. Will the gentleman from Pennsylvania permit me to read what is the legal definition of "resident" and "domicile"?

Mr. ROBBINS. I yield.

Mr. COOPER of Wisconsin. I think there has been some contradiction here in the distinction given to the words "domicile" and "residence," respectively, and I invite the attention of the gentleman and the membership of the House to what Bouvier says, in his law dictionary, in defining "residence" and "domicile."

Residence indicates permanancy of occupation as distinguished from lodging, or boarding, or temporary occupation, but does not include so much as domicile which requires an intention continued with residence.

Mr. ROBBINS. That is true.

Mr. COOPER of Wisconsin. I understood the gentleman to say that the resident was not a man living in a place, but who intends making the place his home. I notice in Bouvier's definition of domicile, he says:

Domicile is that place where a man has true, fixed, and permanent home and principal establishment, and to which whenever he is absent he has the intention of returning.

He also says:

Two things must concur to establish domicile—the fact of residence and the intention of remaining. These two must exist or must have existed in combination.

Mr. ROBBINS. There is no quarrel with that law.

Mr. COOPER of Wisconsin. How does that agree with the gentleman's amendment?

Mr. ROBBINS. Perfectly, because the amendment only means that a man must have a domicile and residence. He can swear that it is his intention to maintain his residence in Pennsylvania if he works in Washington. This is a temporary place, although he lives here. He can go back there if he is in the Government service. He does not vote here. A residence in Washington does not preclude the elector from exercising his electoral franchise. But domicile is a fact. That is the place where he actually lives and maintains his abode.

Mr. COOPER of Wisconsin. I understand the gentleman to say that the children who are here must have, for instance, a home in your district, to which they must return.

Mr. ROBBINS. If they are to be charged by the Civil Service Commission as coming from my district. It would be mani-

festly unfair for those who have their domicile or abode here, but never go to my district to be appointed under the civil-service law as coming from and residing in my district. This amendment makes the law clear and specific as to what Congress intends to do, and I hope the amendment may be adopted.

The SPEAKER. The gentleman can not amend this except by unanimous consent.

Mr. KITCHIN. Mr. Speaker, I think the gentleman from Pennsylvania——

The SPEAKER. Who has the floor?

Mr. KITCHIN. I have taken it. I think the gentleman from Pennsylvania misconstrues the language of this resolution.

I am for exactly the same thing that the gentleman from Pennsylvania [Mr. ROBBINS] is for, and I would not be in favor of the resolution at all unless it safeguarded the objects he wishes to accomplish. I have no serious objection to his amendment, because it in no way affects the resolution, as it would mean the same thing without as with his amendment. If he would read this resolution, he would find his amendment does not add to it at all. The only thing—as I explained before the gentleman came in—that this resolution does is just simply to provide that a qualified applicant, who must be qualified under the act of 1909 as to residence and domicile, can take the examination in the District of Columbia or any State in which he happens to be without being required to return to his own State in which to take the examination. No right of apportionment under the present law is abridged, according to the expressed provision of the resolution. The qualification of an applicant, so far as his residence and domicile are concerned, remains by the resolution as it is under existing law. He must be both a resident and domiciliary of the State to which he is charged for the 12 months next preceding the date of the examination. Now, this act does not take away from any qualification of the applicant. He must still be a resident and still be a domiciliary of the State to which he is credited for the 12 months next preceding the date of the examination.

And the only thing this does is to permit that qualified applicant, say, of Wisconsin, who has been a domiciliary and actual resident of that State for the 12 months next preceding the date of examination, if he is here, temporarily absent in the district or in another State, to take the examination in the District or such State instead of being required to go back to Wisconsin and take the examination there. But he will be charged or credited to Wisconsin. If he takes it here in the District, he is charged up to Wisconsin and not to the District of Columbia. However, if that applicant had remained here in the District for 12 months, then he would be charged or apportioned to the District. The gentleman from Pennsylvania [Mr. ROBBINS] is clearly mistaken in assuming that under this resolution an applicant who, coming here, say, from Wisconsin years ago, could take the examination here and be charged to Wisconsin. If he had been here for the 12 months preceding the examination, he would be charged to the District. Therefore, what the gentleman fears could not take place, but if he is serious, and I think he is, in wanting to doubly and specifically safeguard the situation which he fears, I do not object to his amendment, and will therefore ask unanimous consent to let him put that amendment in.

Mr. GILLETT. Will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. GILLETT. Are you sure that this amendment accomplishes just what he intends? I am not certain as to that.

Mr. ROBBINS. That is the whole purpose I want to reach. I submitted this amendment over the telephone to the Civil Service Commission, because it struck me right away that the danger that we saw in this act was one that was really serious to the apportionment under the Civil Service Commission.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent, if the gentleman will yield, to have the suggested amendment read for information.

Mr. KITCHIN. I will read it in my time.

The SPEAKER. Without objection, the statement will be read.

Mr. KITCHIN. After the proviso in the resolution add the words "or change the requirements of existing law as to legal residence and domicile of such applicant."

As the gentleman from Oklahoma [Mr. CARTER] knows, I at first made the same objection to the original bill presented before the hearing. After the Committee on Reform in the Civil Service had put in the present amendments I was convinced that the resolution was all right and was not open to the objections made.

Mr. CARTER of Oklahoma. I will say that the gentleman from North Carolina made practically the same suggestion to me about the resolution prior to the holidays.

Mr. KITCHIN. It makes it all right. Here is what Mr. McIlhenny writes:

Special attention is invited to the fact that the resolution merely proposes to amend that part of the act of July 2, 1909, which requires a person to be examined in the place where he has established his residence, and the other part of the act is to remain in full force and effect which requires that, before a person can be examined anywhere, he must establish actual domicile in the place of his residence.

Mr. JOHNSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. JOHNSON of Kentucky. The gentleman from North Carolina and the gentleman from Wisconsin had some discussion as to the meaning of the word "residence" and of the word "domicile." A gentleman sitting near has given a definition of "domicile" which I think is quite pertinent. A domicile "from" is the place from which he is home, and when "to" he is said to be "to home." [Laughter.]

Mr. ROBBINS. I was starting out a moment ago, Mr. Speaker, to state that I had read this over the telephone to the Civil Service Commission. I would not, of course, offer an amendment to a bill affecting that commission without consulting them. But Mr. McIlhenny thought it was already sufficient. After discussing it, he said he thought it would do no harm, because it simply amplified what it should be.

Mr. KITCHIN. To make doubly sure and to facilitate the passage of the resolution I ask unanimous consent, Mr. Speaker, that the gentleman's amendment may go in after the word "apportionment" on the second page.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that the amendment be inserted at the proper place. Is there objection?

There was no objection.

Mr. KITCHIN. Now, Mr. Speaker, I move to suspend the rules and pass the resolution as amended.

The SPEAKER. The question is on suspending the rules and passing the resolution embodying the amendments.

The question was taken; and two-thirds having voted in the affirmative, the rules were suspended and the Senate joint resolution was passed.

On motion of Mr. KITCHIN, a motion to reconsider the vote whereby the Senate joint resolution was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. LEHLBACH, by unanimous consent (at the request of Mr. BROWNING), was granted leave of absence indefinitely, on account of death in his family.

CUTTING TIMBER ON COCONINO AND TUSAYAN NATIONAL FORESTS, ARIZ.

Mr. HAYDEN. Mr. Speaker, I ask unanimous consent to recur to No. 59 on the Unanimous Consent Calendar, H. R. 273. Objection was made before to the consideration of that bill. I now ask that Senate bill 389, an identical bill on the Speaker's table, be considered in lieu of this bill.

The SPEAKER. The gentleman asks what?

Mr. HAYDEN. To return to No. 59 on the Unanimous Consent Calendar.

The SPEAKER. The gentleman from Arizona asks unanimous consent to return to No. 59 on the Unanimous Consent Calendar, House bill 273. Is there objection?

Mr. COOPER of Wisconsin rose.

The SPEAKER. For what purpose does the gentleman from Wisconsin rise?

Mr. COOPER of Wisconsin. I do not like to consent to take up a bill that I know nothing about. I shall object to consideration. Can not that go over two weeks just as well as not?

Mr. HAYDEN. I ask unanimous consent, Mr. Speaker, that the bill remain on the calendar as it was; that the bill retain its place on the Unanimous Consent Calendar.

The SPEAKER. The gentleman from Arizona asks unanimous consent that the House bill 273 retain its place on the Unanimous Consent Calendar and go over without prejudice. Is there objection?

Mr. FOSTER. At the foot of the calendar.

Mr. FORDNEY. Do not do that. Let it take its place.

Mr. COOPER of Wisconsin. I reserve the right to object, unless the Senate bill is different from the House bill.

Mr. HAYDEN. I want the House bill to retain its place on the calendar. Objection was made to it some time ago. I will offer the Senate bill two weeks from to-day.

Mr. FOSTER. Mr. Speaker, I think it ought to go to the foot of the calendar.

The SPEAKER. The gentleman from Illinois objects unless it goes to the foot of the calendar. Is there objection with that condition?

There was no objection?

LEAVE TO EXTEND REMARKS.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks on H. R. 9159.

Mr. GILLETT. What bill is that?

Mr. SABATH. The naturalization bill which we passed a little while ago.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS FOX RIVER, ILL.

Mr. CAMPBELL of Kansas. Mr. Speaker, on the Unanimous Consent Calendar the next bill is H. R. 7998. I ask unanimous consent for its immediate consideration.

The SPEAKER. Is it on the calendar?

Mr. CAMPBELL of Kansas. It is on the calendar, the next bill.

Mr. KITCHIN. What is it, a bridge bill?

Mr. CAMPBELL of of Kansas. A little bridge bill.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 7998) granting the consent of Congress to the village of East Dundee and the village of West Dundee to construct a bridge across the Fox River.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The bill was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the village of East Dundee and the village of West Dundee, in the county of Kane, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River from Main Street in East Dundee to Main Street in West Dundee, in the county of Kane, in the State of Illinois, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. CAMPBELL of Kansas, a motion to reconsider the last vote was laid on the table.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is not.

ADJOURNMENT.

Mr. KITCHIN. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.) the House adjourned until to-morrow, Tuesday, March 5, 1918, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SHERWOOD, from the Committee on Invalid Pensions, to which was referred the bill (H. R. 10225) striking from the pension roll the name of Jennie M. Heath, reported the same without amendment, accompanied by a report (No. 354), which said bill and report were referred to the Private Calendar.

Mr. CRAGO, from the Committee on Military Affairs, to which was referred the bill (H. R. 925) for the relief of Thomas J. Rose, reported the same without amendment, accompanied by a report (No. 356), which said bill and report were referred to the Private Calendar.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LINTHICUM, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 10243) to supplement existing legislation relative to the United States Court for China and to increase the serviceability thereof, reported the same with amendment, accompanied by a report (No. 355), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HICKS: A bill (H. R. 10431) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to authorize the Secretary of War to grant furloughs with or without pay and allowances to enlisted men of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. LENROOT: A bill (H. R. 10432) to abolish the office of receiver of public moneys at Wausau, Wis., and for other purposes; to the Committee on the Public Lands.

By Mr. CANTRILL: A bill (H. R. 10433) to authorize the city of Winchester, Ky., to divert water from the pool in the Kentucky River formed by Lock and Dam No. 10; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTAGUE: A bill (H. R. 10434) to release certain fixtures in building on post-office site at Richmond, Va., inadvertently embraced in condemnation; to the Committee on Public Buildings and Grounds.

By Mr. McFADDEN: A bill (H. R. 10435) to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.; to the Committee on the District of Columbia.

By Mr. CLARK of Florida: A bill (H. R. 10436) to provide for the survey of any unsurveyed school lands in the State of Florida; to the Committee on the Public Lands.

By Mr. LUFKIN: Resolution (H. Res. 264) directing the Secretary of the Navy to send to the House of Representatives facts and papers relating to the alleged unseaworthiness of the U. S. naval tug *Cherokee;* to the Committee on Naval Affairs.

By Mr. CLARK of Florida: Resolution (H. Res. 265) providing for immediate consideration of H. R. 10265; to the Committee on Rules.

By Mr. LONDON: Joint resolution (H. J. Res. 256) protesting against the suggested invasion of Russian territory; to the Committee on Foreign Affairs.

By Mr. DENT: Joint resolution (H. J. Res. 257) providing for the registration for military service of the subjects or citizens residing in the United States of a foreign country with whose Government the United States has concluded or hereafter concludes a convention or agreement consenting to such aliens being drafted into the military forces of the United States under the terms of the act approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," and all amendments thereto; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNHART: A bill (H. R. 10437) granting a pension to John R. Batty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10438) granting an increase of pension to Chester Coon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10439) granting an increase of pension to Allen C. Harris; to the Committee on Invalid Pensions.

By Mr. BOWERS: A bill (H. R. 10440) granting an increase of pension to John M. Sherrard; to the Committee on Invalid Pensions.

By Mr. CANTRILL: A bill (H. R. 10441) granting an increase of pension to William T. Eager; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10442) granting an increase of pension to Aaron Hall; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 10443) granting a pension to Mrs. Frank Schultz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10444) granting a pension to Frank Behan; to the Committee on Pensions.

Also, a bill (H. R. 10445) granting an increase of pension to John Stephan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10446) granting an increase of pension to C. M. Burt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10447) granting an increase of pension to John F. Brommom; to the Committee on Invalid Pensions.

By Mr. DENT: A bill (H. R. 10448) for the relief of the estate of William Booth, deceased; to the Committee on War Claims.

By Mr. HOLLINGSWORTH: A bill (H. R. 10449) granting a pension to William S. Kiddy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10450) granting a pension to John Vandyne, alias John Vandile; to the Committee on Pensions.

Also, a bill (H. R. 10451) granting an increase of pension to Andrew J. Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10452) granting an increase of pension to Joseph Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10453) granting an increase of pension to Dallas Runyon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10454) granting an increase of pension to Irwin Jordon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10455) granting an increase of pension to Caroline Stroble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10456) granting an increase of pension to William Ira Britton; to the Committee on Invalid Pensions.

By Mr. HULL of Iowa: A bill (H. R. 10457) granting an increase of pension to John H. Davidson; to the Committee on Invalid Pensions.

By Mr. KELLEY of Michigan: A bill (H. R. 10458) granting a pension to Nina L. Beaumont; to the Committee on Invalid Pensions.

By Mr. McCLINTIC: A bill (H. R. 10459) granting a pension to Jean N. Roach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10460) granting an increase of pension to John H. Allen; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 10461) granting a pension to Mary Ett; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 10462) granting a pension to Annie White; to the Committee on Invalid Pensions.

By Mr. SCOTT of Michigan: A bill (H. R. 10463) granting a pension to Thomas G. Aldreg; to the Committee on Pensions.

By Mr. SHERWOOD: A bill (H. R. 10464) granting an increase of pension to Henrietta Schmidt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10465) granting an increase of pension to Henry Weitzel; to the Committee on Invalid Pensions.

By Mr. SNYDER: A bill (H. R. 10466) granting an increase of pension to John H. Shaver; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Arkansas: A bill (H. R. 10467) granting an increase of pension to James C. Smith; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARY: Petition of Harrington Emerson, urging the repeal of the zone system for second-class postage; to the Committee on Ways and Means.

By Mr. DALE of Vermont: Petitions of Edward J. White, of Barton, No. 1.; William E. Woodcock, of Corinth, No. 1; Bert J. Jenness, of Barton, No. 2; A. J. McLellan, of Greensboro, No. 1; Lowell Frank Hammond, of Ludlow, No. 2; Warren E. Carpenter, of Groton, No. 4; John N. Taggart, of Randolph Center, No. 3; Ralph Fifield, of Thetford Center, No. 1; Edward E. Munn, of Bradford, No. 1; Guy R. Gawin, of North Craftsbury, No. 1; Herbert W. Dutton, of Springfield, No. 1; George A. Ballou, of Tunbridge, No. 2; Patrick F. O'Connor, of Putney, No. 3; Harold H. Fulton, of Strafford, No. 1; Ernest H. Carpenter, of Wilmington, No. 1; Rufus M. Farrand, of Hardwick, No. 1; Frank A. Johnson, of Brattleboro, No. 3; William Rush, of Derby, No. 2; William J. Kidder, of Derby, No. 1; Hugh F. Copeland, of Reading; Corydon O. Chamberlin, of Brattleboro, No. 5; Abner P. Eddy, of West Brattleboro, No. 2; Bion F. Humphrey, of East Burke, No. 1; George B. Bush, of Newfane, No. 1; Alfred C. Hooker, of Hardwick, No. 2; J. C. Carpenter, of Irasburg, No. 2; Bert H. Townsend, of Plainfield, No. 1; A. N. Flood, of Plainfield, No. 2; Truman H. Bartlett, of Plainfield, No. 3; A. Louis Taft, of Ludlow, No. 1; Leon A. Ross, of Sheffield, No. 1; Frank M. Carley, of South Londonderry, No. 3; Earl Taylor, of Marlboro, No. 1; Frank A. Blake, of Northfield, No. 3, rural-delivery carriers, all of Vermont, praying for substantial allowance to help meet the cost of upkeep of equipment necessary for a proper and satisfactory service, additional pay for mileage in excess of the standard length of 24 miles as fixed by law, and a reasonable allowance for carriers who are required to carry pouch mail to intermediate post offices or for intersecting loop routes to save the cost of star-route service; to the Committee on the Post Office and Post Roads.

By Mr. DILL: Petition of the city council of the city of Spokane, Wash., urging the passage of certain water-power legislation; to the Committee on Water Power.

By Mr. GALLIVAN: Resolution of the New York Zoological Society, favoring the migratory-bird treaty act; to the Committee on Foreign Affairs.

By Mr. HAMILTON of New York: Affidavits to accompany H. R. 10411, granting an increase of pension to Thomas McKay; to the Committee on Invalid Pensions.

By Mr. HOLLINGSWORTH: Four affidavits in support of H. R. 10455, granting an increase of pension to Caroline Stroble; to the Committee on Invalid Pensions.

Also, evidence in support of H. R. 10456, granting a pension to William Ira Britton; to the Committee on Invalid Pensions.

Also, affidavits of witnesses in support of H. R. 10450, granting a pension to John Vandyne, alias John Vandile; to the Committee on Invalid Pensions.

Also, evidence in support of H. R. 10454, to grant an increase of pension to Irwin Jordan; to the Committee on Invalid Pensions.

Also, evidence in support of H. R. 10453, granting an increase of pension to Dallas Runyon; to the Committee on Invalid Pensions.

Also, evidence in support of H. R. 10452, granting an increase of pension to Joseph Morrison; to the Committee on Invalid Pensions.

Also, evidence in support of H. R. 10451, granting an increase of pension to Andrew J. Martin; to the Committee on Invalid Pensions.

Also, evidence in support of H. R. 10449, granting a pension to William S. Kiddy; to the Committee on Invalid Pensions.

By Mr. MERRITT: Papers to accompany H. R. 10461, granting an increase of pension to Mary Ett; to the Committee on Invalid Pensions.

By Mr. O'SHAUNESSY: Petition of the citizens of South Kingstown, urging the passage of the bill to provide a Pharmaceutical Corps in the Medical Department; to the Committee on Military Affairs.

Also, petition of the American Silk Spinning Co., Providence, R. I., protesting against the passage of a bill to eliminate coal jobbers; to the Committee on Agriculture.

By Mr. ROGERS: Papers to accompany House bill 10419, granting a pension to Arthur Garland; to the Committee on Pensions.

By Mr. SCHALL: Resolution of the Minneapolis City Council, requesting Congress to grant to the President of the United States broad power to fix prices of all foods and other products essential to the conduct of the war; to the Committee on Agriculture.

By Mr. YOUNG of North Dakota: Resolutions of the War Emergency Board of American Plant Pathologists, indorsing efforts to eradicate the common barberry; to the Committee on Agriculture.

Also, resolutions of the North Dakota Dairymen's Association, regarding dairying interests; to the Committee on Agriculture.

Also, a petition of C. A. Ryder and 14 others, of Pettibone, N. Dak., urging the passage of the Baer seed and feed bill; to the Committee on Agriculture.

Also, resolutions adopted by extension department of North Dakota Agricultural College, urging modification of wheat grades at country elevators; to the Committee on Agriculture.

SENATE.

TUESDAY, *March 5, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God. Thou art the light. In Thee there is no darkness at all. We thank Thee for coming out of the shadows and revealing more and more of Thy will and of Thy nature to man. We thank thee for leading on men and nations in the fulfillment of a divine plan, and that Thy purpose is seen more and more clearly day by day. Thou art shaking the nations that the desirable things may come, and that the things may remain which can not be shaken. We bless God for the coming of His kingdom. We pray Thee to hasten the day for His final victory in all the earth. For Christ's sake. Amen.

The Journal of the proceedings of the legislative day of Saturday, March 2, 1918, was read and approved.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	Norris	Smith, S. C.
Brandegee	Johnson, S. Dak.	Nugent	Smoot
Calder	Jones, N. Mex.	Overman	Sterling
Colt	Jones, Wash.	Page	Sutherland
Culberson	Kenyon	Poindexter	Swanson
Fernald	Kirby	Pomerene	Tillman
Fletcher	Lewis	Robinson	Townsend
France	Lodge	Saulsbury	Trammell
Gerry	McCumber	Shafroth	Vardaman
Gronna	McKellar	Sheppard	Walsh
Hale	McLean	Simmons	Warren
Harding	McNary	Smith, Ga.	Watson
Henderson	Nelson	Smith, Md.	Williams
Hollis	New	Smith, Mich.	

Mr. McNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of illness. I will let this announcement stand for the day.

Mr. ASHURST. I wish to announce that my colleague [Mr. SMITH of Arizona] is absent by reason of illness.

Mr. LEWIS. I rise to announce the absence of the Senator from Kentucky [Mr. JAMES] and the Senator from Oregon [Mr. CHAMBERLAIN] because of personal illness. I also announce that the Senator from California [Mr. PHELAN] is necessarily absent.

Mr. SUTHERLAND. I wish to announce that my colleague, the senior Senator from West Virginia [Mr. GOFF], is absent by reason of illness.

Mr. LEWIS. The Committee on Banking and Currency is in session, and if the number present is not sufficient to make a quorum I will let them know.

The PRESIDENT pro tempore. Fifty-five Senators have answered to their names. There is a quorum present.

AFFAIRS IN SIBERIA.

Mr. LEWIS. Mr. President, I have certain telegrams which I am asked to present to the Senate. For reasons satisfactory to me, I do not wish these telegrams put in the RECORD, but I beg the Senate to indulge me for a minute of time that I may state their purport and serve the object of my rising.

Mr. President, these telegrams are from personal acquaintances, some from the Pacific coast and some here from the East, repeating telegrams received by them from Mexico. They disclose a fright, a scare, based upon what they claim to be information coming from the Orient, charging that the United States is in some form of alliance or compact with Japan which permits Japan to enter into Siberia and take possession of that portion of the East without our hindrance, in consideration of the United States "allowing Japan a free hand in the Philippines, permission to establish bases in Mexico, and the allowance of her citizens to come ad libitum to the United States."

Mr. President, it is to be regretted that any such views have been sent forward from any source whatever. Whether they are sent to Mexico to stimulate Mexico in opposition to us, I can only surmise; whether they are sent by the East by agencies who are opposed to us, I can only approximate; but from my position, sir, let me assume to state that there is no ground for such fear as expressed in these messages. There is no alliance between the United States and Japan; there is no compact between the United States and Japan prescribing conditions as to the European war, and no services are being exacted of Japan by the United States in the war, and no arrangement whatever by the United States with Japan as to anything anywhere as a consideration for anything Japan does in this war for the United States.

Let the country understand now, as these reports which we are getting constantly may inflame minds not accustomed to be met with propaganda, that the attitude of Japan in this war is the result of her compact with Great Britain; that Japan has an understanding, an alliance in form, with Great Britain guaranteeing to Britain her services in any manner of assault against the rights of either Japan or Britain, particularly in the East; that whatever Japan is doing she is doing in pursuit of and in obedience to this understanding between herself and Britain; and, I may add, in nowise is the result of any alliance or contract with the United States.

Mr. President, as to emigration or as to Japanese coming in the United States, there is existing between Japan and the United States an arrangement designated as a "gentleman's agreement." This has to do with the question of immigration of the people of the East—of Japanese—into the United States. There is no movement now by our country or Japan to modify that agreement as a condition of any service by Japan in this war, nor is there any understanding consummated and existing at this time for the enlargement of that agreement in anywise whatsoever.

Mr. President, I dare to take it upon myself to say this to the Senate, without regard to any differences of little local political matters sometimes engaging us. I prefer to have certified to the world from this body that the United States under President Wilson will, while it fights for the principles of democracy, under no circumstances allow them to be violated by any agreement on our part with any country anywhere that would lessen the protection we owe to the American citizen, nor would we under the present administration in anywise repeal the policies which have so long preserved America and are necessary to be continued for its perpetuity and preservation.

I thank the Senate for indulging me.

Mr. POINDEXTER. I should like to ask the Senator from Illinois if he has any objection to giving the names of the parties who sent the telegrams to which he refers.

Mr. LEWIS. I will say to the Senator from Washington I personally have no objection, but the senders request that their names be withheld lest they should be put in some disadvantageous position by having them disclosed. That is why I can not put them in the RECORD as requested, because the senders ask to have their names withheld. But for that I would gladly do so. To the Senator or any other Senator, personally, I will exhibit the wires at any time.

Mr. BRANDEGEE. Mr. President, I should like to ask the Senator from Illinois, who has made the statement which we have just heard, which apparently purports authoritatively to state the views of the Senate and the policy of the Government about matters in the Orient, whether his statement has been made upon the authority of the State Department or the President, or whether it represents his own views merely?

Mr. LEWIS. First, I wish to say to my eminent friend, the Senator from Connecticut, that when I stated I was sure the Senate would stand as sponsor for the expression of what Wilson stood for, I did not mean, of course, to speak for any Senators who differed from me. I meant to say that our confidence in our own Government and in its President was of the kind that we at this time would not permit the suggestion without some authoritative evidence somewhere that there could be any violation of any established policy. I say to the Senator, therefore, I spoke upon my own authority. I spoke upon my own judgment, upon my knowledge of the affairs of my country, my knowledge of President Wilson, and because I recognize that there can be no compact in the form of an alliance between the United States and any country that does not come to this body for its final consummation. Therefore I naturally assume that the whole Senate would know that such could have no existence, and I assert upon my own authority that it does not have existence.

Mr. BRANDEGEE. Not knowing what the allegations were in the telegrams which the Senator has referred to but has not seen fit to put in the RECORD, and inasmuch as he thinks it involved rumors of alliances between Japan and Mexico, and the United States and Great Britain being in it, at such a point I would not want the Senator's statement to go forth as having been subscribed to and guaranteed by the Senate of the United States, which is one-half the treaty-making power.

What the facts are in relation to allegations which have not been read, but which are contained in the telegrams which the Senator from Illinois says he has received, I have no knowledge whatever. It seems to me, however, to be a matter of such a delicate nature and so serious in its intendment and possible consequences that I, for one, would not want to sit silent and appear to be giving consent to everything the Senator has said.

Mr. LEWIS. Mr. President, I may say, of course, that there are Senators who view our relations, whatever they are, with a little different construction than that which I put upon them, but I put my own construction and assumed that there was hardly any difference as to that construction. If there is any Senator who differs as to the construction of our relations or course, of course he is not bound by an observation of mine.

Mr. GORE. Mr. President, I rise to say that I was so much pleased with the last assurance given by the Senator from Illinois [Mr. LEWIS] just before the remarks of the Senator from Connecticut [Mr. BRANDEGEE] that, much as I dislike to interrupt discussions between eminent Senators, I desire to call for the regular order.

Mr. JOHNSON of California. May I ask the Senator from Oklahoma to yield to me for just one instant?

Mr. GORE. Yes, sir.

Mr. JOHNSON of California. Mr. President, the very delicate subject which has been touched upon by the Senator from Illinois [Mr. LEWIS] is one of extraordinary importance to the State from which I come. I do not at all discuss any of the matters that have been suggested by the Senator from Illinois, but, like the Senator from Connecticut [Mr. BRANDEGEE], by mere silence I do not wish at this time to subscribe to aught that has been said in this regard or to any of the matters that are matters now of public rumor concerning the various alliances and the various activities which have been mentioned by the Senator from Illinois.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House agrees to the report of the committee on conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

The message also announced that the House had passed the joint resolution (S. J. Res. 117) amending the act of July 2, 1909, governing the holding of civil-service examinations, with

amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 175. An act to amend an act entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year 1915 and for prior years, and for other purposes";

H. R. 7998. An act granting the consent of Congress to the village of East Dundee and the village of West Dundee to construct a bridge across the Fox River;

H. R. 8753. An act to amend section 3, title 1, of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917;

H. R. 9159. An act to provide for the naturalization of certain members of the Army, Navy, and Marine Corps; and

H. R. 9504. An act to amend section 4067 of the Revised Statutes by extending its scope to include women.

The message also transmitted to the Senate resolutions on the life and public services of Hon. EBENEZER J. HILL, late a Representative from the State of Connecticut.

ENROLLED JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 92) providing additional time for the payment of purchase money under homestead entries within the former Colville Indian Reservation, Wash., and it was thereupon signed by the President pro tempore.

PETITIONS AND MEMORIALS.

Mr. JOHNSON of South Dakota presented a memorial of the Sunday School of the First Methodist Church of Mitchell, S. Dak., comprising 1,500 members, remonstrating against the use of foodstuffs in the manufacture of alcoholic drinks, which I ask may be printed in the RECORD without reading.

There being no objection, the memorial was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

The world is cold and hungry because of lack of sufficient fuel and food. Because of this fact the people of the United States are asked to deny themselves many things that have heretofore been considered necessities. At the same time millions of dollars worth of foodstuffs are being destroyed and thousands of tons of coal are being wasted in the manufacture and distribution of malt and brewed liquors: Now, therefore, be it

Resolved by the Sunday School of the First Methodist Episcopal Church of Mitchell, S. Dak., this 24th day of February, 1918, That the waste and destruction of fuel and food in the manufacture and distribution of malt and brewed liquors in this time of need are hereby condemned; and be it further

Resolved, That the beer drinkers of America be asked, in the name of patriotism, to deny themselves the harmful luxury of beer drinking; and be it further

Resolved, That we hereby earnestly request and urge our Senators and Representatives in Congress to do all in their power to secure the speedy enactment of a law that will assist these people in this very useful form of self-denial, and that will fully and effectually prohibit the waste and destruction of fuel and foodstuffs in the manufacture and distribution of malt and brewed liquors in the United States; and be it further

Resolved, That a copy of these resolutions be sent to each of our Senators and Representatives in Congress.

LAURITZ MILLER,
Chairman of Committee.

Mr. WARREN presented a petition of sundry railway postal clerks of the Lincoln and Billings Railway Post Office, of Sheridan, Wyo., praying for an increase in the salaries of railway postal clerks, which was referred to the Committee on Post Offices and Post Roads.

Mr. PHELAN presented a petition of the Labor Council of San Francisco, Cal., praying for the fixing of prices on all necessities of life, which was referred to the Committee on Agriculture and Forestry.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent the second time, and referred as follows:

By Mr. POINDEXTER:

A bill (S. 4014) to establish the Mount Baker National Park in the State of Washington; to the Committee on Public Lands.

A bill (S. 4015) granting an increase of pension to Edward Shattuck (with accompanying papers); to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 4016) granting an increase of pension to Virginia A. Porter (with accompanying papers); to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 4017) for the relief of Catherine Grace; to the Committee on Claims.

By Mr. JOHNSON of South Dakota (by request):

A bill (S. 4018) to assist in increasing farm products; to the Committee on Agriculture and Forestry.

AMENDMENT TO URGENT DEFICIENCY BILL.

Mr. CALDER submitted an amendment proposing to appropriate $36,000 for additional clerks to Senators intended to be proposed by him to the urgent deficiency appropriation bill, which was ordered to lie on the table and be printed.

IMPROVEMENT OF TENNESSEE RIVER.

Mr. BANKHEAD submitted the following resolution (S. Res. 208), which was referred to the Committee on Printing:

Resolved, That there be printed 400 additional copies of House Document No. 1262, Sixty-fourth Congress, first session, entitled "Tennessee River between Browns Island and Florence, Ala.," for the use of the Senate document room.

HOUSE BILLS REFERRED.

H. R. 175. An act to amend an act entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year 1915, and for prior years, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

H. R. 7998. An act granting the consent of Congress to the village of East Dundee and the village of West Dundee to construct a bridge across the Fox River, was read twice by its title and referred to the Committee on Commerce.

H. R. 9159. An act to provide for the naturalization of certain members of the Army, Navy, and Marine Corps, was read twice by its title and referred to the Committee on Immigration.

H. R. 9504. An act to amend section 4067 of the Revised Statutes by extending its scope to include women, was read twice by its title and referred to the Committee on the Judiciary.

WAR FINANCE CORPORATION.

Mr. GORE. Mr. President, I ask unanimous consent that the Agricultural appropriation bill be now laid before the Senate.

The PRESIDENT pro tempore. If there be no further morning business——

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. The Chair has not yet announced the close of morning business. The Senator from North Carolina is recognized.

Mr. SIMMONS. Mr. President, I simply wish to make a statement with reference to the suggestion of the Senator from Oklahoma [Mr. GORE]. On yesterday I had temporarily laid aside the war finance corporation bill for the consideration of the Agricultural appropriation bill. I did that not intending to call that bill up any more during the day. I did expect, however, to call it up to-day immediately after the routine morning business. For reasons that I need not now state, I have decided that I will not ask the Senate to take that bill up until after the routine morning business, that is after 2 o'clock. For that reason I am perfectly willing that the Senate may proceed with the consideration of the Agricultural appropriation bill until 2 o'clock. At that time I shall ask that the war finance corporation bill be taken up.

I wish to make this statement primarily because I know a number of Senators have stated to me that they were staying in the Chamber expecting that the war finance corporation bill would be called up. I now give this notice so that until 2 o'clock Senators shall have an opportunity to attend to any other business which they may desire.

Mr. BORAH. Mr. President, may I ask the Senator in charge of the war finance corporation bill is there any doubt about that bill coming up at 2 o'clock?

Mr. SIMMONS. None in the world, so far as I know.

Mr. BORAH. The reason why I ask that question is that I had intended to be away from the Senate to-day, but I do not desire to be absent if the war corporation bill is really coming up.

Mr. SIMMONS. I think there is no doubt about its coming up.

AGRICULTURAL APPROPRIATIONS.

The PRESIDENT pro tempore. Morning business is closed. The Senator from Oklahoma [Mr. GORE] has asked unanimous consent that the Senate proceed to the consideration of the Agricultural appropriation bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9054) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1919.

The PRESIDENT pro tempore. The first committee amendment passed over will be stated.

The SECRETARY. The first committee amendment passed over at the request of Mr. GRONNA was, on page 13, line 19, after the word "authorities," to strike out the numerals "$250,000" and to insert "$500,000: *Provided*, That hereafter the act approved May 29, 1884 (23 Stat. L., p. 31), be, and the same is hereby, amended to permit cattle which have reacted to the tuberculin test to be shipped, transported, or moved from one State, Territory, or the District of Columbia to any other State, Territory, or the District of Columbia for immediate slaughter, in accordance with rules and regulations prescribed by the Secretary of Agriculture."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. GRONNA. Mr. President, I asked to have this amendment go over, because it had been suggested to me that the three words "for immediate slaughter" should be stricken out. Upon reflection, I think that the amendment suggested by the Senator from Nebraska [Mr. NORRIS] to the amendment, that the word "immediate" be stricken out, if adopted will be satisfactory to the members of the committee at least.

Mr. GORE. I have no objection to having the word "immediate" stricken out in the amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The SECRETARY. On page 14, line 1, of the committee amendment, before the word "slaughter," it is proposed to strike out the word "immediate."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. WADSWORTH. Mr. President, in some respects the suggestion made by the Senator from North Dakota [Mr. GRONNA] meets my views more nearly than the original suggestion that the words "for immediate slaughter" be entirely eliminated, yet I am not at all convinced that this is a very safe proceeding. If the word "immediate" is taken out, the provision will mean that tuberculous cattle may be taken from one State to another for slaughter. Taking out the word "immediate" really means substituting the word "eventual." There would be no limitation as to how long such cattle might be permitted to live, and I fear that they will spread the disease. They might be kept two or three years in the hands of the man who has received them, and he might say "they are going to be killed sometime."

Mr. NORRIS. Mr. President——

Mr. WADSWORTH. I yield to the Senator from Nebraska.

Mr. NORRIS. If the Senator from New York will notice the amendment, it provides that the shipment can only be made "in accordance with rules and regulations prescribed by the Secretary of Agriculture." The objection to having the word "immediate" inserted seemed to be almost universal when we had the matter up yesterday, and that was that it would subject the owner of the cattle to the mercy, perhaps, of the packers; that the cattle would have to be sold, and sold at once, and it might be advantageous to a party to keep them a while and wait over a day or two for a better market or something of that kind, so as not to put the owner of the cattle absolutely at the mercy of the buyer at that particular point.

It seems to me that the department, under proper rules and regulations, could certainly prevent these cattle being held any length of time, and leaving in the word "slaughter" would absolutely prevent them from being shipped for any other purpose, so that they could not be used for milch cows or for breeding purposes or for anything of that kind.

It seemed to be the opinion of most of those who were present the other day that to require the cattle to be slaughtered immediately would impose such a harsh rule that it might result in a great deal of hardship.

Mr. WADSWORTH. Mr. President, the provision for immediate slaughter is not at all new in the legislative history of the country. A large number of the States compel immediate slaughter, and one of the amendments now pending to this bill, may I say to the Senator from Nebraska, provides that in the event of immediate slaughter the Federal Government shall pay something like one-third of the value to the owner, which is a good deal more drastic treatment than even the very wicked packers would accord to a tuberculous cow.

As a matter of fact, Mr. President, the cattle that have tuberculosis are almost invariably dairy cattle. They become infected with the disease by being constantly housed and fed a very rich ration. They are not out doors as much as cattle upon the range. The disease is scarcely known in the far Western States. It is found in the dairy States, and when a dairy cow has become infected with tuberculosis her value for beef is rather slight in any event.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from North Dakota?

Mr. WADSWORTH. I yield to the Senator from North Dakota.

Mr. GRONNA. As the Senator from New York knows, this whole amendment was prepared by the Agricultural Department, but the original amendment did not contain the words "for immediate slaughter."

Mr. WADSWORTH. Those words were left out of the original amendment; I know that.

Mr. GRONNA. It is not in any sense of the word my amendment at all, but it has been suggested to me that it would be a hardship in many cases upon those who buy stock to have this drastic language in the amendment. Inasmuch as the Secretary of Agriculture will have the right to prescribe rules and regulations governing the shipment of these cattle, I thought perhaps there would be no objection to permitting the buyer of perhaps expensive cattle to fit his cattle for market as well as it could possibly be done. I shall not, however, insist on the amendment, if the Senator from New York thinks that it is objectionable.

Mr. WADSWORTH. Mr. President, I know that the amendment originally came from the Department of Agriculture; that it was sent to the Committee on Agriculture and Forestry; and that the committee itself, or a majority of it, insisted that the words "for immediate slaughter" be inserted in the language prepared by the department officials. The committee took that ground because without those words the amendment would constitute an entire reversal of the legislative and governmental policy of the country with respect to interstate commerce in diseased animals.

I wish I had entire confidence that rules and regulations prescribed by the Secretary of Agriculture could follow these cattle wherever they went and stay by them every day and every night; but that can not be done. The disease is transmitted by contact, and to make the keeping of such cattle absolutely safe they have to be watched all the time. It is necessary to place absolute trust in the owner that he will not let them be stabled with healthy cattle. I doubt whether rules and regulations, no matter how honestly contrived or how earnestly the attempt is made to enforce them, can provide for following and watching the cattle in all circumstances.

Mr. GORE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Oklahoma?

Mr. WADSWORTH. I yield to the Senator from Oklahoma.

Mr. GORE. I will say to the Senator that such cattle are now shipped in intrastate commerce, and I suppose that the rules and regulations in force to prevent the spread of the disease in intrastate business might also be applied to interstate shipments. The purpose of slaughter is not at all affected by this amendment, and I suppose whatever safeguards are now employed to prevent the spread of the disease in a State may be applied to prevent its spread across the boundaries of States and undoubtedly that ought to be done.

Mr. WADSWORTH. The Senator says that these cattle are now shipped in intrastate business, apparently with no rules and regulations. That applies only to those States that are careless about this proposition. There are some States that have the most rigid laws, enacted in a desperate effort to stamp out this disease, and those States that have such laws do not permit the shipment intrastate of tubercular cattle except for immediate slaughter. Now, this is a proposal to endanger those States that have made this fight against tuberculosis by handing over the entire problem to Federal inspectors, whose duty it will be—and, in my judgment, it will be an impossible duty—to follow such cattle wherever they go and watch them to see that they never come in contact with the healthy cattle in States that are trying to stamp out the disease. I think it is a dangerous proceeding.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from New Hampshire?

Mr. WADSWORTH. Certainly.

Mr. GALLINGER. The Senator from New York has had an opportunity to investigate this matter; I have not. I want to ask the Senator if, after the tuberculin test has been applied and the reaction occurs, is the animal free from the possibility of becoming diseased?

Mr. WARREN. Oh, no.

Mr. GALLINGER. I judge not.

Mr. WADSWORTH. The tuberculin test does not involve the question which the Senator raises. The tuberculin test is applied to cattle to determine whether or not they have tuberculosis.

Mr. GALLINGER. I understand.

Mr. WADSWORTH. It does not make them immune.

Mr. GALLINGER. No; it does not.

Mr. WADSWORTH. It is simply an aid to a proper diagnosis.

Mr. GALLINGER. That is all. So that it would be safe, the Senator thinks, to have such cattle transported without the provision "for immediate slaughter" and allow them to come in contact with other cattle?

Mr. WADSWORTH. If they are transported for immediate slaughter under rules and regulations prescribed by the Federal Government they can be kept away from contact with other cattle. They will be shipped in cars by themselves, and when they reach the stockyards they will be put in pens by themselves and will be slaughtered within 24 hours after they arrive. Then there is no more danger. In a goodly portion of the carcass, in many cases, is good beef, depending upon the progress that the tuberculosis has made.

Mr. GALLINGER. Such cattle are sometimes used for beef even when diseased, to a limited extent. Is that the idea?

Mr. WADSWORTH. To a limited extent. The Government inspectors are in every slaughterhouse and they throw out the beef that is bad and admit the beef that is good.

Mr. GRONNA. Mr. President, of course the Senator knows that the same rule he has just explained would apply in case the shipment was deferred.

Mr. WADSWORTH. Yes; but during that interval, while the shipment is deferred, I doubt if the Federal Government can watch these cattle.

Mr. GRONNA. That may be true. I believe, however, we can let the matter go to conference, and, if the Senator then shall have any objection, the conference committee may take out the provision.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment reported by the committee.

Mr. KENYON. Let the amendment be stated, Mr. President.

The PRESIDENT pro tempore. The Secretary will again state the amendment.

The SECRETARY. On page 14, line 1, before the word "slaughter," it is proposed to amend the committee amendment by striking out the word "immediate."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now recurs on the amendment reported by the committee.

Mr. WARREN. Mr. President, an amendment that was suggested yesterday has been perfected, and I now send it to the desk and ask for its adoption.

Mr. GORE. I suggest that the committee amendment be first acted upon.

Mr. WARREN. The amendment I propose is an amendment to the committee amendment.

The PRESIDENT pro tempore. The Chair understands the Senator from Wyoming offers an amendment to the committee amendment.

Mr. WARREN. Yes.

The PRESIDENT pro tempore. The amendment to the amendment is in order, and will be stated.

The SECRETARY. On page 13, line 19, after the numerals "$500,000," it is proposed to insert:

Provided, however, That in carrying out the purpose of this appropriation, destruction of tuberculous animals becomes necessary, there may be paid from this appropriation not more than one-third the net loss to the owner, and in no event shall there be paid more than $20 for any grade or $50 for any pure-bred animal so destroyed, or a sum greater than one which combined with the sum paid by the cooperating State, or municipality, equals the value of the animal destroyed.

Mr. WARREN. That amendment refers to the entire paragraph preceding, and comes in after the insertion of the numerals "$500,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming to the amendment reported by the committee. [Putting the question.] The Chair is unable to determine. Those in favor of the amendment will rise. [A pause.] Those opposed will rise. [A pause.] The amendment to the amendment is agreed to.

Mr. WARREN. Mr. President, after the word "*Provided,*" in line 19, I think the word "*further*" should be inserted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wyoming to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on the committee amendment as amended.

Mr. SMOOT. Mr. President, do I understand that the words "for immediate slaughter," on line 1, page 14, are still in the amendment?

The PRESIDENT pro tempore. They are still in the amendment.

Mr. KENYON. Mr. President, I do not have my papers here, nor a letter I received from the Agricultural Department concerning these words "for immediate slaughter." I think there was very little discussion in the committee about that matter. I do not believe it is very well understood now. The Agricultural Department are very strongly of the opinion that those words should go out.

There are two phases of that. Nobody wants to spread tuberculosis, of course, among cattle; but there are instances of this kind among blooded cattle that are shipped from one State to another: One may have a pedigreed bull that is of great value. When it gets to the other State it may respond to this tuberculin test. There is no way then to bring it back to the owner or to the party who may have sold it, but it must be immediately killed. Now, it could be brought back under the regulations of the Department of Agriculture, and, under the system which they designate, I think, as the Bang system, with absolute protection against the spread of the disease. That animal can be brought back and used in developing the herd. Tuberculosis in cattle is not handed down by heredity; it comes from contact; so that these animals that may have it, and may respond to the tuberculin test, are serviceable for breeding purposes. The herd of cattle at the Soldiers' Home here, I understand, was entirely developed from that class of cattle; and there are other instances of the kind which I might narrate.

I think the words "for immediate slaughter" ought to go out. I think the matter will be safe enough in the regulations which the Department of Agriculture will establish. At a later time I shall put in the RECORD the letter I received from the department along that line, with the hope that the conference committee may consider it.

The PRESIDENT pro tempore. The question is upon agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. SMITH of Georgia. Mr. President, the Senator from Iowa [Mr. KENYON] stated that tuberculosis is not handed down by heredity. Do cattle occupy a different position from human beings in that regard? Medical investigation and medical conviction are most clear that tuberculosis is in a sense a hereditary disease, and is handed down.

Mr. KENYON. As to cattle, it is only produced by contact. It is not handed down by heredity, so the experts of the Department of Agriculture say.

Mr. SMITH of Georgia. The life insurance companies reject the children of persons who have had tuberculosis.

Mr. KENYON. There is no doubt about that.

Mr. SMITH of Georgia. And unquestionably there is at least a physical condition attached which is handed down, and makes the disease probable.

Mr. KENYON. I understand so.

Mr. SMITH of Georgia. And my vote for the immediate slaughter was because I am very anxious that they shall not send any of that class of animals into my immediate section, or anywhere.

Mr. KENYON. So am I. I agree with the Senator entirely as to that, but under the Bang system they can be transported with no danger of contagion.

Mr. WARREN. Mr. President, responding to the inquiry, I will say that there has been great study over the question whether the disease of tuberculosis is not transmitted through the milk of the cows, and in that way transmitted from the animals to the human race. It is true that doctors disagree, but I think the predominating opinion of to-day—and it has been going that way of late years—is that it can be communicated through the milk.

The PRESIDENT pro tempore. The Secretary will state the next amendment passed over.

The SECRETARY. On page 27, the committee proposes to strike out lines 20 to 25, all of pages 28 and 29, and down to and including line 9 on page 30, with reference to the purchase and distribution of valuable seeds. The amendment was passed over at the request of the senior Senator from Utah [Mr. SMOOT].

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. SMOOT. Mr. President, I do not think it is necessary for me to take the time of the Senate this morning to discuss the action of the Senate committee upon this particular item. For a number of years past the Agricultural Committee of the Senate has taken the position that it has taken in this bill, by striking out the provision to purchase and distribute valuable seeds to the people of the United States.

As far as I am personally concerned, Mr. President, years past I have recognized that there was an evil in the distribu-

tion of seed as the seed was usually distributed; but of late, Mr. President, the seed that go into my State—and I have heard other Sena ors say the same thing—go principally to the schools of the State. The distribution has had a wonderful influence during the last three or four years upon the children of the schools. It has created in them a desire to plant, and see the fruit of the seeds grow, and gather the products produced from their efforts; and the good that has resulted can hardly be estimated and can not be counted in dollars and cents.

Mr. NORRIS. Mr. President——

Mr. SMOOT. I yield to the Senator from Nebraska.

Mr. NORRIS. I am in sympathy with the argument the Senator is making, although in the committee I voted to strike out the provision, and I have always voted to strike it out since I have been in Congress. But if we want to do what the Senator suggests has been done in Utah, and what, as far as I have been able to bring it about, especially since the war has been on, has been done in my State, then we ought to provide by law for doing that thing.

This provision does not do it. This is the same old provision that turns these seeds over to Members of Congress. If we are going to handle seeds in that way, there is not any use of putting them up in small packages and putting the individual Congressman's frank and name on them, and sending them to the schools. We ought to do it directly.

I think that at least while the war is on and we are anxious to increase production I would support an amendment along the lines the Senator has suggested; but does he not think that if we want to do that we ought to take the direct course, and do it directly instead of leaving it as it is, when, as a matter of fact there probably will be very few instances where the schools will get them? They will only get a small portion of them, anyway. If we want to appropriate for seeds to go to the school children, then, it seems to me, we ought to authorize the sending of these seeds by the Agricultural Department directly, without the intervention of Members of Congress or Members of the Senate.

Mr. SMOOT. Mr. President, there is a good deal of wisdom in the statement that has been made by the Senator from Nebraska; but I think that this, of all times, is a time when seed should be generally distributed, and thus increase the production of food. I have had this year ten times the number of requests that seed be sent to individuals that I have ever had before since I have been in the Senate of the United States; and some of the letters state that the writers would not ask for the distribution of the seeds if they could buy them in their home towns.

Mr. KENYON. Why can they not buy them?

Mr. SMOOT. I want to say to the Senator that in many sections of the country it is impossible to purchase the seed that it has been possible to in years past. The prices have soared so high and generally the amount of seed in the hands of the distributors of this country is so limited that it has not reached to the farther ends of the country, and in many places it is absolutely impossible to buy seed. If we are going to prevent the distribution of seed, let us do so at some time when it will not have so detrimental an effect upon the food production of the United States.

I know it may be said, Mr. President, that the same plea has been made in years past, that "now is not the time to do it." I can not say that I ever made that excuse, because I have believed, since the seeds have been used by the schools of my State, at least, that the distribution ought to continue. I think once or twice I have voted against the further distribution of seed, but I have changed my mind after I have seen the result of the policy that I have adopted, and I think the Congressmen of Utah generally have, of distributing these seeds not so much to individuals as to organizations, those organizations having the responsibility placed upon them to see that they are used in the proper way.

Mr. President, I do not want to take any more of the time of the Senate now, but I felt that now, of all times, we ought at least to distribute these seeds to the schools and to the individuals who really will write and ask for them, because I am quite sure that the effect will be beneficial, not only to those that receive the seeds but to all of the people of the United States.

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me, there are women's garden clubs now in every State that are asking for these seeds, that are devoting their time to using them, and I think they occupy an entirely different position from the position they occupied a few years ago.

Mr. SMOOT. The Senator is right; and I want to say to the Senator that in many of the States some of the leading papers have started a campaign for garden-truck raising. I know that last year one of the leading papers in Ogden started that propaganda, and seed was sent them from here, all that I could spare. I made a special request of the department to send additional seed to them, and I was happy to read the report of what had happened in that district from the distribution of these seeds.

Mr. SHAFROTH. Mr. President, unlike the Senator from Utah, I have always believed in the distribution of these seeds, and I have believed in it on account of the enormous production and the enormous improvement that arises from transplanting even common seed from one portion of the country to a distant portion of the country. There has been a development in agriculture, by reason of the wide-spread distribution of seed, that has been perfectly immense. When we realize the fact that all of the 3,500 varieties of apples came from the original crab, we realize that it means simply cultivation, transplanting; it means the sowing of seed under certain climatic conditions in one portion of the country and under entirely different climatic conditions in another. That alone is of immense value in improving the various varieties.

It is well known that the peach tree, which now yields 500 varieties of the most delicious fruit in the world, came originally from simply a bush that was thought to be poisonous; and, in fact, the peach seed now contains a bitterness that somewhat resembles the original taste. Those conditions arose from transplanting not necessarily fine seeds or rare seeds, but ordinary seeds, from one portion of the country to the other. You may take, also, any number of the fruits that are now being raised.

We have an illustration of that in Colorado in the Rocky Ford melon. It was not raised from a special seed; it was seed that drifted there from one place or another, and any distribution of seed produces that condition. It fell upon a peculiarly favorable soil in a very favorable climate, and it has produced a melon that is perfectly wonderful and is known throughout the entire world, as shipments are made to various portions of the entire United States; and the same thing is true of many of the other fruits.

Now, that probably can not be traced to these particular seeds that are sent out by Congress, but that is an element. The seed so distributed from various portions of the United States must of necessity find a lodgment somewhere in a way that produces a different variety. That being the case, it seems to me it is an encouragement in the line of progress which has been going on by reason of the distribution of seed. The conditions which the Senator from Utah has described magnify the importance of this appropriation. They make it so that now there will be more attention paid to the seed.

It may be said that this is somewhat of a political distribution, but that is not true. I do not believe there is a single Senator who picks out a particular line of people to whom to send seeds. He generally sends them through organizations of some kind, or else he asks them to give the seeds to people that can use them. The distribution is not in any way political. Nobody thinks of the political affiliations of the man who writes for seeds. These conditions, it seems to me, make as fair a distribution as can be devised, because each Senator and each Representative gets his allotment, irrespective of politics.

Mr. President, it seems to me that we ought to encourage the planting of seed, and when we consider what an enormous amount is produced from a little seed we can readily see that even if only a small portion of them are planted great results must follow. It may be that the seed houses do not like it, but that is not any reason why there should not be a benefit and an encouragement given to the people, especially at this time, when we need the production and are in every way facilitating the increase of agriculture.

It seems to me, therefore, that the House provision ought to remain in the bill.

Mr. WADSWORTH. Mr. President, I do not intend to discuss the general proposition of the distribution of seed. I wish simply to say that if the Senate disagrees to the committee amendment and thereby restores the language of the House bill involving a general congressional distribution of seed, I shall offer an amendment, and beg the Senate to adopt it, limiting the seed to food-producing seed. I am not yet convinced that the distribution of geraniums, tulips, hyacinths, and crocus is going to help win the war.

Mr. NORRIS. Mr. President, I am going to offer an amendment and have the Senate vote on it. I move, on page 28, line 22, commencing after the words "United States," to strike out all down to and including the word "Departments," in line 24, on page 29, and to insert the language I send to the Secretary's desk. That, I will say to the Senate, leaves the purchase of seeds in the bill, but takes out that part of the amendment which gives to Members of the House of Representatives and Senators

a quota, and authorizes them to send out the seed, and puts in lieu of that language that which I have sent to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. It is proposed to strike out all from page 28, line 22, after the words "United States," down to and including the word "Departments," in line 24, on page 29, and to insert:

Such seed shall be distributed by the Secretary of Agriculture to schools, societies, associations, and individuals under such rules and regulations as the Secretary of Agriculture shall prescribe.

Mr. GRONNA. Mr. President, a parliamentary inquiry. If I have the same print the Senator from Nebraska is reading from, he is offering to strike out something that has already been stricken out.

The PRESIDENT pro tempore. The amendment of the committee to strike out has not yet been adopted.

Mr. NORRIS. The amendment of the committee seeks to strike out certain language from the House text. It is proper at this stage and it is the proper time, I think, to move to amend the House text in any way that we may see fit. I am proposing to strike out by my amendment a portion of the House text, including other language. In other words, before we vote on striking out and before we vote on the Senate committee amendment we have a right to perfect the committee amendment and also the House text. My amendment seeks to strike out a part of the language of the House bill and put in other language; in other words, to change it, so that it takes precedence over the amendment of the committee.

Mr. SMITH of Georgia. The Senator proposes to perfect the text before we vote on the motion to strike out.

Mr. NORRIS. Exactly; that is just what I am trying to do.

Mr. JONES of Washington. Mr. President, I am not going to discuss this matter, but I ask to have the letter I send to the desk read.

The PRESIDENT pro tempore. Without objection, the Secretary will read the letter.

The Secretary read as follows:

CLOVERLAND, WASH., *February 12, 1918.*

W. L. JONES,
Washington, D. C.

DEAR SIR: As secretary of Cloverland Grange, No. 595, of Cloverland, Wash., have been instructed to express the voice of the members of above-said grange relative to this so-called free distribution of garden seeds.

We consider it an imposition of the public from the fact that they are not free as you would have the people believe. As we as taxpayers have to bear this unnecessary burden, and all the members that have received the seeds have been instructed to return them, thus strengthening our voice on the above subject.

Yours, truly,

IRENE JOHNSON,
Secretary Cloverland Grange.

Mr. KENYON. I should like to inquire where this remarkable document is from?

The PRESIDENT pro tempore. The Chair is informed that it is from Cloverland, Wash. The letter was presented by the Senator from Washington.

Mr. KENYON. I am glad to hear the letter. It is the most remarkable indication of an awakening of the public conscience on throwing away the public money upon a lot of garden seed.

Mr. JONES of Washington. I thought it would be a rare contribution.

Mr. THOMAS. It looks like an oasis in the desert.

Mr. NORRIS. Mr. President, I wish to discuss the amendment briefly.

As I said before, I have been opposed to this congressional distribution of seeds for many years. However, I concede that if there ever was a time in the history of the country when it was justifiable it is perhaps now. That justification, however, does not go to the point, in my judgment, of dividing up these seeds among Members of Congress.

Two years ago, I think it was, I offered an amendment in the Committee on Agriculture and Forestry striking out the provision and inserting in lieu a provision permitting the Secretary of Agriculture to distribute these seeds and to send them to anyone who made a request for them. I was opposed to the entire provision, but we have had this experience year after year. The Senate, with one or two exceptions, for a great many years has stricken this out of the bill; it goes to the House and they refuse to concur in the amendment; it then goes to conference, and it is put back in the bill. That has been the experience. There has not been an Agricultural appropriation bill in the last 15 years that has not contained this congressional seed distribution when it was finally enacted into law. I offered that amendment on the floor of the Senate afterwards and it was voted down. It was voted down principally, I think, because Members of the Senate, like myself, were opposed to the entire matter. I did it on the theory that we had better get something than go into conference and get nothing, as we have always been doing.

The amendment which I have offered leaves the appropriation in the bill, and the machinery, as far as the department is concerned, is left in the bill. The same amount of seeds will be purchased, but it will not be turned over to Members of Congress. Under the provisions of the amendment the Secretary of Agriculture, under such rules and regulations as he shall determine, will send the seeds to schools, societies, associations, and individuals. It seems to me that it frees the question of the objections that have always been made, and I think with a great deal of merit, that this was just a little petty graft on the part of Congress. I do not charge that it is. I am assuming that Members of Congress are distributing the seeds in good faith, but that is the impression; that is the belief. No one denies but that the great bulk of these seeds when they are sent out, as they are, promiscuously to people are never planted. It is a waste of money; and as that letter——

Mr. VARDAMAN. Mr. President——

Mr. NORRIS. I will yield in just a moment to the Senator. As the letter the Senator from Washington had read shows it is not a free distribution. It is not getting something for nothing. It costs just as much in this way as any other way to get these seeds. It can not be done for nothing. We are not saving any money by dividing the seeds among Members of Congress and having them send them out. Now I yield to the Senator from Mississippi.

Mr. VARDAMAN. I arose to ask the Senator to give me the source of his information that these seeds are not planted. My experience and observations in the matter lead me to an entirely different conclusion from that which the Senator has stated. The people to whom I have sent seeds have planted them, and I have had applications for probably twice as many seeds as were allotted to me by the Agricultural Department for distribution.

It is my judgment that if the Agricultural Department should do its duty in the matter of selecting seeds it would be an unwise economy to discontinue the distribution. I realize, of course, that the value of the system or the policy of the Government distributing depends largely upon the character of the seeds selected and distributed. If the Agricultural Department is sending out good seeds, seeds that will increase the yield per acre of the crop and enlarge the total production of the entire country, whatever money may be spent by the Government in that way will prove a most profitable investment.

Mr. NORRIS. Mr. President, the Senator or the Member of the House who sends seeds out does not send them simply to men who make requests for them. If that was done then they would be used properly. Under the amendment I have offered, if it is agreed to, anyone wanting seeds by making a request of the Secretary of Agriculture will be able to get them. Each Member of the Senate, for instance has 20,000 packages of seeds; I believe somewhere in that neighborhood. No matter how careful he may be he must necessarily send them out more or less promiscuously, and there are lots of them that are not planted. I think almost every Member of the Congress has numerous instances brought to his attention where the seeds have not been used. The Senator's experience is different, I think, from the average if all the people to whom he has sent seeds have planted them.

The Senator asked me the question as to where I got the idea. Now, I am going to give him an actual illustration. Seven or eight years ago when I was in the House of Representatives and came down here with my family I rented my home and a tenant lived in it for a year, I think. When we got back into the house one of the things we found was a whole lot of congressional seeds bearing the frank of a Representative from our State. The tenant not only had those packages there in the kitchen but he had another bunch of seeds, the packages unopened, bearing the frank of one of the Senators from our State. I am not accusing the men who send the seeds. They did their duty probably, but I have felt that it was my duty to send them out, although there may be a question about that. However, there are thousands of instances of that kind. If you could go through the country after the seed distribution is made you would find thousands of instances where the seed is simply thrown away.

Mr. KENYON. Mr. President——

Mr. NORRIS. In just a moment I will yield. You will find this, too, that if this amendment is agreed to, everyone who wants Government seeds and will go to the pains of writing a letter can get them, and, as far as he is concerned, get them free. That is still left in the bill. It is not interfered with. It takes it away from the Representatives and Senators and that is something that ought to be taken away from them. It does not pertain to any of their official duties to look after these matters. Now, I yield to the Senator from Iowa.

Mr. KENYON. I wish to call the Senator's attention, and that of the Senator from Mississippi also, to the fact that in the urgent deficiency bill there is an appropriation of $4,000,000 to be used as a revolving fund for the purchase of seeds where it is essential to send them out. That ought to be sufficient. I shall support the Senator's amendment, because it is better than the original amendment, but the whole thing of sending out these seeds has come to be a howling farce.

Mr. VARDAMAN. Mr. President——

Mr. NORRIS. I yield to the Senator from Mississippi.

Mr. VARDAMAN. Of course, I do not know whether the American people regard it as a howling farce or not. It is a custom which has prevailed for a great many years. It has stood the test of trial; the American people have at least expressed tacitly their approval of the farce; and since they are to pay the expenses of the farce, and they want the farce, and the farce has been beneficial to them, I am not inclined to relieve them of the benefits of the farce.

A gentleman said to me a moment ago—a Member of the other House—and it recalls the fact that I have received a great many letters in which the same statement is made to me, "If you have them, send me the character of seeds, the variety, that you sent me last year"—radishes or some other vegetable. There may be a great many instances where they are thrown in the waste basket—I do not know about that—but if the Government of the United States, through the Secretary of Agriculture, can distribute over the country an improved variety of seeds from which there will grow plants that will increase the yield to the farmer, it is, I repeat, a wise economy; it is a good investment.

In answer to the suggestion that the Government has appropriated $4,000,000 to be used to buy seeds for the farmers, that, of course, is to meet this war emergency. It is a war measure, and I approve it most heartily. I do not know that any of that seed to be distributed will go to the State which I have the honor, in part, to represent—I think the people there are pretty well supplied—but evidence has doubtless been brought to the attention of Congress or the Senate that seeds are needed, and I think it prudent to make the appropriation to meet the demands.

I want to say that I very much prefer that these seeds should be distributed through the Secretary of Agriculture. It would relieve me as a Senator.

Mr. NORRIS. Then I suppose the Senator will support my amendment.

Mr. VARDAMAN. So far as I am personally concerned it would be agreeable to me. I should like to be relieved of the labor of distributing the seeds, but the present method has been in vogue so long that I see no necessity for a change. A great many people who want the seeds will receive them under the present system or method of distribution who would not know how to get them if the Senate should adopt the amendment offered by the Senator from Nebraska.

Mr. GALLINGER. Will the Senator permit me?

Mr. NORRIS. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, on several former occasions I have taken exceptions to the action of the Senate committee in striking out this provision, but my mind remains unchanged on the subject. I was attracted by the suggestion of the Senator from Nebraska that Senators and Representatives in Congress are sometimes accused of practicing petty graft in sending out these seeds. It is inconceivable to me that any Representative in either House of Congress would make any political capital by sending out a few seeds. More likely he would be criticized by those who did not get them.

I make use of the seeds that I get. In one sense it is immaterial whether I get them or not. It is my habit to send them largely to schools. I have sent more than one-half the quota this year to schools. I commenced that a few years ago, and I know they have been planted, and the results have been very satisfactory. In addition to that I am getting many letters every day, and I have reason to believe that by the time planting comes around all the seeds sent by me for distribution will be distributed to people who really want them and who will use them.

The objections I have to the Senator's amendment is that the Secretary of Agriculture might not act as wisely as I have done in sending the seeds to schools. I have written to the head masters and superintendents of schools over the State asking if a movement of that kind might not be inaugurated to advantage, and we have got their cooperation.

Undoubtedly there is a great deal of waste in this matter, just as there is in the Agricultural Yearbook. I sent out 800 copies of the Yearbook of last year, and I did not get a single reply from the men to whom I sent them. I did not write letters, but I sent them through the mail, and I presume that a very large portion of those will be found in the kitchen or on a shelf somewhere or down cellar, and not read; but that is no reason why we should abolish the printing of the Agricultural Yearbook.

So this is at best but a trifling matter, and the fact that the Government has recognized its necessity to the extent of appropriating $4,000,000 in another bill, indicates that the $200,000, more or less, that we have been in the habit of appropriating year by year must have been a wise action on the part of Congress, because the Government is now recognizing it to the extent of appropriating $4,000,000. I have little hope that the amendment offered by the Senate committee will be defeated, but I know just as well as the Senator from Nebraska knows that this provision will appear in the law, beyond a question.

Mr. NORRIS. Mr. President, I want to take this occasion to commend the course which has been taken by the Senator from New Hampshire in the distribution of seeds. This amendment simply perfects that proposition, as I understand it. In my weak way I have tried to do the same thing, and I found cooperation. I find it this year. I have made arrangements to send these seeds mostly to schools, and, as a rule, they have organized.

I can see how that would not only assist in producing food, which we are all anxious to assist in producing, but it would cultivate in the minds of the children where they have cooperative gardens or school grounds or vacant lots ideas of economy and ideas of agriculture which will result in good. But, Mr. President, do we want to do that now—something that we command directly by law—or do we want to say that 20,000 packages of seed shall be given to each Member of the Senate and to each Member of the House of Representatives, and that they may send them out as they please? There are very few Members of Congress who will do as the Senator from New Hampshire has done. The great bulk—I think the great majority—of these packages are absolutely wasted, and that is a loss that we ought to avoid, especially in these times.

This amendment, as I have before stated, does not take away the appropriation; it does not take away any of the seed; but it takes the control away from Members of Congress and puts it where it ought to be, I think, in the hands of the Agricultural Department. I commend the provision in the other bill, which has been mentioned by the Senator from Iowa and the Senator from New Hampshire, appropriating $4,000,000 for seed. I expect to support it, though I would not support it every year. This, however, is a year when I shall support it gladly. This amendment will have a tendency to put what were known as congressional seeds in that same class. It will be found, if Senators read the provisions of that bill, that it does not divide the seeds up among Members of Congress to be distributed by them as is provided under this provision. To get the best results, then we ought when the bill appropriating $4,000,000 comes before the Senate, to amend it so as to provide that the Secretary of Agriculture shall divide the seeds up among Members of Congress.

I do not suppose there is a Member of either House who would think for a moment of suggesting that; but that is what we do with this $243,000, which we are appropriating in this bill, if the bill as it came from the House remains unamended.

I do not care to discuss the matter any further, Mr. President; but I should like to have a roll-call vote on this amendment, as I presume there will be a roll-call vote on the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment which has been offered by the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. I ask for the yeas and nays on the amendment to the committee amendment.

Mr. JONES of Washington. Mr. President, several Senators have asked me to make a point of no quorum in case this matter came to a vote, as they desired to be present. So I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Beckham	Johnson, S. Dak.	Page	Swanson
Borah	Jones, N. Mex.	Poindexter	Thomas
Brandegee	Jones, Wash.	Pomerene	Thompson
Calder	Kendrick	Ransdell	Tillman
Curtis	Kenyon	Reed	Townsend
Dillingham	King	Saulsbury	Vardaman
Fernald	Lewis	Sheppard	Wadsworth
France	Lodge	Sherman	Walsh
Gallinger	McKellar	Shields	Warren
Gore	McLean	Smith, Ga.	Watson
Gronna	Martin	Smith, Md.	Weeks
Hale	New	Smith, Mich.	Williams
Harding	Norris	Smoot	Wolcott
Hardwick	Nugent	Sterling	
Henderson	Overman	Stone	
Hollis	Owen	Sutherland	

Mr. GONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Sixty-one Senators have answered to their names. There is a quorum present. The question is on the amendment to the committee amendment which has been offered by the Senator from Nebraska.

Mr. NORRIS. I ask for the yeas and nays, Mr. President.

The PRESIDENT pro tempore. Is the demand seconded?

Mr. VARDAMAN. A parliamentary inquiry, Mr. President. Are we about to vote on the amendment to the amendment that has been offered by the Senator from Nebraska?

The PRESIDENT pro tempore. That is the pending amendment. The question is on seconding the request for the yeas and nays. [A pause.] The Chair can not grant the yeas and nays, the number of Senators requesting them not being sufficient. The question is on the amendment of the Senator from Nebraska to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question recurs on the amendment of the committee.

Mr. WADSWORTH. I offer the amendment to the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 27, line 22, after the word "valuable," it is proposed to insert "food producing"; on page 28, line 8, after the word "valuable," to insert "food producing"; on page 28, line 14, before the word "seeds," to strike out "and flower"; and on page 30, line 7, after the word "valuable," to insert "food producing" and on page 30, line 8, after the word "valuable," to insert "food producing," so as to read:

Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable food-producing seeds, bulbs, trees, shrubs, vines, cuttings, and plants; all necessary office fixtures and supplies, fuel, transportation, paper, twine, gum, postal cards, gas, electric current, rent outside of the District of Columbia, official traveling expenses, and all necessary material and repairs for putting up and distributing the same; for repairs and the employment of local and special agents, clerks, assistants, and other labor required, in the city of Washington and elsewhere, $242,320. And the Secretary of Agriculture is hereby directed to expend the said sum, as nearly as practicable, in the purchase, testing, and distribution of such valuable food-producing seeds, bulbs, shrubs, vines, cuttings, and plants, the best he can obtain at public or private sale, and such as shall be suitable for the respective localities to which the same are to be apportioned, and in which same are to be distributed as hereinafter stated, and such seeds so purchased shall include a variety of vegetable seeds suitable for planting and culture in the various sections of the United States: *Provided*, That the Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packeting, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. An equal proportion of five-sixths of all seeds, bulbs, shrubs, vines, cuttings, and plants shall, upon their request, after due notification by the Secretary of Agriculture that the allotment to their respective districts is ready for distribution, be supplied to Senators, Representatives, and Delegates in Congress for distribution among their constituents, or mailed by the department upon the receipt of their addressed franks, in packages of such weight as the Secretary of Agriculture and the Postmaster General may jointly determine: *Provided, however*, That upon each envelope or wrapper containing packages of seeds the contents thereof shall be plainly indicated, and the Secretary shall not distribute to any Senator, Representative, or Delegate seeds entirely unfit for the climate and locality he represents, but shall distribute the same so that each Member may have seeds of equal value, as near as may be, and the best adapted to the locality he represents: *Provided, also*, That the seeds allotted to Senators and Representatives for distribution in the districts embraced within the twenty-fifth and thirty-fourth parallels of latitude shall be ready for delivery not later than the 10th day of January: *Provided, also*, That any portion of the allotments to Senators, Representatives, and Delegates in Congress remaining uncalled for on the 1st day of April shall be distributed by the Secretary of Agriculture, giving preference to those persons whose names and addresses have been furnished by Senators and Representatives in Congress and who have not before during the same season been supplied by the department: *And provided, also*, That the Secretary shall report, as provided in this act, the place, quantity, and price of seeds purchased, and the date of purchase; but nothing in this paragraph shall be construed to prevent the Secretary of Agriculture from sending seeds to those who apply for the same. And the amount herein appropriated shall not be diverted or used for any other purpose but for the purchase, testing, propagation, and distribution of valuable food-producing seeds, bulbs, mulberry and other rare and valuable food-producing trees, shrubs, vines, cuttings, and plants.

Mr. WADSWORTH. Mr. President, I think the object of the amendment which I have sent to the desk is plain. It is simply to confine the distribution of seeds, bulbs, trees, shrubs, vines, and cuttings to those which can be of economic use to the country.

Mr. GALLINGER. I will ask that the first part of the amendment be again read.

The PRESIDENT pro tempore. The Secretary will read as requested.

The SECRETARY. On page 27, line 22, after the word "valuable," it is proposed to insert the words "food-producing," so as to read:

Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable food-producing seeds, bulbs, trees, shrubs, vines, cuttings, and plants.

Mr. GALLINGER. Will not the Senator put in the word "and" after the word "seeds," so that it will read "food-producing seeds and"?

Mr. WADSWORTH. "Food-producing seeds and bulbs"?

Mr. GALLINGER. Yes; bulbs are hardly food producing.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New York to the amendment reported by the committee.

Mr. SMOOT. Mr. President, I can not see why that amendment should be adopted. The distribution of seeds this year will be made exactly as it has been made in the past, and the adoption of this amendment may restrict the distribution to certain kinds of seeds. I can not see why the Senator offers the amendment.

Mr. WADSWORTH. I will endeavor to explain, Mr. President. Here in the Senate we have heard of the great value to the country, and particularly to the rural districts, of the distribution of seed, and a certain amount of money is appropriated by this item for that purpose, amounting, I think, to $243,000. The item as it now reads permits the distribution not only of vegetable seeds, but also of flower seeds. I humbly submit that at this time if it is necessary, as it has been contended, to supply more seeds to the farmers, we should confine them to seeds that will produce food. I can not understand why anybody at this time, in view of the situation, should insist that there be sent out the usual quota of geranium seeds or hyacinth bulbs or tulips and pansies, buttercups, or daisies, or whatever they may be. We are not going to win the war with such things. My suggestion is that the distribution be confined to seeds that will be of some real value. It may be that the suggestion is unorthodox, but I submit it for the action of the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York to the amendment reported by the committee. [Putting the question.] The Chair is unable to determine. Those in favor of the amendment to the amendment will rise. [A pause.] Those opposed to the amendment will rise. [A pause.] The amendment to the amendment is rejected. The question recurs on the adoption of the committee amendment.

Mr. GORE. I wish to give notice that that amendment will be renewed in the Senate, and I will then ask for a record vote upon it.

The PRESIDENT pro tempore. The question is on the adoption of the amendment reported by the committee. [Putting the question.] By the sound the ayes seem to have it.

Mr. VARDAMAN. I ask for a division.

The PRESIDENT pro tempore. A division is called for.

Mr. SMITH of Georgia. The amendment of the committee strikes out the seed provision.

Mr. GALLINGER. That is right.

The PRESIDENT pro tempore. Those in favor of the amendment striking out the provision for the distribution of seed will rise.

Mr. SMITH of Georgia. Mr. President, the action of the committee strikes the provision from the bill.

The PRESIDENT pro tempore. So the Chair stated.

Mr. SMITH of Georgia. I understood the Chair to say "those in favor of the provision as to seeds will rise."

The PRESIDENT pro tempore. The Chair stated, and thought distinctly, that the question was on striking out, according to the committee amendment, the provision for the distribution of seed. Those in favor of agreeing to the amendment reported by the committee will rise and be counted. [A pause.] Those opposed to the amendment will rise and be counted. [A pause.] The amendment reported by the committee is lost. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over is on page 46, where it is proposed to strike out the paragraph beginning with line 8, as follows:

Whenever, during the fiscal year ending June 30, 1919, the Secretary of Agriculture shall find that the expenses of travel can be reduced thereby, he may, in lieu of actual traveling expenses, under such regulations as he may prescribe, authorize the payment of not to exceed 2 cents per mile for a motorcycle or 6 cents per mile for an automobile, used for necessary travel on official business in the Forest Service: *Provided*, That there shall be no payment of mileage for the use or travel of motorcycle or automobile furnished or owned by or maintained by the Government of the United States.

The PRESIDENT pro tempore. The question is on the adoption of the committee amendment.

Mr. SMOOT. Mr. President, I ask that this amendment go over because the Senator having the bill in charge happened to be temporarily absent from the Chamber and there was nobody in the Chamber to explain why the committee adopted the amendment.

It seems to me that by striking out this proviso we open the door for undue charges for the use of automobiles or motorcycles in the forest reserves; and the proviso, as I stated yesterday, is the wording that has been adopted in most of our appropriation acts. I can not see why the action of the committee should be sustained. I think that the provision as put in the bill by the House is a protection against extortionate charges by employees of the Government who happen to use an automobile or a motorcycle belonging to themselves. The charge is limited by the House provision, and I do not think the amount named in the bill is an excessive one; but I do believe that there ought to be a limitation. I therefore hope that this amendment will be defeated, unless some adequate explanation of it can be made by the chairman of the committee.

Mr. GORE. Mr. President, this provision, of course, was inserted by the House. Some time ago rules and regulations were adopted which provided for the payment of from 2 to 6 cents a mile to officers in the Forestry Service for the use of their own cars. That was afterwards modified so that the payment could only equal the cost of operation. That, I understand, is the rule and regulation now. The committee was rather under the impression that officers who are already in the employ of the Government, and who had their own machines, probably ought to be required to operate them, as they are now required to operate them, at cost. When you permit these officers to charge from 2 to 6 cents a mile it is a pretty high charge for running their own cars in their own business. We thought it might possibly lead to abuse. The department evidently thought so or they would not have adopted the subsequent regulation, although I am not familiar with the history of the change limiting it to the cost of operation.

Mr. SMOOT. Do I understand the Senator to say that the employees of the Government are charging 2 cents a mile for using a motorcycle for their own purposes?

Mr. GORE. That is not true now; no, sir. They are limited now to the cost of operation. Under a previous order, though, officers of the Forestry Service did charge and were paid for operating their own motorcycles and automobiles in the public service. The Committee on Agriculture and Forestry rather thought that ought to be stopped, or at least not reauthorized.

Mr. SMOOT. Mr. President, I am fearful that under the present law, limiting it to actual cost, the charge will exceed 2 cents a mile for a motorcycle or 6 cents a mile for an automobile; and the House provision is that that charge can only be made in case they are traveling on official business of the Forest Service. The Senator knows that wherever a man is traveling in the forests, in the mountains, uphill and downhill, the wear and tear of his automobile and the cost of oil and gasoline are going to amount to at least 6 cents a mile; and if you allow the actual cost to be charged there is no telling what the amount claimed might be. One man will say that the cost is so much per mile, and another man will say it is so much per mile. One will figure in the wear and tear of his machine, and another will not; and there will be no stable price charged or allowed for such travel.

Mr. GORE. If there is any justification at all for such a charge on the part of such officers, the charge certainly ought to equal the cost of operation.

Mr. SMOOT. I agree with the Senator.

Mr. GORE. We have authorized the purchase of a number of automobiles, and it has been the policy of the Government heretofore to pay for them, and I suppose they have a good many on hand now. This seems to be in addition and supplemental to that.

Mr. SMOOT. I agree with the Senator that the charge should not be more than the actual cost; but I believe that if the House provision is stricken out we will never pay for only the actual cost. I think some will put in a bill for more than the actual cost, and perhaps some less. I think it would be very much better to state specifically what the Government will pay. If this is too much, lower the price; but let us have a fixed price that all will know what to charge.

Mr. GORE. I will say to the Senator that the Comptroller of the Currency, as I am now informed, has ruled that the department had no authority to pay more than the cost of operation.

Mr. SMOOT. Under the law?

Mr. GORE. Under the law.

Mr. SMOOT. Yes.

Mr. GORE. For that reason the practice of paying them so much a mile was stopped, and they are limited now to the cost of operation.

Mr. SMOOT. As I understand, Mr. President, the law is now that they shall pay the actual cost, and, of course, under that law the comptroller could rule in no other way; but this is an amendment to that as far as the Forest Service is concerned. I believe that the House provision is a wise one and ought to be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

On a division, the amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over will be found on page 61, and was passed over at the instance of the Senator from Mississippi [Mr. VARDAMAN]. The committee proposes to insert on line 14, after the word "birds," the words "and any act of Congress to give effect to the treaty with Great Britain relating to migratory birds," so that, if amended, the paragraph will read:

For all necessary expenses for enforcing the provisions of the act approved March 4, 1913 (37 Stat. L., 847, 848), relating to the protection of migratory game and insectivorous birds, and any act of Congress to give effect to the treaty with Great Britain relating to migratory birds, and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, $50,000.

Mr. SMOOT. Mr. President, yesterday I made a statement in relation to this amendment, based upon information that I had received just before I made the statement which I find is not altogether correct. The treaties between Great Britain and this country relating to migratory birds have been agreed to by both countries; but there is a bill that passed the Senate giving effect to these treaties, and it is now in the House of Representatives, and has not passed the House, although it passed the Senate. I believe that this amendment is a good one and ought to be adopted.

Mr. McCUMBER. Mr. President, I desire to state to the Senator from Utah that the treaty was made in December, 1916; but while the treaty made all necessary provision for the protection of migratory birds, of course it carried no appropriation with it, and none of the rules and regulations by which the conditions of the treaty are to be carried out. It seems to me that we ought not to wait to take a chance with the bill before the House, but that it may as well be placed in this bill.

Mr. SMOOT. I agree with the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment passed over.

The SECRETARY. The next amendment passed over will be found at the foot of page 92, where the committee proposes to insert the following paragraph, beginning on line 21——

Mr. GORE. I will ask that the substitute which I sent to the desk be read in lieu of the committee amendment.

The PRESIDENT pro tempore. The Chair is not informed where the substitute sent up by the Senator is.

Mr. GALLINGER. Let the committee amendment first be read, and then we will better understand the substitute.

The SECRETARY. The committee proposed to insert, beginning on line 21, page 92, the following words:

To enable the Secretary of Agriculture to establish plants for the drying or dehydration of vegetables, fruits, and other edible products, in connection with the land-grant colleges in the several States, $250,000: *Provided*, That the Secretary of Agriculture may establish such plant at some other location in any particular State whenever in his judgment the public interest would be subserved thereby: *Provided further*, That the Secretary of Agriculture may, in his discretion, establish such plant in any particular State in cooperation with States, counties, municipalities, individuals, or associations not organized for profit, in which case the Secretary of Agriculture shall not pay more than one-half of the cost of establishing such plant.

The Senator from Oklahoma [Mr. GORE] proposes, in lieu of those words, the following:

To enable the Secretary of Agriculture to establish and operate plants for the drying or dehydration of vegetables, fruits, and other edible products, including the erection or rent of necessary buildings and cooperation with plants maintained and operated for the manufacture of such products, to purchase raw material, to standardize, sell, or otherwise dispose of dried products, and for all necessary expenses, including salaries in Washington and elsewhere, $250,000, which sum shall be immediately available upon the passage of this act, and this fund may be used as a revolving fund until June 30, 1919.

The Senator from Nebraska [Mr. NORRIS] offered as an amendment to this proposed amendment, and it was pending at the time the amendment was considered on yesterday, the following:

Provided, That the Secretary of Agriculture is hereby authorized, upon request of the President, to use all or any part of this appropriation for the establishment of such plant or plants at any place in the United States for the purpose of supplying food for the Army and Navy.

Mr. THOMAS. Mr. President, I should like to inquire of the Senator having charge of the bill whether this appropriation is needed. I understand that the business of dehydrating vegetables is an active one and is pursued by private enterprise. It is not an experimental affair, but it is demonstrably a success. The business is pretty firmly established in a number of places in the United States; and, unless my information is incorrect, I am unable to perceive the necessity for this appropriation, unless it be that the Government proposes to take over that business or engage in it in competition with citizens.

Mr. GORE. Mr. President, I will say that the business is being engaged in to some extent. Since the falling off in the drying of hops the establishments on the Pacific slope have been turned largely to the dehydration of fruits and vegetables. It is an industry, however, that is in its incipiency. The committee was of the impression that, in view of the present threatened food shortage, nothing could be done which would accomplish so much in proportion to the money expended as the stimulation of this business, which is comparatively new in the United States.

I may say that in Germany there are between 1,000 and 2,000 of these dehydration plants. They dehydrate some 800,000,000 bushels of potatoes annually. They dehydrate twice as many potatoes as we produce in the United States. This largely accounts for the great resisting power of the German Empire—the dehydration of vegetables and the preservation of practically everything. Under this system there is substantially no waste.

There is one concern in Canada which is turning out 40,000,000 pounds annually, under the supervision of the British Government, furnishing supplies for the British Army. As I say, the business is carried on upon a very limited scale in this country.

One illustration: One carload of dehydrated tomatoes is equivalent to 30 carloads of canned tomatoes, and quite as nutritious, and almost, if not quite, as palatable.

Mr. THOMAS. Mr. President, if the Senator will permit me, I am not questioning the value of the process. Indeed, I think it is one of the most useful, and at the present time one of the most needed, methods of economizing and conserving food. My inquiry is devoted rather to the question whether the Government should at the present time be required to go into the business, when, its success having been established, it is the subject of private enterprise all the country over?

Mr. GORE. Mr. President, so far as I know this is limited to the Pacific coast and has grown out of the falling off of the hop-drying business. The matter came to my attention originally through a representative of Gov. Stephens, of California, who sent a man here to Washington to impress the importance of this industry upon the attention of those in authority, and the possibilities which this business afforded greatly to enhance our food supplies and to avoid the waste in perishable stuffs, which too often occurs in this country. Now, this process practically abolishes the perishability of foodstuffs. It makes them all nonperishable, or, we might say, it makes the summer perpetual. I am sure that there are not facilities in this country to meet what the Government demands might amount to if the stuff were available.

To illustrate the keeping qualities of dehydrated vegetables and fruits, I may say that one concern that was supplying materials of this sort to the British Government during the Boer War had certain supplies left on hand. They sealed them up, and they were called on during the present war to know if they could furnish supplies of these materials again. They still had on hand the surplus left over from the Boer War. They opened it up and found that it was as good as it was when it was put up. Of course, it is not necessary to say that to the Senator, but the committee thought that the enormous possibilities involved in this project would justify the outlay.

Mr. THOMAS. Mr. President, as I stated before, I do not question the value of this process and the necessity of adapting it to the preservation of our foodstuffs at the present time. I question only the expediency or the necessity of experimental governmental plants regarding a subject that has been demonstrably a success. Now, $250,000 certainly will not establish plants of sufficient capacity to increase very materially the food supply, and certainly not for the supply of the needed vegetables to the Army.

Mr. GORE. I will say to the Senator that the one concern in Canada that is turning out 40,000,000 pounds annually cost $200,000.

Mr. THOMAS. Well, 40,000,000 pounds annually is a great deal, relatively, but it is hardly worth considering in connection with the demands now made upon this Nation for foodstuffs. I happen to know, through the agency of one of the attachés of the Food Commission, who is from my State, that the drying apparatus of the various beet-sugar factories of the West is now used to increase this supply. I also know, through him, that a number of plants for this purpose are being erected; and at this time, when the needs for money are so great, I do not think we should devote sums to objects that are not positively and directly and obviously necessary.

Mr. GORE. I appreciate the Senator's point of view, and I will say that the committee acted a good deal on the principle that inspired us when we established munition plants. Under ordinary circumstances, I myself should not favor the Government embarking on this enterprise; certainly not beyond a mere demonstration work.

WAR FINANCE CORPORATION.

The PRESIDENT pro tempore. The Senator will suspend. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 3714.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

Mr. SIMMONS. I ask that the Secretary state the pending amendment.

Mr. CURTIS. Before that is done, Mr. President, may I ask a question of the Senator from Oklahoma?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Kansas?

Mr. SIMMONS. I do.

Mr. CURTIS. I will ask the Senator from Oklahoma if he expects to call up the Agricultural appropriation bill again before to-morrow?

Mr. GORE. I feel certain that there will be no possibility of bringing up the bill again this afternoon, but the Senator from North Carolina will be better authority than I am on that subject.

Mr. CURTIS. Does the Senator from North Carolina think the pending bill will take all the afternoon?

Mr. SIMMONS. I think the bill before the Senate will probably occupy the remainder of the day.

Mr. CURTIS. The reason why I asked the Senator is because a Senator wishes to be here when the vote is taken on the eight-hour proposition, and I wanted to notify him if necessary.

Mr. SIMMONS. I ask that the first amendment passed over be stated.

The SECRETARY. The next amendment passed over was, in section 7, on page 13, to strike out lines 1 to 8 in the following words:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, the corporation may, under rules and regulations to be prescribed by the corporation, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided.

And in lieu thereof to insert:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may, under rules and regulations to be prescribed by such committee, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale, or offering for sale or for subscription, of securities, as hereinafter provided. Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment passed over will be stated.

The SECRETARY. The next amendment was passed over at the request of the junior Senator from New Hampshire [Mr. HOLLIS], on page 16, line 2, to strike out "$5,000" and insert "$1,000."

Mr. SIMMONS. Mr. President, I am going to suggest the absence of a quorum, because I think some Senators who are

interested in the amendments were not aware of the fact that we were going to take up the bill at this time.

The PRESIDING OFFICER (Mr. KING in the chair). The absence of a quorum having been suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Johnson, Cal.	Page	Thomas
Beckham	Jones, N. Mex.	Poindexter	Thompson
Culberson	Jones, Wash.	Pomerene	Tillman
Curtis	Kendrick	Reed	Townsend
Dillingham	Kenyon	Saulsbury	Trammell
Fernald	King	Sheppard	Underwood
Fletcher	Lewis	Sherman	Vardaman
France	McCumber	Simmons	Walsh
Gallinger	Martin	Smith, Ga.	Warren
Gore	Nelson	Smith, Md.	Watson
Gronna	New	Smith, S. C.	Williams
Hale	Norris	Smoot	Wolcott
Hardwick	Nugent	Sterling	
Henderson	Overman	Stone	
Hollis	Owen	Sutherland	

The PRESIDING OFFICER. Fifty-seven Senators having answered to their names, there is a quorum present. The Chair calls the attention of the Senator from North Carolina to the fact that there are a number of amendments passed over, which have not received the attention of the Senate, on page 14. They will be stated by the Secretary.

Mr. SIMMONS. Very well.

The SECRETARY. On page 14, line 8, strike out the words "the corporation" and insert "such committee."

The amendment was agreed to.

The SECRETARY. On the same page, lines 12, 13, and 14, strike out the words "the corporation. The corporation shall, however, grant licenses for any such sale or any such offer for sale or for subscription which it shall determine to be consistent with the foregoing purposes" and insert "such committee."

The amendment was agreed to.

The SECRETARY. On the same page, line 18, strike out the following words:

Any securities which upon the date of the approval of this act are in the possession or control of, or have been hypothecated by, the corporation, association, or obligor issuing the same, shall not be deemed to have been issued prior to the date of the approval of this act, within the meaning hereof.

And insert:

Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby.

The amendment was agreed to.

The SECRETARY. On page 15, lines 2 and 3, strike out the words "the corporation" and insert "such committee."

The amendment was agreed to.

The SECRETARY. On the same page, lines 10 and 11, strike out the words "the corporation" and insert "such committee."

The amendment was agreed to.

The SECRETARY. On the same page, line 15, strike out the words "the corporation" and insert "such committee."

The amendment was agreed to.

The SECRETARY. On the same page, in line 17, strike out the words "the corporation" and insert "such committee."

The amendment was agreed to.

The SECRETARY. On the same page, in section 8, line 21, strike out the word "order" and the comma and insert "or of any."

The amendment was agreed to.

The SECRETARY. The next amendment passed over is on page 16, at the request of the junior Senator from New Hampshire [Mr. HOLLIS], to strike out "$5,000" and insert "$1,000," so as to read: "shall upon conviction in any court of the United States of competent jurisdiction be fined not more than $1,000," and so forth.

Mr. HARDWICK. Is it in order now to offer an amendment other than a committee amendment?

The PRESIDING OFFICER. Not until we have concluded the committee amendments.

Mr. HOLLIS. Mr. President, I asked to have this amendment passed over last week in order that I might direct the attention of Senators to what this paragraph seeks to accomplish. The paragraph provides punishment by confinement in State prison and by fine for any person who violates any rule or regulation provided in the bill. There is provided in the bill a committee on capital issues, to be appointed by the Federal Reserve Board. They are to provide rules and regulations under which capital issues may be issued. It seems to me that the Senate ought not to allow a State-prison penalty to be attached to a violation of a rule laid down by a committee of the Federal Reserve Board without considering the subject carefully. That was my only object in bringing the matter up.

Mr. HARDWICK. Mr. President, I earnestly hope that the amendment will not be agreed to; and after the committee amendment is voted down, I think all this third section should be stricken out by the Senate except that part of it which makes it unlawful to violate any provision of the act.

I very much doubt, Mr. President, whether, if the Senate understands the question, it will vote to make it a penal offense for people to violate the regulations of a board or a committee or a bureau. Those regulations may be constantly shifting and changing. I very much doubt the power of Congress to delegate its legislative authority in any such manner and to provide that citizens of the United States shall be put in the penitentiary or shall be fined or shall be treated as felons because they violate, not the provisions of some statute law enacted by authority of Congress, but because they violate a bureau regulation or a committee rule.

I earnestly hope the Senate will disagree to this particular amendment of the committee.

Mr. OWEN. Mr. President, I assume that when the Senators on the floor acquiesce in these committee amendments for perfecting what the committee reported, that that shall not be understood as precluding a Senator from voting against the whole section. I am myself opposed to the whole of this section.

The capital issues committee in England was a voluntary organization. It functioned perfectly. It had the backing of the boards of trade and of the banks, and when the capital issues committee disapproved an issue as against public policy the banks and the boards of trade everywhere gave their disapproval and the issue could not be floated. The record was made before the Committee on Finance showing that to be a fact.

Here not only is a penalty for disregarding a license imposed in proposing to put a man in the penitentiary, but it even goes further and says that anyone "violating any license, order, or any rule or regulation issued hereunder." We are organizing a corporation by this bill, and the corporation would issue its rules and regulations under the authority of the bill. I think it is very ill-advised, I think it is entirely unnecessary, and I think it ought to go out, because it will not impair the operation of the bill in the slightest degree if it does go out.

Mr. HARDWICK. Mr. President, I want to detain the Senate but a moment. I suppose, although I am in thorough sympathy with the Senator from Oklahoma [Mr. OWEN], that we shall have to agree to the committee amendment, as it merely perfects the proposition and probably renders it less obnoxious than it might otherwise be.

Mr. OWEN. Yes; I merely wanted to point that out.

Mr. HARDWICK. But as soon as we get through with the committee amendments it will be in order to strike out the entire section or retain only so much as punishes for a violation of the law itself. If that is so, I want to make such a motion.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment passed over will be stated.

The SECRETARY. On page 16, line 3, after the word "than," strike out "four years" and insert "one year," so as to read: "or, if a natural person, imprisoned for not more than one year, or both."

Mr. REED. I move to amend the committee amendment by striking out the entire clause.

The PRESIDING OFFICER. The Chair begs leave to state to the Senator from Missouri that until the committee amendments are disposed of the amendment offered by the Senator from Missouri to strike out the entire section is not in order.

Mr. REED. No; the Chair did not catch my amendment. The clause before the Senate is the amendment of the committee to change "four years" to "one year." Is not that correct?

The PRESIDING OFFICER. Yes; that is the amendment before the Senate.

Mr. REED. I move to strike out the clause "imprisoned for not more than one year, or both."

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. The Senator from Missouri has the floor. Does he yield?

Mr. McCUMBER. I rise to a parliamentary question.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCUMBER. I do not think that motion is in order now simply because it includes within its scope a portion of a committee amendment, and it also includes that which is not

included in the committee amendment but is the text of the original bill, and therefore is contrary to the rule we are following to consider only committee amendments first.

Mr. REED. The construction placed by the Senator from North Dakota would not fit, that the committee amendment is dealing with the terms of imprisonment and all you can do is to lengthen or shorten the term. If I were to move to amend the committee amendment by striking out the words "one year" I would then have a clause which would be expressionless. The gist of the committee amendment is to change the reading of the clause "or if a natural person imprisoned for not more than four years" so as to read "or if a natural person imprisoned for not more than one year." The only way to get rid of the penalty altogether, it seems to me, would be simply to attack the whole clause.

Mr. McCUMBER. If the Senator will allow me I am not questioning the merits at all or the method by which the Senator seeks to accomplish what he desires to accomplish. My point is simply that he has and will have an opportunity when we get through with the committee amendments to dispose of the motion which he now makes and he is not deprived of it, but it is simply a question as to what time in the proceedings that kind of a motion would be in order.

Mr. REED. I am of the opinion that the amendment offered by the committee goes to the clause, the very spirit and soul of the clause, and I am trying now to attack the clause. I submit it to the Chair for what ruling the Chair desires to make.

The PRESIDING OFFICER. It seems to the Chair that there is very much merit in the contention of the Senator from Missouri, but the Chair is of the opinion that it carves out of the section a portion of the text which was not involved in the committee amendment and that therefore the amendment now offered by the Senator from Missouri will not be in order until the committee amendments are disposed of.

Mr. REED. Then it would not be proper, I suppose, until we get through with the bill?

The PRESIDING OFFICER. Until we get through with the committee amendments.

Mr. REED. I would then make the parliamentary inquiry, How I am at this time to get a vote that will test the question whether the Senate wants to impose the one-year penalty.

The PRESIDING OFFICER. The Chair will suggest to the Senator in reply that this is the last amendment and when it is disposed of the Chair will entertain the motion submitted by the Senator from Missouri if he desires to move to strike out any portion of the section.

Mr. REED. Rather than argue it, in view of the fact that we are right up to it, I will let it take that course, although I insist that I am right in my position.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. REED. Now I move to strike out the clause "or, if a natural person, imprisoned for not more than one year, or both."

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Missouri.

The SECRETARY. On page 16, line 2, to strike out the following words: "or, if a natural person, imprisoned for not more than one year, or both."

Mr. OWEN rose.

Mr. REED. Does the Senator from Oklahoma desire to interrupt me?

Mr. OWEN. I was going to move to strike out the entire section as a substitute, but I do not want to interrupt the Senator if he wishes to discuss that particular feature of it.

Mr. REED. What I have to say may apply to the whole question, and while I have the floor I will proceed very briefly.

I hope we are not going to get affairs in this country in such a condition that every man who has an ambition to engage in business will have to examine not only the criminal statutes but also the orders of a board sitting in Washington and composed of five men lest he be sent to the penitentiary for violating the latest order of that august body.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Indiana?

Mr. REED. I do.

Mr. WATSON. I was wondering why the Senator did not include, as a part of his amendment to strike out, the other words, over on page 15, "or of any rule or regulation issued and duly published hereunder," because that goes to the merits of the proposition the Senator is discussing and is pertinent.

Mr. REED. I will be frank with the Senator. I just came into the Chamber a moment ago from service on a committee. When I entered, this particular clause being discussed, I at once made a motion attacking the clause, because the clause was then being pressed for a vote. What little I have to say can be said now, and possibly some one who desires later to make a motion of a broader character will do so.

Mr. President, because we are at war and are therefore obliged to imperil the lives of the gallant youth of America upon the battle fields of France, it does not necessarily follow that we should place all other American citizen in jeopardy of the penitentiary if peradventure they venture to transact business of a perfectly honest character.

The bill provides—

> That there shall be appointed by the Federal Reserve Board * * * a capital issue committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may * * * under rules to be prescribed (by itself), with the approval of the Secretary of the Treasury, investigate and license or refuse to license the sale or offering for sale or offering for sale or subscription of securities. * * * No person, firm, corporation, or association shall sell or offer for sale or for subscription as a method of borrowing for capital purposes any issue or part of any issue of securities hereafter issued the par value of which shall be in excess of $100,000, except in accordance with the rules and regulations of such committee, nor when required by such rules * * * except as permitted by license granted by such committee.

Railway securities are exempted from the bill. The next section (8) provides—

> That whoever shall violate any provision of this act or of any license or of any rule or regulation issued * * * or shall violate, neglect, or refuse to comply with the license or of any rule or regulation issued and published hereunder—

shall be fined $5,000, and if a natural person sent to the penitentiary for one year.

That is the most astonishing proposition I have seen written in a bill even at this astonishing session of Congress. Let us for a moment examine its unparalleled character.

It is not proposed to send a man to the penitentiary for violating a statute solemnly drawn and aimed at some act that is malum in se, or which is at least malum prohibitum, but it is proposed to send to the penitentiary any man who shall violate certain regulations that may have been prescribed by five gentlemen to be hereafter selected by the reserve board—and they may select themselves. We propose to give this council of five authority first to destroy the credit of an institution by refusing it a license to do business, and then to send its owner to the penitentiary if in an effort he dares to escape total bankruptcy by selling his perfectly sound securities to some one who may want to buy. It is difficult to discuss a question of that kind in parliamentary language, and as this is a parliamentary body I shall have to proceed under considerable restraint.

Draco's laws provided penalties so severe that it was said they were written in blood. I sometimes think modern legislators are envious of the reputation of the ancient tyrant. But Draco's penalties were reserved for those who violated a law, while this bill sends to prison a citizen not for violating a statute passed by Congress but for refusing to obey the order of five men, not one of whom has been clothed by the people with authority to even cast a vote in a legislative assembly.

The proposition, Mr. President, is absolutely monstrous. I do not believe it would be brought forward in the German Reichstag. Why do we have legislation of that kind tendered to us? Why does any committee bring it into this body?

My attention has been so engrossed with other matters that I have not been able to give this bill the consideration it deserves. With its general purpose and scope I was in hearty sympathy, and had said I would support it; but, Mr. President, not only is section 8 wrong, but the section—section 7—that proposes to vest in any 5 men or in any 50 men on earth the right to say that securities may not be offered upon the market, if they are honest securities, is wrong in principle and will do infinite evil and no good. Like some other restrictive legislation that is being attempted, it will work the opposite of that which is intended. We try to legislate the price of an article down; but we succeed only in putting it up, because the minute we try to legislate the price down everybody knows that the article is scarce and everybody begins immediately to want it.

The main purpose of this bill is to keep the financial market open, so that the Government can float its securities and so that certain essential securities may find a ready market. If I wanted to destroy that helpful market; if I wanted to make it so that the people of the country would immediately begin to have financial shivers, to become fearful and doubtful; if I wanted to create a panic in the money market of the country, I could think of no better way than to propose to send to the penitentiary any man who dared offer to sell a share of stock or a bond.

Such a provision in the bill will do more harm than the creation of the bank can possibly do good. It is, in fact, a certification to the world that the Congress of the United States regards the financial situation as so uncertain, as so shaky, as so panicky, that it must stop the sale of securities. Just as certain as you pass that kind of law you will alarm everybody, because you tell everybody the market is weak; because you tell everybody that the market can not absorb securities; because you tell everybody that we are walking over financial quicksands and are liable to sink at any moment.

That is not the way to keep up the value of securities; that is not the way to keep up the money market. The money market is dependent upon confidence. Destroy confidence, and no matter what conditions you have, you will have hard times if you do not have panics. By the provisions I am discussing we go before the country declaring that the financial market is so bad that it can not absorb securities, even though absolutely sound and well secured. The people will certainly conclude that the financial situation is precarious and likely to go to pieces at any moment, else they will ask, why does Congress find it necessary to send honest men to prison for merely offering to sell honest, well-secured bonds?

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I do.

Mr. OWEN. May I remind the Senator from Missouri that the resources of the banking system of the United States are now shown to be over $40,000,000,000?

Mr. REED. I thank the Senator from Oklahoma for that information.

Mr. President, you can legislate to destroy confidence, you can legislate to destroy markets; but you can not by the application of force create confidence; you can not by threatening to send to the penitentiary every man, woman, and child in the United States create one dollar of value or one atom of confidence. It is said there is no new thing under the sun. The weary treadmill of the centuries is just turning over and over again, and the same old experiences return to inspire us or to plague us. These things have been tried.

I wish I had here with me Allison's History of the French Revolution. It tells how the French revolutionists undertook to bolster up the value of their assignats. The purchasing value of that money was going down, so they passed a law prescribing heavy penalties for anyone who refused to accept it at its face value; but, instead of keeping the value of their money up, they drove it down. Then then increased the penalties, and just in proportion as they increased the penalties they drove the value of the money down. Manifestly, when it becomes necessary to send a man to the guillotine in order to make him take money, the money is not worth taking. Even the French peasants in the days of the French Revolution had sense enough to know that.

All that part of this bill that proposes in any way to prohibit the citizen from offering his securities upon the market ought to be stricken out—every word of it.

Let us create this great loan bank; I am in favor of it. It is revolutionary, but these are times when we need to mobilize resources. The creation of that great loan bank will help to do that. Let us create this great reservoir, to which the essential industries of the country may go for support, and let us withhold from the benefits of that reservoir every institution that is not essential to the country in the opinion of the men that will govern this bank, and you will have already given such advantage to the concerns that you deem worthy of help, and you will have already placed at such disadvantage those that are denied the privileges of this great institution, that you will need absolutely no other power whatsoever to maintain the conditions you desire. But do not say to the citizen, "If you offer to sell a bond to a man who wants to buy, you will be sent to the penitentiary." Do not say to the individual or small corporation that is doing a legitimate business, "You shall not get any money in the market, and if you dare try we will send you to the penitentiary."

Mr. OWEN and Mr. HARDWICK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. REED. I yield first to the Senator from Oklahoma, who, I think, first addressed the Chair.

Mr. OWEN. I merely want to call the attention of the Senator to the very important fact in support of his argument that Mr. Warburg, who it seems conceived this plan, made this statement before the committee:

The British committee simply provided that anybody who wanted to issue securities had to get the O. K. of this committee.

Senator LODGE. Was this a law?

Mr. WARBURG. No; it was voluntary, but it acted at once as a law, and the result was a surprising one. The statistics are here. As a matter of fact they went so far that practically every issue of new securities stopped, municipal issues stopped, even where commitments had been made, and the Government stepped in and indemnified people where it was necessary in order to stop building operations already contracted for.

Mr. REED. I thank the Senator. I simply pause at this moment long enough to call attention to the last sentence the Senator read, to the effect that the Government stepped in and indemnified those who had sustained losses.

Mr. OWEN. Yes.

Mr. SIMMONS. It says where contracts had already been made.

Mr. REED. Yes; where contracts had already been made—showing the tremendous power that is vested in the board when we give it the machinery this bill creates, and showing also that that power may be very destructive and may injure those whom the Government has no desire to injure; and hence, in the case referred to by the Senator, indemnification had to be made.

I now yield to the Senator from Georgia.

Mr. HARDWICK. Mr. President, I merely want to suggest to the Senator that he stated a moment ago, as I remember, substantially this, that, although this bill did not provide any penal punishment for individuals, if corporations offered their stocks for sale, yet they are liable to financial penalty. Is that the substance of the Senator's statement?

Mr. REED. Yes.

Mr. HARDWICK. Well, as a matter of fact, a penal clause is provided against individuals if they offer stock for sale, because the provision is that—

any officer, director, or agent of the corporation or association, or member of any firm, who shall knowingly participate in any such violation, neglect, or refusal shall be punished by a like fine or imprisonment, or both.

So that if the officer or agent or director of a corporation offers to sell any stock contrary to the provisions of this bill he would actually go to the penitentiary.

Mr. President, while I am on my feet, if the Senator will pardon me——

Mr. REED. Certainly.

Mr. HARDWICK. I know the Senator is in thorough sympathy with what some of us are trying to do, and if the Senator would change his motion so as to strike out, on page 14, in line 13, all after the word "act," down to and including the word "shall," in line 17, then the effect of that would be not to make it a crime to do anything except to violate the law itself, which would be some improvement. Then we could take a test vote, I think, on the proposition as to whether we propose to make it a penal offense to violate the regulations. Such an amendment would leave violations of the law still penalized, but would eliminate from the bill the proposal to make violations of regulations, and so forth, punishable. I think that would be what the Senator is striking at and what a number of us would like to vote for.

Mr. REED. Now, Mr. President, let me say this in conclusion: Appealing to Senators here for their candid judgment, I insist—and I hope the chairman of the committee can concur in this—that there is no necessity in the world for any penalty. Let us see what situation will exist if this bill is passed, what powers the Government will possess, and what the condition of the financial market will be? First, we have the Federal Reserve System, which is completely controlled by a board appointed by the President, and it may now as well be taken as a fact as much so as if it had already happened, that the Federal Reserve Board will see to it that the moneys of the Federal reserve banks will never be used to help out financially the sale of stocks or bonds of any corporations which are under the ban of this commission of five men.

It is proposed now to create a bank with $4,000,000,000 potential assets. That bank will deny credit to any institution unless the institution shall have been approved by the capital issues committee. When the capital issues committee shall have refused to list as entitled to credit any institution, the effect will be almost as disastrous as it would be, yes, it will be more disastrous than it is to-day for an institution to have its stocks and its bonds stricken off a stock exchange as unworthy of consideration.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I do.

Mr. OWEN. I desire to suggest to the Senator that, under the practice already agreed upon with regard to the voluntary capital issues committee of the Treasury, a stock exchange will not list any stock that receives their disapproval.

Mr. REED. How can a company sell its stock if it has been refused the right of being listed by the capital issues committee, if, in addition to that, it has been refused the right to be listed on the stock exchanges; if, in addition to that, it is barred from the benefits of the Federal Reserve System; and if, in addition to all that, it can not under any circumstances have its stocks or bonds received as worthy of a loan by this great bank that is to absorb so much of the credits of the United States and is to become so potential a thing?

Mr. President, under those circumstances no criminal penalty is necessary. I am going to change the motion——

Mr. OWEN. Will not the Senator accept the substitute which I offered and make that his motion—to strike out section 8?

Mr. REED. That is just the motion I am going to make.

Mr. OWEN. Then I withdraw my substitute, Mr. President.

Mr. REED. Well, I will accept the substitute, if that is more agreeable. In lieu of the motion I made I am going to move to strike out all of section 8.

Mr. WATSON. What is the amendment, may I ask?

Mr. REED. To strike out all of section 8.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri.

Mr. KENYON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Iowa suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Calder	Kenyon	Poindexter	Swanson
Culberson	King	Pomerene	Thomas
Curtis	Kirby	Reed	Thompson
Fernald	Lodge	Saulsbury	Trammell
Fletcher	McCumber	Sheppard	Underwood
France	McKellar	Sherman	Vardaman
Gerry	Martin	Simmons	Wadsworth
Gronna	Myers	Smith, Ariz.	Walsh
Harding	Nelson	Smith, Ga.	Warren
Hardwick	New	Smith, Md.	Watson
Henderson	Norris	Smith, Mich.	Williams
Hollis	Nugent	Smoot	Wolcott
Johnson, Cal.	Overman	Sterling	
Jones, Wash.	Owen	Stone	
Kendrick	Page	Sutherland	

Mr. THOMAS. I desire to announce that my colleague, the junior Senator from Colorado [Mr. SHAFROTH], is detained on official business.

The PRESIDING OFFICER (Mr. KING in the chair). Fifty-seven Senators have answered to their names. There is a quorum present.

Mr. OWEN. Mr. President, the motion before the Senate is to strike out section 8, which imposes a very serious penalty upon anyone who disregards any license, order, or any rule or regulation of the committee on the issue of securities.

In Great Britain and France they did not find any necessity for imposing a penalty. The testimony of Mr. Warburg before the committee was to this effect:

> The British committee simply provided that anybody who wanted to issue securities had to get the O. K. of this committee.
>
> Senator LODGE. Was this a law
>
> Mr. WARBURG. No; it was voluntary, but it acted at once as a law, and the result was a surprising one. The statistics are here. As a matter of fact, they went so far that practically every issue of new securities stopped, municipal issues stopped, even where commitments had been made, and the Government stepped in and indemnified people where it was necessary in order to stop building operations already contracted for.

He then gives the figures of what occurred in Great Britain.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. OWEN. I do.

Mr. SMITH of Michigan. Will the Senator allow me to call attention to what Mr. Warburg said before the Ways and Means Committee?

Mr. OWEN. Certainly.

Mr. SMITH of Michigan. He says:

> In England they have an act which they call the D. O. R. A.—the defense of the realm act—which is a very broad act, and which they can readily put behind anything they want to enforce. Such an act we have not got; but I believe that without such an act, probably with the spirit in which the work of the committee has been accepted—

That is, the voluntary committee—

> we probably would have very good results.

Mr. OWEN. Mr. President, this committee, when it refuses its approval, has behind it the New York Stock Exchange and all other exchanges, which will refuse to list the security; it has behind it the exchanges of the whole country; it has behind it the banks of the country; and it has behind it the moral influence and patriotism of the country. It is not necessary to threaten American citizens with the penitentiary on a matter of this sort, and I do not believe we ought to do it. I think it is an unnecessary offense on our part to the citizens of the United States, who deserve our trust and our deepest respect.

Mr. STONE. Mr. President——

Mr. OWEN. I yield to the Senator from Missouri.

Mr. STONE. How does the Senator know that these rules or requirements would have behind them the New York Stock Exchange?

Mr. OWEN. Because Mr. Warburg says the exchange will refuse to list unapproved securities.

Mr. STONE. Oh, Mr. Warburg says so?

Mr. OWEN. Yes; he says so, and it is not necessary for anybody to say so. It is perfectly obvious that with the enormous power of the United States conducting the financial affairs of this country under such conditions the stock exchanges will cooperate and are obliged to do so. They could not do otherwise, and they have already agreed to cooperate.

Mr. STONE. Then, Mr. President, if all that be true, and if this legislation is deemed necessary to the proper prosecution of the war and the maintenance of public credit, if, despite the New York Stock Exchange, the securities were offered without a license, or in violation of the license, why should there not be a punishment for it?

Mr. OWEN. Because it is unnecessary to threaten people who are not going to violate this rule, except possibly in the most obscure and negligible and accidental manner.

Mr. STONE. If people will not violate the law or the rules, then I submit that they are not threatened; but, for example, if a man is not going to commit burglary or murder or other crime, he is not threatened by the passage of a law punishing such crimes when committed.

Mr. OWEN. I do not think I can debate the matter with a Senator who regards the possibility of some man asking for credit contrary to a rule of the Treasury as being coincident with murder and rape. I have no further comment on it.

Mr. STONE. Mr. President, that remark, I think, was hasty and hardly kind, for I was using the examples I mentioned as mere illustrations. I was seeking to show that if we passed a law against any crime, whether felony or misdemeanor, if any people affected by the law were not likely to render themselves amenable to its penalties, why, all right; but laws of that nature, penal statutes, are passed to reach those who do violate the law, and I see no particular reason why my friend from Oklahoma should be aroused to any feeling because I happened to mention particular crimes that usually come to the thoughts of men when they are making illustrations pertinent to a subject of this kind.

Mr. President, I think if we are going to enact a law of this kind, we should provide a definite means for enforcing it. If we are going to enact it, we ought not to write it and leave it as a mere blank on the statute books.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. STONE. Certainly.

Mr. HARDWICK. I want to ask the Senator this question: Even if he thinks that about the provisions of a statute, does the Senator believe that we ought to make it a penal offense to violate the rules and regulations of any board or bureau or committee?

Mr. STONE. Mr. President, as to that, when you pass a law fixing a general policy of the Government, and authorize and empower a department of the Government to arrange, prepare, and promulgate rules and regulations for the enforcement of the general policy of the Government as expressed in the law, I think there is no reason why it should not be prescribed in the statute that the penalties should apply to the rules and regulations thus prescribed; and, Mr. President, that has been done over and again.

Mr. HARDWICK. And the courts have held that it was illegal in case after case.

Mr. STONE. I do not agree to the Senator's statement as made.

Mr. HARDWICK. Let me state to the Senator further, if he will yield further, that there is this good reason why it should not be done—because those regulations may be very easily and very swiftly changed, and very frequently changed, and they may be changed almost without the knowledge of the people affected by them.

Mr. STONE. Of course, there is always a possibility of abuse, but we can hardly proceed upon the theory that abuses will be indulged in intentionally or for the mere sake of abuse. Abuses will be exceptional, if they occur at all; and I assert

that in the course of our governmental administration where any such abuses have occurred they have been exceptional, and against such abuses the courts are a shield.

Mr. President, I do not think we ought to incorporate a provision in this bill calculated to weaken it. If we are against this bill, if we want to cripple it by all sorts of amendments, very well; but if we are for the bill, and want to make it effective and worth while, then this section ought not to be struck out, because it would leave the licensing provision of the bill as a practical nullity. And, according to the Senator, upon whom are we to depend if we strike this provision out? Not upon the law of the land; not upon established authority, certainly. We must depend, as the Senator says, upon the Stock Exchange of New York and other like concerns, who will get behind the Government, and see to it that offerings of securities will be regulated by them. It is said that security offerings will not receive recognition by the brokers, much less by the New York Stock Exchange itself, unless indorsed in some visionary way by this proposed voluntary committee. Mr. President are we to turn in the enforcement of our public policy from the organized agencies of the Government to the New York Stock Exchange? To me that is a new doctrine.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. STONE. Surely.

Mr. OWEN. The patriotism of the people of this country is sufficient, as the patriotism of the people of Great Britain was found sufficient, to make effective the rules of the British committee, and the same thing was true of the French committee. It is true that the New York Stock Exchange is the great market where these securities would be handled, and the patriotism of the New York Stock Exchange has already expressed itself by agreeing not to list securities of this kind. I hardly think the Senator is justified in making the argument that the New York Stock Exchange is being substituted for a governmental power.

Mr. STONE. Mr. President, if Senators approve the licensing program outlined in the bill, if they think it is a wise thing to do—and if they do not think it is they ought not to put it into the statutes—but if they think it is right, and if we mean to pass it, then we ought to make it effective; otherwise it would be a farce.

Mr. President, I want to ask a question in regard to the New York Stock Exchange, which within the hour has been thrust upon our confidence as one of the great patriotic and delightfully unselfish institutions of the country—one of those institutions which during its eventful life has sought only and solely to contribute to the welfare of the Nation and the people.

This appeal has struck my heart at an angle that I can not exactly calculate; but if the view which confuses me is understood and prevails in the Senate, I want to ask, even aside from the tremendous power of the New York Stock Exchange, which seemingly Senators would substitute for governmental authority and depend upon, what harm is going to result even in that strange view—what reason can be given against the insertion in the statute itself of a provision for its effective enforcement? If you do not favor the provision in question, you ought not to put it in; but if you do favor it, then, in the name of common sense, what objection can there be to putting a provision in the law that would make it enforcible, despite even the autocratic will of the New York Stock Exchange? I lift my hat now for the first time and bow my head humbly before the stock exchange as a great moral and financial agency in the United States throughout a long and eventful history, made even in my generation. For the first time I take my hat off and bow before it; but despite this tremendous agency, thus charmingly presented to us as the force that is to command public attention, arouse public enthusiasm and patriotism, and all that sort of thing, and therefore compel obedience to the general national policy, I still insist upon what I think even the New York Stock Exchange should not seriously object to, since no great harm could come of it even in the hands of the exchange, namely, the vesting somewhere of a power to enforce the law.

Mr. President, I beg to say, with all due apologies to the New York Stock Exchange, that the exchange is not a court. Up to date it has no power to administer punishment officially. It may do it in some indirect way financially; I do not know about that; but it can not arrest or arraign a man, or bring him before it as a tribunal to be tried and sentenced to pay a fine or go to prison. I speak now of the present; not the future. We have not yet clothed the New York Stock Exchange with judicial authority. That may be one of the surprises of the future.

Mr. President, is it not plain common sense to put into this bill a provision that would make it forceful and effective, a provision that would subject men violating the law to penalties commensurate with the offense?

Mr. REED. Mr. President, the New York Stock Exchange has very little to do with this case. In speaking against this provision I called attention to the fact that a criminal penalty is unnecessary, because, when the capital-issues committee shall have refused to list the securities of any company, that in itself will practically drive those securities off the market. I called attention to the fact that the Federal reserve banks would not receive any such securities, and that in itself would make it impossible for them to be marketed in any great number; and that the great bank we are creating would not receive these securities, and that would make it impossible for them to be received by any of the banks of the country; and, therefore, that it was not necessary to impose a prison penalty in order to bolster up the orders of the capital-issues committee. It was at about that time that the Senator from Oklahoma [Mr. OWEN] rose and said that my statement was so much the case that securities refused recognition by the present unauthorized committee had already been stricken from its lists by the New York Stock Exchange; and thus the New York Stock Exchange got into this case, and in that slight degree alone. So I hope nobody here will decide this question, and that my distinguished colleague will not decide it, upon the basis of any feeling against the New York Stock Exchange.

I desire now to answer, if I can, the argument that has been put forward; but, first, let me ask, What is in this bill? What is the proposition that is now before the Senate? The bald proposition before the Senate is to put into the hands of five men, called the capital-issues committee, the power, first, to destroy any private enterprise in the United States that has to borrow a single cent of money, that has a single security it may want to offer. It may be a private corporation with not more than three or four stockholders that has been borrowing money from its local bank upon its bonds, and that desires to renew its bonds; it may be a family affair. And yet, if the capital-issues committee—five men sitting here in Washington—see fit, they can deny the right of those men who own that little institution to go into the market, or to go to their neighbor, or to go to their bank, and get a dollar of money. Such a power as that never was lodged in any five men in any free country of this earth.

Mr. SMITH of Michigan. Mr. President, will the Senator allow me to interrupt him right there?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. REED. Certainly.

Mr. SMITH of Michigan. I merely want to say that that is notwithstanding the fact that a board properly created under the laws of a State—and most States have them—has approved of the issuance of the very security which the Senator says can not be used for the purpose of borrowing money.

Mr. REED. What is the next proposition contained in this bill? It is that these five men, at least three of whom are to be members of the Federal Reserve Board—we do not know which three—are to have the right to make rules and regulations; and it is proposed that any citizen of the United States who shall violate any such rule shall be sent to the penitentiary for four years.

Mr. STONE. It has been reduced from four years to one year.

Mr. REED. Yes; it has been reduced to one year. But has it ever been laid down in a free country that five men not occupying a legislative position, not occupying a position recognized by the Constitution of the country as in any wise lawgivers, and make rules or laws for the violation of which a citizen can be sent to the penitentiary for any period of time, whether for one year or one day or one second? What kind of a madness is——

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. In a moment. What kind of a madness is it that proposes to take a citizen who is handling his own property and is doing nothing that is wrong in itself, who is cheating nobody, and to send him to the penitentiary because he offers the bonds of his company fairly and openly on the market or sells them to a private individual? I yield to the Senator.

Mr. WALSH. I did not rise to take issue with the statement the Senator has just made. It was the preceding one to which I desire to direct his attention. I take it, the Senator was advancing the idea that the board was not authorized to establish rules the violation of which would be criminal?

Mr. REED. I am well aware of the fact that there have been some decisions of courts holding that under certain circumstances certain boards or tribunals may be authorized to make regulations the violation of which may be punished by imprisonment. But I do not think they apply to a case like this.

Mr. WALSH. I merely rose to state to the Senator that it has been held that the violation of a rule and regulation established by the Secretary of Agriculture under authority of law could be proceeded against.

Mr. REED. Having to do, however, with a thing which is essentially injurious to the public health or to the public morals or to the public property. This is not of that kind at all; and even those cases were long debated, and, in my opinion, of doubtful authority.

Mr. President, I do not like to differ from my colleague. It is the first time in my life I have ever differed from him in public.

Mr. STONE. I wish to say that I was not aware when I made my statement that I was differing from my colleague. I thought I was with very great reluctance differing from my friend from Oklahoma.

Mr. REED. Mr. President, in my opinion all of section 7 ought to go out and all of section 8 ought to go out. Let me as briefly as I possibly can offer the reasons. I have already stated them once, but there are Senators in the Chamber who were not here at that time. This bill has two parts. One is the creation of a great financial institution, the greatest in the world; it is to have authorized assets of four thousand million dollars—that is its bond-issuing power. Its securities may become the basis, after passing through banks, of the issuance of money of the Government through the Federal reserve banks. It is intended to be powerful enough to completely dominate the financial market.

Mr. President, I believe thus far the bill is a splendid conception. It is radical, it is revolutionary, but we must meet extraordinary conditions by extraordinary remedies. But it is wholesome. It destroys nobody's business. It destroys no vested interest. It is intended, on the other hand, to sustain the credit of the Nation by sustaining the general financial structure of the country. It is in my opinion so powerful a thing that it would be very dangerous if it was in the hands of men who would not administer it wisely. It is so powerful a thing that any security upon which it places its mark of disapproval will have no market value in the United States except it be a local market where the institution is known to men who are in the immediate neighborhood. It is so tremendous a force that under other circumstances than those confronting us I would not be in favor of its creation at all.

Now, this institution, in addition, has this great buttressing power. The men who manage it will be so intimately connected with the Federal reserve banks that the two systems will each work in harmony, and if they do work in harmony I want to ask what institution in the United States can borrow very much money or can get very far with the fact known that its securities will not be received in either of these banks; for that, of course, means that the securities will be at least at a great discount in every bank of the United States.

Mr. President, under those circumstances we need no penalty. Under those circumstances it is not necessary to lodge in three or four men the power of life or death over the enterprises of citizens. Already the power that will be concentrated in the Federal Treasury and in these boards, that are merely auxiliaries of it, will be of such vast proportions that the whole financial situation will be dominated.

Now, let us not debase a good measure by putting in these extreme penalties. While we live under the flag that typifies individual liberty and the rule of law and the rights of property, let us not put in the hands of any five men on earth the power to make rules and regulations that will send a citizen to the penitentiary because he may have tried to sell the securities of a company in which his fortune, great or small, may be invested.

I hope the amendment I have offered will be accepted.

Mr. McCUMBER obtained the floor.

Mr. GALLINGER. Before the Senator from Missouri takes his seat, as I have been necessarily absent from the Chamber a little while, may I ask the Senator from Missouri if he moves to strike out section 8 in its entirety?

Mr. REED. Yes, sir.

Mr. McCUMBER. The Senator from Missouri has moved to strike out section 8 of the bill in its entirety. The argument of the Senator from Missouri was directed primarily against section 7 of the bill. Logically it seems to me that his amendment should have been first directed to section 7 rather than section 8 of the bill. If section 7 is stricken out, I know of no necessity whatever for the punitive provision in section 8. Section 7 is the only section of the bill, as I now remember, which positively prohibits anything.

Now, I want to call the Senator's attention to one provision in section 7. He does not pretend in his motion to strike out section 7. Section 7 provides that—

> No person, firm, corporation, or association shall sell, or offer for sale or for subscription, any issue, or any part of any issue, of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000.

Anything less than $100,000 is not prohibited. Section 7 provides for a license. There were those members of the committee who did not deem it expedient to have section 7 in the law at all. The majority of the committee preferred to maintain that section in the bill. It is in the bill at the present time. There is no proposition at present to strike it out of the bill. That provision prohibits any person, not a stock exchange, not the New York exchange or Chicago exchange, or any other exchange, but any person or any bank or any association from selling these securities where the issue is over $100,000. There is a positive provision.

Now, suppose that some individual or association outside entirely of your exchanges does in defiance of this positive law attempt and succeed in selling these securities. What are we going to do about it? It is quite a simple proposition. Are we going to say in the bill we prohibit you from doing anything of the kind and have no provision in the bill that will make our provision of any value to us? How are we going to stop it? Is it not almost ridiculous to make a proposition in a bill which prohibits the doing of a thing, and at the same time make no provision whatever for the enforcement of our prohibition?

If the Senator would move to strike out section 7, of course that is entirely a different proposition. His amendment, I say, is certainly far broader than his argument, because section 8 provides:

> That whoever shall willfully violate any of the provisions of this act—

Not merely to violate the provisions of a regulation. There might be considerable said about a prohibition against violating a mere regulation which would carry with it a punishment for its violation after it has been published, but here Congress enacts a positive law, and it provides a punishment for disobedience of that law, not which the Secretary of the Treasury or the board has made but one which Congress has made. It does seem to me in all good faith that we should have some punitive legislation upon that particular point.

Mr. REED. Mr. President, I desire to ask the Senator a question. With the exception of section 7, which prohibits certain things and which, I frankly say, ought to go out, and have said it ought to go out if the penalty clause goes out, at least I want to see it go out—with the exception of section 7 what is there in the bill of a prohibitive nature at all?

Mr. McCUMBER. That is what I have stated. I stated in the very beginning that the Senator's position would be absolutely logical if we strike out section 7.

Mr. REED. But the Senator in his argument goes further than that. The Senator has stated that my motion to strike out section 8 does not include the language "whoever shall violate any of the provisions of this act." But if we strike out section 7 then there is nothing left in the bill except the construction of this banking system and the regulations concerning it.

Mr. McCUMBER. That is true; but suppose we adopt the Senator's motion to strike out section 8 and then a further motion to strike out section 7 should not prevail, you have section 7 still in the bill without section 8 imposing a penalty for a violation of it.

Mr. REED. That is true. We might proceed the other way; but if we strike out this penalty at least it can be said that the other clause left in the bill will not be one that can be enforced by sending human beings to the penitentiary.

Mr. McCUMBER. My argument is, and the Senator finally agrees with me, that certainly if we strike out section 8 we ought to strike out section 7.

Mr. REED. I do agree with the Senator.

Mr. McCUMBER. I go further and say if we strike out section 7 then there would be time enough to determine whether we should strike out section 8, but unless we strike out section 7 we ought not to strike out that portion of section 8 which relates to a positive act.

Mr. OWEN and Mr. WATSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield, and if so, to whom?

Mr. McCUMBER. I yield to the Senator from Oklahoma.

Mr. OWEN. The logical force of what the Senator says I think can hardly be disputed. However, I want to call his attention to the facts as they now exist. There is already established a voluntary capital issues committee in the Federal Reserve Board. They are exercising that power now and it is working very well. It is not absolutely necessary to have sections 7 or 8, although it would give somewhat greater dignity to the organization. If the British committee and the French com-

mittee worked perfectly well without a penalty, I think we might with perfect propriety strike out the prohibition that no person shall do so, leaving it to the patriotism of this country and to the powerful influences that would control such issues. I think it would function just as well in the United States as it would in Great Britain or France, because I think our people are just as patriotic as those are there. After all, we have got to go back down to the grass roots appealing to the people of this country and to their patriotism to stand by the Government and support these bond issues, to raise money by war savings stamps, to provide the funds for the Red Cross. In my own State they had a house-to-house canvass for the Red Cross in every county. To assume that we can not rely upon the patriotism of the country, but we must threaten them with the penitentiary upon a matter of this character I thought was a bad policy, and I agreed with the junior Senator from Missouri that it would have the effect of disturbing the confidence of the people in the sobriety and dignity of the Government itself.

Mr. McCUMBER. There are other Senators, and some on the committee, who agreed with the Senator from Oklahoma and the Senator from Missouri that section 7 ought to have been stricken out entirely, that there is no occasion for it.

Mr. OWEN. I do not agree that section 7 should be stricken out.

Mr. McCUMBER. They believed that this voluntary association would have accomplished exactly as much, and that there was no necessity for those sections. Section 7 is the section which refers to the licensing. I am not attempting to make any issue on that particular argument at this time. While I think it is well to retain section 7, I admit that there can be much said against it. But the point now is, in my opinion, that we ought at this time to defeat a motion brought as it is to strike out all of section 8 as long as section 7 remains in the bill.

Mr. WATSON. Mr. President——

Mr. McCUMBER. I yield to the Senator from Indiana.

Mr. WATSON. Even though section 7 be not stricken from the bill, would the Senator have any objection to striking out on page 15, section 8, the words "or any rule or regulation issued and duly published hereunder"?

Mr. McCUMBER. I should not have any serious objection, although I say to the Senator candidly in a number of bills we have already passed conferring these exclusive powers upon the department we have included those words. So we have a precedent for it. I think it is not only in the food bill but in a number of other bills that have been passed during the present session.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield.

Mr. HARDWICK. The Senator does not regard those as precedents that are wise or safe?

Mr. McCUMBER. I will not say that. I think when we provide a punishment for an offense we ought to know beforehand what the offense is and what offense ought to be fixed by the law itself.

Mr. HARDWICK. And not depend on shifting and changing regulations.

Mr. McCUMBER. I agree with that.

Mr. HARDWICK. Then, that part of the bill certainly ought to go out.

Mr. McCUMBER. Now, I wish to answer the statement of the Senator from Oklahoma that we do not need this extra power——

Mr. OWEN. If the Senator please, I am in favor of section 7 in so far as it establishes this issues committee.

Mr. McCUMBER. But I have reference to the issuing of licenses to sell securities of a greater amount than $100,000.

Mr. OWEN. I think it is better to have that committee established by statute rather than by a mere regulation. Although the regulation would do very well, I think it better to have it established by statute.

Mr. McCUMBER. But the Senator does not believe that we should impose any penalty for the refusal of any person to comply with the license provision.

Mr. OWEN. No; I think we can rely on the patriotism of the country.

Mr. McCUMBER. I wish to read just one brief excerpt from the testimony of Mr. Warburg when this same question came up. Mr. O'SHAUNESSY was examining him in the Committee on Ways and Means.

Mr. SMITH of Michigan. On what page?

Mr. McCUMBER. On page 35:

Mr. O'SHAUNESSY. I would like to ask Mr. Warburg about the committee, of which he is a member, dealing with these securities. Do you think they will go on and perform their duties effectually without any law being passed to define their duties and responsibilities?

Mr. WARBURG. You mean in case you do not give the power to enforce orders?

Mr. O'SHAUNESSY. Yes; I mean will they go along in a voluntary way just as this English committee did? Will they go along with the same duties and power as if they were created by law?

Mr. WARBURG. In England they have an act which we call D. O. R. A., the defense of the realm act, which is a very broad act, and which they can really put behind anything they want to enforce. Such an act we have not got. But I believe that without such an act probably, with the spirit in which the work of the committee has been accepted, we probably will have good results.

Mr. O'SHAUNESSY. And it will be just as effective?

Mr. WARBURG. It is very important, however, that there should be some big stick in the background. I mean that we should have power, if necessary, in case we can not get the cooperation, particularly of some less patriotic operators. For instance, there are still a great many oil propositions of a very doubtful kind which absorb a great deal of money, and some people offering them do not care what we say—

Evidently he had had some experience in it already—

It is very important, therefore, to have a big stick in the background which would indicate that if we can not get voluntary cooperation we can get it by act of law. I think that would be useful.

Mr. WADSWORTH. Is the Senator able to say that that portion of Mr. Warburg's testimony which refers to prospective oil investments would indicate that Mr. Warburg feels that anybody can go into the production of oil without taking chances?

Mr. McCUMBER. No; I do not suppose he thought anything of the kind. On the contrary, I have an idea that he thought the public would take a bigger chance and spend their money more freely with a certainty that gasoline and oil are bound to go up than in possibly any other field, and they would be taken in more easily along that line, and without some such power would not be able to control the amount of money that would be used for that purpose.

Mr. WADSWORTH. If the Senator will pardon me for a remark or two before I ask him a question, this brings up an exceedingly interesting phase of the whole situation. That sentence of Mr. Warburg is to my mind the most significant contribution to this discussion. It would imply that he believes that anything like a prospective venture toward the development of oil wells is something that should be discouraged. That is what it means, because it is something that is an effort or an undertaking involving a good deal of risk. Everyone knows, of course, that that is a fact in the oil business as well as in mining. Now, are we to understand from Mr. Warburg's position before the committee that the development of the oil fields of the country is to cease until the war is over, because it might take a little too much capital and some capital be wasted? Perhaps it is unfair to put such a question to the Senator from North Dakota——

Mr. McCUMBER. Not at all.

Mr. WADSWORTH. But I could not help, on that phase of the matter, as he read Mr. Warburg's testimony, to direct the attention of the Senator to it.

Mr. McCUMBER. It is not unfair to me although I think it is a little unfair to Mr. Warburg to draw any such conclusion from his testimony. All that he is seeking in this law is to require these companies to take out a license. There is no prohibition in the law on their selling securities, but this board may pass upon those the same as it would upon any other character of stock. Gold may be just as essential as oil, silver may be just as essential as oil, but whether the American people shall expend hundreds of millions or almost billions in gold-mining stock and silver-mining stock might well be a subject, at least during this war, that might be to a certain extent checked.

Mr. WADSWORTH. The Senator has said there is no prohibition in the bill against that. I call the attention of the Senator that this whole discussion is about a prohibition penalty.

Mr. McCUMBER. The prohibition in section 7 is against selling without first obtaining license. The license can not be obtained until the whole subject is presented to this board.

Mr. WADSWORTH. Exactly so.

Mr. McCUMBER. It is true that the board must pass judgment upon whether that investment is of a nature that would be helpful in the war or whether it would be against the interests of the Government.

Mr. WADSWORTH. I shall have some observations to make upon that point.

Mr. McCUMBER. Of course there is no occasion for it unless it is to cover cases of this character.

Mr. SHERMAN. Mr. President——

Mr. McCUMBER. I will yield in just a second. But, Mr. President, my main point is that we ought not to accept this amendment until the question whether or not we shall retain section 7 has been determined by the Senate. I yield to the Senator from Illinois.

Mr. SHERMAN. Before the Senator leaves that part of the discussion, I wish to ask him if he does not think that the moral pressure that is to be exerted by the Federal Reserve Board

would accomplish all the practical results? I do this in view of the fact that I have on my files a number of advertisements in the absence of any law of companies carrying on business with a certificate that these issues are not incompatible with the public interest, that certificate being signed by Mr. Warburg.

Mr. McCUMBER. I think it would accomplish very much indeed, but I think it would accomplish more if there was a positive law back of the efforts of the board.

Mr. SHERMAN. Mr. President, as it is now, with Mr. Warburg on the committee, it is now a voluntary committee on the part of the Federal Reserve Board, and by refusing the certificate it announces to the investing world that their ban is upon it; and it, in effect, serves all useful purposes in conserving capital and preventing unwise investment, because that is notice to the public generally that the application has been made and denied. As it is now, the issues that carry this certificate find it advantageous to promote the sale of the bond issue by attaching the certificate to the prospectus. All of the bond houses that I have had occasion to examine that have that certificate now attach it to the prospectus sent out. I have a number of them which have come to my office, and have cut some from the advertisements in the metropolitan newspapers carrying that certificate, notifying the public that this issue has received the approval of and evidently would be a security on which the Federal reserve bank and the member banks would look with favor as a proper investment. That moral pressure exerted upon the investing public, I have found, is the most valuable of all the means that can be employed, even more so than penal sections.

Mr. SMOOT. Mr. President, I think the position taken by the Senator from Oklahoma [Mr. OWEN] is an inconsistent one, if I understood his statement in relation to these two sections of the bill. I think if we strike out section 8—the penalty section of the bill—there will be no need of retaining section 7, for with no penalty provided for we might as well have, and I much prefer, a voluntary system. The result will be the same, as far as restrictions of issues are concerned, in the one case as in the other.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. SMOOT. I do.

Mr. OWEN. The Senator from Utah constantly ignores the experience of France and of Great Britain.

Mr. SMOOT. No; I will come to that, I will say to the Senator.

Mr. OWEN. Those countries did not have to threaten anybody with the penitentiary. This has worked well there and has worked perfectly well up to this time in the Treasury.

Mr. SMOOT. Mr. President, the Senator from Oklahoma is right as to that, and I agree with him. I am going to call attention to how it has worked in England.

I say the Senator is inconsistent, because if section 8 goes out of the bill section 7 ought also to be eliminated, and then we would have a voluntary system. I know of no board that could be appointed which would be better able to pass upon licenses than the board that is now established in the Treasury Department.

Mr. OWEN. I think it is true that that board is a splendid board and has been splendidly selected; and this bill proposes to give them salaries and to give them a legal status.

Mr. SMOOT. Mr. President, I think that the board that is now appointed is doing the work successfully. Should it be necessary for them to have additional assistance, it can be furnished in the shape of clerks or attorneys or experts as needed. I suppose they will require some additional help; I am quite sure of that; but it seems to me, if we are going to have a voluntary system, the board that is now in existence in the Treasury Department is as good as could be selected.

Mr. STONE. Mr. President, will the Senator tell me just what the power of that board is? I will ask, does it materially matter, if we are going to create an official board by law, with power to do things and to enforce its judgment, whether it is this particular board or another?

Mr. SMOOT. The present board has a moral suasion——

Mr. STONE. That is all.

Mr. SMOOT. That, to my mind, will be just as potent in preventing the issue of improper securities in the future as it would be if they were clothed with all the power in the world, and I want to take time now to show why that is so.

I refer, Mr. President, here to what has happened in England under a voluntary system. Take the year 1916 and the first six months, to June, 1917, and let us see what issues have been entirely eliminated under this voluntary system. Not a pound has been loaned to the colonial corporations in England.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Yes.

Mr. SIMMONS. I wish to inquire of the Senator from Utah if what he means to say is that he is opposed to section 7 and desires that it shall be stricken from the bill?

Mr. SMOOT. I will say to the Senator from North Carolina that I was opposed to it in committee, and I myself believed that it would be better to have a voluntary system than to have such a one as provided for in section 7. Let us consider the restrictions of loans in England by her voluntary system. We find that for the last two years not a pound has been loaned to the Indian and colonial rails; not a pound to the foreign government loans; not a pound for foreign corporations; not a pound for foreign railroads; not a pound for American railways; not a pound for British municipal loans; not a pound for British railways; not a pound for the gas and water corporations of England; not a pound for the mining companies of England; not a pound for exploration and financial operations; not a pound to the breweries and distilleries; not a pound to merchants—that is, during the year 1917, though there was during the year 1916—not a pound to stores and trading; nothing whatever to estates and lands.

I might go on down the list. It will be found that the only loans that were actually indorsed under this voluntary system in England and the bulk of the loans which were made were British Government loans.

We are not as yet in as critical a financial condition as England, and I have no reason to think that any system adopted by the committee appointed would be so strict as they have been compelled to be in the last year and a half in England.

Mr. SIMMONS. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Yes.

Mr. SIMMONS. In Great Britain what is known as the defense of the realm act confers upon the Government ample power to create a board of the character which was created, and which exercised the functions which led to the result that the Senator from Utah has indicated in the memorandum which he has read to the Senate. In view of the fact that this act of the English Parliament vested in the Government the power to create such a board as this, with the functions it exercised, does not the Senator think that that board is more than a voluntary institution?

Mr. SMOOT. No, Mr. President; I do not think it is more than a voluntary institution. It is created not by act of Parliament, but under the power delegated to the board; and the board in turn appoint the license committee, just the same as certain powers have been delegated to the Secretary of the Treasury and he in turn has appointed the voluntary committee that is acting to-day.

Mr. SIMMONS. But when the law vests in the Government power to create a board, and the Government creates that board, is it not to be assumed that it was created in accordance with and in pursuance of that power?

Mr. SMOOT. The Senator must know from what I said in the beginning that if that board were created by an act of Parliament, without any penalty attached, it would be virtually a voluntary committee just the same as this will be a voluntary committee if section 8 is eliminated from the bill and section 7 remains.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. LODGE. I think that we are confusing the situation really by referring, as we all have been doing, to a voluntary committee. That committee, of course, is appointed by the Government as is this committee here, which the Secretary of the Treasury has selected. The voluntary element is in the compliance of the public or of persons desiring to raise new capital with the orders of that committee. It is the voluntary compliance of the people affected by the action of the committee; but the committee itself is, of course, not voluntary.

Mr. SMOOT. I took it for granted that we all understood that.

Mr. STONE. Mr. President, will the Senator from Utah allow me to interrupt him?

Mr. SMOOT. Certainly.

Mr. STONE. Mr. President, the Senator from Utah and I are members of the Finance Committee. I looked with a good deal of doubt and hesitancy upon section 7, but I did not look with

any doubt upon section 8, if section 7 was to go in, except possibly as to the details of it—whether the penalty should be $5,000 fine and five years' imprisonment, or something less.

Mr. President, I thought that all of us in the committee room, after we had gone over these sections 7 and 8, notwithstanding our several doubts and objections to these sections, had agreed to them. I am prepared now to support section 7; but I am left wondering. Does the Senator from Utah, or does any member of the Finance Committee come now to oppose section 7? Are we going to ask that it be rejected; that it be eliminated from the bill? If so, then I am up against that proposition so far as the committee is concerned, and I should like to know just where I stand with reference to the committee.

Mr. SMOOT. Mr. President, as the Senator from Missouri will remember, there were a good many Senators on the committee who voted against section 7 of the bill.

Mr. STONE. But there was no minority report. We agreed and authorized the chairman to report the bill.

Mr. SMOOT. I know there was no minority report, but I gave notice at the time that I reserved the right to vote against section 7 of the bill in the Senate. I suppose the Senator from New Hampshire and the Senator from Massachusetts remember my doing so. I want to be perfectly frank about the matter. I say that I did not intend to say one word in opposition to this section and had intended to let the Senate vote; but, in view of the statement which was made by the Senator from Oklahoma [Mr. OWEN], I felt that it ought at least to receive some explanation. It was for that purpose I rose to speak, and for none other.

I will only detain the Senate a very few moments more by referring to one other question. I care not, Mr. President, whether or not the committee act under a voluntary or compulsory system; I care not whether the penalties as provided in section 7 shall attach for failure to observe the orders of the committee—and if the penalties were greater it would make no difference as to the final result—if this bill should become a law and should go into operation, and there were no penalty whatever attached for failure to comply with the orders of the committee, if such a committee as the one which has been appointed and which is acting to-day were given jurisdiction of the subject and some company in the United States decided to issue new capital or to refund or refinance bonds which had become due, and appealed to the committee and the committee decided against them, and would not for some reason that we need not mention now "O. K." the new issue, I want to say that, under such a condition, we all know that the issue could not be successfully placed on the market.

If the committee decided against the issuing of the bonds or obligations of that company, and the company itself should say, "Well, we will put these bonds upon the market, notwithstanding the objections of the committee; we can go to some bank that has been accommodating us in the past and can borrow money from the bank again, and we do not care whether the committee approves the issue or not; we can get the money." I do not believe they could do such a thing. It has not been done in England; it has not been done in France. The bank that would undertake to buy or place securities that had been decided against by the committee would find itself, Mr. President, in a very, very delicate position when it undertook to secure credit. What would the officials of the corporation say to such bank?

Mr. OWEN. The Comptroller of the Currency would also have something to say about it.

Mr. SMOOT. I will come to that in a moment. What would the directors of the corporation say? They would immediately say, "Your institution needs no assistance, as you bought not long ago securities when it was decided that the issuing company was not to be allowed to issue them."

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. Yes; I yield to the Senator from North Carolina.

Mr. SIMMONS. I think what the Senator is saying is, to a very large degree at least, true with reference to the banks; but the Senator loses sight of the fact that the banks are not the only investors that it is proposed by this section of the bill to regulate. The banks are large investors in securities, but the general public is also a large investor in securities. The restraints which the Senator says would operate as against the banks investing in prohibited securities would not apply to a capitalist who had money to invest. That is one of the troubles with the voluntary system. The voluntary system, if the Senator will pardon me——

Mr. SMOOT. Certainly; I yield to the Senator.

Mr. SIMMONS. The voluntary system reaches rather completely the banks, and for the reason which the Senator has given, but the voluntary system does not reach the general investor at all.

This bill is not intended to include one and let another investor out, because the evil which it is sought to remedy is as great where the securities are taken by the general public as where they are taken by banks. Now, if the idea of the Senator prevails—and that idea is the basis of the voluntary system—we will have this case: One man representing not a bank but his own capital might see fit voluntarily to comply with the decrees of the committee, but another might not be so complacent and might refuse to comply, and so we would have a system which would operate to restrain one man who might, for reasons of patriotism and the public good, submit to it, but would not affect the actions of another man representing capital who was not quite so scrupulous or not quite so patriotic.

Mr. SMOOT. The Senator evidently has not taken into consideration the regular course of security issues or he would never have made the statement he has made.

Mr. OWEN. Mr. President——

Mr. SMOOT. Just a moment, and then I will yield. There is no corporation, Mr. President, that puts forth an issue of bonds or obligations of any kind that is not in need of the money to be received from the sale of the bonds or obligations, and it must have it. There is no bond issue, to speak of, in the United States that is marketed unless it is marketed through some bank or some other agency organized to handle such securities. It is true that there are individuals who buy such obligations in small quantities, but seldom at the initial sale. I also say that the securities so disposed of amount to very little, and if that were all that we were undertaking to cover there would be no necessity whatever for this legislation.

Mr. SIMMONS. Does the Senator mean to say that the amount of money that is invested by the general public in securities, as distinguished from the amount invested by the banks, is small? I do not think the Senator means to say that.

Mr. SMOOT. I said that under this proposed law securities passed upon by this board as unwise, whether issued by a bank, by a corporation, or by an individual, in my opinion, could not be successfully sold with an adverse report made by the issues committee.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. SMOOT. I yield.

Mr. OWEN. I desire to suggest to the Senator from Utah that, even as to private investors who have money to invest in stocks, no investor who has any financial knowledge or any money is going to be foolish enough to invest his money in a stock that has no bank value.

Mr. SMOOT. And in a stock that can not be sold upon a stock exchange or sold in the ordinary channels of business. An investor is not going to put his money in a security from which he can not get his money out and which he can not sell to invest in some other direction if he so desires, and if he should purchase a security that had been rejected by the committee he would purchase a security that he would have to hold indefinitely, and investors do not like to do that.

Mr. STONE. Mr. President, will the Senator explain this to me: If we strike out section 7 and establish what has been called the voluntary system, no limitation will be imposed by law upon any broker or upon any other person to offer to the public any security that may be issued. There will be no restriction by law; there will be no penalty. It will be voluntary; it will be dependent upon what Senators have been pleased to call patriotic sentiment, and so on. Now, Mr. President, I ask the Senator if some broker or banker offered certain securities for sale, securities, for example, of a water-power company, or a manufacturing company or whatever it might be, and I had some money to invest, and the security seemed to be an inviting one, does the Senator suppose I or he or any ordinary investor would inquire of some committee at Washington whether they had passed upon that issue? Would not the individual go ahead and buy if he thought the investment a safe and profitable one to make?

Mr. SMOOT. Mr. President, I am quite sure that no investor would ever invest in a stock unless he knew something about the stock, and it seems to me that the very first question an investor would ask is, "Is this a new issue of this company? If it is, has it passed the scrutiny and has it received the approval of this board appointed by the Government of the United States to pass upon new issues of security?" Just as soon as the

investor found that those securities had not received the approval of this committee appointed by the Treasury, he would decline to purchase, and for this reason——

Mr. STONE and Mr. OWEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield, and if so, to whom?

Mr. SMOOT. I will yield in a moment—for this reason an investor who buys stocks does not always buy them to hold; he may have a thousand dollars to-day which he knows he will have occasion to use in six months or three months, perchance, and he buys securities because of the fact that he knows he can turn the securities into money the very day he is required to raise the money he needs; and, therefore, if securities are issued and the committee acts upon them——

Mr. STONE. But I want to get to the bill itself.

The PRESIDING OFFICER. Does the Senator from Utah yield?

Mr. SMOOT. The result would be just the same if section 7 is adopted as it would under the so-called voluntary committee.

Mr. STONE. Mr. President, if the Senator will permit me at this point, what is the purpose of this bill?

Mr. SMOOT. Well, I——

Mr. STONE. Wait just a moment; let me answer it myself.

Mr. SMOOT. Very well.

Mr. STONE. I asked the question because I want to get at it. I ask what is the purpose of the bill? I say it is to conserve the credit of the Nation and to prevent, so far as possible, the issue and sale or offering for sale on the markets of the country of a vast amount of securities that are not considered as even contributory to the success of the war? That is, as I see it, the underlying principle of these provisions of the bill.

Mr. SMOOT. That is one of them.

Mr. STONE. Well, it is a great underlying principle. Mr. President, I want to know of the Senator if a man organizes a corporation to do certain things which this voluntary committee may not think contributory to the success of the war, and they advise against it, but, without legal restriction upon the freedom of individual action, he goes on doing it anyhow, and an investor is offered through a broker or a bank the securities such a man or his corporation presents to the investing public, would the investor ask what this voluntary board without official authority had said about it, or would he look at the business proposition itself and say whether he thought it safe?

Mr. WILLIAMS. It might be safe and not be contributory to the war.

Mr. STONE. Why, of course it could be safe, absolutely safe, in his opinion, at least, although it had nothing to do with the war and did not help the conduct of the war or the prosecution of the war. The object we have in putting this official board in here to control the situation is to prevent just such things as that.

Mr. SMOOT. The best answer I can give to the Senator is that the investor in England, the investor in France, the investor in Italy—and all those countries have been in greater and more dire distress for capital than we—have recognized and used this so-called voluntary system. I have read to the Senate this afternoon long lists of securities showing that in England not one pound sterling worth of such securities had been sold for 18 months, all prevented by the voluntary system, and the only restriction found necessary was the moral suasion on investors by the board telling the investors of England that the issue should not be made.

Mr. WATSON. Mr. President, as far as it has gone in this country, has it not worked in the same way up to this time?

Mr. SMOOT. So the testimony shows.

Mr. McCUMBER. Mr. President, has there not been a greater restriction even than that, and that is the restricted quantity of money for investment in the United Kingdom outside of war purposes?

Mr. SMOOT. Yes, Mr. President; and we will be in that same position in a very little while.

Mr. STONE. But we are not yet.

Mr. SMOOT. The Senator says we are not yet. I admit it, but the only excuse for this legislation is the knowledge that we will be there if the war continues much longer. Do you think, Senators, that I would vote for the provisions of this bill if it were not absolutely necessary to save the business of this country? Many of the provisions of the bill are abhorrent to the American idea of government. But I recognize that we have got to choose between two evils. We have got to adopt such legislation or let the business of this country drift until failure overtakes it. The ability of business to secure financial assistance has been destroyed by our Government monopolizing the money market.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER (Mr. HENDERSON in the chair). Does the Senator from Utah yield to the Senator from Connecticut?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. BRANDEGEE. I was interested in the inquiry of the Senator from Missouri, in which he states that the object of this bill is to restrict investments and credits. I had not supposed that that was the object of the bill, Mr. President.

Mr. SMOOT. That is only one of them, but not the principal one.

Mr. BRANDEGEE. The title of the bill states that it is "To provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war."

I am willing to vote for a bill carrying as great powers as this does which will help finance industries necessary to the prosecution of this war; but, Mr. President, I find here, on page 14, a paragraph which evidently has not fallen under the observation of the Senator from Missouri. The Senator from Missouri seems to think that if a corporation or a person issues bonds, the person to whom they are offered would look at the security offered and would govern himself according to the security offered and what he thought the market value of the security was. But here I read, on page 14, in addition to aiding all of the corporations out of the Public Treasury with the taxes collected from all the people:

> No person, firm, corporation, or association shall sell, or offer for sale or for subscription, any issue, or any part of any issue, of securities hereafter issued the par or face value of which issue shall be in excess of $100,000, except in accordance with such rules and regulations as such committee, with the approval of the Secretary of the Treasury, shall prescribe, nor when required by such rules and regulations, except as permitted by licenses granted by such committee.

Mr. STONE. The Senator is now reading section 7?

Mr. BRANDEGEE. I am; and my criticism of that is this: It not only proposes to take $5,000,000,000 of the taxes of the people—or $500,000,000 at first, and ultimately, by security issues, to bring it up to five billion—to finance such corporations as this subcommittee of the Federal Reserve Board, under the thumb of the Secretary of the Treasury at every step, shall say are necessary, but it proposes to dry up and prohibit every other transaction of security issues in the country.

Have we arrived at that point in this war where it is necessary not only to tax all the people to make special loans to such corporations as the Secretary of the Treasury shall think, in his unaided opinion, are necessary to the winning of the war but to put a ban upon the issue of all other securities over $100,000 in amount, so that it shall not only be impossible for the purchaser to purchase them because this committee of the Secretary will not give them their O. K., but an inhibition is laid upon the company which is trying to struggle to its business existence against issuing over $100,000 of bonds, except it comes down here and gets a license from the Secretary of the Treasury and this committee?

If after a year or two of war the country arrives at that condition of desperation where it is necessary to dry up every source of credit in the country that is not manufacturing a technical war supply, I am willing to vote for it then; but right at the opening of the war, in the four corners of a bill which starts out to aid war industries, to have concealed in its vitals a club to kill every other industry in the country and to prevent its refunding an issue of bonds if it happens to be over $100,000, it seems to me is the height of insanity.

Mr. SMOOT. Mr. President, in answer to the Senator from Connecticut, I want to say that the financial conditions existing in this country are such that some drastic measures must be passed; and it is true that one of the primary objects of this bill is to prevent the issuing of new securities that the proposed committee say should not be issued. I know that the bill places in the hands of these men a power which, if unjustly used, could bring and would bring disaster to the institutions of this country.

Mr. BRANDEGEE. But, Mr. President, if the Senator will pardon me there, it is not a question of the unjust use of power. The Secretary and the committee are prohibited from allowing an issue of bonds unless they find it is for a particular war purpose; and every industry in the country has to be put out of business unless it has enough capital now to carry on its business as long as this law shall remain in force.

Mr. SIMMONS. Mr. President, if the Senator will pardon me——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I do.

Mr. SIMMONS. At the very beginning of the section to which the Senator refers the purpose of this capital issues committee is defined. It is declared that this committee is created for the purpose of assisting in the prosecution of the war and providing for the public security and the defense through the restriction of unnecessary capital expenditures. That is the purpose of the committee. It is created to conserve the investment capital of the Nation for war purposes. Now, it is not expected or intended that the committee will interfere in any way with the issue of securities by a concern or business whose operation is necessary or contributory to the prosecution of the war. Its investigations will be confined to those concerns whose operations are not necessary or contributory to the prosecution of the war. The committee is authorized to make rules and regulations to carry out this general purpose. Established business, though its operations in no way contribute to the war, is not to be disturbed. The only restraint is as to new capital expenditures after the passage of the bill. There is to be no interference with loans for renewals or borrowings in the ordinary course of business.

Mr. BRANDEGEE. Why, Mr. President——

Mr. SIMMONS. If the Senator will pardon me, I do not know whether I have made myself clear; but what I mean to say is that if this committee, in making its investigations, shall find that the concern applying for permission to make a new issue for capital expenditures is not engaged in a business whose operation is contributory to the war, and it shall find that the purpose of the issue is to enlarge and expand its business and not for the purpose of taking care of the old business, then it may determine that that issue would be incompatible with the public interest and it may prohibit it.

Mr. BRANDEGEE. No, Mr. President, if the Senator will submit to a correction at that point.

Mr. SIMMONS. Yes.

Mr. BRANDEGEE. They can not give it a license unless they find affirmatively that it is contributing directly to the prosecution of the war. A man can not issue his securities without getting that affirmative finding. Under the provisions of the bill as drawn, unless it is amended, you could not extend a trolley road in the United States; you could not organize a gas company or a water company in the United States nor sink an oil well until this war is over. You could not issue a hundred thousand dollars of bonds for any such purpose.

Mr. SIMMONS. I think the Senator is mistaken about that. I think they must find that the new expenditure is not compatible with the public interest before they can refuse to grant licenses, and that finding must be based upon the fact that its operations are not contributory to the war.

Mr. BRANDEGEE. Why, of course. Well, would the Secretary of the Treasury find that the extension of a trolley road in Indianapolis for 5 miles into the interior to accommodate the workers in a mill was contributory to the war? He would not do that.

Mr. SIMMONS. He would if the employees in that mill were engaged in war work or the trolley by furnishing transportation to them or in any other way contributed to the successful or efficient operation of the factory or any other war interest.

Mr. BRANDEGEE. If they were employed in a war factory; yes.

Mr. SIMMONS. And if that line in a way facilitates, aids, or contributes to the successful prosecution of this war enterprise by affording transportation to men or material necessary to its operations.

Mr. BRANDEGEE. It will strangle every kind of business except that which is directly engaged in the manufacture of munitions of war. The Secretary's decision is unreviewable; and what men can get capital for any enterprise depends upon just the way it strikes him.

Mr. SIMMONS. I think the Senator is entirely wrong about that. I do not think that in effect the action of the proposed committee would be materially different from that of the committee that is now organized and operating in an unofficial way to accomplish the same purpose. The purpose is to give the sanction of law to what that voluntary committee is doing.

Mr. SMOOT. Mr. President, I recognize that something must be done to relieve the business interests of this country from the burdens that have fallen upon them. The Government of the United States has completely monopolized the money market, and every issue of liberty bonds hereafter will restrict the money market that commercial institutions have used in the past to extend their business and carry on their regular trade. As I said before, unless legislation of this character is passed, the business of this country can not survive if the war should continue a year or longer.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I do.

Mr. SIMMONS. I understand the Senator, then, to take the position that it is absolutely essential in this condition, in order to conserve the capital of the country, that there should be some power somewhere that can exercise a supervision and a regulatory control over the issues of unnecessary capital?

Mr. SMOOT. There is no question about it in my mind, and the Secretary of the Treasury to-day has provided a committee for that very purpose. I think that the action taken by the present committee will be just as restrictive on the business interests of this country in their future issues of indebtedness as if we passed this law, and it contained section 7 and section 8, creating a committee, and also imposing penalties for the violation of the law. That is my position. I know that something has to be done, and of the two evils—on the one hand, doing nothing, and on the other hand voting for legislation which, in my opinion, in some of its provisions is vicious in the extreme—I would prefer to do the latter a thousand times than to see a panic in the United States that would destroy the business and the productivity of our institutions that contributes to the making of munitions of war and other articles necessary to the carrying on of the war successfully.

Mr. SIMMONS. Then, Mr. President, if the Senator will permit me, if he thinks that it is absolutely necessary in some way or other to accomplish this purpose of restricting unnecessary investments, if the Senator approves of the committee that is now doing that very thing, why does he denounce as vicious the legislation which simply provides that that shall be legal?

Mr. SMOOT. I referred to certain provisions of the bill when I designated it as vicious.

Mr. SIMMONS. I understood the Senator, with reference to the other provisions of the bill, to say that while in ordinary times he would not give it his sanction and support, in these conditions he held that it was necessary, and that he was in favor of it.

Mr. SMOOT. Absolutely. That is what I said and what I say again.

Mr. SIMMONS. Then I think the Senator ought to withdraw his remark that the provisions of section 8, which simply make lawful a thing that is now being done without the sanction of law, are vicious.

Mr. SMOOT. Why, Mr. President, I never made any such statement as that.

Mr. SIMMONS. I think the Senator used that very word.

Mr. SMOOT. I never referred to any particular section of the bill. I referred to the legislation as a whole, and I still take that position.

Mr. REED. Mr. President, I should like to put a question to the Senator, if I will not interrupt the thread of his discourse.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. I do. I will say to the Senator that I was through with what I had to say.

Mr. REED. Let us assume that it was proposed to pass a law to create a board consisting of three members of the Federal Reserve Board and two other men to be selected by some officer of the Government—say that the board in itself would be a board of great standing and weight—and it was proposed to confer upon that board the right to make a list of those securities of the United States which were regarded by the board as sound. Does not the Senator believe that that would be equivalent to putting upon the blacklist every security not so listed?

Mr. SMOOT. I have stated that in substance, Mr. President, and I really believe it. No matter whether there is a penalty attached or not, the securities that were disapproved of by this committee, or even by the committee that we have now in the Treasury of the United States, could not be successfully sold in the market of the United States any more than the securities have been sold in England of which the English committee has not approved.

Mr. REED. Now, is it not also true, in the opinion of the Senator, that if the proposition were baldly made to create a board or a committee and to authorize it to publish a blacklist of securities of the United States, it would, under normal conditions, be regarded as a monstrous proposition?

Mr. SMOOT. There is no doubt of it, Mr. President; and this whole bill would be considered in the same light in ordinary times. There is only one excuse for this legislation, and that is that it is the only way in which money can be secured to be advanced to the commerce of this country that will enable it to

carry on the regular trade of the country and to make the expansions that are absolutely necessary.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. STONE. I wondered a moment ago if our policy should be to create or authorize the creation of a voluntary board with the tremendous power of making a list of securities that might be offered for sale and blacklisting all others——

Mr. SMOOT. In substance.

Mr. STONE. Well, the Senator says "in substance"; I say "blacklisting all others." If this Federal voluntary board should be clothed with this enormous power, would it not in fact be more dangerous than the official board provided for in this bill, with a well-defined statutory authority?

Mr. SMOOT. I think it would be just the same. I do not think it would make any difference.

Mr. STONE. Well, I think the so-called voluntary board would be far more dangerous.

Mr. SMOOT. I do not.

Mr. STONE. And yet I understood my friend from Utah rather to favor the voluntary board upon the idea that it could accomplish the desired result by blacklisting everything it did not indorse. Mr. President, I can not conceive of the idea of setting up a mere voluntary organization, in a large sense irresponsible, that would undertake to say to the vast investing interests of the United States that this or that particular thing is proper and safe, but that everything that does not have their indorsement is unfit, and therefore blacklisted. I do not see how a more dangerous power could be conferred upon any body of men, and I confess I would rather have a body such as is provided for in this bill, an authorized body, regulated by law, and with legal responsibility clearly and definitely defined, than to have this thing that the Senator from Utah and other Senators seem to prefer.

As a matter of choice between the two, I hesitate not to say I prefer the board provided for in the bill than such a board as the Senator suggests, with unrestricted and unregulated powers; no definite powers; just something invested in them to put the stamp of their approval or disapproval, directly or indirectly, upon what is going on, and at their pleasure. I would rather have a board that was more authoritative and responsible.

Senators, there ought to be no differences between us about this. We should want simply to get at the best plan; that is all. That is where we all stand, I hope, and I think that is where we do stand.

Mr. President, when we brought this bill from the Committee on Finance, when, without a dissenting vote, we authorized the Senator from North Carolina, chairman of the committee, to report it, I thought, so far as the committee were concerned, that we were in substantial accord. I am somewhat surprised that we now are brought up, for some reason—some reason that I do not understand—to face an opposition, an apparent opposition even from the members of the committee.

Mr. President, before the consideration of this bill is concluded, if I have the opportunity—although it is not unlikely that I will waive the privilege if we can get a vote—I have it in mind to state the reasons why I support this bill, not the reasons why it might be opposed, as some members of the committee seem to be doing. For myself I say that as a member of the committee I came out here behind the chairman to support the bill.

Mr. SMOOT. Mr. President, I have no quarrel with the Senator from Missouri. The Senator has a perfect right to believe that the committee provided for in section 7 is less dangerous than a voluntary committee. The only difference between us is that I can not agree with the position taken by him. I do not believe the voluntary committee is more dangerous; I believe it is less so, and I believe also that it will bring the same result that we are trying to attain in the passage of this bill.

I desire to state to the Senator that whether section 7 remains in the bill or not I am going to vote for the bill. I have stated the reason why I shall so many times this afternoon that I do not think it necessary to repeat it now. I never intended to say what I have this afternoon, but I have been forced to by questions asked me and statements made by Senators.

I simply rose, Mr. President, to state that in my opinion the position taken by the Senator from Oklahoma that he would support section 7 of the bill and would oppose section 8 of the bill seemed to me was inconsistent. I simply wanted to express that opinion before the vote was taken on this amendment.

That is the position, Mr. President, that I wanted to have the Senate understand that I took in relation to those sections. I think I said to the chairman last week, or a day or two after the consideration of the bill began, that I concluded that I would not say a word about the bill and allow it to come to a vote just as quickly as possible. I had intended to speak upon the bill and I had intended to say why I thought the legislation ought to pass and let it rest with that. I have said it in so many different ways this afternoon and in a chopped up fashion that I do not know whether it was understood by all or not, but I still claim, no matter whether section 7 is in, no matter whether section 8 is in, no matter whether it is made even worse than it is written to-day by the committee or even in the form that it came from the Treasury, Mr. President, no one informed of present conditions doubts the absolute necessity of some such legislation in order that the commerce of the country may be provided with the necessary financial assistance to keep it from failing. Therefore I am going to vote for the bill.

Mr. HOLLIS. Mr. President, I share the surprise of the distinguished Senator from Missouri that any member of the Finance Committee dares oppose this bill in any form or in any line. The Senator from Missouri knows, as we all know, that the Finance Committee is one of the old, reliable, well-disciplined committees of the Senate; that there are 17 members on it true and tried; and when a measure is brought down here drafted by the assistant solicitor of one of the bureaus they are supposed to take it up and put it through, whether they like it or not.

Mr. SIMMONS. Mr. President, I think the statement of the Senator that the committee is a well-disciplined committee and that whenever the Treasury Department or any other department of the Government brings a bill down here the committee passes it is unwarranted, unjust, unfair, and I resent it.

Mr. HOLLIS. I am very much surprised that the Senator does not agree with me. That has been my observation. There are 17——

Mr. SIMMONS. I insist that no Senator on this floor has a right to impugn the motive, the integrity, or independence of a committee of this body.

Mr. HOLLIS. Mr. President——

Mr. SIMMONS. That is exactly what the remarks of the Senator implied, if they implied anything at all.

Mr. HOLLIS. I have the floor. I have not impugned anybody's motives. I have been placing before the Senate the result of my observation that the Senate Committee on Finance is an old, reliable committee, well disciplined; that it stands together; and when they come to report a measure, the members of it all understand they should not criticize it; they should not oppose the action of the committee in any regard; and I was particularly surprised at the Senator from North Dakota——

Mr. SIMMONS. Mr. President, no suggestion of that sort was made. The only suggestion that has been made here by the Senator from Missouri was to the effect that he was surprised that a member of the committee who supported this bill in the committee should be opposing it upon the floor of the Senate.

Mr. HOLLIS. Mr. President, I am expressing my own surprise and astonishment now, and if I have not the support of the Senator from Missouri any more I should like to express it still further.

Mr. GALLINGER. Mr. President——

Mr. HOLLIS. I yield to my colleague.

Mr. GALLINGER. Mr. President, I have belonged to a great many committees during my long service in the Senate and I belong to quite a number now, but I never in my life when I dissented in committee from any provisions of a bill but permitted it to be reported thereby yielded my judgment, nor do I yield my judgment in reference to this bill. I was opposed in committee to sections 7 and 8. I am still opposed to them, and no committee or member of a committee can call my action in question because I do not follow the majority of the committee in the consideration of the measure.

I wish to say, furthermore, that the Senator from Utah [Mr. SMOOT] specifically reserved the right when we were considering this bill to oppose the sections in the Senate if he concluded to do so.

Mr. HOLLIS. I am glad to have the Senator from Utah exonerated. I hope there will be others who will dare to declare their independence of the action of the committee and vote as they really think on this bill. It is not only insubordination to the decree of the committee but it is insubordination to those who have proposed this bill. I have just ascertained that it was drafted by the assistant solicitor in one of the departments, but it was suggested and brought to life last October by a very distinguished gentleman, and he among others has appeared in conference with some of the members of the Committee on Banking and Currency yesterday and to-day, and we have learned from him the things that must be put through and the things

that we are allowed to debate on the floor of the Senate. Section 8 was brought up and he was asked whether it was not rather a severe penalty to put a man in State's prison for four years for disobeying a regulation of a committee, and he said yes, that that was one of the things that might be left with the Senate to decide, but not section 7. He never suggested that we were at liberty to discuss section 7, and that is what I want to criticize the Senator from North Dakota for. We were discussing section 8. That is on the program, but no one told us that we could discuss section 7, and we have been discussing it all this afternoon.

Mr. STONE. Mr. President——

Mr. HOLLIS. I yield.

Mr. STONE. Will the Senator tell me who this distinguished gentleman is?

Mr. HOLLIS. Oh, no; that is not permitted. It is not good form. You must not do that. All you can do is to hint, and I have just hinted.

Mr. STONE. I understood the Senator to say that this distinguished gentleman appeared before the committee.

Mr. HOLLIS. Yes; but he was one of several, so that we can conceal his identity. It is not right to tell who he was.

Mr. STONE. There can be no play about this. If a man appeared before the committee and made a statement such as the Senator has made here, I would be very pleased to know who he is.

Mr. HOLLIS. But the Senator can not find out from me My lips are sealed.

Mr. STONE. Why are your lips sealed?

Mr. HOLLIS. Because I say so. That is the only reason I can give. They are sealed. As a gentleman I must play the game as it is played.

Mr. SMITH of Georgia. Mr. President——

Mr. HOLLIS. I yield.

Mr. SMITH of Georgia. Did not the committee have the observations of those who appeared before it taken down?

Mr. HOLLIS. Oh, no.

Mr. SMITH of Georgia. We had the hearings in the Finance Committee reported and printed.

Mr. HOLLIS. Yes; but these were not taken down. It was a conference. It was not a committee hearing. It was a conference; it did not bind anybody, and it was not taken down. It might be very interesting to discuss why it is necessary to establish a United States bank in Washington, so that anyone who wants to borrow any money can kowtow to the five gentlemen who are running this great bank. We must not discuss that. It might be interesting to decide on its merits how the capital issues committee was to be appointed. It is to be appointed by a board of gentlemen over whom we have no control at all; that is, by the Federal Reserve Board, and it must be composed of three of their own members, and they can go and pick out two others. Now, some think it would be a fine idea to have the President appoint them and the Senate confirm them, if it sees fit, but we must not discuss that. We might adopt some other way in which to appoint this committee. We might think that their authority is too extensive. All they have got to decide on is whether business is essential or nonessential, and that is a very serious thing. I might think some business was essential to winning the war, but I have to go to this committee, appointed by a board over which the Senate has no control, and they can ruin me or make me, just as they see fit, and there is no appeal to anyone. But I will not suggest this question. Some one will get interested and discuss it. I beg to return to the program. You are allowed to discuss section 8 as between one year and four years, and I deprecate the suggestion that section 7 ought to be discussed or stricken from the bill. I hope the Senate will get back to its mutton.

Mr. SIMMONS. Mr. President, I simply want to say a word. Of course, the Senator from New Hampshire [Mr. HOLLIS] can cast reflections upon the heads of departments of the Government and denounce them as autocrats and as attempting to dictate or stifle legislation if he desires. That is his affair and his responsibility. I do not think anybody will agree with him in the insinuations he has made against them, nor do I think the country will respond to that sort of an attack upon men who are serving the Government as well and as faithfully as are the heads of the departments of the Government at this time.

But when the Senator assumes to attack a committee of this body in the way the Senator attacked the Finance Committee, I think he transcends the rights and privileges of a Senator upon this floor. His language and insinuations flagrantly violate the well-established rules of this body, and if it was thought proper or expedient to do so, I think he would be subject to be called to order. I did not see fit to pursue that course.

I want to express now, as strongly as I can, my resentment to his reflections upon the integrity and the independence of the Finance Committee. No committee in this body has exercised greater independence of action and of decision than that committee.

Some time ago that committee, since my chairmanship of it, had under consideration a tariff bill which probably was very largely framed by the Treasury Department; most of these fiscal bills are in the first instance, whether they be appropriation or tariff or financial bills. When we had under consideration one of those tariff bills, after the House had acted upon and amended it, and it was sent to the Senate, the Finance Committee reported it back to the Senate with nearly 600 amendments, and the great bulk of those amendments were adopted.

No important bill of the character that is generally framed by the department has been reported to the Senate from the Finance Committee since I have been a member of it, so far as I recall, without the recommendation of material emendation. Members of the Finance Committee will bear me out in the statement that though this bill was sent here as an administration measure—and I am glad it was sent, because I think some of its provisions are entitled to be characterized as an inspiration in their adoption and efficacy to meet a very acute and a very difficult situation—the committee did not, as the Senator intimates, tamely acquiesce in all its provisions nor deal with it differently than a bill presented by an individual Senator; the very nature and character of the two sections under discussion was changed. The whole of one of these sections was rewritten. Not these, but many other sections, were materially amended and others rewritten, every member of the committee exercising the utmost independence in criticizing and offering amendments, and they were adopted or rejected, as they were thought to be well or ill founded by the committee. There was no partisanship or cringing, but absolute freedom of action in all its considerations and actions in respect to this measure and its amendment. This bill was reported back to the Senate with the consent and sanction practically of the whole committee.

Mr. President, it is true that while this committee report was a unanimous report, signifying that it had as a whole the sanction of every member of the committee, some members of the committee stated in committee, as is usual under those circumstances, that while they approved of the bill as a whole they did not approve of certain amendments to the bill, and so reserved the right to oppose those amendments upon the floor of the Senate.

When the Senator from Missouri apparently criticized the attitude of the Senator from Utah he was under the impression that that Senator did not know he had reserved such right with respect to this amendment, and he was under the impression the Senator from Utah had supported this amendment in the committee, and laboring under this erroneous impression he expressed surprise at the action of the Senator in opposing the amendment.

I do not at all impugn the right of the senior Senator from New Hampshire [Mr. GALLINGER] as a member of the committee to exercise his full independence upon this floor, although he approved the bill as a whole, and for that reason agreed to the report of the committee.

Mr. STONE. I think so, whether he reserved the right or not.

Mr. SIMMONS. Yes; I have no doubt he may rightfully do it, whether he reserved the right or not. Nobody has questioned that. Because of the criticism of the Senator from Missouri, based on a misapprehension, as I stated, the junior Senator from New Hampshire [Mr. HOLLIS] seizes upon the circumstance to indict the Finance Committee both before the country and the Senate as so subservient and disciplined that it habitually accepts every bill sent to it by the departments and votes for these measures just as reported. A Senator suggests to me that his voice will not reach the country. His voice will not reach the country when he engages in unjust and unfair and unfounded criticism, either of the members of a great committee of this body or the head of one of the great departments of the Government.

Mr. President, I have said this much because my resentment is somewhat hot at the course which the Senator has seen fit to pursue in the matter, a nagging course, nagging the committee and nagging the department, and trying to put men in high place, with heavy responsibilities, in a false position before the country. I think I am warranted in displaying some heat about it, Mr. President.

Mr. President, I beg the pardon of the Senate if I have spoken with unwarranted heat, for I did not wish to display any temper in the matter; I simply desired to give emphatic expression to my feelings of surprise and resentment and nothing more.

Mr. President, as the hour is late, and I know a number of Senators have left not expecting that this rather important amendment would be voted upon to-day, I will move a recess.

Mr. LODGE. Before the Senator makes that motion will he allow me two minutes?

Mr. SIMMONS. I will, with pleasure.

Mr. LODGE. I only wanted to say, Mr. President, that in my experience in the Senate the fact that a committee votes to report a bill favorably and there is no minority report never implies that every member of the committee is bound to vote for every amendment and every section of the bill just as it comes from the committee. It is the custom to reserve the right to offer amendments and to vote against an amendment on the floor. In this particular case that reservation was made.

Mr. President, as far as discipline goes I have never observed any attempt to discipline anybody on the Finance Committee. We have had great differences of opinion there and long discussions, more than in any committee on which I have ever had the opportunity of serving. We have done very hard work, and I think that there has been an abundance of independence shown, although no party feeling has been shown since this war began. I think, Mr. President, that members of the Finance Committee are perhaps quite as free from outside dictation as are some of those who criticize us. I have never observed any sign in the Finance Committee of outside dictation either from departments or from organizations which are in the departments. I have never seen any successful attempt to dictate to members of the committee.

I feel much honored by being a member of the committee on account of the work which it has done during the past year; and, if I may make one general observation, I think it is a mistake that it does not advance good legislation, that it does not advance that spirit which I think we all ought to have at this time in the Senate—a spirit of real unity—to make personal attacks on a committee and to jeer at it because most of its members have had the honor to be returned many times to the Senate instead of only once. I think it is possible for a man to have served long in the Senate and to give honest and useful service. I quite understand the feelings of the chairman, who has worked so exceptionally hard over the bills which have been before us, and who, I should like to take this opportunity of saying, has been so extremely considerate to all the members of the committee.

Mr. HOLLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. SIMMONS. Yes; I yield to the Senator.

Mr. HOLLIS. Mr. President, I did not jeer at the committee; I did not criticize them; but it is a fact that when an important bill comes on the floor of the United States Senate we find a committee like the Finance Committee voting almost solidly. That is so much required or expected of them that when a member of the committee says that he is not going to support a certain measure reported by the committee it is cause for surprise on the part of another member.

With 17 members of the committee voting solidly for a bill—that is about one-third or one-fourth of the Members who are usually voting—it gives very little opportunity for free, fair discussion and decision on the floor of the Senate.

I deprecate any attempt in a measure of this kind to bind 17 members of the Finance Committee to all of the provisions of the bill. My remarks were made to bring that fact before the Senate. I think it is a just criticism, and I cleave to it. I have no criticism to make of the members of the committee individuall . It is their collective action that I find to be sometimes injurious.

Mr. WILLIAMS. Mr. President, the criticism in itself is the highest possible tribute to the committee, because there can be no higher tribute to the merits of a bill than that 17 members, from as many diverse parts of the country, representing two great political parties and several factions within each party, should come with a united front to vote for the bill as a whole, and with only, I believe, 2, or possibly 3, members expressing difference of opinion as to particular provisions of the bill. So far from the fact that a committee vote solidly for a bill being a reason to criticize either the committee or the bill, it is a proof almost positive of the fact that the bill must be one of exceptional merit or else that could not have occurred.

Mr. THOMAS. Mr. President, as we are all making explanations, confessions, and protests, being a member of the committee, let me make one.

I have never supported either slavishly or otherwise everything in a Finance Committee bill since I have been here unless the Democratic caucus ordered me to do so. I have never yielded my convictions to a majority when it existed as to the expediency or the right of anything which a majority of the committee thought otherwise about. I have never impeded legislation except on one occasion, and that was legislation reported by a committee with which I had nothing to do.

I have in the case of this bill objected to some of its terms, and have offered and have succeeded in having the Senate accept certain amendments which seemed to me to be desirable to certain parts of the bill. So I must deny the sweeping statement of my friend from New Hampshire [Mr. HOLLIS] when he asserts here that this committee and all of its members slavishly follow the report of the committee, stand by the bill in solid mass, and obey the orders of the Treasury Department.

I wear no man's collar here, nor the collar of any committee. While I shall continue to do my duty on the committee and acquiesce in the report of any bill which a majority desires to report, or which it thinks it is its duty to report, I shall advocate and support its various provisions, provided only they address themselves to my better judgment. Otherwise I shall not do so.

RECESS.

Mr. SIMMONS. Mr. President, I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, March 6, 1918, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *March 5, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in heaven, impress us as a people, with all the spiritual fervor of Thy power, with the stupendous task which has been thrust upon us, that every man, woman, and child throughout the length and breadth of the land may be impressed with the sacrifices, which he or she may be called upon to make, in the great struggle which confronts us.

Let those who can work give themselves with patriotic zeal to the necessities of the hour. Let those who can fight give themselves heart and soul to the cause. Let those who can minister to the sick and wounded and comfort the dying give themselves whole-heartedly to their calling, that we may defend with all the physical, intellectual, moral, spiritual power the precious heritage of our fathers—life, liberty, and the pursuit of happiness—not only for ourselves but for humanity, after the manner of the Lord Jesus Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 133. Joint resolution authorizing the granting of insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, on application by a person other than the person to be insured.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. Res. 133. Joint resolution authorizing the granting of insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, on application by a person other than the person to be insured; referred to Committee on Interstate and Foreign Commerce.

READMISSION OF CERTAIN ALIENS.

Mr. SLAYDEN. Mr. Speaker, I ask unanimous consent to call up House joint resolution 255, authorizing the readmission to the United States of certain aliens who have been conscripted or have volunteered for service with the military forces of the United States or allied forces.

It is a joint resolution which authorizes the readmission to the United States at the close of the war, or when they shall have been discharged for wounds or other physical reasons, certain aliens, notwithstanding the act of April 6, 1917, they having gone

into the Army of the United States or into that of the cobelligerents.

Mr. GILLETT. Let the joint resolution be reported.

The Clerk read as follows:

Resolved, etc., That, notwithstanding the provisions of section 3 of the immigration act of February 5, 1917, excluding from the United States aliens who are likely to become a public charge, or who are physically defective, or who are contract laborers, or who have come in consequence of advertisements for labor printed, published, or distributed in a foreign country, or who are assisted by others to come, or whose ticket or passage is paid for with the money of another or by any corporation, association, society, municipality, or foreign government, or who are stowaways, or who are illiterate, aliens lawfully resident in the United States when heretofore or hereafter enlisted or conscripted for the military service of the United States; and aliens lawfully resident in the United States who, prior to April 6, 1917, declared their intention to become citizens of the United States, and who have enlisted for service with Czecko-Slovak, Polish, or other independent forces attached to the United States Army or to the army of any one of the cobelligerents of the United States in the present war, who may, within one year after the termination of the war, apply for readmission to this country, after being honorably discharged or granted furlough abroad by the proper military authorities, or after being rejected on final examination in connection with their enlistment or conscription, shall be readmitted; and that any alien of either of the two foregoing descriptions who would otherwise be excluded under said section of the immigration act on the ground that he is idiotic, imbecile, feeble-minded, epileptic, insane, or has had one or more attacks of insanity, or on the ground that he is afflicted with constitutional psychopathic inferiority, tuberculosis, a loathsome or dangerous contagious disease, or mental defect, shall be readmitted if it is proved that the disability was acquired while the alien was serving in the military forces of the United States or in an independent force of the kind hereinbefore described, if such alien returns to a port of the United States within one year after the termination of the war; and that the head tax provided in the immigration act of February 5, 1917, shall not be collected from aliens readmitted into the United States under the provisions of this resolution: *Provided*, That if any alien readmitted to the United States in pursuance of the terms hereof shall at any time thereafter become a public charge the expense of maintenance and care shall be paid out of the Treasury of the United States.

The SPEAKER. Is there objection?

Mr. MADDEN. Reserving the right to object, Mr. Speaker, I wish to ask the gentleman from Texas if this joint resolution, in part, does not cover the conditions provided for in a bill passed by the House yesterday?

Mr. SLAYDEN. No, Mr. Speaker; I do not think it does. I just talked that matter over briefly with the gentleman from Massachusetts [Mr. ROGERS], who is of the committee that reported the other bill. He can more clearly explain the terms of that bill.

Mr. MADDEN. I remember the terms of that bill very well.

Mr. SLAYDEN. This joint resolution treats of two classes of aliens in the United States.

Mr. BURNETT. If the gentleman will permit me, the bill of yesterday was to admit them to citizenship, and this joint resolution is merely to admit them into this country.

Mr. MADDEN. I realize that this joint resolution provides for men who volunteered into the service of the United States as well as in the service of the allies.

Mr. SLAYDEN. I did not catch the gentleman's remark.

Mr. MADDEN. The joint resolution says "those hereafter enlisted or conscripted for the military service of the United States and aliens lawfully resident in the United States." The question is whether that part of the joint resolution is not covered by the bill which we passed yesterday.

Mr. SLAYDEN. This is not to make them citizens, but to readmit them.

Mr. MADDEN. I think myself the readmission of men who have volunteered to serve in defense of the cause in which the United States is engaged, who have been in the country but are not citizens of the country, should be dealt with as a matter of simple justice through the provisions of this joint resolution, and there ought not to be any serious opposition to the joint resolution; but I was wondering, when I asked the question, whether it did not also include some of those who were covered by the bill yesterday.

Mr. SLAYDEN. That bill was to admit them to citizenship.

The SPEAKER. Is there objection?

Mr. ROGERS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas whether, in case the joint resolution is considered by the House, he would consent to the elimination of the words, in lines 16, 17, and 18, "or after being rejected on final examination in connection with their enlistment or conscription, shall be readmitted"?

These words seem to give immunity to a man who has never been in the military service, whose application for military service must be difficult to prove, and for whom it would seem no special ground or favor of this kind was necessary or proper.

Mr. MADDEN. At the same time, if the gentleman will allow me, he did the best he could to surrender his life to the cause of the allies. He was in this country, he went abroad voluntarily, and if, after having done everything he could to get into the Army, he is to be discriminated against because he did try to do the thing he ought to do, I think it would be unjust.

Mr. BYRNS of Tennessee. Mr. Speaker, it is evident that this joint resolution is going to cause considerable discussion.

Mr. STAFFORD. Mr. Speaker, this joint resolution has just been reported, and I would like to have some information about it. I think it should go over for a day or two.

The SPEAKER. Is there objection?

Mr. STAFFORD. For the time being I object.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of H. R. 10358, the legislative, executive, and judicial appropriation bill.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SAUNDERS of Virginia in the chair.

Mr. WALSH. Mr. Chairman, when we completed consideration of the bill the other day we had just read the paragraph on page 17, ending at line 20. I want to ask the gentleman in charge of the bill if he can inform me which of the employees in this paragraph are the barbers in the House Office Building.

Mr. BYRNS of Tennessee. Those are appropriated for on page 17, lines 5 and 6.

Mr. WALSH. Are they among the cloakroom men?

Mr. BYRNS of Tennessee. Yes; they are known as cloakroom men.

Mr. WALSH. Is this one at $600 and $120 additional so long as the position is held by the present incumbent?

Mr. BYRNS of Tennessee. That is one of them.

Mr. WALSH. He is a barber?

Mr. BYRNS of Tennessee. Yes; and the others are carried at $600 each.

Mr. WALSH. Mr. Chairman, I offer the following amendment, in line 4, page 17, to strike out the figure "8" and insert in lieu thereof the figure "7," and, in line 5, to strike out the words and figures "one $600 and $120 additional so long as the position is held by the present incumbent," and to strike out the word "seven" and insert "four."

The CHAIRMAN. The gentleman from Massachusetts offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 17, line 4, strike out the figure "8" and insert in lieu thereof the figure "7"; line 5, after the word "men," strike out "one $600 and $120 additional so long as the position is held by the present incumbent," and, in line 6, after the word "and," strike out the word "seven" and insert in lieu thereof the word "four."

Mr. WALSH. Mr. Chairman, I remember several years ago reading a speech delivered in the House by the distinguished gentleman from Texas [Mr. DIES], who at that time—I think it was during the Fifty-sixth Congress—directed attention to the enormous expenditures which were being made by the Government in order to support the legislative and executive branches of the Government; and he called attention to the various employees that were required and the salaries that were paid to them. It seems to me that in a time like this we Members of the House can afford to forego some of the luxuries, and I presume that these barbers might be classed as luxuries, because they are paid for by the Government, although we pay them for the individual services which they render when we are permitted to enter their establishment. It seems to me that we might relieve the people at large from this tax that is imposed upon them, particularly in view of the fact, as I said before, that we pay for the services they render; and I understand that in one of the shops there is one barber who receives no compensation except that which he gets from the Members who patronize the establishment. I understand that the others receive salaries, and it is presumed that the services which they render in cleaning up and keeping their shop clean and neat and tidy early in the morning and in the afternoon after they have closed the place is sufficient to warrant us in carrying them in this bill as cloakroom men, or cleaners-up. I believe it is time, if we are going to carry them as barbers, to say so and denominate them as such in the legislation, and let our constituents know that we are paying for barbers, even though they perform no work for us gratis.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. HAMLIN. I ask this question for information. Are the barbers in the shop here in the Capitol Building included in lines 5 and 6?

Mr. WALSH. I understand not. I asked first with reference to the barbers in the House Office Building, and that was the information given.

Mr. BYRNS of Tennessee. Then I gave the gentleman incorrect information. I understood the gentleman referred to the barbers here in the Capitol.

Mr. WALSH. No; I referred to the barbers in the House Office Building, but I intend to offer a similar amendment with reference to those in the Capitol.

Mr. HAMLIN. I agree very largely with what the gentleman has said, but I wanted to call attention to the fact that if the barbers in the Capitol Building are included in these lines, then they are charged with the responsibility of cleaning this Hall in addition to their barber shop. They are compelled to either personally come here each day and clean this Hall or else hire it done out of their own pockets.

Mr. WALSH. I understand the amendment that I have offered strikes out the barbers in the Capitol?

Mr. BYRNS of Tennessee. Yes.

Mr. WALSH. I intended to make that motion also, but I intended to do so first in reference to the House Office Building. Let me suggest to the gentleman that I understand that we give them the use of the quarters; we furnish them with the linen, with the light, with the heat, with the water, and that they come up here and ply their occupation, and each Member has to pay the same price for the work they do that he would have to pay if he went into a barber shop in another section of the city; and if the privilege which we give them to occupy those quarters, to ply their occupation there, to perform the services for Members of the House, is not worth their cleaning up the building in the vicinity of that shop and the keeping of that shop tidy and neat, then I say that we could afford to pay charwomen $20 a month to perform that service in the halls approaching them or else impose that duty on some of the other janitors or messengers of these various committees that are overloaded with janitors and messengers.

Mr. HAMLIN. What I wanted to call the gentleman's attention to is to draw a distinction between the barbers in the Capitol Building who are limited to the membership of the House when they come to shaving anyone, who are not permitted to shave anyone else than Members—if Members do not keep them busy they have nothing to do at all—and the barbers over in the House Office Building, who have no other work to do except to follow their trade. These barbers in the Capitol Building have to clean this hall. The barbers in the House Office Building can shave anyone who comes along, while these barbers can not.

Mr. WALSH. I admit that possibly the barbers down here have a little more to do, but I do not admit that there is any justification for carrying this class of employees as laborers.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WALSH. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BROWNING. Mr. Chairman, is the gentleman aware that these barbers, excepting when Congress is in session, have practically no work to do in the barber shop, not only here in the Members' shop but over in the office building; there are a few clerks there, but they can not get any outside trade at all, especially downstairs here.

Mr. WALSH. But that has not been so for some little time; but even if they have no work to do I do not think we should carry them on the pay roll.

Mr. BROWNING. And that at that time they are janitors; that they have to move furniture and do all kinds of work; they are laborers.

Mr. WALSH. If Congress is not in session, it does not require any more cleaning up or moving of furniture or any more janitor service than when Congress is in session.

Mr. BROWNING. That is where the gentleman is mistaken. It is when Congress is not in session that the changing of all of the furniture in the building and the cleaning up occurs, and then they become laborers, especially those downstairs. I am not speaking of those in the Office Building.

Mr. WALSH. I submit if that be so we might transfer this troublesome task of moving furniture to some of these overworked janitors at $1,000 per year who are being carried upon the rolls for some of these committees that have not filed any reports, or have filed but few during this session of Congress, and that are not holding hearings, but I submit it is a deception to carry these men in this bill as laborers, and pay them as laborers at $720 per year for one of them and the other at $50 a month, when a greater part of their time is being devoted to their occupation of barbering and that they then receive the fees that are customary for Members to pay for that work. I say, as I said before, while it does not amount to very much in the main, that at this crisis it is a good example for the House to set to economize here and there wherever possible within its own establishment and not let it be said that we during this war session, when taxes are being levied and when appeals are being made for every sort of charity, are not willing to economize and cut down in our expenses and to dispense with the services of barbers carried upon the roll as cloak-room men when a greater part of their time is occupied for their own private gain. If we give them the use and occupany of these rooms, with the furnishings and equipment, it must be worth something, as to procure similar quarters elsewhere would amount to a considerable item in the way of rent.

Mr. HICKS. Will the gentleman yield?

Mr. WALSH. I yield to the gentleman from New York.

Mr. HICKS. Does not the gentleman from Massachusetts think other barbers would be glad to have those stands down there even if no pay was given to them?

Mr. WALSH. I have no doubt plenty of competent men would be glad to have those quarters for a barber shop and to perform incidental janitor service as a remuneration for the privilege of performing such services.

Mr. MEEKER. Will the gentleman yield?

Mr. WALSH. I will.

Mr. MEEKER. The gentleman is not retaliating and giving these barbers the same kind of a deal they gave when they got at him with a razor?

Mr. WALSH. Oh, no; I do not know what treatment they give, as I seldom patronize them.

Mr. GOOD. Will the gentleman yield?

Mr. WALSH. I will.

Mr. GOOD. Has the gentleman considered this fact, that on the 4th of March next Congress will adjourn until some time in December? During that time this Hall must be kept clean. Other work around the Capitol must be performed by these four men. They can not perform very much work then and barber. They are not allowed to go into business generally down here and serve the public, therefore they will have no compensation during that time Congress is not in session, and yet they are performing a work here that the Government must have performed and for which it must pay.

Mr. WALSH. The gentleman does not contend that these four men that he speaks of are the only ones employed around this Capitol or the House Office Building that can be secured to come in here and keep this Chamber clean when Congress is not in session?

Mr. GOOD. These four men are the only men on the pay roll, as I understand it, whose duty it is to keep this room in order.

Mr. WALSH. That does not answer my question. Does the gentleman say that there are no other men to whom this duty could be transferred? It certainly does not require as many to keep the House Chamber clean when we are not in session as when we are meeting every day.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, the effect of the adoption of the amendment offered by the gentleman from Massachusetts, as explained by him, would be to dispense with four laborers now employed and who during a part of the day run the barber shop here in the Capitol. I may say to the gentleman from Massachusetts, as Members of the House will recall, that in 1912 when this side of the House came into control there was a reorganization of the employees of this House and at that time 62 employees of the House were dropped from the rolls whose salaries aggregated $82,750 every year.

Mr. MADDEN. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. MADDEN. How many have been added since that time?

Mr. BYRNS of Tennessee. None to this particular roll. There have been some special police——

Mr. MADDEN. How many more employees are there in the House organization now than there were before?

Mr. BYRNS of Tennessee. I will say to the gentleman I am confident there are a good many less; there is not any question about that.

Mr. MADDEN. Will the gentleman state as a fact that there are less?

Mr. BYRNS of Tennessee. There are less, a good deal less, I will say to the gentleman, and I have no hesitancy in making that statement. Now, the gentleman from Massachusetts proceeds on the wrong assumption. In the first place he proceeds upon the idea that those four laborers do nothing else but attend upon the barber shop for which he says they receive pay from those who call upon them for their services, but I want to submit to him and to the House that these laborers are very necessary. As a matter of fact if his motion should prevail it would be necessary for the House to provide four laborers in

order to do the work that these men are now performing at $600 a year, and when we provide four laborers it will be necessary to pay them $720 a year instead of $600, that being the amount that is paid to other laborers.

Mr. DYER. That does not apply to the barbers of the House Office Building, but to those in the Capitol?

Mr. BYRNS of Tennessee. I was speaking particularly of the barbers in the Capitol itself.

Mr. DYER. Those in the House Office Building do not do work as laborers.

Mr. BYRNS of Tennessee. I am informed to the contrary; but the motion of the gentleman from Massachusetts is directed particularly at the barbers of the Capitol Building, and I am confining these remarks to them.

Mr. MEEKER. Will the gentleman yield for one question?

Mr. BYRNS of Tennessee. I will.

Mr. MEEKER. This is a barberous discussion, but then there is one bit of information we have not got. Is it not true that the men of the House Office Building out of what they are paid pay the salaries of the two men here in the toilet room? Are not they employed by those men over there and are they paid by these men downstairs?

Mr. BYRNS of Tennessee. No; they are not.

Mr. MEEKER. Are they paid by the men downstairs?

Mr. BYRNS of Tennessee. In the toilet room of the House?

Mr. MEEKER. Yes.

Mr. BYRNS of Tennessee. They are employees of the House and carried on the roll. Now, gentlemen, four of the laborers are employed in the Members' private shop in the Capitol. Their duties are, as stated by the gentleman from Iowa [Mr. GOOD], to clean up the House floor and keep it in proper condition, and that is what they are charged with doing every day. They work here in the morning, they work late in the evening, in order to get the floor of this House cleaned for the business of the succeeding day. I repeat that if you drop these four laborers from the roll, then it will be necessary to provide laborers to take care of this floor.

Mr. RUCKER. You have reference to the four laborers downstairs?

Mr. BYRNS of Tennessee. Yes.

Mr. RUCKER. How many months has the House been in session? It has been in session a large part of the time during the last four years.

Mr. BYRNS of Tennessee. With the exception of one vacation, which ran from March to December.

Mr. RUCKER. There has been very little recess.

Mr. BYRNS of Tennessee. Comparatively; yes.

Mr. RUCKER. If it requires four men to do this work during that short time——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent for three minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent for three minutes more. Is there objection?

There was no objection.

Mr. RUCKER. If it requires a forenoon of a day for four men to do the work, would it be necessary to employ four men solely for that work if they were changed?

Mr. BYRNS of Tennessee. I am informed by the Doorkeeper that if they were dropped, he would have to have four laborers to do this work.

Mr. RUCKER. Does not the gentleman know, as far as the work in the Hall is concerned, it could be done by one man?

Mr. BYRNS of Tennessee. I do not agree with the gentleman.

Mr. RUCKER. By two, then?

Mr. BYRNS of Tennessee. I do not know; but I do know that these men are engaged, early in the morning and late in the evening, cleaning up this entire floor and galleries.

And I want to say to the gentleman, in response to the statement of the gentleman from Massachusetts, that these men get a certain amount of income by virtue of the barbering they do. Now, as a matter of fact, we know that their custom is necessarily limited to such portion of the membership as patronize them. And I venture the assertion if they were taken from the roll it would be impossible to secure anyone to come up here and run that shop.

The gentleman refers to the fact that they are furnished the room, the heat, the linen, and the light. That is true. A few years ago they were furnished their supplies, but that has been cut out, and now they get only the room, the heat, the light, and the necessary linen. But I submit if you undertake to remove them from the roll you will have to supply four laborers to do the work they are now doing, and in addition to that you will not be able to secure men on the outside to come up and run the barber shop.

Mr. RUCKER. As far as I am concerned, I would like to see it tried once.

Mr. WALSH. Will the gentleman yield for a question? Has the gentleman any information as to how much time these four laborers occupy in cleaning up this Hall?

Mr. BYRNS of Tennessee. I have not. But I will say to the gentleman it must take considerable time. It is a large Hall, and I dare say it requires considerable cleaning at the end of each day's session. I think anybody would agree with me in that statement.

Mr. WALSH. But four men are able to do it. They have the whole forenoon, when the House is not in session.

Mr. BYRNS of Tennessee. I understand they work at night frequently. This has to be done to avoid dust in the day. I will say to the gentleman that this arrangement has been going on for some time, and these men have been carried on the roll in this way for more than 20 years.

Mr. WALSH. That is not conclusive.

Mr. HAMLIN. I know very little about the barbers over at the House Office Building, but I made some inquiries quite a while ago as to the barbers in the shop in this building, their duties and what compensation they received, and so forth. Now, they tell me down there that they are compelled to clean this Hall, as the gentleman from Tennessee [Mr. BYRNS] says, and I am sure it is no light job, because I have been through here when they were at work on it and I know it is considerable work in picking up papers, dusting, and cleaning the desks and seats, and so on, while Congress is in session. They tell me down there unless they come and do it themselves they have to hire somebody to do it and pay them out of their own pockets.

Now, there is another thing to think about. We will not permit them to serve anybody but Members. If there are a half dozen Members who come there to be shaved during the day they can serve them. Otherwise they get nothing at all in the way of compensation for their services as barbers. When Congress is not in session, I am told by them, that it is their duty to clean these corridors, clean the cuspidors, move furniture, and do every thing else incident to the work of a janitor, because they are carried on the janitor's roll and are under his supervision and control.

Now, the gentleman from Massachusetts [Mr. WALSH] says that that work might be performed by some of these janitors that are assigned to committees that seldom meet and have very little work to do. I want to say to him this, that I know something about one of those committees that does not meet frequently, but that committee does not enjoy the luxury of a janitor.

There is a janitor to the Committee on Expenditures in the State Department in connection with the six or seven other committees. One man takes care of six or seven different committee rooms and carries the mail—the mail of all of these committees—for the pay of a common laborer so that it is not accurate to say, and I did not want the information to go out unchallenged, that these so-called expenditure committees have each a janitor, because we have not. We have one taking care of six or seven different committees.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HAMLIN. I will.

Mr. WALSH. I did not refer to any of the expenditure committees.

Mr. HAMLIN. I am glad to hear that, but I thought that inference might be drawn.

Mr. ROBBINS. Mr. Chairman, will the gentleman yield?

Mr. HAMLIN. Yes.

Mr. ROBBINS. In the paragraph beginning at the bottom of page 14, running to page 15, there is provision made for 35 committees. The janitors in 12 of those are paid $1,000, and those in the remaining 25 are paid only $60 a month. Some of these committees, I notice in looking them over, are inactive and have no duties at all. There is $3,480 expended. Why do we not make it a uniform charge and save that money?

Mr. HAMLIN. The gentleman from Kentucky [Mr. SHERLEY] has suggested to me that you are asking the wrong man about that. I do not know about that myself.

Mr. ROBBINS. You are defending certain expenditures of janitors to committees.

Mr. HAMLIN. No. The gentleman is entirely wrong. I am only defending in a friendly way the barbers, so called, in the Capitol Building. I am not defending those over in the House Office Building who do no janitor work, as I understand. I only say that the small committees that I though the gentleman from Massachusetts was referring to did not each have a janitor.

Mr. BYRNS of Tennessee. In response to the gentleman from Pennsylvania [Mr. ROBBINS], these janitors' salaries have been fixed by formal resolution of the House. If there is any desire to reorganize the janitor service to committees, it should be by resolution.

The CHAIRMAN. The time of the gentleman has expired. The pro forma amendment is withdrawn. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. WALSH].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. WALSH. A division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 9, noes 51.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. WALSH. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. WALSH. I wish to ask the chairman of the committee if he will now indicate in this bill under which item the barbers in the House Office Building are carried?

Mr. BYRNS of Tennessee. They are carried under the provision providing for "7 at $600 each," in line 6. Two of those seven are those employed in the House Office Building.

Mr. WALSH. But there are three over there on the rolls, are there not?

Mr. BYRNS of Tennessee. Only two on the rolls, and those two who are on the rolls, I will say to the gentleman, are charged with the duty of looking after the gallery corridors of the House.

Mr. WALSH. Do they look after all the corridors around here?

Mr. BYRNS of Tennessee. The gallery corridors; yes.

Mr. WALSH. I move to amend by striking out the word "seven," in line 6, and inserting the word "five."

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 17, by striking out the word "seven," in line 6, and inserting the word "five."

Mr. MILLER of Minnesota. Mr. Chairman, I desire to be recognized in opposition to the amendment. I want to ask a question of the gentleman from Tennessee [Mr. BYRNS]. Do I understand the gentleman correctly to say that there are four barbers in the House Office Building, two of whom are on the rolls drawing $50 a month?

Mr. BYRNS of Tennessee. I can not state the number from my own knowledge, because I have never been in the House Office Building barber shop; but I know that only two there are carried on the rolls.

Mr. MILLER of Minnesota. There is a distinction made between those.

Mr. BYRNS of Tennessee. That is because those who are on the rolls are required to perform service here in looking after the galleries in the building, an arrangement that has obtained for many years.

Mr. MILLER of Minnesota. Do they perform any service over here in the corridors?

Mr. BYRNS of Tennessee. They do. They are charged with the duty of looking after and keeping clean the gallery corridors surrounding the House.

Mr. MILLER of Minnesota. How did the others come to be there?

Mr. BYRNS of Tennessee. They are barbers. They are not carried on the rolls and do not receive anything from the Government.

Mr. MILLER of Minnesota. Does the gentleman think it right—I am simply asking for information—does the gentleman think there should be two on the rolls and two off?

Mr. BYRNS of Tennessee. There is very good reason for it, because those on the rolls are required to perform services which are necessary and which are entitled to compensation.

Mr. MILLER of Minnesota. On its face that appears to be a distinction; but I will say to the gentleman that I do not think the service they perform outside of the barber shop amounts to anything.

Mr. BYRNS of Tennessee. Some one has to look after the gallery corridors.

Mr. MILLER of Minnesota. It looks to me as though it were a situation where two of the four are getting something that the other two are not getting. That is all. If they are, they should not do it.

Mr. DOWELL. Mr. Chairman, will the gentleman answer one other question?

Mr. BYRNS of Tennessee. Yes.

Mr. DOWELL. How did the other two secure their places in the House Office Building?

Mr. BYRNS of Tennessee. They secured them by permit.

Mr. DOWELL. Is it true that they are barbers and that the permit came from the ones that have charge of the House Office Building?

Mr. BYRNS of Tennessee. That building, as the gentleman knows, is in charge of a commission.

Mr. DOWELL. And the commission grants this privilege to the two extra ones?

Mr. BYRNS of Tennessee. I do not know whether they receive their permits from the commission or from the superintendent who acts for the commission, or whether they receive their permits from the Doorkeeper.

Mr. DOWELL. Does the Doorkeeper have charge of that room in the House Office Building?

Mr. BYRNS of Tennessee. I think not.

Mr. DOWELL. Then, there would be no reason for his giving a permit for that.

Mr. BYRNS of Tennessee. I take it that the permit was granted because the additional men were needed. They are not on the pay roll. They serve the convenience of Members who go in there for a shave or a hair cut.

Mr. DOWELL. Would it not be possible to secure the services of two barbers in the same way?

Mr. BYRNS of Tennessee. That would be so if they were not needed for a distinct purpose, and that is to look after the gallery corridors.

Mr. DOWELL. Does the gentleman know that they perform this duty in the Capitol?

Mr. BYRNS of Tennessee. I do not understand the gentleman.

Mr. DOWELL. Does the gentleman have knowledge that these two barbers perform the service in the Capitol Building as janitors?

Mr. BYRNS of Tennessee. Yes. In addition to that, when Congress adjourns for recess those men are required to stay here and continue to serve through the year as laborers, whereas those who are not on the rolls, of course, are free to go and secure employment elsewhere.

Mr. MEEKER. Mr. Chairman, I might state there that the two men to whom reference has been made during the session pay the men to do this work here. They employ those men; so I was told by those men over in the House Office Building. When Congress is not in session those who were employed are discharged, and the others have to do this work.

The CHAIRMAN. The pro forma amendment is withdrawn. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. WALSH].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Clerk hire, Members and Delegates: For clerk hire for Members, Delegates, and Resident Commissioners, necessary in the discharge of their official and representative duties, $2,000 each per annum, $880,000, or so much thereof as may be necessary: *Provided*, That all clerks to Members, Delegates, and Resident Commissioners from and after July 1, 1918, shall be placed on the roll of employees of the House of Representatives and shall be paid in the same manner as other employees of the House are paid: *Provided further*, That each Member, Delegate, and Resident Commissioner may appoint for such periods and at such rates of compensation as he shall determine within the said sum of $2,000 a clerk or clerks who shall be subject to be removed at the will of the person by whom they are appointed, but no Member, Delegate, or Resident Commissioner shall authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year: *Provided further*, That Representatives and Delegates elect to Congress whose credentials in due form of law have been duly filed with the Clerk of the House of Representatives, in accordance with the provisions of section 31 of the Revised Statutes of the United States shall be entitled, from the date of commencement of their respective terms, to make appointments and removals of clerks under this application: *Provided further*, That the employment of any clerk or clerks hereunder shall cease upon the death, resignation, removal, or termination of service of the Member, Delegate, or Resident Commissioner by whom they were appointed.

Mr. GARRETT of Tennessee. Mr. Chairman, I reserve a point of order to the paragraph, and I make the point of order to all that part of the paragraph beginning with the word "Provided," in line 3, and ending with the word "appointed," in line 2, page 21.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

Mr. GARRETT of Tennessee. I am making a point of order.

The CHAIRMAN. The gentleman from Wisconsin will state his parliamentary inquiry.

Mr. STAFFORD. I understand the gentleman from Tennessee reserves a point of order on the entire paragraph?

Mr. GARRETT of Tennessee. I reserve a point of order on the entire paragraph, and I am making now a point of order against all that part of the paragraph after the word "Provided," in line 3, on the ground that it is new law.

The CHAIRMAN. Does the gentleman in charge of the bill desire to say anything about the point of order?

Mr. BYRNS of Tennessee. Mr. Chairman, I will say, for the information of the House, that in the colloquy which ensued the other day, when I was undertaking to present this bill, I made the statement that the amendment proposed was so drawn as to provide for elasticity in the payment of this fund for clerical help. In other words, that if the amount was not consumed in one month it would be subject to the disposal of the Member for clerk hire in any succeeding month. A great many expressed themselves as in doubt and some to the effect that they thought the amendment did not so provide.

Now, in order to remove any ambiguity it was my purpose, if the point of order had not been made, to offer the following amendment: On page 20, in lines 13, 14, 15, 16, and 17, strike out, ", but no Member, Delegate, or Resident Commissioner shall authorize an expenditure from the said sum of $2,000 proportionately greater for any period of the fiscal year than that portion of the fiscal year bears to the entire fiscal year" and insert in lieu thereof the following:

Provided further, That any accrued amounts remaining unexpended at any time during the fiscal year shall accumulate and be available for expenditure at any time during the remainder of the fiscal year.

I hoped that the point of order would not be made against this section, in order that I might offer that amendment, and I bring this to the attention of the House now so that those who may be proceeding upon the idea that the amendment was not drawn as it was intended may understand that it is the purpose to correct it.

Of course, I concede that the whole provision is subject to a point of order, but the gentleman from Tennessee [Mr. GARRETT], in the point of order that he has made as to a portion of the paragraph, seeks to cut out from this section a provision which has been carried for a number of years. That is the provision that Members shall report to the Clerk of the House the names of those whom they have appointed as their clerks or secretaries. I am frank to say to you that unless the gentleman proposes to leave that provision in, then I shall make a point of order against the remaining part of this paragraph, because I do not think that the House ought now to undertake to cut out that particular provision.

Mr. GARRETT of Tennessee. Will my colleague yield?

Mr. BYRNS of Tennessee. I will yield.

Mr. GARRETT of Tennessee. I will state to my colleague that in the event that the point of order is sustained it is my purpose then to offer as a substitute for the language which will remain in the paragraph the current law, which does carry the provision that the names shall be placed upon the rolls as the gentleman has stated.

Mr. BYRNS of Tennessee. In the exact language?

Mr. GARRETT of Tennessee. In the exact language of the current law, with an addition to it which will make it permanent law.

Mr. BYRNS of Tennessee. I will ask the gentleman, under the circumstances, why not strike out the whole provision and offer it as one amendment? I mean why not make your point of order against the whole provision and then offer the amendment?

Mr. GARRETT of Tennessee. I will say to the gentleman that I should have no objection to that, provided we can be sure that the provision can be voted upon. Of course, the proposition is subject to a point of order.

Mr. BYRNS of Tennessee. I will say frankly to the gentleman that, so far as I am concerned, I would not be disposed to make a point of order against an amendment carrying the law as now carried.

Mr. GARRETT of Tennessee. Mr. Chairman, pending the decision of the point of order, I ask unanimous consent that the amendment, which I send to the Clerk's desk, may be read for the information of the committee.

The CHAIRMAN. Without objection, the amendment will be read.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Tennessee as a substitute for the entire paragraph:

"Clerk hire, Members and Delegates: To pay each Member, Delegate, and Resident Commissioner for clerk hire, necessarily employed by him in the discharge of his official and representative duties, $2,000 per annum, in monthly installments, $880,000, or so much thereof as may be necessary; and Representatives and Delegates elect to Congress whose credentials in due form of law have been duly filed with the Clerk of the House of Representatives, in accordance with the provisions of section 31 of the Revised Statutes of the United States, shall be entitled to payment under this appropriation: *Provided*, That all clerks to Members, Delegates, and Resident Commissioners shall be placed on the roll of employees of the House and be subject to be removed at the will of the Member, Delegate, or Resident Commissioner by whom they are appointed; and any Member, Delegate, or Resident Commissioner may appoint one or more clerks, who shall be placed on the roll as the clerk of such Member, Delegate, or Resident Commissioner making such appointments: *Provided further*, That said amount of $2,000 shall be the annual allowance for clerk hire for each Member, Delegate, and Resident Commissioner hereafter to be paid under the limitations and upon the conditions herein prescribed."

Mr. BYRNS of Tennessee. That is not offered now. It is read simply for information.

Mr. GARRETT of Tennessee. Simply for information. Mr. Chairman, if I may be indulged for a moment, I will state to my esteemed colleague from Tennessee [Mr. BYRNS] that the particular thing in the paragraph as drawn, to which I object, is the first proviso, beginning in line 3 and ending in line 8. The reason I object to that is that it would change the system of payments. Ever since the passage of the resolution of March 3, 1893, which was the beginning of the allowance of clerk hire to Members, in so far as I have been able to find from a hasty examination of the statute, the payment has been made to the Member direct, and he, of course, has been at liberty to make his contracts with one or with any number of persons to render the clerical service required. That system has been satisfactory. It has been a system which has enabled the Member to proceed with least trouble in securing the clerical assistance necessary.

Mr. DYER. Will the gentleman yield for a question?

Mr. GARRETT of Tennessee. I will.

Mr. DYER. Can the gentleman inform the House if he knows the occasion which caused the Committee on Appropriations to report this other provision to which the gentleman has made the point of order?

Mr. GARRETT of Tennessee. Does the gentleman mean the one to which I am objecting?

Mr. DYER. Yes; the one to which the gentleman has made the point of order. Why has the Committee on Appropriations seen fit to offer that provision?

Mr. GARRETT of Tennessee. I assume that the Committee on Appropriations offered it because they thought it was right.

Mr. DYER. There is no doubt about that, but they ought to be able to give to the House some justification for offering it.

Mr. BYRNS of Tennessee. If the gentleman had been on the floor last Saturday, probably he would have heard the attempt I made to give some of the reasons.

Mr. DYER. I heard the gentleman's very able speech.

Mr. GARRETT of Tennessee. I wish to say this, Mr. Chairman, if I may be further indulged: Last year another legislative body somewhere in the United States essayed to become the guardian of the payment of clerical hire to Members of the House and put into a bill the identical provision to which I am objecting in this bill, and in violation of all the rules of that body the Members of that body were permited upon the floor of that body to cast aspersions, not upon individual Members of this House but upon the House as a whole. When the opportunity came this House, without emulating that other distinguished body by violating the rules of the House, gave vent to its indignation concerning it. The proposition was stricken from the bill, and the system which had been in vogue from the beginning of the allowance of clerk hire was permit ed to prevail, and was continued as the deliberate choice of this House of Representatives. The Committee on Appropriations now, for reasons satisfactory to them—I am not criticizing that committee—have brought in that very provision to which this House objected and which it insisted should go out of the bill.

Mr. HAMLIN. Will the gentleman yield for a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. HAMLIN. Does not the gentleman think that his intimated criticism of the Appropriations Committee is hardly justified in that connection? Does not the gentleman think that the reason why the House perhaps so overwhelmingly resented the action of another body somewhere in the United States was due to the fact that they felt that they were able to take care of their own business?

Mr. GARRETT of Tennessee. No; I will say to the gentleman——

Mr. HAMLIN. I am decidedly in favor of the provision, and yet I resented what another legislative body in the United States did last year.

Mr. GARRETT of Tennessee. No; I will say to the gentleman, since he has asked the question, I do not think that was the only reason. I think the reason why this body resented it, and the reason why there may be some feeling now concerning this provision brought in by the committee, is that it carries with it the implication that the Members of this House

can not be trusted to administer $2,000 per annum clerk hire as honest men. [Applause.] That, in my opinion, is the reason that Members resented it.

Mr. DOWELL. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. DOWELL. Could not the Members of the House, on the same argument and for the same reason, be intrusted with the pay of the other employees of the House? Is it any reflection on Members of the House that the employees are put on the pay roll?

Mr. GARRETT of Tennessee. Mr. Chairman, I do not wish my secretary to become known as an employee of the House. I want my secretary to be my secretary. [Applause.] The employees of the House render service to the House, and the secretary to a Member renders service to the Member—officially, it is true; but service peculiar to the Member—and there is a very confidential relationship existing between the Member and his secretary. Many Members have entered into contracts. Members have different methods by which they have the service done. In my own case, if gentlemen will pardon me for mentioning it, my office in Washington remains open the year round. The secretary remains in that office the year round, except what little vacation may be taken for rest. While I am at home, therefore, I employ stenographic assistance there—perhaps this person to-day and that person to-morrow and another the next day. That is the plan which I have adopted. Other Members have different plans. Contracts have been entered into. The existing law is satisfactory, and it seems to me that the existing law should prevail; and it seems to me that it should be made permanent, because it is not now permanent law.

Now, I want to state—and I hope the gentleman from Tennessee will pardon me, but I happen to know that he personally has, ever since the beginning of his service, like many of the rest of us, paid out much more than he receives for clerical hire—the reason I made the point of order on this proposition was in order to be absolutely sure that that provision would go out of the bill. For that reason I made the point of order to that part and reserved a point of order to the remainder, in order that after this goes out on the point of order I can offer that which I have had read at the desk.

Mr. BYRNS of Tennessee. Mr. Chairman, I will say to my friend from Tennessee that the same purpose which the gentleman seeks to accomplish can be secured by striking the whole paragraph out and offering his amendment. I am frank to say that if the gentleman makes the point of order to the portion he indicates I shall make the point of order to the whole paragraph. The gentleman may then offer his amendment, to which as a whole I will not interpose a point of order.

Mr. GARRETT of Tennessee. I am leaving enough in there to offer a substitute.

Mr. BYRNS of Tennessee. I understand; but I shall feel constrained, if the gentleman makes the point of order to a portion, to make a point of order to all of it so that the gentleman can offer his amendment; and, so far as I am concerned, I do not intend, and have no idea of, making a point of order against any amendment which seeks to carry the existing law. But I do object, I will say to the gentleman in all frankness, to that portion of the gentleman's amendment which seeks to make this permanent law. I am opposed to making it permanent law unless we place these clerks on the roll. [Applause.]

This is not a case for feeling; it is simply a proposition of whether a Member believes that they ought or ought not to be on the roll. For my part, I believe that they ought to be placed on the roll. The gentleman says that he wants his secretary to be his secretary and not an employee of the House. I submit that the secretaries of the Senators are paid from the roll. They are on the roll, receiving their pay out of the Treasury, just as, I think, our clerks ought to be paid out of the Treasury. Nobody has ever questioned the fact that a Senator has absolute authority over those who perform clerical services in his office.

Now, there is another thing which I wish to call to the attention of gentlemen of the House, and that is the fact that you are doing an injustice to the employee who performs the clerical service to a Member of the House, as compared to those who perform clerical services for the Members of the Senate. Why do I say that? Because if, as you expect to do before this bill is concluded, you adopt a general increase of salary applying to those who are on the pay rolls of the Government, that increase will apply to the clerical help of those in the other body who, as we all know, are paid vastly more for services they render than are paid to those rendering similar and equally important service to Members of this House, and will not apply to Members' clerks.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. STAFFORD. I hardly think I am violating any confidence of the committee when I state that it has been considered that the limitation to which the increase of salary will apply is $2,000. The clerks to another body are mostly paid above that sum.

Mr. BYRNS of Tennessee. I want to say that as far as I am concerned there has been no limit as a maximum, and even if the committee had determined upon it I do not know what the House will do. I think the gentleman from Wisconsin is anticipating when he says it will come in with a limitation of $2,000. It may be more and it may be less. I simply threw that in by way of suggestion, as an injustice you are about to do to your own clerks. For my part I believe that the clerks ought to be placed on the roll, and certainly there is no Member of this House, not one, who is further from making the suggestion or implication that Members of the House are acting improperly, as was suggested by the gentleman from Tennessee, might be the conclusion drawn if this provision is adopted.

What are you doing in this bill? You place limitations upon your Cabinet officials. There is a small sum of $30,000 carried in the bill for legislative reference, and this bill places a limitation upon the Librarian as to the manner in which he shall expend it and as to the amount of salary that he may pay under that appropriation. Does the librarian think that that is an implication in respect to his honesty of purpose? Is there any Member of this House who votes for it with the idea that the librarian would act improperly if we would leave that fund to him without the limitation upon it? You can go through this bill from one end to the other and you will find many, many limitations placed upon Cabinet officials. Is that an implication or an insinuation against them as to the manner in which they would act if left free? Certainly not. Then why should Members who oppose this provision choose to construe it as an implication against them? Then why should Members who oppose this provision choose to regard it as an implication against themselves? There is not an appropriation bill that is passed by the House that does not carry some sort of limitation upon it, limiting those who have charge of the expenditure, and yet this is the first time that it has ever been suggested that a limitation of this kind serves as an imputation of dishonesty upon those having charge of its administration.

Mr. TILSON. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. TILSON. Does not the gentleman realize the difference between the House and the Senate in this particular? In the Senate each committee is provided with a clerk, an assistant clerk, and a messenger, so that the chairman of each Senate committee has three clerks, practically, and this bill carries a provision that each Senator who is not the chairman of a committee shall have a clerk, an assistant clerk, and a messenger, whereas by this requirement you practically make it imperative that a House Member have only one clerk?

A Member is not at liberty to split up and divide his allowance—oh, theoretically he can, but practically he is limited to paying it to one person and must go into his own pocket for anything paid to additional assistants. There is a difference between the Senate and the House in that respect. Each Senator has at least three persons in his office to help him, whereas a Member of the House has but one. He needs two.

Mr. BYRNS of Tennessee. I will say to the gentleman in the first place that there is no limitation upon any Member in respect to the number of clerks he may employ out of the $2,000 allowed for clerical hire, and if the gentleman had listened to the amendment I proposed to offer a moment ago——

Mr. TILSON. I heard it read.

Mr. BYRNS of Tennessee. He would understand that if the House is willing to adopt it it will provide that a Member may expend the $2,000 just as he pleases during the fiscal year, the only difference being that he puts his secretary or secretaries upon the pay roll. The people of this country do not object to giving to the Members of the House every particle of clerical assistance that they need for the prompt and efficient administration of their duties here. The people of the country want the membership of the House to have sufficient clerical assistance.

Mr. TILSON. Does the gentleman not know that Members of this House have not sufficient clerical help? Does he not know that their work is greatly hampered for lack of clerical assistance, especially since the war began. That is the fact so far as the membership of the House is concerned, and the people of this country who know anything about the duties of a Member of Congress know it.

Mr. BYRNS of Tennessee. And I want to say this, in continuance of what I started to say, that they do not object to it, but

I do believe that before this House undertakes to increase its appropriation for clerical help it ought to place the secretaries upon the pay roll. That was one reason why a year ago I voted against the increase that was given at that time.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. WALSH. The gentleman from Connecticut has called attention to the fact that Members of the House did not have sufficient clerical assistance. Is the gentleman aware that there are 17 or 18 committees of the House whose clerks are also the secretaries of the Members?

Mr. BYRNS of Tennessee. There are about 60 committees in the House, I think.

Mr. WALSH. But there are 17 or 18 of those whose clerk is also the secretary of the Member. They have time enough to act as clerk of the committee.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. LINTHICUM. Does not the gentleman realize that since this war began the clerical work of the Congressman has doubled to what it was?

Mr. BYRNS of Tennessee. I know that is largely true, and I know, as a matter of fact, as my colleague from Tennessee [Mr. GARRETT] stated, that there are very many Members of this House, possibly all of them so far as I know, who have to pay out much more money than they get for clerical assistance.

Mr. LINTHICUM. I want to say to the gentleman that I am compelled to employ not only my secretary but two others, the work has increased to such an extent, and it is desired to split this matter up. You can not afford to pay it all out of your own pocket. All of us pay out a large sum as it is. The exigencies of this war, it seems to me, demand that this ought not to be interfered with at this time, at least until we can get other help.

Mr. BYRNS of Tennessee. I can not see how the exigency of the war has anything to do with the question of whether or not those who are employed to render clerical assistance to Members shall be paid for their services directly by the Government.

Mr. LINTHICUM. It is almost impossible to get stenographers. If you get one, you will have her for only two or three weeks, and then she goes into the Government service, and you are changing almost monthly.

Mr. BYRNS of Tennessee. Mr. Chairman, I hope if the gentleman from Tennessee makes the point of order that he will make it to the entire paragraph.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order to that part that I indicated. I reserve the point of order as to the whole.

The CHAIRMAN. As the Chair understands, the point of order made by the gentleman from Tennessee is directed to all the matter beginning on line 24 with the word "provided," page 20, and continuing down to and including the word "appointed," in line 2 on page 21.

Mr. GARRETT of Tennessee. That is correct.

The CHAIRMAN. As the Chair understands it, the basic law in this matter is simply a provision of law that a definite amount may be appropriated for clerk hire for the Members of the House.

The fact that matter subject to a point of order is carried from year to year in an appropriation bill gives it no status against a point of order when it is raised. The fact that it goes over from time to time without objection does not prevent the objection being proper to be made and one to be sustained when it actually is made. Now, the gentleman from Tennessee directs, as I have said, his point of order to all the matter included within the limits stated. All of that matter is legislation, and very plainly it is all out of order, and therefore the Chair sustains the point of order.

Mr. BYRNS of Tennessee. Now, Mr. Chairman, I reserve the point of order against the remaining language, and I want to say in explanation of what I intend to do that I shall make the point of order against the remaining language in view of the fact that the gentleman from Tennessee has said that it is his purpose to offer an amendment which will take care of the clerical help. There will therefore be no danger of Members being deprived of the clerical assistance they are now receiving.

Mr. MILLER of Minnesota. Will the gentleman permit an inquiry? Would the gentleman be willing to submit that matter to a vote of the membership?

Mr. BYRNS of Tennessee. If the gentleman and other Members of the House will submit to the House the proposition to place secretaries upon the roll I will gladly do so, and that is what I want.

Mr. MILLER of Minnesota. I will say to the gentleman that has been voted on here ever since I have been a Member.

Mr. BYRNS of Tennessee. I beg the gentleman's pardon; it has not.

Mr. MILLER of Minnesota. The gentleman does not need to beg my pardon; I have been here and I know.

Mr. BYRNS of Tennessee. I will gladly submit to a vote if the gentleman and other Members permit.

Mr. MILLER of Minnesota. I have no objection to it.

Mr. GARRETT of Tennessee. If I understand the gentleman from Tennessee, he states that if the House be permitted to have a vote upon the proposition involved in his bill placing them upon the roll that he then will not make the point of order.

Mr. BYRNS of Tennessee. No; if we can have a vote in the House.

Mr. GARRETT of Tennessee. Not in the Committee of the Whole House. The gentleman will insist upon a vote in the House?

Mr. BYRNS of Tennessee. Yes.

Mr. GARRETT of Tennessee. I have no objection if we can arrange a parliamentary way of getting at it, but I do not see exactly how to get at it in a parliamentary way.

Mr. BYRNS of Tennessee. I can tell the gentleman how to get at it, although the gentleman is a better parliamentarian than I am. If the gentleman will not make the point of order on this paragraph as reported by the committee and will propose in addition thereto the language he wishes to insert in lieu of that portion of this amendment reported by the committee to which he offers objection, it will afford opportunity in the House to get a roll call.

Mr. GARRETT of Tennessee. Would not this be satisfactory to the gentleman from Tennessee——

Mr. LINTHICUM. I will say if the gentleman does not make the point of order I will.

Mr. GARRETT of Tennessee. Let us see if we can arrive at some conclusion on this. I will say this: I do not know whether Members have investigated the matter or not, but if I may be permitted a minute, it does seem to me, let me say, that there ought to be some means devised by which this annual recurring trouble over this clerical hire could be dispensed with.

Mr. DOWELL. Put them on the roll and that will settle it. [Applause.]

Mr. GARRETT of Tennessee. That might settle it to the satisfaction of the gentleman, but it does not settle it to the satisfaction of a great many other gentlemen. They are on the roll now, I will say to the gentleman, under the law. A Member is required to make profert of those whom he appoints regularly as clerical help. I am not objecting to that. What I am objecting to is the change in the system of payments.

Mr. MADDEN. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. MADDEN. It was suggested that we put them on the roll and do away with the annual controversy. I say if we put them on the roll it will just result in adding one new clerk every year until they get so many clerks, because you are not required to pay them out of what you receive, that there will be a scandal about it. That is the situation.

Mr. GARRETT of Tennessee. In all probability that would be the result. What I was about to say was this: I am extremely anxious that if possible we may in some way get away from this annual worry and embarrassment concerning this question, and if we can arrange a way whereby the gentleman from Tennessee can have a vote upon the proposition I am willing myself to withdraw my point of order and offer a substitute for the proposition. If it then be adopted, the gentleman from Tennessee can demand a separate vote in the House upon that and have a roll call. Will that be satisfactory to the gentleman from Tennessee?

Mr. BYRNS of Tennessee. I have just indicated my desire to perfect the amendment.

Mr. GARRETT of Tennessee. I should be willing if we can have an agreement whereby I withdraw the point of order, the gentleman offers the amendment to perfect in the way he desires, and then I offer my proposition as a substitute, and if it be adopted in committee then the gentleman can have a roll call in the House by demanding a separate vote.

Mr. MILLER of Minnesota. If the gentleman will permit, I for one take exception to the language the committee has used in framing this paragraph, and if the gentleman does not make the point of order I shall.

Mr. BYRNS of Tennessee. What particular language?

Mr. MILLER of Minnesota. I object to nearly all the language and the imputations in the language. It may not be——

Mr. BYRNS of Tennessee. Mr. Chairman, under these circumstances——

Mr. MILLER of Minnesota. The gentleman has talked for half an hour, and will he permit some one else to talk for a minute? If the gentleman can frame language that will not be an

insult and will accomplish what he wants. I will not make the point of order. But the language as it stands——

Mr. BYRNS of Tennessee. The gentleman takes exception to the language. I fail to see anything in the language that carries the slightest imputation.

Mr. MILLER of Minnesota. I see it and others see it.

Mr. BYRNS of Tennessee. The gentleman is in the habit of offering amendments. What would the gentleman offer?

Mr. MILLER of Minnesota. The gentleman from Tennessee [Mr. BYRNS] is sufficiently able to take care of himself. It is easy enough to draw language that does not contain any imputation.

Mr. BYRNS of Tennessee. I insist on my point of order, Mr. Chairman, to removing part of the paragraph so that the gentleman from Tennessee [Mr. GARRETT] can offer his amendment.

Mr. STAFFORD. Mr. Chairman, as a member of the committee I desire to offer an amendment.

The CHAIRMAN. The Chair will first dispose of the point of order. The point of order is made to the remainder of the paragraph. I presume it is on the ground that the salaries contained in the remaining language are in excess of that afforded by the basic law?

Mr. BYRNS of Tennessee. Yes.

The CHAIRMAN. The point of order is sustained.

Mr. STAFFORD. Mr. Chairman, I ask recognition for the submission of an amendment.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Does the sustaining of the point of order now wipe out the appropriation itself?

The CHAIRMAN. In its present form. It is perfectly competent to offer an amendment in conformity with the basic law. The gentleman from Wisconsin [Mr. STAFFORD] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 19, after line 23, insert:
"To pay each Member, Delegate, and Resident Commissioner for clerk hire, necessarily employed by him in the discharge of his official and representative duties, $2,000 per annum in monthly installments, $860,000, or so much thereof as may be necessary."

Mr. GARRETT of Tennessee. Mr. Chairman——

Mr. BYRNS of Tennessee. Mr. Chairman, I reserve a point of order on that.

Mr. STAFFORD. Mr. Chairman, I grant that to the extent of the salary that is stated, $2,000, it is subject to a point of order. Other than that I contend it is not subject to the point of order, because prior law has authorized the employment of clerks to Members of the House. The basic law is at present $1,200 for our clerk hire. If the chairman of the committee wishes, in view of the action taken by this body last year, to make the point of order to the amount that the Members of the House should use for the employment of clerk hire, it is his privilege to do so. I perform my duty in offering this amendment.

Mr. BYRNS of Tennessee. Mr. Chairman, I make the point of order against that. If the gentleman will offer the current law, I will not do it.

Mr. GARRETT of Tennessee. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Wisconsin, the Chair understands, has an amendment.

Mr. GARRETT of Tennessee. Does that rule apply? I know the gentleman has the right to the floor, but can he keep the floor indefinitely?

The CHAIRMAN. The Chair is not going to let any one Member keep the floor for an indefinite time.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. STAFFORD offers the following amendment: Insert the following:
"Clerk hire, Members and Delegates: To pay each Member, Delegate, and Resident Commissioner, for clerk hire necessarily employed by him in the discharge of his official and representative duties, $2,000 per annum, in monthly installments, $880,000, or so much thereof as may be necessary; and Representatives and Delegates elect to Congress whose credentials in due form of law have been duly filed with the Clerk of the House of Representatives, in accordance with the provisions of section 31 of the Revised Statutes of the United States, shall be entitled to payment under this appropriation: *Provided*, That all clerks to Members, Delegates, and Resident Commissioners shall be placed on the roll of employees ot the House and be subject to be removed at the will of the Member, Delegate, or Resident Commissioner by whom they are appointed; and any Member, Delegate, or Resident Commissioner may appoint one or more clerks, who shall be placed on the roll as the clerk of such Member, Delegate, or Resident Commissioner making such appointments."

Mr. COX. Mr. Chairman, I reserve a point of order on that.

Mr. STAFFORD. Mr. Chairman, the amendment which has just been read by the Clerk is the language in the existing law that was incorporated in the bill last year. It makes no change whatsoever, and does not make it permanent law, but merely carries for the next fiscal year the same appropriation under the same conditions as the existing appropriation.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Does not that go further than existing law in this, that it requires the Member to register the names of all persons employed by him to assist in his office? What I want to avoid is the necessity of reporting to somebody the name of every person employed by a Member to conduct his clerical work, his seed distribution, and similar matters—per diem employees. I passed the office of one Member yesterday who had no less than 11 persons employed addressing material. They were evidently on a per diem pay roll and at his own expense, because his secretary needed the help.

A Member of the House ought to have jurisdiction over this $2,000. I am perfectly willing to have the name of the secretary reported to somebody if the conscience of the House thinks that is necessary to meet public criticism. But the idea of being accountable to somebody for every person that may be employed throughout the year on various jobs which come under the designation of clerk hire seems to me supremely ridiculous in the first place and a direct reflection upon the integrity of the Member in the other.

Documents have to be sent out, as the gentleman knows; seed have to be sent out—few secretaries do that single handed—and there are some Members who have to employ from one to three and four assistants; some of them regularly. Does not the gentleman's amendment require that each Member shall keep an account of all money spent in this way—enter it up and report it here to somebody? That, I think, is an unnecessary requirement.

Mr. STAFFORD. The fear of the gentleman in making an accounting is not involved in the amendment here proposed. This amendment is existing law, and under it Members are required merely to report to the Clerk of the House the names of the clerks who are the recipients of this fund. The construction of this statute does not place any undue hardship upon the Members in the payment of the fund to the respective employees whom they require for their clerical service.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. I ask for two minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman asks for two minutes more. Is there objection?

There was no objection.

Mr. STAFFORD. I attempted to offer an amendment whereby the amount should be $2,000 per annum, payable in monthly installments without any restriction whatsoever. My purpose was that Members would be certain to secure $2,000, and not be deprived of that amount for their use during the next fiscal year. The Chairman of the subcommittee having this bill in charge made a point of order to that and stated he would not make the point of order to the existing law, and I am offering the existing law so that we all may continue during the next fiscal year under the same terms and practice as in the past.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask that the gentleman from Wisconsin may have one minute more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MOORE of Pennsylvania. Do I understand that the amendment offered by the gentleman is the existing law?

Mr. STAFFORD. Exactly, word for word.

Mr. MOORE of Pennsylvania. And does not necessitate the detailed accounting to which I referred?

Mr. STAFFORD. It does not.

Mr. DYER. Mr. Chairman, will the gentleman yield for a question?

Mr. STAFFORD. If I have time.

Mr. DYER. I would like to ask the gentleman as a member of the committee if he can say, representing the judgment of himself and the committee, if this matter is allowed to pass without a point of order, we will have no repetition of this unseemly performance in the next Congress and forever after?

Mr. STAFFORD. I can make no predictions as to the future.
Mr. DYER. I ask for one minute.
The CHAIRMAN. Is there objection?
There was no objection.
Mr. DYER. I think the House is thoroughly sick of this unseemly performance. I hope this will be the end.
Mr. COX. Mr. Chairman, I reserved this point of order for a purpose. I do not know whether I can develop the purpose for which I really reserved it or not.
First, I desire most earnestly to say that I was in favor of the original language placed in the bill by the committee. I am utterly at a loss, utterly unable to read the English language, when I would undertake to read into the provision reported by the committee an aspersion on any Member of this House. Not a right is taken from him; not a privilege is taken from him. He can put on the roll whomsoever he pleases, and let his clerk get his own or her own money. He can put on more than one, if he wants to, and they can get their money.
It has happened to me more than once—and I dare say it has happened to many Members on the floor of the House in the same way—particularly during the campaign time, when I am absent from my home and my residence for two or three weeks at a time, campaigning in my district, that my secretary, who really needs her check, which may be lying in my office at the time at my home city, is unable to get her money until I return and indorse that check. Gentlemen seem to look upon that rather lightly. It may be that I am an exception to the rule. If I am, I am nevertheless stating exactly what has occurred to me on more than one occasion.
Mr. REAVIS. Mr. Chairman, will the gentleman yield?
Mr. COX. For a question.
Mr. REAVIS. I think that has occurred to every Member, who merely indorses the check and turns it over to his secretary.
Mr. COX. I take it, and I assume that every Member of this House indorses his check and turns it over to his private secretary. I hope that I am not exercising myself in a violent assumption when I thus make that statement.
Mr. KEARNS. Mr. Chairman, will the gentleman yield?
Mr. COX. Yes.
Mr. KEARNS. I will say to the gentleman that I never saw one of these checks in my life. My secretary signs my name to it and goes and gets it cashed.
Mr. COX. My secretary signs my name to a lot of letters, but I will not let my secretary, though I have undoubted confidence in her honesty, sign my name to a check. I will not let any mortal do that except my wife.
Mr. RUCKER. But it is the secretary's check.
Mr. COX. But I must indorse that before she can cash it.
Mr. KEARNS. It is her own money, is it not?
Mr. COX. Yes.
Mr. KEARNS. What is the difference, then, if she signs for it?
Mr. COX. There is a vast difference. I say, I assume that every Member of this House indorses the check and turns it over to the secretary. I assume, and have a right to assume, that every Member of this House has a private secretary somewhere, and that he is turning over every dollar of that money to the private secretary. Otherwise he is not entitled to the money. I am not here to cast aspersions on any Member of this House. I say, I assume that they do that; in fact, I think they do.
Now, then, gentlemen, this provision came up here last session and it was kicked out. The objection was that the Senate interfered with our prerogatives. That was the objection to it then. We first refused to accede to the Senate amendment, and then the leader on that side [Mr. MANN], moved to adhere to the House motion, and the House conferees, of course, finally yielded on that provision, because the House had to adhere.
Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield for a question?
Mr. COX. Yes.
Mr. GARRETT of Tennessee. Let me ask the gentleman this: If that provision as it appears in the bill reported by the committee should become a law, then the clerk of the Member becomes a House employee. That is true, is it not, designated by the Member?
Mr. COX. Yes; technically true; but not her work.
Mr. GARRETT of Tennessee. Under the law as it now stands, there is allowed to the Member $2,000 for clerical hire. He can expend all of that for one clerk or he can expend all of that for half a dozen clerks, if he desires so to do, perfectly legitimately. Now, if you change the law and provide that the clerk shall go upon the roll and that the check for $2,000 per year shall be sent to that individual, then have you not prevented yourself from using any part of that $2,000 to pay any except one individual?
Mr. COX. No; the language under this bill is wide enough to permit you or any other Member of the House to appoint one or more than one upon the rolls here. I do not care whether you put one on at $1,200 and another one on at $800; let them go on the roll and let them draw their own money.
Mr. KINCHELOE. Will the gentleman yield?
Mr. COX. Yes; I will yield for a question.
Mr. KINCHELOE. If the gentleman feels that way about it and puts his secretary on the roll, and if some other Member of the House can manage his better in some other way, what kick has the gentleman got? [Applause.]
Mr. COX. I have no kick at all, except to kick this question out of Congress and keep it out of here. It will come back to plague us forever unless we put these people on the roll. It will come up every year when the legislative bill comes in; and there is just one way to prevent that.
The CHAIRMAN. The time of the gentleman has expired.
Mr. COX. I ask unanimous consent for five minutes more.
The CHAIRMAN. The gentleman from Indiana asks unanimous consent that he be allowed to proceed for five minutes. Is there objection?
Mr. KNUTSON. I object.
The CHAIRMAN. Objection is heard.
Mr. COX. It will come home to roost on you.
Mr. BYRNS of Tennessee. I should like to know whether the gentleman from Indiana proposes to make the point of order?
Mr. COX. I can not announce that now. I want to propound a question to the House, as I said before, with a view to seeing whether or not there are any other amendments to be offered to this proposed amendment.
Mr. GOOD. Mr. Chairman, a parliamentary inquiry.
The CHAIRMAN. The gentleman will state it.
Mr. GOOD. Has the point of order been disposed of?
The CHAIRMAN. It has not.
Mr. GOOD. Has a point of order been made?
The CHAIRMAN. It has not.
Mr. GOOD. Has it been withdrawn?
The CHAIRMAN. It has not. The point of order has been reserved. That is the status of this amendment.
Mr. GOOD. Then I ask for the regular order.
Mr. COX. I withdraw the point of order.
Mr. MOON. I reserve the point of order for a moment.
The CHAIRMAN. Does the gentleman from Tennessee make the point of order?
Mr. MOON. No; I just reserve it for a moment. I want to say that I have no objection to the legislation that is desired, to put these clerks upon the rolls. But we have an illustration here to-day of the trouble we get into when a committee of this House attempts to usurp the power and authority of another committee. Under the law and the rules of this House the Committee on Appropriations has no authority to legislate about anything. It makes appropriations. Yet it is placing legislation upon its bills right along. There was no necessity for placing this legislation upon this bill. The committee might have made the appropriation as authorized by law. Of course no objection could be made before the bill came into the House and was reported, except to the whole bill, and that could not be done. The report having been made, then the committee got jurisdiction to bring the question before the House for consideration, provided it did not conflict with that other rule which is now being applied, of legislation on an appropriation bill. It is the insidious way in which they attempt to get in here that I object to. What condition have they put this House in to-day? The only law on this subject for the payment of secretaries is for $1,200 per annum. The increases have been carried in the annual appropriation bills. Now the amount is $2,000 a year. Any amendment above $1,200 is subject to the point of order.
Mr. GARRETT of Tennessee. Will my colleague yield?
Mr. MOON. Yes.
Mr. GARRETT of Tennessee. The gentleman's statement as to the permanent law is not quite accurate.
Mr. MOON. Was it $1,500 instead of $1,200?
Mr. GARRETT of Tennessee. No; all the permanent law that I have been able to find upon the question is $100 per month during a session of Congress to those Members who are not chairmen of committees having clerks, and to those who are chairmen of committees having clerks, $100 a month during vacation.
Mr. MOON. I may be wrong as to the exact language of the law, but assuming that it is as my colleague says, it does not alter this situation one iota. Now what situation have they put us in in reference to this question? My colleague, the gentleman from Tennessee [Mr. GARRETT], makes the point of order on the language following the appropriation of $880,000.

The point of order is well taken, because of the fact that it is legislation upon an appropriation bill. Then my other colleague from Tennessee [Mr. BYRNS] makes the point of order on the appropriation of $880,000, and that is well taken, because it is beyond the amount for which the committee could appropriate. In other words, the Committee on Appropriations comes into this House with new legislation that it ought not to have brought in, and then it comes in and of its own motion strikes from the bill the appropriation for the salaries of the clerks to the Members of the House and leaves the bill naked on that question.

Now, the amendment comes again from the gentleman from Tennessee [Mr. GARRETT]. It is subject to a point of order. All these amendments are subject to points of order. You could not get anything into this bill now except the old salary under the old law if the point of order is insisted upon.

I mention these facts to show you the attitude that the House is put in by an attempt to usurp power that does not belong to the committee. The only thing that can be done legally, if this point is insisted upon, is to put back the old salary and then for the Judiciary Committee to bring into this House a bill that will authorize an increase of the salary to $2,000. The Committee on Appropriations has no power to do it, and it ought not to interfere with these questions. I am not going to attempt to further embarrass the House by making parliamentary suggestions. I simply reserved the point of order, not for the purpose of embarrassing the House in this matter and reducing the salary of these clerks, but to show you how wrong it is and what an error we can get into in an attempt to override the rules of the House and usurp a jurisdiction that does not belong to us. I withdraw the reservation of the point of order.

Mr. BYRNS of Tennessee. Mr. Chairman, I am not going to reply to the gentleman from Tennessee in kind, but the gentleman is chairman of the Committee on the Post Office and Post Roads, and I say in all good feeling that his committee has violated the rules of this House repeatedly. As we all know, it has been necessary for him frequently to go to the Committee on Rules to make in order propositions that he carried in the Post Office appropriation bill. They were placed there in clear violation of the rules of the House, as much so as any action of the appropriation committee about which the gentleman complains. I cite this to show the inconsistency of some complaints which are being made.

Mr. MOON. Will the gentleman yield?

Mr. BYRNS of Tennessee. No; I do not yield now. The facts are these: The gentleman from Tennessee [Mr. GARRETT] has correctly said that the law now on the statute books provides only $100 a month for Members during the actual session, and $100 in vacation for those who are chairman of committees. Now, if the committee had brought in that sort of a proposition, it would have been a great injustice to you gentlemen who are not chairman of committees, with $5,000 for clerk hire by virtue of such chairmanship. This provision is primarily for the Member without a chairmanship, and not for the chairman of a big committee, who not only has possibly $5,000 for clerical help by reason of such chairmanship but also the help provided for each Member.

Long before I came to Congress the legislative appropriation bill carried a provision giving to clerks of the House a sum in excess of that provided by law. The Committee on Appropriations in this particular instance has done no more than Appropriation Committees have done for the last 20 years or more. The gentleman, my colleague, for whom I have great regard and great personal admiration, has been a Member of the House for 22 years, and yet this is the first time he ever rose on the floor of the House to criticize the Appropriation Committee because it has brought in a provision giving Members of the House adequate clerical service to enable them to perform their duties.

Mr. BUTLER. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. BUTLER. Why not equalize it by taking away some of the money from the chairmen of the great committees?

Mr. BYRNS of Tennessee. I do not think that would meet with favor from them.

Mr. BUTLER. I belong to a party that is very unfortunate. [Laughter.]

Mr. BYRNS of Tennessee. The gentleman is correct in that; but so far as clerical assistance is concerned he is no more unfortunate than I am.

Mr. BUTLER. But I do not want you to reduce it. [Laughter.]

Mr. MOON. Mr. Chairman, I did not desire to arouse bad temper in my friend from Nashville, nor did I rise for the purpose of making a statement that would in any way interfere with the salary given Members' clerks. His suggestion that a chairman of a committee could well afford, because he has other clerks, to let this go out on a point of order is not in accordance with the fact, because there is no desire on the part of any chairman of a committee that I know of to prevent the membership of this House from having $2,000 for their clerical assistance. I was just showing the attitude in which the gentleman can put the House and regretting that he did such a thing. With all kindness toward my good friend from Tennessee, he has put us in the attitude so that any man on the floor of the House, if he sees fit to do it, can object to these amendments and force this whole question to the Judiciary Committee for legislation in order for you to get over $1,200 a year for your clerks. I have not proposed to do it. I have said that I would not do it, because I did not want a thing of that sort done, and yet he gets up here and assumes that I have said that my purpose and intention was to do that, because I have some other clerical assistance.

Well, as far as I am concerned, I suppose our committee does about as much work as any of them, and I do about as much as any clerk. I do not want to put the House in an embarrassing situation at all. I wanted to emphasize the fact that this is an usurpation of power and authority which has to stop and is going to stop as far as I can help to stop it. If it was not for further embarrassing the House and doing an injustice, I would like to insist on the point of order and show the gentleman how necessary and how essential it is for committees to follow the law in this country instead of attempting to violate it by encroachment on the jurisdiction of other committees. The gentleman says that I have made no point of order against provisions heretofore. I have always made it a point in this House to look after the business of the committee that I had charge of and the work on that committee, if I could. I have not undertaken to interfere with other committees and do not propose to do it until they begin to encroach upon the committee that I am interested in. Then I am going to sustain the jurisdiction and dignity of that committee, if I can, and the gentleman will find before the consideration of this bill closes that it contains some other items that are going to be stricken out because of the assumption of jurisdiction that is not warranted. The Committee on Appropriations has to keep within its own boundaries, and if it goes into those of others it has to be driven out.

Mr. CANNON. Mr. Chairman, will the Chair indulge me by unanimous consent for just a word or two on the point of order?

The CHAIRMAN. There is no point of order pending. The reservation of a point of order was withdrawn.

Mr. CANNON. Then, Mr. Chairman, I move to strike out the last word. Ever since I have been a Member of this House there has rarely been an appropriation bill, before the bills were divided or since they were divided, that has not had in it one or more and sometimes 15 or 20 propositions not provided for by permanent law. Every such proposition is subject to a point of order, and any one of the 435 Members can make the point of order. So, after all, I apprehend that with members of these respective appropriating committees it is a case of the pot calling the kettle black. If these outrages are committed it is within the power of any Member to trim the bill. It is said that it is responsible for all this hurrah about clerk hire. I think I understand why the hurrah. The law is $1,200 for each fiscal year during the session. There you are. That is legal. If this whole thing goes out on a point of order some one can offer the amendment for $1,200, and it will not be subject to a point of order, but there is not a man in the House now who does not understand that, and we have the language, because there is no Member that wants to cut down below $2,000; and there you are.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer the following amendment in the nature of a substitute.

Mr. GARRETT of Tennessee. Mr. Chairman, I have an amendment to perfect, and I submit that that takes preference.

The CHAIRMAN. The gentleman from Tennessee [Mr. GARRETT] can offer an amendment to perfect the pending amendment.

Mr. GARRETT of Tennessee. I offer as an amendment the following proviso, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. GARRETT of Tennessee offers an amendment to the amendment of Mr. STAFFORD by adding at the end thereof the following proviso:

"*Provided, further*, That said amount of $2,000 shall be the annual allowance for clerk hire for each Member, Delegate, and Resident Commissioner hereafter, to be paid under the limitations and upon the conditions herein prescribed."

Mr. GOOD. Mr. Chairman, I reserve the point of order on the provision that makes it permanent law.

Mr. GARRETT of Tennessee. Mr. Chairman, it is not subject to the point of order, and I suggest that it be disposed of.

Mr. GOOD. Mr. Chairman, the whole question, it seems to me, has been brought about by an attempt upon the part of the House to be economical. If this body would appropriate a suffi-

cient amount of money to permit each Member to transact his business in an orderly way and with dispatch, there would be no question then but what we could put upon the rolls every one of the employees of such Members. The membership of this House is composed of men who are comparatively poor. A great many of the Members of this House can not afford to go into their pockets, as they are compelled to do every year, and hire clerks to transact the Government business. Let me call attention to what we have done already, without any objection at all. We have given to the other body an allowance for clerk hire. Take the Committee on the Disposition of Useless Papers in the Executive Departments, and I take it there is no more inactive committee in Congress than that.

Mr. MADDEN. That is in the Senate?

Mr. GOOD. That is in the Senate. On page 4 of the bill you will find that we appropriate for the chairman of that committee a clerk at $2,220 a year, an assistant clerk at $1,440 a year, a messenger at $1,200 a year. The chairman of that committee has a force to do his work that costs the Government every year $4,800. After we have taken care of all the Members of the Senate who are chairmen of committees—and there are 24 Senators who are not chairmen of committees—we incorporated this provision:

> For assistance to Senators who are not chairmen of committees, as follows: Twenty-four clerks, at $2,000 each; 24 assistant clerks, at $1,200 each; 24 messengers, at $1,200 each; in all, $105,600.

That amounts to $4,400 a year to every Member of that body who is not the chairman of a committee, so no Senator has less than $4,400 a year for clerk hire. The House has attempted to be economical. It has attempted to enact legislation that would permit a Member who can not afford to pay out of his pocket for clerical services necessary to perfrom his work to employ more than one clerk out of the allowance. Each Member of the House can put on the roll in the Clerk's office the names of the persons to whom he pays this $2,000, and he can pay it for such service just as he pleases during the year.

Mr. Chairman, I am one of those who believe that the membership of this House is honest. I do not believe there is a man in the House who will take a single penny that is voted to him by Congress for clerk hire and use it for his own benefit. I have no objection to this amendment excepting this. I do not believe that now is the time, when our people are being taxed as they were never taxed before, to raise salaries, or to increase the expenses of the House or any department of the Government if it can be avoided. Adopt this resolution, and put on the rolls the secretary of the Member at $2,000, and the membership of this House will rise, as it will have a right to rise and ought to rise, and demand that each Member have an additional clerk in order that Members of the House can perform their work.

Now, I do not believe we ought to do that now. I do believe that we ought, if possible, to economize a little longer along this line. Advocating economy in other Government departments, let us set the example. This is not the time to change the law in this respect, for it will result in increased appropriations, and therefore I am for the amendment of the gentleman from Wisconsin [Mr. STAFFORD].

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. GOOD. I do.

Mr. CARTER of Oklahoma. Does the gentleman know of any time when a Member of Congress had more work to do and needed additional help any worse than he does at this time since this war has been in progress?

Mr. GOOD. No; I think that is true, and I think the consensus of opinion of the committee which has investigated this matter for years is that Members of Congress will get along by adding two and sometimes three employees as clerks and dividing up this $2,000, and thereby in a way perform their duties.

Mr. LITTLE. Will the gentleman yield?

Mr. GOOD. I do.

Mr. LITTLE. Is there any other branch of this Congress the Members of which have more work for their clerks to do than the Members of this branch?

Mr. GOOD. No; no other branch has as much to do, of course.

Mr. LITTLE. Excuse me, but how much less is the clerk hire of a Member of this House under this law than the clerk hire of Members of some other body?

Mr. GOOD. Twenty-four hundred dollars or more.

Mr. KNUTSON. Twenty-four hundred dollars.

Mr. LITTLE. Just put that answer in the RECORD.

Mr. GOOD. I make the point of order.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, does the Chair care to hear from me? I invoke the well-known rule of parliamentary practice in this House that where a proposition which would as an original proposition be subject to a point of order is offered to an amendment or to a proposition which would have been subject to the point of order if made, that amendment or proposition is in order. The situation is this: The amendment offered by the gentleman from Wisconsin [Mr. STAFFORD] was subject to a point of order had that point of order been made, and the Chair would have sustained it, of course; but it not having been made, it having been admitted, then the amendment which I have offered, although as an original proposition it would have been subject to the point of order, is under the well-fixed rule in order.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard?

Mr. GOOD. Mr. Chairman, I think the gentleman from Tennessee has correctly stated the status of this amendment, but the point which I desired to call to the Chair's attention was this: The amendment offered by the gentleman from Wisconsin [Mr. STAFFORD] had only reference to appropriations for this year. It did not attempt to enact permanent law that would control in the future appropriations under this item. The gentleman from Tennessee [Mr. BYRNS] offers an amendment, a part of which I concede is in order, but a part of which is not germane, in that it attempts to enact permanent law on an appropriation bill.

Mr. BYRNS of Tennessee. The gentleman means the gentleman from Tennessee, Mr. GARRETT?

Mr. GOOD. No; Mr. BYRNS. If I correctly heard the reading the amendment or the substitute offered by the gentleman from Tennessee [Mr. BYRNS] it provides that hereafter, and so forth.

Mr. BYRNS of Tennessee. That substitute has not been read, and it does not provide——

Mr. GARRETT of Tennessee. The amendment which I offered is to make it permanent law.

Mr. GOOD. This is the provision to which I desire to direct the attention of the Chair. It is that part which would enact this as a permanent law to which I object. I made no point of order on the other provision. It seems to me that portion is not germane to the amendment offered by the gentleman from Tennessee.

The CHAIRMAN (Mr. SAUNDERS of Virginia). The Chair will ask the indulgence of the committee for a few moments while he states the principles upon which his ruling will be based. These principles are often appealed to, and merit a very precise and definite statement in order that they may be clearly understood, and their application readily followed. If a paragraph contains any offending matter, and I mean by this any matter that is subject to a point of order, then the entire paragraph is subject to a point of order. It is competent, however, for a Member to direct his point of order to the offending matter alone, and if he thus restricts his objection, then the offending matter only, will be expunged. But if the point of order is directed to an entire paragraph, any portion of which is not in order, the point of order will be sustained as to the paragraph in its entirety. On the other hand a paragraph containing offending matter but not objected to on that account, remains in the bill as a whole, and within certain limitations, is open to amendment. The statement is often made that under the conditions last stated, the paragraph is open to amendments that would otherwise be out of order. But this is not a very precise statement of the rule since it is calculated to convey the erroneous idea that the door is wide open to amendments whatever their character, or the extent of their illegality. The true ruling and the one fully supported by the precedents is that a paragraph embodying legislation which is allowed to remain in an appropriation bill, may be perfected by a germane amendment, but this does not permit an amendment which adds additional legislation. Fourth Hinds, section 3836, ruling by Theodore Burton, Chairman. The Chairman, as a part of his ruling, made the following statement:

> The Chair, though somewhat doubtful, thinks the best rule is: That if a paragraph has been included in a bill which has in it a taint of illegality, or of being contrary to existing law, that paragraph can be corrected or perfected by an amendment: but if the further paragraph which is proposed, as an amendment, carries a further degree of illegality, affecting the whole paragraph as amended, then it is not in order.

Manifestly this ruling is fundamentally sound. The existence of illegality in a paragraph should not furnish the groundwork, or afford the excuse, to engraft upon the paragraph additional and perhaps more sweeping illegalities in the form possibly of radical changes of existing law. The principle fundamental to the whole situation is that it is undesirable to enact essential legislation in an appropriation bill. The distinction made by the Chairman in the decision cited, is clearly in the interest of good legislation, and wholesome procedure. It is one that was not only proper to be made upon the facts in that case, but one

that ought to be followed, since otherwise, if some nonessential, but offending matter, should be allowed to remain in a paragraph, amendments of the most sweeping character, embodying new and additional illegalities might be construed to be in order, upon the theory that the presence of the offending matter in the paragraph under consideration, removed the right to object to new illegalities. Further rulings sustaining the position of Chairman Burton will be found in Fourth Hinds, section 3823, section 3826, section 3832, section 3838.

The conclusion of this matter then is that:

In an appropriation bill a paragraph embodying legislation and allowed to remain in the bill may be perfected by a germane amendment,

that is, an amendment germane to this otherwise illegal matter,

but this does not permit an amendment which adds additional legislation which is not a development, or perfecting of the original offending matter.

The amendment which the gentleman from Tennessee submits, proposes to add a new feature of permanent law to the proposition now under consideration. If there is illegal matter in the pending proposition, to what extent can the matter proposed by the gentleman from Tennessee, be considered a development, or perfecting of that matter? It is an enlargement of the illegal content of the proposition before the committee, in the way of new and permanent legislation. The Chair does not consider that this amendment fairly comes within the principle announced with respect to perfecting offending matter allowed to remain in an appropriation bill, and the point of order is sustained.

Mr. CALDWELL. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CALDWELL to the Stafford amendment: After the word "appropriation" in the Stafford amendment, and before the word "*Provided*," insert: "And in addition thereto each Member, Delegate, and Resident Commissioner, who shall certify that additional help is necessary in the discharge of his official duties, one clerk, who shall be a stenographer, $100 per month during the session of Congress, to pay which so much as may be necessary is hereby appropriated."

Mr. COX. Mr. Chairman, I offer an amendment to the amendment.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BYRNS of Tennessee. Mr. Chairman, I reserve a point of order on it.

The CHAIRMAN. Two gentleman reserve the point of order on the amendment.

Mr. BYRNS of Tennessee. Mr. Chairman, I would like to ask the Clerk to read the amendment as it will read if adopted.

The CHAIRMAN. Without objection, the amendment will be read again for the information of the committee.

Mr. BYRNS of Tennessee. I mean the entire amendment.

The CHAIRMAN. Without objection, the Clerk will read the amendment of the gentleman from Wisconsin [Mr. STAFFORD] as amended by the amendment of the gentleman from New York [Mr. CALDWELL].

The Clerk read as follows:

After line 23, on page 19, insert: "Clerk hire, Members and Delegates: To pay each Member, Delegate, and Resident Commissioner for clerk hire necessarily employed by him in the discharge of his official and representative duties $2,000 per annum, in monthly installments, $880,000, or so much thereof as may be necessary; and Representatives and Delegates elect to Congress whose credentials in due form of law have been duly filed with the Clerk of the House of Representatives, in accordance with the provisions of section 31 of the Revised Statutes of the United States, shall be entitled to payment under this appropriation. And in addition thereto each Member, Delegate, and Resident Commissioner who shall certify that additional help is necessary in the discharge of his official duties, one clerk, who shall be a stenographer, $100 per month during the session of Congress, to pay which so much as may be necessary is hereby appropriated: *Provided*, That all clerks to Members, Delegates, and Resident Commissioners shall be placed on the roll of employees of the House and be subject to be removed at the will of the Member, Delegate, or Resident Commissioner by whom they are appointed; and any Member, Delegate, or Resident Commissioner may appoint one or more clerks, who shall be placed on the roll as the clerk of such Member, Delegate, or Resident Commissioner making such appointments."

Mr. BYRNS of Tennessee. Mr. Chairman, I make the point of order against the amendment.

Mr. CALDWELL. Mr. Chairman, I make this point: This amendment is practically a statement of the law as it now stands, and if offered alone, without the Stafford amendment, would be in order. In addition to that, it is germane to the Stafford amendment, because it extends and perfects the proposition as submitted to this House in the matter of employment of necessary help in the discharge of the official duties of the Members, Delegates, and Commissioners in this House. This proposition was submitted to this House in the Sixty-fourth Congress, second session, and the gentleman from Mississippi [Mr. HARRISON] was in the chair. The matter was there passed upon and the Chair ruled that it was in order, and the House voted upon it. And under that precedent, and under the precedents already established and read by the Chair here to-day, and in view of the fact that this is a germane amendment, is a repetition of the law as it now stands, and was ruled to be in order in connection with the identical amendment as proposed by the gentleman from Wisconsin [Mr. STAFFORD] in the Sixty-fourth Congress, I submit this is in order.

The CHAIRMAN. The Chair will not restate the principles previously announced.

The Chair has been cited to the decision of Mr. Chairman HARRISON, and has examined it carefully, and also the other decisions on the principle involved. Mr. Chairman HARRISON seemed to consider that the amendment was in order on the general ground that the paragraph contained illegal matter, and therefore other illegal matter could be submitted by way of amendment. There was no precise statement of the principle, or citation of precedents. I have tried to point out the limitations which surround the admission of illegal matter to a paragraph already tainted with illegality.

The amendment provides an additional allowance for clerk hire for Members, and provides further that this additional allowance shall be expended for a stenographer. Looking to the proposition proposed to be amended, what is the illegal matter in that proposition which this amendment will develop, and perfect, and to which it may be fairly considered germane?

It would be difficult I think, to indicate this matter. The amendment is illegal in more than one respect. The paragraph, or amendment to which this amendment is offered, contains illegal matter, in that the amount allowed by basic law is increased from $1,200 to $2,000. Can it be fairly construed that an amendment which increases further that allowance, and provides in addition that this increase shall be expended upon a stenographer, merely perfects the illegal increase in the original allowance, without adding a new element of illegality, namely that the Members will be compelled to apply this increase to the employment of a stenographer? The amendment reduces the discretion of the Members in the application of the money appropriated for clerk hire. It directs their discretion, and requires it to be exercised in an accurately prescribed fashion.

It would be perfectly appropriate and in order to increase by amendment the amount of $2,000, and make it $3,000, if the committee chooses to do so, or $4,000, or any other amount that may be desired. Such amendments would be germane developments of the illegal matter. Should this be done, the Members could utilize the increase over the original allowance for the employment of a stenographer, since there is no limitation in the basic law upon the use of the money appropriated for clerk hire.

A Member may expend his allowance upon one, two, three or four clerks; they may be all stenographers; they may be clerks who are not stenographers; they may be typists; they may be both stenographers and typists. These details are left to the discretion of the Member when selecting his clerks. But this amendment takes away this discretion in the use of the increase proposed. It prescribes that the increased amount to be appropriated for clerk hire shall be expended upon the employment of a stenographer, and for no other purpose. Existing law leaves to the Members the free exercise of discretion in the application of the funds to be expended to secure clerical assistance. The amendment proposes new law. It creates an additional fund for clerk hire, a fund that can be expended in but one direction, namely the employment of a stenographer. This will be legislation on an appropriation bill, and new illegality. It is not a perfecting amendment to existing illegality, that is to say to what would be existing illegality if the increased appropriation for clerk hire had not been allowed to remain in the amendment without objection. The point of order is sustained.

Mr. MEEKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MEEKER. If an amendment had been offered to change the sum from $2,000 to $3,200, would that be in order?

The CHAIRMAN. According to the precedents, certainly.

Mr. MEEKER. I move that the Stafford amendment be amended to read "$3,200" instead of "$2,000."

The CHAIRMAN. The gentleman from Missouri moves to amend the Stafford amendment by striking out the sum "$2,000" and inserting in lieu thereof the sum "$3,200." The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MEEKER. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 67, noes 63.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask for tellers.

Mr. CANNON. Mr. Chairman, I ask unanimous consent to make a parliamentary inquiry.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to propound a parliamentary inquiry. Is there objection?

There was no objection.

Mr. CANNON. If this addition should be adopted it becomes a part of the other amendment and would be reported to the House; and when reported to the House it would be subject to a yea-and-nay vote, as I understand it, and then how many of us will vote "yea"? If the vote is "nay" it cuts out everything.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. BYRNS of Tennessee and Mr. MEEKER to act as tellers.

Mr. KINCHELOE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The House is in the process of voting. Those in favor of the amendment will pass through the tellers and be counted.

The committee again divided; and the tellers reported—ayes 60, noes 83.

So the amendment was rejected.

Mr. BYRNS of Tennessee. Now, Mr. Chairman, I offer an amendment as a substitute.

The CHAIRMAN. The gentleman from Tennessee offers an amendment as a substitute for the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD]. The Clerk will report it.

The Clerk read as follows:

Mr. BYRNS of Tennessee offers the following substitute for the Stafford amendment:

"Clerk hire, Members and Delegates: For clerk hire for Members, Delegates, and Resident Commissioners, necessary in the discharge of their official and representative duties, $2,000 each per annum, $880,000, or so much thereof as may be necessary: *Provided*, That all clerks to Members, Delegates, and Resident Commissioners from and after July 1, 1918, shall be placed on the roll of employees of the House of Representatives and shall be paid in the same manner as other employees of the House are paid: *Provided further*, That each Member, Delegate, and Resident Commissioner may appoint for such periods and at such rates of compensation as he shall determine within the said sum of $2,000 a clerk or clerks who shall be subject to be removed at the will of the person by whom they are appointed: *Provided further*, That any accrued amounts remaining unexpended at any time during the fiscal year shall accumulate and be available for expenditure at any time during the remainder of the fiscal year: *Provided further*, That Representatives and Delegates elect to Congress whose credentials in due form of law have been duly filed with the Clerk of the House of Representatives, in accordance with the provisions of section 31 of the Revised Statutes of the United States shall be entitled, from the date of commencement of their respective terms, to make appointments and removals of clerks under this appropriation: *Provided further*, That the employment of any clerk or clerks hereunder shall cease upon the death, resignation, removal, or termination of service of the Member, Delegate, or Resident Commissioner by whom they were appointed."

Mr. MILLER of Minnesota. Mr. Chairman, I reserve a point of order.

Mr. STAFFORD. I reserve a point of order, Mr. Chairman.

Mr. GARRETT of Tennessee. I make the point of order that the substitute is not in order.

The CHAIRMAN. Several gentlemen make a point of order.

Mr. GARRETT of Tennessee. I direct the attention of the Chair to the language of the first proviso—

Provided, That all clerks to Members, Delegates, and Resident Commissioners from and after July 1 1918, shall be placed on the roll of the employees of the House of Representatives and shall be paid in the same manner as other employees of the House are paid.

Now, I invoke the two rulings of the Chair, just made, in support of the point of order which I now offer, namely, that it is not in order to offer a proposition not germane when it would add to the illegality of the original proposition.

Mr. BYRNS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. And this proposition would radically change the existing law, in that it would change the method of payment to the clerk, and it would change the character of the clerk by designating him or her as an employee of the House.

Mr. WALSH. Mr. Chairman, I make the point of order that the point of order comes too late; that this amendment has been considered, and that an amendment offered to it was voted down and disposed of therefore it is too late.

The CHAIRMAN. This substitute was not offered to the House before, and as soon as it was offered the gentleman from Tennessee made a point of order to it.

Mr. WALSH. Is not this the substitute that was read to the House some little time ago?

The CHAIRMAN. For the purpose of information.

Mr. WALSH. Only for information?

The CHAIRMAN. Yes.

Mr. BYRNS of Tennessee. I concede the fact that, in view of the ruling of the Chair, the amendment as read at the Clerk's desk is subject to a point of order, because under the terms of the amendment it would have the effect of making it permanent law. That was intended, because I believe we ought to have a permanent law on the subject if we can place these clerks on the roll. But in view of the point that has been made, if it is insisted on and in order to make the amendment, in my judgment, clearly in order, I want to ask unanimous consent that the words "from and after July 1, 1918," be stricken from the amendment.

Mr. MADDEN. I object to any modification in the way of amendment if there is any point of order pending. I am going to make the point of order on this myself, if nobody else does.

The CHAIRMAN. Does the gentleman object to the unanimous-consent request of the gentleman from Tennessee?

Mr. MADDEN. I object.

The CHAIRMAN. The gentleman objects. If the Chair is right in the ruling heretofore, this substitute amendment is clearly out of order.

Mr. BYRNS of Tennessee. I offer an amendment with the date "July 1, 1918," stricken out. I do not see that there is any necessity of reading it.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Strike out the words "from and after July 1, 1918."

Mr. MADDEN. Now, Mr. Chairman, let us have the amendment reported as it would read.

The CHAIRMAN. Without objection, the Clerk will report the amendment as it would read with the correction made by the gentleman from Tennessee.

Mr. MADDEN. I would like to have the amendment reported as it would read if it were added to the Stafford amendment.

The CHAIRMAN. It is a substitute amendment.

Mr. GARRETT of Tennessee. It has to be reported if anyone demands it. It is a new proposition.

The CHAIRMAN. The gentleman from Wisconsin reserved a point of order on the substitute.

The Clerk read as follows:

Substitute offered by Mr. BYRNS of Tennessee to the Stafford amendment:

"Clerk hire, Members and Delegates: For clerk hire for Members, Delegates, and Resident Commissioners, necessary in the discharge of their official and representative duties, $2,000 each per annum, $880,000, or so much thereof as may be necessary: *Provided*, That all clerks to Members, Delegates, and Resident Commissioners shall be placed on the roll of employees of the House of Representatives and shall be paid in the same manner as other employees of the House are paid: *Provided further*, That each Member, Delegate, and Resident Commissioner may appoint for such periods and at such rates of compensation as he shall determine within the said sum of $2,000 a clerk or clerks who shall be subject to be removed at the will of the person by whom they are appointed: *Provided further*, That any accrued amount remaining unexpended at any time during the fiscal year shall accumulate and be available for expenditure at any time during the remainder of the fiscal year: *Provided further*, That Representatives and Delegates elect to Congress whose credentials in due form of law have been duly filed with the Clerk of the House of Representatives, in accordance with the provisions of section 31 of the Revised Statutes of the United States shall be entitled, from the date of commencement of their respective terms, to make appointments and removals of clerks under this appropriation: *Provided further*, That the employment of any clerk or clerks hereunder shall cease upon the death, resignation, removal, or termination of service of the Member, Delegate, or Resident Commissioner by whom they were appointed"

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that the substitute is not in order; and I again direct the attention of the Chair to the language of the first proviso, which I quoted a few moments ago in making the point of order to the amendment as originally offered by the gentleman from Tennessee; that is, that it vitally changes the present law and therefore is not germane to the amendment, in that it changes the character of the clerk by making him or her an employee of the House instead of the employee of the Member, and that it changes the plan of payment by directing that the check be paid to the clerk instead of through the Member as heretofore.

Mr. BYRNS of Tennessee. Mr. Chairman, I submit that this amendment is germane to the amendment now pending. As I understand, that is the only question before the Chair.

The amendment does not make the clerk an employee of the House. The gentleman from Tennessee is mistaken about that.

Mr. GARRETT of Tennessee. I do not know whether it changes it or not, but it says that it does. It provides that the clerk "shall be paid in the same manner as other employees of the House."

Mr. BYRNS of Tennessee. The only thing it does is to change the method of payment. It says he shall be paid "in the same manner as other employees of the House are paid."

Mr. GARRETT of Tennessee. May I ask the gentleman what the word "other" means.

Mr. BYRNS of Tennessee. It reads "other employees of the House." The gentleman is right about that, but I submit that if this amendment is read from beginning to end it does not make the clerk an employee of the House, for it gives to the Member full and complete authority to appoint him, to discharge him, to give him any sum that he may please for any period of time that he employs him, and that being so he can not possibly be construed to be an employee of the House.

The only point I want to make is that this amendment is germane to the amendment pending, because it only seeks to change the method in which the clerk shall be paid. In one amendment it is provided that the amount appropriated for Members' clerks shall be paid to the Members themselves, whereas in the amendment which I have offered it provides that they shall be paid through the Clerk of the House.

Mr. MEEKER. Will the gentleman yield, Mr. Chairman?

Mr. BYRNS of Tennessee. It makes no change in the law. It makes no change in the number of clerks who may be employed.

Mr. MEEKER. Then why use the words "other employees," if this does not make the clerk an employee of the House?

Mr. BYRNS of Tennessee. I take it that is a distinction without a difference.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. Under the existing law the clerks whom we employ are not employees of the House of Representatives and therefore they are subject to military duty. Under the phraseology of the substitute of the gentleman, would they not be employees of the House and relieved from military duty, so that a Member might employ a number of clerks and thereby exempt them from military duty because they are employees of the House, and as employees of the Congress they would, under the draft act, be relieved from military duty?

Mr. BYRNS of Tennessee. By no means. I do not think this amendment can be construed as making these clerks employees of the House.

The CHAIRMAN. The Chair will read the language of the amendment, in order to get the precise facts before the House. The amendment contains this provision:

Provided, That all clerks to Members, Delegates, and Resident Commissioners, shall be placed on the roll of employees of the House of Representatives, and shall be paid in the same manner as other employees of the House are paid.

The Chair is advised by the Clerk that that is the portion of the amendment to which the point of order is directed. It seems to the Chair that this language makes a very definite change in existing law. The basic law does not impose any requirement of this character in regard to the clerks of the Members, or require that they shall be paid as other employees of the House are paid. It is true that this change in existing law is for the duration only of this act, but the principle involved is the same. The Chair does not think that so large an increase of illegality as this amendment proposes, can be fairly said to be a perfecting amendment to the increase in the amount allowed by the basic law for clerk hire. If it could be fairly so construed, then this amendment would be in order.

The Chair is of opinion that this, like the other amendment, is controlled by the principle heretofore announced, and is not in order. The point of order is sustained.

Mr. BYRNS of Tennessee. But, as I understand, the Chair does not base his ruling on the fact that the word "other" is used in the amendment?

The CHAIRMAN. Not entirely.

Mr. CALDWELL. Mr. Chairman, I move to amend the Stafford amendment by striking out the words "two thousand" and inserting in lieu thereof the words "twenty-four hundred." At present Members are getting $166.66 per month for clerk hire. I think the amount should be $200 a month. After the amendment has been reported, then I would like to speak upon it.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. CALDWELL moves to amend the Stafford amendment by striking out the figures "$2,000," in the fourth line, and inserting in lieu thereof "$2,400."

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CALDWELL. Yes.

Mr. MOORE of Pennsylvania. Would this remedy the difficulty the gentleman has in mind? The trouble is that when you fix the amount at $2,000 the clerk expects to get that amount. If you increase the amount to $2,400, the clerk will expect to get that. That bars the Member from employing additional help unless he pays for it out of his own pocket.

Mr. CALDWELL. In a great many instances that is true, but the trouble is that the chairmen of all of these committees, who have plenty of help, refuse to permit the other Members of the House to have the amount of help that they are entitled to, unless we write this bill in such a way as to meet with their approval. Now, personally I desire that enough money should be appropriated to enable us to pay for the necessary help to discharge our official duties.

Mr. MOORE of Pennsylvania. The gentleman wants to get one or more clerks?

Mr. CALDWELL. I do.

Mr. MOORE of Pennsylvania. That is what I want, and I presume most Members do.

Mr. CALDWELL. If this amendment is adopted, instead of "clerk hire" why not say "two clerks," so that a Member will have to divide it?

Mr. MADDEN. Will the gentleman yield?

Mr. CALDWELL. I will.

Mr. MADDEN. I think it ought to be thoroughly understood in what the gentleman is going to say that he intends the $2,400 shall be used to pay for such number of clerks as a Member may think proper to employ.

Mr. CALDWELL. Absolutely.

Mr. MADDEN. So that the secretary or the clerk of the Member will not feel that it is his as a matter of right and that the Member has no rights.

Mr. CALDWELL. I think the amendment should be further amended to provide for two clerks.

Mr. MADDEN. To employ all that a Member likes to employ.

Mr. DYER. Will the gentleman yield?

Mr. CALDWELL. Yes.

Mr. DYER. Would the gentleman object to having the names of the clerks on the roll?

Mr. CALDWELL. No.

Mr. COX. Will the gentleman yield?

Mr. CALDWELL. Yes.

Mr. COX. Would it not obviate the objection if the gentleman's amendment should carry, to put in a proviso providing that this shall not apply to chairmen of committees who have annual or session clerks?

Mr. CALDWELL. Mr. Chairman, in the Sixty-fourth Congress I attempted to get additional help for Members who are not chairmen of committees. At that time I was paying out of my own pocket a sufficient sum of money to be considered as an item in my annual expenses. I found when I started this agitation that there were a great many Members of Congress who did not have chairmanships in exactly the position that I was in. I find that many men who voted against the proposition in the Sixty-fourth Congress, and are still here, admit that they made a mistake in not giving additional help to Members. Now, it happens that in this session of Congress we are in a war, and we have here in the course of the operation of that war a great deal of military legislation requiring the attention of Members of Congress. We are the only representatives of the families left at home who have boys gone away to the trenches and who need the assistance that the Government of the United States is prepared to give to those families left here dependent upon us. [Applause.]

Every day my mail is filled with complaints of mothers and sisters and of the children of the men that we sent away to France to defend our country that they are not receiving the appropriation that we have made for the support of these families. It is necessary for me to conduct a great deal more correspondence than I did before, and I know that I am not unique in that position, but that every other Member of the House is under the same obligation. I want to say that I have the courage and conviction to vote for the necessary appropriation to enable me to discharge my duties for which I was elected, and I hope that there are enough other Members in the House to back me up. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I do not care to detain the House on this amendment, but I express the earnest hope that the House will not adopt it. Here is a proposition, Mr. Chairman, that adds to the pay roll $176,000. I want to appeal to the Members of this House at this time, when we are heavily taxing the people in order to meet the enormous expenditure of this great war in which we are engaged, when no man can tell how much more taxes we will have to levy upon them before we bring this war to a successful conclusion—I say I want to appeal to the Members of this House not to increase the burden of the people by adding $176,000 to their present burdens for our own benefit in the way of payment to our clerks.

Mr. BUTLER. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. BUTLER. How much additional work has the gentleman had this year over last year? I will answer that myself by saying that I have had very little.

Mr. BYRNS of Tennessee. I have had some additional work growing out of the war.

Mr. BUTLER. Is it not a fact that every year there is debate in this House as to the appropriation for clerk hire? Why should it not be written down who the clerks are?

Mr. BYRNS of Tennessee. Mr. Chairman, I submit in all fairness that we can not afford to increase the clerk hire up to $2,400, especially since a year ago we raised it from $1,500 to $2,000. We ought not to do it in the interest of the taxpayers of this country, who are now overburdened, although they are willing to bear the burden and will bear others in order to win the war. I appeal to you to vote the amendment down.

Mr. BARKLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARKLEY. If this amendment is voted into the bill, when the bill gets into the House and a separate vote is demanded on the amendment, will the vote come on the amendment as a whole, and if the amendment is then voted down there will be no appropriation for clerk hire?

Mr. MEEKER. Mr. Chairman, I move to strike out the last word. Gentlemen of the committee, I offered a little while ago an amendment to make this $3,200, and I did it in good faith. I do not know what may be the obligations of other Members of the House. I think that it is just as well to be frank in regard to the expenses as to anything else. Since this war has been declared my office force has cost $325 a month. They work all the time, and there is no man who has a district that is a live district, if he is a live man, who can divide $2,000 among his clerks and look them squarely in the face when he does it.

We put anybody into the civil service at $75 a month, and ask people to work in our office for $50 and $60, and then we talk about good wages. Now, some gentlemen in this House are financially able not only to pay for all help in the office but to hand back their salary checks; but, thank God, there are not very many of that kind. [Applause.] There are some other Members in the House who are running for office in the district because of the cheap way in which they get along when they are here; but, thank God, there are not many of those. People in this country want service.

They want efficiency. The Senators now get on an average of $5,500 a year for clerk hire—almost $6,000. Everywhere else in all appropriations this year we have been giving money by the billions, for all of the departments, without a moment's hesitation; yet when it comes to the man who does the work, the man who stands between the people and the Government, the man who acts as the go-between for both, in all of the departments, we get up here and camouflage for two hours about a hundred dollars a month more in war time with which to serve the people. I venture to say there is not an efficient Congressman in this House who is within $1,000 of what he gets from his appropriation for this work now; that he is paying anywhere from $100 to $200 a month out of his own pocket. Some gentleman awhile ago wanted to know who would vote yea on the $3,200 proposition. I will do it, quickly. [Applause.] It is only honest, and when we stalk around talking to our people we can do one of three things: We can either neglect our work, or keep our office force at so low a pay that we are ashamed to tell how many we have and what we pay, or pay for them out of our own pockets. I do not think the people of this country expect or want that a man shall come here and do all the work that needs to be done and at the same time bear such a heavy portion of the burden financially; and it is only practical common sense that we should see to it that the office force should be kept up. You have go to do one of two things: If you attend to your departmental work yourself, you neglect the work on the floor of the House as a legislator; if you attend to the work here as a legislator, somebody has got to look after that departmental work.

The danger to the American Congress to-day is that the membership shall become mere departmental flunkeys for their district and forget the legislative end of it, the thing for which they were sent. We should have $5,000 a year to run our offices. We should be able to put men in those offices who are recognized as competent, efficient departmental men, who could give all of their time to the work of the details of all matters for the people back home, and the men on this floor should be given and should take more time to go over the legislative matters that are coming before us. The chairman of the committee appealed to us not to vote this $400 extra. All it would amount to would be $200 a month total. I have over 500,000 people in my district. Mail comes into my office at the rate of from 100 to 250 letters and telegrams a day since we have declared war. I can either throw all of that in the wastebasket or go out and pay for the extra help to attend it. There is nothing about this thing in any way but just an attempt so that a man can go back to his district and say that while he voted billions for everything else he kept his office down to a cheap line all of the time. [Applause.]

Mr. SISSON. Mr. Chairman, I have been on the Committee on Appropriations for several years. It is most difficult to understand the demands made upon the Public Treasury until you are brought face to face with the conditions every day as are the members of the Appropriations Committee. The present salary of Members' secretaries is ample. It was increased last year from $1,500 to $2,000 by the House over the protest of the Committee on Appropriations. Now, we see some Members voting to increase their clerk hire to $3,200. This was voted down a moment ago by a small majority. Now comes a proposition to increase the salary from $2,000 to $2,400. This can not be defended anywhere or at any time upon any ground of reason or fairness. These places were created to enable Members of Congress to attend to their official duties by being relieved of a great deal of office work. These places were not intended to be used to assist Members in their campaigns. Those Members who think that your campaign funds should be furnished by the Government should have voted for the $3,200 and should now vote for this $400 increase. My own opinion is that when a Congressman confines his clerical business to the business of his office, there is not a Congressman here who can not have all this character of legitimate business attended to, but if he expects to conduct a political campaign at the expense of the Government, and is a constant campaigner of his district and is a constant searcher out in the departments for something he may send out to make a vote, and if the Public Treasury shall respond to keep him in Congress, then say so by voting to increase the private employment of the Members of Congress to an unlimited extent.

Mr. BLAND and Mr. CALDWELL rose.

The CHAIRMAN. Does the gentleman yield?

Mr. SISSON. I have only five minutes.

Mr. CALDWELL. I will get the gentleman some more time.

Mr. SISSON. Very well; I will yield if the gentleman will get me more time.

Mr. CALDWELL. I want to say to the gentleman that if he means that as a reflection upon me, I would like to know it right here.

Mr. SISSON. I have not intended any reflection upon anyone. I have only stated my own position and my own views on this question, and in so doing only assume responsibility for my own vote. I have simply stated the fact to be that if a man gets $2,000 for clerk hire and that clerk devotes all of his time and attention to the business of the Member as a Congressman, of a legitimate nature, not connected with matters which may help to reelect him, as a part of his campaign, that the American people are responding liberally, and I am trying to be honest at least with myself and say that my clerk is able to do that work and that his present compensation is ample.

Mr. LITTLE. Mr. Chairman——

Mr. SISSON. One moment. Not only that, but I want to say that if you had a dozen clerks, you gentlemen who want to do departmental work effectively would have to make frequent visits to the bureau chiefs and the departments to get your work done and be honest with yourself. For many things can better be done by the Congressman than by a clerk.

Several Members rose.

Mr. KEARNS. How many voters has the gentleman in his district?

Mr. SISSON. About 30,000 registered voters. Mr. Chairman, I can not yield to all of these gentlemen who are clamoring to interrupt me. I did not know that so many Members were so touchy.

The CHAIRMAN. The committee will be in order. The gentleman will discontinue until order is restored.

Mr. SISSON. I decline to yield at present.

Mr. LITTLE. Will the gentleman yield?

Mr. SISSON. I decline to yield at present. I had no idea that when I made that statement that it would touch so many people personally or that it would touch so many people who themselves have greedy eyes upon the Treasury. [Applause.] I had no idea that men's consciences were that tender about this matter which affects themselves and their own private offices, and when I made the statement a moment ago that I believe that a Member of Congress who retains to himself that proper amount of intellectual integrity so that he could confine his clerk

hire, which last year was increased from $1,500 to $2,000, to the services that the clerk renders of that nature which devolves upon him only as a Congressman and not to help in his campaign [applause] that it would create such a storm among so many Members. Think more of the taxpayer and less of your own interest, and you will be better Congressmen.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISSON. I would ask for five more minutes.

Mr. BLAND. Mr. Chairman, I object unless the gentleman yields to me.

Mr. SISSON. I will yield as much as I can, but I can not yield to 25 or 30 at a time when I only have five minutes.

Mr. BLAND. I only want the gentleman to yield to me.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for five minutes.

Mr. BYRNS of Tennessee. Mr. Chairman, reserving the right to object, I would like to ask——

Mr. JOHNSON of Washington. Mr. Chairman, regular order!

Mr. BYRNS of Tennessee. That debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. The regular order is demanded, and the regular order is, Does anybody object to the request of the gentleman from Mississippi for five minutes? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. Now, Mr. Chairman, may I submit a request for unanimous consent? I ask unanimous consent that all debate on the pending amendment and all amendments be closed in 20 minutes.

Mr. DYER. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate upon the amendment and all amendments thereto terminate at the expiration of 20 minutes. Is there objection?

Mr. MOORE of Pennsylvania. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Pennsylvania objects.

Mr. LITTLE. Will the gentleman now yield?

Mr. SISSON. Yes; I promised to yield to the gentleman from Kansas.

Mr. LITTLE. I notice the suggestion that everything above $2,000 would be used practically for political purposes. I find that there is another body of people in this building who receive an average of $5,562 for clerk hire. What I wanted to ask was, Does the gentleman think the excess they draw above what we draw is used for political purposes?

Mr. SISSON. Well, in some instances it may be so used. I do not know; but a Senator from one of the States has just as many times more voting population to care for as there are congressional districts in the State than the Member from the district in this House, and——

Mr. JOHNSON of Washington. I would suggest that a Member of this body should not discuss the Members of another body.

Mr. SISSON. I do not think the gentleman from Kansas had infringed upon that rule because he did not mention the other body; but, as a matter of fact, two wrongs do not make a right. What I am endeavoring to leave with each man and each man's conscience is this, that in voting the people's money for your clerk hire do you say on your conscience that if you were to restrict your clerk to those proper duties which devolve upon you as a Congressman and not to do your campaign work, would you need the extra clerk hire?

Mr. MEEKER. Will the gentleman yield for a question?

Mr. SISSON. Let me finish this sentence.

Mr. MEEKER. Is it not true that the total vote of the gentleman was 4,684 votes?

Mr. SISSON. In the general election; but we have no opposition after the nominations. [Laughter.] I yield to the gentleman from Indiana.

Mr. BLAND. I was going to ask about the same question.

Mr. DYER. How many white people and how many negroes are there in the gentleman's district?

Mr. SISSON. It is about equally divided between the whites and negroes.

I can not yield to all, and decline to yield further. I do not intend to permit the statements that have been made here to go unchallenged, that if the $2,000 is used for legitimate purposes, and, by the way, I do not say you do anything illegitimate in the sense that you violate the law; I mean if you will consult your intellectual integrity and act on your oath as officers of this House you do need that much. I doubt extremely whether many of you would answer in the affirmative and say, "Yes; I need more and want the taxpayers to pay more."

Mr. MEEKER and Mr. KEARNS. Will the gentleman yield?

Mr. SISSON. I can not yield to all. Too many of you seem to be hit.

Mr. MOORE of Pennsylvania. Mr. Chairman, I demand order.

Mr. SISSON. Mr. Chairman, I realize fully——

Mr. MOORE of Pennsylvania. Mr. Chairman, I demand order.

The CHAIRMAN. The committee will be in order.

Mr. SISSON. Mr. Chairman, I started to say I realize the difficulty in keeping many people out of the Federal Treasury, but I did not know that you would ever find such a grand rush upon the Treasury here from Members of Congress to get funds for their own use, because you and you only, together with the other body, are the sole guardians of the Treasury of the United States. Now, if you have made up your minds that notwithstanding the fact while this Government is being taxed white for war purposes and is called upon to respond in every line to the ever increasing demands made upon Congress, until the burdens are intolerable, that you will for your own offices demand this increase, you have the power to do it now. But mark you this, the day of reckoning will come, and may come soon, when the outraged people will right the wrong. Vote down this amendment. I ask you Members on the Republican side to join us on our side and vote this amendment down. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANNON. Mr. Chairman——

The CHAIRMAN. The gentleman from Illinois.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent——

The CHAIRMAN. Does the gentleman from Tennessee desire to make a unanimous-consent request?

Mr. BYRNS of Tennessee. I desire to ask unanimous consent that all debate on this amendment and all amendments close at the end of five minutes.

Mr. MEEKER. Mr. Chairman, I object.

Mr. QUIN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. Let me state the unanimous-consent request first.

Mr. BYRNS of Tennessee. I move that all debate close in five minutes.

The CHAIRMAN. The gentleman can not move that now, because the gentleman from Illinois [Mr. CANNON] has been recognized.

Mr. BYRNS of Tennessee. If the gentleman from Illinois [Mr. CANNON] will permit me to do it.

Mr. CANNON. If I can have the five minutes.

The CHAIRMAN. What is the extent of the motion of the gentleman from Tennessee?

Mr. BYRNS of Tennessee. I move that all debate on this amendment and all amendments to this paragraph close in five minutes.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on this amendment and all amendments to this paragraph will terminate at the expiration of five minutes.

Mr. MILLER of Minnesota. Mr. Chairman, I desire to offer an amendment to the motion just made. I move to insert the word "fifteen" in place of "five," and ask that five minutes be given to the gentleman from Illinois [Mr. CANNON].

The CHAIRMAN. Does the gentleman from Tennessee accept the amendment?

Mr. BYRNS of Tennessee. No.

The CHAIRMAN. How does the gentleman from Minnesota move to amend the motion?

Mr. MILLER of Minnesota. By adding the words "fifteen minutes."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MILLER] to the motion of the gentleman from Tennessee [Mr. BYRNS].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee [Mr. BYRNS].

The motion was agreed to.

The CHAIRMAN. The gentleman from Illinois [Mr. CANNON] is recognized for five minutes.

Mr. CANNON. Mr. Chairman, as I understand it, this amendment is to increase the amount of clerk hire from $2,000 to $2,400.

Now, just let me call your attention to a little ancient history. In my first Congress, the Forty-third, the salary was $7,500, having been increased from $5,000 by the Forty-second Congress by a great majority just on the eve then of hard times. "Hell was to pay and no pitch hot." [Laughter.] Men that voted for that increase turned it back into the Treasury and were ridiculed, and that increase had more to do with giving you wicked Democrats three-fourths of the House than almost any other matter. People were out of humor, their taxes were high, and all that sort of thing.

Now, this war is on us and we have to win it no matter how long or short it may be. [Applause.] That is number one. Number two: We spoiled an hour or two this morning on $100

increase to a laborer. Number three: As the money decreases in value, and as everything else, as measured in dollars, goes up, it is wonderful how much we have got to increase wages where we ought to increase them, to Government employees, and all this, that, and the other. Our salary is $7,500, with clerk hire of $2,000. This is a proposition to increase the clerk hire by $400. I do not care whether I continue longer in public service or not—and this is from a personal standpoint—but as I look into your faces I think you all, on both sides of the House, want to bring your experience into the next Congress. How many of you are to have opponents I do not know, but if you increase the clerk hire $400 that will let the demagogue in. It lets the man in who is now outside, and if I was a strong partisan just at this time, and if I could get all the Democratic side of the House to vote for it, and all my side of the House to vote against it, we would knock you out.

Mr. CALDWELL. Will the gentleman yield?

Mr. CANNON. I will.

Mr. CALDWELL. I ask the gentleman to yield in order to say that if any demagogue in my district could beat me over an appropriation of $400 to assist us in our duties here, I hope he would be able to do it.

Mr. CANNON. I have only five minutes. Let me say that the gentleman may have a fortunate constituency. It is a bad time for us, with our $7,500 and $2,000 for clerk hire, with all the appeals that are made to us for legislation, to increase salaries, and make all kinds of expenditure. It is a bad time from every standpoint to increase our pay one cent. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Chair understands that the original amendment has not been adopted. The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For packing boxes, $4,500, or so much thereof as may be necessary.

Mr. BLACK. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Page 21, strike out lines 13 and 14.

Mr. BLACK. Mr. Chairman, I do not wish to make any speech on this amendment. I desire to state the effect of it. It is to strike out the appropriation for oak and cedar boxes that are ordinarily distributed to Members of Congress during the session. I do not wish to make any speech on it, but I do think that it is an item that might well be dispensed with. Therefore I move to strike it out.

Mr. BYRNS of Tennessee. Mr. Chairman, I will state that a similar provision to this was passed without objection for the Senate. This is for the benefit of the individual membership, and every Member will vote whether or not he has official need of these boxes. I call for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. COX. Division, Mr. Chairman.

The committee divided; and there were—ayes 7, noes 45.

So the amendment was rejected.

The Clerk read as follows:

Congressional Reference Library: Custodian, $1,500; assistants—1 $1,200, 1 $960, 1 $840; 2 junior messengers, at $420 each; in all, $5,340.

Mr. FESS. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FESS: Page 24, line 12, after the figures "$1,500" insert "and $500 additional so long as the position is held by the present incumbent."

Mr. BYRNS of Tennessee. I reserve a point of order on that.

Mr. FESS. Mr. Chairman and gentlemen of the committee, I would like to have close attention, if I can ask for such a thing in this House, to a few observations that I want to make very briefly.

This amendment is intended to add to the compensation of the present incumbent, the custodian of the Representatives' reading room over here in the Congressional Library, the sum of $500 so long as he holds the position. It is intended to add $500 to his annual salary, beginning this year.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. FESS. Just in a moment. While I was in Ohio, before I became a Member of this body, I was considerably interested in library work, and my interest was stimulated in this custodian of the Representatives' reading room through one of Ohio's men most interested in library work.

The man who holds this position, Mr. Lawrence Washington, is the only living man to-day born in Mount Vernon. He was born in the room in which the general died. He is the great-great-grandson of John Augustine Washington, the brother of Gen. Washington, the Father of his Country, and thereby he makes a connection with the Government back to the founder of this Republic.

He has been in the Library for over 20 years. Some 20 years ago he collected and sorted out the British parliamentary papers, which have been bound and now form 900 volumes, a very valuable piece of work, especially valuable to anyone interested in political or parliamentary history, as it makes a treasury of original information. He also made a careful notation of all the missing documents in the set of United States documents, a mammoth work for anyone to undertake and a most valuable contribution for our convenience, because when undertaking to find how many volumes there were in that set—I suppose there are at least 10,000 volumes in it—one is simply amazed at the stupendous task carried out by this man who has gone through all of them and has pointed out the missing documents and, where it was possible, ascertained where they could be found, if they are available.

I say nothing about his very courteous attitude toward the public or his very scholarly attainments. I do not think it is worth while for me to say that, because his position would warrant our expectation of that character. But, speaking of him personally, I may say he has eight sons, five of whom have entered or will enter the war, and four daughters, a family that he has brought up and educated, which, to say nothing of such contribution to his country, proves the burdens undertaken by a citizen who to-day gets only $1,500 a year. I do not want to ask that the salary of that position be raised permanently, although I am sure it ought to be done, if salary is measured by standard of service, but so long as this man is holding that place he ought to be given an additional amount of money. I at first thought it ought to be $1,000 additional, making the salary $2,500. Some may think that figure is out of order. But it is not out of order. A man who can do the work he has done and is doing on behalf of Members of this body, and whose past service has saved to the Government the amount of money he has saved, because it would have cost the Government if it had been compelled to expend money to have this work done by experts, deserves this additional compensation. But aside from the amount of money saved, and aside from mere sentiment, and aside from his efficiency and cordiality and the valuable service he renders to this House, it seems to me he is worth an additional sum of money because of his devotion to the task he so cordially performs. It requires a familiar knowledge of books, a fairly good comprehension of subjects, and especially a facility to find what one is anxious to know. His service is valuable because to his knowledge is added an evident anxiety to render service. He must also be a man to deal with men of various temperaments. He has been especially valuable to Members who have occasion to look into documents and ascertain the sources of information. It is not important to know things but rather to know how to find what one does not know. This is the function of Mr. Washington.

Mr. CARLIN. Mr. Chairman, will the gentleman yield?

Mr. FESS. Yes.

Mr. CARLIN. I think the House would very quickly respond to the gentleman's wishes if the gentleman from Tennessee [Mr. BYRNS] will not interpose a point of order. If the gentleman from Tennessee will let the House vote on it, I think we will all agree with you.

Mr. FESS. I agree with you that the House will not hesitate a minute if we can get over the difficulty of the point of order.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FESS. Just one moment more.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for one minute more. Is there objection?

There was no objection.

Mr. FESS. Speaking for myself, as one who frequently makes investigations on subjects that we have up for discussion, it is my custom to telephone over to the Representatives' reading room and call for Mr. Washington and tell him that I want to come over by a certain time this evening and look up some particular line of research. I tell him what I want, and say, "Will you please have the documents on the table, so that I will have access to them?" I go over there; there the books are, an abundance of them. Not only are the books there, but not infrequently the subject has been looked into and places marked, whereby with the expenditure of a very short time and the

expenditure of very little energy I can look through the books and ascertain the facts that I want. Now, you can not pay for that. That is cordiality, based upon ability, of course, which is valuable and rare, and it is a service that all of us ought not only to appreciate, but show our appreciation of; and in the interest of the man and his work, I hope that the gentleman from Tennessee will withdraw his point of order. I feel quite sure that those of you who have made frequent visits to the Library and know Mr. Washington must be as much surprised as I was to learn that the Government only paid him $1,500 per year. If for no other reason, it would appear sufficient that a man who serves the membership of this House intellectually, as he must, would be rated differently, and especially when so efficient and when his name and birth link him with Mount Vernon and with the Father of his Country. I hope the point of order will be withdrawn and the House be given a chance to vote on the amendment.

Mr. HUMPHREYS. Mr. Chairman, I would not undertake to add anything to what the gentleman from Ohio has just said, but I do hope that the gentleman from Tennessee [Mr. BYRNS] will not make his point of order.

I do not believe in all the departments of this Government a man can be found whose work is more efficient than Mr. Washington's, and I do not believe that an employee can be found the efficiency of whose work is as far out of proportion to the compensation that he receives from the Government. He not only does the things that Dr. FESS has referred to, but does them efficiently and effectively and intelligently. There are few Members who in the course of their service do not call upon Dr. Washington for help, and they never call in vain. The assistance that he renders by reason of the universality of his information is worth many, many times to the Government the money that we pay him in salary. Think of it! Think of a man of his qualifications, a man who does the valuable work that he does and renders the efficient service to the Government that this man renders, receiving only $1,500 a year!

I am told he has been in that library 20 years. I know he was here when I came here 15 years ago. I have gone to him for assistance more than I have to any other one man in the Government, and I have never gone in vain. I have never asked him about any matter touching legislation here that he was not only willing and anxious to help me but also able to render most valuable assistance. Even if the gentleman from Tennessee [Mr. BYRNS] thinks it is a bad precedent to set in this bill, I hope the gentleman will realize the fact that this is certainly an exceptional case.

Mr. LONDON. Will the gentleman yield?

Mr. HUMPHREYS. I yield to the gentleman from New York.

Mr. LONDON. What is his salary now?

Mr. HUMPHREYS. Fifteen hundred dollars.

Mr. LONDON. And what is proposed in the amendment?

Mr. HUMPHREYS. Two thousand dollars.

Mr. LONDON. Five hundred dollars more?

Mr. HUMPHREYS. Yes.

Mr. LONDON. Is not $1,500 rather small compensation for a man of the efficiency and ability that the gentleman has described?

Mr. HUMPHREYS. I doubt if there is another man in the Government, certainly there are few as thoroughly equipped, who get so small a salary. No man will gainsay the fact that he is as thoroughly efficient and as thoroughly well equipped as the gentleman from Ohio [Mr. FESS] has indicated. I hope very much that the gentleman from Tennessee will not insist on his point of order.

Mr. HICKS. If the gentleman will allow me a couple of minutes, I wish to say that for the last 12 months I have had a good deal to do in the Library, in investigation and research, and I want to pay my tribute to Mr. Lawrence Washington, not only for his courtesy and politeness, but for his ability in intellectual pursuits, and I think we ought all to indorse heartily what has been said of him by the gentleman from Ohio [Mr. FESS] and the gentleman from Mississippi [Mr. HUMPHREYS]. I want to add my appeal also to the chairman of the committee that he will not raise the point of order against this.

Mr. SMITH of Michigan. Would it not be a distinct loss to the Members and to the Library if his services were in any way impaired or we were unable to avail ourselves of the splendid services of this gentleman?

Mr. HICKS. In answer to my friend from Michigan, I will say I think it would not only be our loss, but a loss to the entire country, because he is doing work there which is a benefit to all our constituents.

Mr. BYRNS of Tennessee. I do not question for a moment the high tributes that have been paid to Dr. Washington by the gentleman from Ohio [Mr. FESS], the gentleman from Mississippi [Mr. HUMPHREYS], and the gentleman from New York [Mr. HICKS]. On the contrary, I am quite sure that all they have had to say concerning him is entirely true. In addition to that, there is a sentiment touching the name of Washington which appeals to every Member of this House. But the truth of the matter is, Mr. Chairman, that the amendment offered by the gentleman from Ohio [Mr. FESS] is several hundred dollars more than the amount estimated for. The matter was considered in subcommittee, and the majority of the committee decided to leave this salary at the present figure. The general committee, of course, met and authorized the reporting of the bill. Frequently a Member has some very unpleasant duties to perform, but I feel that under the circumstances I am constrained to make the point of order.

Mr. HUMPHREYS. Just a moment. Will the gentleman allow the Committee of the Whole here to express its judgment on this matter? Let us vote on it.

Mr. BYRNS of Tennessee. I will say to the gentleman that he knows that in the consideration of this bill there are many similar requests made, and, to be perfectly frank with the gentleman, I do not feel that I am authorized to waive the point of order.

Mr. HUMPHREYS. The gentleman remembers that we made an exception here in the matter of the salary of the Chaplain, and no point of order was raised, and the committee was permitted to vote on it. Now, that was a very exceptional case, and so is this. I hope the gentleman will not feel that his duty compels him to interpose this summary protest, by which the House will be denied the right to express its judgment

Mr. FIELDS. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from Kentucky.

Mr. FIELDS. In view of the fact that the House seems almost unanimously in favor of this increase, I want to ask the chairman of the committee if he does not think he could well afford to withhold his point of order?

Mr. BYRNS of Tennessee. If the gentleman will look around I think he will see that there are not very many Members on the floor to express themselves one way or the other.

Mr. FIELDS. I think that if the attendance were larger the support to this amendment would increase equally.

Mr. BYRNS of Tennessee. Mr. Chairman, for the reasons stated I feel constrained to make the point of order.

Mr. HARRISON of Mississippi. Will the gentleman yield for one moment?

Mr. BYRNS of Tennessee. I yield to the gentleman from Mississippi.

Mr. HARRISON of Mississippi. The gentleman said the amount named in the amendment was several hundred dollars higher than the estimate. What was the amount estimated?

Mr. BYRNS of Tennessee. The amount of the estimate was $1,600.

Mr. HARRISON of Mississippi. Would the gentleman make any objection to $1,600?

Mr. BYRNS of Tennessee. The same reasons would necessarily apply to that. As I stated, the committee considered this matter. It was not passed over lightly, and by a vote of the committee it was decided to let the salary stay at the present amount. Much as I have been moved by the very strong appeals made here on the floor, I do not feel that I have the authority to waive the point of order.

Mr. MILLER of Minnesota. Will the gentleman yield for an inquiry?

Mr. BYRNS of Tennessee. I yield to the gentleman from Minnesota.

Mr. MILLER of Minnesota. Does not the gentleman think that a man who will raise nine children, five of whom are in the service of the United States in the Army——

Mr. FESS. Twelve children, eight sons and four daughters.

Mr. MILLER of Minnesota. Twelve children, and who has given five splendid men to the military service of the United States, and who has worked for the Government for 20 years on $1,500 a year, ought to have a medal, the thanks of Congress, and a pension of at least $500 a year?

Mr. BYRNS of Tennessee. I think there is only one answer to that question.

Mr. GOOD. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from Iowa.

Mr. GOOD. I think the gentleman from Tennessee has stated the matter fairly, that the committee did consider the question. It considered it, however, under the light that the committee had. As a member of the committee, I must confess that I have received some information that I did not have when the matter was before the committee; and I know that the gentleman from

Tennessee now is in possession of facts that he did not have when the committee considered the question.

Mr. BYRNS of Tennessee. I will say to the gentleman that when the matter was first taken up I was lacking in some information that I now have, but the gentleman remembers that before the subcommittee finally acted on this matter all that information was brought to us.

Mr. GOOD. I do not recall that the size of the family of Mr. Washington and the number of men that he will send from his own family to fight our battles was stated before the committee.

I want to call the gentleman's attention to the fact that when this bill goes to the other body, when it goes to any deliberative body, and they consider these facts they will not hesitate to give this man a salary that ought to have been received by him for the last 10 years. [Applause.] When I found that this man was receiving a salary of only $1,500 I was amazed. I did not know that he was the man that was performing the duties of custodian in that position. I hope the gentleman will not make the point of order. I hope he will let the House to-day perform what is a simple act of justice to this Government official and let the House take the responsibility. I do not believe that the gentleman from Tennessee wants to take it. I know how he feels about it. I know the gentleman is fair at all times and wants to be generous, and he wants to do what is right in regard to these things. I am sure he would not intentionally deprive this man of the salary that he thought he was justly entitled to, though the express letter of the law gave him a lower salary. I hope he will let the Members of this House determine this question, because it is a most meritorious one.

Mr. RUCKER. Will the gentleman yield?

Mr. GOOD. I will.

Mr. RUCKER. There are a good many increases in this bill, are there not?

Mr. GOOD. There are some as much as $500.

Mr. RUCKER. Some as much as $1,000?

Mr. GOOD. Yes.

Mr. RUCKER. If one-half that gentlemen have said here is true, and I presume it is all true, I should like to know what sort of a mountain of testimony was presented to the chairman to induce him to raise the salary of a bureau chief $1,000?

Mr. BYRNS of Tennessee. Mr. Chairman, the gentleman assumes that I am the whole committee, which is far from the truth. I am only one member of the committee.

Mr. RUCKER. I have always found that the gentleman had his own way about it in the House.

Mr. BYRNS of Tennessee. Mr. Chairman, the gentleman from Iowa [Mr. GOOD], who is a member of the subcommittee, I am sure knows the situation as I know it, and notwithstanding this, makes an appeal that I waive this point of order. I know and the gentleman from Iowa knows that it is my duty as a member of the committee toward the other members of the committee to stand by what that committee did. I feel reasonably sure that if the gentleman from Iowa were in my place in this particular instance, he would feel constrained, notwithstanding his own personal feelings in the matter, to make the point of order, and I therefore insist on the point of order.

The CHAIRMAN (Mr. FOSTER). The point of order is sustained.

Mr. HARRISON of Mississippi. Mr. Chairman, I move to strike out the figures "$1,500" and insert "$1,600," on line 12, page 24.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 24, line 12, strike out "$1,500" and insert in lieu thereof "$1,600."

Mr. BYRNS of Tennessee. Mr. Chairman, for the reason heretofore stated, I must make the point of order.

The CHAIRMAN. The Chair sustains the point of order.

The Clerk read as follows:

Distribution of card indexes: For service in connection with distribution of card indexes and other publications of the library; Chief of division, $3,000; chief assistant, $1,800; assistants—2 at $1,600 each, 3 at $1,500 each, 3 at $1,400 each, 4 at $1,200 each, 4 at $1,100 each, 4 at $1,000 each; for services of assistants at salaries less than $1,000 per annum and for piecework and work by the hour, $17,000, including not exceeding $500 for freight charges, expressage, traveling expenses connected with such distribution, and expenses of attendance at meetings when incurred on the written authority and direction of the librarian, $46,900.

Mr. MILLER of Minnesota. Mr. Chairman, I move to strike out the last word. I would like the attention of the chairman of the committee. I have been trying to find the paragraph under the title of Library of Congress, which contained a provision for printing of documents.

Mr. BYRNS of Tennessee. That is carried in the sundry civil bill and is not carried in this bill.

Mr. MILLER of Minnesota. May I inquire of the gentleman if there is in this bill no provision of any character in reference to printing documents?

Mr. BYRNS of Tennessee. This does not carry any provision for the printing in the Library.

Mr. MILLER of Minnesota. The gentleman's committee, the Committee on Appropriations, reports the sundry civil bill.

Mr. BYRNS of Tennessee. Yes; but it is prepared by a different subcommittee.

Mr. MILLER of Minnesota. I understand; that may be; but may I be permitted to make this observation: Certain documents have been issued by the Library of Congress in recent years of extreme value from a historic point of view, and from the standpoint of information. Among others, I refer to the publication of the proceedings of the second Continental Congress which sat throughout the Revolutionary War. I notice that the publication of this document has been suspended; that is, no further publications have occurred in about three years. I took this up with the Librarian of Congress and he informed me that the reason was their appropriation for printing had either been cut down or found insufficient to do this and other work.

It seems to me that out of all the documents that the Government publishes these that come from the Library of Congress are, by and large, the most meritorious from most any standpoint. At all events, they are of a high character and of high grade. If they are handicapped in the matter of funds for printing, it seems to me the Committee on Appropriations ought to take care of that item.

Mr. BYRNS of Tennessee. I will say to the gentleman that the current law gives the Congressional Library $200,000 for printing.

Mr. MILLER of Minnesota. Is that the same sum they have had from year to year?

Mr. BYRNS of Tennessee. That is the same that they have had for several years.

Mr. MILLER of Minnesota. If they have a shortage it is because of printing other documents of greater importance?

Mr. BYRNS of Tennessee. Possibly so.

Mr. MILLER of Minnesota. I admit that the sum of $200,000 is a considerable item. Has the gentleman any information as to how many important documents like the one I have called attention to have been suspended for lack of funds for printing?

Mr. BYRNS of Tennessee. No; I have not. That is a matter that we did not consider in connection with this bill.

Mr. FESS. Mr. Chairman, I rise in opposition to the pro forma amendment, to second with what emphasis I can summon what the gentleman from Minnesota [Mr. MILLER] has just said. The First and Second Continental Congresses, from the standpoint of our history, occupy a very unique and important period in our country. Prior to this period two attempts had been made by the colonies to come together, the Albany Council in 1754 and the stamp-act congress in 1765. But the Continental Congresses were the first legislative bodies. The first one lasted only about six weeks and came into session in 1774, in September. It announced a Bill of Rights, and then adjourned, to meet again provided England did not heed its requests. The second one came into session the 10th of May, as I remember, 1775, and continued as one body, and covering that very interesting period running through the entire Revolutionary War up to the time of the adoption of the Articles of Confederation, which was the 1st of March, 1781. This body was revolutionary, both in the manner of its authority in assembling and in the power it exercised. It was superseded in 1781, two years before England recognized our independence, by the Congress provided for in the Articles of Confederation, which were adopted under the authority of that Congress. That particular period has no record of any legislative proceedings outside of this record of this Continental Congress. There were about 15 different presidents of these two Congresses, including the country's most famous names. In this connection it is interesting to us to recall that wonderful statement of William Pitt, who, in speaking of this particular Second Continental Congress, said that for wisdom of conclusion, force of sagacity, and solidity of reasoning, that body had never been excelled in the history of the world. The Second Continental Congress covered one of the most interesting periods in the history of legislative life, not only in America but in the world. It was the span that connected the period when 13 separate colonies all exercised more or less legislative power separately, and the same colonies exercised that power as a confederation. For a long time these documents were unpublished. They were in scattered form. Some years ago the Government began to show proper interest in permanent preservation of the records of important proceedings of our fathers in various times of activity. This is one item. These proceedings have been brought together

and published by the Government. The Government has published many documents covering the period of the Constitution, including documentary history of the Constitution. These and other such documents should be placed in every university and college library; it would be very valuable contributions for the study of our early history and should be looked upon as a wonderful achievement. It would seem to me that every Congressman ought to have them in his own library.

Mr. PLATT. Is that the set of some 39 or 40 volumes?

Mr. MILLER of Minnesota. Twenty-three have thus far been published.

Mr. PLATT. There is a whole shelf of them. I have got them.

Mr. MILLER of Minnesota. Those are the ones.

Mr. PLATT. Can not any library get them?

Mr. MILLER of Minnesota. No; the publication has been discontinued.

Mr. SMITH of Michigan. How many volumes were ever printed?

Mr. FESS. I do not remember.

Mr. MILLER of Minnesota. Twenty-three volumes.

Mr. SMITH of Michigan. How many sets?

Mr. MILLER of Minnesota. I do not know.

Mr. FESS. The proceedings of the First Continental Congress were printed in two volumes, as I now recall—perhaps but one. Those of the Second Congress ran through a period of years and go beyond 20 volumes, as I remember.

Mr. SMITH of Michigan. The gentleman does not know how many sets were published?

Mr. FESS. No; but they could not be very numerous, since only libraries and special history students would demand them. Of course, to a body of men like this they would be valuable.

Mr. SMITH of Michigan. It seems to me there is a scarcity of them, a limited number of sets being published. They are very valuable and more ought to be published.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

For procuring manure, soil, tools, fuel; purchasing trees, shrubs, plants, and seeds; services, including skilled laborers and laborers at not exceeding $2 per diem; materials and miscellaneous supplies; traveling expenses and per diem in lieu of subsistence of the superintendent and his assistants not to exceed $200; street car tickets not exceeding $25; office equipment and contingent expenses in connection with repairs and improvements to Botanic Gardens; care and maintenance of motor-propelled delivery vehicle; under the direction of the Joint Committee on the Library, $15,000.

Mr. COX. Mr. Chairman, I move to strike out the last word, to ask a question in regard to the item which has just been read, referring particularly to that providing for laborers at $2 per diem. Did those men get the benefit of the last summer increase?

Mr. BYRNS of Tennessee. They did. The gentleman refers to the 5 and 10 per cent increase?

Mr. COX. Yes.

Mr. BYRNS of Tennessee. They did.

Mr. FESS. Mr. Chairman, I would like to ask the chairman of the committee what is going to be done about the removal of the Botanic Garden?

Mr. BYRNS of Tennessee. I can not tell the gentleman. I think there is a bill now pending providing for its removal.

Mr. COX. The bill which we passed through the House never did go through the Senate.

Mr. FESS. I do not know.

Mr. STAFFORD. Mr. Chairman, perhaps I am in a position to give the gentleman some information. In the last Congress, I think it was, we passed through the House a bill providing for the removal of the Botanic Garden and that it be placed in Rock Creek Park. In another body that measure met with opposition, particularly that part which referred to the Botanic Garden proper. A gentleman in the other body, chairman of the committee having the bill in charge, was favorable to the idea of having the arboretum transferred to Rock Creek Park, but was opposed to having the garden proper transferred, and the bill met the usual death that bills meet with when opposed by one person in another body.

Mr. FESS. Does that mean that the garden will remain where it is?

Mr. STAFFORD. I am not a prophet nor the son of a prophet; but the Botanic Garden, including the fence around it, has been the subject of a good deal of comment of late years——

Mr. FESS. Has it not been ordered taken away?

Mr. STAFFORD (continuing). Will remain until both bodies can come to some agreement as to what shall be done. Those who have studied the subject believe that Rock Creek Park is the proper place for the permanent establishment of the Botanic Garden. Sooner or later, as soon as the plans devised by the Art Commission are developed into fruition, of course the Botanic Garden will have to be removed, but with the large temporary office buildings in Henry Park and the adjoining parks, that, of course, must be postponed until the termination of the war and for some years thereafter.

Mr. FESS. My concern arose from a good deal of talk about the removal of it, and I thought we had once authorized it.

Mr. STAFFORD. The bill passed through the House after thorough consideration, as I recall, two Congresses ago, but nothing has been done with the proposal since that time.

Mr. TILSON. Mr. Chairman, I desire to ask the chairman of the committee a question. How many skilled and unskilled laborers are secured at the price of $2 per day?

Mr. BYRNS of Tennessee. They vary in number. They are not employed, as the gentleman knows, regularly, but as they are needed. Sometimes he has a greater force than at others.

Mr. TILSON. Does the gentleman mean that he can get skilled and unskilled laborers at $2 for the entire day?

Mr. BYRNS of Tennessee. There has been no complaint made by the Superintendent of the Botanic Garden. I will say to the gentleman that up until a year ago the per diem paid to the laborers was $1.75, but it was increased to $2 a year ago.

They now get $2 and the 10 per cent increase which was allowed for the current year.

Mr. TILSON. But wages of laborers in other parts of the country have gone up not 25 per cent but they have gone up 100 per cent.

Mr. BYRNS of Tennessee. The gentleman will understand, of course, the work required of these particular laborers does not require any particular amount of skill. I fancy that all that is required is one who knows how to handle a hoe or a rake, and, of course, that class of labor is not paid the same sum that is paid to laborers to whom the gentleman refers.

Mr. TILSON. My own experience was that ordinary laborers, leaving off the word "skilled," that the ordinary laborers were receiving a much higher wage in most parts of the country than $2 per day.

Mr. BYRNS of Tennessee. I will say there was no complaint of any kind made by the Superintendent of the Botanical Gardens and no request for an increase of the rate.

The CHAIRMAN. Without objection, the pro forma amendment will be considered as it is drawn.

There was no objection.

The Clerk read as follows:

To enable the Bureau of Efficiency, authorized by the urgent deficiency appropriation act approved February 28, 1916, to establish and maintain a system of efficiency ratings, to investigate administrative needs of the service relating to personnel in the several executive departments and independent establishments, required by the legislative, executive, and judicial appropriation acts for the fiscal years 1913 and 1914, respectively, and to investigate duplication of statistical and other work and methods of business in the various branches of the Government service; for purchase or exchange of equipment, supplies, stationery, books and periodicals, printing and binding, traveling expenses not exceeding $3,000, and street car fare not exceeding $50; in all, $110,000: *Provided*, That no persons shall be employed hereunder at a rate of compensation exceeding $4,000 per annum except the chief of the bureau, whose compensation is fixed hereby at the rate of $5,000 per annum.

Mr. HAMLIN. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. MOON. Mr. Chairman, I rose to reserve a point of order also on the section.

Mr. HAMLIN. I want to ask the chairman of the committee a question. I notice in the current law the same item carrying the same amount exactly, but the totals are different, to quote from the current law—

Provided, That not to exceed $3,000 a year traveling expenses and street car fare not exceeding $50, in all $60,000—

But in the present bill the total is $110,000. How does that come about?

Mr. BYRNS of Tennessee. Well, I will say to the gentleman that while the current law carries only $60,000 there were two deficiencies, one of $20,000, which would make a total of $80,000, and the bill which passed the other day carried an amount of $38,000, which would make $118,000, which has already been appropriated for this bureau for the current year.

Mr. HAMLIN. Then how did the gentleman happen to reach the figures of $110,000?

Mr. BYRNS of Tennessee. That was reached in this way, I will say to the gentleman: The estimate submitted to the committee called for $120,000. Now, the Bureau of Efficiency has been conducting a number of investigations; some of them have been completed and others are about finished, and still others are in contemplation. Among the investigations which the bureau has been conducting is one relating to civil-service retirement,

the bureau having taken up that investigation under express direction of the Senate by resolution.

Now that has been completed and cost something like $20,000. After full consideration the committee thought that $110,000 would be sufficient to pay the salaries necessary to be employed in this bureau, and that if it developed next year that they needed more money they would have the privilege of coming back to Congress and submitting their request just as they have done this year.

Mr. HAMLIN. What I especially reserved the point of order on was the increase of salary from four to five thousand dollars per annum for the chief of the bureau. Now, I want to say, Mr. Chairman, just a word or two not only as to this particular item, but other similiar items in this bill. If there are any criticisms, in my judgment, that can be leveled against this bill, it is the fact that the increases of salaries we find in it have been given to those receiving considerable salaries and not to the clerks in the office who do the work, the real labor, and who are receiving only a small amount, not enough really to keep soul and body together in decency. In other words, the bill is top-heavy. I do not believe that is the right attitude for this House to adopt or follow. We find here that the salary of this chief is increased $1,000 per annum. We do not find that the salaries of any of the employees of this bureau are increased a penny. We find in subsequent portions of the bill, one which just follows this, an increase in the Civil Service Commissioners' salaries, one $500 and two $1,000 each per year, without any increase in the wages of a single employee, except four messenger boys, who were given the munificent increase of $5 per month each.

I do not believe that is right, and that same system seems to run all the way through this bill, and I think unless the clerks in the offices receiving $900, $1,000, and $1,100 and $1,200, and those receiving less, down to the laborers, who must pay out as much to live as the man at the head of the bureau must pay, I can not conceive why the high-salaried people should get the increases and the rank and file be ignored. I am going to object and raise the point of order against the increase of all salaries ranging from $3,000, $4,000, $5,000 and up a year unless the clerk who now does the drudgery and gets from $720 to $1,200 or a little more is provided for.

Mr. BYRNS of Tennessee. I will say to the gentleman that if he will go through the estimates submitted to the committee and then take this bill as reported, he will find that the committee has reported the fewest number of increases of salaries and only in those cases which seemed to the committee to be compelling.

Mr. HAMLIN. Now, if the gentleman will allow me right there, I think the gentleman has put his finger right on the sore spot. When I say this bill should be criticized I do not mean that as a criticism of the members of the committee personally. My criticism goes, and I think the gentleman will agree with me, to the heads of these different departments who make these recommendations, that they make their estimates and make their recommendations to the committee seeking to increase their own salaries and the salaries of others occupying some similar position, and they lose sight entirely or else are indifferent to the clerks who are drawing these small salaries and barely eking out a livelihood. I think that is where the real criticism is deserved.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. HAMLIN. I will.

Mr. CONNALLY of Texas. Do you not think it would weaken their claim for increase, or perhaps have something to do with it, if they recommended an increase for these clerks?

Mr. HAMLIN. If they made too many recommendations possibly none of them would be accepted. They look after number one first, and I do not think that is right. I think that if I am getting a salary of $3,000 or $4,000 a year I have a better chance of maintaining myself in some degree of comfort than some one who is drawing only $1,200 a year or less. I do not mean to say that there are not some men who are worth $10,000 or $12,000 a year, while there are some others that are not worth more than $2,000, perhaps, but these clerks do not make these recommendations and, in fact, do not dare to even make request of the heads of departments for increase. They would be regarded as insubordinate if they were to do so. So the fellows at the head of the departments who are permitted to make these recommendations are not acting fairly by asking an increase of their own salaries and losing sight of the clerks, who really do the hard work. And I am not willing to stand for that kind of business.

Mr. BYRNS of Tennessee. I want to say to the gentleman from Missouri [Mr. HAMLIN]—and I hope he will not insist on the point of order—that the chief of this bureau did not make any specific request for an increase of his salary. He did submit an estimate, asking that $120,000 be appropriated, and that the limitation now existing in the law be taken off. It came to the attention of the committee that there was a likelihood of this very competent man leaving for other service. He is very efficient. He is an accountant of long experience, and there is no question in my mind but that he could secure much larger salary in private employment.

Now, I am sure, if the gentleman from Missouri and if the other members of the committee would take the time to investigate fully just what this bureau has accomplished and what it is now seeking to accomplish, they would be convinced of the fact that the bureau has saved to the Government of the United States many, many, many times more than has been appropriated for it since it was first created. Now, in the first place, I want to say to the gentleman that a few years ago and about the time a number of clerks were brought to the Treasurer's office from the Subtreasuries——

Mr. HAMLIN. Will the gentleman yield right there, just for a suggestion?

Mr. BYRNS of Tennessee. I will.

Mr. HAMLIN. That is true; but does the gentleman take into consideration the fact that we are in a war and that everybody is called upon to make sacrifices?

Mr. BYRNS of Tennessee. I do.

Mr. HAMLIN. And does the gentleman also take into consideration the fact that the President issued an Executive order, and I think properly, prohibiting clerks being transferred from one bureau to another during the war where they could get better pay if they were transferred, but that that is not permitted now, for very good and sufficient reasons, and yet we go to work and increase the salaries of the heads of the bureaus but turn a deaf ear to the clerk?

Mr. BYRNS of Tennessee. As indicating the value of this particular gentleman, Mr. Herbert D. Brown's service——

Mr. HAMLIN. I do not care anything about who the man is.

Mr. BYRNS of Tennessee. A few years ago the Treasurer's office submitted an estimate to the Congress asking for $213,000 additional for clerical help. I happened to be a member of the subcommittee at the time. On investigation, and in the hearing, the committee became convinced that certain change of method of accounting and disbursing could be put in effect in that office which would do away with the necessity for this greatly increased appropriation. Finally, after considerable discussion and consideration, and with the consent and the entire and hearty approval of the Treasurer, the Bureau of Efficiency was requested to go down to that office and to cooperate with the Treasurer's office in the effort to evolve a different method of transacting the business of that office. And within a week or two the Treasurer came to the committee and submitted a supplemental estimate, in which he cut out the $213,000, and ultimately his former estimate was reduced $50,000.

Now, that is one instance, and one instance only, of what this bureau has accomplished for the Government.

Mr. HAMLIN. Will the gentleman yield?

Mr. BYRNS of Tennessee. Now, just a minute. Let me get through.

Mr. HAMLIN. In the interest of accuracy I want to ask this question: Is it not true, though, that while what you say may have happened in one particular department or bureau, that the number of clerks in the service of the Government has gradually increased all the time and appropriations increased in amount all the time?

Mr. BYRNS of Tennessee. That may be owing to increased business, but certainly the gentleman can not charge that up to the Bureau of Efficiency.

Mr. HAMLIN. I do not know whether it is due to increased business or not.

Mr. BYRNS of Tennessee. I venture the assertion there is not an office or bureau that has been investigated by this Bureau of Efficiency in which there has not been a resulting decrease in clerks and appropriations required. It may be, as in the case of the Internal-Revenue Office, that the appropriations have been greatly increased; but, of course, in that it is due to the fact that we have passed bills providing for the collection of taxes of more than $3,000,000,000, necessarily requiring a greatly increased force. Now, in addition to that, this Bureau of Efficiency was instructed by Congress to investigate the Indian Bureau and its method of accounting and disbursing. It made an extended investigation in the field, and has reported and recommended a different method of accounting and disbursing in so far as the field service of the Indian Bureau is concerned, which has saved admittedly many thousands of dollars to the Indians to whom those funds belong. Those recommendations will be put into effect by the Indian Bureau.

Mr. COX. Mr. Chairman, will the gentleman yield for a question?

Mr. BYRNS of Tennessee. I will.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. COX. I ask that the gentleman may have five minutes more.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that the gentleman from Tennessee may proceed for five minutes more. Is there objection?

There was no objection.

Mr. COX. I agree with my friend from Missouri [Mr. HAMLIN] that I am not very much enamored of these increases of salaries, especially for these high-class men; but in that connection is it not also true that this Bureau of Efficiency in the last Congress was directed to investigate the question of Subtreasuries, and has not that commission made a recommendation which, if Congress will carry it out, will save the Government $450,000 after the war?

Mr. BYRNS of Tennessee. The gentleman is clearly correct, and I was going to bring that to the attention of the House in a few moments.

Before I get to the point raised by the gentleman from Indiana, however, I want to say that when the present Postmaster General first assumed charge of the Post Office Department, having been a Member of this House and a member of the Committee on Appropriations, he was familiar with the work being done by this Bureau of Efficiency, and immediately upon his assuming charge of that department he called the Bureau of Efficiency into the department and asked it to cooperate with him and with the commission appointed by him for the purpose of seeing whether or not efficiency ratings could not be established.

Now, what has been the result of the work done by this bureau in cooperation with the Post Office Department and with the entire and hearty approval of the Postmaster General? It has resulted, gentlemen, in a net decrease of the clerical force of the Post Office Department by 189 persons, drawing salaries annually aggregating $174,360. That is not for one year, but it has been for several years, and it will continue on and on. So I say it is impossible to estimate just what this Bureau of Efficiency has been worth to the Government since its creation.

The gentleman from Indiana referred to the Subtreasuries. Last year Congress directed the Bureau of Efficiency to investigate whether or not it would be possible to eliminate or discontinue the Subtreasuries. They have submitted a very full, and, I may say, a very able report, which has been published in the form of a document, and I hope that every Member here will get that document and read it carefully before we reach the provisions with reference to Subtreasuries in this bill. They recommend that the Subtreasuries be discontinued after the war, and your committee has followed their recommendation and submitted such a proposition to Congress. Now, as the gentleman from Indiana says, if that provision is adopted it will save $450,000 a year, not for one year, but for all years to come.

Now, in addition to that, they were called in by the Secretary of the Treasury and by the Director of the War-Risk Bureau when they began to form the organization for that great bureau, having now 1,700 employees and which will be increased to 2,900. The Bureau of Efficiency was requested by the Secretary of the Treasury to go to that particular bureau and assist those in charge in organizing on an efficiency basis; and the Director of the War-Risk Bureau, in his hearings before the committee, paid high tribute to the Bureau of Efficiency, and particularly to its chief, Mr. Brown, for the splendid services he had rendered in assisting to put that bureau upon an efficient basis.

Now, that is not all. Under direction of Congress the Bureau of Efficiency was directed to investigate the methods of business in the Internal Revenue Office. By the entire consent and hearty approval of the present Internal Revenue Commissioner, Mr. Roper, and with the approval of the Secretary of the Treasury, this Bureau of Efficiency, with a part of its force, has been for some time in the Internal Revenue Commissioner's office investigating and assisting and cooperating with the Internal Revenue Commissioner in order to put his great force upon the best possible efficiency basis. I am not violating any confidence when I say that I saw a letter from the Internal Revenue Commissioner—in fact, a copy was sent to me, addressed to the chairman of the Committee on Appropriations—in which he took occasion to refer to the work that this Bureau of Efficiency had been doing in his bureau and suggested that the work done by it and the expert knowledge required of those who are capable of doing this kind of work prompted him to say that they ought to receive better salaries at the hands of Congress.

Now, that is not all. A moment ago I referred to the fact that the Senate had passed a resolution directing the Bureau of Efficiency to make investigations with a view of establishing facts concerning the advisability or nonadvisability of putting into effect civil-service retirement legislation. This committee has spent months in the performance of that duty, and I understand it has made its report to the chairman of the Committee on Reform in the Civil Service of the Senate. That is not all. This Bureau of Efficiency was directed to investigate and report upon the rates of pay and the question of a reclassification of the employees of this Government, and they have been proceeding with that inquiry and are in a position to make a partial report if not a full report.

Then, in addition to that, they were directed by legislation to cooperate with the Pension Commissioner to determine the value of machines for addressing checks in the Pension Office, the sum of $4,000 having been appropriated to purchase some necessary machines. Those investigations have been made and the machines have been purchased.

Gentlemen, these are some of the things that this Bureau of Efficiency has accomplished, and I say without fear of successful contradiction by anyone who has carefully investigated the great work that has been done by this bureau that it has saved hundreds of thousands of dollars to this Government. For my part, I would not deny a single necessary dollar to a bureau of efficiency such as this, charged as it is with the duty of investigating the expenditures of the people's money, making investigations for Congress, and rendering aid in placing the departments of our Government on the best possible business and efficiency basis.

Mr. HAMLIN. Will the gentleman permit me right there?

Mr. BYRNS of Tennessee. Yes.

Mr. HAMLIN. Neither am I seeking to withhold from that bureau whatever money is necessary for them to carry on their work, but the committee seems not to have been solicitous about anybody in that bureau, those who are doing the actual work, except the chief himself, and you want to raise his salary.

Mr. BYRNS of Tennessee. I want to say to the gentleman that there is absolutely no limitation placed on the pay of employees there, and never has been, except the $4,000 limitation.

Mr. HAMLIN. I venture the assertion that they are not getting any more than the average clerks receive.

Mr. BYRNS of Tennessee. Dr. Holcomb, who was professor of government in Harvard University is now drawing $3,600 under this appropriation. He is a man of splendid experience and training.

Mr. HAMLIN. You are not seeking to raise his salary?

Mr. BYRNS of Tennessee. No; but if this is provided the chief of the bureau will get $5,000 and the other employees of that bureau will get under $4,000. I think there are about 30 employees in that bureau, and my impression is that their average compensation is about $2,700 or $2,800.

Mr. STAFFORD. If the gentleman will permit——

Mr. BYRNS of Tennessee. Yes.

Mr. STAFFORD. There are 10 of the employees of this bureau who receive $3,000 and over. In the administration of this bureau it is very necessary to have high-priced men of rare ability. The commercial world to-day is demanding and paying salaries of twice the amount that these people are receiving from the Government, and it is most difficult to retain in the Government service these accountants, who are being sought after by accounting concerns and others to assist them in the preparation of their income-tax returns and war-profits returns. That is the testimony before our committee.

Mr. BYRNS of Tennesee. I want to suggest to the gentleman from Wisconsin that in the aviation department and possibly in the War Department there are accountants now who are drawing from $4,000 to $6,000 a year. In fact, the Civil Service Commission are holding an examination now for accountants, some of whom will get $6,000 a year.

Mr. STAFFORD. The testimony before the committee shows that in the department where there is no limit on the amount which may be paid for the services of experts war conditions to-day demand and they are paying the salaries paid in commercial lines, which are above $4,000 a year.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. In determining the salary of a chief of a bureau in framing a bill of this magnitude the committee must take into consideration the pay of the chiefs of the bureaus of other departments. If you scan this bill you will find no instance—there may be an exceptional case—where any chief of a bureau receives less than $5,000. The Commissioner General of the Land Office receives $5,000; the Commissioner of Indian Affairs

receives $5,000; the Commissioner of Pensions, $5,000; the Commissioner of Patents, $5,000. The same is true of the head of the Bureau of Immigration and the head of the Bureau of Labor Statistics. It has been the rule, and the subcommittee has been very careful when they do find themselves impelled by conditions to raise a salary, never to go above the salary that is provided for like positions in other departments.

Now, what were the conditions that presented themselves to the committee so far as the increase of the salary of this valuable man at the head of this great bureau is concerned? The Members know that a few years ago this was a branch of the Civil Service Commission. It was hampered in its work while a division of that commission. The Committee on Appropriations thought it wise, so that they would not be restricted in activity, so that they could go into any department of the Government at the direction of Congress and investigate conditions there, to make it an independent bureau. So three years ago we established the Bureau of Efficiency and placed the salary of the head of that bureau at $4,000.

The salary list for the men in the employ of that bureau shows that 10 are employed above $3,000, 1 at $3,800, 2 at $3,600, and others between $3,600 and $3,000, and 10, I believe, employed at a salary of between $2,000 and $3,000. That is the practical situation that confronted us. We have a man at the head of the bureau who is in charge of this responsible work having men receiving a salary of $3,800 and $3,600 under him. Instances have been cited by the chairman of the subcommittee where men have been loaned to the bureau for work in this exigency who can receive more money in the commercial world, but who are willing to come here and aid the Government at the statutory salary. Here we have only $200 difference between the salary of the head of the bureau and the employees, with responsibility of work the value of which can not be counted, as narrated by the chairman of the committee, that is saving the Government hundreds of thousands of dollars, and at present engaged in other work of an independent character that will result in a great saving, receiving but $4,000, out of proportion to the salary paid to the head of the bureaus in charge of responsibilities similar to those with which this bureau is charged.

The gentleman makes the unwarranted charge against the report of the committee on this bill that we have given more consideration to the higher-class officials and not sufficient consideration to the salaries of the clerks. There is no appropriation bill that is presented to Congress that involves the detail that this bill does. It relates to the clerks and officials in all the executive departments of the Government and also to the legislative and judicial branches as well. The hearings show that the head of this bureau, when pressed by the exigencies of the committee, was called to investigate the wages being paid throughout the country to the employees in the commercial and industrial establishments of a similar grade of work to those provided in this bill; that he worked until beyond midnight in order to prepare a chart of the pay of the different classes so that the committee would have some reliable information upon which to act in determining the percentage of increase that the committee would recommend to this House for all Government employees to receive by reason of the high cost of living.

What did that chart show? It showed that the Government to-day for similar work was paying higher wages in the clerical grade of $1,200 and under than is paid in private establishments, and that in the grade from $1,600 to $1,800 the Government for that character of work is paying somewhat less. But that the Government had been paying more even in those grades prior to the time when there was a rapid increase in private employment occasioned by the withdrawal of men in commercial employment into the war. The head of that bureau devoted hour after hour in the preparation of that character of work. The Postmaster General has given him a letter of credit——

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. I ask unanimous consent for five minutes more.

Mr. RUCKER. Reserving the right to object, I want to say that when the gentleman from Wisconsin gets through I hope to get the eye of the Chair, because the committee has had about time enough on this proposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. So, Mr. Chairman, the committee can not be charged with presenting a bill that is any way top-heavy. In fact, we have not increased the salary of the high grade of individuals except in a very few instances, and this is one which I believe can be well defended, and has been well defended by the chairman of the committee.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HAMLIN. Of course, the gentleman understands that I did not mean to be severe in my criticisms. The fact is, however, I find that the bill bears out the statement I have made, that a majority of the increases have been in the higher offices, and not in the little ones.

Mr. STAFFORD. Mr. Chairman, if the gentleman will permit, I have here a statement made by the clerk of our committee, comprising 21 typewritten pages, containing the increases recommended by the committee. I read that over closely last evening, and I shall loan it to the gentleman so that he may have at his command the increases recommended in the bill. If he will go through the pages he will find that the recommendations made by the committee have been, first, that we have leveled up every laboring man who was receiving less than the statutory pay and put him at the statutory rate. He will also find that we have increased the pay of artisans, and he will also find that in the lower grades of clerks of a thousand dollars, twelve hundred dollars, fourteen hundred dollars, we have in the respective departments made increases, and in addition to that we have made those increases in those lower grades with the full contemplation that this committee would bring in a more favorable recommendation for a horizontal percentage increase to all of the employees than it did last year.

Mr. HAMLIN. Mr. Chairman, of course I can not nor can any other Member anticipate what the committee will do in the future. I am talking about this bill. Take the Civil Service Commission. The committee has recommended an increase of $500 to the president of that commission and a thousand dollars increase to each one of the other two commissioners. Of the over 100 clerks in that bureau alone you have recommended to four messenger boys an increase of $5 a month each. Does not that bear out my statement that this bill is "top-heavy"?

Mr. STAFFORD. It does not, because the gentleman speaks only a half truth.

Mr. HAMLIN. That is absolutely the whole truth.

Mr. STAFFORD. Oh, I beg the gentleman's pardon. We provide in the Civil Service Commission for additional employees to the amount of $150,000.

Mr. HAMLIN. I am not talking about additional employees.

Mr. STAFFORD. But it is under that omnibus clause that we can provide additional help at increased salaries. If the gentleman wants the specific information as to the Civil Service Commission and what we did as to those lower-grade clerks I will call attention to just what we did. The gentleman says that the only increase was with some messenger boys. Permit me to call his attention to the fact—and I hope the gentleman will give me his attention, having asked me the question——

Mr. HAMLIN. I shall be delighted to give the gentleman my undivided attention.

Mr. STAFFORD. Last year we provided 6 of class 4, which is the $1,800 grade, in the Civil Service Commission. This year we increase that grade to 9. Last year we provided 28 of class 3——

Mr. HAMLIN. The print I have reads "6 at $1,800," just the same as it is in the current law.

Mr. MADDEN. The gentleman has not the amended form of the bill. They have two bills here, one for the committee and one for the lay Members of the House.

Mr. HAMLIN. Oh, is that it? I have the bill furnished me at the desk.

Mr. MADDEN. That is not the bill.

Mr. HAMLIN. That is identical with the current law.

Mr. MADDEN. That is not the bill they are considering.

Mr. STAFFORD. With the aid of the additional information furnished by the genial gentleman from Illinois, of course, it is not necessary for us to say much further, but the fact is that we have provided additional help and allowances for the Civil Service Commission to meet their needs.

Mr. HAMLIN. But it is also true that you recommend increase in pay only for the heads of the bureau and not for the clerks.

Mr. MADDEN and Mr. RUCKER rose.

The CHAIRMAN. The Chair will recognize the gentleman from Missouri.

Mr. RUCKER. Mr. Chairman, if the gentleman from Illinois were a member of this great and august, this most powerful and almost arrogant committee, I would surrender the floor——

Mr. MADDEN. But since I am not, I bow in reverence to the gentleman from Missouri.

Mr. RUCKER. I could tell from the genial smile on the gentleman's face to whom reference has just been made that he is not a member of that committee. Mr. Chairman, I have been somewhat perplexed over this——

Mr. MADDEN. I am sorry to hear that. [Laughter.]

Mr. RUCKER. The gentleman is always sympathetic. Mr. Chairman, here in the last few minutes discussion has clustered around items of increases of compensation and, as suggested by my colleague [Mr. HAMLIN], and I think, with all deference to others, that it looks like his suggestion is well founded, though, of course, it can not be true——

Mr. MADDEN. Will the gentleman yield? That must be due to the fact the gentleman is from Missouri, and you have got to show him. [Laughter.]

Mr. RUCKER. Mr. Chairman, the gentleman from Illinois lives very close to Missouri, and if he will just cross the Mississippi River he will be shown.

Mr. Chairman, the suggestion has been made, and I think correctly, that it seems in some way or another some great chieftain, some man who presides over a great bureau, perhaps the Bureau of Efficiency, may make a more vivid and more lasting impression upon the minds and hearts of gentlemen on the Committee on Appropriations than men who do the real drudgery which gives fame to those chieftains.

Mr. MADDEN. Does the gentleman from Missouri say the "hearts" of members of the Committee on Appropriations?

Mr. RUCKER. I did that in deference to the members because they have the forms of human beings, I want to say by way of parentheses. [Laughter.] Mr. Chairman, members of that committee vie with each other in fervid eloquence, deep pathos, and much enthusiasm, occupying the floor most of the time, in defending their bill, which, I think, is subject to a good deal of just criticism. The distinguished and worthy gentleman from Tennessee, having this bill in charge, talked eloquently and forcefully——

Mr. MADDEN. And mightily.

Mr. RUCKER. And made a speech wonderful for its depth and breadth and length, and especially for its length——

Mr. MADDEN. And vision.

Mr. RUCKER. In defending his committee's action. The gentleman from Wisconsin [Mr. STAFFORD] came to his rescue and held the floor during two or three extensions of his time.

Mr. MADDEN. Would the gentleman be able to select a man who could come to his rescue in any better form?

Mr. RUCKER. Admirably, sir; admirably; it was a wonderful defense, and yet, Mr. Chairman, within the hour a most distinguished and learned Member of this Congress stood before this committee and detailed to us the incomparable achievements of a man who is not drawing a great salary, a man who could only have acquired the inexhaustible store of valuable information he has accumulated and which he imparts to the Members of this House and of the Senate of the United States and others every day, by long, assiduous, faithful, patient toil and struggle, and yet, when the gentleman from Tennessee [Mr. BYRNS] is appealed to, appealed to pathetically by gentlemen on this side of the aisle and gentlemen on that side, while admitting all the facts recited and conceding the force of the arguments made, he tells us that by reason of the ironclad rules of the Committee on Appropriations, by which he is fettered and bound, his manhood—no, I will not say that, but will say his judgment as a Member of this House—is taken from him, that he is compelled to obey the mandates of that committee, and therefore he must insist upon the point of order and prevent the House from considering meritorious amendments.

Mr. FERRIS. Will the gentleman yield?

Mr. RUCKER. In one minute. And when a gentleman from this side of the aisle, a member of the Appropriations Committee, ran across the aisle with hands stretched out pathetically and earnestly pleading, "My friend, after we voted on this question information came to me that I did not know before," the gentleman from Tennessee, determined in his way, and autocratic in his will, entrenched behind the orders of this great and powerful committee, said, "Oh, I knew all about those things." Yes; the gentleman from Tennessee knew how many boys this man working for a meager salary had given to his country to be sent to the war; he knew his long and faithful service; he knew the pitiful salary he was being paid, and yet he said, "I passed on all those questions and determined that $1,500 was enough for him." But when we reach this item he pleads with us that because a secretary of one of the departments of Government said the Chief of the Bureau of Efficiency did a great work and saved the country large sums of money, we should yield to the wisdom and bow with respectful deference to the action of the Committee on Appropriations, though its action is without authority or sanction of law.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUCKER. Mr. Chairman, I am not a member of the Appropriations Committee, but I ask the indulgence of the committee for a few minutes longer.

Mr. SMITH of Michigan. Mr. Chairman, I ask that the gentleman's time be extended five minutes.

The CHAIRMAN. How much time does the gentleman desire?

Mr. RUCKER. Five minutes, and if I do not use that the committee will not censure me.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RUCKER. I yield to the gentleman from Ohio.

Mr. FESS. It might be interesting to know that the young assistant of Mr. Washington has been called to the Ordnance Department, leaving a salary of $1,200 over here, and he is now being paid $2,400.

Mr. RUCKER. The gentleman says it might be interesting to me to know that?

Mr. FESS. It might be interesting to the committee.

Mr. RUCKER. The gentleman is too wise to indulge that forlorn hope. I doubt if the gentleman, with all his learning, can suggest anything interesting to the committee, unless he suggests absolute submission to its will.

Mr. Chairman, I speak with great respect of the Committee on Appropriations. I concede to them for the moment, although I may not abide in that concession, that it is the embodiment of all the wisdom and all the patriotism of the House. I say I might concede it, and to do so would not offend the committee, but I will not concede it. I do concede that it is a great committee, each member possessing a towering intellect and each a loyal, faithful public servant. But the trouble is we have allowed ourselves to drift into a rut, a rut that the Democrats fell heir to as an inheritance of the old party which we succeeded in power, a custom of allowing committees to write into a bill what it desires and to keep out of a bill everything not in harmony with its sweet will; and I tell you, in the language of Shakespeare, "It is a custom more honored in the breach than in the observance." We allow the committees of the House to domineer and rule the House. If the time should ever come when the baseless accusations against us shall be true and this House does in fact become a worthless and useless body, it will be because we shall have degenerated into a lot of moral cowards, afraid to do the things we know ought to be done, and ignominiously cringe and bow to the autocratic will of some chairman or subchairman of a committee. I for one am determined to break the shackles which some committees attempt to put on me if I have manhood and power left to do it. [Applause.]

Mr. Chairman, I take it the point of order has been made. But I want to announce now that it is my purpose, if the point reserved is not adhered to, to make the point of order myself. I will not remain silent merely because gentlemen cry, "High taxes, great burdens, enormous expenses of war," and give these as reasons for their action and as a response to the piteous wails that come to us from the poor when I observe them turn to the other side and grasp hands with a man who is drawing a higher salary than others performing equally valuable services, living in the same community, and having to bear the same kind of living expense. If I can discover them, I will make a point of order against every proposed increase of salary where the salary is already fixed at a high figure, until the committee shows some disposition to respond to the cry of those who really need help. But the trouble is you can not find them. It takes an expert to locate one of these items. Nobody but the chief of the Efficiency Bureau can tell what is in the bill.

We ought to quit carrying barbers on the pay roll of this Government as laborers. Gentlemen may declaim and proclaim as much as they please that these barbers—these laborers, as designated in this bill—work themselves to death trying to keep this Hall clean when Congress is not in session, but the question arises, if they are laborers, why are qualified barbers, and only barbers eligible for appointment to those places? Strange to say, here in this bill we provide pay for common laborers, but before you get on the eligible list to fill one of these positions you have got to be a barber. Why, Mr. Chairman, the chairman of this great committee [Mr. SHERLEY], the chairman of this subcommittee [Mr. BYRNS of Tennessee], nor his able assistant on that side of the aisle [Mr. STAFFORD], neither one of them could qualify as common laborers within the meaning of the words as used in this bill, because they are not barbers. They may shave us—and I think they do sometimes—but they do not use lather in doing it. [Laughter.]

Now, Mr. Chairman, if these men are to be carried on the roll, they ought to be carried as barbers, or else gentlemen ought to come out like men in the open and say to the American people, "We have some particular pets"—God knows, they are not mine—"and we are paying them under the guise of laborers out of the public crib, but they really are barbers and nothing more." But for fear some one would be lacerated and torn at home these barbers are concealed under the more attractive term of "common laborers."

Mr. MADDEN. Mr. Speaker, I move to strike out the last word.

This has been a delightfully interesting day. The speeches of the committeemen have been edifying and instructive, and it seems to me that in view of all the good things they have said and the information they have imparted, and the intelligence they have displayed, and in view of the progress the committee has made in this work, those of us who are not members of the committee ought to be given a chance to go home and study over the words of wit and wisdom that have been uttered. And I therefore raise the question of no quorum.

Mr. BYRNS of Tennessee. Will the gentleman yield just a minute? Why could we not dispose of this?

Mr. MADDEN. I think we ought to adjourn. The gentleman has taken up all the afternoon making speeches.

Mr. BYRNS of Tennessee. I want to say something in reply to the gentleman from Missouri [Mr. RUCKER].

Mr. MADDEN. I think you can do that to-morrow. I want to make the point of no quorum.

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] makes the point of no quorum. Evidently the point is well taken.

Mr. BYRNS of Tennessee. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SAUNDERS of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10358, the legislative, executive, and judicial appropriation bill, and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 6361. An act to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war

ADJOURNMENT.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Wednesday, March 6, 1918, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SHOUSE, from the Committee on Invalid Pensions, to which was referred the bill (H. R. 10477) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported the same without amendment, accompanied by a report (No. 357), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. JOHNSON of Kentucky (by request): A bill (H. R. 10468) to authorize the opening of a minor street from Georgia Avenue to Ninth Street NW., through squares 2875 and 2877, and for other purposes; to the Committee on the District of Columbia.

By Mr. HICKS: A bill (H. R. 10469) to prescribe the personnel of the Navy Nurse Corps, the qualifications for appointment, and the method of appointment therein, the pay, allowances, and leave of absence of members of said corps, and the conditions under which they may be retired, and for other purposes; to the Committee on Naval Affairs.

By Mr. FRANCIS: A bill (H. R. 10470) providing medals for certain persons; to the Committee on Military Affairs.

By Mr. CARAWAY: A bill (H. R. 10471) to amend section 3279, Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. TILSON: A bill (H. R. 10472) to provide for the appointment of a commission to standardize screw threads; to the Committee on Coinage, Weights, and Measures.

By Mr. HICKS: A bill (H. R. 10473) to define necessary skilled labor engaged in necessary agricultural enterprise for the purposes of the selective draft, and to authorize the Secretary of War to grant furloughs with or without pay and allowances to enlisted men of the Army of the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. CARY: A bill (H. R. 10474) to authorize and direct the payment of pensions monthly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10475) for the establishment of a uniform system of weights and measures in the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. VOLSTEAD: A bill (H. R. 10476) authorizing the States of Minnesota, North Dakota, and South Dakota to establish standards for the grading of grain in said States; to the Committee on Agriculture.

By Mr. WEBB: A bill (H. R. 10478) to amend section 35 of the Criminal Code, and for other purposes; to the Committee on the Judiciary.

By Mr. CARY: Joint resolution (H. J. Res. 258) providing for an increase of pay to the custodian employees of the Treasury Department; to the Committee on Expenditures in the Treasury Department.

Also, joint resolution (H. J. Res. 259) providing for the appointment of a committee by Congress to assess the value of the Carlyle House, located in the city of Alexandria, Va.; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHOUSE: A bill (H. R. 10477) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee of the Whole House.

By Mr. CRAGO: A bill (H. R. 10479) providing medals for certain persons; to the Committee on Military Affairs.

By Mr. CURRIE of Michigan: A bill (H. R. 10480) granting an increase of pension to Arvilla I. Briggs; to the Committee on Invalid Pensions.

By Mr. DENTON: A bill (H. R. 10481) granting an increase of pension to Isaac A. Lockwood; to the Committee on Invalid Pensions.

By Mr. DILL: A bill (H. R. 10482) granting an increase of pension to John Neavill; to the Committee on Invalid Pensions.

By Mr. GRAHAM of Illinois: A bill (H. R. 10483) granting a pension to Earl P. Ridgman; to the Committee on Pensions.

Also, a bill (H. R. 10484) granting a pension to Fred Craig; to the Committee on Pensions.

By Mr HARRISON of Mississippi: A bill (H. R. 10485) granting a pension to J. A. Beaumont; to the Committee on Pensions.

By Mr. HAUGEN: A bill (H. R. 10486) granting an increase of pension to Zerah T. Baker; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 10487) granting an increase of pension to Richard J. Stoops; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10488) granting a pension to Harold A. Salisbury; to the Committee on Pensions.

By Mr. HELVERING: A bill (H. R. 10489) granting an increase of pension to William Logan; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Kentucky: A bill (H. R. 10490) granting an increase of pension to Wedding Colgate; to the Committee on Pensions.

Also, a bill (H. R. 10491) to correct the military record of Cyrus Edwards; to the Committee on Military Affairs.

By Mr. KAHN: A bill (H. R. 10492) granting an increase of pension to Susan S. Theall; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 10493) granting an increase of pension to Eli McMinnis; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 10494) granting an increase of pension to Thomas J. McNeal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10495) granting an increase of pension to Abraham H. Caylor; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 10496) granting an increase of pension to John Charles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10497) granting an increase of pension to M. L. K. Wells; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10498) granting an increase of pension to William P. Dorton; to the Committee on Invalid Pensions.

By Mr. MAGEE: A bill (H. R. 10499) granting a pension to Ethel A. Kane; to the Committee on Pensions.

Also, a bill (H. R. 10500) granting a pension to Adell O'Neil; to the Committee on Invalid Pensions.

By Mr. MASON: A bill (H. R. 10501) granting an increase of pension to James Buggie; to the Committee on Invalid Pensions.

By Mr. McKINLEY: A bill (H. R. 10502) granting a pension to Mertilla Crawford; to the Committee on Invalid Pensions.

By Mr. POLK: A bill (H. R. 10503) granting an increase of pension to Richard G. Paynter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10504) granting an increase of pension to Elijah L. Wyatt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10505) granting an increase of pension to Kendal J. Warrington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10506) granting an increase of pension to Joshua J. Daisey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10507) granting an increase of pension to Alfred P. Pepper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10508) granting an increase of pension to Joshua S Fisher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10509) granting an increase of pension to John T. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10510) granting an increase of pension to Nathan C. Messick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10511) granting an increase of pension to John H. Walls; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10512) granting an increase of pension to Joshua J. Workman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10513) granting an increase of pension to Molten R. Pepper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10514) granting an increase of pension to John H. Swain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10515) granting an increase of pension to Zachariah W. McDowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10516) granting an increase of pension to John J. Morath; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10517) granting an increase of pension to John W. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10518) granting an increase of pension to James P. Leonard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10519) granting an increase of pension to Henry O. Bennum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10520) granting an increase of pension to George A. Coverdale; to the Committee on Invalid Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 10521) granting an increase of pension to Jefferson O'Hara; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Missouri State Board of Health, urging the passage of House bill 9563, regarding military rank of Medical Reserve Corps; to the Committee on Military Affairs.

Also (by request), memorial of students of the short course in agriculture, opposing proposed amendment to the farm-loan act, and asking that the law remain as it is; to the Committee on Banking and Currency.

Also (by request), petition of members of the Good Hope Farmers' Club, New Haven, Mo., urging an increase of the minimum price of wheat and other farm products; to the Committee on Agriculture.

Also (by request), petition of 13 women of Middletown, Mo., urging the closing of the breweries for the period of the war; to the Committee on the Judiciary.

Also, a resolution of a Mooney mass meeting, held in Los Angeles, Cal., asking justice for Rena Mooney and Israel Weinberg and their associates; to the Committee on the Judiciary.

By Mr. CAREW: Resolutions of the Brooklyn Surgical Society, favoring the bill to give advanced rank to medical officers; to the Committee on Military Affairs.

By Mr. CRAGO: Resolution adopted by Washington Camp, No. 826, Patriotic Sons of America, Carmichaels, Pa., favoring prohibition of the manufacture of intoxicating liquors during the war; to the Committee on the Judiciary.

By Mr. DOOLING: Resolution of the New York Zoological Society, favoring the migratory-bird treaty; to the Committee on Foreign Affairs.

By Mr. FULLER of Illinois: Petition of the National Pharmaceutical Service Association, favoring H. R. 5531, to provide a pharmaceutical corps in the Army; to the Committee on Military Affairs.

Also, petition of Charles Bulfer and other citizens of Peru, Ill., favoring a bill for universal military training; to the Committee on Military Affairs.

Also, memorial of Woman's Association of Commerce of Chicago, Ill., urging equal pay for women workers, etc.; to the Committee on Labor.

Also, memorial of New York Zoological Society, urging passage of the migratory-bird treaty bill; to the Committee on Agriculture.

Also, petition of Cushman's Automatic Tool Co., of Champaign, Ill., opposing taking the rate-making power from the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIARD: Petitions of Jennie Hanlon and Etta Stangle, of Denver, Colo., praying for the repeal of that section of the war-revenue act providing for increased postage rates on periodicals; to the Committee on Ways and Means.

Also, evidence in support of House bill 6857, for the relief of Richard A. Schwab; to the Committee on Claims.

By Mr. KAHN: Petition of Ladies' Auxiliary, Connaught Social and Benevolent Association, of San Francisco, Cal., urging a report from committee on joint resolution 204 in regard to Irish freedom, by Miss RANKIN, and open debate on the floor; to the Committee on Foreign Affairs.

By Mr. LINTHICUM: Petition of John H. Harmanson, of Baltimore, Md., opposing the Johnson rent bill; to the Committee on the District of Columbia.

Also, petition opposing the increased rates on second-class mail matter; to the Committee on Ways and Means.

Also, petition of National Association of Letter Carriers, favoring legislation for permanent increase of pay; to the Committee on the Post Office and Post Roads.

Also, petition of Baltimore Federation of Labor, opposing Borland eight-hour amendment; to the Committee on Agriculture.

Also, petition of Thomas S. Cullen of Baltimore, Md., favoring House bill 9563, giving rank to enlisted surgeons in Medical Reserve Corps; to the Committee on Military Affairs.

Also, petition of Baltimore Lodge, No. 70, Loyal Order of Moose, favoring House bill 7364; to the Committee on the Judiciary.

Also, petition of Baltimore (Md.) Branch, United National Association of Post Office Clerks, urging the passage of bill to increase pay of post-office employees; to the Committee on the Post Office and Post Roads.

Also, petition of Charles D. Sullivan, of Baltimore, Md., against the Borland eight-hour law; to the Committee on Agriculture.

Also, petition of J. T. Wade, president Baltimore County Medical Association, favoring the passage of Senate bill 3748 and House bill 9563; to the Committee on Military Affairs.

By Mr. MERRITT: Petition of the New York Zoological Society, urging the immediate passage of the enabling act providing regulations for the enforcement by the United States of the treaty with Canada for the protection of North American migratory birds; to the Committee on Foreign Affairs.

By Mr. WARD: Petition of members of Woman's Christian Temperance Union, of Port Ewen, N. Y., favoring war prohibition; to the Committee on the Judiciary.

SENATE.

WEDNESDAY, *March 6, 1918.*

(Legislative day of Tuesday, March 5, 1918.)

The Senate met at 11 o'clock a. m.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones, Wash.	Nugent	Smith, Md.
Dillingham	Kendrick	Phelan	Smith, S. C.
Gallinger	Kenyon	Pittman	Smoot
Gerry	King	Ransdell	Stone
Hale	Kirby	Robinson	Swanson
Hardwick	Lodge	Saulsbury	Tillman
Henderson	McCumber	Shafroth	Townsend
Hollis	McLean	Sheppard	Underwood
Johnson, Cal.	McNary	Sherman	Vardaman
Johnson, S. Dak.	Myers	Simmons	Watson
Jones, N. Mex.	New	Smith, Ariz.	Williams

Mr. McNARY. I desire to announce that my colleague [Mr. CHAMBERLAIN] is absent on account of illness. I will let this announcement stand for the day.

Mr. HOLLIS. I was requested to announce that the junior Senator from Florida [Mr. TRAMMELL], the junior Senator from Kentucky [Mr. BECKHAM], and the senior Senator from Illinois [Mr. LEWIS] are temporarily absent on official business. I also desire to announce that the senior Senator from Kentucky [Mr. JAMES] is detained by illness.

Mr. KING. I desire to announce that the Senator from Connecticut [Mr. BRANDEGEE] and the Senator from Delaware [Mr. WOLCOTT] are unavoidably detained on official business.

The PRESIDENT pro tempore. Forty-four Senators have answered to their names. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. FRANCE, Mr. MCKELLAR, Mr. POINDEXTER, and Mr. SUTHERLAND answered to their names when called.

Mr. SUTHERLAND. I wish to announce that my colleague, the senior Senator from West Virginia [Mr. GOFF], is absent on account of illness.

Mr. CURTIS, Mr. FLETCHER, Mr. CULBERSON, Mr. HARDING, Mr. BANKHEAD, Mr. WEEKS, Mr. NELSON, Mr. OVERMAN, Mr. REED, Mr. SHIELDS, Mr. WALSH, Mr. SMITH of Georgia, Mr. THOMAS, and Mr. STERLING entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the Speaker of the House had signed the enrolled bill (H. R. 6361) to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war, and it was thereupon signed by the President pro tempore.

PETITIONS.

Mr. McLEAN presented a petition of Horeb Lodge, No. 25, Independent Order of B'nai Brith, of New Haven; of the Teachers' League, of New Haven; and of sundry citizens of New Haven and Bridgeport, all in the State of Connecticut, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

Mr. PHELAN presented a petition of the California State Grange, of Santa Rosa, Cal., praying for the enactment of legislation to provide for Government control and conservation of streams and water supplies, which was referred to the Committee on Commerce.

Mr. SHEPPARD presented a petition of the Discussion Club, of Austin, Tex., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

He also presented a petition of Eagle Tent, No. 2, Independent Order of Rechabites, of Washington, D. C., praying for the enactment of legislation to prohibit the shipment of intoxicating liquors into the District of Columbia, which was referred to the Committee on Post Offices and Post Roads.

WATER SUPPLY OF SAN DIEGO, CAL.

Mr. PHELAN, from the Committee on Public Lands, to which was referred the bill (S. 3646) to grant rights of way over Government lands for reservoir purposes, for conservation and storage of water to be used by the city of San Diego, Cal., and adjacent communities, reported it with amendments and submitted a report (No. 300) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STONE:

A bill (S. 4019) granting a pension to Margaretha Arendes (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 4020) to correct the military record of Burton Hubbell (with accompanying papers); to the Committee on Military Affairs.

By Mr. PITTMAN:

A bill (S. 4021) to authorize the incorporated town of Seward, Alaska, to issue bonds in any sum not exceeding $25,000 for the purpose of constructing dikes, flumes, and other works to confine the waters of Lowell Creek for the protection of said town; to the Committee on Territories.

By Mr. PHELAN:

A bill (S. 4022) for the relief of James L. Vai (with accompanying papers); to the Committee on Claims.

By Mr. JOHNSON of California:

A bill (S. 4023) amending an act entitled "An act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Cal., certain public lands in California; and granting rights in, over, and through the Sierra Forest Reserve, the Santa Barbara Forest Reserve, and the San Gabriel Timberland Reserve, Cal., to the city of Los Angeles, Cal.," approved June 30, 1906; to the Committee on Public Lands.

AMENDMENT TO URGENT DEFICIENCY BILL.

Mr. BANKHEAD submitted an amendment proposing to appropriate $150,000 for war-materials investigations, etc., intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment proposing to increase the appropriation for the censorship of the mails from $300,000 to $500,000, intended to be proposed by him to the urgent deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

MISSISSIPPI INDIAN CLAIMS.

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (S. 3948) to authorize the Secretary of the Interior to adjudicate claims covering the expense of removing certain Choctaw Indians from Mississippi to Oklahoma, which was referred to the Committee on Indian Affairs and ordered to be printed.

AMENDMENT OF THE RULES.

Mr. GORE. Mr. President, I desire to give written notice of an intention to move to suspend the rule when the Agricultural appropriation bill is under consideration, and authorize an amendment thereto, being the joint resolution 132, to increase the price of wheat to $2.50 a bushel.

The PRESIDING OFFICER. The notice given by the Senator from Oklahoma will be duly entered.

The notice is as follows:

I hereby give notice that when the Agricultural appropriation bill, H. R. 9054, is being considered in the Senate, I shall move to suspend paragraph 3 of Rule XVI, prohibiting the reception of general legislation to any general appropriation bill, in order that I may propose the following amendment, to be inserted at the proper place in said bill as a new paragraph:

"That section 14 of the act entitled 'An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel,' approved August 10, 1917, be amended to read as follows:

"'SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act, approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment and differences in price for the several standard grades at the local elevator or the local railway market where such wheat is delivered from the farm where produced, adopting No. 1 northern spring or its equivalent as the basis. Thereupon the Government of the United States hereby guarantees every producer of wheat produced within the United States that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guarantee within the period, not exceeding 18 months, prescribed in the notice a price not less than the guaranteed price therefor as fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty. The guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 2 northern spring or its equivalent at not less than $2.50 per bushel at the local elevator or the local railway market where such wheat is delivered from the farm where produced.

"'This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute, and shall be binding until May 1, 1919. When the President finds that the importation into the United States of any wheat produced outside of the United States materially enhances or is likely materially to enhance the liabilities of the United States under guaranties of prices therefor made pursuant to this section, and ascertains what rate of duty, added to the then existing rate of duty on wheat and to the value of wheat at the time of importation, would be sufficient to bring the price thereof at which imported up to the price fixed therefor pursuant to the foregoing provisions of this section, he shall proclaim such facts, and thereafter there shall be levied, collected, and paid upon wheat when imported, in addition to the then existing rate of duty, the rate of duty so ascertained; but in no case shall any such rate of duty be fixed at an amount which will effect a reduction of the rate of duty upon wheat under any then existing tariff law of the United States. For the purpose of making any guaranteed price effective under this section, or whenever he deems it essential in order to protect the Government of the United States against material enhancement of its liabilities arising out of any guaranty under this section, the President is authorized also, in his discretion, to purchase any wheat for which a guaranteed price shall be fixed under this section, and to hold, transport, or store it, or to sell, dispose of, and deliver the same to any citizen of the United States or to any Government engaged in war with any country with which the Government of the United States is or may be at war, or to use the same as supplies for any department or agency of the Government of the United States. Any moneys received by the United States from or in connection with the sale or disposal of wheat under this section may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any balance of such moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts.'"

WAR FINANCE CORPORATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

The PRESIDENT pro tempore. The pending question is on the amendment of the Senator from Missouri [Mr. REED] to strike out all of section 8.

Mr. SIMMONS. Mr. President, I am not going to detain the Senate for many minutes. Of course, I take it that every Senator will agree that in the present situation it is highly important that the resources of this country of capital, of labor, and material should be conserved in every possible way in order that the Government may secure the things which are necessary to win the war. That is a conclusion which has been reached as a result of experience by our allies. England started out in this war with the idea that it was not necessary in any way to impose restrictions upon ordinary business, and for a long time no restrictions were imposed, but a situation was created which made it necessary to change that policy. It was discovered that the nonessential industries were absorbing a large part of the capital, were utilizing a large part of the labor and materials of the country, and that the production of these things imposed a heavy burden upon the transportation facilities of the country. As a result it was determined to impose first moderate restrictions upon the use of capital in the production of unnecessary things. That policy has progressed until it can be said that as a general thing no business is permitted to be conducted in Great Britain to-day unless it is thought to be necessary in connection with the war. France has had the same experience.

We were confronted by the same situation, and to meet it the Secretary of the Treasury upon his own initiative organized in the Treasury Department in connection with the Federal Reserve System a committee for the purpose of investigating and passing upon issues for new capital not thought to be necessary or contributory to the war. That policy is being pursued to-day in this country just as it is being pursued in Italy, in France, and in Great Britain. So I take it it may be assumed it is the consensus of opinion as the result of experience in all the allied countries that it is important for the winning of the war that the capital, labor, and materials should be conserved for the purpose of being used by the industries that are engaged in war work.

Upon its face the British system appears to be a voluntary system, but behind that system is a power which has the force and effectiveness of law. The defense of the realm act in that country invests in the Government broad powers, sufficient to authorize the creation of the commission or board that they have set up. If it has not been created and organized as an official institution it is well known that in a day, at the discretion of the Government, it may be given that sanction. The same thing is true of the French system. There is no such authority in this country. This voluntary committee can not be given official authority except by statutory enactment.

Mr. President, I do not find any opposition, or, if any, but negligible opposition, to the Government exercising through a voluntary committee advisory powers with respect to new capital issues.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes.

Mr. HARDWICK. This voluntary committee advises the Federal reserve banking system.

Mr. SIMMONS. It advises the public.

Mr. HARDWICK. But it has no possible effect except on the operation of the banks through the reserve system.

Mr. SIMMONS. And on the operation of the investment public, so far as it may be influenced by its findings with respect to the compatibility of the issue with the public interest.

Mr. HARDWICK. Of course, that might have a moral effect, but I mean it has no financial effect.

Mr. SIMMONS. It has no binding effect; yet to a very large extent its findings have been accepted and acted upon, both by the banks and the investment public, but not as fully, probably, as is desirable. For that reason it is thought necessary that it should be made a legal body and that its action should have the legal force and effect.

As I was saying when interrupted, speaking generally, there seems to be but little objection to a committee such as we now have, and to what it is doing or the object sought to be accomplished, because its functions are only advisory and its findings are not as effective as is desirable.

Mr. SMITH of Michigan. Mr. President, will the Senator allow me to ask him a question?

Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. The Senator from North Carolina speaks of their disregarding the limitations which are——

Mr. SIMMONS. No; disregarding the findings of this board. As I understand, this board does this: It simply, after making its investigation, advises the banks and the public that a particular issue of capital securities is or is not regarded by it as compatible with the public interest, and its findings ordinarily determine the attitude of the banks and private investors with respect to that issue.

Mr. SMITH of Michigan. Right there let me say to the Senator from North Carolina that in my State and in most of the other States such securities of public utility companies as are issued must first bear the investigation of a State board, and they must be approved by the State authorities before they can be put out at all. When they have been put out, they must have an earning power which justifies their issuance. After you get that far, it is then proposed to arrest the privilege of citizens to make use of such a credit. That is a very drastic power.

Mr. SIMMONS. Mr. President, there are boards of that sort in the several States; they existed in peace times as well as now. Their purpose is to deal with the sufficiency of the security and questions relating to the protection of the investment market.

Mr. SMITH of Michigan. Yes; and the bona fides of the corporation.

Mr. SIMMONS. And the bona fides of the corporation. This committee in the Treasury Department does not attempt in any way whatsoever to deal with the question of the bona fides of the issue or of the sufficiency of the security which it may be proposed to emit.

Mr. SMITH of Michigan. I understand that.

Mr. SIMMONS. The committee deals only with the question of whether the operations of the concern proposing to issue the securities are necessary or contributory to the war; that is all.

Mr. SMITH of Michigan. I understand that; and that is a tremendous power to lodge in the hands of any single individual, especially when the authorities of the State have carefully examined the entire matter and approved the plan.

Mr. SIMMONS. It is not the proposition I am addressing myself to, Mr. President——

The PRESIDENT pro tempore. The Chair has thus far allowed the debate to run along in very informal fashion, but he must hereafter insist that a Senator desiring to interrupt another Senator who has the floor must first address the Chair.

Mr. SMITH of Michigan. Mr. President, I ask the privilege of interrupting the Senator from North Carolina.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. I yield.

Mr. SMITH of Michigan. I shall finish what I have to say in a word. It is merely this, that it is now proposed after a State has found an enterprise to be desirable and wholesome and worthy of credit, that the enterprise must still run the gantlet of a single officer, perhaps, at the Federal Treasury before it can find appropriate standing in the financial markets of the country. I think that is a tremendous power, and if it were to be exercised by a board such as compose the Federal reserve boards, who have knowledge of the local community and its necessities and the needs of the people who apply for assistance, I would not find fault with it at all.

Mr. SIMMONS. It may be wise to encourage many industries in times of peace which should not only not be encouraged but restrained in times of war. I think opinion in the countries at war to-day has finally crystallized in the belief that in order to conserve the capital of the country for war purposes it is essential that unnecessary expenditures should be curtailed and restricted.

Mr. McCUMBER and Mr. HARDWICK addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield; and if so, to whom?

Mr. SIMMONS. I yield to the Senator from North Dakota.

Mr. McCUMBER. Mr. President, I merely want to make a suggestion to the Senator from North Carolina [Mr. SIMMONS] in answer to the question asked by the Senator from Michigan [Mr. SMITH]. We will suppose that in Michigan its people decide that they want to spend $50,000,000 for good roads in that automobile State.

Mr. SIMMONS. Yes; or for building a park.

Mr. McCUMBER. That enterprise will take thousands and thousands of men besides millions of dollars that ought to go into war purposes. That might be a splendid thing for Michigan, and, especially in peace times, it would be a splendid thing; but I think that the interests of the Government are such that those charged with carrying on this war should have some voice in deciding whether or not at this time that amount of money should be spent for such a purpose in any State.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. I do.

Mr. SMITH of Michigan. If the Senator from North Carolina will allow me I desire to say that we do not propose to do what the Senator from North Dakota describes; but suppose a concern wanted to refund an obligation already issued and soon maturing upon a useful enterprise, having the approval of the authorities of the State and having an unquestioned market, is he to be deprived of that privilege and is it to fall by the mere ipse dixit of the head of the Treasury Department? If so, chaos and disorder will surround private business undertakings.

Mr. SIMMONS. Mr. President, do I understand the Senator from Michigan as seriously contending that in the conditions now existing no effort should be made by the Government to conserve the capital of the country for war purposes?

Mr. SMITH of Michigan. No; Mr. President, I do not want the Senator from North Carolina to get that impression.

Mr. SIMMONS. I think that is the logical conclusion one would reach from the Senator's argument.

Mr. SMITH of Michigan. I do not want the Senator from North Carolina to get that impression. I want him to get the impression that what I seek to do in the perfection of some relief legislation is to avoid the temptation to favoritism. I am not referring to any particular persón or board; I am aiming at possible favoritism and desire the widest possible field in the application of this proposed law.

Mr. HARDWICK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes; I yield.

Mr. HARDWICK. I merely want to ask the Senator from North Carolina one question, and then I shall be through with this part of the debate. Does the Senator think that it is either right or that it can possibly be lawful for us to pass any sort of a law that will prohibit an individual—I am not now mentioning a corporation—from lending his money to whomsoever he pleases, or from giving it away, or from doing anything else that he cares to do with it?

Mr. SIMMONS. Mr. President, the money that an individual has, the money that the great capitalists of this country have, is as necessary to the winning of the war as is money in the bank; and if the Government, through a well-considered and wise public policy, shall reach the conclusion that the exigencies of the situation require that the money of the country, whether in the hands of the banks or in the hands of individuals, should not be dissipated in being employed in those things that do not contribute to the war, and which are unnecessary at this time, the Government has the right by legislation, indirectly if not directly—and it is by indirection that we seek to accomplish this purpose—to make such provisions as will effectually secure such capital for the purpose in which the Government is engaged, for, in my judgment, the only business of this Government and the only business of the people of this country, whether they be bankers or capitalists, is the winning of this war.

Mr. SMITH of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. Yes.

Mr. SMITH of Georgia. The Senator from Michigan [Mr. SMITH] suggested a few moments ago to the Senator from North Carolina that, if this power were put in the Federal Reserve Board, he would not object to that. I only wanted to call his attention to the fact.

Mr. SIMMONS. I did not hear that statement.

Mr. SMITH of Georgia. That, if this power is put in the Reserve Board, three members of that board and two citizens selected by the reserve board will perform the duties. The only reason these two additional members were added was because the view of the Federal Reserve Board was that they would need additional help.

Mr. SIMMONS. The statement of the Senator from Georgia is correct.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Michigan?

Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. Of course, I would not have the Senator from Georgia think that I do not understand how this board is to be composed. When I speak of the Federal reserve bank I refer to the 12 Federal reserve banks, who could appropriately clear these securities through their banks after a well-considered and carefully planned scrutiny; and I think the object desired could be easily attained by an amendment to the Federal reserve bank act, which would obviate much of the danger which I see in the plan now proposed.

Mr. SIMMONS. Mr. President, the statement has been made repeatedly upon this floor—the Senator from Michigan is not the first one who has uttered it—that this bill proposes to place in the hands of one man the enormous power of regulating the business affairs of this country. I suppose he means place it in the hands of the Secretary of the Treasury. This bill proposes no such thing. This bill creates a committee composed of five members, three of them to be members of the Federal Reserve Board and two of them to be outsiders. It is true the Secretary of the Treasury is to be a member of that committee. So is he a member of the Federal Reserve Board; but because the Secretary of the Treasury is a member of the Federal Reserve Board nobody will contend that he controls and dominates the action of that board, and nobody ought to contend that, by reason of his being a member of the committee it is proposed to create by this bill, the power will be lodged in his hands and not in the hands of the committee and that he will dominate its action.

As a matter of fact, I do not suppose the Secretary of the Treasury will to any material extent personally participate in the investigations and the findings of this committee. The committee will have to deal with the thousands and tens of thousands of cases that would come before it from every quarter of the country, and it would be impossible for the Secretary of the Treasury, with the great and burdensome duties imposed upon him, to give very much time to these investigations. He would not do it. These questions would be heard and determined and settled by the other four members of that committee.

Can we not trust this committee of five men? They will be prominent and distinguished citizens, three of them members of the Federal Reserve Board, who have already shown themselves eminently worthy of the confidence of their countrymen, and the high positions they now occupy certify to their integrity and to their ability and to the confidence of the people of this country in them. I do not believe we need to fear that these gentlemen will be guilty of any act of favoritism or that they will discharge their duty with any purpose whatsoever except the accomplishment of the essential purpose of the legislation itself which is to conserve the capital of the country for financing the Government, our allies, and the industries whose operations are necessary and contributory to the war.

But, Mr. President, I do not wish to take up the time of the Senate discussing the question of whether there ought not to be some governmental authority to regulate and reasonably control the investment of money in things unnecessary to be done during this war; in the production of things which do not contribute to the winning of the war. I think, while there may be objection on the part of some to it for one reason or another, it may reasonably be assumed that the country and the Congress are agreed that that is necessary at this time; at least I do not care further to discuss that question. That was not the purpose of my taking the floor; it was only an incidental statement in connection with the argument that I propose making.

The issue that I understand is presented at this time is whether the capital issue committee which the Secretary of the Treasury has established shall remain a voluntary committee, performing only the functions and duties now imposed upon it by the order of the Secretary of the Treasury, or whether it shall be made an official body, with the sanction and the authority of law behind it. That I understand to be the issue.

I want to say generally that while I think the present arrangement has been to a very considerable extent effective, I do not believe that it has resulted in that full and complete conservation of capital which is to be desired. I believe that it will add very much to the effectiveness of this committee in the accomplishment of the purpose we have in view if it is made a legal body.

Now, as to the powers that should be conferred upon it, that is, of course, a matter for the Senate to consider and determine; but I think we would be shortsighted if we should not invest this committee with great authority, which it now has.

I assume the Secretary of the Treasury would not have asked for this legislation if he had not thought to accomplish the purpose of its creation it should not be confined simply to investigation, suggestion, and advice. The alleged sufficiency of an advisory committee in England does not imply that a committee of similar character and power would be effective in this country.

There are other circumstances that differentiate that case from ours. England is relatively a small country. As I understand, the whole banking business of England is controlled by about 40 great banking corporations, all dominated by the Bank of England, the fiscal agent of the Government. In this country we have thousands of independent banking institutions scattered over a territory many, many times greater than that of Great Britain, and a system that might be effective where the whole financial system of the country is controlled by only 40 banks could not reasonably be expected to be as effective in a country with many thousand banks, some under Federal and some under State control, and without centralized control.

I do not wish to pursue that branch of this matter further. It is said that section 8, which imposes penalties for the violation of the decrees, rules, and regulations of the proposed capital issues committee, should be stricken out, because it is said that we ought not to impose penalties for the disregard of the actions of any agency of the Government; that penalties ought to be imposed only for violations of legislative enactments; that penalties ought not to be imposed for the violation of any action of a department or of any rules or regulations of a department of this Government; that the proposition contained in this section is a monstrous proposition; that it is an unconstitutional proposition; that it is one never heard of before; and it is one hardly worthy of an autocracy, much less of a republic.

Mr. President, even in peace times Congress has often expressly provided that a violation of the rules and regulations of departmental bureaus should be punished by fine or imprisonment. That was no new thing when this war began. But this is not the first time that we have indulged in legislation of this character since the war began. Some time ago we created a Food Conservation Commission. What is the object of that commission? In principle it is the same as sought in the creation of the proposed capital issue committee. This country was confronted by the menace of a food shortage. It was held to be absolutely essential, to enable us to supply our own demands and the demands of our allies for food, that in some way or other we should conserve our food supply and production by minimizing the food consumption of the country. If it was necessary to adopt drastic action in order to conserve food to supply our allies as well as ourselves, is it any the less necessary to adopt drastic action in order to conserve the finances of the country, in order that we may finance ourselves and our allies in the war?

In the food-control act we invested that administrator with broad authority to issue licenses to regulate the public and the private business of the citizens of the country.

This was denounced at the time as monstrous. Well, in peace times it would have been monstrous. Unless it had been absolutely necessary to accomplish a great and essential purpose it would have been monstrous. I voted for it reluctantly. I would not have voted for it had I not thought the exigencies of the situation made it imperatively necessary.

Mr. President, the same is true with reference to our coal situation. We not only had to supply the ordinary demands of this country for coal, but we had to supply the great industrial plants and factories required to supply the abnormal demand of this country and our allies in part with coal for the manufacture of munitions and other war materials. In order to conserve our coal supply for these essential purposes, we invested the Fuel Administrator with powers absolutely autocratic; with powers that nobody in his senses in this country would have consented to unless he had been convinced that it was imperatively necessary in the public interest. We gave him sweeping powers. We provided severe penalties in each of these enactments for the violations of the licenses, rules, and regulations established by the administrators of these functions. Indeed, Mr. President, I think it will be admitted now that if we had not provided these penalties and put them behind the action of the Food Control Commission and of the Fuel Control Commission, regulatory efforts in these behalves would have been largely nugatory and ineffective.

Under ordinary circumstances it would be clearly unconstitutional, whether it was connected with the production, use, and sale of food and the production of coal, this fixing of the price at which these things should be sold and bought and these penalties for the violation of administrative regulation with respect thereto would, under ordinary circumstances and except in those of war, have been clearly unconstitutional, clearly monstrous, clearly not to be thought of. But, Mr. President, we did it, and we did it because we thought nothing else would meet the situation; and I think now everybody will agree that nothing less drastic would have met the situation.

The point I wish to impress upon Senators is that we are doing in the part of the bill under discussion nothing that is more violative of ordinary principles of republican government, nothing that is more violative of the rights of the individual citizen or the individual business man, nothing that is more violative of the principles of our constitutional government, than was done in connection with these other two commissions which we established. I wish to further emphasize the statement that in the situation which confronts us every man who gives proper consideration to these matters must reach the conclusion that it is just as essential for this Government at this time to conserve its money supply and to see to it that that money is not dissipated in unnecessary expenditures, but that it performs the service which the public interest requires that it should perform in this great emergency, as it is to conserve our food supply and our fuel supply.

Mr. SHERMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Illinois?

Mr. SIMMONS. Yes.

Mr. SHERMAN. In 1914 cotton was 6 cents a pound. Cotton closed yesterday at 33.6 cents, an advance of more than 500 per cent. The war can not be carried on without it. Will the Senator include cotton in the list of regulations?

Mr. SIMMONS. I am not discussing the articles that ought to be included. I am willing to include anything and everything that the judgment of this Congress and the judgment of the people of this Nation shall determine it is necessary to include in order to win this war.

Mr. SHERMAN. I ask the majority of the Senate, then, to bring that question before the Senate.

Mr. SIMMONS. That is a question which can be taken up later if the Senator from Illinois desires to take it up. It has no relevancy to the question I am now discussing.

Mr. President, the question is, If it is necessary to do these things in order to conserve the capital of the country, shall we refuse to confer upon the body which we create to perform the duties incident to doing these things the power to enforce its decisions and decrees?

I know it is said that this section is drastic. I do not hesitate to say that I question the expediency of prescribing the penalty; but I think there ought to be some penalty, otherwise the effectiveness of the enactment may be seriously weakened and impaired. Whether it ought to extend to the regulation and rules established by the committee or not is, I concede, debatable. In my judgment I repeat, however, that it is important to the efficient operation of the system that we are about to create that there should be some penalty imposed upon a willful disregard of the action and the findings of the committee.

The Senate will deal with that question as it sees fit. I have no pride of opinion, and I am sure the members of the committee have none in the matter.

Mr. President, I did not rise with any view to entering into quite such an extended discussion of these matters as I have indulged in and I will not trespass further upon the time of the Senate.

Mr. LODGE and Mr. STERLING addressed the Chair.

The PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. STERLING. Will the Senator from North Carolina allow me to ask him a question before he takes his seat?

The PRESIDENT pro tempore. The Senator from Massachusetts has been recognized. Does he yield to the Senator from South Dakota?

Mr. LODGE. Certainly.

Mr. STERLING. I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I think this bill is of the utmost importance, and I am very anxious for its speedy passage.

The conditions created by the war have, of course, disturbed all the financial conditions of the country. That is inevitable. The enormous loans which the Government is required to place, the enormous taxes which it is required to collect have shaken our financial fabric. Perhaps the most important single thing for the successful prosecution of this war is the placing of the great Government loans. We have placed several billions. We are going to place many billions more. The result of this preemption of the loan market by the Government is that securities, no matter how good and how safe they may be, have no market at anything approaching their real value. Selling them back and

forth to each other does not help us at all, and we have no foreign market to sell them in.

Mr. President, it was perfectly clear to me, and I think to others, that something would have to be done to enlarge credits. We were drifting straight toward a financial crash, in my opinion. We have this next loan coming. The ordinary savings of the people from month to month probably will not be sufficient. As the law now stands, it is impossible to borrow on collateral from the Federal reserve banks. It was of vital importance to enlarge the opportunity for borrowing on collateral. That will enable people to put up as collateral good securities which they will otherwise have to sell at an enormous sacrifice. That is provided for by this bill. A man desirous of investing in a Government loan can take securities to a member bank and get the money, and the member bank can then go to the financial corporation and borrow the money, and on the notes of the corporation can secure money from the Federal reserve bank. In other words, the bill enlarges the opportunity to borrow money on collateral, and I think that is an absolutely vital thing to do. I think we must have it.

The bill also provides methods of relieving the savings banks. If we have to raise the rate of interest—as we are very likely to do—on the next Government loan, you may have a run on the savings banks, and, their assets not being liquid assets, you might bring on a business panic which would not only cause enormous losses everywhere, but which would shatter all prospects of a successful placing of the loan. There are some fourteen billions in the savings banks. I think the same thing applies to the insurance companies, which are all operated under careful laws of States. There must be an opportunity for such institutions to get relief in order to guard against a widespread business panic. The same thing is true of the public utilities. They are obliged in this year to renew $225,000,000 of securities.

They are all under State laws. Their rates are fixed. Their wages and their expenses have increased enormously. Their rates must be and will be, no doubt, advanced by the action of the States; but that is a slow process and the crisis will not wait. Their earning capacity does not justify a bank in advancing money to them on their security. We should precipitate a panic if we allowed the public utilities of this country to fail and go generally into the hands of receivers. It is not a question whether they are contributory to war work; it is a question of public interest, of maintaining their credit, of enabling them to go on. That is provided for in this bill. Provision is made that they can get money through financial corporations. I mention those points as showing the immense importance of passing this bill.

Now, I come, Mr. President, to sections 7 and 8. They never had my approval. Not that I am against licensing; on the contrary, I think that we must take some method of preventing improvident issues of new capital. That must be done. It has been done by every nation at war. They have a committee now in the Treasury which is approving or disapproving new issues of capital, and which has worked very well. It is a strong committee and its work is good. Necessarily this must be done, and it has been done by every other nation; but in England, at least, compliance with the action of the committee is voluntary. Now, this is an effective method. It has proved to be effective in other countries and it has been effective here.

Let me give an illustration to show how perfectly well it works. We can pass no law that will prevent a State or a municipality from issuing a loan. We can not interfere with them by law. The municipality or the State can sell its bonds over its own counter and we can not prevent it; and yet the voluntary committee in England has reduced municipal loans and municipal demands for new capital to £6,000—practically to nothing.

I know cases where this committee now in operation at the Treasury has stopped a loan of one municipality simply by refusing its approval, and has cut another down. Those must be voluntary, and there is more danger of the improvident use and improvident demand for new capital for municipalities than in any other single direction.

The voluntary system has worked in England and has worked perfectly well with municipalities. The fact is that investors generally and those who lend money will not lend money to enterprises and will not take securities which the board in Washington declares to be adverse to the public interest, and you must put it on that broad ground.

It was proposed, as the bill originally stood, to give the directors of the corporation the power to issue or to withhold licenses and then put a penitentiary penalty on anybody who undertook to act without a license. It seemed to me that this was one of the errors of which too much of our legislation has been guilty, and which arises from basing the legislation on the action, or the probable action, of a very small minority of people instead of basing it on the attitude and the action of the great majority of the people. I believe it is a vicious principle to pass drastic legislation in order to reach a small and inconsiderable minority of people who are not ready to do their patriotic duty, and thereby to punish and interfere with and harass the great body of patriotic citizens who ask nothing better than to help the Government in every possible way.

I think, Mr. President, that the purpose, the importance of which I fully recognize, can be entirely attained by a committee which can only reach voluntary compliance. As I have said, it has worked perfectly in England, and, so far as we have tried it, it has worked here.

The committee felt that in any event the question of licensing ought to be trusted to the Reserve Board, who are already dealing with it, who have better sources of information than the new corporation could possibly acquire in a short time. We framed the amendment creating this committee on capital issues which appears in the italics on page 14, and it received an overwhelming majority of the committee as a substitute for leaving the licensing in the hands of the directors of the financial corporations.

Mr. President, I am personally opposed to section 8. I think it is a dangerous provision. I am not going to discuss the constitutional question. I do not think that is a point which has much effect upon anybody's mind at this moment. But putting that aside, admitting that it is constitutional, I think it is extremely dangerous to give into the hands of any board or commission the power to send an American citizen to the penitentiary because, in the judgment of that board, the loan that he is asking for is not in the public interest. Without their approval he never could get it, and to give this drastic authority to any board here seems to me not only needless but in the highest degree dangerous and likely to lead to great abuses.

I think section 8 ought to be stricken out. I think the prohibition which begins in line 24 of page 14 and runs down to line 10 on page 15 ought to come out. I have no objection to giving to the committee now operating a legal status and proper means and authority to carry on their work. I have no objection to that. I think there is this point also to be considered, that if we should strike out the committee altogether it might cripple and hamper the committee now existing. I am very firmly of the opinion that we need that committee; that we need the opportunity to stop improvident issues of new capital. Therefore I have no objection to leaving in those italics—that is, the amendment of the committee creating the committee on new issues—and I can not believe that the Treasury Department would have the slightest objection. They might think—I have no doubt they do think—that the present form is better, but I can not believe that they would seriously object to the Senate making this change. I am sure they can work under it, because they are working under it now, and I am sure also that the Secretary of the Treasury would feel as I feel, that the vital points of the bill, the great objects to be attained, are contained in the other clauses.

Those members of the committee who are opposed to these sections did not think it necessary to get up a minority report. They had no desire to break in that way, but they reserved the right to discuss and to oppose these two sections.

Mr. FLETCHER. Mr. President——

Mr. LODGE. I yield.

Mr. FLETCHER. May I ask the Senator if he feels that there is no necessity for any penalty whatever for any violation of the act?

Mr. LODGE. I do.

Mr. FLETCHER. Not merely a violation of these regulations or orders, but a willful violation of the act itself?

Mr. LODGE. Oh, the act itself is quite apart.

Mr. FLETCHER. From the order.

Mr. LODGE. I mean as far as licensing goes, I think there ought to be no penalty. I think it ought to be a voluntary compliance.

Mr. FLETCHER. I can see a distinction between a violation of the act and a violation of rules or regulations. There might be a violation of the act itself under the provisions of the law, as to which there should be some penalty.

Mr. LODGE. Of course section 8 includes the licenses and orders, and I want that out. I have no desire to leave out the other provisions of the act. I do not think that the other provisions need penal clauses.

Mr. HARDWICK. If the Senator will allow me, if section 7 is left in we do not need penal clauses.

Mr. LODGE. I think the penal clauses ought to go out.

Mr. STERLING. I wish to ask the Senator from Massachusetts a question which I intended to ask the Senator from

North Carolina. Is it not a question just when the operation of any industry will be contributory to the prosecution of the war? Might it not be said, in other words, that any enterprise or business on which the prosperity of a community is more or less dependent, at least indirectly, contributes to the prosecution of the war? Would you give to the committee the unlimited power conferred by the bill to prevent the issue or the sale of securities of such business or industry if it be lawful and the prosperity of the particular community in which it is situated is dependent upon that business or industry?

Mr. LODGE. I agree with the Senator. That is one reason why I desire to get rid of the penal clauses. But I think that we can not afford to confine the action of the committee to acts contributory to the war. I think, for instance, as I have already said, that it is of immense importance to prevent the public utilities from failing and going into the hands of receivers in the course of the next six months. It is not because they carry men to the shipyards or do something directly contributory to the war, but because I think it is against public interest to allow such a blow to credit and finance as that would cause.

Mr. STERLING. I think of another illustration.

Mr. LODGE. If the Senator will allow me, if the words "important public interest" are left in then they have a right, of course, to approve loans of the character the Senator describes.

Mr. STERLING. It occurred to me that the bill should be so amended as to provide that this committee should not have the power to restrict the capital expenditures necessary for the proper maintenance or the safe development of any lawful business or that the committee should not have the power to prevent the issuance of municipal securities where the welfare of the inhabitants of a city or of a political subdivision of or a State, for example, were dependent upon the public improvements which could only be made upon the sale of such securities.

Mr. LODGE. There I am afraid I entirely differ from the Senator. I think nothing is more important than to have a committee which will have the power not to stop, they can not do that, but to disapprove municipal issues or bonds for a project that can perfectly well wait. The greatest waste of money necessary for the war will be in the municipal loans.

Mr. STERLING. But take the question of sewage for a city, take the question of waterworks for a city, the health and welfare of the people of that city are dependent upon the construction of the improvement.

Mr. LODGE. The committee can not stop it.

Mr. STERLING. It can stop the sale of bonds necessary to raise the money for the purpose of making the improvement.

Mr. LODGE. Well, Mr. President, I think the number of proper expenditures which it will stop will be very few, and I think it will stop millions which do not need to be expended now and which would not be expended if the municipalities were private corporations.

Mr. STERLING. It occurred to me that some amendment might be made that would guard that point.

Mr. LODGE. I think the Senator's amendment would nullify the whole thing.

Mr. WILLIAMS. I will say that this committee would hardly undertake to interfere with floating bonds for a sewage system of a city. Of course, it is possible to imagine their doing that, but it will never happen.

Mr. LODGE. Mr. President, there was a case of a city that came before the new capital committee with a loan for a million and three-quarters. It was to be used for sewerage and lighting and improving the water supply. I think those were the principal items. The committee went over it very carefully with the representatives of the city, and they agreed that they did not need more than a million dollars at this time and they cut it down three-quarters of a million. I think that was a distinct benefit.

Mr. WILLIAMS. In other words, all that was necessary for their present necessities and health could be accomplished by a a million dollars.

Mr LODGE. Absolutely.

Mr WILLIAMS. The balance was just for the purpose probably of encouraging real estate speculation.

Mr. LODGE. Precisely.

Mr. GALLINGER. If the Senator from Massachusetts will permit me, I think our attention was called to a case where a large appropriation had been made for the building of a magnificent school house, and after the committee consulted with the officials of the city it was decided that they could wait until after the close of the war.

Mr. LODGE. Building courthouses and everything of that sort. We shall stop our public-building expenditures, as we ought to do, and if we can do it the cities can.

Mr. GALLINGER. If the Senator will permit me further, we have the assurance, which we all rely upon, that in determining whether or not aid shall be given to public utilities at various times a wise discrimination should be exercised.

Mr. LODGE. No doubt.

Mr. GALLINGER. Where some might feel it ought to be helped a great many might feel that it ought not to be helped.

Mr. LODGE. And a much wiser discrimination than if they had the power to put a man in the penitentiary.

Mr. WILLIAMS. Mr. President, I doubt the efficiency of the operation of this act if we are going to trust entirely to the voluntary compliance of citizens. I do not see the force of the argument by analogy with what is taking place in Great Britain. England is a tight little island; it is a very small country. The people in England who are engaged in large commercial, industrial, and bank enterprises are either personally, or almost personally, acquainted and intimate with one another. The consequence is that there is a degree of elbow touch, a degree of confidence in the men when they are selected for a committee which can trust to nothing except voluntary compliance with its advice that can not exist in a country of 100,000,000 people divided into different sections, industrially, commercially, and otherwise. There are no men who can be selected in America who can engage the absolute business confidence of the people upon the Pacific slope and the Gulf coast and the Atlantic coast and the Middle States and the Mississippi Valley, while a committee in Great Britain could very easily obtain the absolute trust and confidence of all the business enterprises of Great Britain.

It would be much easier to find somebody who could work a system depending entirely upon voluntary compliance, even in the great State of New York, than to find one who could work the same system all over the United States, having to rely upon voluntary compliance in Mississippi, South Dakota, Vermont, Texas, Louisiana, Washington, Arizona, and the balance of this country; in other words, this is not, and it never was in the consolidated sense, just one nation. It is a Republic of republics; and there exists, and there always will exist, a diversity of sectional interests—I do not mean in the political sense, of course, but in the industrial and commercial sense—that never can be avoided so long as the country is as big as it is, and diversities will grow in number as the country grows in population.

Mr. SMITH of Georgia. Mr. President, there is no division in this body about our duty to contribute in every way toward success in the great struggle that confronts our country. We should be ready to make every sacrifice that is necessary as a Nation and as individuals, and I believe we will make them. This does not mean that every suggested piece of legislation is wise or that every objection to a suggested piece of legislation is wise. It is our duty, with the earnest purpose of finding out what is best, to confer and express in legislation our conviction of what will really serve our country, and I am sure that we shall do so.

With regard to the control of bond issues, we all understand the great task that confronts our country in financing the war. We know that it is the duty of the States, of municipalities, and of individuals to refrain from unnecessarily seeking to occupy the bond market and to refrain from unnecessarily placing a call upon the labor forces of the country for work not required. I believe it most important that there should be a national agency to consider and to act upon bond issues. We have had a voluntary agency of that sort. So far as I have learned no organization has disregarded the recommendations of that agency. When we add to that voluntary agency the sanction of Federal indorsement and make it a governmental agency, I do not believe there is a State or a municipality in this country which would disregard its recommendations; I do not believe there is any large organization that would seek to do so; and if either did, I do not believe the bonds would be salable.

You create a Government agency to pass upon this problem, and the first question that a bond buyer would ask would be, "Has your issue met the approval of the Government agency? If not, why not?" I am most heartily in favor of a Government agency to pass upon such issues, because I do believe it essential and helpful in the struggle we are conducting.

So far as section 8 is concerned, I have regarded it as almost immaterial. Even without it I do not believe that any bonds can move, unless approved by the Government board; I do not believe the penalty will stop bonds seeking to move, because, the issue having been disapproved by the Government agency, I hardly think it possible that any municipality or State would seek to put bonds upon the market.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. GRONNA. Will it disturb the Senator from Georgia if I ask him a question?

Mr. SMITH of Georgia. Not at all. I yield to the Senator for that purpose.

Mr. GRONNA. I have in mind a condition which actually exists in my State. We were unfortunate enough not to have raised a very good crop there last year, and our farmers do not have their own seed grain. Our legislature has passed an act authorizing the counties to issue bonds to cover the situation, and many of the counties will issue bonds to the amount of $300,000. The result of the proceeds of the sale of those bonds will, of course, all be new capital; it will not be for the purpose of redeeming outstanding bonds. I desire to ask the Senator his opinion——

Mr. SMITH of Georgia. About such a bond issue as that?

Mr. GRONNA. I desire to ask whether, in the Senator's opinion, under this bill which we are now considering, if enacted into law, there would be a possibility of stopping a bond issue for the purpose which I have stated?

Mr. SMITH of Georgia. I would regard a member of a board who would stop such a bond issue in the aid of food production and of agriculture as being almost subject to impeachment; such action would be so stupidly ignorant.

Mr. GRONNA. I am very glad to hear the Senator from Georgia say that.

Mr. SMITH of Georgia. That would be my view as to such action on the part of any board.

Mr. McCUMBER. Does not the Senator from Georgia think that such a member of a board would be subject to an inquiry as to his sanity rather than to impeachment?

Mr. SMITH of Georgia. I think St. Elizabeth's Asylum for the Insane would at least be a proper place to send such a member.

Mr. McCUMBER. We especially need food; that is one of the things which we have declared are necessary for the success of the war.

Mr. SMITH of Georgia. I think in such a case the board ought to say: "You are doing a necessary work in the effort to stimulate food production; we believe you are carrying a necessary burden, and we thank you for it.

Mr. GRONNA. Mr. President, I am very glad the Senator from Georgia places that construction upon the language, or I am glad to have it explained in that way, because this bond issue, of course, will be for production for the purpose of carrying on the war, and for nothing else.

Mr. SMITH of Georgia. The bill as it first came to us provided that the new board of directors of this war finance corporation should pass upon this question. After considering the subject, we concluded that we had an organization which was already known to the public and which enjoyed the popular confidence—the Federal Reserve Board—and that it would be better to place this power there than to say that it should go into the hands of men who were as yet unknown. How did we do it? Discussing it with members of the Federal Reserve Board, they advised us that their work was laborious and that they would be glad to have two additional outsiders to help them; to take the majority of this new organization from the Federal Reserve Board, and to give them two outside men to do the detail work for them, to make the investigations for them, and they would come in to help decide, after those men had carried a good deal of the detail work.

As a result of our conference we made the board consist of five members, three from the Federal Reserve Board and two to be selected by the Federal Reserve Board to help the three do the work. I think it was a wise determination; I think it will work splendidly.

Mr. President, so far as I am concerned I am indifferent about section 8. Generally speaking, I do not like that kind of legislation. I do not think it will do any harm, because I think the good will be done without it; and I do not think it will do any harm to strike it out, because I think the good will still be accomplished without it.

I believe this discussion has been valuable; I believe in the advantage of conference and short discussion upon the floor of the Senate when Senators are present and listen and when time is not uselessly consumed. I think we have made progress; I think we are all reaching the conclusion that section 8 is not as harmful as many have thought, because it is not so important as they have thought; and it is not as necessary as some have thought, because section 7 will accomplish the result, even if we do not have section 8.

Mr. HARDING and Mr. McCUMBER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Ohio.

Mr. HARDING. I do not suppose, Mr. President, there are any infallible Government agencies, though I have a strong notion that, if there are such, they ought to be attached to the Treasury Department. A village banker came into my office this morning and told me one of the discouraging experiences of a citizen who wished patriotically to contribute to the financing of the Government's needs. He had just laid aside a communication from the Treasury Department urging his bank to invest the allotted percentage of its resources in war certificates, when a depositor of his bank came in to get his advice about the proposed withdrawal of a time deposit amounting, let us say, to $20,000. That would be a very considerable deposit in a village bank. The banker very properly called attention to the need of the Government and the problem of the banks in meeting Government requirements, and suggested that the time deposit be left in the possession of the bank. Whereupon the depositor drew from her pocket a prospectus of a stock issue of a very notable concern in this country offering a preferred stock bearing an 8 per cent dividend rate, and said, "I prefer to withdraw my money and invest in this 8 per cent proposition because it likewise is a Government need." When the banker expressed surprise thereat, his attention was called to an indorsement on the prospectus signed by a member of the Federal commission which passes upon such matters, saying that this industry was essential to the Government in war and, by imputation at least, had the sanction of the voluntary committee which recommends securities. But for the intervention and explanation of the banker that depositor would have undoubtedly invested her entire resources in this proposed issue of preferred stock; and I may say, knowing the broadening industry as I do, and knowing its high character as I do, that its additional financing at this time is no more essential to the prosecution of the war than my enlistment in the aviation service is necessary to the prosecution of the war.

So, Mr. President, I find myself in a strange conflict of opinion. I think the licensing feature of this bill is calculated to accomplish a very great good, because if there is any one thing needed in the United States of America to-day it is a deterrent on expenditures; but, on the other hand, I could no more vote for the licensing feature proposed in this bill than I could vote at the same time to discontinue our part in the war. Therefore I find myself a great deal embarrassed.

I suppose I might preface these few remarks by a rather unusual admission in the Senate, namely, that I do not know very much about big finance, but some of us have qualities of instinct, if nothing else, and I confess I am unable to bring myself to give assent or approval to the pending measure. To begin with, it is premised on a false assumption. The bill starts out by saying it is for the purpose of financing industries connected with the war. I doubt very much if there is a Senator on this floor who does not know that every industry necessarily connected with the prosecution of the war is financed by the department with which it operates, if such financing is necessary.

The Shipping Board has indulged in a system of financing that in ordinary times would drive a sober financier to drink; the War Department has been financing industries connected with munitions in a manner so liberal that it could not enlist approval were not the necessities of the Government so urgent, and the Navy Department has likewise been extending its funds to necessary industries, so that everything directly or indirectly connected with the war has the Government's financial aid at this time.

That is even true of the farmer who is seeking to raise the necessary food for the conduct of the war. Then, if you will pass on to the great railroad interests of the country, they have already been taken under the wing of the Government, and if I read correctly the railway-control bill recently passed and now in conference, every railroad security in this country is cared for by that measure. So if you look over the field of Government financing I know of nothing remaining of a serious character, except the Government's sale of its own securities.

Let me say, however, lest I be misunderstood, that I am not unaware of the fact that there are securities of public utilities and great solvent corporate industries in this country which are maturing from month to month and which it is essential should in some way be cared for, but I was rather agreeable to the comment offered by the Senator from Illinois [Mr. SHERMAN] the other day, when he said that solvent institutions of that character could usually pretty well care for themselves. Nevertheless, I think, Mr. President and Senators, there is necessary some agency to help the financial institutions of this country to meet the obligations of many great and important operations, and I think that there must be a practical way of doing so without the enactment of this bill.

I am conscious that one who opposes a proposition without offering a substitute is in a more or less indefensible position;

but I have a very strong conviction, Senators, that it would be a very simple matter to modify the banking act, under which this country finances its operations, so as to meet the requirements of the present situation.

I know of no way whereby you can create wealth with the wave of a magician's wand. I can see nothing in this bill that is going to create four billions of additional wealth in the United States of America, and I do know that if the assets of public-utility corporations and other institutions that are to benefit by the enactment of this measure are worth what they purport to be, it ought to be a very simple matter to provide a plan whereby the Federal reserve bank can issue currency on those assets.

Mr. President, I apprehend that one of the great difficulties of the situation is the drain on the financial world by the issue of our bonds. I think that is true, and my complaint is that we are not doing all that we ought to relieve that situation.

If it will not seem lacking in respect by one on the Hill for those in authority at the other end of the Avenue, I want to put in the RECORD at this moment the statement that there has been appeal after appeal for this body to modify the existing revenue measure so that the banks of this country can meet the drain due to the excess-profits and income war taxes and pay them without exhausting their reserves; and there has been insistent objection at the other end of the Avenue, and it has been impossible to secure any action on the part of the Congress. And yet, Mr. President, to illustrate, the payment of the taxes under the new revenue law in the industrial sections of this country, under the provisions of the law, by the 30th day of next June, will wipe out essentially every dollar of the reserves in the banks of the State of Ohio

Under such circumstances, it is very easy to see that a new bond issue will fail to go "over the top," as they have heretofore, because the banks have not the resources; no matter how patriotic the banks and their depositors may be, because the drain for the time being is on their resources to meet the current tax demands. I am not sure that an extension of the time of payment, providing for the acceptance of partial tenders, would wholly relieve the situation, but my judgment is that it would go a long way in that direction; and since there are so many Members of Congress asking for that modification, I should like to speak for a moment for a little coordination between the executive and the legislative branches of the Government to meet a very necessary situation; and we might very reasonably, Senators, meet this financial situation by a little further coordination in seeing how much we can save from expenditure instead of trying to see how much we can spend.

I think, Mr. President, that I know something about the temper of the country. I think we have gone war mad. I think it is important that somebody shall begin to think soberly, and try to get this country's hat on straight; we need some sane thinking. Why, out in my State the other day they put over a county ditch improvement which requires the expenditure of $190,000, which the proponents had been urging for seven or eight years, and the common sense of the situation was against the improvement; and only a few days ago they put it over in the name of war, because they were going to reclaim land to raise food to feed ourselves and our allies. Yet the improvement can not be completed inside of three years, and, if my recollection is good, it takes a few months after that to raise a crop!

I do not know how closely some of you have been watching the proceedings, but up in the Committee on Commerce there have been some manifestations of this tendency to expenditure that would prove a national farce if it were not so serious. There are dreamers sitting about the committee room, wanting the sanction of our committee, who want to build ships for the Government, who have not yet even acquired a hammer for driving a rivet; and they want the Government to buy the yards and construct the ways and furnish them the materials and spend without limit when the most optimistic of them could not promise you the delivery of a ship short of 18 months ahead.

Quite apart from that, Mr. President, one Senator on this floor, and a number of Members of Congress, and particularly the distinguished Postmaster General—who does not know one-tenth as much about the telephone business as I do—propose with a wave of the hand to take over the District telephone system. Somebody else—somebody of very great eminence—wants to buy the docks and wharves of an enemy in the harbor of New York. Well, Mr. President, we have the use of them now. Then, what in the name of sense is there to justify an expenditure of countless millions when we are worrying ourselves gray about how we are going to raise the money? Does it not seem sensible that in this hour of peril and anxiety and extraordinary need somebody might cry out against countless expenditures and commit this Government to the use of available funds for the requisite needs of the prosecution of the war?

I am not in agreement with my distinguished friend, the Senator from California [Mr. JOHNSON] about the railroad policy for this country, and I think it is very inopportune to press the issue in this trying moment; and yet, Mr. President and Senators, the process of scrambling the railroad eggs is being so vigorously pushed forward right now that I will stake my reputation as a prophet, poor as it may be, that the unscrambling will never take place in the United States of America. I do not want anybody to misconstrue my remarks as meaning that I am committed to that policy, but I can read the signs of the times, and one of the difficulties of the United States of America to-day is that everybody is seeking to work his reformation in the name of war.

Why, Mr. President, I have been visited by seemingly countless charming women interested in the suffrage proposition who have repeated again and again and again that the grant of suffrage to women is a war measure, when I think my understanding of history is that noble womanhood, from the dawn of civilization, has been making her sacrifices and contributions to the onward movement in both war and peace without any thought heretofore of the suffrage opportunity. However, that is merely a remark in passing.

This is the thought that I have in mind: If this country, Mr. President, must commit itself to a financial policy that would not be tolerated for five seconds in a time of peace, in order to enlist the patriotic devotion of the financiers of this land, and if this country must do all that is asked for in order to persuade the farmers of this country to raise food to support us during the war, and then if, added to that, this country must grant limitless compensation to the labor that is engaged in war enterprises, I would not give you very much for the patriotism that there is left to save the American Republic. If I could call, Mr. President, for the performance of that thing which is so needful at this moment, I would ask those in executive authority in this country to say not less to those of the world who are interested in this enterprise, but more to those of America who are directly concerned in our part in the war. I think it quite possible for the executive function to be so exercised that America will be just a little more harmoniously and enthusiastically committed to the war; and I think it will be possible, with the exercise of the proper authority already granted, to coordinate American activities into a more effective prosecution of the war.

Mr. President, I am sure I will sound no note which can be misconstrued to-day. I think such votes as I have cast in this body, and such utterances as I have ventured to make to the public, will afford me a guaranty against the charge of copperheadism, which is ever too ready to be uttered on the part of the "court journals" and some of the press critics in this country. I am just as much interested in the successful prosecution of this war as anybody connected with the Government or in the Army or Navy; and if you would let me enunciate the policy of the United States, I would say that we are committed to this war until Germany is brought to terms, or these United States are not worth residing in; and I am willing to vote for every measure that is necessary for the successful conduct of this war. I have surrendered my personal convictions time and time again; and I want to be counted as one of the Senators, "rubber stamp" or otherwise, ready to give sanction to the necessary measures for the successful conduct of the war. But, Mr. President, I reserve the right to exercise such little judgment as I possess concerning measures not directly concerned with the conduct of the war; and in my humble judgment the pending bill has infinitely more to do with the period after the war than it has to do with the successful financing of the war.

The Senator from North Dakota [Mr. MCCUMBER] asks me to explain the latter remark, but he is polite enough not to insist. I have no veiled thought. I have a profound conviction, Mr. President, that in the name of war efficiency we are completely undermining our form of government. I think the Senator from North Carolina [Mr. SIMMONS], who speaks with great earnestness and official inspiration and with complete understanding, made reference this morning to the autocratic administration of certain functions of government. I am not finding fault with that. If all these grants of autocratic power will only expire with the termination of the war, I shall have no great fear thereat. I hope we can always be sane and thoughtful enough to provide for the early expiration of such powers. But, Mr. President, since the Senator from North Dakota has ventured his inquiry in an aside, let me point out a danger in popular government.

It has not been demonstrated yet that popular government can survive. I hope it will; but the very weakness of it is that we yield to political and personal prejudices and have more concern about our own political careers than we have about the perpetuity of the Government. If I do not make myself

clear on that point, let me say now that I am thinking more to-day about the future of the United States of America than I am about my own succession to the Senate. Some one high in authority has said that he was very anxious to know what the people were thinking about the firesides of America. I can say the people about the firesides of America are eager and anxious to mobilize the resources of this country to win the war, but they do not want to overturn our representative form of republican government to accomplish it. I say, with all due respect, that there has been a tendency since the beginning of this war to center in the Department of the Treasury an authority that is unthinkable; and I for one say now that the end has come to such proceedings for me.

When I say that I have no ill will, no unkind criticism, for the distinguished gentleman who holds the portfolio of Secretary of the Treasury. He may be infallible, for all I know; I will assume that he is invulnerable; but we used to have a saying when I was a lad about the impropriety of riding a willing horse to death; and I do not think the Senate ought to impose upon any one American, great as he may be, so many responsibilities in these hours of peril.

Mr. President, I said a moment ago we should be stronger if we cried out against abnormal and endangering expenditures in this hour of peril. Let us wait upon the reform that calls for countless millions of Government money until we can act affirmatively in the deliberations of peace. Let us not buy everything that somebody has a grudge against in order to satisfy the man with the grudge. Let us not assume to reach into this mysterious Treasury with its seemingly inexhaustible fund and take under the Government wing that activity in our daily affairs which somebody wants brought under the wing for selfish purposes—not altogether, of course. Let us not assume that here in Washington is some vein that reaches into a mysterious supply of gold that no profligacy can exhaust, and let us assume that you can try the patience of the country with shocking expenditures and extraordinary obligations.

Mr. President, I am not petty about these things. If I were to choose a classification I would rather be a spender than otherwise when the means are available, but here is the richest Nation in the world; here is a Nation with more gold than any other in the world; here is a Nation with more resources than any other in the world; and we find ourselves unconsciously admitting in the United States Senate that rich as we are and late as we were in entering the war, we are harassed to finance our operations, while the central powers of Europe, with scarcely more than 40 per cent of our possession in gold, are able to carry on their operations without any manifestations of deep concern. I am not so self-satisfied, Mr. President, but what I can say, if it is demonstrated to me that our policy is wrong and somebody else's is supreme, we might well pattern after the other fellow whose supremacy is proven.

At any rate, in this financial proposition, if the United States of America, with Great Britain and France, can not evolve a successful plan of financing the war, in my judgment the war is in a very serious way. I am not willing to confess American weariness over the task we have assumed. Of course, the world grows weary of any great work, but any weariness manifested in the United States of America must be psychological, because the American heart is strong and weariness does not indicate unwillingness to complete a task. But let us not add to the concern of the country by these perfectly abnormal financial operations.

Mr. President, I said a little while ago in these rambling remarks that I recognize the need of some sort of governmental assistance in meeting the maturing obligations of many public utility corporations and possibly some private enterprises other than those in the public service. It is easily conceivable to me that if our Federal Reserve System is all that we have believed it to be, and I have taken occasion to commend it on all occasions, it would be a very simple matter to add to its authority in making available a currency through the assets in the securities of these institutions. A particularly appealing thing to me about it is that that process ought to be made effective without creating some enormous new department here at Washington.

Senators, without knowing precisely how far the need extends, I call your attention to the fact that we have made the Capital City of this country very much like a mining camp with a new discovery of gold, and Government employees are being brought into this great Capital City on every incoming train, and they are falling over each other; and the pity of it is that, however good the intent may be, the needed executive efficiency is lacking and we are spending millions on employees that ought never to be spent.

I venture to give you an illustration. Like many of you I went to a certain department of the Army only yesterday to do what all of you are called upon to do, to intercede for the recognition of a very worthy constituent in the matter of a military commission. In this particular instance I met one whom I look upon as the most courteous and considerate of division chiefs with whom I have come in contact in the activities incident to the war. He said, "My dear man, your case is hopeless, because I have discovered that there are 280 commissioned men waiting for assignment for whom there is not a single place open. I have myself within the last week removed many men from this department because there was nothing for them to do, and they were in the way of our efficient operation." That is an easily conceivable situation, resulting from feverish effort. We were unprepared, everybody was eager to do the most and best possible, and there was the call for every character for Government service, and essentially every element in our American life responded, to its credit. I am not finding fault with the Government employees who have come here; I am finding fault with the chiefs who employ them when they do not need them.

But they are not the only ones who are coming to Washington. Have you ever studied the personnel of a Pullman car of passengers coming into Washington? I have had occasion during the last few weeks to travel only a little bit; I assure you that it was no more than seemed necessary, to me at least. If you will take note of the average Pullman car of pilgrims to Washington, you will find that three out of every four of them are talking money, money, money. I will not say that it is all without patriotism, nor do I wish anyone to think that I am referring solely to profiteering. We hear much about profiteering. Let me put into the RECORD that profiteering is personal; it does not belong to any particular class; but thousands headed for Washington seemingly have some design on the Treasury, not an unlawful one, not always an unpatriotic one. But I would like to see the thing, Mr. President and Senators, that would bring a halt to the notion that this struggle of the Republic is a scramble for gold.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. NELSON in the chair). Will the Senator from Ohio yield to the Senator from Idaho?

Mr. HARDING. Certainly.

Mr. BORAH. Do I understand the Senator to be expressing the view that four-fifths of the people of the United States who come to Washington come actuated by a desire to get next to the Treasury?

Mr. HARDING. I distinctly said the opposite. I said that four-fifths of the people who come to Washington are talking money, but I expressly said that many of them come with high motives and patriotic motives, and I supplemented it by the statement that profiteering is purely a personal matter.

Mr. BORAH. Then the Senator did not desire to have the inference drawn that these people who were talking money were not talking in a proper way?

Mr. HARDING. The Senator can make such inferences as he desires. I am sure he will not think that I am indicting everybody in this country, nor am I indicting everybody who comes to Washington.

Mr. BORAH. That is the reason why I asked the Senator the question. I think when the Senator comes to look over his remarks he will see that that would be the inference which his remarks would naturally sustain.

Mr. HARDING. I thank the Senator. If that is his impression, I am sure that any impression which he has would be the natural impression of a person of intelligence.

Mr. THOMAS. Has the Senator studied the psychology of the passengers on the Pullman trains leaving Washington?

Mr. HARDING. I think if I did I would find that instead of discussing the subject of money they would be discussing the question of credit.

Mr. THOMAS. It seems to me that if they had put up at any of our Washington hotels they would be very apt to be discussing the absence of it. [Laughter.]

Mr. HARDING. I can understand the point the Senator makes without having been called upon myself to stop at hotels here.

Mr. President, I had not thought to detain the Senate this long, and I have regretted that I have been unable to offer the specific substitute for the pending measure which will accomplish the things that I would like to have accomplished.

I want to revert again to the fact that I think some repressive measure which will stop unjustified and unjustifiable expenditure at this particular time would be a very helpful thing to the country. Yet I understand the motives and the feelings of the man who wants his particular enterprise to go on just as it has heretofore. The man who builds highways, who paves the streets, wants the customary bond issue because he can thereby continue his operations. But the man who thinks about

the public which pays for those operations might well advise the public to wait, because the cost at this time is double the normal figure, and it is a very unwise proposition that we should go on with these expenditures not absolutely essential at a time of abnormal cost.

Yet, Mr. President, when I think of the power that would be lodged in the license committee, the thing is so abhorrent to me that I want it known I can not vote for such a measure. Nevertheless, I can see there might and ought to be some instrumentality which would perform this needed function without the menace that comes from such a grant of power.

Of course, it is very difficult to bring men who have large operations in various lines to an understanding that they must make some sacrifices for this war. I tell you, Senators, the people of America have never at any time come to an understanding of the seriousness of this war. They have not to this day.

When I hear representatives of the agricultural world saying that farmers are mad, and they will not put out crops as they did last year because they are not satisfied with the compensation they received, I reflect that surely no one who speaks for the patriotism of the agricultural world would make such a remark if he understood the seriousness of the war situation, and the radicals of the labor world must have called to their attention the crisis of the situation and the extreme need of their patriotic participation if we are going to reach a position where we would avoid the conflicts that the unheeding unfailingly brings on. Capital, for whom much has been said in this body, surely has not come to any understanding of the seriousness of this tremendous world conflict, else capital would bend itself voluntarily to the restrictions of capital issues and the conservation of reserves of the banks and the available funds of this country to finance the necessary issues of bonds to carry on the war.

While I am addressing the chairman of the Committee on Finance, I invite his cooperation in relieving the situation that is attending the required payment of the war taxes of this country by the 30th day of June. Let us see if we can not do a little cooperation and coordination, not to relieve the burden of the taxes, and not to relieve the taxpayer himself, but to relieve the banks in meeting the requirements of the taxpayers.

Mr. President, it has been a very difficult thing for a good many people in this country to understand the difficulties of meeting the war taxes which we imposed. I can say to you that there are many concerns called upon to pay more in war taxes in 1918 than they ever had cash on hand in their corporate or individual business existence, and that brings a very heavy burden upon the banks of the country, and for the banks, not the taxpayers, I suggest that this body ought to persuade the Secretary of the Treasury to consent to an extension and partial-payment plan which will relieve that situation.

Of course all taxpayers must expect some hardships, and you may as well preach the doctrine now. Business is going to have its hardships, and new undertakings not urgently demanded for public good may well stand aside. We ought to enunciate the doctrine this day that the dreamers and schemers and promoters must momentarily pass out of activity in American life.

You can not do things, Mr. President, with Government money with any propriety in 1918 which will bear no fruit in adding to our war strength until 1920 or 1921. That would be the most inexcusable policy that anyone could suggest. Yet my attention has been called again and again to men who are seeking Government financial aid in undertaking enterprises that could not accomplish one useful thing until 1920 to add to our strength in war. I will give you an illustration. The distinguished Senator who is presiding at this moment [Mr. NELSON in the chair] has been in attendance upon the session of the Committee on Commerce. There have come the advocates of the Government's building steel barges and towing tugs to establish new lines of inland waterway traffic, feasible enough no doubt, but it would require not less than three years to put such an agency into effective operation.

Mr. REED. Mr. President, if I am not interrupting the Senator, I hope he will revise that statement. There is not a particle of evidence, and I have been over the plans and figures. A very material addition can be made to the transportation facilities of the country within the next six months.

Mr. HARDING. The Senator from Missouri and I can have no disagreement about the possibility of developing an effective agency of Government service on our waterways, but we can not agree on his statement that it can be accomplished in six months. If I had my way, there would be no expended energies in that direction as an essential war measure.

Mr. KING. Will the Senator yield?

Mr. HARDING. Certainly.

Mr. KING. Does the last statement of the Senator imply that the Government has already entered upon that activity?

Mr. HARDING. I think the Government has already entered upon that activity, but not with any knowledge of mine as to a specific authority so to do.

Mr. KING. I was going to ask the Senator by what authority had it so entered upon that work, which agency of the Government had undertaken it, and where was the appropriation for it.

Mr. HARDING. I assume it is within the particularly broad powers of the Shipping Board on one hand, which are ample to cover almost any undertaking. There has been something done toward the construction of barges for inland-waterway service, and it may have gone so far as to provide for the towing tugs. Just where the Government control of railways comes in I am not yet aware, but I think there would be no question about the authority of the Shipping Board to supply such agencies of commerce.

Mr. REED rose.

Mr. HARDING. Does the Senator wish me to yield further?

Mr. REED. Mr. President, I only want to direct the Senator's attention to the statement he made and to which I understand he substantially adheres. I am very sorry that he does.

Mr. HARDING. There can be no serious controversy between the Senator and myself on that question. I think it is the most feasible and practical thing in the world for the development of inland-waterway service in cooperation with the Government control of railways, but I can not agree that it can be accomplished in 1918, and I would not, if I had the say, divert one ounce of energy needed in other lines to the undertaking of such an enterprise at this time.

Mr. REED. I am glad to know that the Senator at heart is in favor of the proposition, and I think at the proper time I shall be able to show that he is mistaken as to the length of time.

Mr. HARDING. That may be a matter of judgment.

Mr. President, the Senator's interruption and the trend of the colloquy has called to my mind the very argument I want to emphasize on this floor. I want the resources and the granted authority given by Congress to the executive departments to be concentrated on efficiency for the successful conduct of the war. I call the attention of the Senate to what, to my mind, is a very important manifestation of the failure in that direction. We are crying in this country for ships, ships, more ships, to meet the shipping situation. Do you not think, Senators, that while we are struggling for a great accomplishment in that direction it would be worth while to centralize somebody's attention on getting efficiency out of the ships we have? I think it will do no harm to say so, because Germany knows it a good deal better than the people of the United States, that we have been so unable to adjust ourselves to efficient activities that our ships to-day are employing 70 days in a round trip between the American ports and the ports we use on the other side of the Atlantic, while an efficiently loaded and unloaded ship ought to make the round trip in 35 days. What is the result? We are losing just half of American efficiency and effectiveness, because we have not yet learned how to do things, or we have been lacking in devoting the administrative attention to a problem that ought to be solved if America is to win the war. And it must be won! It is just as important to handle the ships you have effectively as it is to make a heroic struggle to secure more ships.

This is the point I am trying to make, Mr. President, that in the creation of new commissions and undertakings, new adventures and experiments, we are dividing our forces instead of concentrating them. I am speaking at this moment for the policy of centralization of authority in finance, and to put into the hands of the Federal Reserve Board the problem of meeting the needs of the capitalistic interests in this country in serving during the war.

Senators, that seems to me a simple proposition, and I think there is no lacking in respect for administrative or executive authority if this body should exercise its judgment and apply some different remedy than that which came from the department, and put upon one of the Government agencies already established the problem of meeting this more or less difficult situation.

For these reasons, Mr. President, I want to be known as favoring any needed financial operation for the successful conduct of the war, but I am not in favor of a proposition which will fasten itself upon the country and put the capital of this country along with that of many of our industries and the railroads in the hands of a Government department. Let us have a system

of individual operation such as that which made us what we are, and a committal on all sides to the problem which the country has on hand, and I have a conviction that we can solve it.

Mr. SWANSON obtained the floor.

Mr. REED. Mr. President——

Mr. SWANSON. I yield to the Senator from Missouri.

Mr. REED. Mr. President, I understand the pending motion is one which I offered to strike out section 8 of the bill. At the time I made that motion I stated, in substance, that I expected also to offer a motion to strike out section 7. There has been considerable debate upon the motion I made and upon the whole question as to whether section 7 ought to remain in the bill. As a result there have been conferences and talks among Senators and others, and I think a satisfactory adjustment has been arrived at, or at least one which will be satisfactory to a number of us who have been vigorously opposing the retention of the licensing clause; and the criminal penalty as it is in the bill is applied to violations of orders of the board. As a result of all this, I think a situation has been worked out which will be presented, I understand, in a motion by the Senator from Virginia [Mr. SWANSON]. In order that that motion may have the right of way, I desire to now withdraw the pending motion.

Mr. SWANSON. Mr. President, there has been a great deal of discussion in the Senate regarding section 7 and there has been a great division of sentiment regarding its provisions. Most Senators and the country at large, I think, have been very desirous of giving authority to some one to regulate the issuance of securities. The Government now must have a monopoly as to the borrowing of money if it is to float the bonds which are necessary to the successful conduct of this war. Consequently there must necessarily be some control of the issuance of securities. There has been some debate and a division of opinion as to what extent this authority should be given. Some are in favor of a very severe regulation in licensing bond issues, while others have thought this provision went too far. The various Members with various views have consulted with some of those who are to be responsible for the administration of the law, and I think most of them have reached the conclusion which is embodied in the substitute which I am about to offer for section 7 and also for section 8, after the substitute for section 7 has been voted on. I now send to the desk and ask to have read the substitute to the pending bill, which I offer for section 7.

The PRESIDING OFFICER. The Secretary will read as requested.

The SECRETARY. It is proposed to strike out section 7 and to insert in lieu thereof:

SEC. 7. That for the purpose of assisting in the prosecution of the war and providing for the public security and defense through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board. Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, is compatible with the public interest. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation. Shares of stock of any corporation or association without nominal or par value shall, for the purpose of this act, be deemed to be of the par value of $100 each. Nothing in this act shall be construed to apply to borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes. This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States. Nothing done or omitted by such committee hereunder shall be construed as carrying the approval of such committee, or of the United States, of the legality, validity, or worth of any securities.

Mr. UNDERWOOD. Mr. President, may I ask the Senator from Virginia a question on that point?

Mr. SWANSON. Yes.

Mr. UNDERWOOD. I understand that the original bill had no provision to limit renewals; in other words, if securities fell due there was nothing in the original bill to prevent the corporation from renewing its existing issues. If this amendment is adopted as it is read from the desk, does it affect the provision of the original bill in reference to renewals?

Mr. SWANSON. Not at all.

Mr. UNDERWOOD. The opportunity for the renewal of bonds falling due is still granted, and there would be no control of that?

Mr. SWANSON. There is no alteration of the bill, as I understand, in reference to that.

Mr. SMOOT. I think there is.

Mr. SWANSON. To what extent?

Mr. SMOOT. As I recall—I have not had a chance to read the amendment now offered—I believe that the amendment which the committee agreed to, preventing the retroactive part of the amendment as originally written, does not appear in this amendment as I heard it read.

Mr. SWANSON. As I understand this amendment——

Mr. OWEN. The Senator from Utah is right about that. It does not appear.

Mr. SIMMONS. I think that ought to be inserted.

Mr. SWANSON. I have no objection to that. I think it ought to be inserted. It is intended to make the issues of new securities subject to the moral effect of the approval or disapproval of the proposed committee.

Mr. UNDERWOOD. I was not criticizing the Senator's amendment as it stands, but I do think it is of the utmost importance that there should be nothing in this bill to prevent any man who has already issued bonds and whose bonds are falling due having the right, without going to the Government to ask permission, to renew his bonds if he can do so.

Mr. SWANSON. Without this approval or disapproval?

Mr. UNDERWOOD. Without approval or disapproval.

Mr. SWANSON. I have no objection to that. I think that ought to be included.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Connecticut?

Mr. SWANSON. I do.

Mr. BRANDEGEE. I want to say to the Senator from Virginia, who answered the inquiry of the Senator from Alabama and stated that there was nothing in the bill that would prevent a refunding or a reissue of outstanding bonds, that I do not think he is correct about that. It seems to me that the language on page 14, where it states that "no person, firm, corporation, or association "——

Mr. OWEN. But, I will say to the Senator from Connecticut, that language goes out.

Mr. BRANDEGEE. Mr. President, the Senator stated that there was nothing in the original bill that would prevent the reissue. This would prevent the reissue if it stands, in my opinion.

Mr. SMOOT. Mr. President, I certainly would want this amendment agreed to:

Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected hereby.

Mr. SWANSON. I think that ought to be included.

Mr. SMOOT. That certainly ought to be included in this amendment.

Mr. GALLINGER. Mr. President, I will ask the Senator from Virginia if he does not think the substitute which he has offered ought to be printed, so that we may have an opportunity to read it before it is acted upon?

Mr. SWANSON. I will say that if the Senator from North Carolina desires this bill to go over, and does not want to put it through earlier—I would largely defer to him and to his wishes in that respect——

Mr. BRANDEGEE. I think, as the amendment is very short, it could be printed in half an hour at the Government Printing Office and sent right up here.

Mr. SMITH of Georgia. In addition to the amendment suggested by the Senator from Utah [Mr. SMOOT], there should be added "nor shall this act apply to issues of bonds made for the purpose of meeting maturing securities."

Mr. SMOOT. I will say to the Senator from Georgia that I think that they would not be affected under the amendment, as I caught its meaning from the reading at the desk.

Mr. SWANSON. The amendment, as I understand, entirely eliminates the issuance of any license.

Mr. SIMMONS. If the Senator will pardon me, I am inclined to think that this amendment, so far as the question we are now discussing is concerned, is not very different from that amendment. It reads: "Or offering for sale or for subscription, of any issue or any part of any issue of securities hereafter issued." So it does not apply to securities heretofore issued.

Mr. UNDERWOOD. I will say to the Senator from North Carolina that I do not think that covers the case, because it, at least, might be construed, and probably would be so construed, when you say "securities hereafter issued," to mean securities issued hereafter, not the indebtedness. What I am speaking to is securities issued for the refunding of existing indebtedness.

Mr. SIMMONS. That could be met by simply adding the words "and shall not apply to renewals."

Mr. UNDERWOOD. I think that would be satisfactory.

Mr. SWANSON. I think that ought to be included; and I will accept that.

Mr. SIMMONS. Insert "shall not apply to renewals."

Mr. SWANSON. I will do so.

Replying to the senior Senator from New Hampshire [Mr. GALLINGER], I will say that this amendment, as I understand, was prepared by gentlemen who had differences and divisions of opinion. I was with them when they prepared and went over it. As I understand it, it eliminates from section 7 the issuance of licenses, and allows this board to pass upon new issues, to give its moral support for their approval or its moral support in disapproval of the issues of new securities. That is the main feature of the amendment.

Section 8 contains the penalties applying to violations of the act, but the penalties do not apply to violations of the rules and regulations promulgated by this board. I have not had an opportunity to study it so thoroughly as I should like to have done, but that is practically the change which is made in this provision of the bill.

Mr. GALLINGER. Mr. President, what attracted my attention was that apparently the committee having this bill in charge has abdicated its functions, and a Senator not a member of the committee offers an amendment that some of us, at any rate, have not seen. I think we ought to have opportunity to examine it.

Mr. SWANSON. Mr. President, I will say to the Senator that I did not offer this amendment until I had seen Senators who had been antagonizing section 7 and section 8 and also the Senator who is chairman of the committee; and I would not have offered the amendment except with the approval of these gentlemen. The chairman of the committee can, of course, speak for himself as to how he feels in regard to that.

Mr. GALLINGER. I did not offer my suggestion as a criticism; but the circumstance I have indicated attracted my attention; that is all. I have been very strongly opposed to section 8 and have had very grave doubt as to the propriety of section 7. I did not expect to be consulted, of course, in any unusual way; but I should like to know exactly what change has been made. The proposed substitute has been amended already three times on the floor, the Senator offering it having accepted three proposed amendments. I think the Senator's amendment is a very great improvement over the original bill as it came from the committee, but whether or not it meets the objection that some of us have is a matter of doubt in my mind because I have not had an opportunity to examine it; that is all.

Mr. SIMMONS and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. SWANSON. I yield first to the Senator from North Carolina.

Mr. SIMMONS. As I understand, the substitute proposed by the Senator from Virginia does not change the amendment reported by the committee in any particular except that it eliminates the prohibitory power of the committee and strikes out the licensing provision and substitutes for those two provisions an authorization to do the very things, and the only things, which the present voluntary committee is now doing, namely, it provides that this committee shall investigate all applications for new issues, pass upon them, and determine whether they are compatible with the public interest. All it does in effect is——

Mr. STONE. At that point will the Senator permit me to interrupt him?

Mr. SIMMONS. Yes.

Mr. STONE. He says that this committee shall investigate all new offerings appearing.

Mr. SIMMONS. Under rules and regulations to be established; yes.

Mr. STONE. Is there any provision in this amendment that requires new offerings of securities to be submitted to the committee before they are presented to the public?

Mr. SIMMONS. No; it is not mandatory; it is merely intended to require the things to be done that are now being done by the voluntary committee. The language is as follows:

> Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, is compatible with the public interest.

Mr. STONE. Now, Mr. President, if the Senator will permit me, with the view of getting a consistent provision in the bill relating to this subject, I will ask this question: Suppose a corporation in some part of the country desires to offer its bonds or securities in any form for sale to the public without consulting this committee, as evidently the corporation would not be obliged to do, and the officers of the corporation should go to New York or Chicago, or wherever it might be, and put their securities on the market—what I wish to know is how would this committee pass upon such securities? How would they know about them unless they should be brought to them? The law if passed in this form would not require that they should be submitted to the committee; it would be a voluntary act; but suppose the corporation offering these securities does not care to submit them to the committee?

Mr. SIMMONS. Mr. President, neither is there at present any regulation or law requiring anybody to present his application to the committee now existing under the Treasury Department. They have the power, though, by rules and regulations, to require that to be done; but whether that be done or not, in the condition of the market it is believed that, in the main, nobody who does not do that can be able to float securities.

Mr. SWANSON. Mr. President, I should like to say, if the Senator will permit me——

Mr. SIMMONS. Just a moment. The proposed substitute preserves the present voluntary system which obtains in this country and largely in all the other countries at war. It does nothing more, however, in that respect than what is being done now through the voluntary committee, except that it makes that committee an official body; it gives their action the color, at least, of official action. In the main, the principle of voluntary action on the part of those who wish to float securities will be continued, but with the certainty that if institutions desiring to issue new securities refuse, in compliance with the rules and regulations of this committee, to submit their application to the committee, the banks of the country and the investors of the country will probably not be disposed to invest in their securities. The strength of the system will depend upon its persuasiveness, and its persuasiveness will grow out of the fact that those who do not comply with the rules and regulations of the committee in this respect will probably not be able to sell their securities. That is what I understand the amendment is.

Mr. SWANSON. Mr. President, in addition to that, I will say to the Senator from Missouri [Mr. STONE] that the committee can be active or inactive, as the public interest may dictate it to be. If conditions are such that they do not see fit to approve or disapprove of securities, the committee may permit securities to be sold without their approval or disapproval, as I understand the proposed substitute; but if they see that the time has come when the issuance of private securities is interfering with the sale of Government bonds or other vital interests of the Nation, the committee, on its own motion, may pass upon any securities offered and give its approval or disapproval, according as the public interest may require. As I understand, the amendment leaves it largely for the committee to determine to what extent its approval or disapproval is necessary in the public interest.

Mr. SIMMONS. Mr. President, I think it can be stated in a nutshell that all it does is simply to continue the present capital-issues committee and to make that committee an official body instead of an unofficial body, as it is now.

Mr. KING. Mr. President, let me ask——

Mr. SIMMONS. I say that is all it does.

Mr. KING. I was just about to propound a question, with the Senator's permission. I was not here when the amendment was offered, and I was about to ask the question whether or not it provides that this committee may promulgate rules the violation of which will be attended by any penalty?

Mr. SIMMONS. No; it does not.

Mr. KING. What would be the penalty if the committee refused consent to the issue of certain securities and the securities were issued notwithstanding their disapproval?

Mr. SIMMONS. The only penalty would be that in that case the parties interested would not be able to float their securities on the market.

Mr. KING. They might attempt to do so, though.

Mr. SIMMONS. They might attempt to do so.

Mr. KING. But they would have the opposition of this organization?

Mr. SIMMONS. Yes.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Utah?

Mr. SWANSON. I yield.

Mr. SIMMONS. Will not the Senator allow me to finish a brief statement I want to make?

Mr. SMOOT. I thought the Senator had concluded. I yield to the Senator.

Mr. SIMMONS. Mr. President, this substitute is familiar to me; I have examined it very carefully, and I wish to say to the Senator from New Hampshire [Mr. GALLINGER], who is an honored member of the Finance Committee, that I called a meeting of the committee this morning. The Senator came into

the room, but for some reason had to retire before we took up the bill.

Mr. GALLINGER. I will say to the Senator that I had an appointment to meet with the Committee on Appropriations at that very hour; and so I could not remain.

Mr. SIMMONS. I merely make this statement because the Senator seemed to think that he had not been consulted about this matter at all. I presented the substance of this proposed substitute to the committee this morning, and it was discussed in the committee, but the Senator was not present.

Mr. GALLINGER. If the Senator will permit me, it is proper that I should say that I inquired of one or two Members of the Finance Committee after the committee adjourned and they said nothing had been done.

Mr. SIMMONS. We took no action about it, I am going to state that; we discussed it, and, therefore, the purpose of the substitute was known to the members of the committee who were present, and would have been made known to the Senator from New Hampshire if he had found it convenient to remain in the committee. I merely make the statement so that the Senator may not think he has been disregarded.

Mr. GALLINGER. I am not at all sensitive on that matter or any other; it is all right so far as offering the amendment is concerned. My only anxiety was to be granted the privilege of examining it; that is all; looking it over cooly and calmly, and seeing exactly what it contemplates. I think it is better than the original provision of the bill.

Mr. SIMMONS. The main controversy, Mr. President, about this matter has been not with regard to the necessity of some such authority as this, but, in the first place, as to whether this committee should be a voluntary committee such as now exists in the Treasury Department, or a legal body; and, in the second place, whether its power over securities should be of a prohibitory character or whether it should be given merely the power to investigate and to express an opinion to the investing public of the country as to whether proposed issues would be in the interest of the country or against the interest of the country under present conditions.

This substitute creates the committee and gives to it an official status, but does not give it the power of prohibiting issues that may come under its ban. It merely gives it the power, after investigation, of advising the public, for such consideration as the investing public may see fit to give its advice, as to whether, in its judgment, it would be compatible with the public interest to have the new securities thrown upon the market.

Mr. SMITH of Maryland. Mr. President, may I ask the Senator a question?

Mr. SIMMONS. Certainly.

Mr. SMITH of Maryland. Suppose that the parties desiring to issue securities should proceed to place their bonds or other obligations on the market in the face of the advice of the committee, there would be no penalty attached to that action, would there?

Mr. SIMMONS. There is no penalty attached in the proposed substitute.

Mr. SMITH of Maryland. There is no penalty; they can proceed to try to place the securities if they so desire; but, of course, they will have to do so in the face of the judgment of the committee.

Mr. SIMMONS. Yes.

Mr. SMOOT. That is provided section 8 is stricken out of the bill.

Mr. SMITH of Maryland. What is now proposed, as I understand, is to so provide that the decision of the committee shall have a moral effect.

Mr. SIMMONS. That is right.

Mr. SMITH of Maryland. And if the parties issuing the securities violate the rules laid down by the committee no penalty will attach; but, of course, they can not violate the act without becoming subject to the penalties?

Mr. SIMMONS. That is right.

Now, Mr. President, I understand that the substitute for section 7 is to be followed by the Senator from Virginia offering a substitute for section 8. The substitute which he will offer, as I understand, to section 8 will practically retain the present section 8, except it will eliminate from it the penalty that it would impose upon the violation of the orders, rules, and regulations of the committee.

Mr. SWANSON. The Senator is correct. If the amendment I have already offered is adopted, then I will follow it with an amendment proposing a substitute for section 8.

Mr. SIMMONS. Mr. President, as the Senator from New Hampshire [Mr. GALLINGER] has indicated, at the meeting of the committee this morning there was no action about this matter, and I am not, therefore, authorized to accept this amendment on behalf of the committee. I wish to say though for myself personally that I shall under the circumstances feel constrained to give my support to this substitute.

Mr. SMITH of Georgia. Mr. President, I wish to offer an amendment to the substitute.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BRANDEGEE. Mr. President, I wish to inquire whether the Senator from Virginia has offered his amendment, or whether he has simply sent it to the desk with a notice that he would offer it at the proper time?

Mr. SWANSON. I have offered it, and it has been read. It is offered as a substitute for section 7.

Mr. BRANDEGEE. It is, then, the pending amendment?

Mr. SWANSON. It is.

The PRESIDING OFFICER. The amendment has been offered and is pending.

Mr. BRANDEGEE. Mr. President, just a minute before the Senator from Georgia [Mr. SMITH] offers the amendment that he proposes. I desire to say a word about the pending amendment, and it is this:

If this capital issues committee is to be appointed with the approval of the Secretary of the Treasury, which means that nobody can get on it that he does not O. K. and does not have confidence in, and if it is to consist of three members of the Federal Reserve Board, who are certainly experts on financial matters, and two other members, to be chosen by the Federal Reserve Board, who will be likewise experts—if you appoint this special capital issues committee of five financial experts, why is it necessary to fetter that commission by placing it under the thumb of the Secretary of the Treasury at every point? He is there at its birth; he is one of the creators of it, the approver of it, and the organizer of it; and yet the bill in its language, as well as the language of the amendment proposed by the Senator from Virginia, inhibits this committee even from proceeding to investigate a case except subject to the approval of the Secretary of the Treasury. In other words, we have a Secretary of the Treasury who manages the whole Treasury of the United States, who is in the same person the Government director of all the railroads of the United States, who is the head of several other great war activities, and now we propose to place this specially created committee of experts right under his thumb and give him the veto power over its every act and breath during its whole existence. What is the sense of it?

Mr. SWANSON. Mr. President, the Senator is mistaken. The rules and regulations are all that are to have the approval of the Secretary of the Treasury.

Mr. BRANDEGEE. Mr. President, the amendment itself is now in the possession of the Senator from New Hampshire, and it is the only copy that I know of; but I clearly understood from the reading from the desk that this committee could, subject to the approval of the Secretary of the Treasury, investigate any application for the issuing of bonds, and I submit that it gets on my nerves to set up a Pooh-Bah, no matter how able he may be, and make him the head of every function of governmental activity during this war. I do not care what party he belongs to, or what his motive may be, it is not right, and if this committee is worthy of any existence at all it ought to have an independent existence the same as any other self-respecting committee.

Mr. REED and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. REED. Mr. President, the language of which the Senator speaks is the language which is now in the bill. It has not been changed.

Mr. BRANDEGEE. Yes; I know that.

Mr. REED. The part of the bill which I now read, and which is repeated in the amendment, is repeated without change until I shall indicate:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board—

A change occurs there, the word "which" being made to read "such committee," which is purely a matter of language and not of difference of idea—

such committee may, under rules and regulations to be prescribed by it—

It reads—

with the approval of the Secretary of the Treasury—

Now—

under rules and regulations to be prescribed by it, with the approval of the Secretary of the Treasury, investigate, pass on, and determine whether or not—

Such securities are compatible with the public interest. As I understand that—and I confess that its meaning depends somewhat on the punctuation—the committee makes its own rules and regulations, subject to the approval of the Secretary of the Treasury; and then it proceeds to investigate and pass upon public securities.

While I have the floor, if I may—I think I am trespassing on the good nature of the Senator from Utah, and will yield if he desires.

Mr. SMOOT. No; go on.

Mr. REED. If you have the bill before you, you will notice that the licensing clause which follows in the bill is stricken out in the amendment. It is omitted altogether; that is, this part is omitted:

Such committee shall, however, grant licenses for any such sale, or any such offering for sale or for subscription, which it shall determine to be consistent with the foregoing purposes.

That is taken out. Then we come to the language of the bill again:

The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation.

That is likewise taken from the body of the bill. Now, if Senators are interested, I will proceed just a word further.

There follows in the amendment this language, which is taken from the bill, which is found a little further on:

Shares of stock of any corporation or any association without nominal or par value shall, for the purposes of this act, be deemed to be of the par value of $100 each.

That is a clause that is lifted from another part of the language.

Nothing in this act shall be construed to apply to borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes.

That language is lifted out of the section a little further on, and the Senator from Georgia [Mr. SMITH] has proposed an amendment to include——

Mr. SMITH of Georgia. Since the Senator has just read it, if he will permit me to do so, I will read the amendment that I desire to offer following that language:

Nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of the act.

Mr. REED. The next language that we find in here is:

This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States.

That language is also taken from the bill.

Nothing done or omitted by such committee hereunder shall be construed as carrying the approval of such committee, or of the United States, of the legality, validity, or worth of any securities.

That is taken from the bill. So that, speaking broadly now, the change in section 7 amounts to this: The licensing power is taken away, and any penalties that are prescribed in the bill are taken away, but the committee is given a legal status, and is authorized to pass upon securities. If it does pass upon securities, there is no penalty going with it, except that it is deemed that if this committee declares that the security is inimical to the public interest it will practically destroy the market for that security, and at least it will assure it of no reception by any of the national banks or by this corporation.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. I do.

Mr. CURTIS. I understood the Senator from Missouri to state that the penalty clause was eliminated. Does the Senator mean all penalty clauses or just those in reference to violations of rules and regulations issued by the committee?

Mr. REED. I am coming now to answer that.

Mr. CURTIS. I thank the Senator.

Mr. REED. As the bill is presented now, with section 8 amended as it is proposed to amend it, the only penalty clause that is left is a penalty for violating the act; and from reading the bill I confess I can not see where that would apply except possibly to an officer of the corporation who loaned money in violation of the provisions of the act.

Mr. STONE. That is about all there is to that.

Mr. SMOOT. Mr. President, there is no doubt but that this amendment is a wonderful improvement over section 7 as reported to the Senate. In effect, it is the voluntary system for which some of us contended yesterday. If I had my way I would strike out section 7 entirely and allow the present committee appointed by the Secretary of the Treasury to pass upon all these issues for the future. I believe the result of it would be all that we could hope for. I do not believe there will be one thing gained by adopting this provision, with the single exception that the committee will have a legislative standing.

I want to predict now, however, that if the substitute is adopted it will result in the building up of a new bureau, with new offices, hundreds of employees, and the expense will be many, many times greater than if administered by the three members of the Federal Reserve Board under the system now in operation; but of course the expenditure of a few hundred thousand dollars or a few million dollars makes no difference in these days of extravagance and as long as it will give employment to five hundred or a thousand more men or women.

Mr. President, I think there is something in what the Senator from Connecticut [Mr. BRANDEGEE] called attention to; and I intended asking the Senator offering the amendment if he would not agree to one amendment to his proposed substitute by striking out the words "with the approval of the Secretary of the Treasury" in the second paragraph of the substitute. It occurs at two other places in the substitute; but I really believe that if we are going to give the committee any power whatever, and if it is to be a committee in very deed, then we ought to strike out the words "with the approval of the Secretary of the Treasury" as found in the second paragraph of the substitute.

Mr. SIMMONS. Mr. President, I do not know whether it has occurred to the Senator or not, but it seems to me that it is a matter of very great importance that this committee in its work should articulate, so to speak, with the Federal reserve bank and with this finance corporation. They are all necessary factors in accomplishing the purpose which we have in view.

Mr. SMOOT. I agree with the Senator perfectly.

Mr. SIMMONS. The Secretary of the Treasury is ex officio a member of the Federal Reserve System and of the finance corporation, and he is the responsible head in all the financing by the Government of this situation; and this committee ought to articulate with both of the two bodies through which this financing is to be done.

Mr. SMOOT. Mr. President, I agree thoroughly with the Senator. I believe they ought to articulate and cooperate in all the actions affecting future issues, and therefore I am not asking that the words "with the approval of the Secretary of the Treasury" shall be omitted in the appointment of the board. They have got to be appointed by and with the approval of the Secretary of the Treasury, and I think that is right.

Mr. SMITH of Georgia. Mr. President, let me ask the Senator whether it would not be better to let the appointment be without the approval of the Secretary of the Treasury, but to have the rules and regulations subject to his approval? Then the appointment would be entirely independent.

Mr. SMOOT. No; I think it ought to be just the reverse.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. GALLINGER. Does not the Senator from Utah think that in these important matters it might be better to have the President approve, rather than the Secretary of the Treasury?

What the Senator from Connecticut [Mr. BRANDEGEE] said in reference to the Secretary of the Treasury appeals very strongly to me. I had marked my bill to move amendments striking out those words in every instance in the original bill. Now, here even the term of office of the members of this board is to be determined by the Secretary of the Treasury. It seems to me that that is a function which the President might better exercise than the Secretary of the Treasury; and by so providing we would get rid of the duplication of language that puts this matter practically in the hands of the Secretary of the Treasury in every instance.

Mr. SMOOT. The reason why I thought I would not move to strike out the approval of the Secretary of the Treasury respecting the terms during which the several members of the committee shall serve was this: The members of the Federal Reserve Board appoint these other two members. The President does not appoint as members of this committee the members of the Federal Reserve Board. The act itself provides for that, and it provides that the Federal Reserve Board shall make the appointment of the other two members; and I thought perhaps it would be well enough to say that the board appointing them should do so with the approval of the Secretary of the Treasury.

Mr. GALLINGER. Might it not be better for Congress to determine the length of service?

Mr. SMOOT. I think that would be better, Mr. President; but when it comes to the question of authorizing this committee

to investigate and to pass upon and determine whether or not there shall be sold or offered for sale or for subscription any issue or any part of any issue of securities hereafter made, I think that ought to be wholly within the power of the committee, not with the approval of the Secretary of the Treasury. Not only that——

Mr. SWANSON. Mr. President, if the Senator will permit me——

Mr. SMOOT. I know what the Senator from Virginia is going to say. He is going to say that the rules and regulations are to be made with the approval of the Secretary of the Treasury. But what difference is there? If the board can not make rules and regulations according to its views to investigate as to these issues, the board can not really pass upon them, unless the Secretary approves.

In the other places where this language occurs in the substitute I can not see any good reason why it should not be, but in this case it does seem to me that the board ought to have full power, because, in the first place, they are appointed by and with the approval of the Secretary of the Treasury. No member of the board can be appointed unless the Secretary approves it, but after they are appointed it seems to me that they ought to have the power to investigate all issues and pass upon them without reference to the Secretary.

Mr. SIMMONS. Mr. President, I understood that the Senator on yesterday was contending that the present voluntary system was all that was necessary, and he was perfectly willing that that should be continued.

Mr. SMOOT. Yes; as against section 7 of the bill.

Mr. SIMMONS. Does not the Senator know that all the rules and regulations under which the present committee is operating must have the approval of the Secretary of the Treasury?

Mr. SMOOT. Well, Mr. President, the law does not say so, and there is no provision that they shall be subject to his approval. It may be true that that is the practice, and I will say to the Senator that perhaps it is the practice; but we have not so stated in the law.

But why put it in this bill, when there is no necessity for it? I do not think there ought to be a provision that could bring about a conflict between the Secretary of the Treasury and the board which is to investigate these issues. I think we ought to say that the board shall have the right to investigate and pass upon these issues, irrespecive of what the Secretary or anybody else says.

If the words were taken out as suggested by me, the amendment would read as follows:

Such committee may, under rules and regulations to be prescribed by it from time to time, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, is compatible with the public interest.

Mr. President, I do not desire to take the time of the Senate further on this matter; but while I am on my feet I want to offer the following amendment to the substitute. After the word "interest," insert "issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected hereby."

Mr. SIMMONS. That is a provision in the present bill that is omitted from the amendment.

Mr. SMOOT. Yes; that is a provision that the Senate committee agreed to and reported to the Senate, and it follows in this substitute the same place that it followed in the original committee amendment.

Mr. SWANSON. I will accept that, Mr. President.

The PRESIDING OFFICER. The Senator from Virginia accepts the amendment offered by the Senator from Utah to the amendment, as he has a right to do. The Secretary will state the pending amendment as it will read with the incorporation of the amendment suggested by the Senator from Utah.

The SECRETARY. After the word "interest," about halfway in the amendment offered by the Senator from Virginia, insert:

Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Utah will be incorporated as a part of the original amendment offered by the Senator from Virginia.

Mr. SMITH of Georgia. Mr. President, I offer as an amendment in the eighth line from the bottom of the page, just before the period in the center of the line, the following:

Nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of this act.

Mr. SWANSON. Mr. President, I will accept that amendment. That is included in the bill.

The PRESIDING OFFICER. The Senator from Virginia accepts the amendment offered by the Senator from Georgia. The Secretary will state it in connection with his amendment.

The SECRETARY. To come after the word "purposes" and before the period, the Senator from Georgia offers the following:

Nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of this act.

Mr. GALLINGER. Mr. President, if the matter is in such shape that the Secretary can state the amendment as it is now before the Senate, I should like very much to have that done.

Mr. HARDWICK. Mr. President, does the Senator want the amendment stated now?

Mr. GALLINGER. It ought to be stated at some time.

Mr. HARDWICK. I think it ought to be stated before we vote on it, and probably immediately before we vote on it.

Mr. GALLINGER. I will withhold that suggestion until the Senator from Georgia has spoken.

Mr. HARDWICK. Mr. President, I do not expect to detain the Senate for more than a moment. I think the time has come when we all understand this proposition and are prepared to vote on it. So far as I am concerned, I have been prepared to vote on it for some time.

I think the amendment is a very great improvement over the text of the original bill. It meets, to some extent, two of the most serious of the objections I pointed out on last Friday to this bill. There ought not to be any censorship of business in this country. The power ought not to exist anywhere, in anybody. to say that a man shall not lend to anybody his own money if he wants to, or give to anybody his own money if he wants to give it, or spend his own money in any way he wants to spend it; and the Senate will be going a long way whenever it occupies any such position as that, either in time of war or in time of peace.

But, Mr. President, while it is true that this amendment will remove the one most objectionable feature of the bill—namely, the licensing system—and will give to this capital issues committee only the same status that it occupies now, except, possibly, that it will give it legal recognition and probably will be the occasion for spending a little more money; while that is true, it is perfectly apparent now, as it has been all the time, that with these things taken out of the bill, all in the world that we needed was a few simple, common-sense amendments to the banking law. That is what we ought to have had.

So that I can not support the bill, even with the amendments, although the amendments proposed by my friend from Virginia along the lines of the suggestions of a good many opponents of this bill during the progress of the debate are acceptable and, I think, in one way or another remove some of the objections to the bill.

Mr. HOLLIS. Mr. President, I believe the amendment offered by the Senator from Virginia is the best present solution of the problem. I shall support the amendment heartily. I do believe it is necessary to have some control over the capital issues in this country, but any control of that sort may be objectionable; it may be abused. We have practically the same control now. That has gone along unofficially. I have not heard any particular complaint that it has been abused. Congress will probably be in session during the most of this year, and if it is abused or if more authority is needed, more can be granted.

I should like to call the attention of the Senator from Virginia to one verbal error in his amendment, as it strikes me. The last sentance reads:

Nothing done or omitted by such committee hereunder shall be construed as carrying the approval of such committee or of the United States of the legality, validity—

And so forth. I think it should read "the approval by such committee or by the United States."

Mr. SWANSON. I accept the amendment.

The PRESIDING OFFICER. The proposed modification will be stated.

The SECRETARY. After the word "approval," insert the word "by," and, in the same line, after "or," strike out "of" and insert "by," so as to read: "by such committee or by the United States."

Mr. SWANSON. I accept those amendments.

The PRESIDING OFFICER. Without objection, the Secretary will make the modification in the amendment.

Mr. SMOOT. I should like to have the amendment read as amended.

The PRESIDING OFFICER. It will be read.

The SECRETARY. In lieu of section 7 as amended insert the following:

SEC. 7. That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board. Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription, of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of $100,000, is compatible with the public interest. Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the corporation. Shares of stock of any corporation or association without nominal or par value shall, for the purposes of this act, be deemed to be of the par value of $100 each. Nothing in this act shall be construed to apply to borrowing by any person, firm, corporation, or association, in the ordinary course of business as distinguished from borrowing for capital purposes, nor shall it apply to borrowing to renew or refund indebtedness existing at the time of the approval of this act. This section shall not be construed to apply to any securities issued by any railroad corporation, the property of which may be in the possession and control of the President of the United States. Nothing done or omitted by such committee hereunder shall be construed as carrying the approval by such committee, or by the United States, or the legality, validity, or worth of any securities.

Mr. McCUMBER. Mr. President, I was out of the Chamber for a short time and I desire to ask the chairman of the Committee on Finance whether or not during my absence the chairman, on behalf of the committee or on behalf of himself, accepted the amendment proposed?

Mr. SIMMONS. I will say to the Senator that I have not accepted it on behalf of the committee, but I have stated that while I had no authority to do that and did not do it, personally I am disposed to support the substitute.

Mr. McCUMBER. Mr. President, we had before us members of the Federal banking board, also the Secretary of the Treasury, who very strongly supported all the provisions of the bill which was reported, and at that time deemed those essential for the proper working out of this scheme of protection to the industries, financial and otherwise, of the country. May I ask the chairman whether or not he has received any word from the Secretary of the Treasury indicating any change of his position on that subject?

Mr. SIMMONS. I have been advised by the Secretary of the Treasury that he would greatly prefer the amendment drawn and reported by the committee, but the Secretary does not feel that the substitute would be seriously objectionable.

Mr. McCUMBER. I understand that information was given directly to the chairman.

Mr. SIMMONS. That statement was made to me by the Secretary over the telephone, and I had that statement from Senators who have conferred with the Secretary.

Mr. HARDWICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield for a question.

Mr. HARDWICK. Does the Senator feel that we should get the consent of the Secretary of the Treasury for legislation in this Chamber?

Mr. McCUMBER. I was wondering why it was necessary to get the consent of the Secretary of the Treasury also to make an amendment after it came into the Senate. I confess I am a little bit puzzled, possibly because the committee included myself as not having been sufficiently disciplined to follow even our chairman in all the suggestions which have been made here.

Mr. President, every objection was fully discussed in the committee that has been made upon the Senate floor. I did not agree to every one of the provisions of the bill, but I did feel that when we came back into the Chamber with the bill the chairman ought not to carry under his coat a white flag that might be displayed whenever opposition seemed to grow in the Senate. It seems to me that before we abandon a bill entirely we ought at least to have a vote upon the particular sections which the committee as a whole have reported.

There are several other provisions of the bill that do not strike me favorably. I objected, for instance, as strongly as I could to paying a $12,000 salary to the other persons who are to be placed upon the board. I do not wish to urge it in the Senate, because I did not make a minority report. If the Secretary of the Treasury desires it to be $12,000, I do not suppose my voice as a legislator could go very far, even in the Senate of the United States. I simply regret the position we are placed in in reporting a bill practically unanimously and then surrendering the principal features upon the floor without even a vote.

Mr. LODGE. Mr. President, of course the amendment offered by the Senator from Virginia to section 8 is immediately connected with the amendment as a substitute for section 7. I should like to ask the Senator from Virginia whether in his opinion the penal section applies to the authority granted to the board which is to investigate the new issue of capital?

Mr. SWANSON. I have not offered an amendment to section 8, which is the penal section.

Mr. LODGE. I understood the Senator was going to offer it.

Mr. SWANSON. My understanding is that the substitute amendment for section 8 will not apply to the violation of any rule or regulation of any department. It applies to a violation of the specific act itself.

Mr. LODGE. Would it apply to the determination reached by section 7?

Mr. SWANSON. It would not, I think. I understand it applies simply to a violation specifically of what is included in the act. It may in morals discountenance an issue of these securities, but section 8, as proposed to be amended by me, would not apply to it.

Mr. LODGE. My understanding is that the amendment offered as a substitute for section 8——

Mr. SWANSON. I have not offered it.

Mr. LODGE. I know, but it will be offered—I understand it provides for any violation of the act. The act confers upon the board power to pass upon, investigate, and determine. Suppose they determine that an issue of bonds laid before it is not for the public interest and the people who desire to issue those bonds go on and make the attempt to place them, do they come under that punitive section?

Mr. SWANSON. They would not, because that is entirely voluntary, and there is nothing to prohibit them. All that is done in section 7 is to get a moral approval or disapproval of the issue.

Mr. REED. The Senator is of the opinion that section 8 as it is about to be offered would apply a criminal penalty only to some act that is expressly prohibited by the statute we are about to pass. That is to say, if we find in the statute a command that officers of a corporation shall do a certain thing in a certain way and they should do it in a different way they might come within this penalty.

Mr. McCUMBER. I call the Senator's attention to a specific instance where it will apply. The Senator will note the language on page 5, "no director or officer of the corporation shall in any manner participate in the determination of any question affecting his personal interests," and so forth. It would apply in a case of that kind.

Mr. REED. It will apply there, and it would probably apply if the officers of a corporation were to advance more than 75 per cent of the market value of the securities, and do it willfully. I am speaking now of the class that do not come within 100 per cent. Do I understand that the Senator from Virginia who offers the amendment agrees that the provisions of section 8 would not apply to a citizen who had asked to have securities approved and they had been disapproved, or who was handling securities that had been disapproved by the board and condemned as incompatible with the public interest? There is nothing in the criminal penalty that would apply to that citizen if he thereafter undertook to sell or otherwise handle those securities. That is the position of the Senator from Virginia?

Mr. SWANSON. I fully concur with the Senator in that contention, because in order to have the penalty applied the man must violate a provision of the act. There is nothing in the act or in section 7 offered forbidding it. If they make rules and regulations, the penalty would not apply to it.

Mr. LODGE. I asked the question because I wanted to be very sure that it was understood in that way. Sometimes, not always, the court will look at what was said in Congress in order to gather the intent of Congress in interpreting an act, and I wanted to make of record the intent as I understand.

Mr. REED. I desire to concur in the construction that has been placed upon the language and to concur in it with the express purpose manifested by the Senator from Massachusetts to the end that there shall never be any question hereafter as to the purpose of those who vote for the bill that it shall be limited to a violation of the act itself.

In this connection I call attention to another fact. It will be observed that we are striking out the language I quote now—

Or of any license, order, or of any rule, or regulation issued and duly published hereunder, or whoever shall willfully violate, neglect, or refuse to comply with any such license, order, or of any rule, or regulation issued and duly published hereunder.

Mr. LODGE. Those words go out, which I understand the Senator to read. It would be impossible to attempt to prosecute a man on the ground that he had violated a regulation or a rule.

Mr. REED. I think so. That is my opinion.

Mr. OWEN. That has been the understanding of those who have agreed on this measure.

Mr. LODGE. I thought it well to have it in the RECORD.

Mr. GALLINGER. Mr. President, I want to inquire of the chairman of the committee or of the genial Senator from Virginia, who seems to have charge of the bill at the present moment, whether it is the intention to try to pass the bill to-day?

Mr. SIMMONS. Mr. President, with reference to what the Senator said about the Senator from Virginia, I assume it is the common practice in this body where a Senator offers a substitute that he has charge of it, for the purpose of accepting or rejecting an amendment to it. I have not interfered with the Senator from Virginia in the matter of his accepting amendments to his substitute. In reply to the Senator's inquiry as to whether we expect to pass the bill to-day, I wish to say to the Senator that I do sincerely hope we shall reach a vote this afternoon.

Mr. GALLINGER. Then I will modify the question and ask the Senator from Virginia if it is his purpose to urge an immediate vote on his substitute.

Mr. SWANSON. I shall ask for an immediate vote upon it.

Mr. GALLINGER. I asked that question for this reason: If the bill is to be voted upon to-day, there will be no opportunity to make a critical examination of the substitute. If it is to go over until to-morrow, the substitute will appear in the RECORD and we would have an opportunity to give it careful consideration. If the bill is not to be voted upon to-day—and that is the purpose of my inquiry and it is a proper inquiry—there will be an opportunity, if this substitute should be agreed upon at the present time, to move to amend it in the Senate when the bill gets into the Senate; but if it is to be agreed to at the present time and the bill is to be passed to-day, there will be no such opportunity. I think we are entitled to that consideration and that we should have an opportunity to examine a substitute that is not in print, that is offered at a time when some of us had no knowledge of the fact that it was to be offered, and it is only a proper request that we should have a chance to examine it before the bill receives the approval of the Senate.

Mr. SWANSON. The final disposition of the bill is left with the senior Senator from North Carolina [Mr. SIMMONS], the chairman of the committee. I am anxious to have a vote on this amendment, but I will be controlled as to the time when a vote shall be had by the wishes of the Senator from North Carolina, who has charge of the bill.

Mr. GALLINGER. Mr. President, while I am on my feet I want to express the hope that was mildly suggested by the Senator from Ohio [Mr. HARDING] to-day that the time may come when the committees of this body will undertake to formulate bills, and not have them formulated at the other end of the Avenue and sent to us with an urgent demand that we shall enact them into law. I believe that if this bill had been framed by the Senator from North Carolina [Mr. SIMMONS], as chairman of the Committee on Finance, or the Senator from Oklahoma [Mr. OWEN], as chairman of the Committee on Banking and Currency, we would have had very much less trouble than we have had in considering it during the last two or three days and it would have been a better bill, in my judgment.

We are told to-day that the Secretary of the Treasury has conferred with certain Senators and suggested certain amendments, and that the Secretary of the Treasury thinks we ought to pass this substitute. For my part I resent such interference. I think it is not right. I think we are abdicating our functions, and I earnestly believe that the time will come, and not in the distant future, either, when Congress will assert its right to frame its own bills and legislate in its own way, subject to the approval or disapproval of the President of the United States.

I repeat, Mr. President, I think we have a right to examine as critically as we may think proper the proposed substitute before we vote upon the final passage of the bill, and that is all I ask.

Mr. SIMMONS. Mr. President, I am exceedingly anxious that the bill should not be delayed. I think the public interest requires its speedy passage. We have now had it under consideration for nearly two weeks. The particular subject dealt with in the substitute is one that has been most thoroughly discussed in the Senate. We have spent several days discussing it, and it seems to me it is very easy to understand the changes that the substitute proposes to make in the amendment of the committee which we have spent so much time in discussing. I do not see that it is necessary to postpone action on the bill for a day on account of the substitute under the circumstances.

It has been very common in legislation here when a substitute has been offered which changes the text of the bill, if it is so complicated and so difficult that it takes a long time to understand what changes have been proposed in the substitute, that that is given as a reason why it should not be acted upon, but I do not think that that is this case.

Mr. OWEN. I wish to suggest to the Senator, since the Senator from New Hampshire only desires an opportunity if he finds it necessary to offer an amendment in the substitute after the bill passes from the Committee of the Whole, we might proceed with the matter up to the very point of the passage of the bill and then let it go over for the Senator from New Hampshire to have an opportunity to look at it. Then it would come up in the Senate to-morrow morning the first thing.

Mr. SIMMONS. I would have no objection to that course, and I would have no objection if we could have a unanimous-consent agreement to vote on the bill to-morrow.

Mr. GALLINGER. So far as I am concerned, I would be very glad to agree to that, because I am quite as anxious as the Senator from North Carolina for this legislation. I believe it is absolutely necessary legislation in its broad features, but at the same time I do not think that we ought to rush it through to-day, especially in the face of a substitute which we have not seen in print.

Mr. SIMMONS. If it is satisfactory to the Senate that we shall proceed with the consideration of the bill with the understanding that the final vote in the Senate will not be taken until to-morrow——

Mr. GALLINGER. That is entirely satisfactory to me.

Mr. SIMMONS. That course will be satisfactory to me.

Now, Mr. President, let me, before I take my seat, make reference to some remarks somewhat personal to myself. I have followed very closely the proceedings of this body, and I think I am pretty familiar with the situation here. I recognize the fact, Mr. President, that legislation in this and every other legislative body in the world is very largely the result of compromise. For reasons that I think it unnecessary to go into I have had the view, and have had it for some time, certainly since early yesterday afternoon, that it would be necessary in some way to compromise this measure if we were to secure any legislation at all.

Before the Secretary of the Treasury had expressed an opinion about this matter my mind upon that question had been made up. I did not express a purpose to support this substitute because the Secretary of the Treasury approved it. I intend to support it because I approve of it as a compromise measure. I would prefer the amendment as reported by the committee, but as a matter of settlement and a satisfactory adjustment of this very much disputed question I am of the opinion, independently of the views of the Secretary of the Treasury about it, that the substitute ought to be adopted.

Mr. President, so far as the Finance Committee is concerned, it is the common practice in this body that members of a committee reporting a bill may exercise their judgment as to amendments or substitutes offered upon the floor of the Senate. I have not understood that a member of the committee was compelled to stand here and vote against his judgment upon a substitute or an amendment because it was in conflict with something the committee had reported. Members of the Finance Committee have risen on the floor of the Senate and asserted their independent right in this respect. It is a right that ought not to be abridged; it ought not to be challenged. I think that I as chairman and as every other chairman of a committee in this body have the same right in these respects as the members of the committee. It can not be that a member of a committee may exercise his judgment in the vote that he casts upon a substitute for an amendment of the committee and that the chairman of the committee can not do the same thing. I understand that he is limited in this way, that he can not accept an amendment in the name of the committee unless he is authorized to do it.

In taking the position I have assumed on this matter, I have taken it upon my independent judgment. Of course, the views of the Secretary of the Treasury with regard to this matter are persuasive with me. I stated when I introduced this bill that it was introduced as an administration measure; that it was a scheme which had been worked out by the Treasury Department under the direction of the Secretary of the Treasury to enable the Government to come to the assistance of the industries of the country and of the security market of the country.

Therefore, Mr. President, the legislation having come from that source, I think the views of the Secretary of the Treasury with respect to the effect upon the scheme which he has presented

and asked the judgment of Congress upon are entitled to respect, but they do not control. The committee saw fit to amend the bill in particulars wherein they did not agree with the Secretary of the Treasury. The committee may change it now in particulars wherein the Secretary of the Treasury might differ, but I think under the circumstances, as he is the man responsible for the financing of the Government and as this is a recognized administration measure, the opinion of the Secretary of the Treasury ought not to be resented by Senators, and his suggestion of an emendation of the measure ought not to be resented by Senators.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. KING. I agree with the last statement of the Senator, and I wish to state in this connection that I think the Secretary of the Treasury is one of the ablest of the officials who ever occupied that position. But what I rise to inquire is whether the committee in the consideration of this very important subject examined the present fiscal system, especially the Federal reserve regional bank system, and determined after full investigation that that law could not be so amended as to effectuate the same results which are sought in this bill?

I have read the proposed substitute of the Senator from Oklahoma, and it seems to me that we could have accomplished the same results by amending the Federal reserve law as are sought to be accomplished by this bill. We could have done it without creating another agency or instrumentality, and have done it in a way that would have been far better for the country as a whole. These bills providing for a central bank will tend to congest all financial matters in this one region or one section, and of necessity will be discriminatory against the policy which was sought to be engrafted into the statutes in the Federal reserve law.

Mr. SIMMONS. Mr. President, I will say to the Senator from Utah that the committee did not directly have a proposition of that sort before it, but I think the trend of the hearings will indicate that the committee gave consideration to the question. I know that personally I have given a great deal of consideration to that question and have discussed it with members of the Federal Reserve Board, with the Secretary of the Treasury, and others, and I am absolutely certain that an amendment of that sort would not accomplish the purpose, but that, on the other hand, it would undermine the fundamental principles of the present reserve system.

Mr. GALLINGER. Mr. President, the Senator from North Carolina [Mr. SIMMONS] took the observations I made more seriously than I think he ought to have done. I have no disposition to do injustice to any officer of the Government, but I am rather old-fashioned in some of my views. That is my misfortune, no doubt. I have not "kept up with the procession." I have read the Constitution of the United States, which states that the President shall recommend to Congress matters of public concern, and he never hesitates to tell us what he thinks about legislative action.

As I look upon this bill, Mr. President, it is one of the most important measures that has come before Congress for its consideration since the beginning of the war, and I would much have preferred the President to have sent a communication here in the old-fashioned way or to address Congress, as he has been in the habit of doing, in this matter and then leave it to Congress to formulate the measure; of course, upon consultation with the officials of the Treasury Department. But that was not done; and I am not going to multiply words in saying that I think the system is a bad one, into which we have, perhaps, inadvertently fallen.

Mr. SIMMONS. I wish to ask the Senator from New Hampshire is it not one of the most common practices here on the part of all committees of the Senate to constantly refer bills which are presented here to the departments which they affect for their advice?

Mr. GALLINGER. It is a very good practice. Bills formulated in either House of Congress and going to a committee, as a rule, should be referred to the head of the department having jurisdiction over the subject. That was my habit when I was chairman of a committee of some consequence in the Senate. All such bills were referred to the head of the department or the officials of the Government having jurisdiction over that particular subject. That is undoubtedly a good custom; but I do not think it is a good custom to have it understood that bills can be formulated in the departments or at the White House, if you choose, to be sent to Congress with the statement accompanying them that it is necessary for Congress to act speedily in the matter, because the administration wants it done. I think it is a vicious habit, and I believe the time will come when it will be changed.

I recall when the late Senator from Idaho, Mr. Heyburn, sat at my right, with what indignation he resented that habit, which we were then falling into to some extent, and, if he were here to-day, I know exactly what he would say about the present situation. But we have passed that point; it has become a habit; and we have a bill here that was formulated by the department and sent to us with the suggestion that we should rush it through, and we have done the best we could to pass it.

The Senator from North Carolina will not deny, nor will the Senator from Virginia nor any other Senator deny, that we have spent time to great advantage in discussing this bill. The Secretary of the Treasury will hardly recognize his child when it reaches the President for his official action, provided the conferees on the part of the Senate stand by the action of this body. I am glad that the bill has been discussed as it has been and I am glad that it has been amended.

Mr. SIMMONS. Mr. President, if the Senator from New Hampshire will pardon me, I want to say that, while I think this licensing section—that is the term, I believe, that has been used in speaking of it, though it is not a licensing section, but it is a substitute—while the section under consideration is, in my judgment, important, as I have tried to impress upon the Senate this morning, the real important part of this legislation is not these two sections, but it is the balance of the bill.

Mr. GALLINGER. Mr. President, I agree absolutely with the Senator from North Carolina on that point, and if it were not for the balance of the bill we would not be wasting time here in discussing the licensing clause.

But, Mr. President, I have said about all I care to say. If the Senate thinks it wise to adopt, as in Commitee of the Whole, the substitute which has been offered by the Senator from Virginia, with the understanding that on to-morrow there will be an opportunity to amend it, if we see fit to undertake to do that, I am content.

I want to say to my good friend, the Senator from North Carolina, the chairman of the committee, that in any observations I made a little while ago I had no intention at all of reflecting in any way upon him. I have served on a great many committees of the Senate and it is a pleasure for me to say that I never have served under a Senator who was so courteous, so kind, so considerate of the rights of each individual member of the committee as has been the Senator from North Carolina. I want him to know that I have not intended to make any observations that could in any way reflect upon his management of this bill or upon his management of any of the bills that are being considered by that important committee.

Mr. STONE. Mr. President, before the Senator from New Hampshire takes his seat, if I may, I desire to say that I understood the Senator to state that on to-morrow there will be some opportunity of considering this very question now under consideration. I have been called out of the Chamber for half an hour or more, and I desire to ask, Is there an understanding of that kind?

Mr. SIMMONS. I would state to the Senator from Missouri that, at the suggestion and request of the Senator from New Hampshire, there was an understanding between him and myself that we would, so far as his objection was concerned, proceed with the vote upon this substitute, but that there would not be a vote upon the committee amendment in the Senate until to-morrow; that is, that we would proceed, if we could do so, to act as in Committee of the Whole upon this and any other matters that may arise.

Mr. STONE. To-morrow?

Mr. SIMMONS. No; to-day.

Mr. STONE. What are we to do to-morrow under this understanding?

Mr. SIMMONS. If the Senate, as in Committee of the Whole, acts upon the bill to-day, it will be then halted until to-morrow, when we shall take the vote in the Senate.

Mr. GALLINGER. On the final passage of the bill.

Mr. SIMMONS. On the final passage of the bill.

Mr. GALLINGER. I will say to the Senator from Missouri that, in response to the suggestion of the Senator from North Carolina, I intimated my entire willingness to have a unanimous-consent agreement to-day, if no other Senator objected to it, to take the final vote upon the bill at some hour to-morrow.

Mr. STONE. And the matter would be open for discussion to-morrow? Is that the understanding?

Mr. GALLINGER. I think so; yes.

Mr. STONE. I mean, there would be no complaint or criticism or objection to any Senator discussing the bill and stating his views on it to-morrow?

Mr. GALLINGER. Not at all.

Mr. SIMMONS. The bill would be open to any amendment that might be reserved, as I understand.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. The Senator from Michigan.

Mr. SMITH of Michigan. Mr. President, I have looked this susbtitute over rather hastily, but, if I gather its full purport, it has entirely eliminated from section 7 the license principle?

Mr. SIMMONS. Yes.

Mr. SMITH of Michigan. The issuance of any licenses or the withholding of licenses is entirely eliminated from this act. I think another clause has been added exempting a concern in the midst of its refunding operations. Am I right about that?

Mr. SIMMONS. Yes; the Senator is right about that. I will say to the Senator that the committee which is now in existence has never interfered with such refunding, and we were told that it was not their purpose to interfere with issues for refunding. That was not in the original bill.

Mr. SMITH of Michigan. I think the amendment goes even a step further than that and provides that borrowing on undertakings already entered upon, although not completed, may go on.

Mr. SIMMONS. That is in the original bill.

Mr. SMITH of Michigan. Mr. President, I want to say just a word now to the Senator from North Carolina, who seems to be a little sensitive about some remarks which have been made here. I do not think he ought to be sensitive at all. I think he ought to feel complimented upon his willingness to listen and to hear what has been said, and to lend his assistance to the perfection of this really important bill. I think that the discussion, if it has had any effect at all, has had the effect of driving this autocratic license system out of the bill. That is an achievement which latitude of debate has fully justified.

So far as I am concerned, I think the measure has been greatly improved, and I want to compliment the Senator from North Carolina for it. I do not know whether he drafted the amendment, or who drafted it, but wherever this ray of light came from it is entitled to be received with satisfaction and appreciation. We, in the midst of a great crisis, whatever is necessary to be done to win this war should be done and done promptly. Old idols must be put aside and the situation met in the broadest spirit, and met without unnecessary delay; whoever administers this law will do it with an eye single to the public good. Under ordinary conditions I could never vote for such a bill, but the occasion is so extraordinary that I feel it my duty to give the measure in its present form my support.

The PRESIDENT pro tempore. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Virginia [Mr. SWANSON] as amended.

The amendment as amended was agreed to.

Mr. SWANSON. Mr. President, I desire to offer the substitute to section 8, which I send to the desk. I ask that it may be read.

The PRESIDENT pro tempore. The Secretary will read as requested.

The SECRETARY. As a substitute for section 8 it is proposed to insert the following:

That whoever shall willfully violate any of the provisions of this act shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000, or, if a natural person, imprisoned for not more than one year, or both, and any officer, director, or agent of any corporation or association, or member of any firm who shall knowingly participate in any such violation, neglect, or refusal shall be punished by a like fine or imprisonment, or both.

Mr. THOMAS. Mr. President, that amendment, if I understood it correctly, would subject a natural person to a much heavier penalty than a corporation. A corporation can only be fined a thousand dollars in the event it disregards the provisions of the law and is convicted, while a natural person can not only be fined a thousand dollars under similar circumstances, but as well can be imprisoned for a year. That is not right.

Mr. SWANSON. If the Senator will permit me, the officers of a corporation who violate the law are subject to the same penalty as the individual.

Mr. THOMAS. Then, why should we say anything about "a natural person"?

Mr. SWANSON. We could say "a corporation," because a corporation can only operate through its officers.

Mr. THOMAS. That is very true, but an individual may not be an officer of a corporation, and at the same time he may violate some provision of the law.

Mr. SWANSON. The provision is similar to that contained in the bill as it was reported from the committee of which the Senator is a member. The only difference is that the amendment now offered eliminates any penalty for violation of rules or regulations.

Mr. THOMAS. I understand that perfectly, but if the bill which the Senator says I joined in reporting is the model for this amendment that fact should not prevent us from amending the proposed substitute so that the penalty will be the same in the case of an individual as in the case of a corporation.

Mr. SIMMONS. It is the same, Mr. President, as in the original bill.

Mr. THOMAS. Let us see. It provides—

That whoever shall willfully violate any of the provisions of this act shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000—

That is the penalty which is provided by this proposed amendment; that is the penalty and sole penalty that would be inflicted upon those who are not natural persons; that is to say, corporations.

Mr. SWANSON. As I understand, the fine would apply both to corporations and to individuals.

Mr. THOMAS. Certainly; but the amendment provides further—

or, if a natural person, imprisoned for not more than one year, or both.

Mr. SWANSON. I suggest that the Senator read a little further.

Mr. THOMAS. Very well. The amendment proceeds—

and any officer, director, or agent of any corporation or association, or member of any firm, who shall knowingly participate in any such violation, neglect, or refusal shall be punished by a like fine or imprisonment, or both.

That is merely surplusage, because an officer, director, or agent of a corporation is a natural person and must be, and if this section be designed to apply only to natural persons, then the use of that expression is entirely superfluous.

Mr. SWANSON. Mr. President, if the Senator will permit me, a corporation will have to pay a fine if it violates the law, and then when it comes to that the officers of the corporation will have to suffer the penalty.

Mr. THOMAS. A corporation will have, upon conviction, to pay a $1,000 fine, but a natural person, if convicted, may be imprisoned for not more than one year and fined in addition.

Mr. McCUMBER. Mr. President, may I ask the Senator from Colorado a question?

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from North Dakota?

Mr. THOMAS. Yes.

Mr. McCUMBER. I should like to ask the Senator to point out anything in the bill as it now stands which commands a corporation to do anything or prohibits a corporation from doing anything. I want to know what provision there is in the bill which a corporation as such could violate?

Mr. THOMAS. If there be no provision in this bill which a corporation can violate, there is no need at all of using the words "natural person"; there is no need of making any distinction between artificial and natural persons.

Mr. McCUMBER. I want to suggest to the Senator that we might as well strike out reference to corporations entirely.

Mr. THOMAS. The word "corporation" does not appear to be necessary. If a special penalty different from the general penalty in the bill is made to apply to natural persons, then the implication is that corporations are included or may be included in the operation of the bill.

Mr. SMITH of Georgia. Suppose we strike out the words "if a natural person."

Mr. THOMAS. I was just going to suggest that if the words "if a natural person," in line 4, are eliminated, the objection which I am urging will be removed.

Mr. SWANSON. I accept the amendment.

Mr. THOMAS. Then I move that the words "if a natural person" and the commas after the word "or" and after the word "person" be stricken from the proposed amendment.

Mr. REED. And the word "and" inserted.

Mr. SMITH of Georgia. That is not necessary.

Mr. STONE. So that it will read how?

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Colorado to the substitute amendment offered by the Senator from Virginia.

Mr. UNDERWOOD. I should like to have the amendment stated.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. In line 4 of the proposed substitute it is proposed to strike out the words "if a natural person" and the commas, so as to read:

That whoever shall willfully violate any of the provisions of this act shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000, or imprisoned for not more than one year or both, and any officer, director, or agent of any corporation or association, or member of any firm, who shall knowingly participate in any such violation, neglect, or refusal, shall be punished by a like fine or imprisonment, or both.

The amendment to the amendment was agreed to.

Mr. SMOOT. Mr. President, I desire to ask the Senator offering the amendment if it would not be well to strike out all after the words "imprisoned for not more than one year or both." It is simply a repetition. The provision before that covers any violation.

Mr. REED. I think the remainder of the amendment ought to go out.

Mr. SMOOT. That is my opinion.

Mr. SWANSON. I do not know to what extent it would exonerate officers of corporations in case they should violate the law; but if Senators in charge of the bill think that there is no corporation affected by this provision, I can see no use of retaining the language.

Mr. SIMMONS. I do not think there is any corporation that would be affected——

Mr. SWANSON. Then I accept the amendment.

Mr. SIMMONS. The Senator did not permit me to finish my sentence—that would be affected by any violation of section 8, but I have not gone over the remainder of the bill for the purpose of seeing whether there may not be some corporations which would be affected by other sections of the bill.

Mr. SMITH of Georgia. The word "corporation" is not used. The amendment would apply only to those who could violate the act; and I think it only applies to persons.

Mr. SMOOT. The Senator is right.

Mr. SMITH of Georgia. I do not think there is any serious objection to the language, however, being left in.

Mr. SMOOT. I do not think there is any necessity for repeating that language, because the wording preceding the portion which reads "and any officer," and so forth, is so plain and direct that it covers anybody who might violate any of the provisions of the act. I think that the last part of the amendment is a limitation, if anything.

Mr. SMITH of Georgia. I do not think that. It is a more definite indication that action by the officers of a corporation looking toward doing something that the law did not permit, would be treated as an individual act and, therefore, illegal. I think that is the only effect that the language would have, but I would myself hold that that would be the effect of the provision in any event.

Mr. SMOOT. Certainly; and I think that the words ought to go out.

Mr. SMITH of Michigan. Mr. President, I should like to ask what provision of this law can be violated so as to subject a person to fine or imprisonment? If I recollect aright, the only one who can be brought within the purview of this law is an officer of the Government in case he should do something prohibited by the act.

Mr. SWANSON. If the Senator will permit me——

The PRESIDING OFFICER (Mr. NEW in the chair). Does the Senator from Michigan yield to the Senator from Virginia?

Mr. SMITH of Michigan. Yes.

Mr. SWANSON. The bill provides in another place that—

No director or officer of the corporation shall in any manner participate in the determination of any question affecting his personal interests, or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

Mr. SMITH of Michigan. A director or officer who violates that provision is the only person under this act who can be fined or imprisoned, with the possible exception of the case where there is an acceptance of a pledge for more than 75 per cent of its face value. Is not that so, I will ask the Senator from Missouri?

Mr. REED. If the Senator will pardon me——

The PRESIDING OFFICER. Just a moment. Does the Chair understand the Senator from Virginia has accepted a further amendment?

Mr. SWANSON. I do not accept that amendment. I do not know to what extent it might exonerate officers of a corporation, and I have not looked into it thoroughly. I think if an officer of a corporation violates the proposed law, he ought to be punished as much as an individual, and, as I have said, I have not looked into it sufficiently to determine that question. If it is surplusage and there is no necessity for it, it can be corrected when the bill reaches the Senate or in conference.

Mr. SMITH of Michigan. I do not see how an officer of a corporation can violate the proposed law; there is nothing for a corporation to do under the law; the corporations are not referred to in the law. The entire matter turns upon the question of the power of this committee to approve or disapprove of an application made to it.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. SMITH of Michigan. Yes; I yield to the Senator from Missouri, because he has given the matter a great deal of thought.

Mr. REED. I think I can perhaps suggest a reason why it is wise to leave these words in. I believe that if the officers of the corporation we are creating by this bill were to do things in violation of the provisions of the bill—and attention has been called to two or three clauses of the bill they might violate—then, if this language is left in the bill, any one of those officers who concurs in an act which results in a violation by the corporation we are creating of some provision of the law would become thereby liable. So I think we had better leave the language in.

Mr. SMITH of Michigan. Very well, Mr. President.

Mr. HOLLIS. Mr. President, now that we are on the question of the violation of the proposed law and the punishment therefor, I direct the attention of the chairman of the committee to the fact that this bill creates a financial corporation, which I consider a bank, gives it millions of dollars, and does not provide a penalty for embezzling or appropriating the funds of the institution. This being a Federal statute, the common law would not apply to it; and it is necessary, just as we have done in the case of our national banks, to provide penalties to be imposed for misappropriation of funds. I found that out at the time the farm-loan act was under consideration. It was called to my attention by an official of the Treasury, who said that there was no provision in the Federal reserve act for punishing the embezzlement or misappropriation of funds of the Federal reserve banks. I think that there should be such a provision adopted in connection with this bill; and, if the chairman agrees with me, I shall be very glad to prepare such a provision and offer it to-morrow.

Mr. SIMMONS and Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. THOMAS. Mr. President, I wish merely to say that I think the provisions of the Criminal Code cover all cases of embezzlement and are sufficiently comprehensive for the purpose.

Mr. SIMMONS. Mr. President, I must confess that the statement of the junior Senator from New Hampshire [Mr. HOLLIS] somewhat amazes me. He may be correct about it, however; but these are Government funds in a sense, and that the embezzlement of such funds would not be such an offense as the courts could take jurisdiction of seems to me to be almost incredible. It may be true; but I have not investigated that question, and I understand the Senator says he has done so.

Mr. HOLLIS. I can show the Senator that I am correct. The very reason for establishing this central bank or finance corporation is because we do not want to put the Government into the banking business. We organize a separate corporation, and the Government is merely the stockholder. The Government does not own the funds—the corporation owns the funds—and if they are misappropriated they are not Government funds but they are funds belonging to a corporation.

Mr. REED. I understand that there is no amendment to the amendment now pending. In view of that, and in order to clear up a matter that has been much discussed here to-day, I want to offer an amendment to the proposed substitute.

There is a doubt expressed upon the floor of the Senate as to whether or not the criminal penalty, as it is now drawn, would apply to those who might sell securities that the board condemned, and, in view of the mere suggestion of that doubt, I think we might as well remove it. Accordingly, I move to add at the end of the proposed substitute the following language:

Provided, That the violation of any rule, order, or decision of the capital issues committee shall not be held to be a violation of this act.

Mr. SMITH of Georgia. Mr. President, we struck out all of the provisions about license. We struck out all of the provisions about rules. We have omitted it all. Now, when we have omitted it and exempted it, why say that it shall not be a violation of the act not to comply with it?

Mr. REED. Just to be sure.

Mr. SWANSON. Mr. President, it seems to me that the effect of this will come from the moral support the people will give to what the board does. I do not think we should put in the bill an advertisement that they should pay no attention to any recommendations that are made. I believe that is the law, but I see no necessity for putting it in. This amendment has been agreed to by various gentlemen, and I introduced it understanding that there was an agreement, and it seems to me that the agreement ought to be carried out.

I hope the Senator will not insist on his amendment.

Mr. REED. Mr. President, I know a good deal about that agreement. I know that the purpose was to eliminate any pos-

sibility of penalizing any citizen for a mere violation of the ruling of the board. That was to be left without any penalty, and I though, the language perfectly clear, but good lawyers and Senators have suggested a doubt, and in view of the suggestion of the doubt it ought not to be left open to question in the future. I hope there will be no objection to the language proposed going in.

Mr. SIMMONS. Mr. President, does the Senator, as a lawyer, believe that that is necessary?

Mr. REED. I have already said that I thought the proper construction of the bill would be such as to make this not necessary, but several Senators, good lawyers, have suggested to me that they want that possible doubt removed, and I therefore hope my amendment will be adopted.

Mr. SIMMONS. Mr. President, I can not see how the question could be a serious one, in view of the fact that this committee can do absolutely nothing but investigate and find that the issue of a security is or is not compatible with the public interest. There its functions end; there its findings end; and I do not see what there is to violate. Whether a man will or will not take their advice or act upon their suggestions is left absolutely discretionary. There is not a single element of compulsion about it.

Mr. REED. I am offering the amendment out of an abundance of caution. I have learned, in drawing contracts and papers, when I find candid men arriving at a construction different from the one I thought the words implied, that it is very well to guard it. I hope there will be no objection to putting in this language, and then we will all know that we are perfectly safe.

Mr. SIMMONS. I do not think it will accomplish any purpose or object, but I do not think it can hurt anything, and therefore I am not disposed to make any controversy about it or to consume time in the discussion of it.

Mr. McCUMBER. Mr. President, the Senator says he does not think it will do any harm. Truly the pendulum of legislative conviction has swung from one extreme to the other during the last few hours in the Senate Chamber. We had before us a bill which provided rather a severe punishment for anyone who should violate the law as it was then drawn, and the Secretary of the Treasury thought not only that we should have the law compelling obedience to the commands of the Government, or what it might desire in this respect, but that we should impose quite a severe penalty.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. Just a moment. Now the persuasive oratory of those in the Senate who thought that we should depend upon the persuasive qualities of this bill rather than any power contained in it has swung the pendulum in the other direction, and now we go so far as to say in the proposed amendment that not only shall no one be bound by anything that is in this bill, but the amendment invites the public to disregard it by saying to them that they can be assured that there will be no penalty whatever for their disregard of this law.

I think we ought to get a little more information from the Office of the Secretary of the Treasury before we vote finally even upon this portion of the bill.

Mr. SIMMONS. Mr. President, the provisions contained in the bill before the substitute of the Senator from Virginia [Mr. SWANSON] was presented are entirely different from the provisions of these sections as they appear in the printed bill. In the original bill, which we have been discussing here, and about which the remarks to which the Senator refers, were made upon the floor not only by myself, but by many other Senators, there was an authority vested in this committee to prohibit the issue of certain securities; and the violation of that prohibition was sought to be made an offense and was properly sought to be made an offense. Now, we have eliminated those provisions and have not conferred upon this committee any power to prohibit anything being done. We have confined its functions solely and exclusively to finding and reporting whether, in its judgment, a certain state of facts exists, and that is all. There is no finding that the committee is authorized to make under the statute that could be made the basis of a criminal offense.

Mr. McCUMBER. Then, the Senator depends entirely upon the voluntary acquiesence of the public in conforming to this law?

Mr. SIMMONS. That is what the substitute offered by the Senator from Virginia brings about.

Mr. McCUMBER. Then, does not the Senator think that after inviting the voluntary acquiesence of the public it is a little inconsistent to say to the public in the same bill: "You need pay no attention to this"?

Mr. SIMMONS. That would be so if we were going to impose a penalty upon the public if they did not comply with the suggestions made by the committee; but no penalty is to be imposed upon the public or any one else.

Mr. McCUMBER. I do not think we ought to call their attention to the fact that we really do not mean anything by this bill.

Mr. SWANSON. Mr. President, I hope this amendment will not be adopted. We are relying on the moral support the country will give to the action of this committee. Its influence will depend entirely upon the voluntary acquiescence of the country. In the same law in which we do that we are asked to invite them to pay absolutely no respect to it. Now, I am not going to accept that amendment. The Senate can put it in if they see proper. I see no occasion for putting in an act which is left to voluntary, moral support the statement that they need pay no attention to it.

Mr. REED. Mr. President, there is nothing in this amendment that in any way tells the public to pay no attention to the orders of the board. There is a statement that it is not the intention or purpose to send anybody to the penitentiary for failing to obey some regulation of the board. It is admitted that that is the intent and purpose of the Senate. That is the reason why section 8 is being amended; and if it is the intent and purpose of the Senate, it ought to be expressed.

It is contended, however, that it is sufficiently expressed. If it is sufficiently expressed, it is certain people will find it out; but if it be the intent and purpose of the Senate and it is not sufficiently expressed, then we ought now, while we are making the rule, to remove all doubt.

I hope the amendment will go in. I very much more desire it now than if it had never been offered, for the reason that if this amendment now, having been offered, be rejected, it will be to a certain extent persuasive in a court of the fact that the Senate rejected the amendment because they wanted to reject the idea. Therefore I think it is now imperatively necessary that the amendment should go in.

Mr. SMITH of Georgia. Mr. President, I do not at all agree with the view of the Senator from Missouri. It is impossible for me to find anything leading to a construction that would hold penal a violation of a regulation because we declined to say that we did not intend to make it penal, when we did not have anything at all in the bill that indicated that it was to be penal. We have stricken out every line that could possibly be construed as rendering penal a failure to comply with the regulations of the bond commission or a failure to comply with the advice of its members. We have intentionally done that. There is not a syllable left in the bill from which it could possibly be construed that it was penal. Then why should we go further and say that the act shall not be construed as making penal a failure to comply with regulations when we have used a word that made noncompliance illegal?

I do not like to put myself in the attitude of adopting that kind of an amendment, and I will vote against it.

Mr. UNDERWOOD. Mr. President, I have listened with much interest to the discussion of these two sections of the bill. I have had very great doubt whether this bill should become a law or not, but as the bill is now written I do not think there is any grave danger growing out of section 7, because section 7 as it now stands in the bill is merely advisory. There is no compulsion in the bill. Of course, there is this power behind section 7: That if a board, made up in its majority part of the members of the Federal Reserve Board, refused to O. K. or approve of a financial issue, it almost goes without saying that their negativing the issue will prevent it from being quoted or being sold, because practically in peace times the Federal Reserve Board's influence over the great banks and trust companies of this country is such that they can prevent the acceptance of securities by advising against them; and certainly in war times, when there is no other means of securing the surplus money of the country, except through Government agencies, their request is a command, and nobody can float securities in defiance of it.

That, however, exists to-day without this law. It is not necessary to put this law on the statute books to bring that about. It is a law to-day so far as its effect is concerned, because they have already organized a bureau in the Treasury Department under the Federal Reserve Board for this purpose, and it is doing business, and doing it effectively, now. But when you come to the next section, I should have been very much opposed to voting for any law that provides that the rules and regulations made by some subordinate official shall be punished as a crime if not obeyed. It is bad legislation in any case. It would be particularly bad legislation if it had been attached to this bill; but that has been removed. It has been stricken out. Now, the law stands that any man who violates this act shall be subject to certain pains and penalties.

I should like to know how he can violate the act. I should like to have some Senator tell me in what particular he can violate this act as it stands now. He can not violate the act by offering securities. He may not be able to sell his securities; he may not be able to float them, but you have pulled the teeth out of section 7, and as it is now written any man can offer securities as far as he wants to go. Of course, he probably will not go any further than offering them, but it will be no violation of the act. The outside person who is not connected with the corporation can not violate the law by doing something with the corporation, because these are going to be Government agencies. The only possible violation of the act is that somebody connected with the corporation might steal some of the corporation's money, and that is punished under the general statute. The general law of the land will punish a man for committing embezzlement, either against the corporation or against the Government. Therefore, so far as I see, as it stands now—and I am glad of it—the penal clause of this bill does not mean anything, and I think it would be just as well if it were left out entirely.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. UNDERWOOD. I yield.

Mr. HOLLIS. I am interested in the Senator's statement that the general crime of embezzlement would be punished if the funds of this bank were embezzled. I hope the Senator will look that up, because, unless there is such a law, I shall offer to-morrow an amendment making it an offense to embezzle from the bank.

Mr. THOMAS. Mr. President, may I interrupt to call the attention of the Senator from New Hampshire to section 47 of the Penal Code, which I think exactly meets the suggestion which he made a few moments ago. If I have the permission of the Senator from Alabama——

Mr. UNDERWOOD. I yield,

Mr. THOMAS. The section reads as follows:

> Whoever shall embezzle, steal, or purloin any money, property, record, voucher, or valuable thing whatever of the moneys, goods, chattels, records, or property of the United States shall be fined not more than $5,000 or imprisoned not more than five years, or both.

Mr. HOLLIS. That is exactly the point. We set up a corporation here and give it funds. We do it because we do not want the Government of the United States in the banking business. When we appropriate that money and turn it over to this corporation it is accounted the property of the corporation, and ceases to be the property of the Government. That is exactly the point that I make.

Mr. THOMAS. Then, if the Senator is right, we would have to amend this bill also by providing penalties against the forgery of securities.

Mr. HOLLIS. Yes; we should—exactly so.

Mr. SMOOT. Mr. President, will the Senator yield for just a moment?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I do.

Mr. SMOOT. I want to say to the Senator from New Hampshire that I think this corporation is the property of the Government of the United States, because the Government of the United States owns all of the stock of the corporation.

Mr. HOLLIS. No; that is not so, Mr. President.

Mr. SMOOT. Does the Senator mean to say it is not so that they own all of the stock?

Mr. HOLLIS. They do own all of the stock; but I may own all of the stock of a corporation, and yet if some one else steals its funds he does not steal my funds; he steals the funds of the corporation.

Mr. SMOOT. He steals the property of the owner.

Mr. HOLLIS. Oh, not at all. The owner is the corporation. That is entirely different. Any lawyer knows that.

Mr. UNDERWOOD. Mr. President, I am not contending that there is a Federal statute now in existence that punishes a man for committing a crime against a Federal corporation, nor do I think there should be. That is not what I contended for at all. We have had Federal corporations before this time. The Union Pacific Railroad was chartered and run and exercised its functions until a few years ago under a Federal charter. If somebody embezzled the funds of the Union Pacific Railroad, it seems to me there could be no question that under the laws of the State where the embezzlement took place he could be arrested, fined, and imprisoned. I do not know that a banking corporation is any more important than a railroad corporation. The position I take is that in each State of the Union or in the District of Columbia, wherever this corporation is performing its functions, if a crime is committed, the laws of the community where the crime is committed will be sufficient to punish the individual who commits it. I do not think there can be any doubt about it, and I do not think it is necessary for us to create penal statutes every time we create a Federal corporation. There may be some cases where it is necessary to have laws to prevent counterfeiting, or depredation of the mails, or some peculiar Federal function. It is not a peculiar Federal function that we are building up here. As a matter of fact, wiping all the camouflage and the clouds away from it, we are building a financial trust. That is all there is to it. We are building the biggest financial trust that this country has ever seen. We are building it because it is necessary for war purposes.

Mr. President, I regret that it is necessary to carry this Government so far afield from the usual course of government. I regret that it is necessary to invade the business of the people of the United States, but I want to say that I do not believe in fighting this war in a half-hearted way. I think if there is any criticism anywhere along the line, it is not that we have not made mistakes; it is that this war has been on, so far as the Government of the United States is concerned, for nearly a year, and we have not got the men that we ought to have on the firing line of France, and we have not got the ships that we ought to have on the sea. I do not believe in fighting this war with a half-way punch. There is but one way to win it, and one way that it ever will be won, and that is to fight it all along the line, in arms, in ships, and in finance. Therefore I am going to vote for this bill, and I am going to vote to create a governmental financial trust, because I think it is necessary to sustain not only the finances of the Government but the finances of institutions on which this Goverment is relying to perform its war functions. That is the only justification for this bill, and it is a real justification for it.

The real power that is left in this bill is all the power that it is necessary to have in the bill; and that is, we turn over to a corporation to sustain the credits of the country a half billion dollars and give them a credit of $4,000,000,000 more to place about the country to keep the great industries of this country moving and doing business. That is the real power in the bill. The real power that is carried in the bill is turning over to five men, as a corporation, the right to divert where they please a half billion dollars in cash and four billions in credits. It would be an unthinkable thing in time of peace, but in time of war it is the only course to pursue. The only way to win the war is for this country to get behind this war, not in piecemeal, but with its full power and strength.

Your boys, the boys of this country, stand on the firing line of France to-day. Your enemy is trying to drive through their trenches. He will not come through this year; but if this country does not respond financially and industrially to a greater extent than it has already responded, you are in danger next year; and if we do not want a "next year," but want victory to perch on our banners this year, then we have got to consent to yield our peace-time ideas, our peace-time precedents, and adopt the method that is going to be effective.

So far as the criminal provision in this bill is concerned, it does not help this bill. It does not help the war. It does not accomplish any results. It may be used to threaten somebody with, but it is not necessary. The real steam behind this financial locomotive is the money that is carried in the bill. Therefore I do not see any reason why the amendment of the Senator from Missouri should not be adopted; but, far better, I should like to see the whole of section 8 stricken out of the bill, as it accomplishes no result.

Mr. McCUMBER. Mr. President, the Senator from Ohio [Mr. HARDING] this forenoon spoke to us very entertainingly upon the psychology of Pullman sleeping cars. I think he could entertain himself to a far greater extent if he would study the psychology of the Senate in passing and in expressing its objections to certain measures in certain bills, and note how, for scores of years, Senators have voted time and time and time again to insert certain provisions in certain bills and in almost every important bill, and then finally have come to the conclusion that the provisions for which they have voted day after day are abhorrent to every sense of justice and propriety, and they are extremely shocked that anyone should dare to propose the insertion in any bill of a provision of the kind against which they are hurling their oratory.

I am impelled to note the remarks of the Senator from Alabama just now in discussing his serious objection to any penal clause affecting a mere rule or regulation of any department. Mr. President, while he was speaking I lifted up from this desk the revenue law approved October 3, 1917, and I notice that that revenue law provides as follows:

> (f) All persons, corporations, partnerships, or associations undertaking as a matter of business or for profit the collection of foreign payments of interest or dividends by means of coupons, checks, or bills

of exchange shall obtain a license from the Commissioner of Internal Revenue, and shall be subject to such regulations enabling the Government to obtain the information required under this title, as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe—

Now—

and whoever knowingly undertakes to collect such payments as aforesaid without having obtained a license therefor, or without complying with such regulations, shall be deemed guilty of a misdemeanor and for each offense be fined in a sum not exceeding $5,000, or imprisoned for a term not exceeding one year, or both, in the discretion of the court—

Following exactly the terms of the proposed law that we have been discussing. The Senator from Massachusetts was shocked, the Senator from Alabama was shocked, and both the Senator from Massachusetts and the Senator from Alabama and the Senator from North Dakota voted for this provision in that bill without ever batting an eye, and it never occurred to anyone of us to raise this awful objection.

Mr. UNDERWOOD. Will the Senator yield?

Mr. McCUMBER. I yield.

Mr. UNDERWOOD. I do not like to have the Senator quote me as voting for a revenue bill when I did not vote for it. One of the proudest moments of my life is to be able to stand here and say that I did not vote for that bill, if the Senator means the last revenue bill.

Mr. McCUMBER. There were just exactly such provisions in the Underwood revenue bill.

Mr. UNDERWOOD. No.

Mr. McCUMBER. Did not the Senator vote for that bill?

Mr. UNDERWOOD. I think the Senator is mistaken.

Mr. McCUMBER. In every revenue bill that we have passed in the last 20 years I will guarantee the Senator will find a provision making it a penal offense to disobey the regulations of the Treasury Department which were found necessary to collect the revenue.

Mr. UNDERWOOD. If the Senator will yield to me for a moment——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Alabama?

Mr. McCUMBER. I yield with pleasure.

Mr. UNDERWOOD. I did not say that we did not often find in the law penal statutes against regulations. I do say that since I have been in Congress I have refrained from favoring that kind of legislation except where the statute clearly defines what the regulation shall be. More than that, as the Senator from Massachusetts suggested this morning, when it is a general provision, without any indication in the statute as to what the regulations shall be, I doubt very much whether it comes within the terms of the Constitution and as to whether the courts would uphold it. But I have not denied that it can be done. Sometimes it has been done; but I do say, and it is not a new assertion on my part, I have said it for 20 years, I do not believe there is any more unwise legislation or unsafe legislation that a legislative body can enact than to sever itself from its own function of legislation and in a bill to prescribe a general penalty clause, endangering the liberties of the citizens of the United States, and then turn over to some departmental clerk the right to prescribe what the rules shall be the violation of which shall send a man to the penitentiary. Now, I do not believe that that is wise legislation. I do not say that there has not been a precedent for it. The Senator misunderstood me if he thought I said there had not been a precedent for it.

Mr. McCUMBER. No; I did not say that.

Mr. UNDERWOOD. I still contend there is no more unwise legislation that we can pass than to surrender our own function and turn it over to a departmental clerk when the very liberties and reputation of American citizens are involved.

Mr. McCUMBER. Mr. President, I think every legislator should be extremely wary about providing a penalty for a rule when he does not know what that rule may be. But the point that I wished to make is this, that we make this the principal excuse for changing the law in our argument, while we have placed in our statute books, in every one of our revenue laws and every other important law, rules and regulations exactly in the same way as we place them in this bill, and we all voted for them because we thought it was necessary; and it is simply the fact that we are surprised and shocked and horrified at this particular time that anything of that character should have been found in any bill before the Senate of the United States.

Mr. HARDWICK. Mr. President, I do not want to say anything at this time except to express my thorough approval of what the Senator from Alabama suggests and to invite the attention of the Senate to the fact that on Saturday the distinguished Senator from North Dakota himself thought it was an unwise and unsafe thing to do. Whether it was an unwise and unsafe thing to do or not, that is no reason why we should keep on doing it.

Mr. REED. Mr. President, I offered the amendment to the amendment for the purpose of clearing up not what I thought was a doubt, but what some other Senators had thought was a doubt. It has provoked a great deal of discussion, most of which has not been pertinent to the particular matter. A number of Senators have asked me to withdraw the amendment in order that we may get along, and have insisted that there is no possibility of any court ever taking the view that the penal clause applies to a mere failure to obey some order or rule of the committee. I am so thoroughly grounded in that view and believe it so well taken that for that consideration alone and for that reason I will withdraw the amendment, and the Senate may vote on the question whether we want to impose any penalty at all.

The PRESIDING OFFICER. The amendment to the amendment is withdrawn.

The question is on the amendment offered by the Senator from Virginia [Mr. SWANSON] as modified.

The amendment as modified was agreed to.

Mr. POMERENE. Mr. President, I send to the desk the following amendment.

The PRESIDING OFFICER. The Secretary will state it.

The SECRETARY. On page 8, line 11, after the word "deposits," insert "or any building and loan association."

Mr. POMERENE. Mr. President, I hope the Senate will indulge me for a very few minutes while I explain the necessity for this amendment.

The bill provides that "any savings bank or other banking institution which receives savings deposits" shall have the benefits of the act, but it does not grant any privilege of this kind to building and loan associations. It seems to me that the position of those who may oppose this amendment is due to their failure to appreciate the charter powers of many of the building and loan associations.

I have no objection whatever to extending this privilege to the savings banks and savings societies, but the same reasons which suggest that they should have the benefit of the provisions of this bill apply also to building and loan associations.

I want the Senate to realize the importance of this amendment. In 1915 there were 6,806 building and loan associations in the United States. They had a membership of 3,334,899. They had assets amounting to $1,484,205,875.

In Ohio there were 657 of these institutions, with a membership of 649,126, including depositors, and the assets of the building and loan associations in Ohio amounted that year to $263,106,613.

In my own State building and loan associations have the right to receive deposits, and they do receive deposits. They have a right to sell stock, and they do sell stock, with withdrawal privileges, to the stockholder. I wish to call the attention of the Senate to the provisions of the Ohio code in that behalf. Section 9647 provides that—

Such corporations shall have all the powers set forth in the following sections of this chapter.

Then section 9648 provides, among other things, that they shall have the right "to receive money on deposits."

Section 9649 provides the right "to issue stock to members on such terms and conditions as the constitution and by-laws provide," and that includes the right to provide that these stockholders shall have the privilege of withdrawing all the money they have paid upon this stock.

Section 9651 provides the right "to permit members to withdraw all or part of their stock deposits at such times and upon such terms as the constitution and by-laws provide."

Section 9652 reads:

To permit withdrawal of deposits upon such terms and conditions as the association provides except by check or draft.

I will not take the time to go further into the provisions of the statutes.

Mr. SMITH of Michigan. Mr. President——

Mr. POMERENE. I yield to the Senator.

Mr. SMITH of Michigan. Let me ask the Senator from Ohio if he has considered the language on line 5 page 1. In my opinion the word "association" used there is sufficiently broad to cover building and loan associations, and if the board sees fit to avail itself of the securities of such an association for housing purposes or otherwise, wherever it is regarded as essential in the conduct of the war, it could include the very associations suggested by the Senator from Ohio.

Mr. POMERENE. If the Senator's construction of section 1 is correct, then there can be do objection to this amendment.

Mr. SMITH of Michigan. I think it is broad enough. I will say further to the Senator that I am very sure the word corporation includes banks.

Mr. POMERENE. But the Senator will notice the committee has seen fit to specially provide for savings banks and other banking institutions which receive savings. In my own State the building and loan associations, or many of them, are substantially savings banks. For instance, in my own city we have two building and loan associations that advertise on the front of their buildings that they will pay 5 per cent interest for deposits. The building and loan associations have millions of deposits, and these millions are loaned out in part for building purposes and in part on other securities, and they have already been seriously embarrassed because they have not been able to get the necessary accommodations. Under the Ohio building and loan laws they are required to keep their deposits in some bank as a depository.

I have before me a communication from Mr. H. F. Cellarius, the secretary of a building and loan association in Ohio. I am not going to take the time to read it all, but I want to call attention to a paragraph or two.

For instance, in the city of Dayton, which was in the midst of the flood district in 1913, during this last season there were withdrawals to the amount of more than a million dollars. These building and loan associations went to their banks to get accommodations. They were not able to get them. They tried to get accommodations from the Federal reserve bank, but under the provisions of the Federal reserve act they could not get these accommodations, and they were very much embarrassed by reason thereof.

It so happens that we have provided in the State of Ohio for the organization of conservancy districts. These conservancy districts are authorized to sell bonds for the purpose of building dams and otherwise providing against damages by succeeding floods. Bonds were sold in anticipation of the collection of assessments, and those in charge of these conservancy sales made deposits of a portion of the proceeds of these bonds in the building and loan associations. Otherwise they would have been very much embarrassed financially.

Mr. SMITH of Michigan. Will the Senator allow me to interrupt him?

Mr. POMERENE. Yes.

Mr. SMITH of Michigan. I think there is a great deal to be said in favor of the amendment proposed by the Senator from Ohio, but if I wanted that amendment specifically incorporated in the law I would hesitate to offer it, in view of the fact that it will probably be defeated, and thus the general terms of the bill, which in my opinion include building and loan associations, would by reason of that rejection afford some excuse, perhaps, for not including them, either within the first section or in subdivision (d), which authorizes this board to make advances "to any corporation owning or controlling," and so forth, "any railroad or other public utility and to any firm, corporation, or association conducting an established and going business, * * * whose operations are necessary or contributory to the prosecution of the war." I think that language includes building and loan associations. Therefore, I should dislike very much to see the amendment voted down.

Mr. POMERENE. Either my friend, the Senator from Michigan, is right in his construction or he is wrong. If he is right in his construction, there can be no objection to my amendment. If he is wrong in his construction, then I insist the amendment shall be placed in the bill.

Mr. SMITH of Michigan. But a vote would give a legislative construction to the view which perhaps prevails among Senators that it is not included. I would not like to have that vote.

Mr. POMERENE. I am going to go on the presumption that the Senate is going to do the right thing.

Mr. SIMMONS. I think the Senator from Michigan is entirely in error. I do not think the savings banks or building and loan associations would be included in the sections to which the Senator from Michigan has referred. Those sections provide for assistance only to industries whose operations are necessary or contributory to the war. That qualification applies to every loan that may be made to any institution provided in the bill except building and loan associations. Believing they were of an exceptional character, it was thought necessary to make a provision for their exclusion because of the fact that the operations of savings banks are not necessary or contributory to the war. It is true that depositors may take the money out of the concern and contribute it, but the operations of the corporation itself in their very nature could not be necessary or contributory to the war. Therefore it was necessary to insert a provision——

Mr. POMERENE. Do I understand the Senator to say that it was his judgment and the judgment of the committee that the savings banks were not necessary to the war?

Mr. SIMMONS. The Senator understood me to say that we expressly provided for the inclusion of the savings banks, not because the operations of the banks themselves were necessary or contributory to the war but——

Mr. POMERENE. Then, why should they have the privileges of this act?

Mr. SIMMONS. Because it was considered of great public importance by reason of the fact that they accept deposits from the laboring people of the country, and they take those deposits and buy securities with them. It was suggested that when the withdrawal of these deposits for the purpose of investment in Liberty bonds or other securities offered by the Government reduces the deposits beyond the safety point the bank had no way of protecting itself except by putting its securities upon the market and thereby reimbursing itself the loss of those deposits, and those securities were of a character that was not liquid and for which there was not at present a sufficient market.

The only argument I am making, if the Senator will permit me, is—I am not arguing against his proposition now; I am saying nothing about it; I am simply showing him that savings banks and building and loan associations are not included in the word "association," because the associations which the other sections of the bill authorize to come to this board and secure loans are associations whose actual operations are inherently necessary or contributory to the war.

Mr. POMERENE. Mr. President, I think I know the chairman of the committee desires to be perfectly fair in this matter. There is not any reason why he should discriminate in favor of the savings banks and against the building and loan associations.

Mr. SIMMONS. Mr. President, the Senator misunderstands me. I have not expressed any view upon that subject at all. I am merely trying to show the Senator——

Mr. POMERENE. The purpose of my statement is to compel, if I can, the admission from the Senator from North Carolina that the same reasons which urged him to include savings banks in this bill will require him to consent to the placing therein of building and loan associations.

Mr. SIMMONS. If the Senator can satisfy the Senate that the building and loan associations stand upon a parity with reference to the reason which I stated induced us to include savings banks specifically, why, of course, the Senate ought to adopt his amendment. If he can not do that, the Senate ought not, in my judgment, adopt the amendment.

Mr. POMERENE. Did the Senator from North Carolina hear the reading of the Ohio statutes upon this subject?

Mr. SIMMONS. I did.

Mr. POMERENE. Those statutes provide specifically that stock can be sold to members with withdrawal privileges. That means that, whether the stock is paid up in full or only 50 per cent of it is paid up, when the stockholder complies with the regulations of the building and loan association he can withdraw the amount he has paid plus dividends and less charges thereon, and surrender the stock.

The statute also provides that these building and loan associations may receive savings deposits and that they can be withdrawn. I am going to take the liberty to send to the desk a memorandum from Mr. H. F. Cellarius, the secretary of the United States League of Local Building and Loan Associations, and respectfully ask Senators to listen to its reading.

Mr. GALLINGER and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. POMERENE. I yield to the Senator from New Hampshire, who first addressed the Chair.

Mr. GALLINGER. Before the memorandum is read, will the Senator from Ohio permit me a word?

Mr. POMERENE. I have yielded to the Senator.

Mr. GALLINGER. When the Senator discussed this matter on a former occasion, I suggested that there was a marked difference, in my opinion, between building and loan associations and savings banks, citing the fact that, as I understood, the building and loan associations were paying 6 per cent interest. I did not then know that they deposited their money as savings in any of those banks. The Senator from Ohio now states that they do; and I presume they do so all over the country. If that be so it affects the aspect of this question very materially, to my mind, and I am strongly inclined to think that the amendment of the Senator ought to be adopted.

Mr. POMERENE. I can assure the Senator from New Hampshire that the practice to which I have referred is very general in my own State.

Mr. GALLINGER. I am, therefore, inclined to think that the amendment offered by the Senator from Ohio ought to be agreed to. Building and loan associations are very numerous in my State, and, indeed, throughout New England. If they are losing their deposits and fail to find any medium of relief, it seems to me they ought to come under the provisions of this bill.

Mr. POMERENE. The memorandum which I have just sent to the desk to have read will demonstrate that very conclusively, indeed.

I now yield to the Senator from Missouri.

Mr. REED. Mr. President, I desire to ask the indulgence of the Senator from Ohio long enough to give notice of a reservation of a amendment which I may desire to offer in the Senate as a substitute for section 7, which was adopted in the Senate, as it occurs in the substitute which is as follows:

Such committee may, under rules and regulations to be prescribed by it from time to time, with the approval of the Secretary of the Treasury, investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription—

And so forth.

I desire to reserve the right to offer an amendment; to substitute for the words "with the approval of the Secretary of the Treasury," the words "and approved by the Secretary of the Treasury." That will remove an ambiguity which has been discussed here, and I think will make it plain that the committee shall have the power to make its rules, and once they have been approved by the Secretary of the Treasury, then to proceed in its own way to investigate and to pass upon and determine the questions that may come before it.

Mr. POMERENE. Mr. President, I now ask that the memorandum which I have sent to the desk may be read.

Mr. SMOOT. Will the Senator yield to me merely to give a notice?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. I yield to the Senator.

Mr. SMOOT. I also desire to reserve the right of offering an amendment when the bill gets into the Senate to strike out the words "with the approval of the Secretary of the Treasury"; and if the amendment suggested by the Senator from Missouri [Mr. REED] is adopted, then I also reserve the right to move to strike out those words also.

Mr. POMERENE. I ask that the memorandum which I have sent to the desk may now be read, Mr. President.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

Memorandum urging relief for building and loan associations in the war finance corporation bill.

In behalf of the United States League of Local Building and Loan Associations, representing the domestic building and loan associations in the several States, I desire to call your attention to the urgent necessity of making some provision in the war finance corporation bill for the relief of these associations similar to that which has been made for the savings banks.

There is even greater necessity for providing for the building associations than there is for savings banks, for the reason that their assets, amounting to nearly $2,000,000,000, are almost entirely invested in mortgage loans on real estate and are not as liquid as the assets of most savings banks. Every argument which applies to a savings bank applies with equal force in favor of the building association.

Since the liberty loan issues have been floated there have been very heavy withdrawals from the associations by their members for investment in liberty bonds, and for the past four or five months the ordinary business of making loans to members for building purposes has practically ceased and most of the receipts have been paid out to withdrawing members. This condition will undoubtedly continue during the period of the war, and as further issues are floated there will be increasingly heavier withdrawals, with the result that the ordinary receipts which are already being diminished will not be able to take care of the withdrawals, and withdrawal applications will have to be filed to await their order of payment. In ordinary times the associations are able to go to their depository banks and make temporary loans to take care of withdrawing members, but under existing war conditions the banks are refusing to loan money to these association because their paper is not rediscountable with the Federal reserve banks. Building associations ordinarily pay their withdrawals on demand in the same manner as do the savings banks.

During the floating of the last liberty loan the withdrawals of members who bought liberty bonds from the building associations in the city of Dayton, Ohio, were so heavy that the ordinary functions of these associations were halted for a number of months. They first sought relief in vain from their banks and then also applied to the Federal reserve bank, but were informed that under the law no financial assistance could be granted them. Fortunately, the Conservancy Flood Relief Board had just floated a $10,000,000 issue, and this board came to the relief of the Dayton associations by depositing with them nearly $1,000,000 realized from the bond sale.

Situations similar to that which existed in Dayton will arise in other localities as further drives are made for the sale of liberty loan bonds, and unless some provision is made for the relief of building associations when the necessity arises, their members will not be permitted to withdraw money from these associations with which to purchase liberty bonds, so that it is important, as far as the Government itself is concerned, to afford every possible relief, for by so doing it will be actually helping itself.

It is represented that under the conditions imposed by the bill no building association would make application to the war finance corporation for assistance unless the dire necessities of the situation compelled it to do so. It is respectfully urged, in order to avoid a financial disturbance among these associations, that some source should be provided to which they may go to relieve their stress, when ordinary banking channels are closed to them.

Respectfully submitted.

H. F. CELLARIUS, *Secretary.*

CINCINNATI, OHIO, *March 1, 1918.*

Mr. POMERENE. Mr. President, it seems to me that the statement made by Mr. Cellarius is complete in and of itself. He points out especially the condition in Dayton, and that is just the condition which our good friend, the chairman of the committee, anticipates may happen in every town where there is a savings bank.

I want to call attention to the further fact—and I do it because in the discussion the other day some reference was made to it—that it is the desire to discourage building. If that is limited to nonessential or unnecessary building, I am in hearty accord with the suggestion at this particular time; but in many of our growing industrial towns one of the serious problems with which it is necessary to deal is the housing problem for the laboring men. I know that is true in my own city of Canton and in many other cities in the State of Ohio. I trust that the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio.

Mr. HOLLIS. Mr. President, the savings of the poor go into building and loan associations exactly as they go into savings banks. Building and loan associations are for two purposes: One is to enable people to build their own homes, and the other is purely to afford an opportunity for investment. Many people who take out building and loan association shares never borrow on them and never build.

These institutions will probably have to cease their building operations largely. That will largely cut off their income, and they stand in my section of the country almost exactly as the savings banks do.

To include them in the paragraph that deals with savings banks does not make it compulsory on the war-finance corporation to advance funds. The provision will be merely permissive; they will advance sums in cases where an unfortunate financial situation might arise if the relief were not extended. They will not do it unless such a financial situation does arise. I can not see that the amendment will do any harm and it may afford very necessary relief to include them.

Mr. President, while I am on my feet I submit an amendment to the bill, and ask that it lie on the table and be printed.

The PRESIDING OFFICER. Without objection, that action will be taken. The question is on the amendment offered by the Senator from Ohio [Mr. POMERENE].

Mr. OWEN. Mr. President, I desire to give my assent to the amendment. I think it ought to go in the bill for the reasons which have already been stated. I merely want to say that I approve the amendment.

Mr. SMOOT. Mr. President, if the operations of building and loan associations are necessary or contributory to the prosecution of the war, then they are already provided for in this bill, and they are provided for under paragraph (d) of the bill, which is very much more favorable to associations and corporations than the paragraph to which the Senator from Ohio has offered his amendment. If the Senator will turn to page 9 of the bill he will find that under paragraph (d) this provision is made:

To any firm, corporation, or association conducting an established and growing business whose operations are necessary or contributory to the prosecution of the war—

I think I have heretofore said to the Senate that that was a very far-reaching provision. Under it, in my opinion, all corporations and all associations not specifically provided for in paragraphs (b) and (c) of the section can apply for assistance.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. POMERENE. I do not quite understand the opposition of the Senator to this amendment.

Mr. SMOOT. If the Senator will wait until I get through, perhaps he will.

Mr. POMERENE. Very well.

Mr. SMOOT. The amendment, Mr. President, is offered to paragraph (c) of section 6 of the bill, and that paragraph provides:

(c) To make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank or other banking institution which receives savings deposits—

The information that the committee had, Mr. President, was that outside of a very few building and loan associations in the United States there was no chance whatever of making a run on building and loan associations. Very few of them have demand deposits, and I call attention to the letter that the Senator had read at the desk, for, among other things, it stated that in case they did not receive assistance the depositors would have to await their order of payment.

I understand, Mr. President—I know it is the case in my own State—that members of a building and loan association, if they desire to withdraw their so-called deposits, not demand deposits, from the association, await their turn, and they are paid in the order in which the application is made for withdrawal. No run can be made upon any building and loan association, that I am aware of, in the United States. Members of the association can not put the association in the hands of a receiver. That can only happen through losses in the administration of the association—losses so great that they impair the standing of the association. The object of this bill is to assist institutions that have been prevented, by reason of the Government of the United States monopolizing the money market, from realizing quickly upon their assets in order to meet any emergency or run upon the bank or the institution that would cause its failure.

If the building and loan associations were in that position they ought to be included in this bill and, perhaps, ought to be specifically referred to; but my construction of the bill is that they are already provided for in paragraph (d), and under much more favorable conditions than they would be under paragraph (c). But if we begin to enumerate the different associations that are to be taken care of, I want to say now that the irrigation companies of the West and the Middle West certainly ought to be included in the bill, as they contribute directly to the production of food, which is so necessary in the carrying on of the war. And they are in this position: Bonds that they have issued in the past are maturing. I do not think there are very many of them maturing this year, but no doubt some of them will be. They are not mentioned; and if we are going to undertake to mention all of the associations or corporations to be taken care of in this bill, I doubt very much whether we can do so in such a way that every kind of business in the country will be covered.

I thought, and I still think, that paragraph (d) of this section is altogether too broad in its scope. It may be administered so that no harm will come, and no doubt it will be, but the provisions of the paragraph are such that thousands of applications will be made that can not and should not be favorably considered.

Another thing, Mr. President, I want to say that the witnesses who appeared before the committee thought that the capital issues committee ought to follow the policy that has been followed by England and France, and, as far as possible, prevent the building of houses from one end of the country to the other. That does not mean that no homes shall be built, but it does mean that while we are in this war if there are families that have lived in a home for the past 20 years or more, they can wait at least until the war is over before undertaking to build a larger or a better house. Every time one is built it interferes with the production of the lumber that is necessary for the construction of our ships. Every time one is built it takes from the steel production of this country an amount of steel that ought to have been converted into the ships that we so greatly need. I approve that policy, Mr. President, and it has been approved of by England and by France, and if Senators will take notice they will find that the amount of money that has been spent in those countries for the erection of homes of any sort since this war began amounts to very little indeed, and in fact is almost negligible.

Therefore, Mr. President, I believe that the provisions of the bill are broad enough. If the board want to render any assistance whatever to building and loan associations, or to life insurance associations, or to fire insurance associations, or corporations of any kind or character I have no doubt but that they can do it under the provisions of the bill as it stands to-day, but I do not believe it is wise for us to undertake now to begin to enumerate all of these different institutions.

Mr. CALDER. Mr. President, I do not agree with the conclusions of the senior Senator from Utah on this question. I do agree with him that we ought to do everything in our power to discourage the building of factories for other than war purposes, large office buildings, hotels, and other structures that require large quantities of steel and building material; but to say that we should discourage the building of homes ordinarily constructed through building and loan associations I think a mistake.

Mr. President, I know of no better instrument to utilize for the construction of homes where they are needed for munition plants, our shipyards, and for other purposes than building and loan associations. In my own State these institutions are conducted on exactly the same basis as savings banks. They are chartered under the savings-bank law.

Mr. SMOOT. Mr. President, will the Senator yield to me before he leaves that phase of the matter?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Utah?

Mr. CALDER. Certainly.

Mr. SMOOT. The Senator must know that we have already appropriated $50,000,000 for building these homes in the neighborhood of munition plants, and I will say to the Senator that there is another bill that will be passed that carries $50,000,000 more for the same purpose. I agree with the Senator that homes of that kind ought to be built because they are absolutely necessary.

Mr. CALDER. Mr. President, I am aware that we have authorized the appropriation of $50,000,000 for the building of houses by the Shipping Board; but my notion is that we can use these very building and loan associations, and they will be utilized, without being compelled to go to the Shipping Board for assistance. My judgment is that there will be very little call upon this corporation by the building and loan associations; but the very fact that they can call upon it will renew confidence in them and will tend to encourage people to deposit their money in them.

I have an amendment which covers this matter in a different way; but I shall vote for the Senator's amendment because I believe it will do no harm and may be very helpful.

The PRESIDING OFFICER. The question is on the adoption of the amendment offered by the Senator from Ohio [Mr. POMERENE].

The amendment was agreed to.

Mr. CALDER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 6, line 10, after the word "company," it is proposed to insert "or company organized under the banking or insurance laws of any State," so that if amended the paragraph will read:

(b) To make advances, upon such terms not inconsistent herewith, as it may prescribe for periods not exceeding five years from the respective dates of such advances, (1) to any bank, banker, or trust company, or company organized under the banking or insurance laws of any State which has made and which has outstanding any loan or loans to any person, firm, corporation, or association—

And so forth.

Mr. SIMMONS. Mr. President, I want to ask the Senator if he would not be willing to confine his amendment to insurance companies? To extend it to any banking concern or other concern that may be authorized under the banking laws of a State is mighty broad.

Mr. CALDER. Mr. President, this amendment would include insurance companies and mortgage companies. If the Senator will permit the amendment to go in reading "any company organized under the insurance laws of any State"——

Mr. SIMMONS. Why not say "any insurance company"?

Mr. CALDER. The reason why I can not accept the Senator's suggestion is that I have in mind mortgage companies.

Mr. SIMMONS. Well, the Senator knows that we can not include every concern.

Mr. CALDER. Mr. President, we have in New York mortgage companies that have mortgages on real estate aggregating a billion dollars, and I am exceedingly anxious to have this law in such shape that these companies, if necessary, may come to the corporation for relief.

While I am on my feet, Mr. President, I want to say that I heartily concur in the main provisions of this measure. I believe it is a necessary one and one that will contribute much to the stability of business. I doubt if the country could go much farther with its business affairs without the enactment of some such measure as this. I simply ask that this amendment be adopted and that one other in exactly the same language be put in the next paragraph, which permits companies organized and doing business under the banking laws or insurance laws of the respective States to come in under the operation of this bill. I can see no reason why this amendment should not be adopted. I believe it strengthens the measure. I believe it will popularize the measure, and I am certain it will do no harm.

Mr. WEEKS. Mr. President, I rise to indorse what the Senator from New York [Mr. CALDER] has said. It does not seem

to me that it can do any possible harm to insert his amendments in the bill.

The cooperative banks, building and loan associations, and insurance companies organized under the laws of States are somewhat different in character, and the laws of the States are materially different. If none of these institutions need assistance, of course it will not be given to them; but if they do need assistance, their funds being essentially the savings of the people, it does seem to me that it would be desirable to have the power to give them such assistance as they may require.

I hope, therefore, that those amendments will be adopted.

Mr. SMITH of Georgia. Mr. President, I should like to have the amendment stated in full.

The SECRETARY. On page 6, line 10, after the words "or trust company," it is proposed to insert the words "or company organized under the banking or insurance laws of any State."

Mr. SIMMONS. Mr. President, my objection to this amendment is its indefinite character. I do not know what it would embrace. It refers to corporations organized under certain departments of certain States. If the Senator's amendment specified the corporations that he desires to have added, we would be able to deal with it with knowledge. If the Senator will content himself with including insurance companies, I shall not make any objection to that.

Mr. CALDER. Mr. President, I am familiar with the banking and insurance laws of my own State; and in that State the amendment would include life insurance companies that have assets in New York State of over $5,000,000,000, and loans to their policyholders of over $800,000,000. Under the terms of these policies the policyholders can borrow nearly the total of the premiums paid, and it is possible that at times there may be some need for relief for these insurance companies. I pointed out the other day, in discussing this subject, that a great conflagration might occur that would require the fire insurance companies to have relief. It is possible, too, that the same thing might be true in the matter of mortgage companies, which loan vast sums of money on bonds and mortgages. This corporation will not loan to these companies unless they have the proper security, and under such conditions that it ought to be loaned; but this is very important, Mr. President, and this amendment is asked for by men who are in sympathy with this measure and who believe that it should be extended to protect the great interests of the country that may become involved as the result of the drain upon the finances of the Nation.

As an example, we have in New York City alone over $4,000,000,000 loaned out on bonds and mortgages on real estate. At least one-third of this becomes due every year and must be taken care of. To-day there is no money available in the city of New York to be loaned on bonds and mortgages, largely because the money in that market has been taken up in the purchase of liberty bonds. I am exceedingly anxious to meet this situation, and it is in part my object in offering this amendment.

Mr. SIMMONS. Mr. President, I have just gotten the amendment. The language the Senator wishes to incorporate in the bill are the words:

> Or any company organized under the banking or the insurance laws of the State.

It does not make any difference what sort of a company the banking laws or the insurance laws of the State may authorize to create they would be included in the language. I think it is entirely too indefinite.

Mr. CALDER. Will the Senator read the language which follows?

> Which has made and which has outstanding any loan or loans to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes—

And so forth.

Mr. SMITH of Georgia. That is not the language first used. If it would go further and limit the loans on those securities taken in connection with furthering the war the proposition would be a very different one from the one suggested by the Senator from New York, but if we put the whole insurance field and the banking field into the attitude of being invited to this bank for their relief whenever they need any you will demand an amount of capital and funds that this corporation can not possibly command.

Mr. CALDER. May I ask the Senator where will these concerns go for relief?

Mr. SMITH of Georgia. Where will I go? Where will a great many others go? Where will the great body of the people go?

Mr. CALDER. But the Senator——

Mr. SMITH of Georgia. I am answering the Senator now, and I am not yielding.

Mr. CALDER. I beg the Senator's pardon.

Mr. SMITH of Georgia. It is not proposed to take care of everything and everybody. That is utterly impossible in such a case as this. I think they ought to be left to take care of themselves, as the public generally will be left. I do not think it will do to say that every bank can come. We have limited the banks that are to come to paper which they have procured in connection with war industries.

Mr. WEEKS. Mr. President——

Mr. SMITH of Georgia. I yield to the Senator from Massachusetts.

Mr. WEEKS. I wish to submit to the Senator from Georgia that his answer to the Senator from New York is not a good answer to the question. Where he would go would be to his bank, where his note would be readily taken; and then if his bank wished the funds, it would rediscount that note with the Federal reserve bank as provided for under the present law. This provides for a means of obtaining money by such corporation that can not obtain it in that way and that can not have their notes secured by collateral and rediscounted in the Federal reserve bank.

Mr. SMITH of Georgia. It is supposed the banks would use Federal reserve banks for their ordinary business, and they ought to so manage their business. They never had the Federal reserve bank until recently; they handled it through and among themselves. They have the Federal reserve bank now.

If we broadened the work of this corporation to any substantial extent beyond where it was first planned, I fear the consequences, unless the board of directors decline to make loans and decline to go into the field. Of course, it is only permissive; they are not compelled to do it. Unless they simply decline it, I am afraid we will exhaust its funds without its handling those more important responsibilities that seem so essential to be handled.

Mr. WEEKS. May I ask the Senator one more question?

Mr. SMITH of Georgia. Yes.

Mr. WEEKS. Assuming that there is to be a decent administration of this law, how would it be possible to do any harm? If a corporation of this kind did not need assistance, of course, the directors would not make the loan. I think the point made by the Senator from New York relating to insurance companies is extremely apt. We might have a great conflagration. The insurance company's funds are invested in bonds. It might not be possible, without a tremendous sacrifice, to sell the bonds to pay its losses. This would be a natural place for it to go.

Mr. SMITH of Georgia. I do not think so. In the first place, I hope we are not to have any very unusual conflagrations in the next 12 months such as are not incident to ordinary life. I do not think we have any reason to anticipate it. We have taken a great part of the burden off the life insurance companies by carrying the insurance of our soldiers in the National Treasury. Their war risks have largely been canceled and transferred to the Treasury Department, and there we have relieved the life insurance companies.

Now, as to the fire insurance companies, I do not see why they should have any special strain put upon them by reason of the war. I will state the difficulty I have in my mind. I am very much opposed to broadening the list of those who may come to this bank beyond what the bank can possibly do and leave the bank in any sense picking favorites of a class. I wish it to be strong enough to care for the classes we authorize it to handle. I do not mean this as any reflection, but human nature——

Mr. SIMMONS. Will the Senator pardon me for one minute for an interruption?

Mr. SMITH of Georgia. Yes.

Mr. SIMMONS. I think the fire insurance companies have been among the very largest purchasers of Liberty bonds in this country, and I think the Government is looking to the large funds of the fire insurance companies for help in the next sale.

Mr. CALDER. Does not that apply to life insurance companies, too?

Mr. SIMMONS. I think it applies to both. I think both have invested largely in Liberty bonds, and I do not think there is any reason why we should not include them, because I think we want to encourage them to make these purchases. Now, unless they can sell their securities in case their money runs very low they would have to be very guarded in making purchases in our sale of bonds.

Mr. SMITH of Georgia. The run of the business of life insurance in the shape of loans is steady. I do not agree with the chairman. I do not believe it is wise to add them to the list.

Mr. CALDER. Will the Senator permit me?

Mr. SMITH of Georgia. Yes.

Mr. CALDER. May I say to the Senator from Georgia that the life insurance companies operating in New York City have loaned something like $800,000,000 to policyholders alone, and unusual casualties in Europe may bring demands that these companies may have difficulty in meeting. Has the Senator concluded?

Mr SMITH of Georgia. No; I was simply listening to the Senator. I still do not agree with his view that it is wise to spread it to life insurance companies. We would simply carry it to cases where it can not meet the demand that we put it up against, and I think that is unwise.

Mr. THOMAS. Mr. President, I rose to make a suggestion to the Senator from Georgia, but as he has yielded and as the Chair has recognized me, I want to say a word upon this proposed amendment. Its terms are very broad. It proposes to extend the benefits of this measure to all corporations which are organized under the banking or insurance laws of any State. There are 48 States in the Union and, of course, there are as many banking and insurance laws as there are States. They vary very materially both as to the conditions under which corporations may be organized to do business under them and also as to the object for which such corporations may be organized. Take, for instance, the subject of insurance. Almost every conceivable subject to which insurance may relate has been covered in a greater or a less degree in some of the States of the Union.

Mr. CALDER. Mr. President——

Mr. THOMAS. I yield to the Senator.

Mr. CALDER. I am going to withdraw the amendment and offer an amendment merely relating to insurance companies. I thought I would advise the Senator of that fact.

Mr. THOMAS. It is the insurance feature of the Senator's amendment to which I want to address myself. We have companies organized to insure against hail, against floods, against pests of various kinds, automobile insurance, plate-glass insurance. Indeed, it is difficult to conceive of any subject against which insurance may be effected that is not provided for in some of the laws of the United States. Consequently, if an amendment of the character which has been offered or which has been contemplated, if this is withdrawn, should be incorporated in the bill, I think we should make a capital of $1,000,000,000 instead of $500,000,000. The demands that will be presented to the corporation, if the war continues indefinitely, will in consequence swamp any corporation with the amount of capital which is provided for in the bill. I do not think that we should do it.

I believe that subsection (d) of section 6 of the bill is sufficient to enable any corporation whose business is necessary or contributory to the war and which needs relief to present its application for relief to this bank corporation. Of course, the subsection to which I refer is intended as a kind of general clause to cover cases which might be found to be outside the pale of the provisions of sections (c) and (d). As it was stated by the Senator from Utah some time ago, if we are going to indefinitely enlarge by specific inclusions the terms and scope of sections (c) and (d), we should not stop at the corporations which will be covered by the proposed amendment of the Senator from New York. The corporations to which the Senator from Utah referred are corporations which are essential to the prosecution of the war. Let me say, Mr. President, that there is no legitimate business of any kind, character, or description which is productive or semiproductive in its character that does not contribute to the war and to which the Nation must not in some degree depend for the successful prosecution of the war.

As the Senator from Georgia stated, the purpose of the bill is not to help everybody and everything, although it does extend its provisions to those concerns which are contributory to the success of the war, because if we attempt to so enlarge the scope of the bill as to practically make it the equivalent of the territorial boundaries of the United States and every occupation which is carried on within our boundaries, then the Government will have undertaken a task which, powerful as it is, rich and resourceful as it is, it will be impossible to perform.

Mr. CALDER. I ask unanimous consent to withdraw the amendment and offer in lieu thereof the following.

The PRESIDING OFFICER. Without objection, the amendment will be withdrawn.

Mr. CALDER. On page 6, line 10, after the word "company," I move to insert "fire or life insurance company."

Mr. President, in response to the remarks of the Senator from Colorado [Mr. THOMAS] I will say that this amendment offered by me will be in connection with the language following—

which has made, and which has outstanding, any loan or loans to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes—

And so forth. That seems to answer the objections made by him, for only those fire or insurance companies who would have loans as indicated can secure relief from the corporation.

Mr. SMITH of Georgia. Will the Senator modify it still further and provide that it shall only be with reference to said loans?

Mr. CALDER. I would prefer not to.

Mr. SMOOT. Mr. President, I wish to say to the Senator from New York I would hesitate to offer the amendment the Senator has presented, because if his amendment is adopted the insurance companies will fall under paragraph (b) and not under paragraph (d), as now provided for. The conditions under paragraph (b) are much more drastic than under paragraph (d). Paragraph (d) is very broad in its provisions and advances made on remarkably easy terms. If there was a conflagration, as suggested by the Senator, that involved the financial standing of a fire insurance company and that would require it to raise a large amount of money in a very short time in order to pay the claims made against it, paragraph (d) covers just such cases, and under such cases the application for relief is not made to a bank but to the corporation itself, and the security required in order to obtain an advance would not necessarily be as much as required under subsections (b) and (c).

Now, let me call attention to the wording of it again:

To any firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war.

Then there is a proviso added referring to such cases as cited by the Senator, as follows:

That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest.

If there was a conflagration that threatened the financial existence of a fire insurance company, it seems to me it would be of great public interest that it be assisted, but if insurance companies are put under paragraph (b), along with banks and trust companies, such a company might be unable to furnish the required security. Paragraph (d) not only covers exceptional cases, but covers insurance companies that find themselves in need of assistance.

If I was interested in having the insurance companies, either life or fire, especially cared for, I would rather have them fall under paragraph (d) than paragraph (b).

Mr. SMITH of Georgia. What is the Senator's amendment?

Mr. CALDER. To paragraph (b).

Mr. SMITH of Georgia. On page 6?

Mr. CALDER. Yes; line 10 of the first print, after the word "company," to insert "fire or life insurance company."

Mr. President, all that the Senator from Utah says may be true. He has studied the bill and unquestionably he knows what he is talking about. But there can be no harm in inserting these words at the point I have offered them, and it may be the means of steadying these great fire and life insurance companies. For the benefit of the Senator I will say that the great life insurance companies of the country believe themselves that it is important that they should have this opportunity in case they become involved, and I am free to say that it was partly at their suggestion that I have offered the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York [Mr. CALDER].

On a division the amendment was agreed to.

Mr. SMITH of Georgia. I reserve the amendment for a separate vote in the Senate.

The PRESIDING OFFICER. The reservation will be noted.

Mr. OWEN. I move to strike out, on page 11, line 5, the words "Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and."

Mr. President, I can explain that amendment in two or three minutes. In writing the Federal reserve act we authorized the member banks of the Federal Reserve System to use the gold reserve deposited with the Federal reserve banks in buying United States Government bonds. They have used that privilege to a moderate degree, but the issues of United States bonds are scattered among private holders, are in locked boxes, and are not very active on the market. This bill proposes to issue corporation bonds amounting to four thousand million dollars, and there will be a great pressure by New York business men and the New York banks to have the gold which is held as the reserve for the deposits of the member banks of the United States withdrawn for substitution by these bonds, and the directors of the Federal Reserve Board will have difficulty in resisting the urgency of the local demand in that respect. It is, in effect, an open-market operation that I am objecting to.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. OWEN. Yes; I yield.

Mr. SMOOT. That question has not been brought to my attention, and I really would like to have the amendment go over until to-morrow morning. In the meantime I will look over the law as it is.

Mr. OWEN. I have no objection to the amendment going over.

Mr. SMITH of Georgia. I understood the Senator from Oklahoma to speak of the reserves of the Federal reserve banks being put in United States bonds.

Mr. OWEN. I spoke of the reserves of member banks deposited in reserve banks.

Mr. SMITH of Georgia. I did not catch the words "member banks," and I was just wondering if I were mistaken in supposing that those banks could not invest their reserves in anything, but must keep them in gold or lawful money.

Mr. OWEN. I said the reserves of member banks which are deposited in the reserve banks in gold ought not to be withdrawn for the bonds of the proposed war finance corporation. I will say incidentally that the committee of the House have already struck it out, and that the chairman of the Committee on Banking and Currency of the House of Representatives agrees with me that it ought to go out of this bill.

Mr. SMOOT. I think the Senator is right, but I should like to look it up to-night.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. Certainly.

Mr. SIMMONS. I do not know of any other amendment likely to be presented.

Mr. OWEN. I have several others, and it will only take me a few minutes to present them. I think the Senator will be able to get through with this bill this evening, so far as I am concerned.

Mr. SIMMONS. The Senator from Utah has asked that the amendment of the Senator from Oklahoma go over, and I have uniformly deferred when I could do so to requests of that kind.

Mr. SMOOT. I want to say to the Senator that there are a number of Senators who have left the Chamber within the last 15 minutes with the understanding that we would not reach a vote upon the bill to-night, and therefore I think it is only proper that the amendment should go over until to-morrow.

Mr. OWEN. I think the Senate is nearly ready to act on the bill.

Mr. SMITH of Georgia. Would it not be well to ask the Senator from Oklahoma to present, at least for the information of the Senate, such other amendments as he contemplates offering? So far as the amendment he has submitted is concerned, I have grasped it at once, and I am in perfect accord with it. I think it is a wise amendment.

Mr. SIMMONS. I think the amendment ought to be adopted; and, so far as I am personally concerned, I am perfectly willing that it shall be placed in the bill.

Mr. SMOOT. If the present law is as stated by the Senator from Oklahoma, and, of course, I have no reason to doubt that it is, I myself think that his amendment ought to be adopted. I only thought at the time I should really like to look it up.

Mr. SIMMONS. I suggest to the Senator from Utah to let us act upon it. I am very anxious to get this bill out of the Committee of the Whole to-night. The amendment can be reconsidered to-morrow, if the Senator from Utah shall so desire.

Mr. SMOOT. I have no objection to it.

Mr. HOLLIS. Mr. President, the bill can not be gotten out of the Committee of the Whole to-night; that is impossible.

Mr. SIMMONS. Has the Senator some amendments to offer?

Mr. HOLLIS. I have several; I think probably a dozen or 15.

Mr. SIMMONS. Then I move that the Senate adjourn.

Mr. OWEN. I ask the Senator to withhold that motion.

Mr. SIMMONS. I withhold the motion.

Mr. OWEN. I send to the desk an amendment, to which I call the attention of the chairman of the committee. I wish to have it go into the RECORD. I do not intend to press it; but I want to put in the RECORD a view of what I think ought to be done in giving this relief. I only ask that the amendment be printed in the RECORD, and I will submit a few remarks on it in the morning.

The PRESIDING OFFICER. Without objection, the amendment proposed by the Senator from Oklahoma will be printed in the RECORD.

Mr. OWEN's proposed substitute is as follows:

That for the purpose of affording financial assistance, either directly or indirectly, to persons, firms corporations, and associations whose operations are necessary or contributory to the prosecution of the war, in cases where such persons, firms, corporations, or associations shall be unable to procure funds on reasonable or practicable terms from the general public, or through the regular banking channels, and for the purpose of regulating and controlling the sale and offering for sale or subscription of securities hereafter issued, and for other purposes in aid of the prosecution of the war, the Secretary of the Treasury, together with four additional persons, shall comprise a war finance board (herein called the board).

SEC. 2. The Secretary of the Treasury is hereby authorized through the board to advance to the Federal reserve banks an amount not exceeding $500,000,000, which amount is hereby appropriated out of any money in the Treasury not otherwise appropriated. Such advances shall be made to such Federal reserve banks as the fiscal agents of the United States to be used for the purposes herein set forth.

SEC. 3. The four members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate. Whenever a vacancy shall occur in the board, the person appointed to fill such vacancy shall hold office for the unexpired term. Three members of the board shall constitute a quorum. The term of office of the board shall end within one year from the termination of the war.

SEC. 4. The principal office of the board shall be located in the District of Columbia, but the board may have agents in any Federal reserve city.

SEC. 5. The four members of the board, appointed as hereinbefore provided, shall receive annual salaries, payable monthly, the amount of which shall be fixed by the Secretary of the Treasury, with the approval of the President of the United States, not exceeding $12,000. The total compensation paid to any member as annual salary by the United States for any purpose shall not exceed $12,000. Of the four members appointed, as hereinbefore provided, the President of the United States shall designate two to serve for two years, and two for four years; and thereafter each member so appointed shall serve for a term of four years.

Any member shall be subject to removal by the President of the United States. Before entering upon his duties, each member shall take an oath faithfully to discharge the duties of his office. Nothing contained in this act or in the Federal reserve act shall be construed to prevent the appointment of a member of the Federal Reserve Board or of any other governmental administrative body or of a director of a Federal reserve bank as a member of the board.

SEC. 6. The board shall be authorized to appoint and fix, subject to the approval of the Secretary of the Treasury, the compensation of such officers, employees, attorneys, and agents as are not otherwise provided for in this act, to define their duties, require bonds of them and fix the penalties thereof, and to dismiss any of them at pleasure.

The Secretary of the Treasury, upon the advice of the board, may make advances from the funds appropriated and the bonds authorized herein to any Federal reserve bank. Such Federal reserve bank shall open an account to be known as the "war finance fund" against such advances of funds and bonds. Out of the "war finance fund" such Federal reserve bank is authorized, subject to the approval of the board—

(a) To make advances, upon such terms not inconsistent herewith, as it may prescribe for periods not exceeding five years from the respective dates of such advances, (1) to any bank, banker, or trust company which has made, and which has outstanding, any loan or loans to any person, firm, corporation, or association whose operations shall be necessary or contributory to the prosecution of the war and evidenced by a note or notes, or (2) to any bank, banker, or trust company which has rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the purchase of its bonds or other obligations: *Provided*, That advances so made by the Federal reserve bank on the basis of any such loan or loans shall not exceed 75 per cent of the face value thereof: *And provided*, That any advances so made by the Federal reserve bank, in cases where such financial assistance shall have been rendered by the purchase of such bonds or other obligations, shall not exceed 75 per cent of the market value of such bonds or other obligations at the time of such advance, as estimated and determined by the Federal reserve bank: *And provided further*, That all such advances shall be made upon the promissory note or notes of such bank, banker, or trust company, secured by the notes, bonds, or other obligations, which are the basis of any such advance, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations. The Federal reserve bank shall, however, have power to make advances up to 100 per cent of the face value of any such loan or loans made by any such bank, banker, or trust company to any such person, firm, corporation, or association, or up to 100 per cent of the market value at the time of such advances (as estimated and determined by the Federal reserve bank) of such bonds or other obligations by the purchase of which financial assistance shall have been rendered to such person, firm, corporation, or association: *Provided*, That every such advance shall be secured in the manner described in the preceding part of this paragraph, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character as shall be prescribed by the Federal reserve bank, of a market value, at the time of such advance, equal to at least 25 per cent of the amount advanced.

(b) To make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank or other banking institution which receives savings deposits, on the promissory note or notes of the borrowing institution whenever the Federal reserve bank shall deem such advances to be necessary or contributory to the prosecution of the war or important to the public interest: *Provided*, That such note or notes shall be secured by the pledge of securities of such character as shall be prescribed by the board with the approval of the Secretary of the Treasury, the market value of which, at the time of such advance, as estimated and determined by the board, shall be equal in amount to at least 125 per cent of the amount of such advance: *Provided further*, That the rate of interest charged on any such advance shall not be less than 1 per cent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrowing institution is located.

(c) To make advances directly (1) to any corporation owning or controlling (directly or through stock ownership) any railroad or other public utility, and (2) to any person, firm, corporation, or association conducting an established and going business whose operations are necessary or contributory to the prosecution of the war: *Provided*, That such advances shall be made only in such cases as the board of directors in their discretion shall determine to be of exceptional importance in the public interest. Such advances may be made against securities of one and a third times the advance made and for periods not exceeding five years from the passage of this act, upon such terms and upon such adequate security and subject to such rules and regulations as may be prescribed from time to time by the board, with the approval of the Secretary of the Treasury.

(d) To subscribe for, acquire and own, buy, sell, and deal in bonds and obligations of the United States to such extent as the Secretary of the Treasury may from time to time determine.

SEC. 7. The Secretary of the Treasury is authorized to issue and have outstanding at any one time United States war finance bonds in an amount aggregating not more than $1,000,000,000, such bonds to mature not less than one year nor more than five years from the respective dates of issue and to bear a rate of interest of 4 per cent per annum and to be redeemable before maturity at the option of the board, subject to the approval of the Secretary of the Treasury. Such bonds shall be issued in terms of foreign money and sold American importers at par to the extent necessary for them to acquire foreign currency or foreign credits needed to cover their importations in countries whose currency is at a premium.

Such bonds may be issued at par in payment of any advances authorized by this act, or for any of the purposes of this act may be offered for sale publicly or to any individual, firm, association, or corporation at such price or prices, not less than par, as the board may determine, subject to the approval of the Secretary of the Treasury.

SEC. 8. For the purpose of assisting in the prosecution of this war and providing for the public security and defense through the restriction of unnecessary capital expenditures there shall be appointed by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board, which may, under rules and regulations to be prescribed by such committee, with the approval of the Secretary of the Treasury, investigate and license, or refuse to license, the sale or offering for sale or for subscription of securities, as hereinafter provided. Such committee shall, however, grant licenses for any such sale or any such offering for sale or for subscription which it shall determine to be consistent with the foregoing purposes. The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury, and the compensation of the several members of such committee who are not members of the Federal Reserve Board shall be $7,500 per annum, to be paid by the board. Shares of stock of any corporation or association without nominal or par value shall for the purposes of this act be deemed to be of the par value of $100 each. Issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the approval of this act, shall not be affected thereby. Nothing in this act shall be construed to prohibit, or to require any license from such committee in respect of, any borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes. This section shall not be construed to apply to any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States. This section shall not take effect until rules and regulations shall have been prescribed by such committee, as hereinbefore provided, and may continue in effect until the expiration of six months after the termination of the war, the date of such termination to be determined by a proclamation of the President of the United States. Nothing done or omitted by such committee hereunder shall be construed as carrying the approval of such committee or of the United States of the legality, validity, worth, or security of any securities.

SEC. 9. The war finance bonds shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of such bonds the principal of which does not exceed in the aggregate $5,000 owned by any individual, partnership, association, or corporation shall be exempt from the taxes provided for in subdivision (b) of this clause.

SEC. 10. The board shall make monthly reports to the Congress, giving the name and place of business of the person, firm, corporation, or association to which such advances have been made under the provisions of this act, the amount advanced, and the security accepted therefor.

SEC. 11. The term "securities," as used in this act, includes stocks, bonds, notes, certificates of indebtedness, and other obligations.

SEC. 12. The right to amend, alter, or repeal this act is hereby expressly reserved.

Mr. OWEN. Now I move, on page 11, line 5, after the words "Secretary of the Treasury," to insert as a new sentence the words "Such bonds shall be issued in terms of foreign money and sold to American importers at par to the extent necessary to cover their importations from countries whose currency is at a premium." I will explain that in the morning, if it needs any explanation. It will par the American gold dollar.

On page 11, where the language reads "Federal reserve banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper and make advances secured by such bonds in the same manner and to the same extent and at the same rate or at such higher rates as the Federal Reserve Board may approve," I wish to insert as an amendment the words "at not less than 1 per cent in excess of the interest rate fixed upon commercial paper by the Federal Reserve Board in that district."

I will consider that to-morrow, but I do not wish to take any time in discussing it now, and I do not want to delay the Senate in its adjournment. I have nothing further to offer.

Mr. SIMMONS. I move that the Senate adjourn.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma [Mr. OWEN], pending which the Senator from North Carolina moves that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Thursday, March 7, 1918, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *March 6, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. [illegible]den, D. D., offered the following prayer:

We stand in Thy holy presence, O God, our heavenly Father, with bowed heads and open hearts, that we may receive of Thine infinite wisdom, power, and goodness sufficient unto the needs of the hour; that we may be wise in our conceptions, strong in our convictions, firm in our purposes; that the work of this day may be well pleasing in Thy sight and conducive to the best interests of mankind; for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

PNEUMATIC-TUBE SERVICE.

Mr. ROUSE. Mr. Speaker, I desire to present a minority report of the Commission to Investigate the Pneumatic-Tube Service, and I ask unanimous consent that the report be printed in the RECORD.

The SPEAKER. The gentleman from Kentucky presents a minority report of the Pneumatic-Tube Service Commission and asks that it be printed in the RECORD.

Mr. CANNON. Was the other report printed in the RECORD?

Mr. ROUSE. The majority report has been printed in the RECORD.

Mr. JOHNSON of Washington. It was printed by the gentleman getting time in debate and extending it in his remarks.

Mr. ROUSE. I did it in that way because I did not want to use that time.

Mr. MADDEN. Inasmuch as the other report is in, let this go in.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I would like to inquire how lengthy is the report of the minority views.

Mr. ROUSE. It is about 70 pages.

Mr. STAFFORD. Mr. Speaker, that is entirely too cumbersome a report to load down the RECORD with, and I object.

The SPEAKER. The gentleman from Wisconsin objects.

Mr. ROUSE. Then I ask unanimous consent that a summary of the report be printed in the RECORD. It is only about 14 typewritten pages.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that a summary of the report be printed. Is there objection?

Mr. STAFFORD. Has the summary been prepared?

Mr. ROUSE. Yes.

The SPEAKER. Is there objection?

There was no objection.

Following is the summary referred to:

MINORITY REPORT OF THE COMMISSION TO INVESTIGATE THE PNEUMATIC-TUBE SERVICE.

This commission was created for specific purposes. Its duties were clearly defined by the Congress. It had an opportunity to render a service of great value but, in my judgment, failed to do so.

The act creating the commission directed that it should:

"(a) Investigate the value of the pneumatic-tube service."

In prosecuting its investigation in compliance with this direction the commission did not summon before it a single expert postal official to ascertain his views and judgment as to the value of the pneumatic tubes. In neglecting to do so the commission failed to obtain at first hand the judgment of the only men qualified by experience and technical knowledge of the Postal Service to pass intelligently on this subject. The commission employed Stone & Webster, consulting engineers of Boston, Mass., to investigate the utility value of the pneumatic tubes. There is no evidence that any person connected with this firm has any technical knowledge of the postal methods and necessities of the present day.

In making their investigations the representatives of Stone & Webster did not confer with any person connected with the Post Office Department, neither does their report indicate that they obtained the judgment of responsible persons at the post offices where the tubes are operated as to the utility value of the tubes. It must be conceded that those in daily contact with the tubes and who are responsible for the expeditious handling of the mails are best qualified to testify to the

value of the tubes as a mail-carrying device. This was fully recognized in the early history of the tubes. The Search Commission, of which S. C. Mead, now secretary of the Merchants' Association of New York City, was a member, and which considered the question as to whether the pneumatic tubes should be owned, leased, or discontinued by the Government, in its report of December 20, 1900, stated:

"The Government, through its responsible officials, should be the final judge of the extent of ultimate adoption [of the tubes]."

The Congress fully recognized the value of the judgment of experienced postal officials in this matter and would not even trust the Postmaster General to pass on the value of the pneumatic-tube service, because he might lack expert and scientific postal knowledge, but required by the act of April 21, 1902—

"That no advertisement shall issue until after a careful investigation shall have been made as to the needs and practicability of such service and until a favorable report, in writing, shall have been submitted to the Postmaster General by a commission of not less than three expert postal officials to be named by him."

This act applies to the pneumatic-tube service only and has never been repealed.

The commission was further directed to ascertain—

"(b) The value of the tubes, franchises, and other equipment with a view to the purchase or operation of the same or any portion thereof by the Government."

The commission made no investigation to determine the present physical condition of the properties of the pneumatic-tube companies, and so can not state their value. With reference to the franchises, the commission appointed in accordance with the provision of the act of August 24, 1912, employed Mr. Nathan B. Williams, a well-known attorney, to look into and report on their duration, and his report is, in part, as follows:

"Boston occupies all streets, revocable on order of city council."

"New York, 25 years, from 1897." This franchise will expire in 1922, or four years hence.

"Chicago, 20 years, from October 12, 1903, with right of purchase after October 12, 1913." This franchise expires in 1923, and under its provision the property reverts to the city of Chicago.

"St. Louis, 25 years, presumably from June 10, 1903." This franchise will therefore expire in June, 1928.

"Philadelphia, no terms."

In connection with this franchise, however, attention is called to section 12 of an ordinance regulating the laying and construction of underground wires, electrical conductor, conduits, cables, or tubes, approved the 5th day of August, 1886, which was submitted by Mr. Williams, and which reads as follows:

"Should any company, corporation, firm, or individual to which privileges have heretofore or shall hereafter be granted for the laying of underground wires, electrical conductors, conduits, cables, or tubes, dispose of any of the franchises granted by ordinance, or lease to, consolidate, or merge with any other company, corporation, firm, or individual, they shall forfeit all rights and privileges granted to them by the city of Philadelphia, and upon satisfactory proof being furnished to the chief of the electrical department and the city solicitor, they are hereby authorized and directed to take similar action against the offending company, corporation, firm, or individual, as provided for in section 9 of this ordinance."

With respect to keeping the streets in repair, the franchises for the different cities require, according to the report of Mr. Williams:

"Boston: Person opening surface of street must make repairs for 12 months.

"New York: Streets must be restored and maintained.

"Chicago: Deposit covering estimates for repair costs must be maintained.

"St. Louis: Deposit covering estimates for repair costs must be maintained.

"Philadelphia: Repairs must be maintained for three years."

For the Government to spend millions of dollars to purchase tube systems operating under franchises which will expire within such a short period of time would be indefensible, as in one instance the property will revert to the city upon the expiration of the franchise and in another all rights and privileges granted by the city shall be forfeited upon sale. No business man would think of spending a dollar of his own money under like circumstances and surely we should not vote to squander the money of the public under circumstances where we would not be willing to spend our own.

The commission was also directed to:

"(c) Ascertain the cost and terms upon which such purchase may be made."

While the commission has not determined the cost of the tubes, the majority report outlines a method of payment which is clearly impracticable. After payment of the interest on deferred payments it is proposed to deduct the costs of operation from the amount now appropriated for rental and to apply the difference to the purchase. In my judgment after the interest and operating cost and proper charges as such there will be little or nothing left to apply to the purchase of the tubes and they will be worn out long before final payment can be made. In justice to the pneumatic-tube companies, and if their properties are to be purchased they should know how and when they are to be paid. In justice to the public if Government funds are to be used for that purpose they should know the extent of the cost.

The evidence before it and upon which the commission must base its conclusions consists of the testimony of representatives of commercial and civic organizations, the report of Stone & Webster, the briefs of the pneumatic-tube companies and of the Post Office Department, together with the accompanying exhibits.

I wish every Member of Congress would read the report of the departmental commission of 1916, the brief of the department, the report of the Post Office inspectors, and the report of the various postmasters and supervisory officials (pages 64 to 241, Briefs and Data) that they might comprehend the question from the clear, concise reasoning of broadminded men, men of experience and technical knowledge of the Postal Service and who, when they discuss postal affairs, know what they talk about.

These reports analyze the service in the minutest detail. The statements and conclusions contained therein are fully supported by facts. They are unanswerable and clearly disprove the arguments of the owners that the tubes are efficient and necessary to the Postal Service. This being true, the companies now resort to personal abuse and generalities to effect the sale of the tubes to the Government.

In reviewing the data before the commission the most careful consideration must necessarily be given to the respective interests of the parties involved. The owners of the tubes are in no wise responsible for the efficiency or conduct of the Postal Service. They are, however, vitally interested, from a selfish standpoint, in disposing of their property to the Government. They have inspired every possible sentiment to enable them to consummate this end. On the other hand, the Post Office Department, upon which rests the responsibility for efficiency in the Postal Service, must of necessity be vitally interested in procuring utilities best adapted to postal needs. The majority of the commission have entirely waived aside the facts presented by the department, as well as the judgment of the ablest men in the Postal Service. They have accepted instead the statements of the pneumatic tube owners and such inspired testimony as the latter, through hired agents, have been able to procure. If this commission questioned the judgment of the postal officials subscribing to the brief and reports of the Post Office Department and postal officials (pp. 64–241, Briefs and Data) it was clearly its duty to summon these officials and ascertain the facts upon which their opinions and conclusions were based and to determine the value of their judgment. These officials expected to be called before the commission and be so examined, and the fact is that the department urged that this be done.

While many investigations have been made of the pneumatic tubes by expert postal officials, only one of such officials recommended that the Government purchase the tubes. He served on two commissions within a short period of time and recommended both ways, once against and once for the purchase of the tubes.

In referring to the Postal Service the majority report states:

"The policy of those responsible for efficient management should be, however, to keep pace with the growth and the development of the country and the necessity for a constantly improved service."

This policy is sound in principle, and the Post Office Department urges that it be permitted to follow it in practice. This commission can not expect the Post Office Department to keep pace with the growth and development of the country and meet the demands for a constantly improved service if compelled by Congress to use antiquated and obsolete devices.

This commission fully appreciates the importance of letter mail and the necessity for its expeditious handling. The majority report states:

"The records of the Post Office Department indicate that from three to five million letters are advanced in delivery each day by the tubes, which otherwise would be delayed. The commission feels that the additional cost for providing expedition for this amount of mail is fully justified. The engineers for the commission estimate that the expense of tube service and Government ownership to supplant the necessary automobile service to replace the tubes if discontinued would be about $312 a day. The commission concludes that for this sum Congress can well afford to provide this special service for three to five million letters daily that would be enabled thereby to reach their destination earlier, which otherwise would not be true if tube service were dispensed with."

On this statement is based the recommendation for the purchase of the tubes.

It may be true that from three to five million letters are now advanced in delivery each day by the tubes, but in view of the evidence before the commission it is not justified in assuming that these letters will be delayed if the use of the tubes is abandoned, because the department proposes to handle them more expeditiously by other means. The report of the departmental commission, dated October 13, 1916, page 12, states:

"The statements and reports heretofore prepared by different commissions on pneumatic tubes show the number of pieces of mail advanced by the use of the tubes. This should not be construed to mean that if the tubes were displaced the same quantity of mail would be delayed, for the reason that the existing screen-wagon schedules are so arranged as to permit of the greatest possible use of the pneumatic-tube service for the dispatch of letter mail."

The representatives of the department contended, when appearing before committees of Congress, that by rearrangement of the automobile schedules and by supplementing them with additional trips that practically all of the mail then advanced by tubes could have been handled without delay, and that much of the mail then delayed by the tubes advanced. They also showed how that later dispatches could be made by automobile than were being made by the pneumatic tubes. Experience has demonstrated that this claim was true. In the report of the investigation of the New York service (p. 82, Briefs and Data) it is stated:

"During the latter part of 1916 an investigation was made into the cause of the failure to dispatch mail for Washington, Baltimore, and Philadelphia to the train above referred to, a considerable portion of which was postmarked at Madison Square Station. At that time the closing for the last wagon to this train, which leaves the Pennsylvania Terminal Station at 9.45 p. m., was 8.48 p. m., while the closing for the tube to the same train was 8.53 p. m. Our investigation showed that the dispatch of mail to this train was jeopardized when placed in the tube containers at 8.53 p. m., and that the connection frequently was missed. Following our investigation a wagon, known as trip 155, was scheduled to leave Station D at 9.07 p. m., Madison Square Station at 9.18 p. m., and Station F at 9.27 p. m., arriving at the Pennsylvania Terminal Station with closing mail from those stations for train 139, above mentioned. The previous closing time of the tube for this train at Station D was 8.50 p. m., a difference in favor of the wagon of 17 minutes; Madison Square at 8.53 p. m., a difference of 25 minutes; and Station F at 8.50 p. m., a difference of 37 minutes. The records show that the wagon is regularly making the connection, whereas the connection at that hour by the tube was very uncertain. We cite this instance from the fact that this wagon was scheduled especially to make this connection, the tube service being undependable.

"In the event a complete wagon system is inaugurated, wagons for closings for the heavier connections would be scheduled from the other stations accordingly. It is unfair to compare the present schedules of wagon service with the tube closings for connections with trains, as, due to the fact that the tube service is maintained, the wagons have not been scheduled to provide for the transfer of final dispatches, but for the handling of the heavier and more bulky mail. In fact, heavy trucks are used, whereas if dispatches of first-class mail were dependent upon the operation of wagons lighter and more rapidly moving vehicles would be used. The conditions above described would substantially obtain under a complete system of wagon service, and while in some instances of longer hauls a small amount of time would be lost, the greater volume of the mail would be correspondingly advanced."

The postmaster at Philadelphia states (p. 136, Briefs and Data):

"In summing up the comparative merits of the pneumatic-tube system and any other means for the transportation of mails, consideration should be given to the essential features, which are speed, reliability, and cost.

"It has been shown that 4,297 letters are advanced in delivery by tube service, but this advantage is offset by the more expeditious de-

livery of special-delivery parcels and large packages of first-class mail which the increased automobile service would give."

Hon. MARTIN B. MADDEN, of Chicago, a distinguished Member of this Congress, who is ever zealous in guarding the interests and efficiency of the Postal Service and whose judgment in matters of postal affairs is eagerly sought, stated, on page 366 of the hearings before the Post Office Committee in December, 1913:

"Mr. MADDEN. Would you be surprised to know that an investigation that I made of the pneumatic-tube service in Chicago led me to the conclusion that it was a service of no special value, except in the matter of the 12 minutes' time saved in closing the mail; that they would have to close 12 minutes earlier if they did not use the service; but that all mail sent through the pneumatic tubes from the office to the railway stations had to be broken up and be put in small packages in order to put it through the tubes at all, and then it had to be redistributed for transportation over the railroad at a cost of $60,000? A number of clerks sufficient to consume $60,000 a year in pay had to be maintained to put that mail back into form. Perhaps it might surprise you to be told that I could take a wheelbarrow from the main post office and start up to any of the ordinary railroad stations with it and load it in and get it mailed on the train as quick as the pneumatic-tube service, taking the time for redistribution into consideration."

What has been demonstrated to be true in New York, Philadelphia, and Chicago is equally true in the other cities where the tubes are operated. This clearly demonstrates that but few of the letters referred to by the commission will be delayed. It also clearly demonstrates that many letters now delayed through the use of the tubes can be materially advanced. The conclusions in the majority report, being based on false assumption, must naturally fall of their own weight.

It is the judgment of postal officials who are in daily contact with the tube service that it is of so little value as a postal utility that if tendered the department as a gift it would not be justified in asking the Congress for funds to operate it. Their judgment in this respect appears to be in accord with that of Congress with regard to pneumatic tubes, because the Congress itself fails to operate the tube which connects the Capitol with the House Office Building, although it is of much larger diameter than the tubes used in the Postal Service. Even the merchants of Boston abandoned more than 15 years ago a tube installed in that city for commercial purposes, and the most expert postal officials and engineers of Great Britain, after a thorough investigation of the tube system installed in this country, recommended to their Government against its adoption, and stated that it possessed no advantage as a means of transporting mail over the ordinary road van.

The conclusions in the majority report, in my judgment, are not justified for the following reasons:

First. Because they are not in accordance with the facts. When viewed in the most charitable manner, the data before the commission do not justify the purchase, retention, or operation of the tubes.

Second. The expenditure of millions of dollars by the Government to purchase the present pneumatic-tube equipment, which the postal officials state is inefficient, antiquated, and worn out, and of so little value that it would not be accepted as a gift, can not be justified.

Third. To compel the department by law to continue the use of these tubes which delay millions of letters annually and damage and destroy thousands of others would be indefensible.

Fourth. The purchase by the Government of the present tube systems, with tubes of various sizes, operating under franchises which are either revocable or which will expire long before final payment can be made, and in one instance which will revert to the city at the expiration of the franchise, would be little short of scandalous, and will justly deserve the condemnation of the public.

Fifth. The purchase of approximately 5 miles of pneumatic tubes which were abandoned as a commercial failure, and for which the Government has already paid a rental far in excess of the original cost to the tube company, is preposterous.

Sixth. The proposed method of payment for the tubes outlined in the majority report is but a weak attempt to justify and camouflage an extravagant waste of public funds at a time when the Government must sell liberty bonds and greatly increase taxes to secure funds to successfully prosecute the war.

Seventh. To ignore the facts presented and the judgment of eminently qualified postal experts not only of the United States but of Great Britain, and yield to the importunities of those financially interested and the inspired sentiment created by professional boosters who have no intimate knowledge of the service or responsibility for its successful operation would also be indefensible.

It is admitted by the owners of the pneumatic tubes that the Government is not under the slightest moral obligation to purchase or continue their use. In view of their inefficiency, and the destruction, damage, and delay which they cause to an enormous quantity of letters, I can not too strongly urge that the present tube systems be not only not purchased by the Government but that their use be discontinued entirely. I wish to state, however, that I am very much in favor of an underground system which will transport all mail of all classes in the congested districts of large cities, but I am not in favor of the purchase by the Government of an obsolete toy, which the present pneumatic-tube system is.

CALENDAR WEDNESDAY.

The SPEAKER. This is Calendar Wednesday. The Clerk will call the list of committees.

The Committee on the Judiciary was called.

TO PUNISH DESTRUCTION OF WAR MATERIAL.

Mr. WEBB. Mr. Speaker, on behalf of the Committee on the Judiciary, I desire to call up Senate bill 383, House Calendar No. 4, I believe.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

A bill (S. 383) to punish the destruction or injuring of war material and war transportation facilities by fire, explosives, or other violent means, and to forbid hostile use of property during time of war, and for other purposes.

Mr. WEBB. Mr. Speaker, on behalf of the committee, I desire to offer a committee substitute for Senate bill 383 and have it read at this time for discussion.

The SPEAKER. The gentleman from North Carolina offers a committee substitute, which the Clerk will report.

The Clerk read as follows:

A bill to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes.

Be it enacted, etc., That the words "war material," as used herein, shall include arms, armament, ammunition, clothing, food, supplies, stores, and all other articles of whatever description intended to be used by the United States, or any associate nation, in connection with the conduct of the war.

The words "war premises," as used herein, shall include all buildings, grounds, mines, or other places wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States, or any associate nation.

The words "war utilities," as used herein, shall include all railroads, railways, electric lines, roads of whatever description, railroad or railway fixture, canal, lock, dam, wharf, pier, dock, bridge, building, structure, engine, machine, mechanical contrivance, car, vehicle, boat, or aircraft, or any other means of transportation whatsoever, whereon or whereby such war material or any troops of the United States, or of any associate nation, are being or about to be transported either within the limits of the United States or upon the high seas; and all dams, reservoirs, aqueducts, water and gas mains and pipes, structures and buildings, whereby or in connection with which water or gas is being furnished to the military or naval forces of the United States or any associate nation, and all electric light and power, steam or pneumatic power, telephone and telegraph plants, poles, wires, and fixtures and wireless stations, and the buildings connected with the maintenance and operation thereof used to supply water, light, heat, power, or facilities of communication to the military or naval forces of the United States, or any associate nation.

The words "United States" shall include the Canal Zone and all territory and waters, continental and insular, subject to the jurisdiction of the United States.

The words "associate nation," as used in this act, shall be deemed to mean any nation at war with any nation with which the United States is at war.

SEC. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 30 years, or both.

SEC. 3. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully make or cause to be made in a defective manner, or attempt to make or cause to be made in a defective manner, any war material, as herein defined, or any tool, implement, machine, utensil, or receptacle used or employed in making, producing, manufacturing, or repairing any such war material, as herein defined, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 30 years, or both.

The SPEAKER. Does the gentleman from North Carolina desire to ask leave to consider the substitute for the Senate bill?

Mr. WEBB. I desire to offer the substitute in lieu of the Senate bill.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to consider the committee substitute in lieu of the Senate bill. Of course, the time has not come to offer the substitute, but the Chair wants to warn the House that it is a House substitute for the Senate bill that the gentleman desires to discuss.

Mr. WEBB. That is right.

The SPEAKER. The gentleman from North Carolina has 45 minutes and the gentleman from Minnesota [Mr. VOLSTEAD] 45 minutes.

Mr. WEBB. Mr. Speaker, when this bill was before the House on a Calendar Wednesday last April a number of gentlemen, among them our esteemed friend, the honored Republican floor leader [Mr. MANN], interposed very serious objections to certain language which was in the Senate bill, and it was seriously objected to by a number of Members. The language which at that time seemed to be most objectionable to those gentlemen was this, as found in lines 5, 6, 7, 8, and 9 in the Senate bill:

And all other articles of whatever description requisite to or intended to be used in connection with the conduct of war by the United States, as well as all machinery and other articles and accessories required for or connected with the production or manufacture of such war material.

The words "requisite to" seemed to cause most debate and most objection. The objections of those gentlemen ran to the Senate bill entirely.

We did not finish the bill on that day, and the chairman of the Committee on the Judiciary asked a special subcommittee to go over the Senate bill, which was reported hastily, I may say, and they proposed a substitute. The substitute that we now offer I think very largely eliminates that objection.

My recollection is that there was another objection which the debate did not fully develop, which was that it made the defendant guilty of a crime if he injured or destroyed by fire or other violent means either war materials or war utilities or war premises without requiring any evidence to show that he

knew that they were war materials or war premises or utilities, or that he intended to obstruct the operations of the war, so that the committee in the substitute provides that whoever in time of war, with intent to injure, hinder, or delay the prosecution of the war, or whoever, with reason to believe that his act would hinder, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, even if not by violence or explosion, injures or destroys any war materials or war utilities, shall be guilty of a crime.

In one sense we have restricted the bill a little and in another broadened it. It seemed that the words "requisite to" were objected to on the ground that they might cover anything that might possibly be used directly or indirectly to prosecute the war. It might cover corn or wheat in the fields, growing or otherwise, and, of course, the committee did not want to make it too broad. At the same time, they wanted to make it broad enough to cover anybody who would try to prevent or delay or hinder the successful prosecution of the war.

Mr. MADDEN rose.

Mr. WEBB. I yield to the gentleman from Illinois.

Mr. MADDEN. Will the gentleman yield?

Mr. WEBB. I yield to my friend from Illinois.

Mr. MADDEN. Of course, this gives any person charged with a crime described in this bill the right to a defense, to prove his case if he is innocent?

Mr. WEBB. Oh, absolutely. This is a civil bill and will be enforced by the civil court.

Mr. MADDEN. I do not think it can be too drastic myself. If we are in this war to win, we have got to provide the means to win, and we must surround the Government with every safeguard to enable it to carry out the functions that devolve upon us by reason of the fact that we are in the war. Personally I believe that the committee have done a good job, and there ought not to be any question about the adoption of this bill without debate, it seems to me.

Mr. WEBB. I thank the gentleman. If there is any further question about the substitute, I will be glad to try to answer it.

Mr. ROBBINS. Will the gentleman yield?

Mr. WEBB. I do.

Mr. ROBBINS. This bill applies to Government property. It does not apply to private property.

Mr. WEBB. Oh, yes; it does apply to all sorts of property if it is intended to be used in the prosecution of the war.

Mr. ROBBINS. Would it apply to works like the Westinghouse works, near Pittsburgh, if they are engaged in the manufacture of munitions.

Mr. MADDEN. Undoubtedly.

Mr. ROBBINS. These works have been burned down, and there have been explosions in them, all of which have been believed to be because they were engaged in the manufacture of munitions; but they are privately owned property, not under the jurisdiction of the United States.

Mr. WEBB. Let me read to the gentleman the definition of war premises:

> The words "war premises," as used herein, shall include all buildings, grounds, mines, or other places wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States, or any associate nation.

Mr. ROBBINS. That description is quite broad, but would it yet include a privately-owned manufacturing concern engaged in the manufacture of munitions?

Mr. WEBB. I imagine a privately-owned manufacturing concern "wherein such war material is being produced, manufactured, repaired, or stored," intended for the use of the United States, would be covered by this bill.

Mr. ROBBINS. I think it should be broad enough to cover these cases.

Mr. WEBB. We are perfectly willing to make it as broad as necessary, and if the gentleman can make any suggestion we shall be glad to consider it. This is practically the language suggested by the Attorney General. We have taken practically his definition of war premises.

Mr. DYER. If the gentleman will yield, I will say that there is not any question but what the committee wants to include all matters of that kind.

Mr. WEBB. That is correct.

Mr. DYER. And it seems to me that that definition is ample for the purpose that the gentleman has referred to.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. WEBB. I do.

Mr. STAFFORD. In hastily glancing over this bill I notice that it is much broader and more drastic than the original bill that we considered here some months ago.

Mr. WEBB. As I said in my opening statement, in one respect it restricts and in another respect it is a little broader, because the Senate bill provided that a man could only be punished when he committed some of these offenses by some violent means—by fire or explosion. We provide that he shall be punished if he injures or destroys any of these war utilities or premises, whether by violent means or not. We thought that a man who deliberately, with intent to delay the prosecution of the war, injured any utilities which were described in this substitute, which manifestly are necessary for the prosecution of the war, and did it with intent to injure or delay, or with the knowledge or belief that it may injure or delay the prosecution of the war, ought to be punished.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. WEBB. If my friend from Wisconsin has concluded his remarks, I will yield.

Mr. GRAHAM of Illinois. I observe that the penalty fixed in the act is only fine or imprisonment. Suppose these acts result, as they frequently do, and have during the last few months, in the death of one or more persons; do you not think there ought to be some provision by which the death penalty could be inflicted in a case of that kind?

Mr. WEBB. The difficulty heretofore, as I understand, has been in apprehending the guilty person. If in any State of the Union a man blows up a building, and in blowing it up kills some one, he is liable to be hanged under the State law. This bill will put it in the power of the Government to run down and apprehend violators of this act.

Mr. GRAHAM of Illinois. Yes.

Mr. WEBB. And this is a remedy which is additional to what the State has against these very same offenses. We are defining offenses which are now punishable under the State laws, also offenses against the Government of the United States. We have not covered the death penalty; but we thought if we covered the others, then if the Government catches a man who actually committed any offense of this kind under the circumstances the gentleman suggests the State would probably hang him, and properly so.

Mr. STAFFORD. This bill in its phraseology would not prevent labor from striking to redress any grievances that they might conceive they had——

Mr. WEBB. Not unless——

Mr. STAFFORD. In case that labor was employed in the manufacture of munitions or articles necessary for carrying on the war.

Mr. WEBB. No; not unless labor injured these war utilities by a combination whose intent was to delay the prosecution of the war.

Mr. DYER. Does the gentleman mean to say that a man who was working in one of these factories, a laborer who wants to go on a strike and does go on a strike, is to have any privileges that are not accorded to any other citizen under this proposed bill?

Mr. WEBB. Of course I do not say that. If a man strikes and injures war utilities or war premises as a striker, and does that with intent to delay or interfere with the prosecution of the war, he would be just as guilty as anybody else who does not labor, and of course he ought to be.

Mr. REAVIS. Will the gentleman yield?

Mr. WEBB. I yield to my friend from Nebraska.

Mr. REAVIS. Section 1, page 2, lines 6 and 7, war utilities, is defined in the bill to comprehend "railroad or railway fixture." Now, suppose in the course of a strike some railway fixture were injured with intent to injure the railroad company, but not with an intent to interfere with the prosecution of this war. In that event the striker would not be liable, unless he had reason to believe that his act would interfere with the prosecution of the war.

Mr. WEBB. That is why we have two offenses in the bill; one, if he knowingly interferes with the prosecution of the war he is guilty of a crime, and, secondly, if he does an act with reasonable ground to believe that it will interfere with the prosecution of the war, that makes him guilty, too.

Mr. STAFFORD. Will the gentleman permit me?

Mr. WEBB. Yes.

Mr. STAFFORD. I want to direct the gentleman's attention to section 2, as I believe the phraseology is broad enough to make it a crime under this bill in case the striker destroys property of the railroad company with the intention to gain his means of winning the strike. If it in any wise affects the dispatch of the war under that section, he would be guilty of a crime.

Mr. REAVIS. Will the gentleman from North Carolina permit me to answer the gentleman from Wisconsin?

Mr. WEBB. Yes.

Mr. REAVIS. Under clause 2 of this bill the provision is as follows:

SEC. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall wilifully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, shall—

And so forth.

Now, if the act of the striker is done without an intent to interfere with the prosecution of the war, and without reason to believe that it would so interfere with the prosecution of the war, he is not amenable to this bill.

Mr. STAFFORD. Who determines that?

Mr. REAVIS. That is a question of fact for the jury.

Mr. STAFFORD. Yes; it is for the jury, of course; but it occurs to me that under the drastic language of the section the case of the striker instanced by the gentleman from Nebraska would be liable.

Mr. WEBB. The striker's body is no more sacred than the body of anybody else.

Mr. STAFFORD. But I understood the gentleman to say that he would not be liable.

Mr. WEBB. I did not say that he would not be liable; I said he would be if he commits the acts denounced in the bill, just the same as anyone else.

Mr. REAVIS. Would the gentleman be in favor of acquitting a striker who did an act with reason to believe that it would interfere with the prosecution of the war?

Mr. STAFFORD. I would not; but I say that under the phraseology, under a strict construction, he would be guilty of a crime in the case instanced by the gentleman from Nebraska.

Mr. REAVIS. I can not agree with the gentleman in the absence of an intent or something to put him on notice of the fact that he was interfering with the prosecution of the war.

Mr. WEBB. I will say that if the striker should throw a bomb into a munition plant, in which he had been at work, for the purpose of blowing up and killing or injuring the man for whom he is at work, he would be guilty under this bill, if the jury should find, and, of course, it would find without any hesitation, that he had reason to believe that blowing up the factory would interfere with the prosecution of the war.

Mr. STAFFORD. There is no one in this Chamber who does not wish to punish that character of man to the greatest extent, and not only give State authorities the jurisdiction which they now have, but give national authority to prosecute such act.

Mr. WEBB. I am glad the gentleman has interjected the question, because I want it understood that the striker can not violate the law more than anybody else can violate it.

Mr. RUCKER. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. RUCKER. The gentleman states if a striker throws a bomb for the purpose of blowing up a factory he would be guilty.

Mr. WEBB. Yes.

Mr. RUCKER. Would the Government be required to show that he had the purpose in blowing up the factory when he knows that the bomb would be likely to blow it up?

Mr. WEBB. No.

Mr. RUCKER. If he throws a bomb, regardless of any purpose, he ought to be guilty.

Mr. WEBB. We do make him guilty if he has reason to believe that destruction would retard the prosecution of the war.

Mr. RUCKER. A man must be held to be responsible for the ordinary consequences of his act. If he throws a bomb into a munition factory, the natural and usual consequence would be to delay it, and he must be held responsible for it.

Mr. WEBB. Yes; even if the bomb did not explode, if he made the attempt he would be guilty under this bill.

Mr. CANNON. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. CANNON. The gentleman is now discussing the House substitute?

Mr. WEBB. Yes.

Mr. CANNON. I have not had my attention directed to the House substitute, and therefore what I say is rathe a hop, skip, and a jump. When the President addressed the Congress before the Adamson bill passed he recommended the bill, as I recollect it, and for which I voted. In his address he also favored, in substance, legislation that when a dispute arose about wages between employers and employees it should be arbitrated, and pending arbitration it should be unlawful not for one man to quit his job, but unlawful to strike in pursuance of a conspiracy, until the award was made, and when made the award should be made a judgment of the court. Now, is there anything in this act or in any other bill pending that would tend to prevent these strikes until there was arbitration and the arbitration made the judgment of the court?

Mr. WEBB. As far as my knowledge is concerned, I will say that I know of no bill pending before the Judiciary Committee along the line of the gentleman's suggestion that would squarely and simply prevent men from striking under any circumstances. Such bill may be pending before the Committee on Interstate and Foreign Commerce. However, I do not know of any such bill. That committee might have jurisdiction of it, as it had jurisdiction of the Adamson railroad bill. I do not know whether such proposed legislation is pending or not.

Mr. HAMLIN. If the gentleman will permit me, in connection with the suggestion of the gentleman from Illinois [Mr. CANNON], would not that bill have this effect? Section 2 reads:

That when the United States is at war whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war—

A strike would not come within that provision.

Mr. WEBB. No; unless the strikers have the intent to interfere with the prosecution of the war and injure or destroy some class of property defined in the bill.

Mr. HAMLIN. But that is preliminary. It continues—

or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war.

Now, if men employed in a munition factory, for instance, should by common consent agree to strike, would not they have reason to believe that their conduct would interfere with and obstruct the United States in preparing for the war and carrying on the war? In other words, would not that act come within the provisions of this substitute?

Mr. WEBB. Their act would have to be accompanied by willful injury or destruction of some of the property described in the bill. If they committed that sort of act with intent or reasonable ground to believe the act would delay the United States in the prosecution of the war, then they would be guilty under this bill, but the mere fact of a peaceable strike, without some accompanying injury and without intent to injure the United States in the war, would not I think be covered by this bill.

Mr. HAMLIN. The gentleman perhaps is right about that, but the way the substitute is punctuated it would seem to me to stand alone and to be somewhat disconnected from the provision of the substitute which the gentleman has just quoted.

Mr. WEBB. I will say to my friend that in section 2 there are two offenses defined.

Mr. HAMLIN. Are there not three? That is the point I am making. The first is, "whoever shall interfere with intent to injure or obstruct."

Mr. WEBB. Yes.

Mr. HAMLIN. The second is, "Whoever with reason to believe that his act may injure, interfere, or obstruct the United States or associate nations in preparing or carrying on the war," and then the third is, "whoever shall willfully injure or obstruct."

Mr. WEBB. Oh, no. Now, you come to the predicate of that whole sentence—"whoever with intent or with reasonable ground to believe shall destroy," and so forth.

Mr. HAMLIN. That is the point I want to have clear.

Mr. CANNON. Would the gentleman accept or himself offer an amendment which during the war would prevent conspiracies to strike? Evidently there have been conspiracies, especially on the Pacific coast and elsewhere. Would the gentleman object to an amendment or offer an amendment himself—he could do it better than I—that would substantially put upon the statute books the recommendations of the President when we passed the Adamson law and which he repeated in his annual message?

Mr. WEBB. I will say to my friend that that is a tremendous question, as he knows, and I would not undertake to draw an amendment in a moment to cover the question. I imagine that when such bill does come to the House, if it comes at all, that the committee which handled the Adamson law will probably be requested to handle such bill.

Mr. CANNON. But this matter I speak of would not be in conference in the event the House adopts the substitute.

Mr. WEBB. If this bill goes to the Senate, the Senate can add to our substitute, and then both Senate bill and our substitute would be in conference.

Mr. CANNON. Yes; they could agree to our substitute with an amendment.

Mr. WEBB. Yes.

Mr. CANNON. But suppose the Senate does not do that?

Mr. WEBB. Then we have only the House substitute.

Mr. CANNON. Does not the gentleman think it would be well to put in the conference a provision, which could be drafted readily, I think?

Mr. WEBB. I can not tell. I do not know whether that sort of an amendment right now would do more harm than good. These heads of the departments who are in closer touch with the labor situation than I am might be better judges about it. Of course, I do not think labor ought to be permitted to conspire to do anything with intent to injure the conduct of the war.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes.

Mr. DYER. I want to state with reference to the inquiry of the gentleman from Illinois [Mr. CANNON] that I doubt the advisability of attempting to amend this bill with such an amendment. That is too great and too important a matter, and it ought to be very carefully studied. England has enacted a law along the lines suggested by the gentleman from Illinois in the munitions act, and in effect strikes are not permitted there. They must submit their grievances and they are considered by a board of arbitration, and so forth. The matter would have to be very carefully drawn and carefully considered by the committee before it should be brought to the House, and I think it would be unwise to attach it to this bill.

Mr. CANNON. Mr. Speaker, if the gentleman will permit me in his time, as a war measure, during the war, it seems to me that it is vital and patriotic both that that legislation should be enacted.

Mr. WEBB. Of course, as far as I am concerned, I expect the labor people of the country, through their duly elected spokesman—Mr Gompers—to be loyal to the Government and not to have any useless strikes, or even strikes that appear to be useful, if in so doing the progress of the war will be retarded.

Mr. CANNON. Does the gentleman think that Mr. Gompers has the power to control the I. W. W.?

Mr. WEBB. No; nobody can control them.

Mr. DYER. Shot guns.

Mr. CANNON. Therefore, they have had the power so far to raise hell.

And now it seems to me, as a war measure—I am not going to speak about it as peace legislation—but as a war measure it could not hurt Mr. Gompers's organization whatever he might believe in time of peace should be the legislation, but whether it hurt or not, it seems to me that this legislation should cover everybody who conspires along the line of which I have spoken.

Mr. WEBB. Now, Mr. Speaker, I would be very glad if the gentleman from Minnesota desires to use some time that he do so.

The SPEAKER. The gentleman from North Carolina occupied 25 minutes and the gentleman from Minnesota is entitled to 45 minutes.

Mr. VOLSTEAD. Mr. Speaker, I do not know that there is anything I need add to what has been said. I desire only to call attention in a general way to the character of the bill as it was originally introduced and as the committee modified it. The original bill was much more comprehensive in some respects, in fact it seemed to be broad enough to cover anything in the United States. The committee has modified it by limiting the scope of the bill to those things which are being used more directly by the Government in carrying on the war. The committee also broadened it, as the chairman has called attention to, as to the methods of committing the offenses, and having broadened it so as to comprehend a great many things that were not included in the original bill, it occurred to the committee that it would be necessary to again limit it so that it would not cover too much ground, so we inserted provisions in sections 2 and 3 limiting the same to acts of injury committed with intention to interfere with, obstruct, or delay the war, or to acts where the person committing the injury would have reason to believe that he was obstructing, delaying, or interfering with the war. As amended, I think this act will be so administered that it will only comprehend those things that we ought to reach. Those matters where slight injury is done, should not come under this act. The bill aims to protect docks, bridges, buildings, food, clothing, and almost everything that you can imagine. Now, a slight injury to any of those things would not, as a rule, be punished by this bill because it could not ordinarily be shown that the injury was done with the intention to interfere with the war, nor could it be said that the person would have reason to believe that such slight injury would so interfere. It seems to me that the substitute for the Senate bill submitted here safeguards the individual; he will not be in jeopardy unless he desires to be, and I think the bill is broad enough so that every case where the Government needs protection it can prosecute under this act and secure a conviction.

I think it is true that during this session and the preceding session the administration has been asking for powers that might be abused. I think the committee can justly claim that it has tried honestly to prevent giving the Government such powers I realize that in a time like this we ought to be careful. Public excitement runs high, and unless there is some protection in the law itself, some clear definition of every offense, men may be convicted and punished in cases where they ought not to be punished. I think, on the whole, the bill is fair and I hope will prove a salutary law.

Mr. STAFFORD. Will the gentleman yield?

Mr. VOLSTEAD. I will.

Mr. STAFFORD. I am having some difficulty in getting the real meaning of the committee in the phraseology contained in section 2, particularly as it may affect the right of action of individual workmen in their right to strike for the improvement of their condition.

Mr. WALSH. Will the gentleman yield?

Mr. STAFFORD. I am directing my inquiry to the gentleman from Minnesota. Take the wording of the first part of that paragraph, assuming the case of a railroad strike, where the railroad men had done nothing but impede the carriage of munitions of war, including grain that might deteriorate, on the roadway in case they are not hauled, they would undoubtedly under the first clause of section 2 be interfering with the United States in preparing for or carrying on the war. There is no question about that.

Mr. WEBB. If my friend will permit——

Mr. STAFFORD. The next question is whether they will by that act come under the subsequent penal provision as found in lines 13 and 14. Let me read it, having in mind the case of a striker on a railroad committing no overt act in injuring property, but only striking and impeding the carriage of grain or other foods that deteriorate because they are not carried to their destination, to the depots and the posts where they are needed for the support of our Army. Let us read it:

But when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war—

That goes down to line 15, where it goes on to say—

shall willfully injure or destroy—

Of course, he is not willfully injuring anything—

or shall attempt to so injure or destroy any war material, war premises, or war utilities——

Mr. VOLSTEAD. Just a minute.

Mr. STAFFORD. He is attempting to interfere with the war activities and his act of interfering with the transportation of foodstuffs is in effect injuring and destroying them.

Now, why is not the language broad enough to make it a crime under those circumstances for a man to strike and be punished under the phraseology of this section?

Mr. VOLSTEAD. If you will pardon me, that question makes almost a speech.

Mr. STAFFORD. I knew the gentleman was not pressed for time, and I thought I would set forth fully my proposition. If I knew the gentleman had been pressed for time I would have condensed it in two words, perhaps.

Mr. VOLSTEAD. Let me say that a criminal statute ordinarily is construed strictly. We have to-day upon the statute books a law authorizing strikes, permitting them. This bill could not be construed to repeal that statute.

Mr. STAFFORD. If the gentleman will permit me.

Mr. VOLSTEAD. That would remain in force.

Mr. STAFFORD. Will the gentleman permit there?

Mr. VOLSTEAD. Just a minute. Now, the language is not only that a person must intend to obstruct the preparation for war, but he must also injure or destroy certain property.

Mr. STAFFORD. Or attempt——

Mr. VOLSTEAD. Or attempt to injure or destroy certain things. I do not think that last part changes it at all. There must be an attempt to destroy or injure certain property.

Mr. STAFFORD. If the gentleman will permit, what is the natural consequence of a railroad strike, when in the organization of railroad men they determine to leave their employment and leave the freight cars on the tracks, which cars contain food and articles to supply our Army, except that the food and articles become deteriorated so that they can not reach their destination and be of value to the Government?

Mr. VOLSTEAD. That is not their act; that is their failure to act. This requires an act to injure or destroy.

Mr. STAFFORD. This would be construed under this phraseology as an attempt to injure and destroy war material, which would include food.

Mr. VOLSTEAD. If it could be so construed, I would not hesitate a minute to make it the law, as the act would have to be done with intention to interfere with carrying on the war.

Mr. STAFFORD. The gentleman is not hesitating. But the question is how far are we going under this phraseology? What is the real extent of this phraseology when actually applied by our judicial officials?

Mr. WALSH. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. WALSH. Would the gentleman say that if the members of a railroad union struck and left food upon the tracks so that soldiers might starve, they ought not to be punished?

Mr. STAFFORD. I do not say they should not; but I am only pointing out the fact that if your law goes to the extent as worded that they will not be enabled to strike for the improvement of their conditions under this law.

Mr. WALSH. They will not be enabled to strike and interfere with the United States in the conduct of this war, and that is what the language says. The gentleman is an expert in the English language and knows what it says.

Mr. STAFFORD. And, furthermore, another member of the committee, the gentleman from Nebraska [Mr. REAVIS], contended that if a railroad striker would in the strike injure the railroad property without intent to interfere with the war this phraseology would not extend to him. I am presenting a case, and I wish to call it to the attention of the House, that under the phraseology as drawn it would prevent, apparently, any strike whatever where the strikers were engaged in the manufacture or connected with the manufacture of munitions.

Mr. DYER. What is the gentleman's position upon that question that he is asking questions about?

Mr. STAFFORD. I am trying to ascertain from the committee whether they know fully the extent to which the phraseology of the law applies. There is a difference of opinion between members of the committee. I am pointing out a case where I say the law would apply, but the members of the committee say it would not.

Mr. DYER. The gentleman is a very distinguished lawyer, and if he thinks it would apply, would he take it that it changed a law or a subject like this?

Mr. STAFFORD. This bill when it was last considered was punctured by the leader of the minority. It has been thrown upon us here without any time for consideration. The members of the committee differ as to the application of this law.

Mr. WALSH. There is no difference at all.

Mr. STAFFORD. The gentleman from Nebraska [Mr. REAVIS] differed in the construction of the law from the distinguished gentleman from Massachusetts [Mr. WALSH].

Mr. WALSH. No; he did not.

Mr. VOLSTEAD. Mr. Speaker, I want to add a few words. I do not think there is any question about this language. It will have to be given a fair and reasonable interpretation, and it seems to me when you give it that it can not mean that a person is guilty because he may neglect to do certain things. He must be guilty of an act, not neglect. He must be charged with willfully injuring or destroying property with a certain intention or with a knowledge that it will result in injury to the Government. Now, the position that the gentleman assumes is that because laborers quit and neglect to do work, therefore they would be guilty. I do not think a criminal statute would ever be construed in any such fashion as that. It is an act that we condemn; it is not neglect. Of course, if men strike, and in that strike destroy or injure property, they would be guilty and ought to be punished. There is not any reason why the mantle of a labor organization should shield them from punishment any more than any other citizen of the United States.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. VOLSTEAD. Yes.

Mr. STAFFORD. As I stated before, there is not a Member here on this floor that does not wish to punish that very character of act that the gentleman is referring to, but there are Members here who take a different construction of this bill from what the gentleman and other Members place upon it.

Mr. VOLSTEAD. Mr. Speaker, I reserve the balance of my time.

Mr. GARLAND. I want to ask the gentleman a question.

Mr. VOLSTEAD. Very well.

Mr. GARLAND. What is the actual effect of the language here? Does it not stop the right of railroad men to strike when they are carrying war material?

Mr. VOLSTEAD. I do not think so at all.

Mr. GARLAND. I want to be sure of that. I am not objecting to it.

Mr. VOLSTEAD. I do not think it could ever have such an effect.

Mr. GARLAND. There is a difference of opinion in the committee as to the effect. Let us know.

Mr. VOLSTEAD. We can only give you an opinion. Here is the language. It does provide for an affirmative, a specific act, a willful act. It can only be construed to interfering with labor organizations or strikes if it can be held to condemn omissions to do things. For instance, it is suggested that if you delay food in a train, that food will deteriorate and thus be lost to the soldiers.

Mr. GARLAND. Then it does mean that?

Mr. VOLSTEAD. It does not condemn anything of that kind. I am positive it could not be construed as meaning anything like that. It would not repeal the statute giving a right to strike. Repeals by implication are not favored.

Mr. GARLAND. It stops men from striking when carrying war materials?

Mr. VOLSTEAD. I do not think so.

Mr. SUMNERS. Mr. Speaker, will the gentleman yield? I want to make a suggestion to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. VOLSTEAD. Yes.

Mr. SUMNERS. Under this section the gist of the offense would be the destruction of war material, willfully injuring or destroying war material. That would have to be proved in the event the Government sought a conviction, and the Government would have to go further than that and prove that the destruction was with the intent and purpose to injure the United States or some nation engaged with it in this war. Two things: First, the willful destruction or attempt to destroy war materials; second, that that attempt was made with the deliberate purpose to injure this Government or one of its allies engaged in this war. That is all that is in the section, and that is in the section.

The SPEAKER pro tempore. Does the gentleman from Minnesota desire to use some time?

Mr. VOLSTEAD. I yield five minutes to the gentleman from Illinois [Mr. CANNON].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for five minutes.

Mr. CANNON. Mr. Chairman, there seems to be a difference of opinion among the members of the committee as to just what this proposed substitute means. It has been a long time since I practiced law on a country circuit, 40 years plus, so that I do not know that my opinion as to what this bill means is of much account to myself or much account to the House.

But I will tell you what I would like to see done. I would like to see carried out President Wilson's recommendations when he addressed Congress on the Adamson bill, for which I voted, for that part that was then vital, with the crops ready to move, when I believed there would be a tie-up of the great terminals that would be disastrous. I doubt if I would have voted for it if it had not been for all of the recommendations in his address, which I had the right to believe would be enacted into law when the Congress met in December.

Now, I have never gotten along very well with Samuel Gompers. I agree with him in some things and I disagree with him in others. But it seems to me as a war measure he and every other patriotic citizen ought to agree upon this proposition—I will not say as peace legislation, because I know that he would not agree with me, touching peace legislation—but for war legislation I believe this or some other similar bill ought to be enacted that would render it unlawful, pending disagreement during the war, to interfere with production or transportation in American bottoms on the sea or on the railroads in the United States, on the farm, in a munition factory; that whoever conspired—mind you, now, not whoever refused to work as individuals, but whoever conspired—to obstruct the Government in the conduct of the war should be guilty of a crime.

Why, think of it! We draft the men and send them into the trenches, our citizens. They have got to have food, they have got to have munitions, with all that that means. They have got to have clothing, and they depend upon the people, their fellow citizens, to give them all that is necessary, and they do that without regard to the hours of labor. My God, if there should be a proposition that they should not fight for more than eight hours, they would be absolutely of no account in the event they were attacked or in the event they were attacking the enemy.

Now, whoever conspires to strike in an iron mine, or in a coal mine, or in a copper mine, or in a zinc mine, or in a factory; or whoever strikes where there is production of food; whoever strikes where it is necessary to have transportation, and does it by virtue of a conspiracy, he ought to be guilty of a crime.

As I had occasion to say formerly, a chain is no stronger than its weakest link. Now, then, if this legislation is broad enough to cover the people, over 100,000,000 of them, that have organized an army and sent it into the trenches and that have constructed railroads and set them in operation and have

constructed ships and put them upon the sea—if it is broad enough to cover all the balance of us in giving them proper protection and proper support to enable them to be efficient in war, why, then, I am for the bill, and whoever is not in favor of just what I have spoken all along the line, to cover every one of 100,000,000 people during the continuance of this war, in my opinion is not a good citizen, and, if necessary, I would vote for legislation to punish him if he or they violate the law. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. GARD], a member of the committee.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for five minutes.

Mr. GARD. Mr. Speaker, this is essentially a matter of war legislation. In answer to the inquiries of the gentlemen from Pennsylvania, Wisconsin, and Illinois, I beg leave for a few moments to call attention to certain existing laws and what this law seeks to put in their place.

Section 1668 of the present Revised Statutes provides a penalty for anyone who procures or entices any artificer or workman retained or employed in any arsenal or armory from leaving his work or to avoid or to break any contract he has for the performance of labor with and for the United States. Section 1669, the following section, provides a penalty for any workman who willfully and obstinately refuses to perform work assigned to him or who willfully and obstinately breaks a tool or any material used by him in the manufacture of Government work. These are the laws which have been enacted in times of peace. The committee substitute deals with the assemblage of the powers of the United States in three branches: First, war material; second, war buildings; and, third, war utilities; and it assembles these things, whether they be owned by the United States or by a private individual. Any building wherever war material is being made, even though privately owned, is under this committee substitute "war premises." It is, as I say, essentially a matter of war legislation, for it is an assemblage under the control and protection of the Government of things which are thought necessary for the continuance and perpetuity of the national life. Therefore, to the centralized power of the Government of all of the States—not in time of peace, but in time of war—is intrusted the protection of war materials, of war premises, and of war utilities. There is no doubt but that this bill covers a willful attack with intent to injure the United States in the destruction of material in any privately owned building.

There is equally no doubt under this bill that it applies not alone to the United States but to the associate nations, and by "associate nations" we say in this committee substitute any nation at war with any nation with which the United States is at war. So that this bill seeks to protect with all of the power of the United States the things which are necessary for the winning of this war by the United States and its associate nations.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. GARD. Yes.

Mr. JOHNSON of Washington. I did not get the citation of the gentleman at the beginning of his remarks.

Mr. GARD. I referred to two sections, one section 1668 and the other section 1669 of the Revised Statutes. These are statutes essential in time of peace.

Mr. JOHNSON of Washington. Those are Federal statutes?

Mr. GARD. Yes.

Mr. JOHNSON of Washington. I understood the gentleman to say Ohio.

Mr. GARD. No; they are Federal statutes. They are essentially peace statutes, and this is equally as essentially a war measure. I do not think there can be any reason by which you can read anything into this law other than the very vital and controlling principles which appear on line 13 of page 3, for the crime which is carried all through this bill is willfully injuring or destroying or attempting to so injure or destroy any war material, war premises, or war utility.

Mr. COX. Mr. Speaker, will the gentleman yield for a question?

Mr. GARD. Yes.

Mr. COX. I am very much in sympathy with what the gentleman from Illinois [Mr. CANNON] said a moment ago, and I want the gentleman's opinion on section 2 of the bill, as to whether it would be broad enough to cover the cases suggested by the gentleman from Illinois, where men conspire to strike and to quit, and things like that, which would bring production to a standstill. Of course, that is destroying the power of the Government.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman be given five minutes more.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. WEBB] has control of the time.

Mr. WEBB. I can yield the gentleman one more minute for the question, but I have promised all of the time allotted to me. Will the gentleman from Minnesota yield me five minutes?

Mr. VOLSTEAD. Yes.

Mr. WEBB. Then I yield five minutes more to the gentleman from Ohio.

Mr. COX. Is the language in section 2 or 3 of this bill broad enough to cover cases of that kind?

Mr. GARD. Mr. Speaker, I am frank to say to the gentleman from Indiana, and likewise in answer to the suggestion or inquiry of the gentleman from Illinois [Mr. CANNON], that I do not think the language of section 2 would apply to a condition of conspiracy, or to any attempt by inaction, by not doing something to create the condition of which the gentleman speaks, and of which the gentleman from Illinois has spoken. The language of the bill in section 2, and it follows its meaning all through the bill, is that whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall do what? "Shall willfully injure or destroy or shall attempt to so injure or destroy." That is the crime—that he shall willfully injure or destroy any war material, war premises, or war utilities. I think the only construction which can be given to this law as it is presented by this committee substitute is that something must have been actively done by which one willfully and with intent to injure, interfere with, or obstruct the United States does something to injure or destroy or attempts to injure or destroy. I do not believe that the mere fact that one leaves a work, though essential to the Government, however wrong it may be from a moral standpoint, however it may be lacking in patriotism, would come within this law. In other words, I want to insist that my opinion of this statutory language as at present suggested is that it means some willful act must have been done or attempted to be done which would destroy or injure war materials, war premises, or war utilities.

Mr. COX. Does not the gentleman think it ought to be broad enough to cover that case?

Mr. GARD. I think it the primary duty of the people to-day, whether it is labor in the field or the shop or the shipyard, to labor for one thing, and that one thing is the winning of this war. I do not believe it should be obstructed or interfered with either by open act or by conspiracy. But so far as this act is concerned, it establishes a regulation of two things: First, the destruction of property; and, second, it goes beyond section 1669 of the Revised Statutes and creates a new act that when the United States is at war, one who willfully makes or causes to be made in a defective manner any war material—for instance, who willfully makes an engine for a submarine with a faulty cylinder, or one who willfully makes a defective gun barrel, or one who willfully puts weak material into the planes for an aeroplane—any man who does it willfully with the intent to interfere with and obstruct the United States in its conduct of the war, is held to be guilty of a crime. It is a crime essentially of war time and made necessary because of war conditions.

Mr. CANNON. Will the gentleman yield?

Mr. GARD. Surely.

Mr. CANNON. The gentleman says this is a war measure?

Mr. GARD. It is; it has no application except in time of war.

Mr. CANNON. What would the gentleman say to this amendment: In line 8, section 2, after the word "injure," insert the words "by conspiracy or otherwise to"? It seems to me that would cover the whole shooting match.

Mr. GARD. The objection I would have to that—and my objection is a legal one—my objection is that that should be added to the present conspiracy statutes which the United States already has.

Mr. CANNON. But we are not liable to get that. It would be legal to insert those words and have it enacted into law during the war, and it would prevent conspiracy to destroy production.

Mr. GARD. I see nothing against the legality.

Mr. WEBB. Let me say that it is a crime now under the general law of the United States to conspire to violate any United States statute. When this bill passes it will be a crime to conspire to violate any act prohibited by it.

Mr. CANNON. I do not know about that, but I will test the sense of the House and offer the amendment.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY], a member of the committee.

Mr. CARAWAY. Mr. Speaker, I did not at first desire to discuss the bill. I want to do so now to answer the suggestion of some gentlemen on the Republican side of the Chamber that this is an act that could be construed to prohibit strikes. If gentlemen will bear with me one minute, I wish to point out its real intent. There are three sections in the proposed act. The first deals wholly with definitions, undertaking to define what it is that the act declares shall be a crime if they be destroyed with intent to injure the United States in times of war. Section 2 and section 3 are the penal provisions of the act. They give to the Federal courts in time of war power to punish willful and malicious acts. That is all. Under a penal statute "willful" means an act done with wrongful intent or a bad motive. Therefore, a conspiracy is not touched in this act at all, nor is the right to strike interfered with. The proposed act provides "that if anyone shall willfully, with intent to injure property or interfere with the conduct of the war, destroy or attempt to destroy property." That is the only offense. It does not say that a man shall work or he can not work. Intent or knowledge is the essence of the act. If he accidentally or unintentionally injures property he is not guilty of an offense. But if he willfully, with a wrongful intent, does something that in its nature is calculated to interfere with the waging of the war by destroying property of the United States or property that has already been designed or intended for or set aside for the use of the United States in waging the war, he is guilty. That is all.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. MILLER of Minnesota. Does the gentleman think it ought to be extended so as to include ships?

Mr. CARAWAY. Absolutely no. This bill is not intended to affect workingmen in their relation to the Government. Whether Congress should undertake to conscript labor is a question which we are not now considering. Some people think we should. That is the only way you could keep anybody from striking, because the Constitution says you can not make a man work if he wants to quit unless as a punishment for crime. Congress has not the power to say you shall not strike.

Mr. MILLER of Minnesota. I am anxious to get the gentleman's opinion on this: Congress could not, and I do not think it ever should, tell a man that he can not quit work if he wants to, but Congress could properly say that a man should be guilty if he tries to organize his fellow workers for the purpose of bringing on a general cessation of work?

Mr. CARAWAY. That could be done.

Mr. MEEKER. Will the gentleman yield?

Mr. CARAWAY. I will.

Mr. MEEKER. Suppose, for illustration, there is a strike, and incidental to the strike trouble that is going on war materials are destroyed. Would this bill reach that case?

Mr. CARAWAY. Incidental may mean anything. If a man incidentally destroys property in his pursuit of a lawful end in a lawful manner as an incident of the strike, he is not guilty, but if in asserting his right to strike he should willfully and intentionally destroy property that was necessary for the Government to carry on this work he would fall within the provisions of this bill, and be punished under it.

Mr. REAVIS. Will the gentleman yield?

Mr. CARAWAY. I will.

Mr. REAVIS. Does not the bill go a little bit further than that? One of the provisions does not require intent on the part of the acting party to injure the United States, but if he destroys or attempts to destroy property that he has reasonable cause to believe would injure the United States——

Mr. CARAWAY. Of course.

Mr. REAVIS. No matter what his intent was, his intent might be to injure the railroad company or to get even with some enemy, but acting under that intent if he has reasonable cause to believe that the consequences of his act are an injury to the United States he comes under the provisions of the bill?

Mr. CARAWAY. Of course.

Mr. MILLER of Minnesota. Is that so?

Mr. CARAWAY. That is in the provisions of the bill.

Mr. MILLER of Minnesota. I can not find the language, and I would like to have it pointed out.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MEEKER. Mr. Speaker, I ask unanimous consent that the gentleman have five minutes additional.

Mr. IGOE. Mr. Speaker, I ask unanimous consent that the gentleman have five minutes.

Mr. MILLER of Minnesota. I certainly hope the gentleman will have it, because I used a part of his time.

The SPEAKER pro tempore. This is Calendar Wednesday, and the time is regulated automatically by the rules of the House.

Mr. WEBB. Mr. Speaker, maybe I can straighten out the matter. I ask how much time the gentleman from Minnesota has.

Mr. VOLSTEAD. Eighteen minutes, I think.

Mr. MILLER of Minnesota. Could I have some of that time?

The SPEAKER pro tempore. The gentleman from Minnesota has 18 minutes left and the gentleman from North Carolina 10 minutes.

Mr. KEATING. Mr. Speaker, I desire to make a point of order that there is no quorum present.

Mr. WEBB. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas, as I have 10 minutes.

The SPEAKER pro tempore. But the gentleman from Colorado makes a point of order that there is no quorum present. Does the gentleman insist upon his point of order?

Mr. KEATING. Yes; I think the matter is of such importance that the Members of the House should hear the discussion.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently a quorum is not present.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Austin	Dooling	Kehoe	Saunders, Va.
Bland	Drukker	Kennedy, R. I.	Scott, Pa.
Brand	Dunn	Kraus	Scully
Britten	Eagle	Kreider	Sells
Byrns, S. C.	Fairchild, B. L.	LaGuardia	Shallenberger
Campbell, Pa.	Fairchild, G. W.	Lehlbach	Sims
Cantrill	Ferris	Lenroot	Sinnott
Capstick	Foss	Lever	Small
Carew	Freeman	McClintic	Snell
Carter, Mass.	Godwin, N. C.	McCormick	Steele
Carter, Okla.	Graham, Pa.	McCulloch	Stephens, Nebr.
Clark, Fla.	Gray, Ala.	McLaughlin, Pa.	Stevenson
Clark, Pa.	Greene, Mass.	Maher	Stiness
Claypool	Griest	Mann	Strong
Coady	Hamill	Mapes	Sullivan
Cooper, Ohio	Hamilton, N. Y.	Mason	Taylor, Colo.
Cooper, W. Va.	Harrison, Va.	Pou	Templeton
Copley	Haskell	Powers	Tinkham
Costello	Heintz	Pratt	Van Dyke
Crisp	Helvering	Price	Vare
Curry, Cal.	Hilliard	Ragsdale	Vestal
Davidson	Hollingsworth	Riordan	Watson, Pa.
Davis	Hood	Robinson	Weaver
Dempsey	Husted	Rodenberg	Wilson, La.
Denton	Johnson, S. Dak.	Rowland	Wilson, Tex.
Dewalt	Jones, Tex.	Rucker	Winslow
Dies	Kahn	Sanford	

The SPEAKER pro tempore. Three hundred and twenty-two Members have answered to their names, a quorum.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY], who had not completed his statement.

Mr. CARAWAY. Mr. Speaker, I want merely to supplement what I said rather imperfectly. I undertook to say that this bill did not deal with labor nor labor disturbances at all. It undertook to make a penal offense where anyone willfully destroyed or undertook to destroy certain properties, if he had the intent to destroy the property to injure the Government or had reasonable information to believe that his act would interfere with the prosecution of the war. Broadly speaking, it merely gives to the Federal courts the power to punish malicious mischief; that is all. The gentleman from Illinois [Mr. CANNON] undertook to inject in it a minute ago the suggestion for an amendment which would punish conspirators and strikers. Now, the general law has a provision that punishes people who conspire to commit an act that is made a crime by statute, so therefore the only effect, if the amendment of the gentleman from Illinois should be adopted and made a part of this bill, under the language as it is now drafted, would be to prevent people from conspiring to strike because there is a law on the statute books now that would punish them for conspiring to do an unlawful act, and it will be an unlawful act if this becomes a law if they

undertake to destroy or try to destroy certain properties designated in this bill. Therefore I am inclined to believe that anyone who stops to consider will see that the suggested amendment has no standing in this particular bill.

We are not dealing with labor troubles. We are undertaking, as I said, to extend the jurisdiction of the Federal court to punish malicious mischief. In section 2, which is the first penal section, we say:

That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities as herein defined.

Now, that is the penal part of section 2, namely, where he destroys or attempts to destroy, with the intent to injure or with knowledge that the destruction may injure the United States in preparing for or carrying on the war, the things that are defined in section 1 as war utensils or war materials, and nothing else.

Section 3 makes it a crime where a workingman, dealing with war materials or with war utensils as herein defined, shall make, willfully and intentionally, these things defectively. The intent to do wrong, the intent to injure, or with the knowledge that it may injure, must always be present if there is any crime.

Now, I hope after reading it that any gentleman will see we are not dealing with the labor situation at all; not undertaking to say that men shall or shall not strike. We are not preparing a statute dealing with conspiracies, but with acts themselves; and therefore the suggested amendment of the gentleman from Illinois [Mr. CANNON] is wholly out of place in this act, and I do not think anyone who has read the bill with care and who is in sympathy with the legislation can afford to inject that question in this bill now. If Congress should deal—and I am not saying it should—with labor conditions, it ought to be in a bill prepared for that specific purpose.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CARAWAY. Yes.

Mr. JOHNSON of Washington. Would this section 3 of this bill be likely to deal with sabotage as practiced by men who are destroying material or articles, and would it deal probably with the slowing up of labor in munition plants?

Mr. CARAWAY. It would not. It must be a willful act to injure or hinder the Government in waging war. We have laws now on the books to meet the other situation.

Mr. JOHNSON of Washington. That might be sabotage.

Mr. CARAWAY. It is the workman himself who makes in a defective manner the tool he is manufacturing for the Government we here deal with, where the defect is with a willful intent to injure the Government.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Speaker and gentlemen of the House, this is a very drastic bill and one that ought to command the attention of the Members because of that fact and because of its importance. We all realize and understand that were we not at war such a bill would not be considered by Congress at all. These provisions that this bill affects, and for which it would punish, are all now taken care of by States. There are laws in every State that prohibit in effect everything that is covered by this bill. Congress with its war powers feels that it is important that this legislation should be considered and enacted. I believe, gentlemen, that it should be, and that there should not be any amendment made to this bill such as has been suggested by several gentlemen.

The gentleman from Wisconsin [Mr. STAFFORD], by an inquiry, endeavored to lead to the belief that this bill would affect labor organizations, and that it would prevent strikes and combinations of men along that line. This bill, if enacted into law, would cover anyone who violated its provisions. If a laboring man in a factory where munitions were made and assembled, and so forth, should do anything with reference to destroying or making ineffective the machinery of the war, he would be amenable to it. But to say that the mere striking or his refusal to work would be punishable by this bill if enacted into law is, in my opinion, not so. There has been some discussion in this country as to the possible necessity of enacting a law to prevent strikes without first submitting the matter to arbitration. That law, if enacted by this Congress, should, as has been suggested by my colleague on the committee, the gentleman from Arkansas [Mr. CARAWAY], be considered by a committee with due deliberation and consideration. Other countries that are engaged in this war have enacted legislation somewhat similar to the suggestion made by the gentleman from Illinois, the distinguished ex-Speaker [Mr. CANNON], and others. The munitions-of-war act of Great Britain provides that it is unlawful for anyone to take part in a lockout or in a strike in connection with any difference, and where war munitions are being made, and so forth, unless the differences have first been reported to the board of trade and 21 days have elapsed since the date of the report and the difference has not during that time been referred by the board of trade for settlement in accordance with the act. That is the law in Great Britain. That would be the proper way to take up this question regarding labor.

Mr. COX. Will the gentleman yield?

Mr. DYER. I yield to the gentleman.

Mr. COX. For information only. As I understand it, the proposed bill is a war bill, pure and simple. Now, there is a statute in force against conspiracy——

Mr. DYER. Yes.

Mr. COX. Is there any statute in force now in this country making it unlawful for men to strike?

Mr. DYER. There is none that I know of.

Mr. COX. I understood some one in the course of this discussion to say there was a statute in force making it a criminal offense to strike; and if this bill should become a law, would that law that is now on the statute books be affected?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DYER. Will the gentleman yield me one minute more?

Mr. VOLSTEAD. I yield.

Mr. REAVIS. In answer to the gentleman from Indiana [Mr. Cox], the suggestion, as I remember it, was this, that there is a statute making conspiracy to destroy property a crime.

Mr. DYER. But not to strike.

Mr. REAVIS. Or a conspiracy to violate law a crime. If this bill is enacted into law, then a conspiracy to do the acts prohibited by this act would come under it.

Mr. COX. Is that a dead letter until this becomes a law?

Mr. REAVIS. It is not, for this reason, namely, that this is not the only offense prescribed by statute.

Mr. COX. Would this be an enabling act to the law now in force?

Mr. REAVIS. There is a statute making conspiracy to destroy property an offense.

Mr. DYER. But not to strike.

Mr. REAVIS. Not to strike.

Mr. JOHNSON of Washington. But is there not always a misunderstanding where that law acts, as compared with where the State laws act, with regard to conspiracy to destroy property?

Mr. DYER. Mr. Speaker, the provisions of the munitions-of-war act, 1915, of Great Britain, to which I have referred, are as follows:

2. (1) An employer shall not declare, cause, or take part in a lockout, and a person employed shall not take part in a strike, in connection with any difference to which this part of this act applies, unless the difference has been reported to the board of trade and 21 days have elapsed since the date of the report, and the difference has not during that time been referred by the board of trade for settlement in accordance with this act.

(2) If any person acts in contravention of this section, he shall be guilty of an offense under this act.

14. (1) Any person guilty of an offense under this act—

* * * * * * *

(b) Shall, if the offense is a contravention of the provisions of this act with respect to the prevention of lockouts, be liable to a fine not exceeding £5, in respect of each man locked out, for each day or part of a day during which the contravention continues; and

(c) Shall, if the offense is a contravention of the provisions of this act with respect to the prohibition of strikes, be liable to a fine not exceeding £5 for each day or part of a day during which the contravention continues; and

* * * * * * *

19. In this act, unless the context otherwise requires—

(a) The expression "lockout" means the closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him in consequence of a dispute, done with a view to compelling those persons, or to aid another employer in compelling persons employed by him, to accept terms or conditions of or affecting employment.

(b) The expression "strike" means the cessation of work by a body of persons employed acting in combination, or a concerted refusal, or a refusal under a common understanding of any number of persons employed to continue to work for an employer in consequence of a dispute, done as a means of compelling their employer or any person or body of persons employed, or to aid other workmen in compelling their employer or any person or body of persons employed, to accept or not to accept terms or conditions of or affecting employment.

Mr. REAVIS. Now, then, if this bill is enacted into law, making the acts prohibited an offense, and people conspire to commit those acts but do not commit them, they are amenable to the conspiracy law, but not under this act.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. McLAUGHLIN].

The SPEAKER pro tempore. The gentleman from Michigan is recognized for five minutes.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, there is a law now on the statute books making a criminal offense of many of the things forbidden or prohibited in the measure we are now considering, and it occurs to me that there may be confusion if this bill also should become a law. The food-control act, as it is known, approved August 10 last, makes it unlawful to destroy any necessaries, and "necessaries" in that act are described as food, feed, fuel, including fuel oil, gas, and implements and machinery required in the production of any of these things. Those are all war materials as they are described by other words in this bill, and punishment is provided for the violation of that act. A fine not exceeding $5,000 may be imposed, or imprisonment for not more than two years, or both. There might be a conflict between that law and this one.

Mr. GARD. Mr. Speaker, will the gentleman yield in that connection?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. GARD. Such destruction is only for the purpose of enhancing prices.

Mr. McLAUGHLIN of Michigan. Not that alone. The law provides punishment for destroying "necessaries" in order to reduce the supply or enhance the price.

Now, as to the offense described in this bill, in my judgment the offense is better described in the food-control bill. This bill makes it an offense if one destroys property that he knows is "intended to be used by the United States" in its different activities in carrying on the war. Also, it is made an offense, and must be established in the trial, that one has "reason to believe" that these articles—naming them—are to be used by the Government or are useful in certain respects connected with the war.

We studied a long time, Mr. Speaker, when we were framing the food-control act to find the best words to be used in setting forth the offense connected with the waste and destruction of food and other "necessaries," and it seemed to us that the words that would best fit the situation were the words used in this statute, "in order to reduce the supply or enhance the price."

Now, the idea that we are trying to reach in this bill is to prevent the destruction of goods of one kind and another, so that the supply may not be decreased, and it seems to me that it would be easier to establish the guilt and to secure conviction if one charged with the offense of destroying property with intent to reduce the supply thereof than if he were charged and proof must be made in accordance with this bill as it is now worded. It will be difficult to establish the fact that the man charged with the crime knew that these goods were "intended for the use" of the United States or that he "had reason to believe" that they were necessary for use by the Government in carrying on the war, and so forth.

I simply call the attention of the House to the fact that there is already on the books a law, broad in its provisions, treating with much of the same matter that is treated in this bill, and that there may be confusion, and that, in my judgment, the words used in the food-control bill, some of them, are better than are the words used in the pending measure. I suggest these matters to the careful consideration of those who have this bill in charge.

I wish to call attention to another section of the food-control act—section 9 of that act. It forbids and provides punishment for conspiracies practically as follows:

That any person who conspires, combines, agrees, or arranges with any other person to limit the facilities for transporting, producing, manufacturing, supplying, storing, or dealing in any "necessaries"; to restrict the supply of any necessaries; to restrict the distribution of any necessaries; to prevent, limit, or lessen the manufacture or production of necessaries, and so forth, shall upon conviction thereof be fined not exceeding $10,000 or be imprisoned for not more than two years, and so forth.

Here is an act for the punishment of conspiracies in relation to many of the things with which the bill we are now considering deals. This portion of the bill is not necessary, and the rest of it, whatever may be necessary or proper, ought to be in better form. Many of the things described in this bill are the identical things described as "necessaries" in the food act, and it is certainly not necessary or proper to enact another law for the punishment, as this bill seeks to do, of those who would combine or conspire to destroy or prevent or interfere with the production of all these things.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired. The gentleman from Minnesota [Mr. VOLSTEAD] has seven minutes remaining, and the gentleman from North Carolina [Mr. WEBB] has five.

Mr. WEBB. Through an arrangement with Mr. WALSH, he kindly yield to me five minutes given to him by the gentleman from Minnesota.

The SPEAKER pro tempore. The gentleman has five minutes remaining, counting that. Some gentleman who was on the floor, I think the gentleman from Ohio [Mr. GARD], was permitted to go on for five minutes after the gentleman had yielded five minutes. It was deducted from the time of the gentleman from Minnesota and credited to the time of the gentleman from North Carolina. The gentleman from Minnesota has now seven minutes left, and the gentleman from North Carolina has five.

Mr. WEBB. I yield five minutes to the gentleman from Missouri [Mr. IGOE], a member of the committee.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for five minutes.

Mr. IGOE. Mr. Speaker, I am in favor of the substitute offered by the committee. There seems to be some confusion, however, in regard to the purposes of the bill. It was introduced in April a year ago at the suggestion of the Department of Justice, and passed the Senate and was reported to the House. After some discussion in the House the bill was thought to be too drastic and was again taken up by the committee, and a substitute has been reported after the Attorney General had urged the necessity of some additional legislation.

As the bill came from the Senate a year ago, almost, it provided only for the punishment of offenses as the result of the use of explosives or by fire or by violent means. As the bill is now reported, it relates to any injury willfully inflicted. The bill, as I understand it—and I am sure that that is the purpose of the bill—is to make a Federal offense of what is now a State offense in the States for willful and malicious destruction of property.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. IGOE. Yes.

Mr. KEARNS. What law of any State does the gentleman recall at this time that would include the offenses enumerated in section 3 of the bill as to making defective ammunition and the like? Where is there any State law providing against that?

Mr. IGOE. I speak of section 2. I do not know of any State law that relates to the provisions of section 3.

Mr. KEARNS. I am not objecting. I think the law ought to pass.

Mr. IGOE. Mr. Speaker, I hope that the Members of the House will not inject into this bill the labor question. It has no place in this bill. It was not considered by the committee. There is no question in this country or any of the nations that are at war more far-reaching and important than that very question, and it is not proper and it is not statesmanlike to propose a bill or an amendment, in a few minutes without proper consideration, affecting that very important and far-reaching question.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. IGOE. I do.

Mr. COX. Has the gentleman any bill before his committee that would deal with this labor problem?

Mr. IGOE. No. The gentleman's committee, so far as I know, has not suggested a bill. But I do know this, that the President of the United States and the Cabinet have been dealing with that question and considering it almost from the day this war began.

Mr. COX. I know; but they deal with it one day and apparently settle it to-day, and it breaks out again to-morrow worse than ever. Can we not get some law that would take hold of that bunch of men?

Mr. IGOE. The trouble is that the gentleman is trying to settle in two minutes on this floor by devising an amendment a question that the President and all the nations at war have not been able to settle thus far.

Mr. COX. Something ought to be done.

Mr. IGOE. The gentleman is trying to make an amendment to prevent men from going on a strike. If his amendment were adopted, it would be an offense to say that the farmers shall not plant wheat because they can get more for corn.

Mr. COX. Ought it not to be?

Mr. IGOE. That would be diminishing the supply. I am not prepared to say what we will be called upon to do, but I do say that whatever we do ought to be done only after mature and careful consideration and consultation with the people affected by the legislation. [Applause.]

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. IGOE. I do.

Mr. CANNON. Would the gentleman think it wise to provide that the boys in the Army might conspire?

Mr. IGOE. That has been provided against by the rules of war which have been in force for hundreds of years, and everybody knows that.

Mr. COX. If the boys in the Army conspired they would be court-martialed and shot.

Mr. CANNON. Will the gentleman permit another question?

Mr. IGOE. Yes.

Mr. CANNON. Is it not more important, or equally important, that the boys shall be clothed and fed and armed? [Applause.]

Mr. IGOE. I agree with that, and we are all for doing that, but I venture to say that if you undertake to put a brand upon every laboring man and every farmer in the United States, without giving him a chance to be heard, without consulting with him, you are going to run up against a condition that in the end will be worse than the condition that the gentleman sees now.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield for a question?

Mr. IGOE. I do.

Mr. McLAUGHLIN of Michigan. There is a law on the books now, passed last August, against conspiracies, combinations, and agreements or arrangements, and that law includes farming—a law against the destruction of foodstuffs or any of the necessaries of life.

Mr. IGOE. Can not an individual farmer now say, "I am not satisfied with the price of wheat and I will grow corn," and if he chooses to do so can you now prevent it?

Mr. McLAUGHLIN of Michigan. An individual farmer can not make a conspiracy, but two farmers together can make a conspiracy.

Mr. IGOE. These gentlemen are not trying to reach conspiracies. They would reach the individual, because, under the bill it is provided that no individual may do certain things. There is a law now, as the gentleman knows, against conspiracy, under which if men combine to do things which are denounced in this act they may be punished as for a conspiracy. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. WEBB. Mr. Speaker, I hope very much that the House will not adopt this amendment offered by my distinguished friend from Illinois, if he means to include strikes. It is certainly too short a time in which to handle such a stupendous and important question. Whatever our personal feeling may be about the man who strikes, it is a very dangerous thing to legislate upon that with as little consideration as we are able to give it here. Besides that, the amendment that the gentleman offers does not cover the ground which he wants to cover. He wants to insert after the word "injury," in line 8, page 3, the words "by conspiracy or otherwise." That would mean that if anybody through a conspiracy injures or destroys Government property he will be guilty of a crime under the act. That adds nothing at all to the bill and is absolutely useless and unnecessary.

The SPEAKER. The time of the gentleman has expired.

Mr. WEBB. I understood I had five minutes from the gentleman from Minnesota.

The SPEAKER. It was all used up by the gentleman from Missouri.

Mr. VOLSTEAD. I have two minutes, and I yield those two minutes to the gentleman.

Mr. CANNON. I ask unanimous consent that the time may be extended five minutes, to go to the gentleman from North Carolina [Mr. WEBB].

The SPEAKER. The gentleman from Illinois asks unanimous consent that the time be extended five minutes, to go to the gentleman from North Carolina [Mr. WEBB]. Is there objection?

There was no objection.

Mr. WEBB. Let me finish this statement, Mr. Speaker.

Mr. CANNON. Now, will the gentleman yield to me?

Mr. WEBB. When I finish this statement.

Mr. CANNON. I wanted to give the gentleman the amendment that I propose to offer.

Mr. WEBB. Let me finish my statement about the amendment.

Mr. CANNON. I have not offered any amendment yet.

Mr. WEBB. I yield to the gentleman, of course.

Mr. CANNON. If the gentleman will take the House substitute and turn to page 3, line 15, I propose, after the word "defined" to insert:

or shall conspire to prevent the erection or production of such war premises, war material, or war utilities.

Mr. WEBB. Mr. Speaker, I do not think that amendment is germane. We are dealing above, in that same section, with persons who with intent to delay the progress of the war injure or destroy something. I do not think the amendment is germane.

The SPEAKER. The Chair will decide that when he gets to it.

Mr. WEBB. Now, the gentleman offers an amendment making it an additional crime to conspire—not to prevent an overt act but just simply to conspire to do something without denouncing the act. It does not require that a man shall do something, but just a mere conspiracy behind closed doors would make it a crime under this statute.

Mr. REAVIS. Will the gentleman yield?

Mr. WEBB. I yield to my friend from Nebraska; yes.

Mr. REAVIS. It is existing law now that a conspiracy to offend against the law of the United States is an offense. If this bill is enacted and becomes a law, will not a conspiracy to perform the act prohibited by this bill be punishable under the conspiracy act?

Mr. WEBB. I will say to my friend, as I said a while ago, that section 37 of the criminal code provides that if two or more persons conspire to commit any offense against the United States, and so forth, he is guilty of a crime. So if this bill is passed as we recommend in the substitute, then a conspiracy to commit any of the offenses denounced in the bill will be a crime. I know what my friend wants, but it is rather difficult to accomplish unless you simply pass a bill absolutely forbidding laboring men to strike; but that is too big and broad a question at present to handle in this summary way. I am afraid the adoption of the gentleman's amendment would probably delay the passage of the bill, which we do think is so important at this time.

Mr. VOLSTEAD. I yield two minutes to the gentleman from North Carolina [Mr. WEBB].

Mr. WEBB. I understood a moment ago that the gentleman from Minnesota had agreed to yield to me the remainder of his time.

Mr. VOLSTEAD. That is it—two minutes.

Mr. WEBB. I do not care for that, Mr. Speaker, and I ask for a vote.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk began the reading of the bill.

The SPEAKER. Is there any amendment pending?

Mr. WEBB. The committee substitute for the House bill, and no other.

Mr. COX. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. COX. Will amendments be offered to the committee substitute or to the Senate bill?

Mr. STAFFORD. I suggest that the committee substitute for the Senate bill be read.

The SPEAKER. The Clerk will report the substitute.

The Clerk read as follows:

A bill to punish the willful injury or destruction of war material or of war premises or utilities used in connection with war material, and for other purposes.

Be it enacted, etc., That the words "war material," as used herein, shall include arms, armament, ammunition, clothing, food, supplies, stores, and all other articles of whatever description intended to be used by the United States, or any associate nation, in connection with the conduct of the war.

The words "war premises," as used herein, shall include all buildings, grounds, mines, or other places wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other military or naval stations of the United States or any associate nation.

The words "war utilities," as used herein, shall include all railroads, railways, electric lines, roads of whatever description, railroad or railway fixture, canal, lock, dam, wharf, pier, dock, bridge, building, structure, engine, machine, mechanical contrivance, car, vehicle, boat, or aircraft, or any other means of transportation whatsoever, whereon or whereby such war material or any troops of the United States, or of any associate nation, are being or about to be transported, either within the limits of the United States or upon the high seas; and all dams, reservoirs, aqueducts, water and gas mains and pipes, structures, and buildings whereby or in connection with which water or gas is being furnished to the military or naval forces of the United States or any associate nation, and all electric light and power, steam or pneumatic power, telephone and telegraph plants, poles, wires, and fixtures, and wireless stations, and the buildings connected with the maintenance and operation thereof used to supply water, light, heat, power, or facilities of communication to the military or naval forces of the United States or any associate nation.

The words "United States" shall include the Canal Zone and all territory and waters, continental and insular, subject to the jurisdiction of the United States.

The words "associate nation," as used in this act, shall be deemed to mean any nation at war with any nation with which the United States is at war.

SEC. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 30 years, or both.

SEC. 3. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully make or cause to be made in a defective manner, or attempt to make or cause to be made in a defective manner, any war material, as herein defined, or any tool, implement, machine, utensil, or receptacle used or employed in making, producing, manufacturing, or repairing any such war material, as herein defined, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 30 years, or both.

Mr. WEBB. Mr. Speaker, before moving the previous question I desire to yield ample time to gentlemen who have amendments to offer to discuss them.

Mr. COX. I have an amendment to offer.

Mr. CANNON. Mr. Speaker, I offer the following amendment.

Mr. WEBB. Mr. Speaker, I would like to get an agreement. I desire to yield five minutes to the gentleman from Illinois [Mr. CANNON] and five minutes to the gentleman from Indiana [Mr. Cox].

The SPEAKER. The trouble is that the gentleman has no time to yield.

Mr. WEBB. I can move the previous question, but I do not want to do so until gentlemen discuss their amendments.

The SPEAKER. Has the gentleman from North Carolina any proposition to make?

Mr. WEBB. I ask unanimous consent that each amendment offered shall be debated five minutes, and after that time the previous question on the substitute and bill shall be considered as ordered.

Mr. JOHNSON of Washington. Reserving the right to object, does the gentleman mean five minutes, pro and con?

Mr. WEBB. Yes.

Mr. CANNON. I think the gentleman had better postpone that temporarily; it may be that we will want a little more time.

Mr. WEBB. I would have no objection to that if I could get an understanding as to time. I want to state that once I got caught in this condition. I had a bill to which there was no objection, and a Member got the floor and talked an hour.

The SPEAKER. Any Member who gets the floor under the general rules of the House has a right to take an hour if he wants it. If the gentleman asks to proceed under the five-minute rule as it is conducted in Committee of the Whole, the Chair will put that request.

Mr. WEBB. I think that is fair. I ask unanimous consent that on each amendment there may be five minutes for the proponents and five minutes in opposition.

Mr. CANNON. There may be amendments to an amendment. But, Mr. Speaker, I believe that the committee will be liberal in this matter.

Mr. WEBB. I will say that I will. Mr. Speaker, I ask unanimous consent to consider the bill under the five-minute rule.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to consider amendments to this bill under the five-minute rule as used in Committee of the Whole House on the state of the Union. Is there objection?

Mr. GRAHAM of Illinois. Reserving the right to object, does that include pro forma amendments?

Mr. WEBB. It includes anything germane or appropriate under the five-minute rule of the House.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. CANNON].

The Clerk read as follows:

Page 2, line 15, after the word "defined," insert "or shall conspire to prevent the erection or production of such war premises, war materials, or war utilities."

Mr. CANNON. Mr. Speaker, I hoped that the gentleman from North Carolina would accept the amendment. Does it add anything to the law? Some gentlemen have said that it does not add anything to it. If so, it can do no hurt.

Mr. WEBB. I make the statement, if the gentleman will permit, that his amendment punishes conspiracy without any overt act. The gentleman has not made the matter he speaks of in his amendment—that is, the prevention of the erection or production, and so forth—a crime. He undertakes to punish a man who conspires, simply, without punishing the completed act.

Mr. CANNON. Let me read it as it would read if the amendment was adopted.

Section 2 would read as follows:

SEC. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy, any war material, war premises, or war utilities, as herein defined, or shall conspire to prevent the erection or production of such war premises, war materials, or war utilities, shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 30 years, or both.

Now, I fancy that it would amount to something if the amendment went in there. I believe it ought to go in. What is the use of shying? I ask it in all good faith. This is a war measure and not a peace measure. If the Industrial Workers of the World or any other set of people—if the farmers, if the producers, or anybody that produces anything that is necessary to carry on this war—conspires, in the language of this section and of this substitute, then they are guilty of a crime.

You may say that it is crude, that it has no place here. Well, for everything a place, for all times a season. The fact that the war is on, and especially this war, makes this amendment apt. Does any Member who listens to me want to say that we have sent these soldiers abroad and yet that men can conspire to keep them from getting food, to prevent the construction of ships to carry the food, or of convoys to transport them when they cross, and all along the line—that the coal that is necessary, the iron that is necessary, the munitions that are necessary shall not go? If so, I am not in harmony with him, and I am here to say if anybody wants to criticize me for holding these opinions, by political threat or otherwise, and no one on the floor of the House desires to make a political threat, I would rather take the criticism and die than not to attempt to put the law on the statute books. [Applause.]

Mr. WEBB. Mr. Speaker, I say again that I do not think that this is the way to reach this tremendous subject.

Mr. KEATING. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Colorado makes the point of order that there is no quorum present. Evidently there is not.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anthony	Estopinal	Kitchin	Sanford
Austin	Evans	Kraus	Saunders, Va.
Blackmon	Fairchild, B. L.	Kreider	Schall
Brand	Fairchild, G. W.	LaGuardia	Scott, Pa.
Brumbaugh	Flood	Lehlbach	Scully
Caldwell	Focht	Lenroot	Sells
Campbell, Pa.	Godwin, N. C.	Linthicum	Shallenberger
Cantrill	Good	Lobeck	Sherley
Capstick	Goodall	Longworth	Sisson
Carew	Green, Iowa	Lufkin	Slemp
Carlin	Greene, Mass.	McClintic	Small
Carter, Mass.	Griest	McCormick	Snell
Church	Hamill	McLaughlin, Pa.	Steele
Clark, Fla.	Hamilton, N. Y.	Maher	Stephens, Nebr.
Clark, Pa.	Harrison, Miss.	Mann	Sterling, Ill.
Coady	Harrison, Va.	Mapes	Stevenson
Cooper, Ohio	Haskell	Martin	Stiness
Cooper, W. Va.	Haugen	Mason	Strong
Copley	Hawley	Mondell	Sullivan
Costello	Hayes	Montague	Templeton
Crisp	Heintz	Moore, Pa.	Tinkham
Curry, Cal.	Hilliard	Mott	Treadway
Davis	Hollingsworth	Mudd	Van Dyke
Dempsey	Hood	O'Shaunessy	Vare
Dewalt	Howard	Parker, N. Y.	Walker
Dickinson	Hull, Tenn.	Pou	Watson, Va.
Dies	Husted	Pratt	Weaver
Dixon	Johnson, S. Dak.	Purnell	Williams
Dooling	Jones, Tex.	Ragsdale	Wilson, La.
Doremus	Jones, Va.	Rainey	Winslow
Dowell	Kahn	Rayburn	Wise
Drukker	Kehoe	Riordan	Wood, Ind.
Dunn	Kelley, Mich.	Robinson	
Dupré	Kennedy, R. I.	Rucker	
Eagle	Kettner	Sanders, Ind.	

The SPEAKER. On this call 291 Members, a quorum, answered to their names.

Mr. WEBB. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. CALDWELL, for one week, on account of important business;

To Mr. JONES of Texas, for one week, on account of illness;

To Mr. BRAND, for the day, on account of sickness;

To Mr. COOPER of Ohio, for a few days, on account of sickness in family; and

To Mr. KEHOE, until 4 o'clock p. m. to-day, on account of official business.

INJURY TO WAR MATERIAL.

Mr. WEBB. Mr. Speaker, the amendment of the gentleman from Illinois [Mr. CANNON] introduces a brand-new offense into the bill. We propose in the bill to punish any person who intends to interfere with the war, and with that intent destroys or injures some war utility or premise. The gentleman from Illinois provides a brand-new offense and says whoever shall conspire to prevent the erection or production of such war premises, and so forth, shall be punished. We have said nothing about the production or erection of war premises in the definition of war utilities, war premises, and so forth, so his amendment is entirely new. If the House desires to put a new offense into the bill, of course it can do so, and I have no objection; but in doing so it seems to me it would desire to require the same of the man who commits this offense as we do of the man who commits the other offenses set out in the bill. We propose that the man should intend to injure or delay the prosecution of the war, or that he had reasonable ground to know that his act would do that. Mr. Speaker, it seems to me that if the House desires to add this new offense, it ought to add the words "Whoever with intent to interfere with or obstruct the United States or any associate nation in preparing for and carrying on the war shall conspire to prevent the erection or production," and so forth, so as to make it harmonize with the preceding definitions of offenses. Otherwise you have two plans of finding men guilty. With one class, where a man blows up some war utility you have to prove that he had intent to injure or interfere with the prosecution of the war; but with another class, where two men sit down and talk about their refusal to build a telegraph line or an aqueduct or a sewer, while they may not be guilty of any overt act at all, if you prove they simply conspired together, without any intent to injure the war at all, you make them guilty of crime.

Mr. HUMPHREYS. Will the gentleman yield?

Mr. WEBB. Therefore, unless the gentleman's amendment is amended to correspond to the rest of the bill, I do not think the house ought to adopt it, in view of the requirements as to the other offenses in the bill.

Mr. HUMPHREYS. Will the gentleman yield?

Mr. WEBB. I do.

Mr. HUMPHREYS. If the amendment offered by the gentleman from Illinois is amended by the insertion of the words "with such intent," would the gentleman from North Carolina object to it then?

Mr. WEBB. You could not use the words "with such intent."

Mr. HUMPHREYS. Why not?

Mr. WEBB. You can meet it by adding the language I have just read.

Mr. HUMPHREYS. Why would not the words "with such intent" cover the proposition?

Mr. WEBB. If you put after the word "defined"——

Mr. HUMPHREYS. Personally, I do not agree with the gentleman's construction. I think the language of the gentleman from Illinois now includes all that goes before it, but certainly it would if you said, "with such intent." Would the gentleman object to it then?

Mr. WEBB. I have no objection, but if you put in the language "whoever, with intent to injure, interferes with, or obstructs the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent the erection or production of such war premises or war materials or war utilities," then, you have something in keeping with the rest of the bill.

Mr. HUMPHREYS. Has the gentleman any objection?

Mr. WEBB. I do not see any objection, but I do not see much use of it, because we have a general conspiracy statute now.

Mr. CANNON. If the gentleman will permit, if I understood the gentleman aright, he wants to do just what I want to do. Now, I will tell you the people I want to catch. Take the I. W. W.——

Mr. WEBB. I want to catch those, too; of course we all do; in fact, everybody who is trying to delay or obstruct the prosecution of the war.

Mr. CANNON. Take a thousand of them in the shipyards or in the forests and they go to work and conspire and arm. They do not commit any act. Have we got to wait until they kill and destroy and burn or commit any of these acts? I have no objection, if I understand the modification, to the amendment as amended, but I think it means that now.

Mr. KEATING. Will the gentleman yield for a question?

Mr. WEBB. I will.

Mr. KEATING. When the gentleman introduced this bill was it his intention, or was it the intention of his committee, to prevent a man from striking?

Mr. WEBB. I will answer that question in the negative; it was not. We have eminent and patriotic men, representing the Government at the request of the President, looking after all strikes or threatened strikes.

Mr. KEATING. Is not the object of the amendment offered by the gentleman from Illinois to prevent strikes? Is not that the real object of the proposition?

Mr. WEBB. His language does not do so.

Mr. KEATING. Is not that what he seeks to accomplish?

Mr. WEBB. I do not know what is in his mind, but I know what his language is. He now proposes to say, if he adopts my suggestion that whoever shall conspire to prevent the erection or production of such war premises or war materials or utilities with intent to hinder, delay, or to injure the prosecution of the war shall be guilty of an offense. That would not apply to strikers any more than anybody else.

The SPEAKER. The time of the gentleman has expired.

Mr. CANNON. Mr. Speaker, I ask that the time be extended for five minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from North Carolina have five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. WALSH. I want to ask the gentleman from Colorado a question in the time of the gentleman from North Carolina.

The SPEAKER. Does the gentleman from North Carolina yield to the gentleman from Massachusetts to interrogate the gentleman from Colorado?

Mr. WEBB. I yield.

Mr. WALSH. Does the gentleman from Colorado believe, if it is going to interfere with our winning the war, that people ought to have the right to strike?

Mr. KEATING. If the gentleman from North Carolina will permit me to answer the interrogation of the gentleman from Massachusetts——

Mr. WEBB. I will.

Mr. KEATING (continuing). I will state my position. I do not believe that the interests of this country can be advanced by putting into law the thought that the gentleman from Illinois [Mr. CANNON] expressed on the floor to-day, which is that this bill should be so amended as to prevent workmen from combining for the purpose of quitting work. Our labor problems, I will say to the gentleman from Massachusetts, are being very ably handled by the executive branch of this Government——

Mr. CANNON. Will the gentleman yield——

Mr. KEATING (continuing). And I prefer to permit Woodrow Wilson, the President of the United States, to continue to work out the various phases of this issue in the way that he has decided to be the best way, rather than toss this apple of discord, of which the gentleman from Illinois [Mr. CANNON] is the creator, into the industrial problems of this country.

Mr. CANNON. Will the gentleman yield?

Mr. KEATING. I am opposed to conscripting labor because our experience has shown it is unnecessary. In my judgment, it would be a monumental blunder.

Mr. CANNON. Will the gentleman yield?

The SPEAKER. Does the gentleman from North Carolina yield?

Mr. WEBB. I yield to the gentleman.

Mr. CANNON. So far as I know and believe, in recent days Mr. Gompers is doing what he can to control a great body of men, so far as a man can by influence control them. There is a great body of men that he does not control.

Mr. KEATING. Oh, but the trouble with the gentleman from Illinois is that when he talks in this House about controling the Industrial Workers of the World he is merely indulging in camouflage. His idea is to control all classes of labor in this country—those who would not think of joining the Workers of the World—and deprive them of essential rights. This bill does not apply to the Industrial Workers of the World, and the gentleman's amendment is not confined to that obnoxious organization.

Mr. CANNON. I would control everybody in the United States that does anything by conspiracy to disable us from supporting the boys in the trenches. [Applause.]

Mr. WEBB. Mr. Speaker, I hope that we can agree on this amendment by adding the words which have been suggested.

Mr. CANNON. If I can get the gentleman to just sit down and fix the amendment.

Mr. WEBB. I can suggest the amendment if the Clerk can get it.

Mr. CANNON. The amendment to the amendment?

Mr. WEBB. Yes.

The SPEAKER. What is it the gentleman from North Carolina suggests?

Mr. WEBB. I want to add the following words before that amendment which has been offered by the gentleman from Illinois [Mr. CANNON].

The SPEAKER. Is the gentleman offering an amendment to the amendment?

Mr. WEBB. Yes, sir.

The SPEAKER. The gentleman will send it to the Clerk.

Mr. WEBB. I want to suggest this, Mr. Speaker:

or whoever with intent to obstruct the United States or any associate nation in preparing for or carrying on the war——

The SPEAKER. Where does that come in?

Mr. WEBB. Immediately after the word "defined," in line 15, and just ahead of the amendment of the gentleman from Illinois [Mr. CANNON].

The SPEAKER. It is an amendment to his amendment then?

Mr. WEBB. Yes, sir.

Mr. GRAHAM of Pennsylvania. Will the gentleman from North Carolina permit me to make a suggestion?

Mr. WEBB. Of course.

Mr. GRAHAM of Pennsylvania. Your amendment ought to come in after the word "or" in the amendment offered by the gentleman from Illinois.

Mr. WEBB. Yes. And then the language:

or whoever with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent—

And so forth.

Mr. CANNON. I accept the amendment.

Mr. WEBB. I hope we can get out of it in that way.

The SPEAKER. Now, the Clerk will read these two amendments together, each a part of the same thing, and see how they will read, the Webb amendment and the Cannon amendment hitched together.

The Clerk read as follows:

or whoever with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent the erection or production of such war premises, war material or war utility.

Mr. CANNON. I am satisfied with that amendment.

The SPEAKER. Now, the whole business will be voted on at once, then.

Mr. CANNON. I accept the amendment if there is no objection.

Mr. KEATING. Mr. Speaker, may I ask the gentleman from North Carolina a question?

Mr. WEBB. Yes.

Mr. KEATING. Before the House votes on this proposition I think we should have from the gentleman from North Carolina his idea of what this amendment accomplishes. It is just possible that personally I may fully agree with the gentleman. I will say that if the amendment carries out the thought that I think is in the mind of the gentleman from Illinois [Mr. CANNON] I would not agree to it.

Mr. CANNON. My mind is mine, and the language speaks for itself.

Mr. KEATING. What is it the gentleman from North Carolina believes the amendment would accomplish?

Mr. WEBB. It means this, that wherever two or more persons conspire or agree together not to construct or manufacture any war materials and that conspiracy is formed for the purpose of injuring and delaying or interfering with the carrying on of the war, those persons shall be deemed guilty of a crime.

Mr. BUTLER. If the purpose is to injure or interfere with our preparation for the war.

Mr. WEBB. I have just stated that.

The SPEAKER. The vote when it is taken will be taken on the combined Cannon and Webb amendments, they being considered as one. Debate on this amendment is exhausted.

Mr. NOLAN. Mr. Speaker, I move to strike out the last word.

The Committee on the Judiciary, when they gave consideration to this measure, which I understand was drafted by the Department of Justice, had in mind the punishment of anybody who would willfully injure or destroy war material, or war premises, or utilities used in connection with war material, or other purposes. Now, you are called upon here to vote upon an amendment that a great many of us are not clear upon. I do not know as the gentleman from North Carolina [Mr. WEBB], the chairman of the Judiciary Committee, is entirely clear in his mind as to what his amendment would accomplish if adopted.

I have in my mind pretty clearly what the gentleman from Illinois [Mr. CANNON] intends to accomplish. I think he has frankly stated his position to the House. I think, however, if you adopt the amendment as proposed by the gentleman from Illinois and amended by the chairman of the committee, that you will do more to disarrange the plan that the Government of the United States has had in mind regarding coordination and cooperation of labor in the production of war materials, both for our own armies and the armies of our allies, than anything that can possibly be done.

You are going to hold over the head of men and women engaged in the production—that is, on private contracts for the Government of the United States—the threat of punishment by penal statute, providing they get together for the purpose of improving their condition.

SEVERAL MEMBERS. Oh, no!

Mr. NOLAN. Oh, yes! It is conspiracy if they get together for the purpose of improving their conditions and striking to improve those conditions. There is no question about that.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. NOLAN. No; I have only five minutes.

Mr. WALSH. The gentleman is in error.

Mr. NOLAN. No; I am not in error. I think I know what the gentleman from Illinois [Mr. CANNON] proposes to accomplish, and he has frankly stated it.

Now, you have in the District of Columbia, in this city, meeting to-day, five representatives of employers and five representatives of organized labor, with Mr. Taft representing the employers and Mr. Frank P. Walsh representing labor. They were gotten together here for the purpose of formulating a plan whereby strikes will be discontinued during the war, so that the workers will produce munitions and materials to supply our armies in the field without cessation of work. They have gotten together to formulate some plan, and I think they will succeed. You have got a wage-adjustment board connected with the Emergency Fleet Corporation that settled the strike question on the Pacific coast. They have recently rendered a decision along the Delaware River that affects fifty or sixty thousand men. They are going to New York next week, and the week after they will be on the North Atlantic coast, and the week after that they will be on the South Atlantic coast. When they hand down their decisions I am satisfied you will not have any trouble in the shipyards of the country.

I am satisfied that if you permit the Government of the United States to work out this labor problem you will have no trouble in war industries. But if you want to stir this thing up, if you want to hold over organized labor in this country the threat of jail simply because they might strike to better their conditions while working for a private employer who has got a Government contract, whether it be at Hog Island or at some other place, no matter what conditions the employer may impose on labor, I think you will disarrange the whole program. I think if this Congress, or some committee of Congress, wants to settle this question, they ought to do it in committee; they ought to allow those who have given time and attention to the subject an opportunity to come before the committee and have a free and frank discussion of the whole subject.

Let us find out what the Government itself proposes. Let the men who are handling the labor problem for the Government handle this question, tell us what legislation is needed, and then it is time for Congress to act. But here you are asked, with 10 or 15 minutes' discussion, to adopt an amendment offered by the gentleman from Illinois [Mr. CANNON], supplemented by another amendment by the chairman of the Committee on the Judiciary, that if adopted will seriously disarrange your entire labor program during the war. [Cries of "Vote!" "Vote!"]

The SPEAKER. The pro forma amendment is withdrawn.

Mr. LONDON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-one Members are present, a quorum. [Cries of "Vote!" "Vote!"]

Mr. MORGAN rose.

The SPEAKER. For what purpose does the gentleman from Oklahoma rise?

Mr. MORGAN. I rise to move to strike out the last word.

The SPEAKER. The gentleman from Oklahoma moves to strike out the last word.

Mr. MORGAN. Mr. Speaker, I was somewhat surprised at the chairman of the Committee on the Judiciary, who has this bill in charge, who seemed to agree to this amendment as modified.

Mr. WEBB. I did not agree to it. The gentleman from Illinois [Mr. CANNON] accepted it. I said I had no objection if he would accept it. It harmonizes with the rest of the bill.

Mr. MORGAN. Then, I will modify my statement and say I was somewhat surprised that he should agree to the modification. In other words, I think this House has the impression

now that this amendment as modified meets with the approval of the Committee on the Judiciary. That is my impression.

Now, I will say that I recognize the chairman's right to do that, generally, speaking, but I think where an amendment is offered to an important bill like this, covering an entirely new field, that brings in questions that were not involved in the original bill, which broadens the scope of the original bill, that it is not usual for the chairman of the committee, without much discussion, to virtually concede such an amendment.

Now, I am opposed to this amendment. In the first place, if we are to make a new law, a new criminal statute, which affects the right of labor to strike, we should consider it very carefully, very thoroughly, and very patriotically.

Mr. COX. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Oklahoma yield to the gentleman from Indiana?

Mr. MORGAN. Yes.

Mr. COX. Does the gentleman believe that organized labor or any other body of men or women in this country should be given the right to strike and destroy the instruments of production and munition plants? [Applause.]

Mr. MORGAN. I believe that labor has the right to strike. [Applause.] I believe that at present labor, as a rule, is as loyal to the Government as capital. I believe that it is unwise to enact the legislation included in this amendment at this time.

It may be wise for the House here, with very little discussion, with practically no consideration, to authorize the courts of this land to indict every man who enters into a strike during the war; but I do not believe that that is wise. I have never posed as the champion of organized labor. There are others in this House more entitled to that position than I. But, at the same time, I do not think it is necessary for the Congress of the United States at this time to authorize the courts of the United States to prosecute every man connected with organized labor who strikes. [Applause.]

We can not win this war without the sympathy and support of the laboring men of this country. By this I mean all the men in our mills, factories, manufacturing plants, in the operation of our railways, on our farms, and in all our industrial establishments. These men are performing the labor necessary to clothe, feed, equip, arm, and maintain the soldiers and sailors of the Army and Navy.

Not only this, perhaps 90 per cent of our soldiers and sailors go from the homes of the laboring classes of the country. Certainly we ought not to question the loyalty and patriotism of these men by hastily adopting an amendment which might be used to intimidate or prosecute and possibly to convict men who may have a just cause to strike even in war times. I have no sympathy with any man, whoever he may be or whatever may be his calling or occupation, who interferes with the American people in the prosecution of the war. I am willing to vote for any legislation that will mete out proper punishment for such men. But I am not willing to vote for a "conspiracy" provision which might be construed to interfere with the just rights of labor now so universally recognized. As a member of the Judiciary Committee, I have supported every measure designed to strengthen the arm of the Government in the great struggle in which we are engaged. As a Representative, I am anxious to contribute in every way possible to aid our brave soldiers and sailors to win the war. I desire to lighten their burdens, to lessen their sacrifices, and to relieve them of every danger and hardship possible. But I do not believe a conspiracy statute, applicable to labor generally, without proper safeguards thrown around it, will aid our Army or our Navy or contribute to our national strength in this hour of peril and danger.

Mr. WEBB. Mr. Speaker, I move that all debate on this amendment be now closed.

The SPEAKER. The gentleman moves that all debate on this amendment be now closed.

The motion was agreed to.

The SPEAKER. The pro forma amendment of the gentleman from Oklahoma [Mr. MORGAN] is withdrawn. The question is on the joint amendment of the gentleman from Illinois [Mr. CANNON] and the gentleman from North Carolina [Mr. WEBB].

The question being taken, on a division (demanded by Mr. NOLAN) there were—ayes 112, noes 45.

Mr. NOLAN and Mr. KEATING made the point of order that there was no quorum present.

Mr. CANNON. Mr. Speaker, the Chair just counted. I think that point of order is dilatory.

The SPEAKER. The Chair thinks not. The point of order is made that there is no quorum present. The Chair will count. [After counting.] Two hundred and three Members present, not a quorum. On the rising vote the ayes were 112, the noes were 45——

Mr. BLAND. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLAND. When can we demand and obtain a roll call?

The SPEAKER. The gentleman will get it in about half a minute. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

Mr. WINGO. May we have the amendment reported, Mr. Speaker? Let me suggest that as the section is short, the entire section be read as it would be if this amendment were adopted.

The SPEAKER. Without objection, the Clerk will report the entire section, with the amendment.

The Clerk read as follows:

SEC. 2. That when the United States is at war, whoever, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, or whoever, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall willfully injure or destroy, or shall attempt to so injure or destroy any war material, war premises, or war utilities as herein defined, or whoever with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war, shall conspire to prevent the erection or production of such war premises, war material, or war utilities, shall, upon conviction thereof, be fined not more than $10,000 or imprisonment not more than 30 years, or both.

Mr. JOHNSON of Washington. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Washington. As I understood the amendment, it used the word "obstruct"; as the section was just read I understood that the words used were "interfere with."

Mr. CANNON. The word "interfere" is in the text as it was reported, if the gentleman will look at the top of section 2.

Mr. JOHNSON of Washington. All right.

The SPEAKER. The question is on agreeing to the amendment. The Clerk will call the roll.

The question was taken; and there were—yeas 257, nays 59, not voting 112, as follows:

YEAS—257.

Alexander	Farr	Kennedy, Iowa	Randall
Almon	Ferris	Kiess, Pa.	Reavis
Anderson	Fess	Kincheloe	Rodenberg
Ashbrook	Fields	Kinkaid	Rogers
Aswell	Fisher	Kitchin	Romjue
Bacharach	Focht	La Follette	Rose
Barkley	Fordney	Larsen	Rouse
Barnhart	Foss	Lea, Cal.	Rowland
Beakes	Foster	Lee, Ga.	Ruby
Beshlin	Francis	Lesher	Rucker
Black	Frear	Lever	Russell
Blanton	Freeman	Little	Sabath
Booher	French	Littlepage	Sanders, Ind.
Borland	Fuller, Ill.	Lobeck	Sanders, La.
Bowers	Fuller, Mass.	Lonergan	Sanders, N. Y.
Brodbeck	Gandy	Longworth	Saunders, Va.
Browning	Gard	Lufkin	Scott, Iowa
Brumbaugh	Garner	McAndrews	Scott, Mich.
Buchanan	Garrett, Tenn.	McArthur	Sells
Burnett	Garrett, Tex.	McFadden	Shackleford
Burroughs	Gillett	McKenzie	Shallenberger
Butler	Glass	McKinley	Sherley
Byrns, Tenn.	Glynn	McLaughlin, Mich.	Shouse
Campbell, Kans.	Goodwin, Ark.	Madden	Sinnott
Candler, Miss.	Gould	Magee	Sisson
Cannon	Graham, Ill.	Mansfield	Slayden
Cantrill	Graham, Pa.	Martin	Sloan
Caraway	Gray, Ala.	Mays	Smith, Idaho
Carlin	Gray, N. J.	Merritt	Smith, Mich.
Carter, Okla.	Green, Iowa	Miller, Minn.	Snook
Chandler, N. Y.	Greene, Vt.	Miller, Wash.	Snyder
Church	Gregg	Moon	Steagall
Clark, Fla.	Griest	Moores, Ind.	Stedman
Claypool	Hadley	Neely	Steenerson
Collier	Hamilton, Mich.	Nicholls, S. C.	Stephens, Miss.
Connally, Tex.	Hamlin	Nichols, Minn.	Sterling, Ill.
Connelly, Kans.	Hardy	Norton	Stevenson
Cox	Harrison, Miss.	Oldfield	Sumners
Crago	Harrison, Va.	Oliver, Ala.	Sweet
Cramton	Hastings	Olney	Swift
Crosser	Haugen	Osborne	Switzer
Currie, Mich.	Hawley	O'Shaunessy	Talbott
Dale, N. Y.	Heaton	Overstreet	Taylor, Ark.
Dale, Vt.	Heflin	Padgett	Temple
Dallinger	Helm	Paige	Tillman
Darrow	Helvering	Park	Tilson
Davidson	Hensley	Parker, N. J.	Timberlake
Decker	Hersey	Parker, N. Y.	Towner
Dickinson	Hicks	Peters	Treadway
Dill	Holland	Platt	Venable
Dixon	Houston	Polk	Vestal
Doolittle	Hull, Tenn.	Powers	Vinson
Doughton	Humphreys	Pratt	Volstead
Drane	Hutchinson	Price	Waldow
Dyer	Jacoway	Purnell	Walker
Eagan	Johnson, Ky.	Quin	Walsh
Elliott	Johnson, Wash.	Rainey	Ward
Ellsworth	Jones, Va.	Raker	Wason
Esch	Juul	Ramsey	Watkins
Fairfield	Kearns	Ramseyer	Watson, Pa.

Watson, Va.	Whaley	Wilson, Tex.	Young, S. Dak.
Weaver	Wheeler	Wingo	Young, Tex.
Webb	White, Me.	Wood, Ind.	
Welling	White, Ohio	Woods, Iowa	
Welty	Wilson, Ill.	Wright	

NAYS—59.

Ayres	Emerson	Langley	Rankin
Baer	Flynn	London	Reed
Bankhead	Gallagher	Lundeen	Robbins
Bland	Garland	Lunn	Roberts
Browne	Gordon	McCulloch	Sherwood
Cary	Hayden	McKeown	Siegel
Classon	Hilliard	McLemore	Smith, T. F.
Cooper, Wis.	Huddleston	Mondell	Stafford
Davis	Igoe	Morgan	Tague
Denison	Ireland	Morin	Taylor, Colo.
Denton	James	Nelson	Thomas
Dillon	Keating	Nolan	Walton
Dominick	Kelly, Pa.	Oliver, N. Y.	Woodyard
Edmonds	King	Phelan	Zihlman
Elston	Knutson	Porter	

NOT VOTING—112.

Anthony	Drukker	Kelley, Mich.	Robinson
Austin	Dunn	Kennedy, R. I.	Rowe
Bell	Dupré	Kettner	Sanford
Blackmon	Eagle	Key, Ohio	Schall
Brand	Estopinal	Kraus	Scott, Pa.
Britten	Evans	Kreider	Scully
Byrnes, S. C.	Fairchild, B. L.	LaGuardia	Sears
Caldwell	Fairchild, G. W.	Lazaro	Sims
Campbell, Pa.	Flood	Lehlbach	Slemp
Capstick	Gallivan	Lenroot	Small
Carew	Godwin, N. C.	Linthicum	Smith, C. B.
Carter, Mass.	Good	McClintic	Snell
Chandler, Okla.	Goodall	McCormick	Steele
Clark, Pa.	Greene, Mass.	McLaughlin, Pa.	Stephens, Nebr.
Coady	Hamill	Maher	Sterling, Pa.
Cooper, Ohio	Hamilton, N. Y.	Mann	Stiness
Cooper, W. Va.	Haskell	Mapes	Strong
Copley	Hayes	Mason	Sullivan
Costello	Heintz	Meeker	Templeton
Crisp	Hollingsworth	Montague	Thompson
Curry, Cal.	Hood	Moore, Pa.	Tinkham
Dempsey	Howard	Mott	Van Dyke
Dent	Hull, Iowa	Mudd	Vare
Dewalt	Husted	Overmyer	Voigt
Dies	Johnson, S. Dak.	Pou	Williams
Dooling	Jones, Tex.	Ragsdale	Wilson, La.
Doremus	Kahn	Rayburn	Winslow
Dowell	Kehoe	Riordan	Wise

So the amendment was agreed to.

The following pairs were announced:

Until further notice:

Mr. SEARS with Mr. DUNN.

Mr. STEPHENS of Nebraska with Mr. HASKELL.

Mr. HOOD with Mr. MAPES.

Mr. DUPRÉ with Mr. HOLLINGSWORTH.

Mr. MAHER with Mr. LEHLBACH.

Mr. WILSON of Louisiana with Mr. SNELL.

Mr. JONES of Texas with Mr. DOWELL.

Mr. MONTAGUE with Mr. SANFORD.

Mr. ROBINSON with Mr. HAMILTON of New York.

Mr. STEELE with Mr. COOPER of West Virginia.

Mr. DEWALT with Mr. GEORGE W. FAIRCHILD.

Mr. BELL with Mr. ANTHONY.

Mr. BLACKMON with Mr. AUSTIN.

Mr. BRAND with Mr. BRITTEN.

Mr. BYRNES of South Carolina with Mr. CARTER of Massachusetts.

Mr. CALDWELL with Mr. CHANDLER of Oklahoma.

Mr. CAMPBELL of Pennsylvania with Mr. CLARK of Pennsylvania.

Mr. CAREW with Mr. COOPER of Ohio.

Mr. COADY with Mr. COPLEY.

Mr. CRISP with Mr. DEMPSEY.

Mr. DENT with Mr. COSTELLO.

Mr. DOOLING with Mr. CURRY of California.

Mr. DOREMUS with Mr. DRUKKER.

Mr. ESTOPINAL with Mr. BENJAMIN L. FAIRCHILD.

Mr. EVANS with Mr. GOOD.

Mr. GALLIVAN with Mr. ROWE.

Mr. HOWARD with Mr. GOODALL.

Mr. FLOOD with Mr. GREENE of Massachusetts.

Mr. KEHOE with Mr. HULL of Iowa.

Mr. GODWIN of North Carolina with Mr. HAYES.

Mr. KEY of Ohio with Mr. HUSTED.

Mr. HAMILL with Mr. KAHN.

Mr. LAZARO with Mr. KELLEY of Michigan.

Mr. KETTNER with Mr. MASON.

Mr. POU with Mr. KENNEDY of Rhode Island.

Mr. OVERMYER with Mr. LENROOT.

Mr. LINTHICUM with Mr. KREIDER.

Mr. RAGSDALE with Mr. MCLAUGHLIN of Pennsylvania.

Mr. MCCLINTIC with Mr. MEEKER.

Mr. RAYBURN with Mr. MOORE of Pennsylvania.

Mr. RIORDAN with Mr. MUDD.

Mr. SCHALL with Mr. MOTT.

Mr. SIMS with Mr. VOIGT.

Mr. STEVENSON with Mr. STINESS.

Mr. SMALL with Mr. STRONG.

Mr. SULLIVAN with Mr. SLEMP.

Mr. CHARLES B. SMITH with Mr. TINKHAM.

Mr. THOMPSON with Mr. WINSLOW.

Mr. RAKER with Mr. LAGUARDIA.

Mr. WISE with Mr. KRAUS.

Mr. VAN DYKE with Mr. WILLIAMS.

Mr. STERLING of Pennsylvania with Mr. JOHNSON of South Dakota.

Mr. EAGLE with Mr. VARE.

Mr. SCULLY with Mr. CAPSTICK.

The result of the vote was then announced as above recorded.

A quorum being present, the doors were opened.

Mr. WEBB. Mr. Speaker, I move the previous question on the bill and all amendments thereto.

The SPEAKER. The gentleman from North Carolina moves the previous question.

Mr. WEBB. Mr. Speaker, I will withdraw that motion and allow the gentleman from New York [Mr. LUNN] to offer an amendment.

Mr. LUNN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Add as a new section to follow section 2:

"Nothing herein shall be construed as making it unlawful for employees to agree together to stop work or not to enter thereon with a bona fide purpose of securing better wages or conditions of employment."

Mr. WEBB. Mr. Speaker, I reserve a point of order against the amendment.

Mr. Speaker, I make the point of order that this amendment is not in order, and I insist on the point of order. I believe it ought to be sustained, because there is nothing in this bill that refers to employees or labor or wages or conditions; it only applies to conspiracies and doing certain things for the purpose of injuring or interfering with the Government in prosecuting the war. I can not see how the amendment is germane. You might as well write into the bill that it is not intended to catch an honest man. True, some gentlemen have mentioned labor on the floor, but there is nothing in the bill referring to labor, employees, or conditions of labor.

Mr. FOSTER. Mr. Speaker, but this amendment just placed upon the bill does speak of conspiracy. Now, the amendment of the gentleman from New York is only, as I understand it, to explain that this shall not apply in this way, so it seems to me that if the amendment which has just been placed upon the bill is in order it would not do to say that this amendment is not in order. It might have been so if this amendment had not been first placed upon the bill, but having been placed upon the bill and voted on by the House, it seems to me that this amendment is now in order.

The SPEAKER. The Chair is ready to rule. This amendment is simply a limitation on this bill, and the point of order is overruled. [Applause.]

Mr. WEBB. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The SPEAKER. The gentleman from North Carolina moves the previous question on the bill and amendments to final passage.

Mr. HUDDLESTON. Mr. Speaker, I make the point of order that we are considering the bill under the five-minute rule, and the motion is not in order until the Clerk finishes the reading of the bill for amendment.

Mr. FOSTER. The bill has been read.

Mr. HUDDLESTON. By unanimous consent it was agreed that we should consider the bill under the five-minute rule.

The SPEAKER. The bill has been read.

Mr. HUDDLESTON. We have just had read the second section for amendment. We have not had read the third section under the five-minute rule.

Mr. FOSTER. The whole bill has been read.

Mr. HUDDLESTON. But not since that agreement was made.

The SPEAKER. The previous question is in order.

The question was taken, and the previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. LUNN].

The question was taken, and the Speaker announced that the ayes seem to have it.

On a division (demanded by Mr. LANGLEY) there were—ayes 93, noes 69.

Mr. CANNON. Yeas and nays, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Illinois [Mr. CANNON] demands the yeas and nays. The Chair will count. [After counting.] Sixty-five gentlemen have arisen, a sufficient number, and the Clerk will call the roll.

The question was taken; and there were—yeas 273, nays 38, answered "present" 1, not voting 116, as follows:

YEAS—273.

Alexander	Flood	Lonergan	Sanders, N. Y.
Almon	Flynn	Longworth	Saunders, Va.
Anderson	Focht	Lufkin	Schall
Anthony	Foss	Lundeen	Scott, Mich.
Ashbrook	Foster	Lunn	Sells
Aswell	Francis	McAndrews	Shackleford
Ayres	Frear	McArthur	Shallenberger
Baer	Freeman	McCulloch	Sherwood
Bankhead	French	McFadden	Shouse
Barkley	Fuller, Ill.	McKenzie	Siegel
Barnhart	Fuller, Mass.	McKeown	Sinnott
Beakes	Gallagher	McKinley	Slayden
Bell	Gandy	McLaughlin, Mich.	Smith, Idaho
Beshlin	Gard	McLemore	Smith, Mich.
Black	Garland	Maher	Smith, C. B.
Blackmon	Garrett, Tex.	Mansfield	Smith, T. F.
Bland	Gillett	Mays	Snook
Booher	Goodwin, Ark.	Meeker	Snyder
Bowers	Gordon	Miller, Wash.	Stafford
Browne	Graham, Ill.	Mondell	Steagall
Brumbaugh	Gray, Ala.	Moon	Stedman
Buchanan	Green, Iowa	Moore, Pa.	Sterling, Ill.
Burnett	Gregg	Morgan	Stevenson
Burroughs	Hadley	Morin	Sumners
Butler	Hamilton, Mich.	Mott	Sweet
Byrns, Tenn.	Hamlin	Mudd	Swift
Campbell, Kans.	Hardy	Neely	Switzer
Candler, Miss.	Harrison, Miss.	Nelson	Tague
Caraway	Harrison, Va.	Nicholls, S. C.	Taylor, Ark.
Carlin	Hastings	Nichols, Mich.	Taylor, Colo.
Carter, Okla.	Hawley	Nolan	Temple
Cary	Hayden	Norton	Thomas
Chandler, N. Y.	Heflin	Oldfield	Thompson
Classon	Helvering	Oliver, Ala.	Tillman
Claypool	Hensley	Oliver, N. Y.	Tilson
Collier	Hersey	Olney	Timberlake
Connally, Tex.	Hicks	Osborne	Towner
Connelly, Kans.	Hilliard	O'Shaunessy	Treadway
Cooper, Wis.	Holland	Overstreet	Venable
Crosser	Houston	Paige	Vestal
Dale, N. Y.	Huddleston	Park	Vinson
Dallinger	Hull, Tenn.	Parker, N. Y.	Voigt
Darrow	Hutchinson	Phelan	Waldow
Davidson	Igoe	Powers	Walker
Davis	Jacoway	Price	Walsh
Decker	James	Purnell	Walton
Denison	Johnson, Wash.	Quin	Wason
Denton	Juul	Rainey	Watkins
Dickinson	Kearns	Raker	Watson, Pa.
Dill	Keating	Ramsey	Watson, Va.
Dillon	Kelly, Pa.	Ramseyer	Weaver
Dixon	Kennedy, Iowa	Randall	Webb
Dominick	Key, Ohio	Rankin	Welling
Dooling	Kincheloe	Rayburn	Welty
Doolittle	King	Reavis	Whaley
Doughton	Kinkaid	Reed	Wheeler
Dowell	Kitchin	Robbins	White, Me.
Drane	Knutson	Roberts	White, Ohio
Dupré	La Follette	Rodenberg	Wilson, Ill.
Dyer	Langley	Rogers	Wilson, Tex.
Eagan	Larsen	Romjue	Wingo
Ellsworth	Lazaro	Rose	Woodyard
Emerson	Lea, Cal.	Rouse	Wright
Fairfield	Lesher	Rubey	Young, N. Dak.
Farr	Lever	Rucker	Young, Tex.
Ferris	Little	Russell	Zihlman
Fess	Littlepage	Sabath	
Fields	Lobeck	Sanders, Ind.	
Fisher	London	Sanders, La.	

NAYS—38.

Bacharach	Dale, Vt.	Heaton	Parker, N. J.
Blanton	Edmonds	Helm	Peters
Borland	Elliott	Humphreys	Platt
Cannon	Fordney	Johnson, Ky.	Sherley
Cantrill	Garner	Kiess, Pa.	Steenerson
Church	Garrett, Tenn.	Madden	Stephens, Miss.
Cox	Glass	Merritt	Volstead
Crago	Glynn	Miller, Minn.	Ward
Cramton	Gray, N. J.	Moores, Ind.	
Currie, Mich.	Greene, Vt.	Padgett	

ANSWERED "PRESENT"—1.

Talbott

NOT VOTING—116.

Austin	Costello	Godwin, N. C.	Ireland
Brand	Crisp	Good	Johnson, S. Dak.
Britten	Curry, Cal.	Goodall	Jones, Tex.
Brodbeck	Dempsey	Gould	Jones, Va.
Browning	Dent	Graham, Pa.	Kahn
Byrnes, S. C.	Dewalt	Greene, Mass.	Kehoe
Caldwell	Dies	Griest	Kelley, Mich
Campbell, Pa.	Doremus	Hamill	Kennedy, R. I.
Capstick	Drukker	Hamilton, N. Y.	Kettner
Carew	Dunn	Haskell	Kraus
Carter, Mass.	Eagle	Haugen	Kreider
Chandler, Okla.	Elston	Hayes	LaGuardia
Clark, Fla.	Esch	Heintz	Lee, Ga.
Clark, Pa.	Estopinal	Hollingsworth	Lehlbach
Coady	Evans	Hood	Lenroot
Cooper, Ohio	Fairchild, B. L.	Howard	Linthicum
Cooper, W. Va.	Fairchild, G. W.	Hull, Iowa	McClintic
Copley	Gallivan	Husted	McCormick
McLaughlin, Pa.	Pratt	Sims	Sullivan
Magee	Ragsdale	Sisson	Templeton
Mann	Riordan	Slemp	Tinkham
Mapes	Robinson	Sloan	Van Dyke
Martin	Rowe	Small	Vare
Mason	Rowland	Snell	Williams
Montague	Sanford	Steele	Wilson, La.
Overmyer	Scott, Iowa	Stephens, Nebr.	Winslow
Polk	Scott, Pa.	Sterling, Pa.	Wise
Porter	Scully	Stiness	Wood, Ind.
Pou	Sears	Strong	Woods, Iowa

So the amendment was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. TALBOTT with Mr. BROWNING.

Mr. JONES of Texas with Mr. HOLLINGSWORTH.

Mr. MCCLINTIC with Mr. LEHLBACH.

Mr. SIMS with Mr. GREENE of Massachusetts.

Mr. BRODBECK with Mr. HUSTED.

Mr. CLARK of Florida with Mr. KELLEY of Michigan.

Mr. DIES with Mr. STINESS.

Mr. JONES of Virginia with Mr. TINKHAM.

Mr. LEE of Georgia with Mr. WINSLOW.

Mr. MARTIN with Mr. AUSTIN.

Mr. POLK with Mr. MAGEE.

Mr. SCULLY with Mr. PORTER.

Mr. SISSON with Mr. SLOAN.

Mr. TAYLOR of Colorado with Mr. TEMPLETON.

Mr. TALBOTT. Mr. Speaker, I am paired with the gentleman from New Jersey [Mr. BROWNING]. If he were present, I would vote "aye," and I desire to state that my impression is that if Mr. BROWNING were present he would also vote "aye."

Mr. FERRIS. Mr. Speaker, I desire to announce the unavoidable absence of Mr. MCCLINTIC, of Oklahoma, who is sick in the hospital with typhoid fever.

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on agreeing to the committee substitute as amended.

The question was taken, and the committee substitute was agreed to.

The SPEAKER. The question is on a third reading of the Senate bill as amended.

The question was taken, and the bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. COOPER of Wisconsin. Mr. Speaker, on that I demand the yeas and nays. There were some of us who voted against the Cannon amendment who wish now to vote for the bill.

The SPEAKER. The question is on passing the bill.

The question was taken.

Mr. IGOE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Missouri makes the point of order that there is no quorum present. The vote just taken discloses the presence of a quorum. The gentleman from Wisconsin demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Eighty-four Members have arisen, a sufficient number, and the yeas and nays are ordered.

The question was taken; and there were—yeas 321, not voting 107, as follows:

YEAS—321.

Alexander	Carter, Okla.	Dupré	Gordon
Almon	Cary	Dyer	Graham, Ill.
Anderson	Church	Eagan	Gray, Ala.
Anthony	Clark, Fla.	Edmonds	Gray, N. J.
Ashbrook	Classon	Elliott	Green, Iowa
Aswell	Claypool	Ellsworth	Greene, Vt.
Ayres	Collier	Emerson	Gregg
Bacharach	Connally, Tex.	Esch	Griest
Baer	Connelly, Kans.	Fairfield	Hadley
Bankhead	Cooper, Wis.	Farr	Hamilton, Mich.
Barkley	Cox	Ferris	Hamlin
Barnhart	Crago	Fess	Hardy
Beakes	Cramton	Fields	Harrison, Miss.
Bell	Crosser	Fisher	Harrison, Va.
Beshlin	Currie, Mich.	Flood	Hastings
Black	Dale, N. Y.	Flynn	Hawley
Blackmon	Dale, Vt.	Focht	Hayden
Bland	Dallinger	Fordney	Heaton
Blanton	Darrow	Foss	Heflin
Booher	Davidson	Foster	Helm
Borland	Davis	Francis	Helvering
Bowers	Decker	Frear	Hensley
Browne	Denison	Freeman	Hersey
Brumbaugh	Dent	Fuller, Ill.	Hicks
Buchanan	Denton	Fuller, Mass.	Hilliard
Burnett	Dickinson	Gallagher	Holland
Burroughs	Dill	Gandy	Houston
Butler	Dillon	Gard	Huddleston
Byrns, Tenn.	Dixon	Garner	Hull, Iowa
Campbell, Kans.	Dominick	Garrett, Tenn.	Hull, Tenn.
Candler, Miss.	Dooling	Garrett, Tex.	Humphreys
Cannon	Doolittle	Gillett	Hutchinson
Cantrill	Doughton	Glass	Igoe
Caraway	Dowell	Glynn	Jacoway
Carlin	Drane	Goodwin, Ark.	James

Johnson, Ky.	Miller, Minn.	Rogers	Taylor, Ark.
Johnson, Wash.	Miller, Wash.	Romjue	Taylor, Colo.
Juul	Mondell	Rose	Temple
Kearns	Montague	Rouse	Thomas
Keating	Moon	Rowe	Thompson
Kehoe	Moore, Pa.	Rubey	Tillman
Kelly, Pa.	Moores, Ind.	Rucker	Tilson
Kennedy, Iowa	Morgan	Russell	Timberlake
Key, Ohio	Morin	Sabath	Towner
Kiess, Pa.	Mott	Sanders, Ind.	Treadway
Kincheloe	Neely	Sanders, La.	Venable
King	Nelson	Sanders, N. Y.	Vestal
Kinkaid	Nicholls, S. C.	Saunders, Va.	Vinson
Kitchin	Nichols, Mich.	Schall	Voigt
Knutson	Nolan	Scott, Iowa	Volstead
La Follette	Norton	Scott, Mich.	Waldow
Langley	Oldfield	Sells	Walker
Larsen	Oliver, Ala.	Shackleford	Walsh
Lazaro	Oliver, N. Y.	Shallenberger	Walton
Lea, Cal.	Olney	Sherley	Ward
Lesher	Osborne	Sherwood	Wason
Lever	O'Shaunessy	Shouse	Watkins
Linthicum	Overstreet	Siegel	Watson, Pa.
Little	Padgett	Sims	Watson, Va.
Littlepage	Paige	Sinnott	Weaver
London	Park	Slayden	Webb
Lonergan	Parker, N. J.	Sloan	Welling
Longworth	Parker, N. Y.	Smith, Idaho	Welty
Lufkin	Peters	Smith, Mich.	Whaley
Lundeen	Phelan	Smith, C. B.	Wheeler
Lunn	Platt	Smith, T. F.	White, Me.
McAndrews	Pou	Snook	White, Ohio
McArthur	Powers	Snyder	Wilson, Ill.
McCulloch	Purnell	Stafford	Wilson, Tex.
McFadden	Quin	Steagall	Wingo
McKenzie	Rainey	Stedman	Wise
McKeown	Raker	Steenerson	Wood, Ind.
McKinley	Ramsey	Stephens, Miss.	Woods, Iowa
McLaughlin, Mich.	Ramseyer	Sterling, Ill.	Woodyard
Madden	Randall	Stevenson	Wright
Maher	Rankin	Sumners	Young, N. Dak.
Mansfield	Rayburn	Sweet	Young, Tex.
Martin	Reavis	Swift	Zihlman
Mays	Robbins	Switzer	
Meeker	Roberts	Tague	
Merritt	Rodenberg	Talbott	

NOT VOTING—107.

Austin	Eagle	Jones, Tex.	Ragsdale
Brand	Elston	Jones, Va.	Reed
Britten	Estopinal	Kahn	Riordan
Brodbeck	Evans	Kelley, Mich.	Robinson
Browning	Fairchild, B. L.	Kennedy, R. I.	Rowland
Byrnes, S. C.	Fairchild, G. W.	Kettner	Sanford
Caldwell	French	Kraus	Scott, Pa.
Campbell, Pa.	Gallivan	Kreider	Scully
Capstick	Garland	LaGuardia	Sears
Carew	Godwin, N. C.	Lee, Ga.	Sisson
Carter, Mass.	Good	Lehlbach	Slemp
Chandler, N. Y.	Goodall	Lenroot	Small
Chandler, Okla.	Gould	Lobeck	Snell
Clark, Pa.	Graham, Pa.	McClintic	Steele
Coady	Greene, Mass.	McCormick	Stephens, Nebr.
Cooper, Ohio	Hamill	McLaughlin, Pa.	Sterling, Pa.
Cooper, W. Va.	Hamilton, N. Y.	McLemore	Stiness
Copley	Haskell	Magee	Strong
Costello	Haugen	Mann	Sullivan
Crisp	Hayes	Mapes	Templeton
Curry, Cal.	Heintz	Mason	Tinkham
Dempsey	Hollingsworth	Mudd	Van Dyke
Dewalt	Hood	Overmyer	Vare
Dies	Howard	Polk	Williams
Doremus	Husted	Porter	Wilson, La.
Drukker	Ireland	Pratt	Winslow
Dunn	Johnson, S. Dak.	Price	

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. GALLIVAN with Mr. SANFORD.

Mr. SCULLY with Mr. AUSTIN.

Mr. SISSON with Mr. COSTELLO.

Mr. LOBECK with Mr. GREENE of Massachusetts.

Mr. MCLEMORE with Mr. KENNEDY of Rhode Island.

Mr. POLK with Mr. MUDD.

Mr. CRISP with Mr. CHANDLER of New York.

Mr. GALLIVAN with Mr. FRENCH.

Mr. EAGLE with Mr. GARLAND.

Mr. PRICE with Mr. GOULD.

Mr. STERLING of Pennsylvania with Mr. IRELAND.

Mr. JONES of Texas with Mr. DEMPSEY.

Mr. MONTAGUE with Mr. PORTER.

Mr. RIORDAN with Mr. CURRY of California.

Mr. TALBOTT. Mr. Speaker, how am I recorded?

The SPEAKER pro tempore (Mr. GARRETT of Tennessee in the chair). The gentleman is recorded as "present."

Mr. TALBOTT. I am paired with the gentleman from New Jersey, Mr. BROWNING. If he were present, he would vote "yea." I therefore change my vote from "present" to "yea."

Mr. SIEGEL. Mr. Speaker, I want to say that if my colleagues Mr. LAGUARDIA and Mr. MAGEE were present they would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. WEBB, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. MADDEN. Mr. Speaker, I make the point of no quorum.

LEAVE OF ABSENCE.

Mr. MCCLINTIC, by unanimous consent, was granted leave of absence indefinitely, on account of illness.

EULOGIES ON THE LATE REPRESENTATIVE HELGESEN.

Mr. BAER. Mr. Speaker, I desire to ask unanimous consent that Sunday, March 24, 1918, be set aside for addresses on the life, character, and public services of HENRY T. HELGESEN, late Representative in Congress from the first district of North Dakota.

The SPEAKER pro tempore. The gentleman from North Dakota [Mr. BAER] asks unanimous consent that Sunday, March 24, 1918, be set aside for eulogies upon the life, character, and public services of the late HENRY T. HELGESEN, a Representative from North Dakota. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. IGOE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on this bill.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to revise and extend his remarks in the RECORD on this bill. Is there objection?

There was no objection.

Mr. LUNN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DYER, Mr. MORGAN, Mr. HEFLIN, Mr. LINTHICUM, and Mr. SIEGEL requested unanimous consent to extend their remarks in the RECORD on this bill.

The SPEAKER pro tempore. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, I have no objection to gentlemen who spoke on the bill extending their remarks in the RECORD on this measure, but as to those who did not I shall opject.

The SPEAKER pro tempore. The Chair is unable to distinguish. Is there objection to the request of the gentleman from Oklahoma [Mr. MORGAN]? [After a pause.] The Chair hears none.

Is there objection to the request of the gentleman from Missouri [Mr. DYER]? [After a pause.] The Chair hears none.

Is there objection to the request of the gentleman from Maryland [Mr. LINTHICUM]? [After a pause.] The Chair hears none.

Is there objection to the request of the gentleman from Alabama [Mr. HEFLIN]?

Mr. WALSH. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. SIEGEL]?

There was no objection.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill just passed?

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

DAYLIGHT SAVING.

Mr. SIMS. Mr. Speaker, I want to ask unanimous consent that upon the conclusion or disposition of the appropriation bill now before the House it shall be in order to take up and consider what is known as the daylight-saving bill.

Mr. MADDEN. Mr. Speaker, I object.

Mr. SIMS. I want to make a statement.

Mr. MADDEN. The finance corporation bill is coming in.

Mr. SIMS. This will take but one hour.

Mr. MADDEN. I object.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. SIMS] asks unanimous consent that at the conclusion of the legislative, executive, and judicial appropriation bill it shall be in order to consider what is known as the daylight-saving bill. Is there objection?

Mr. MADDEN. I object.

EXTENSION OF REMARKS.

Mr. HEFLIN. Mr. Speaker, I made the request that I might be permitted to extend my remarks in the RECORD, and there were several others who did so. Was there objection?

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. WALSH] made an objection.

Mr. HEFLIN. Did he object to others?

The SPEAKER pro tempore. He did not.

Mr. WALSH. I withdraw the objection.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. HEFLIN] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

PRACTICE AND PROCEDURE IN FEDERAL COURTS.

Mr. WEBB. Mr. Speaker, I desire to call up the bill H. R. 9354, to amend the practice and procedure in Federal courts, and for other purposes, and I propose to yield five minutes to the gentleman from Arkansas [Mr. CARAWAY] to explain it, and then I intend to move to adjourn.

The title of the bill was read.

Mr. WEBB. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY].

The SPEAKER pro tempore (Mr. SHERLEY). Does the gentleman from North Carolina ask unanimous consent to dispense with the first reading of the bill?

Mr. WEBB. I do.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. CARAWAY] is recognized for five minutes.

Mr. CARAWAY. Mr. Speaker, I shall want but one minute of that time.

The bill seeks merely to limit the right of Federal judges in the trial of causes submitted to juries. In some jurisdictions—at least, it is true of my own—the court elects to give his personal opinion as to the credibility of witnesses and the weight of testimony, and it was thought that it invaded the province of the jury. This bill seeks to correct that, and to make the judge confine his instructions to the law applicable to the case.

That is all I want to say at this time.

ADJOURNMENT.

Mr. WEBB. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Thursday, March 7, 1918, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Commissioners of the District of Columbia submitting a supplemental estimate of appropriation required for three additional clerks in the office of the collector of taxes of the District of Columbia for the fiscal year 1919 (H. Doc. No. 964); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Secretary of State submitting a supplemental estimate of appropriation for the contribution of the United States toward the maintenance of the Interallied Institute for the Restoration and Reeducation of Crippled Soldiers (H. Doc. No. 965); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the joint resolution (S. J. Res. 133) authorizing the granting of insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, on application by a person other than the person to be insured, reported the same without amendment, accompanied by a report (No. 358), which said joint resolution and report were referred to the House Calendar.

Mr. DECKER, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 9715) extending the time for the construction of a bridge across the Bayou Bartholomew, in Ashley County, Wilmot Township, State of Arkansas, reported the same with amendment, accompanied by a report (No. 359), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ROGERS: A bill (H. R. 10522) authorizing the Secretary of War to reimburse officers, enlisted men, and civilian employees in the Military Establishment for certain disbursements while on furlough necessitated by disabilities originating in the service and in line of duty; to the Committee on Military Affairs.

By Mr. MILLER of Minnesota: A bill (H. R. 10523) to establish an American recreation camp for commissioned officers, soldiers, and sailors on duty overseas; to the Committee on Military Affairs.

By Mr. OSBORNE: A bill (H. R. 10524) amending an act entitled "An act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Cal., certain public lands in California; and granting rights in, over, and through the Sierra Forest Reserve, the Santa Barbara Forest Reserve, and the San Gabriel Timberland Reserve, Cal., to the city of Los Angeles, Cal.," approved June 30, 1906; to the Committee on the Public Lands.

By Mr. CARY: A bill (H. R. 10525) to authorize and direct the Postmaster General to procure postal cars and contract for hauling them, and appropriating money therefor; to the Committee on the Post Office and Post Roads.

By Mr. McFADDEN: A bill (H. R. 10526) providing for partial payments of war excess-profits taxes; to the Committee on Ways and Means.

By Mr. BAER: A bill (H. R. 10527) to provide for the national security and defense and further to assure an adequate supply of food, by authorizing the Secretary of Agriculture to contract with farmers in certain areas for the production of grain through advances, loans, and otherwise, and by providing for the voluntary mobilization of farm labor, and for other purposes; to the Committee on Appropriations.

By Mr. CARY: Joint resolution (H. J. Res. 260) proposing an amendment to the Constitution for the election of Representatives for a four-year instead of a two-year term; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. EDMONDS: Resolution (H. Res. 266) authorizing the printing as a House document the proceedings of the foreign war missions; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANTRILL: A bill (H. R. 10528) granting an increase of pension to Patton Coomer; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 10529) granting a pension to Mrs. Frank Schultz; to the Committee on Pensions.

By Mr. ELSTON: A bill (H. R. 10530) granting a pension to Sarah E. McCaleb; to the Committee on Invalid Pensions.

By Mr. GANDY: A bill (H. R. 10531) granting a pension to Paul J. Flynn; to the Committee on Pensions.

By Mr. GODWIN of North Carolina: A bill (H. R. 10532) granting an increase of pension to Uriah T. Alley; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 10533) granting a pension to Sarah C. Frankford; to the Committee on Invalid Pensions.

By Mr. LONGWORTH (for Mr. HEINTZ) A bill (H. R. 10534) granting a pension to Warren W. Kendall; to the Committee on Pensions.

Also, a bill (H. R. 10535) granting a pension to Louis Brockman; to the Committee on Pensions.

Also, a bill (H. R. 10536) granting a pension to Laura A. Duncan; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 10537) granting an increase of pension to John K. McBain; to the Committee on Invalid Pensions.

By Mr. McCLINTIC: A bill (H. R. 10538) granting an increase of pension to Edward W. Lauck; to the Committee on Invalid Pensions.

By Mr. McCULLOCH: A bill (H. R. 10539) granting a pension to Harry C. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10540) granting an increase of pension to Daniel H. Harter; to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 10541) granting an increase of pension to Columbus Sampson; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 10542) granting an increase of pension to Edward W. Lauck; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10543) granting a pension to Michael Mulvey; to the Committee on Pensions.

By Mr. RUSSELL: A bill (H. R. 10544) granting an increase of pension to John Wesley Melton; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 10545) granting an increase of pension to William A. Campbell; to the Committee on Invalid Pensions.

By Mr. WALDOW: A bill (H. R. 10546) granting a pension to George Plewacki; to the Committee on Pensions.

By Mr. WELTY: A bill (H. R. 10547) granting a pension to Henry M. Agenbroad; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CAREW: Memorial of New York Zoological Society, favoring migratory bird treaty act; to the Committee on Foreign Affairs.

By Mr. DALE of New York: Memorial of the American Defense Society (Inc.), urging that the charter of the German-American Alliance be taken away; to the Committee on the Judiciary.

Also, memorial of Public Service Commission, second district, State of New York, urging the protection of the State commissions in their right to regulate intrastate rates; to the Committee on Interstate and Foreign Commerce.

Also, a memorial of the Boise Commercial Club, favoring House bill 9928; to the Committee on Interstate and Foreign Commerce.

Also, resolution of Yavapai County Chamber of Commerce, opposing the Foster bill placing the mining industry under Federal control; to the Committee on Mines and Mining.

Also, memorial of Trumbull County tax map department, Warren, Ohio, favoring the bill granting pensions to members of the Life-Saving Service; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Springfield Chamber of Commerce, opposing any increase in second-class postage at present and opposing a zone system at any time; to the Committee on Ways and Means.

By Mr. DOOLING: Petition of the Merchants' Association of New York, favoring Overman bill (S. 3771) for creation of a board of war control and a director of munitions; to the Committee on Military Affairs.

By Mr. FOSTER: Petition of Grand Army of the Republic post, Noble, Ill., asking for increase of pension to Civil War veterans; to the Committee on Invalid Pensions.

By Mr. FULLER of Illinois: Petition of the National Live Stock Association, the Chamber of Commerce of Kansas City, the Western Oil Jobbers' Association, the Western Petroleum Refiners' Association, and the National Petroleum Association, opposing taking the rate making from the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, petition of Henry Ream, Otto Lauer, jr., Herman Kuester, Andrew Hebel, and Joseph J. Lennig, of Peru, Ill., favoring universal military training; to the Committee on Military Affairs.

By Mr. GRAHAM of Pennsylvania: Resolution of the war shipping committee of the chamber of commerce, urging prompt action looking to the early construction of much-needed dry-dock facilities; to the Committee on the Merchant Marine and Fisheries.

By Mr. McARTHUR. Petition of U. S. Grant Post, No. 17, Department of Oregon, Grand Army of the Republic, favoring increase in pensions of G. A. R. veterans; to the Committee on Invalid Pensions.

By Mr. SABATH: Memorial of the board of governors of the Investment Bankers' Association of America, favoring the principles of the war finance corporation bill and suggesting certain changes to be made in it; to the Committee on Ways and Means.

Also, petition of the Woman's Association of Commerce of Chicago, protesting against any scale of pay which does not give equal pay for the same work, against an insufficient wage scale, against a longer working-day than eight hours, and pledging support to all efforts to secure better conditions for working women; to the Committee on Labor.

Also, resolution of the New York Zoological Society, favoring the migratory-bird treaty law; to the Committee on Foreign Affairs.

Also, resolution of the Chicago Typographical Union, No. 16, favoring the Sherwood pension bill for the benefit of all American workers; to the Committee on Pensions.

By Mr. SNOOK: Papers to accompany H. R. 9245, relative to military record of William L. Wiles; to the Committee on Military Affairs.

By Mr. STINESS: Petition of Dorothy French and numerous other citizens of Rhode Island, praying that better parcel-post rates be provided for packages sent to the American Expeditionary Forces in France; to the Committee on the Post Office and Post Roads.

Also, petition of Typographical Union, No. 33, of Providence, R. I., favoring the passage of the so-called Keating bill, granting increased compensation to Federal employees; to the Committee on Appropriations.

By Mr. TEMPLE: Papers to accompany H. R. 10355, granting an increase of pension to Robert T. Parkinson; to the Committee on Invalid Pensions.

By Mr. TILSON: Petition of Meriden (Conn.) Branch, No. 154, United National Association Post Office Clerks, in behalf of H. R. 9414; to the Committee on the Post Office and Post Roads.

SENATE.

THURSDAY, *March 7, 1918.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thy kingdom is an everlasting kingdom. Thy mercies extend to all generations. Thou art not a respecter of persons. Thou dost embrace all mankind in Thy loving-kindness and in Thy favor. We are saddened by the sinfulness of men. We are perplexed by evil influences that are constantly about us. Many are impelled by selfish motives and pride. We pray that Thy Holy Spirit may sanctify the hearts of the people to respond more fully to the Divine will, that we may walk in Thy way and accomplish all of Thy Divine purpose in us as a Nation. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, March 5, 1918, when, on request of Mr. FRELINGHUYSEN and by unanimous consent, the further reading was dispensed with and the Journal was approved.

SENATOR FROM NEW JERSEY.

Mr. FRELINGHUYSEN. Mr. President, I have received from the governor of my State credentials appointing Mr. DAVID BAIRD a Senator to fill the vacancy in the Senate occasioned by the death of my late colleague, Senator HUGHES. I send the credentials to the desk and ask that they be read and placed on the files of the Senate.

The PRESIDENT pro tempore. The Secretary will read the credentials.

The credentials were read and ordered to be filed, as follows:

STATE OF NEW JERSEY,
EXECUTIVE DEPARTMENT.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New Jersey, I, Walter E. Edge, the governor of said State, do hereby appoint DAVID BAIRD a Senator from said State to represent said State in the Senate of the United States until the vacancy therein caused by the death of WILLIAM HUGHES is filled by election, as provided by law.

Witness: His excellency our governor, Walter E. Edge, and our seal hereunto affixed at Trenton, this 23d day of February, A. D. 1918.

[SEAL.] WALTER E. EDGE,
Governor.

By the governor:

THOMAS F. MARTIN,
Secretary of State.

Mr. FRELINGHUYSEN. Mr. President, Mr. BAIRD is present in the Chamber, and I ask that the oath be now administered to him.

The PRESIDENT pro tempore. The Senator appointed will come forward and the oath will be administered to him.

Mr. BAIRD was escorted to the Vice President's desk by Mr. FRELINGHUYSEN; and the oath prescribed by law having been administered to him, he took his seat in the Senate.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 383) to punish the destruction or injuring of war material and war transportation facilities by fire, explosives, or other violent means, and to forbid hostile use of property during time of war, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. KNOX presented a petition of the Woman Suffrage Party of the twenty-third legislative district of Philadelphia County, Pa., and a petition of Local Union No. 541, International Association of Machinists, of New Kensington, Pa., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which were ordered to lie on the table.

He also presented a petition of the Chamber of Commerce of Pittsburgh, Pa., praying for an appropriation for the early

completion of the improvement of the Ohio River and also for the enactment of legislation providing for the immediate construction by the Government of the Lake Erie and Ohio River Canal, which was referred to the Committee on Commerce.

He also presented a memorial of the Game and Fish Protective Association, of Shamokin, Pa., remonstrating against the enactment of legislation providing for the annulment of the present game laws, which was referred to the Committee on Forest Reservations and the Protection of Game.

Mr. NELSON presented a petition of sundry citizens of Duluth, Minn., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

He also presented a petition of Minnesota congressional district No. 10, praying for the adoption of an amendment to the revenue law to provide for lower rate of postage on second-class mail matter, which was referred to the Committee on Finance.

Mr. McLEAN presented a petition of the American Defense Societies of the Counties of Hartford, New Haven, Fairfield, Litchfield, Tolland, Middlesex, Windham, and New London, all in the State of Connecticut, praying for an amendment to the espionage act, which was referred to the Committee on the Judiciary.

He also presented a petition of Local Branch No. 32, National Association of Letter Carriers, of Bridgeport, Conn., and a petition of Local Branch No. 154, United National Association of Post Office Clerks, of Meriden, Conn., praying for an increase in the salaries of postal employees, which were referred to the Committee on Post Offices and Post Roads.

Mr. PHELAN presented a petition of the California State Board of Health, praying for the creation of a sanitary reserve corps for the United States Public Health Service, which was referred to the Committee on Military Affairs.

Mr. THOMPSON presented a petition of R. B. Hayes Post, No. 176, Grand Army of the Republic, Department of Kansas, of Pratt, Kans., praying for the enactment of legislation to provide increased pensions to veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a petition of sundry citizens of Rice and Reno Counties, in the State of Kansas, praying for the enactment of legislation to provide the same rank for physicians in the Army as those received in the Navy, which was referred to the Committee on Military Affairs.

Mr. HALE. I present resolutions adopted by the Maine Branch of the National Woman's Party, which I ask to have printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

NATIONAL WOMAN'S PARTY,
Portland, Me., February 8, 1918.

Senator FREDERICK HALE,
Washington, D. C.

MY DEAR SIR: At a meeting held at Mrs. W. M. Leonard's, Carroll Street, Portland, Wednesday, February 6, the following resolution was unanimously adopted:

Resolved, That this meeting call upon the President and the Democratic administration to give their effective support to the Federal suffrage amendment, now before the Senate, by making it an administration measure and securing its passage in this session of Congress at this time, when the Nation is calling upon the women of America for every kind of service in the prosecution of the war; be it also

Resolved, That this resolution be sent to the President, the Vice President, Senator THOMAS S. MARTIN, Senator JACOB GALLINGER, Senator A. A. JONES, Speaker CHAMP CLARK, Hon. CLAUDE KITCHIN, Representative JAMES R. MANN, Representative E. Y. WEBB, and the Maine Senators and Representatives.

Respectfully,
ELLA A. CLARKE,
Secretary Woman's Party, Maine Branch.

REPORT FROM COMMITTEE ON NAVAL AFFAIRS.

Mr. TILLMAN, from the Committee on Naval Affairs, to which was referred the bill (S. 3405) to amend an act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, reported it with amendments and submitted a report (No. 301) thereon.

FOX RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce, I report back favorably without amendment the bill (H. R. 7998) granting the consent of Congress to the village of East Dundee and the village of West Dundee to construct a bridge across the Fox River, and I submit a report (No. 302) thereon. I ask for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 4024) for the relief of the Indians on Fort Peck Reservation in Montana; to the Committee on Indian Affairs.

A bill (S. 4025) granting an increase of pension to Webster A. Whiting; and

A bill (S. 4026) granting a pension to George A. Atkinson; to the Committee on Pensions.

By Mr. TILLMAN:

A bill (S. 4027) granting a pension to Edwin C. Gasque; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 4028) to correct the military record of William McCormick (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 4029) granting a pension to Charles F. Lufkin; to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 4030) granting a pension to Fanny Wood Arnold; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4031) granting an increase of pension to Mary Miller (with accompanying papers); to the Committee on Pensions.

By Mr. MYERS:

A joint resolution (S. J. Res. 137) proposing an amendment to the Constitution of the United States by amending section 1 of Article III thereof; to the Committee on the Judiciary.

FORT PECK INDIAN RESERVATION.

Mr. MYERS submitted an amendment providing that Indians of the Fort Peck Reservation in Montana entitled to allotments under existing laws may select lands classified as coal and receive patents therefor in accordance with the act of May 30, 1908, intended to be proposed by him to the Indian appropriation bill, which was ordered to lie on the table and be printed.

REQUISITION OF TIMBER.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 3426) to empower the President to requisition timber and timber products for war purposes, which was ordered to lie on the table and be printed.

WAR FINANCE CORPORATION.

The PRESIDENT pro tempore. If there be no further morning business, the morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of the unfinished business, the so-called war finance corporation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes.

The PRESIDENT pro tempore. The pending amendment is an amendment offered by the Senator from Oklahoma [Mr. OWEN] on page 11 of the bill.

Mr. SIMMONS. Mr. President, I see that the Senator from Oklahoma [Mr. OWEN] is not in the Chamber, and there is a very small attendance of Senators. I think, on account of the absence of the Senator from Oklahoma and the small attendance, it would be well to have a roll call. I therefore make the point of no quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Henderson	New	Smith, Mich.
Baird	Hollis	Norris	Smith, S. C.
Beckham	Johnson, Cal.	Nugent	Smoot
Borah	Johnson, S. Dak.	Owen	Sterling
Brandegee	Jones, N. Mex.	Page	Stone
Calder	Jones, Wash.	Pittman	Sutherland
Culberson	Kellogg	Poindexter	Swanson
Curtis	Kenyon	Pomerene	Thomas
Dillingham	King	Ransdell	Tillman
Fernald	Kirby	Reed	Townsend
Fletcher	Knox	Robinson	Trammell
France	Lodge	Saulsbury	Underwood
Frelinghuysen	McCumber	Shafroth	Vardaman
Gallinger	McKellar	Sheppard	Wadsworth
Gerry	McLean	Sherman	Walsh
Gronna	McNary	Shields	Watson
Hale	Martin	Simmons	
Harding	Myers	Smith, Ariz.	
Hardwick	Nelson	Smith, Md.	

Mr. GRONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent due to illness in his family. I ask that this announcement may stand for the day.

Mr. BECKHAM. I wish to announce that my colleague [Mr. JAMES] is detained by illness. I will let this announcement stand for the day.

Mr. MCNARY. I desire to announce that my colleague [Mr. CHAMBERLAIN] is absent on account of illness.

Mr. SUTHERLAND. My colleague, the senior Senator from West Virginia [Mr. GOFF], is absent owing to illness. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Seventy-three Senators have answered to their names. There is a quorum present. The pending amendment will be stated.

The SECRETARY. On page 11, beginning with line 5, it is proposed to strike out the following words:

Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and.

Mr. OWEN. Mr. President, the Federal reserve act——

Mr. SIMMONS. As I indicated on yesterday, I am perfectly willing to accept the amendment proposed by the Senator from Oklahoma.

Mr. OWEN. If it is accepted, I do not care to submit anything in explanation of the amendment.

Mr. GALLINGER. I should like to have an explanation of it before the Senate accepts it.

Mr. OWEN. I shall be very glad to give it.

Mr. SIMMONS. If the Senator will pardon me, I will say that I think the Senator from Oklahoma gave an explanation of it yesterday.

Mr. OWEN. Mr. President, the Federal reserve act provided that the reserves of the member banks, which comprises all the national banks of the United States and all the large State banks and State trust companies, should have their gold reserves cared for and protected by the Federal reserve banks. These banks hold all the gold practically which the various member banks have for their reserves against the demands of the depositors of the banks of the United States. Those deposits amount to enormous sums, very many billions of dollars, and those depositors ought not to have their confidence shaken in the security of the reserves which are held against the payment of those deposits.

Moreover, the gold which is held in the reserve banks is held there as a basis upon which to issue Federal reserve notes on a basis of 40 per cent of gold against each dollar of Federal reserve notes. That expensive policy of the Federal reserve banks is based upon the quantity of gold which they have.

This provision permits the bonds of this corporation to be substituted for the gold which is held as the reserve of the banks of the country against their deposits, and anything which would weaken the confidence of the depositors of the country in the Federal Reserve System might lead to the most unhappy results.

Mr. GALLINGER. And the purpose of the amendment is to give added protection to the depositors?

Mr. OWEN. The purpose of the amendment is to protect the depositors, and by protecting the depositors and protecting the Federal Reserve System to protect the credit system of the United States, without which this war can not be successfully waged. I think that is perfectly obvious.

Mr. GALLINGER. The latter part of it I do not know anything about.

Mr. OWEN. I think the Senator will agree with me when he considers it, because if the credit system is disturbed in the United States it would be the most serious injury to the conduct of the war.

Mr. GALLINGER. There is no question about that. What particularly attracted my attention was that this is in the interest of the depositors in banks.

Mr. OWEN. Oh, yes.

Mr. GALLINGER. Of course, for that reason it ought to be agreed to, beyond a doubt.

Mr. MCCUMBER. Mr. President——

Mr. OWEN. I yield to the Senator.

Mr. MCCUMBER. Does the Senator claim that the words he desires to have stricken out authorize those banks to issue currency without having 40 per cent of gold back of it?

Mr. OWEN. No; not at all. The part I am asking to have stricken out permits the banks to buy these bonds and take their gold to buy them with.

Mr. MCCUMBER. There is nothing mentioned about gold in that particular provision.

Mr. OWEN. No; nothing is mentioned of gold, but that is what they have to buy the bonds with. They have to buy them with the gold they have if they buy them at all.

Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulating privilege.

Mr. MCCUMBER. I understand the Senator.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. I do.

Mr. SIMMONS. My understanding is—and I wish to ask the Senator if I am correct—that under the Federal reserve act the reserve banks are permitted to use the deposits of the member banks for the purchase of Government bonds. Am I correct in that understanding?

Mr. OWEN. Yes; the Senator is correct in that.

Mr. SIMMONS. This amendment would not permit them to use the gold of member banks to purchase the bonds of the corporation to be created?

Mr. OWEN. Yes; that is right.

Mr. SIMMONS. But they would still have the right to use that fund for the purchase of liberty bonds?

Mr. OWEN. Yes; that is right.

Mr. SIMMONS. And the Senator, I understand, differentiates between liberty bonds and the bonds of this corporation?

Mr. OWEN. Very widely; and I wish to explain why I so differentiate.

Mr. TOWNSEND. Mr. President, will the Senator from Oklahoma tell us where the amendment which he is discussing comes in the bill?

Mr. OWEN. It is on page 11, line 5.

Mr. WADSWORTH. May we have order, Mr. President?

The PRESIDENT pro tempore. The Chair must appeal to the Senate to assist in preserving sufficient order so that Senators addressing the Senate may be heard.

Mr. SIMMONS. Mr. President, I wish to add, if the Senator from Oklahoma will permit me, that I heard his statement of the differentiation which he made on yesterday in this matter, and I am inclined to think that it is well founded.

Mr. OWEN. There is a very important differentiation between the bonds of the United States and the bonds of this corporation. The bonds of the United States are very widely scattered in private hands; they are not very active in the market; and there would be no urgent demand on the Federal reserve banks to take the bonds of the United States in exchange for their gold; but in this bill we are providing for $4,000,000,000 of these corporation bonds to assist corporations that have difficulty in renewing their maturing obligations. Those bonds will go into the financial centers in very large amounts; those who are interested in those financial centers will bring pressure to bear upon the directors of the Federal reserve banks to accommodate them by taking over those bonds and it would be a hazard to the Federal Reserve System to have the directors subjected to a pressure of that kind.

Mr. SMITH of Georgia. Mr. President, I wish to give my very cordial support to the amendment of the Senator from Oklahoma. The actual quantity of free gold now in the Federal reserve banks is only about $600,000,000. I not only believe it would be unwise to use any portion of that fund for investment in these bonds, but I very much doubt the wisdom of using it to buy any bonds. I certainly am pleased, therefore, to join in excluding these bonds from purchase by the Federal reserve banks.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. OWEN].

Mr. REED. Mr. President, let the amendment be stated. Some of us have come in from committees since the amendment was read.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 11, beginning in line 5, it is proposed to strike out the following words:

Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and.

Mr. REED. Mr. President, I have been working in committee and have not therefore had the benefit of the discussion which has taken place in reference to this amendment. I am very fearful that if adopted the amendment will seriously cripple the usefulness of the organization which we are about to create. This corporation, in fact, is to be a great bank, in the sense that it is to procure funds to take care of the maturing obligations of many great concerns and small concerns which

can not get money because the Government has applied so powerful a suction to the financial market in order to get money for its bonds that it is necessary to come to the relief of the financial market. The money which this corporation is to obtain is to be largely obtained from the sale of its bonds. Now, the very first thing it is proposed to do is to limit the use to which those bonds may be put. When that is done you impair their sale in the market and you almost certainly advance the interest charge.

While I generally agree with my friend from Oklahoma [Mr. OWEN] on matters concerning banking legislation, I believe it is unwise to undertake to float four thousand million dollars of securities and to discredit them to a certain extent in advance by refusing them the privilege of being handled through the Federal reserve banks and having all the privileges of the Federal reserve banks.

Mr. OWEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Oklahoma?

Mr. REED. I do.

Mr. OWEN. The Senator from Missouri evidently misunderstands the purpose of the amendment. It does not provide that these bonds may not be used as collateral for notes coming through member banks to the Federal reserve banks for discount. They may come in that way. The only purpose of the amendment is to require that the gold held by the reserve banks shall not be directly used in buying these bonds and substituting these bonds for that gold.

Mr. REED. But this amendment, in my judgment, goes much further than that. It strikes the language out of the bill which gives to these bonds certain privileges, and to that extent discredits the bonds.

Mr. OWEN. If the Senator will read the words remaining in the bill immediately following the words proposed to be stricken out, on page 11, he will find that these bonds, although an investment security, are given a very extraordinary status of being used as a basis for the issuance of Federal reserve notes when they are indorsed by a member bank.

Mr. REED. Well——

Mr. OWEN. The Senator will observe that following the words which I have moved to strike out there appears this language:

> Federal reserve banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper and make advances secured by such bonds in the same manner and to the same extent and at the same rates or at such higher rates as the Federal Reserve Board may approve, as they may purchase or rediscount paper or make advances secured by such bonds or notes of the United States under authority of the Federal reserve act.

That really accomplishes, I think, what the Senator has in mind. I think that he rather misunderstood the scope of the proposed amendment.

Mr. REED. As I stated, I am under the disadvantage of coming in after the discussion has taken place in part. The proposition, however, is to strike out—

> Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulation privilege, and.

Mr. OWEN. Mr. President, I now remind the Senator that we provided in the Federal reserve act that these banks might buy the bonds of the United States directly and use their gold for that purpose, which they have done to a limited degree.

Mr. SIMMONS. That is, Mr. President, the gold of the member banks, as I understand.

Mr. SMITH of Georgia. Oh, no.

Mr. OWEN. The gold held by the Federal reserve banks against the reserves of the member banks.

Mr. SIMMONS. That is right.

Mr. SMITH of Georgia. It does not make any difference whether it is gold held against the member banks or gold held against anything else; it is their gold.

Mr. OWEN. Yes; it is their gold.

Mr. SMITH of Georgia. And they can invest it in Government bonds.

Mr. OWEN. It is their gold; yes.

Mr. SMITH of Georgia. The object of this amendment is to provide that they shall not invest their surplus gold in the bonds of the proposed corporation.

Mr. OWEN. Yes; and they ought not to be allowed to do it.

Mr. SMITH of Georgia. I think to-day it would be very unwise for them to invest their surplus gold in any bonds.

Mr. OWEN. I agree with the Senator.

Mr. SMITH of Georgia. They need it for the broader purposes of the Federal Reserve System.

Mr. OWEN. That is right.

Mr. SMITH of Georgia. And those provisions were put in the bill originally that they might be used in case of a surplus of money and a lack of demand.

Mr. OWEN. That is correct.

Mr. SMITH of Georgia. To-day we have an extreme demand and a limited surplus.

Mr. OWEN. Yes.

Mr. SMITH of Georgia. And this is no time for them to be investing their gold in bonds.

Mr. OWEN. And it is not necessary.

Mr. SMITH of Georgia. Therefore I gladly join in not providing this additional opportunity to invest their gold in bonds.

Mr. REED. Mr. President, I should like to ask the chairman of the committee if it would be possible to let this amendment lie over and take up another matter and return to it in the course of half an hour?

Mr. SIMMONS. I have no objection, if the Senator from Oklahoma does not object.

Mr. OWEN. I have no objection.

Mr. REED. I should like to have an opportunity to compare it with the Federal reserve act.

Mr. OWEN. I have no objection.

Mr. REED. Then let the amendment be passed over temporarily.

Mr. OWEN. I temporarily withdraw the amendment, Mr. President.

The PRESIDENT pro tempore. The amendment is withdrawn. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. HOLLIS. I send to the desk an amendment which was printed last night.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. It is proposed to insert as a new section in the bill the following:

> SEC. 2. That any applicant for a loan or advance under this act who shall knowingly make any false statement in his application for such loan or advance, and any member of a loan committee who shall willfully overvalue any security for loans or advances under this act, shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding one year, or both.
>
> Any person who shall falsely make, forge, or counterfeit, or cause or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting any bond, coupon, or paper in imitation of, or purporting to be in imitation of, the bonds or coupons issued by the Corporation; or any person who shall pass, utter, or publish, or attempt to pass, utter, or publish any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by the Corporation, knowing the same to be falsely made, forged, or counterfeited; or whoever shall falsely alter, or cause or procure to be falsely altered, or shall willingly aid or assist in falsely altering any such bond, coupon, or paper, or shall pass, utter, or publish as true any falsely altered or spurious bond, coupon, or paper issued, or purporting to have been issued, by the Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding five years, or both.
>
> Any person connected in any capacity with the Corporation who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits thereof, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree thereof, or who makes any false entry in any book, report, or statement of the Corporation with intent in either case to defraud the Corporation, or any other company, body politic or corporate, or any individual, or to deceive any officer of the Corporation, and any person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding five years, or both.
>
> The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal having jurisdiction any person or persons violating any of the provisions of this section.

Mr. HOLLIS obtained the floor.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Colorado?

Mr. HOLLIS. I yield.

Mr. THOMAS. I want to suggest the manifest conflict between some of the provisions of the proposed amendment and section 8 as we adopted it yesterday, particularly with regard to the amount and extent of the penalty.

Mr. HOLLIS. Mr. President, under this bill we are about to organize a corporation which will have public funds of the United States in effect, although not in name. The corporation will perform a banking business; it will receive a capital from the Government of $500,000,000. That $500,000,000 is supplied to the corporation as capital, and it will be absolutely the property of the corporation. Under the laws as they now exist anyone could steal the entire $500,000,000 of capital and not be punished under any statute or by any court or officer of the United States. It might be possible, if the corporation had a branch in some State and its money were stolen or embezzled, that the culprit might be convicted under some State statute,

but the courts of the United States and officers of the United States could not prosecute such a person.

The national banks have been created under a special statute and in that statute there is a provision for punishing embezzlement or misapplication of funds. The same is true of the farm loan banks. I prepared this amendment yesterday after looking over the other statutes, and I think it will answer the purpose.

The penalties are made much more severe than in the case cited by the distinguished Senator from Colorado, because it is a much more serious offense to steal large sums than it is to disobey regulations of the noncriminal provisions of a statute.

Mr. THOMAS. Mr. President——

Mr. HOLLIS. I yield to the Senator.

Mr. THOMAS. I am not objecting to the Senator's proposed amendment, but section 8 was written so as to apply to every violation of the provisions of the act, and, if we adopt both the section proposed by the Senator from New Hampshire and the one we adopted yesterday, there certainly will be a manifest conflict with regard to the penalty. I think, therefore, section 8 should be stricken from the bill.

Mr. HOLLIS. I thank the Senator for his suggestion. I understand that the amendment to section 8 will again be considered when the bill gets into the Senate, and at that time we can doubtless make the two sections compatible. I will look at section 8 with that in view.

Mr. THOMAS. I want also to suggest to the Senator before he takes his seat what seems to me to be largely an immateriality in that part of his proposed amendment which requires the Secretary of the Treasury to use the Secret Service of the Government in the detection of offenses that may be committed under the law. Would he not have that right, anyhow? Is not that one of the duties of the Secret Service as now organized?

Mr. HOLLIS. My attention was called to that provision by a member of the Treasury Department, and I was informed that the Secretary of the Treasury would not have that authority unless it were expressly conferred for this purpose.

Mr. SIMMONS. Mr. President, I have examined very carefully the amendment offered by the Senator from New Hampshire. Until the Senator stated upon the floor on yesterday that the Federal laws would not be sufficient to authorize a prosecution for forgery of the bonds of this corporation or embezzlement of its funds, I was under the impression that the law was otherwise. Whether this be a corporation organized under the laws of the United States for private or public purposes, I was under the impression that there was authority of law for the prosecution of forgery and embezzlement of the character described in the amendment of the Senator from New Hampshire. Until his statement was made, I did not have any doubt that in the creation of a corporation of this kind, in which the Federal Government would be the sole stockholder—and it therefore would own the corporation, and the bonds of the corporation would be its property—there was ample authority to punish offenses of the character described in the amendment against the property of that corporation. The Senator from New Hampshire assured the Senate that he had investigated the matter and that there was no such authority. I have not had time myself to investigate it. Assuming that the Senator is right, of course this legislation is necessary, and for that reason I shall accept the amendment.

I can not see the force of the suggestion made by the Senator from Colorado [Mr. THOMAS]. Section 8 of the bill simply punishes violations of the provisions of the act. There is no provision in this act with reference to embezzlement of any kind. That is not one of the provisions of the act.

Mr. THOMAS. No; but, Mr. President——

Mr. SIMMONS. That is a substantive thing growing out of the wrongdoing of some officer with reference to the funds of the bank or with reference to the bonds of the bank.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. SIMMONS. If the Senator will pardon me, I shall be through in just a moment. I think this merely provides that offenses of this character shall be punished by a heavy penalty, while violations of the ordinary provisions of the act shall be punished by a lighter penalty.

I hope, Mr. President, that the amendment will be adopted.

Mr. THOMAS. Mr. President, if a general law or a law in general terms provides specific penalties for the violation of certain portions of it, and is then followed by a section which provides a penalty to be inflicted upon any person who violates any of the provisions of the act, and the penalty in the general clause differs from the penalty in the specific one, and especially if the penalty in the general clause is milder, less severe, than the specific one, that will be the penalty inflicted by the courts upon a violation of any of the provisions of the act. I think that is a proposition which every lawyer will accept without a question. In the construction of criminal laws, where any doubt exists, the doubt will be construed in favor of the milder penalty, or the milder construction will be given if the words of the statute are susceptible of it.

The Senator from North Carolina would be correct in his criticism of my objection if section 8 were specifically limited to all other violations than those mentioned in this proposed section 2. If not, then in the event of a violation of the act, followed by a conviction, the maximum penalty will be $1,000 and one year's imprisonment. Consequently, I think one or the other should be eliminated.

The Senator from New Hampshire [Mr. HOLLIS] has given specific attention to the need of the amendment which he has offered, and which he says is essential in the event we propose to punish the specific class of offenses to which it refers. I am perfectly willing to take his statement upon that subject. He has given it his personal attention. He is an excellent lawyer, and he has come to that conclusion; but I certainly must protest against incorporating that amendment in this bill and at the same time leaving section 8 as it is now framed.

Mr. HOLLIS. Mr. President, yesterday, when the amendment to section 8 was under consideration, no Senator was able to tell of any offense that might be punishable under it. I have tried to think of one myself, and I can not. I therefore suggest to the Senate that each Member try to think of something that might be covered by it; and if none is suggested when we are considering section 8 in the Senate—as it will be considered—we can strike out section 8, and leave this section in place of it. I make that suggestion.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New Hampshire [Mr. HOLLIS].

The amendment was agreed to.

Mr. OWEN. Mr. President, I should like to renew now the proposed amendment on page 11, to strike out, in lines 5 to 8, the words:

> Such bonds may be dealt in by Federal reserve banks in the same manner and to the same extent as bonds or notes of the United States not bearing the circulating privilege, and——

Mr. SIMMONS. Mr. President——

Mr. OWEN. I will state that the Senator from Missouri [Mr. REED] has already agreed to that amendment, and has withdrawn his objection.

Mr. SIMMONS. Very well. I was simply going to suggest the absence of the Senator from Missouri.

Mr. OWEN. I spoke to the Senator from Missouri about it, and he withdraws his objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was agreed to.

Mr. HOLLIS. Mr. President, I move to strike out the balance of section 6 immediately following the part that has just been stricken out; that is, on page 11, I move to strike out all after line 8, and, on page 12, I move to strike out the first 12 lines.

I will read the part that it is proposed to strike out, beginning with line 9, on page 11:

> Federal reserve banks shall be authorized, subject to the regulations of the Federal Reserve Board, to rediscount and purchase paper and make advances secured by such bonds in the same manner and to the same extent and at the same rates or at such higher rates as the Federal Reserve Board may approve, as they may purchase or rediscount paper or make advances secured by such bonds or notes of the United States under authority of the Federal reserve act. Any Federal reserve bank acquiring by purchase or rediscount such paper secured by the bonds of the Corporation may, with the approval of the Federal Reserve Board, use such paper so acquired for any purpose for which it is authorized to use paper secured by such bonds or notes of the United States: *Provided, however*, That whenever Federal reserve notes are issued against the security of such paper the Federal Reserve Board may make a special interest charge on such notes, which, in the discretion of the Federal Reserve Board, need not be applicable to other Federal reserve notes which may from time to time be issued and outstanding. All provisions of law not inconsistent herewith in respect to the purchase or rediscount by any Federal reserve bank of paper secured by such bonds or notes of the United States and in respect to Federal reserve notes issued against the security of such paper shall extend, in so far as applicable, to the purchase or rediscount of paper secured by the bonds of the Corporation and to the Federal reserve notes issued against the security of such paper.

This is a very important amendment to the Federal reserve act, and in order that the Senate may know just how it affects the act I will explain briefly the reasons for enacting the Federal reserve act.

We had been for a century acting under banking laws which did not provide for the mobilization of banking reserves. Each bank kept its own reserves, in part in its own vaults and in part with reserve banks in other cities. There was no mobilization. In case of a panic, when there were sudden calls on

any bank to meet its liabilities, its reserves were insufficient for the purpose. We provided, therefore, that there should be 12 reserve banks; that the major part of the reserves of the national banks or State banks becoming members of the system should be kept in the Federal reserve banks; and the Federal reserve banks now have about a billion and a half of reserves belonging to member banks of the system. Those reserves are not reserves unless they are kept in liquid form; that is, when pressure comes on the banks, through panic or otherwise, these reserves must be in shape to respond immediately and effectively to the call for funds. If they are locked up in securities, however safe, but not liquid, they can not meet the call for reserves.

The resources of the Federal reserve banks are very limited anyway. They have only about $73,000,000 of capital; and that is a very insignificant item compared with the financial transactions of this country. Then, they have the billion and a half of reserves. That is all that the Federal reserve banks have to buy anything with. Their earnings are inconsiderable. They can not receive deposits from anyone, and all the money they have with which to buy bonds or other securities is comprised in these two items—their capital of $73,000,000 and their reserves.

There was long consideration given to the subject of what reserves should be invested in. Some thought they should be invested in some things; some thought they should be invested in other things; and the Federal reserve act was finally predicated upon the proposition that the reserves should be invested only in commercial paper of short maturity. Later an excrescence was permitted on that law to the effect that they might invest a certain amount of the reserves in Government bonds, and the reason advanced for that was that Government bonds, as a rule, have a quasi-liquid character; that is, they are quickly salable on the market.

The advantage of notes based on commercial transactions is that if the commercial transaction is short, when it is completed the security will pay itself out. That is, it is self-liquidating. If a merchant buys a bill of goods, in 90 days he will probably have turned them over, so that out of the proceeds of sale he can pay his note, and it works in this way:

A member bank discounts for a merchant his note at 90 days or less. The member bank is then allowed to rediscount that note with the Federal reserve bank, and the Federal reserve bank is allowed to advance to the member bank part of the reserves of the system. When that note becomes due, if the maker of the note is able to meet it, the obligation is canceled, the member bank gets its money, the Federal reserve bank gets its money, and the reserves remain intact.

Under the bill as it stands, if a member bank desires to obtain money from a Federal reserve bank, it may give its own obligation, not necessarily secured by a commercial note, but secured by Government bonds, and the bank may rediscount that obligation. After the Federal reserve bank has discounted paper in this way for a member bank, it may make that paper the basis for the issue of Federal reserve notes or currency, and the great merit of the Federal reserve note as currency rests upon the fact that it is based on self-liquidated short-time paper.

I appreciated the beauties of linking a new banking system to the Federal Reserve System and obtaining access to the quick commercial capital of the country, and I had inserted in the farm-loan act when it passed the Senate exactly this same provision. I thought that was the best way for the farmer to turn his long-term investment security into a quick capital asset. The matter was particularly called to the attention of the Senate; but when it got over to the House, the House Committee on Banking and Currency refused to agree to it. The House followed their suggestion, and when the matter went into conference I was met with the most earnest resistance on the part of the House Banking and Currency Committee. I yielded that proposition, the last one that I yielded, and I only yielded it because I was convinced that it was essentially unsound.

We enact a law for a Federal Reserve System in times of peace, when we can view things quietly, and rig the ship so that it will go through a storm. You can not get your ship rigged for a storm when the storm is on. Your judgment is not good. The time to prepare a safe ship is in times of calm. We prepared the Federal Reserve System so that it should be safe. We made it safe, and we did not suppose that after the country had been in war less than one year, when the banks were full of money, and when the credit of the United States is good, some one would want to tinker with the Federal reserve act and make some drain upon it that we did not approve when we were looking at the matter calmly.

This is an inroad on the Federal Reserve System. I became satisfied of that when the farm-loan act was under consideration. I did not believe the privilege of rediscounting securities based on farm-loan bonds would be carried out enough to imperil the system. I did not think it would be dangerous. In practice, I was not afraid of it; but I did think it would be a most dangerous precedent, and because it is now being urged in this case to a very serious extent, perhaps to the extent of four billions, I urge the Senate to consider the matter thoroughly before it adopts this provision.

The powers given under this bill, as everyone admits, are very, very great. They contain elements of the greatest danger to the financial system of the country. This corporation is given authority to issue $5,000,000,000 of these bonds. Currency may be issued on the strength of those bonds to the extent of $2,000,000,000 in excess of the billion and a quarter which is now outstanding. The Federal Reserve System was not established for the purpose of converting long-term securities, even Government securities, into quick capital for capital purposes. The Federal Reserve System was established to make our commercial banks safe and valuable to the country. This has no tendency to make them safe. It has every tendency to endanger their solvency.

I hope the matter will be thoroughly debated and that we shall have the views of Senators on the floor who are familiar with the Federal reserve act. I do not want to make a long fight on it. I want to put it squarely before the Senate, and I shall hope for an intelligent vote upon it.

Mr. SIMMONS. Mr. President, I hope the amendment offered by the Senator from New Hampshire will not be adopted. The section of the bill that he proposes to strike out, at least a part of the section that he proposes to strike out, is vital to this measure. It is so regarded, I think, by every member of the committee. It is so regarded, I am sure, by the Secretary of the Treasury.

It is true, as the Senator says, that the Federal reserve act only permits Federal reserve banks to discount commercial paper and Government bonds, and only permits those two classes of securities to be used as a basis of Federal note issue.

In order to make these bonds salable, in order to make them perform the purpose and office contemplated in the act, it is proposed that the bonds of this corporation so far as the right of the Federal reserve banks to discount them, so far as their being the basis of note issue, shall be placed upon a parity in these banks with commercial paper and Government bonds.

If this section of the bill is stricken out the bill will be undermined, its purpose will be largely defeated, the liquidity of its bonds will be in a measure affected, and it will be fatal, in my judgment, to the legislation proposed.

Mr. President, the Senator is entirely right in saying that the principle of the Federal reserve act is to require these banks to deal only in liquid securities, commercial paper. Ninety-day commercial paper is liquid security. The Federal reserve act recognizes Government bonds as liquid security, not because they will be due in 90 days but because there is a ready market for them. It is anticipated that there will be a ready market for these bonds also, and that they will be of as liquid a character substantially as Government bonds, and that in no way will the general principle of the Federal reserve act, which requires the banks to confine their operations to liquid securities be impaired or undermined.

Mr. NORRIS. May I ask the Senator a question?

Mr. SIMMONS. Yes.

Mr. NORRIS. I have been a good deal impressed by the fear that there might possibly be some danger to the Federal Reserve System if we legislate in such a way that it would have a tendency to disturb the liquidity. Of course, the Senator realizes that that would be a very dangerous thing to do.

Mr. SIMMONS. Of course, that is exactly what we are trying to avoid. The Senator suggested the other day, if he will pardon me, that we might amend the Federal reserve act and permit securities of these industrial corporations and war factories to be discounted by the Federal reserve bank. If we had done that we would have undoubtedly destroyed the liquidity of their securities. But we do not do that. We require that before those can be utilized at all they must be converted into the bonds of this corporation. If the bonds of this corporation will not be liquid, then they will not be of any value at all.

Mr. NORRIS. I understand that. I wish to ask the Senator further, does he think that the change of the securities of the private corporation that is getting assistance through the instrumentality of this corporation that we have organized into the long-time bonds of this corporation——

Mr. SIMMONS. They are not long-time bonds. They are not less than one year nor more than five years; they are short-term bonds.

Mr. NORRIS. Say, for a year, that would not be considered liquid in the ordinary commercial sense.

Mr. SIMMONS. If a Government bond——

Mr. NORRIS. I will say to the Senator I can see a reason why this should be done. Of course, I think it would make these bonds more valuable, and I would not like to do anything that would destroy their value; but at the same time I do not believe that these bonds are ever going to be as liquid as Government bonds. If they are liquid, it is because they will sell on the market, and not because of their maturity. That is the reason why a Government bond is liquid, if it is liquid. It is because it has a ready sale. You can convert it into money. Commercial paper is liquid because it matures and the theory is that it will be paid when due, not exceeding four years. That attribute of liquidity to these bonds certainly can not be applied, because they will probably run four or five years before they are due; at least, they will have to run one year.

Mr. SIMMONS. Mr. President, the Senator will pardon me, unless he is through.

Mr. NORRIS. I am asking the Senator for information.

Mr. SIMMONS. It is expected that these bonds will stand in the markets of the country very largely upon a parity with Government bonds.

The Senator from Oklahoma [Mr. OWEN] the other day in discussing this matter indicated his opinion that the interests upon these bonds should not be materially different, if at all different, from that of the liberty bonds. I suppose that was based upon the theory that they would be a very attractive class of securities. The bonds themselves have back of them two things which give them strength. First, they have behind them, in a moral sense at least, the responsibility of the United States Government; and, secondly, they have behind them, as a rule, when they have been exchanged for other securities, the obligation of the corporation and the securities which the corporation puts up in order to secure an exchange of their securities into these bonds.

Now, they do not run as long as liberty bonds. They do not run as long as the average Government bond. They are of a shorter period. This is the theory of the bill, the theory of its sponsors, and the theory of the committee, and the legislation is largely based upon that theory, and if that theory is wrong, then the legislation will not be effective in accomplishing its purpose. The theory is that these bonds will command a ready sale in the market, just as United States bonds do; and as United States bonds are treated in the Federal Reserve System as liquid assets for the purpose of discount by these banks and note issues, that same quality is given to these bonds.

Mr. SMITH of Georgia. Mr. President——

The PRESIDENT pro tempore. Will the Senator from North Carolina yield to the Senator from Georgia?

Mr. SIMMONS. I yield the floor. I am through.

Mr. OWEN. Before the Senator yields the floor I want to remind him and the Senate that when I said that the bonds proposed under this bill should bear 4 per cent, I coupled with it that these bonds should have the legal obligation of the Government behind them and not an implied moral obligation. I understand that there is a very substantial difference of opinion as to whether there is any moral obligation behind these bonds. I agree with the Senator from North Carolina that the Government's moral obligation will be behind these bonds for reasons which are obvious.

Mr. SIMMONS. Mr. President, if the Government can under any conceivable circumstances become morally obligated to pay an indebtedness the Government will be obligated to pay these bonds. It is the sole property of the corporation. It is to be the beneficiary of these bonds; it alone is interested in them, and to assume for a minute that the Government would repudiate that sort of an obligation seems to me to be very far-fetched.

Mr. SMITH of Georgia. Mr. President, I agree thoroughly with the Senator from North Carolina. I regard the Government as absolutely behind these bonds. The only reason why they are not issued formally as Government bonds is because it would be unwise to issue Government bonds for so short a period, and it would be unwise for the Government through the Treasury to conduct this business, or, at any rate, it is deemed much wiser to conduct the business through a corporation all the stock of which is owned by the Government.

This corporation begins with $500,000,000 capital. It is required to take the best of securities for all its advances. Instead of losing money the interest that it makes on its discounts and its loans should accumulate a handsome profit. It should at least earn interest upon the $500,000,000 that the Government places with the corporation. It could only lose by reckless improvident management. As the Government makes its directors Government officers the Government is behind these bonds. I should feel as a legislator that I had undue regard for the character of my Government if I for one moment questioned the fact that the Government would see these bonds paid.

Now, Mr. President, let us come to the amendment of the Senator from New Hampshire [Mr. HOLLIS]. I yield to no one——

Mr. NORRIS. I wish to ask the Senator a question before he leaves that point.

Mr. SMITH of Georgia. I wish to get through, but if the Senator wishes to ask a question, I would be glad to answer it.

Mr. NORRIS. I intended to ask the Senator a question.

Mr. SMITH of Georgia. All right.

Mr. NORRIS. The only point about which I have doubt in regard to the amendment is whether the bonds of this corporation will sell in the open market as readily as Government bonds.

Mr. SMITH of Georgia. I think they will sell as well as Government bonds and fill a place unoccupied by Government bonds. We could not properly make our Government bonds so short as from one to five years. These bonds are prepared upon a plan of furnishing an opportunity for investment in funds that the parties desire to have mature in a shorter period than the maturity of Government bonds.

Now, Mr. President, I desire to come to the Federal reserve banks and the effect of this action upon them. I yield to no one interest in these banks. I yield to no one in the desire that these banks should be absolutely above question. Mr. President, I may be pardoned for saying that I contributed toward making them sound in the Senate as much as perhaps any other Senator. It was upon my motion that the reserve for Federal reserve notes was required to be 40 per cent instead of 25, and that the reserve as to deposits was increased from 20 to 35 per cent.

Mr. HOLLIS. Will the Senator make that clear? What does he mean by reserve?

Mr. SMITH of Georgia. Back of the Federal reserve notes there must be 40 per cent of actual gold kept in the Federal reserve banks. Back of the deposits by member banks there must be 35 per cent of gold or lawful money kept in the Federal reserve banks. These are the reserves of the Federal reserve banks, the one against the notes issued, the other against their deposits. It is true these amounts were fixed in the Democratic caucus, and upon the floor of the Senate they were reported as the action of the committee, but no one among Democrats was more zealous than myself in insisting that the notes issued should be limited to 2½ per cent of the gold kept in the vaults of the banks, and that 35 per cent in gold or lawful money for all deposits should always be retained in the Federal reserve banks. These two reserves are the great bulwarks of the reserve banks that preserve perpetually their strength under any reasonable management. Back of their loans, back of their deposits, back of their notes, at all times we have 35 per cent gold or lawful money reserve against deposits and 40 per cent gold reserve against reserve notes.

Now, let us come to the character of paper that they may discount. There are two kinds of paper that they may discount. The one is 90 days' paper and the other is 15 days' paper, all the paper of a member bank. No paper of a member bank can be discounted in a Federal reserve bank running for a longer maturity than 15 days, based simply upon security. The 90 days' paper is a commercial paper supposed to be in itself self-liquidating, taken by the customer of a member bank, a paper given for an actual commercial transaction or else additionally secured and rediscounted by the member bank in the Federal reserve banks for a period running not more than 90 days.

Mr. HOLLIS. If that is so, then what is the necessity of having any bonds back of it as security?

Mr. SMITH of Georgia. The commercial paper has no bonds back of it as security. You need not put a bond back of that paper to make it good. The paper of the member banks back of which the bonds may be placed as security can run for only 15 days.

Mr. HOLLIS. I think the Senator is a little confused there. A 90-day note in the hands of a member bank which is not based on a commercial transaction may be rediscounted, and the reserve bank has for it a Government bond as security.

Mr. SMITH of Georgia. But I stated that the note of the member bank itself could only be a 15-day note, no matter if these bonds were given as security.

Now, Mr. President, these bonds are perfectly good. They are as good as Government bonds. We all so recognize them. They are as liquid as Government bonds, and they will be taken as security at their market and salable value. There is no requirement that the Federal reserve bank shall accept them as security at par. The Federal reserve bank will have

the note of the member bank and the security in the shape of bonds only when the note is for 15 days; that is to say, if a member bank gives only its note with a bond as security the note can run only 15 days, and if the member bank gives a note from a customer indorsed by itself, that note not being what is termed a "commercial note," it must also give additional security, and these bonds may be the additional security. In that case the Federal reserve bank would have the note of the customer of the member bank which the member bank took, it would have the indorsement of the member bank on this note, and it would have the bond as security in addition.

Mr. President, that in no way will involve the strength of the Federal reserve bank. It can not possibly lessen the fluidity of their issue. I feel that it is wise and eminently proper if a member bank has some of these bonds and wishes at some time to put some security back of its notes, if merely its notes for 15 days, these bonds will be good. If it is the note of a customer indorsed by a member bank to which additional collateral must be added, then certainly these bonds would be good.

Mr. President, we must always keep in mind the fact that the Federal reserve banks reserve 40 per cent in gold for every dollar of Federal reserve notes that pass out from them, and that can not be loaned; it can not be borrowed by member banks. Again, they keep 35 per cent in gold or lawful money against their deposits. That is not to be loaned; that can not be borrowed by member banks.

I voted for the amendment of the Senator from Oklahoma to strike out the provision that would allow the Federal reserve banks to invest in these bonds any of their funds available for business. Of course, at no time could they invest in these bonds their 40 per cent gold reserve, which is held against the Federal reserve notes, nor could they invest in Government bonds or these bonds any of their 35 per cent gold and lawful money which must be held as a reserve against deposits. I am opposed to their investing in these bonds any of their surplus funds which are available for loan purposes, available for Federal reserve bank business proper, just as I am opposed to their investing any of such funds now in Government bonds. I do not think it wise that any of the funds upon which business is to be done by the Federal reserve banks shall be invested in bonds at this time. I think those funds ought to be maintained for the conduct of the commercial business or general business of the Federal reserve banks.

The provision in the original bill allowing the investment in Government bonds was placed there upon the theory that business might be dull; that the Federal reserve banks might have an accumulation of reserves, of their own money, not called for and needing some mode of investment, and Government bonds were designated as the class of investment which they could make. I think it would be very unwise for the Federal reserve banks to-day so to invest and thereby lessen their $600,000,000 of available gold and lawful money not covered by their reserves and Federal reserve notes and their reserve for their deposits or to use it where it would cease to be fluid and ready for general business.

Mr. SIMMONS. Mr. President, I understand the Senator's position is that he only wants the Federal reserve banks to deal through commercial transactions for the purpose of relieving the market.

Mr. SMITH of Georgia. Yes; and I see no objection whatever to classing these bonds as Government bonds, as a security for a transaction in the Federal reserve banks. I think that advisable. I think they are as good a security as could be had. I think a bank which offers these bonds at their market value back of a discounted note of one of its customers for 90 days is giving a very liquid security; and if the note is only for 15 days—the note of the bank itself—then they certainly are a good security. I feel no fear of in any way adversely affecting the Federal reserve banks by such a transaction.

Mr. SMOOT. Mr. President, if the amendment offered by the Senator from New Hampshire [Mr. HOLLIS] is adopted we might as well defeat the bill and not pass it at all. I agree with the position taken by the Senator from Georgia [Mr. SMITH]. The Government of the United States is not only morally bound to protect the bonds which are to be issued by this corporation, but, in my opinion, if any administration undertook to repudiate such bonds in anyway the American people would never stand for it. The bonds to be issued by this corporation will be just as good as any bonds that have ever been issued by the Government of the United States, with the single exception of some of the bonds that have been issued with special privileges—circulating privileges, for instance—but the bonds themselves are in reality obligations of the Government of the United States.

Mr. OWEN. I think that is true.

Mr. SMOOT. And so far as the Federal reserve banks are concerned, Mr. President, they are not going to fail so long as the Government of the United States has one dollar of credit in the world.

Mr. OWEN. I think that is also true.

Mr. SMOOT. I do not care whether or not those banks have the 40 per cent reserve gold required by the law to-day, they are going to do business just as long as business is done by the citizens of this Republic.

Mr. OWEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Oklahoma?

Mr. SMOOT. Yes.

Mr. OWEN. I desire to cordially acquiesce in the doctrine that the Federal reserve banks never will be permitted to fail by the Government of the United States so long as it has the taxing power and there is any property inside our limits.

Mr. SMOOT. So long, Mr. President, as the Government of the United States has a dollar of credit anywhere in the world I am not fearful that this legislation is going to interfere with the stability of the Federal reserve banks. I am not afraid to say now that if this war continues a year or two longer we shall not have 40 per cent gold reserve for the Federal reserve notes that may be issued. I expect the Federal reserve act to be amended in that respect; I expect that act to be so amended that there may be a greater issue than $2,500,000,000 at one time if we are in the war another year.

I am not afraid of the word "inflation" under conditions existing to-day. So far as I am concerned, I like the word inflation better than expansion, as seems to be agreed upon by the officials of the Treasury Department.

Mr. SIMMONS. Mr. President, I should like to ask the Senator from Utah, Does he not believe that in the conditions we have now surrounding us, whether it is called expansion or inflation, it is really necessary to expand our credits to some extent—to expand or to inflate our currency?

Mr. SMOOT. It is absolutely necessary, Mr. President, as I have said so many times during the discussion of this bill. We have got to do it whether we like it or not.

This question arose before the committee when Mr. Warburg was testifying, and I desire to read a part of the testimony, as follows:

> Senator SMOOT. Let me cite a case to you of what I think is going to happen, after the organization of this corporation with a capital of $500,000,000. There is authorized an issue not to exceed eight times the amount of capital stock of that corporation, which is $4,000,000,000. Then you issue a billion dollars of notes and obligations of this corporation. Now, they go onto the market, and we will say that half of those go into the hands of the investing public and the other half goes into the banks.
>
> Mr. WARBURG. Yes, sir.
>
> Senator SMOOT. Now, when the banks take $500,000,000 of those bonds they no doubt will go to the Federal bank and get currency on that $500,000,000.
>
> Mr. WARBURG. They might not get currency. They might want credit.
>
> Senator SMOOT. Suppose they do get it.
>
> Mr. WARBURG. Yes.
>
> Senator SMOOT. Suppose they do get it; then, when issued, there is that much inflation of the currency.
>
> Mr. WARBURG. Expansion.
>
> Senator SMOOT. Well, what is the difference? It is inflation. Now, I do not see why the Secretary of the Treasury wants to shy at the word "inflation." Everybody knows that we are going to have it. Why not say so?

Mr. President, those are the facts of the case as they really exist to-day. There is not a bank or a business man in the United States but knows that it is coming. I am aware that our currency is not inflated to-day. We have only issued on the gold reserve. We have one and a quarter billion dollars of currency. I am now speaking of the Federal reserve banks. Under the law they have the privilege of issuing another billion and a quarter of dollars and with the gold reserve that we have we could issue another $500,000,000; or, in other words, to-day with the gold reserve that we have, even under the provisions of the present law, we could issue additional currency to the amount of $2,000,000,000. Mr. President, we all know that $2,000,000,000 is not going to be sufficient to meet the financial needs, taking into consideration all that we may collect by direct taxation. We have got to have more money.

Mr. HOLLIS. Mr. President, I am interested in what the Senator says. Does the Senator think that the amount of the Government's expenditures bears any relation to the amount of currency in circulation?

Mr. SMOOT. It will bear a relation, Mr. President, just as soon as we reach the limit of the issue of currency.

Mr. HOLLIS. Mr. President, this year we are going to spend three times all the currency there is in the United States.

Mr. SMOOT. Certainly, Mr. President, and as we increase our expenditures next year and expand credits more and more

we will have to increase the currency issue. We will have to get it somewhere; we only have $3,000,000,000 of gold in the United States—not in the banks but in all the United States. There are only $12,000,000,000 of gold in all the world, and we have control of one-fourth of it. That amount will not be sufficient to carry on the business of this country with our Government monopolizing the money market. It is true that the business of the country to the extent of 90 or 95 per cent is done upon credit, but the credit and business of this country has expanded so that there must be additional credits, and that only can be done in the manner I have already suggested.

Now, if we adopt the amendment offered by the Senator from New Hampshire, that will prevent the Federal reserve banks rediscounting the paper of business institutions that may have these bonds back of it as security. There is nothing to be gained by that, Mr. President, but everything to be lost.

The Senator from New Hampshire the other day thought that the corporation about to be created ought only to have $500,000,000 of capital, and that there should be no authorization for the issuance of $4,000,000 of bonds, and he thought that if they needed more than the $500,000,000 Congress then could increase the amount, but that the corporation should use it all as capital. Why, Mr. President, if we undertook to pass a bill at this time giving the war finance corporation only $500,000,000 the business interests of the Nation would simply say, "This will not relieve the situation; this will be used up before the year is over." Everyone knows that this corporation will have to make advances, as provided in paragraphs (b) and (c) and (d) of section 6, to the extent of more than $500,000,000. If we leave out of consideration all of the business concerns of this country that require money daily for carrying on of their business, bar the question of the expansion of trade that is absolutely necessary, and only consider the one question of the bonded indebtedness and obligations of corporations that fall due this coming year the $500,000,000 would not be enough to cover them.

Mr. GRONNA. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield to the Senator.

Mr. GRONNA. I am very much interested in the argument of the Senator from Utah, and I am very glad that he has made his valuable contribution to the discussion, because I know that it will be read with a great deal of interest by the business people of the country. The other day I suggested that it made but very little difference whether the Government issued its bonds or whether the Federal reserve banks issued notes the same as currency. I can not distinguish any difference between the two. In either case the obligation is an obligation of the Government, is it not?

Mr. SMOOT. Morally it is an obligation of the Government, and I will say further that there will be no time in the history of the country when the Government of the United States will not meet the obligation.

Mr. GRONNA. And in the final analysis will it not result in this: The only capital of this corporation will be the amount of money deposited with it by the Government of the United States, namely, $500,000,000, will it not?

Mr. SMOOT. That is the only capital; yes.

Mr. GRONNA. We will say now that this corporation uses every dollar of the $500,000,000, and it will only get in securities $625,000,000, which will then be all the assets the corporation will have. Now, in order to get more the corporation will be authorized to issue eight times the amount of its capital stock; in other words, it will have to have a reserve of 12½ per cent; but whether that is issued in bonds of the United States—and I think it is confusing to use the word "notes"—we ought to use the word "bonds," because that is exactly what they will be; they will be bonds.

Mr. SMITH of Georgia. That is what we have done.

Mr. SMOOT. I will say to the Senator that is exactly what the committee has already done. As it was originally written it read "notes or obligations."

Mr. GRONNA. Yes.

Mr. SMOOT. We have stricken out the words "notes" and "obligations" and inserted "bonds."

Mr. GRONNA. I think that is what it ought to be.

Mr. President, if the Senator will permit me further, what I want to call attention to is this: I have listened to many Senators here who have used the argument that it would weaken the Federal reserve banks to take this function over. Now, what is the difference whether we allow the corporation to issue these bonds, which morally the Government of the United States must pay in any event, or whether we authorize the Federal reserve banks of the country, by the circumlocation of taking the Government bonds and upon the securities given by this corporation allow the Federal reserve bank to issue its notes? In my judgment there is no difference.

Mr. SMOOT. I am very glad, Mr. President, that the Senator has made the statement he has.

Mr. GRONNA. I want to know if the Senator from Utah agrees with me in that argument.

Mr. SMOOT. I have already stated my position, Mr. President.

Mr. GRONNA. Very well.

Mr. SMOOT. Mr. President, I do not know that it is necessary to take any more of the time of the Senate in discussing the pending amendment; but I do want to impress upon the Senate——

Mr. SIMMONS. Mr. President, I did not understand the Senator from Utah to say that he agreed that it would accomplish the same purpose if the Federal reserve bank were authorized to issue enough notes to take the place of these four billions of bonds.

Mr. SMOOT. Oh, no.

Mr. SIMMONS. That is the argument of the Senator from North Dakota.

Mr. SMOOT. No; this is what the Senator from Utah said and what I understood the Senator from North Dakota to mean: That as far as the security of the bonds issued by the corporation is concerned, they are as good as Government bonds, because the Government is morally obligated in either case.

Mr. SIMMONS. So far as it affects the obligation of the Government.

Mr. SMOOT. So far as the obligation of the Government is concerned.

Mr. President, I simply want to impress upon the Senate that if the pending amendment is adopted we might just as well, in my opinion, defeat the bill, as this is the very heart of the measure, and I sincerely trust that it will not be agreed to.

Mr. OWEN. Mr. President, in its relation to the need for credits in financing the Government needs and of maturing bonds and of war industries, the relief of which is contemplated by the bill before the Senate—War Finance Corporation—I merely wish to call attention to the banking power of the banks of the United States, which will be found on page 109 of the report of the Comptroller of the Currency. He says:

> As illustrating the marvelous growth in banking subsequent to the organization of the Federal reserve banks, it will be of interest to note that since June, 1914, the estimated banking power of the United States has increased from $24,340,000,000 to $34,473,100,000 in June, 1917—a gain of $10,133,100,000, or over 41 per cent, in three years.

Now, I favor giving the power sought for in this bill where needed to assist our war industries and business people. I favor these bonds, either as Government bonds or as the corporation's bonds. I would prefer to have them Government bonds, because I agree with the Senator from North Carolina, chairman of the Finance Committee, that these bonds are a moral obligation of the United States; and since there may be 1 per cent market difference between a moral obligation and a legal obligation of the Government, and that 1 per cent as compared to 4 per cent is a 25 per cent increase, I would prefer to have them Government bonds simply and plainly, because I do not discriminate between a moral responsibility and a legal responsibility. That is the reason why I contemplated offering a proposal of 4 per cent, which would be a fair rate upon the legal obligation of the Government; but I do not favor imposing a limitation of 4 per cent upon these proposed bonds as the corporation's bonds, because they will not go at 4 per cent; and there ought to be no limitation upon it if it is going to be merely a corporation bond. That bond will have to seek the market price, whatever it is, and pay 4½ or 5 per cent or whatever may be found necessary, even if it may disturb deposits in the savings banks, which I should exceedingly deprecate and which I had hoped to avoid.

Mr. SMOOT. Our liberty bonds did not have to pay that much.

Mr. OWEN. Our liberty bond, though, has behind it the patriotism and the taxing power of the Government of the United States; and everybody knows that if these gentlemen who have the great property of the country do not take the liberty bond they will find the alternative of a tax receipt in place of a Government bond; they are obliged to support these bond issues of the Government of the United States to carry on this war or pay the money over without a bond in the form of taxes to carry on this war. The Government is compelled to offer them a bond or a tax receipt, and they will prefer the bond unless their brains have ceased to function.

I wish to put into the RECORD this observation:

When the Government of the United States raises a thousand million dollars by taxes, or raises a thousand million dollars by floating a loan, these checks come in from the Atlantic to the Pacific in payment of the bond or in payment of the tax, and flow into the Treasury of the United States. Immediately the money flows right out of the Treasury again, just as fast as the transactions of the Government make it possible; and these credits from a million people flow out of the Treasury back and are distributed among many other million people, and the credits of the country, as far as their volume is concerned, are not impaired at all.

Mr. SMOOT. But the distribution is not uniform as to localities.

Mr. OWEN. There is some difference in the matter of localities; for where these taxes are drawn from the Pacific coast and from the Rocky Mountain States and from the Western States, and are then poured out in contracts in the part of the country which has the great factories, and where these contracts necessarily are very largely placed and must be largely placed, it does abstract credits from one part of the country and expands the credits in another, where these war activities are being carried on. It takes credits from the South and West and places them in the North and East. I have thought that the administration was bound by sound policy to see to it that these contracts for war industries should be distributed with some degree of equity in those parts of the country from which these large credits are withdrawn. I will say that there is not any contract whatever in Texas; there are no contracts in Kansas or Nebraska; none of them in the Rocky Mountain States; none of them in my own State of Oklahoma. I make no complaint of it. I only call the attention of the country to an existing condition, which I had hoped and still hope the administration may adjust as far as possible.

Mr. President, when these bonds are issued they are, of course, an investment security. Whether or not it is an investment which is quickly exchanged into cash must depend upon the market. A Government bond certainly has a quick and stable market; and therefore we did permit the Federal reserve banks to buy Government bonds and to receive Government bonds as security against notes which are discounted by the Federal reserve banks. This bond, if it has a quick, good market, might possibly be classed with a Government bond. If it has not the same market, if it appears to be a fluctuating bond, going from 100 to start on down to 95, and then to 92, and then to 88, or some such figures, it would not have a stable, reliable market. I do not think it is liable to go down very far, probably not very much below the Government bonds, if it is understood that the moral obligation of the Government is behind it.

I would prefer to make it a legal obligation, because in that case it would certainly make a quick market, and if that were done the bonds would have the status of a quick stable security on the notes which will be offered to the Federal reserve banks just as any other Government bond. It could be bought by the Federal reserve banks, if it were a Government bond, just as any other Government bond; and that is within the terms of the amendment which I offered for the RECORD last evening as a substitute for the pending bill.

I agree with the Senator from Utah that the Government of the United States is so fully and completely behind the Federal reserve act that if anything should miscarry with the Federal reserve act the Government of the United States would stand behind it to its last credit. But what I think is really the case is that these resources of the banks of $34,000,000,000 are abundant to take care of all investment securities that have a right to be offered. The only reason for the passage of this act is that the Government, in making a sweeping demand for large loans, is exhausting the readily available credit which is required by companies to carry on these war industries, required by companies that have maturing bonds falling due and which they find difficulty in getting capital with which to renew. I keenly sympathize with that situation, and I desire to give them relief; and when we put the credit of the United States behind the relief sought, when we take five hundred millions of cash out of the Treasury to start on, we are giving a gigantic aid, whether administered by a central bank called "the War Finance Corporation" or administered by the reserve banks, as I propose and which I should greatly prefer.

I remind the Senate of what is I think perfectly well known—that when Mr. Warburg drew this bill last September it only provided for fifty millions of capital and four hundred millions, or eight times the capital, for this purpose. He thought, and those who were in sympathy with this idea of giving assistance thought, that four hundred and fifty millions would be enough. Well, now, we are giving five hundred millions in primary capital out of the Treasury in this bill. It has been expanded ten times since it was born. It has been growing rapidly. I think more rapidly than necessary, because all of the maturities of these bonds will not amount to over eight or nine hundred millions this year. Many of them can be financed out of their own funds. The Government is advancing 30 per cent on contracts ahead of deliveries. The member banks can handle nearly all others easily in my opinion, but the other needs I wish to cordially help.

Mr. SMITH of Georgia. Mr. President, if I may make a suggestion, it is not contemplated to issue any large amount of bonds at once. Even this capital is only to be drawn from the Treasury by a vote of two-thirds of the directors.

Mr. OWEN. Yes; but that means nothing, as men authorized to draw $500,000,000 to help others will promptly draw it.

Mr. SMITH of Georgia. It is the power for strengthening confidence that is important. The chances are that there will not be a large amount issued at once.

Mr. OWEN. I think there is a psychology in that proposal; that by offering to do this matter in a very big way it will establish confidence; and I think that confidence being established, the only thing in the world which is necessary to safeguard this matter fully is merely to give time for the digestion of these changing credits as they pass into the Treasury and pass out again. When they pass out again, these credits are immediately available for new credits.

That being true, it only requires a little element of time; and what the Senator says has force, that it is not intended to use it very largely. I do not think it would really require to be used very largely, and therefore that if these funds were placed with the reserve banks as a war finance fund it would suffice and give confidence and not require a new gigantic central bank in Washington, with its obvious disadvantages. The point which was made by the Senator from New Hampshire was that when we depart from our system of using any other than a Government bond for the purpose of withdrawing gold from these banks it is really in conflict with the fundamental idea of the Federal Reserve System that these reserves in gold of the member banks should be understood to be sacred and not to be used for anything less than a positive Government obligation or for commercial bills of quick maturities where the payment will be assured, so that these reserves will always be available to protect the twenty-four thousand million dollars of deposits in these banks.

I merely make this comment for what it may be worth, in order to express my own judgment as to the conditions.

Mr. HOLLIS. Mr. President, this is a most valuable discussion that we are having in the Senate to-day. We can not, as Senators, discharge our duties to the country in war times without discussing the finances of the country. I am sounding the alarm here to-day against this assault on the Federal reserve system and against the further assaults that the Senator from Utah says are coming.

I had no apprehension before this discussion started that there would be a reduction of the gold reserve behind the Federal reserve notes in this country. The Senator from Utah says that he expects that there will be a proposition shortly to reduce the gold reserves that are behind the Federal reserve notes to 35 per cent and even lower. Now, that will surely come. I have already called the attention of the Senate to the fact that we established a sound Federal reserve system, based on sound banking principles, after years of study, after months of consideration in the Senate. We built it strong, and we intended it to be permanent. We did not assume that at the first flurry that came under war conditions we would hurry to amend it and make it less sound.

Mr. OWEN. Mr. President——

Mr. HOLLIS. I yield.

Mr. OWEN. I want to say that so far is it true of the resources of the Federal reserve banks to lend money that those banks now, with their gold reserves, by lowering the reserve of the Federal reserve banks to the legal limit, as permitted by the terms of the Federal reserve act, could make further loans of about forty hundred million dollars.

Mr. HOLLIS. That is, the banks themselves?

Mr. OWEN. The Federal reserve banks could to the member banks, and therefore the member banks themselves could by rediscounting.

Mr. SMOOT. Oh! The Senator is speaking now of the Federal reserve banks?

Mr. OWEN. The Federal reserve banks, by lowering the amount of reserve against their loans, could expand loans to nearly $4,000,000,000—to be more exact, about $3,899,000,000—without asking the banks for additional gold, and they have $1,502,502,076, a substantial part of which could be used. (Rept. Comp. Cur. 1917, pp. 109, 120, 136, etc.)

Mr. SMOOT. I think, Mr. President, that may be true.

Mr. OWEN. The reserve banks have $1,777,000,000 in gold and about $54,000,000 in lawful money, total $1,837,000,000, against which stands a gold charge at 35 per cent on deposits of $1,710,000,000, equal to a gold charge of $598,000,000, leaving $1,239,000,000 of gold, or its equivalent, which at the minimum rate allowed by law of 25 per cent would permit an issue of reserve notes of four times as much, or $4,956,000,000. Deducting reserve notes already issued—$1,057,000,000—would leave a net amount of $3,899,000,000 of reserve notes possible.

Mr. HOLLIS. Mr. President, I hope that no such inflation as that will occur, either under the present law or under amendments to the law.

This matter of finance is not as difficult as Senators would have us think. The Government has gone into the market to borrow vast sums. It has swept the investment market bare, because it needed the money for war purposes. Now, we find the conditions of the money market disturbed because the Government has practically commandeered the funds that are available. We are disturbed at that, and well we may be, because banking conditions are out of gear; so the proposition is to have the Government come to the rescue. We would not ask the Government to come to the rescue of financiers unless we thought that necessary, and the first contribution we make is $500,000,000 of the money that has been borrowed from capitalists for the use of the Government. We contribute that to this great United States bank, and we are afraid that is not enough, and we are giving the bank authority to issue its bonds to eight times the amount of its capital, or $4,000,000,000. Then we are afraid that these bonds will not sell on the market. If they would sell on the market there would be no reason to give them any discount facilities with the Federal reserve banks, and it is for the sole purpose of giving the bonds a market that we attach this discounting privilege to them. Then Senators say that it will not do any harm to allow currency to be issued on these bonds, because they will meet with a ready sale; and yet it is for the very reason that they will not meet with a ready sale that we find it necessary to give them these discounting privileges with the Federal reserve banks.

I am not afraid of the soundness of the Federal reserve banks under the present conditions. The Government, we are told in a grandiloquent way, will not permit the Federal reserve banks to fail. Why, the credit of the Federal reserve banks to-day is away above the credit of the Government. Every obligation of the Federal reserve banks is at 100 cents on the dollar; it is at par, while the Government obligations, the liberty bonds, are at 96 or 97. Instead of the person leaning on the staff, the proposition is to have the staff lean on the person. The banks are sound to-day. I want to keep them so, and it is because I fear that this inroad, if once started, will undermine the credit of the Federal reserve banks that I offer this amendment.

The amount of money or currency that is circulating in a country bears no relation whatever to the needs of the Government. We have an enormous supply of currency now, quite as much currency as we had in 1896. There is no stringency so far as currency is concerned. Now, what happens when the Government wants to borrow more money? We do not get gold as the proceeds of the liberty bonds; we do not get greenbacks; we do not get paper money; we do not get any cash; we get checks. Now, assume a man wants to purchase $100,000 of liberty bonds to help the Government. He goes to his bank; he puts up his note for $100,000; the bank gives him credit on the books for $100,000 as a transfer and puts his note on the other side of the ledger. They have then a liability in the shape of a deposit of $100,000 on one part of the ledger, and they have the man's note in the shape of a resource on the other side of the ledger, and there is no more money in the country; the bank has merely given its credit to the man, and the man has turned that credit over to the Government. The Government, for instance, has no relation whatever to the amount of currency that is available; but the amount of currency that is launched by the Federal reserve bank bears a very distinct and vital relation to the assets of the Federal reserve bank and to the amount of gold it has as a reserve. The proposition made here deliberately on the floor of the Senate to begin to lower the gold reserve back of our Federal reserve notes merely points to the path of danger we are pursuing by making a start under this bill.

Mr. SMOOT. Mr. President, just one word. I will say that what the Senator from New Hampshire [Mr. HOLLIS] has already said, if it were peace times I would most heartily approve of. I want nothing to come to interfere with the stability of every note issue of the Federal banks. I recognize the interest that the Senator has in them, and I have the same interest he has.

But, Mr. President, we are passing legislation every day that no Senator would ever think of voting for or no one ever would dare to request in ordinary peace times. We are in war, Mr. President, and it is this kind of legislation that requires a war to secure its passage.

It is for that reason that I made the suggestion I did, and the Senator will remember that I qualified it by saying if we are in war for another year or two then what I stated would happen.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Hampshire [Mr. HOLLIS].

Mr. SIMMONS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). I have a general pair with the Senator from Oregon [Mr. CHAMBERLAIN]. In his absence I withhold my vote.

Mr. LODGE (when Mr. PENROSE's name was called). The Senator from Pennsylvania [Mr. PENROSE] is unavoidably absent. He has a general pair with the Senator from Mississippi [Mr. WILLIAMS]. If the Senator from Pennsylvania were present, he would vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. He is absent, and I withhold my vote.

The roll call was concluded.

Mr. OVERMAN. I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. WILLIAMS. I have a general pair with the Senator from Pennsylvania [Mr. PENROSE]. It having been announced that if he were present he would vote "nay," as I desire to vote that way, too, I feel at liberty vote. I vote "nay."

Mr. DILLINGHAM. I have a general pair with the senior Senator from Maryland [Mr. SMITH]. I am informed that if he were present he would vote "nay." I therefore feel at liberty to vote and do vote "nay."

Mr. KNOX. I transfer my pair with the Senator from Oregon [Mr. CHAMBERLAIN] to my colleague [Mr. PENROSE] and vote "nay."

Mr. STERLING. May I ask if the Senator from South Carolina [Mr. SMITH] has voted?

The PRESIDENT pro tempore. He has not.

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Rhode Island [Mr. COLT] and will vote. I vote "nay."

The result was announced—yeas 5, nays 61, as follows:

YEAS—5.

Hollis	King	McNary	Sherman
Johnson, Cal.			

NAYS—61.

Ashurst	Hardwick	Overman	Sutherland
Baird	Henderson	Page	Swanson
Bankhead	Johnson, S. Dak.	Phelan	Thomas
Beckham	Jones, Wash.	Pittman	Thompson
Borah	Kellogg	Poindexter	Tillman
Calder	Kenyon	Ransdell	Townsend
Culberson	Knox	Saulsbury	Trammell
Curtis	Lewis	Shafroth	Vardaman
Dillingham	Lodge	Sheppard	Wadsworth
Fernald	McCumber	Shields	Walsh
Fletcher	McKellar	Simmons	Watson
France	McLean	Smith, Ariz.	Williams
Frelinghuysen	Martin	Smith, Ga.	Wolcott
Gallinger	New	Smith, Mich.	
Gerry	Norris	Smoot	
Hale	Nugent	Sterling	

NOT VOTING—29.

Brandegee	Gronna	Myers	Smith, S. C.
Broussard	Harding	Nelson	Stone
Chamberlain	Hitchcock	Owen	Underwood
Colt	James	Penrose	Warren
Cummins	Jones, N. Mex.	Pomerene	Weeks
Fall	Kendrick	Reed	
Goff	Kirby	Robinson	
Gore	La Follette	Smith, Md.	

So the amendment of Mr. HOLLIS was rejected.

Mr. OWEN. Mr. President, I did not vote on the last item. If I had voted, I should have voted "yea." The reason why I did not vote was because I knew that the vote would be overwhelmingly in favor of the committee report, because when this matter was being debated in the Senate there were only a very few Senators on the floor. Senators are called away by their committee meetings and other obligations and in reality the discussion is not heard on the floor. These matters are very largely controlled in committee, so that in reality the

discussion on the floor is very difficult indeed, and, in nearly all cases, quite futile. I knew, therefore, what was going to happen and I simply withheld my vote in order to make this comment.

Now, Mr. President, I have an amendment which I offer which will take but two or three moments. On page 11, line 5, after the words "Secretary of the Treasury," I move to insert as a new sentence the following words:

Such bonds shall be issued in terms of foreign money and sold to American importers at par to the extent necessary to cover their importations from and credit transfers to countries whose currency is at a premium.

I understand the Secretary of the Treasury intends in selling liberty bonds to have some of these bonds issued in the terms of foreign money. In that way these corporation bonds can be taken and transferred to a foreign country as a basis of credit there, and in that way our importers and those concerned in transacting business can avoid the present high premium on foreign money.

Mr. SIMMONS. Will the Senator please read the first part of his amendment again?

Mr. SMOOT. I should like to have the Senator read the amendment again.

Mr. OWEN (reading)—

Such bonds shall be issued in terms of foreign money and sold to American importers at par to the extent necessary to cover their importations from and credit transfers to countries whose currency is at a premium.

Mr. SIMMONS. Why does the Senator use the word "shall"?

Mr. OWEN. It is "shall" to the extent that they can be used by importers to avoid the present high premium.

Mr. SIMMONS. I am in entire sympathy with the purpose of the Senator. I think it is a very good purpose. I wish to look more closely at the amendment, however.

Mr. OWEN. The Senator will have abundant opportunity. I prefer that he should look at it because it is very simple and very easily understood.

Mr. SIMMONS. That, of course, gives the discretion to the Treasury Department when these applications are made. I suggest to the Senator that he change the word "shall" to "may."

Mr. OWEN. I will change it to read "may be issued in terms of foreign money."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. OWEN. On page 11, lines 13 and 14, after the words "the Federal Reserve Board may approve," I move to insert the words—

at not less than 1 per cent in excess of the interest rate fixed upon commercial paper by the Federal Reserve Board in this district.

That would give the Government a margin of 1 per cent in making these advances so that the fund would have what might be called an insurance fund in protecting it against the possibility of some of these securities proving to be unsound in any way.

Mr. SMITH of Georgia. We have left that matter in the discretion of the Federal Reserve Board, and I for one think it would be better to leave it there now.

Mr. SMOOT. The Senator from Oklahoma will notice in the paragraph referring to the savings banks we there provide for one-half of 1 per cent. As originally drawn it was not less than 1 per cent. The committee changed it to one-half.

Mr. OWEN. That was done because of the character of the savings banks.

Mr. SIMMONS. This does not apply to savings banks.

Mr. OWEN. It does not apply to savings banks.

Mr. SMOOT. I was going to state to the Senator the reason why it was not put in. We thought there ought to be an expression in relation to the amount charged, but that the discretion ought to be left entirely with the Federal Reserve Board as to the amount of interest and general business. There may be times when one-half of 1 per cent or three-fourths of 1 per cent would be sufficient, and there may be of course times when it would be 1½ per cent. The Senator's amendment, however, would not affect that; but if the Senator's amendment is adopted, no matter what condition may arise or what the situation of the money market may be, they would be compelled to charge at least 1 per cent.

Mr. OWEN. Will the chairman of the committee agree to one-half of 1 per cent, that the same rate fixed for the savings banks should apply to these lines of business?

Mr. SIMMONS. I would very much prefer to have the Senate vote upon the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

The amendment was rejected.

Mr. HOLLIS. Mr. President, it is very evident that the Senate intends to pass the bill in its present form. If I felt that Senators were interested in the financial affairs of the Government, I should offer some other amendments. For example, I would limit the rate of the bonds to be issued by the central banks to 5 per cent. It is evident that they will come in direct competition with the Government bonds. It is evident that under the terms of the bill the five directors of the bank may issue them at any rate that they care to fix. I think we ought to limit it. I feel that the bond provision of the bill ought to be stricken from the bill altogether. The bonds issued in this way will surely plague the flotation of the liberty loan bonds. They will be in direct competition with the Government. Many people will not buy liberty loan bonds because they know that these bonds will shortly be for sale at a higher rate. They must be for sale at a higher rate in order to sell at all, because while the question is discussed here as to whether these bonds will be the moral obligation of the Government, they certainly are not the direct obligation of the Government, and no investor will pay as much for them as he would pay for the bonds of the Government. If the Government is coming to the relief of distressed capitalists and financiers, as it is under the bill, the best way for the Government to do so is to borrow the money or get it in taxation and advance the money to the capitalists. That is very much the better way, instead of going through this rigmarole of organizing a central bank, giving them authority to issue bonds, and if the bonds are not saleable allowing the banks to put them up as security for rediscount to the Federal reserve bank. I would very much prefer it that way.

The Senator from Oklahoma [Mr. OWEN] has presented to the Senate an amendment. I do not know whether he intends to present it for the consideration of the Senate to come to a vote.

Mr. OWEN. Mr. President, I presented the amendment in the form of a substitute, but I know the futility of discussing it to empty benches and then having the Senate come in and sustain the committee. There are only about a dozen Senators now present. For that reason, although chairman of the Banking and Currency Committee, I am really precluded from discussing it, because I have no audience. The arguments which I would make would not reach the ears of the Senate. The only way in which the Senate may be reached is through its parliamentary eyes and ears comprised of its committees, is to have measures submitted to its committee for examination, and have the committee report upon the bill. Knowing that perfectly well—as everybody knows, familiar with Senate procedure—and the Committee on Banking and Currency having, of course, had no opportunity whatever of passing upon this war finance corporation bill, establishing this great bank and amending the reserve act, that committee has not been able to make its suggestions to the Senate as a committee, and realizing, as I keenly do, the futility of discussing it when the Senate can not or does not hear it, under the circumstances I do not feel inclined to take the time of the Senate to discuss it at all, except casually, in trying to make some minor amendments.

Mr. HOLLIS. Then I will explain the amendment of the Senator in a word, because the Senator's plan would be infinitely better than the one the Senate is about to adopt. Under the Senator's plan the Government in extending this relief to capitalists and financiers would extend it through the Federal Reserve System. It would merely make the Federal reserve bank the Government fiscal agent for the purpose of advancing these sums to those who wanted to procure them through their member banks. That is, a man who wanted money for a proper purpose would go to his member bank as he goes now to his regular banking house. That bank would look into the proposition, and, if it thought he ought to have the money, it would loan it to him. Then the member bank could go to the Federal reserve bank in the district and turn the obligation of the borrower, with the indorsement of the member bank, over to the Federal reserve bank, and out of the war fund placed by the Treasury at the disposal of the Federal reserve bank for that purpose the loan would be made. It would not weaken the Federal Reserve System, because there would be no obligation of the Federal reserve bank to pay the money back to the Government. The Federal reserve bank, through the machinery already in existence, through its agents and through the member bank, would loan the Government money on securities that the member bank and the Federal reserve bank thought were sound. That is in place of having five directors of a central bank we would have the directors of each Federal reserve bank and the directors of the member banks. There is no infirmity in that system. If it were adopted we would avail ourselves of the existing machinery. That is all paid for by the Federal reserve bank. The Federal reserve banks are a paying institution now. They are earning dividends for the Government,

and they could well afford to do this. I believe they would be glad to do it rather than to have their funds in competition with the funds of this great central bank. I think that could be done. I have heard no objection to it.

The plan was submitted to the Secretary of the Treasury the other day, and he merely said that he preferred this way, because he had had a chance to consider it, and the other plan had not been brought to his attention so that he cared to give an opinion upon it.

I think I ought to say at this time, before the debate closes on the bill, that my reference day before yesterday to a distinguished gentleman who appeared before the Banking and Currency Committee was not to the Secretary of the Treasury. The Secretary of the Treasury was perfectly frank. He said that he was in charge of the Government financing for the war, that he took the responsibility of wanting this measure, and if this measure was not given to him, but if some other measure were given, he did not want to take the responsibility for it, but he would go ahead and do the best he could. His attitude was perfectly fair. He did not say the bill should not be discussed. That suggestion came from another source.

Now, there are many omissions in this bill. It has not been worked over carefully. The microscope should have been put on it. For instance, there is not authority in the bill for the Bureau of Engraving and Printing to get out the bonds that will be issued under it. That can not be done without an authorization, because this is a private corporation, although the funds are contributed to the capital of the corporation. The American Bank Note Co., that will probably be represented on this corporation, will get the contract for printing and engraving these bonds and securities. It can not be done by the Government unless we authorize it. There is no provision in the bill whatever for examining or auditing this bank. These five gentlemen take over the $500,000,000, they sell the $4,000,000,000 of bonds, they handle the money as they please, merely making a report under the amendment of the Senator from Maine [Mr. HALE] to Congress once a quarter. There is no requirement that the five directors who are to handle this four billion of money should give a bond to the Government. They are merely appointed and confirmed by the Senate. They handle this money exactly as they please. They loan it at such rates as they please. They issue bonds at such rates as they please. They give no bond whatever for the performance of their duty. They need not even be citizens of the United States. We will not permit a man to be a director of a national bank without being a citizen of the United States. There is no restriction on the amount of loan that can be made to any one person or corporation whatever. They can loan all the capital of the bank and all its resources to one corporation or to one person if they see fit. The bonds are sold to the public. They are claimed to be as good as United States bonds, and the assets to secure the bonds are in the absolute possession and control of unbonded officials. There is no prohibition upon receiving commissions or fees as the result of any loans that they may make.

I venture to hazard a guess that a great bank of that kind can not be safely put into business under the provisions that are contained in the 12 pages of the act devoted to that purpose.

But, as the Senator from Oklahoma has said, the bill as it comes before the Senate has had the sanction of the committee that has been intrusted with it, and it is useless to offer amendments that are not satisfactory to the committee. I, therefore, refrain from doing so. I shall, however, when the bill gets into the Senate, reserve the amendment with reference to the requirement that the directors of the corporation shall devote their entire time to the business of the corporation and that they shall before taking office cease their connection with any other financial institution.

Mr. GRONNA. Mr. President, I share the opinion of the Senator from New Hampshire [Mr. HOLLIS] and the Senator from Oklahoma [Mr. OWEN], but I have not opposed any of the provisions of this bill. I have, however, given it some attention. I believe, as the Senator from New Hampshire has stated, that in the interest of economy and good administration it would have been better to have done this work through the Federal reserve banks, but I shall not oppose the final passage of the bill.

I desire to remind the Senate, however, that the so-called corporation about to be created is nothing more nor less than a Government bank. I want to remind the Senate and the country of the fact that this legislation is communistic; that it is socialistic. It is a measure which would make Carl Marx and other great socialists turn in their graves. We are taking four hundred or five hundred million dollars of money from the Treasury of the United States to finance this corporation. It will be administered by officials of the Government. We are further authorizing this so-called corporation—which is nothing more nor less than the Government itself—to expand its operations, to issue bonds to the extent of eight times the amount of the capital stock so called.

In a few days there will be before this body—I think it will be here, for I understand it will be passed by the other body—a bill providing that the Government of the United States shall appropriate some $10,000,000 out of the Treasury to be invested in farm securities to help the farmers of the country procure feed and seeds. I am quite sure when that measure comes to this body many of the Senators who have so eloquently spoken in favor of this bill will construe it as being fraught with the gravest danger and characterize it as being socialistic, but Mr. President, that is not their contention when we take four thousand five hundred million dollars of the people's money to assist corporations. There is not a Senator here who will say that the pending measure is for any other purpose than to assist corporations. I find no fault with that; I believe that in this hour of peril it is our duty to assist public-utility corporations, banking corporations, and others, but I simply want to remind the Senate of the fact that they will soon have the opportunity of voting on another measure, which will be for the purpose of assisting individual citizens of the United States and not merely corporations which have no souls.

Mr. OWEN. Mr. President, I desire to offer an amendment to the bill, and I make the point that there is no quorum present.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Baird	Hollis	Martin	Smith, Ga.
Beckham	Johnson, Cal.	New	Smith, Mich.
Calder	Johnson, S. Dak.	Norris	Smoot
Curtis	Jones, N. Mex.	Overman	Sterling
Dillingham	Jones, Wash.	Owen	Stone
Fernald	Kellogg	Page	Sutherland
Fletcher	Kendrick	Phelan	Thomas
France	Kenyon	Pittman	Tillman
Frelinghuysen	King	Reed	Trammell
Gallinger	Kirby	Saulsbury	Underwood
Gerry	Knox	Shafroth	Wadsworth
Gore	Lewis	Sheppard	Walsh
Gronna	Lodge	Sherman	Warren
Hale	McCumber	Shields	Watson
Harding	McKellar	Simmons	Wolcott
Henderson	McNary	Smith, Ariz.	

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. OWEN. Mr. President, I wish to move an amendment to section 7 to this effect:

> The members of the capital issues committee shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

We have amended the bill so as to provide that the board of the corporation which is to manage these great funds shall be confirmed by the Senate, but the power to restrict all credits is very much more important than the power to grant limited credit through this corporation. I think that the Senate of the United States ought to have a voice in saying who this committee shall be, and that they ought to have the opportunity of advising and consenting to its membership.

The parliamentary status of this matter, as I understand, is that section 7 went over subject to amendment to-day, if we might think wise to offer amendments.

Mr. SMITH of Michigan. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. OWEN. I yield to the Senator.

Mr. SMITH of Michigan. I should like to ask the Senator if his amendment is intended to include the appointment on this committee of the Federal Reserve Board members?

Mr. OWEN. Oh, yes.

Mr. SMITH of Michigan. They have already been appointed by the President.

Mr. OWEN. But the "capital issues committee" under this act will be a legal body established by Congress with entirely different functions, and the members of that new legal body should be nominated by the President and confirmed by the Senate.

Mr. SMITH of Michigan. Such members of the Federal Reserve Board as will be designated for service upon this committee have already been appointed by the President and confirmed by the Senate.

Mr. OWEN. Not for a position on the "capital issues committee," which is a new legal entity.

Mr. SMITH of Michigan. I quite sympathize with the purpose of the Senator from Oklahoma, in so far as it relates to

the members of the committee who have not previously been appointed by the President.

Mr. KNOX. Mr. President, may I inquire of the Senator from Oklahoma, would they not automatically cease to be members of the Federal Reserve Board if they were nominated and confirmed for a new office?

Mr. OWEN. I think they ought to be so nominated and confirmed, because the members of the Federal Reserve Board have a tremendous task on their hands now. They have charge of 8,000 member banks and of 12 great Federal reserve banks. I think that they ought, if they become members of the "capital issues committee," to give their entire time to this new work. It will be of very great importance—of commanding importance.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. I yield.

Mr. GALLINGER. My attention was diverted for a moment, and I desire to ask, Does the amendment which the Senator from Oklahoma has offered provide that the President shall appoint the members of the committee?

Mr. OWEN. That was the amendment that I intended to offer.

Mr. GALLINGER. Has the Senator offered the amendment?

Mr. OWEN. I have not yet offered it.

The PRESIDENT pro tempore. The Chair will say to the Senator from Oklahoma that at present the Chair does not think his amendment would be in order. The bill has not yet been reported to the Senate. The amendment will be in order when the bill reaches the Senate.

Mr. OWEN. Permit me to call the attention of the Chair to the agreement which was made last night that section 7 if it went over until to-day would be subject to further consideration.

The PRESIDENT pro tempore. When the bill got into the Senate, the Chair understands.

Mr. OWEN. Then, I shall reserve the right to offer the amendment when the bill arrives in the Senate to strike out the words "of whom at least three shall be members of the Federal Reserve Board" and to insert "the members of the capital issues committee shall be appointed by the President of the United States, by and with the advice and consent of the Senate." If that fails, then I shall offer an amendment to insert "the members of the capital issues committee shall be appointed by the President of the United States, by and with the advice and consent of the Senate."

Mr. GALLINGER. Mr. President, lest I might not be present when this matter is considered, when the bill arrives in the Senate I want to say that I think the effort I made to have this provision go over until to-day was fully justified, in view of the amendment which the Senator from Oklahoma proposes to offer. I think it is important that the President shall appoint these men, and I shall take great pleasure in voting for the amendment proposed by the Senator from Oklahoma when it is presented to the Senate.

Mr. McCUMBER. Mr. President, I desire to ask the Senator from Oklahoma whether or not in his amendment he desires to strike out the provision which reads:

There shall be appointed by the Federal Reserve Board—

Not by the President, but—

by the Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee—

Three members of which shall be members of that board?

Mr. OWEN. Mr. President, the motion which I intend to make will be to insert words to the effect that there shall be appointed by the President of the United States, by and with the advice and consent of the Senate, a capital issues committee to consist of five members.

Mr. McCUMBER. Without reference whence they are to be selected?

Mr. OWEN. Without reference whence they come.

Mr. McCUMBER. The amendment does not require three of them to be selected from the Federal Reserve Board?

Mr. OWEN. No. It would leave the President with discretion to choose them as he liked.

Mr. McCUMBER. That will kill the whole purpose of the committee amendment.

Mr. LODGE. Mr. President, the amendment offered by the Senator from Oklahoma would destroy the entire purpose of the committee amendment and what they thought it very important to bring about.

Mr. SIMMONS. Mr. President, I think the Senator from Massachusetts is laboring under a misapprehension. The Senator from Oklahoma, I think, does not offer the amendment now, because the Chair holds that it is not in order. The Senator said he would offer the amendment when the bill gets into the Senate.

Mr. LODGE. Very well.

The PRESIDENT pro tempore. The bill is still before the Senate, as in Committee of the Whole, and is subject to amendment.

Mr. HOLLIS. Mr. President, there is one verbal correction that I think the chairman of the committee will accept. On page 10, line 17, I move to strike out the word "may" and insert the word "to." The language immediately preceding is descriptive of the bonds.

Mr. SIMMONS. If the Senator will pardon me, my attention was diverted, and I will ask him to restate his amendment.

Mr. HOLLIS. In line 17, on page 10, I move to strike out the word "may" and insert the word "to." The language is descriptive of the bonds.

Mr. SIMMONS. That amendment is all right. I talked with the Senator about it the other day.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

Mr. GALLINGER. Mr. President, it is a gratification to me to be able to offer an amendment to this bill which I think will not be objected to by any Senator. I call the attention of the Senator from North Carolina to page 16, line 10, where the word "corporation" has not been changed, as it has been throughout the entire bill, by spelling it with a capital C and putting it in italics. The Senator will observe that is the only place where that has not been done.

Mr. SIMMONS. I think it should be amended in that particular.

Mr. GALLINGER. I move that the word "corporation," on page 16, line 10, be spelled with a capital C and be printed in italics, as it is throughout the remainder of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

Mr. HOLLIS. Mr. President, there is one other verbal change which should be made on page 2, line 7, to correct what appears to be a grammatical mistake. At that place the word "are" should be changed to "is" The subject of that verb is the Secretary of the Treasury, and, while he is performing many functions, he is one person. It should read:

The Secretary of the Treasury, together with four additional persons (who shall be the directors first appointed as hereinafter provided), is hereby created—

And so forth.

Mr. SIMMONS. The Senator is correct, I think.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Hampshire.

The amendment was agreed to.

Mr. CALDER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 6, line 15, after the word "company," it is proposed to insert "fire or life insurance companies."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New York.

Mr. SIMMONS. I understand that amendment is inserted in a different place than where it was inserted yesterday.

Mr. CALDER. No; I propose to insert it a second time, so as to make the bill conform with the similar amendment adopted last evening.

Mr. SIMMONS. Is it necessary that it be inserted twice?

Mr. CALDER. Yes.

Mr. SIMMONS. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New York.

The amendment was agreed to.

The bill was reported to the Senate as amended.

The PRESIDENT pro tempore. The question is on concurring in the amendments made as in Committee of the Whole, with the exception of those amendments on which a separate vote has been reserved in the Senate.

Mr. HOLLIS. I have reserved two amendments, one at the top of page 4 and the other at the bottom of page 4 and the top of page 5.

Mr. SMOOT. Mr. President, it is not necessary again to announce the reservations, is it? I have already reserved the right to offer an amendment, and I do not think that I need to do so again.

The PRESIDENT pro tempore. If an amendment has been reserved, that is all that is necessary. The question is on concurring in those amendments upon which a separate vote has not been reserved.

The amendments not reserved were concurred in.

Mr. LODGE. Mr. President, I desire now to say the few words that I intended to say a few moments ago, but which I deferred until the bill reached the Senate, with reference to the amendment proposed by the Senator from Oklahoma [Mr. OWEN].

The purpose of the committee was to put the regulation of new capital issues in the hands of the Federal Reserve Board; that was the main object of the amendment, and I think the object was a wise one. I believe that from every standpoint the Federal Reserve Board is much better fitted to deal with that subject. In the first place, they have been dealing with it already through a voluntary committee, and, in the second place, the Federal Reserve Board has the confidence of the country and is well known. It would take a long time for the directors of the new corporation to acquire and make themselves masters of the information which the Federal Reserve Board now possesses. It seems to me that it would be most unfortunate to break down the main purpose of the amendment prepared by the committee which was designed to leave this heavy duty in the hands of the Federal Reserve Board and not have another new committee.

Then, Mr. President, as we provide that three members of the committee shall be members of the Federal Reserve Board, I think it ought to be left to them to select the two additional members who are to assist them with the work. The members of the Federal Reserve Board have been before the Senate, having been appointed by the President, and have received the confirmation of the Senate. If this function is to be placed in the hands of the Federal Reserve Board, of course, to confirm them again for another office, it seems to me, would be out of the question and would raise all kinds of objections possibly which it would be well not to raise.

I hope, Mr. President, that the provision will be allowed to stand as it is. It was given great consideration by the committee, and I am firmly of the opinion that the wisest way to deal with the matter is to have for this important work an independent committee of this kind based on the Federal Reserve Board.

Mr. OWEN. Mr. President, the amendment which I propose does not take from the Federal Reserve Board or any members of that board any power whatever. The President can nominate them if he thinks fit. This is avowedly an administration measure. It came here from the Treasury Department; it is unchanged so far as that feature is concerned; and if the President desires to nominate three members of the Federal Reserve Board to hold positions on the capital issues committee he will certainly be at liberty to do so.

Mr. LODGE. Mr. President, will the Senator allow me to interrupt him?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Massachusetts?

Mr. OWEN. Certainly.

Mr. LODGE. The words as they now appear in the bill are not the words that were in the bill as it came from the Treasury Department.

Mr. OWEN. In what particular do they differ?

Mr. LODGE. Under the bill as it came to us from the Treasury Department the whole power was left in a board organized in the war finance corporation. We altered it entirely, and this provision as to the Federal Reserve Board is the work of the committee.

Mr. OWEN. That is all right. Then, the object of the committee will not be interfered with, because it is the desire of the committee evidently that the members of the Federal Reserve Board, who are in charge of this matter now shall continue in charge, and the President of the United States undoubtedly will be in harmonious relation with the Federal Reserve Board and will be able to nominate members of that board to the Senate, but I do not think the Senate ought to abdicate its high functions as a coordinate body. Here is a committee which will absolutely control the entire credits of the United States in all new enterprises; it will affect thousands of millions of dollars, and why should the Senate of the United States abdicate its functions and transfer this gigantic power to a subordinate bureau of the Treasury, the Federal Reserve Board, and have no voice whatever as to the personnel charged with carrying this work out, for it will be these individuals at last who will carry out the law. The Senate ought to have a voice in the matter, at least to the extent of saying that those individuals are satisfactory to the Senate unless the Senate desires to abdicate its powers and relieve itself of all responsibility. I do not think the plan proposed by the committee is a prudent policy. I think the Senate ought to be satisfied with regard to who shall be on this committee. There never was a committee given so great power in the history of this Government; there has never been established a committee that has or ever has had anything like the power being now given to this committee; but if the Senate chooses to abdicate its right of a voice in the choice of the personnel to carry the law out, I can not help it; I must be content with expressing my opinion as a Member of this body, and that duty I have performed as I have felt obliged to do.

Mr. SMOOT. Mr. President, when the bill was submitted to the committee it gave the power of appointing the members of this committee to the corporation itself. I presume there is nothing in the bill that has been discussed more thoroughly by the committee than this particular item. What the Senator from Oklahoma says is true, that this committee will have almost untold power. It will be able to make or be able to break almost any institution in this country; that is, it could have done so under the original provision, although section 7 now has been greatly modified, but not modified so that this committee will not still have great power that it may exercise against a person or for a person, against a corporation or for a corporation. Therefore, Mr. President, the committee thought that the Federal Reserve Board, having the confidence of the people of the United States, having been nominated by the President and confirmed by the Senate, and having knowledge of the value of securities and of the situation generally from a financial point of view, should have the right to appoint this committee.

Again, Mr. President, I do not believe that there ought to be any political influence whatever in the appointment of this committee. It may be said that the President would not let such considerations interfere, but who knows what pressure will be brought to bear upon him by certain interests or certain politicians to appoint certain men on this committee. The Federal Reserve Board, if the responsibility is placed upon them, will appoint men in whom they have confidence, and men they know are especially qualified. Three members of that board are to be members of the capital issues committee, and the other two members of that committee outside of the Federal Reserve Board are to be appointed by the Federal Reserve Board.

Mr. President, I believe that the information in the possession of the Federal Reserve Board will be of great value in selecting the members of this committee. The Committee on Finance was so careful that they provided that a majority of the capital issues committee must be members of the Federal Reserve Board, because they wanted the people of the country to understand that the Federal Reserve Board was virtually responsible for the capital issues committee, and that they themselves would appoint men in connection with the three members of the Federal Reserve Board who would give thorough consideration to all the business interests of this country that needed assistance. I sincerely hope, Mr. President, that the Senate will not agree to the amendment offered by the Senator from Oklahoma.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield to the Senator.

Mr. NORRIS. At least as far as the two members of this board who are not members of the Federal Reserve Board are concerned, does not the Senator think that all the safeguards that can be thrown about their appointment ought to be thrown around it? Does he not think it would add to it if they must be confirmed by the Senate?

Mr. SMOOT. I do not think it would add anything, Mr. President. I think the man that would be appointed by the President of the United States would be confirmed by the Senate whether a politician or a business man.

Mr. NORRIS. Does the Senator advocate that? Has he not always considered, I think in one of the amendments to this bill, that confirmation by the Senate is an additional safeguard? Why would it not be better in this case? Why should part of the committee be selected at large, without any power of Congress, or any branch of Congress, to pass upon it?

Mr. SMOOT. Mr. President, I think that in this particular case there should be no semblance of a political appointment.

Mr. NORRIS. I fully agree with the Senator on that.

Mr. SMOOT. And I am quite sure, with the make-up of the Federal Reserve Board, and with the knowledge that they have of the financial conditions of the country, that they are not going to make a political appointment. We can not say that. I am afraid, if the matter is left to the President of the United States. He may not want to be influenced by political considera-

tions; but the Senator from Nebraska knows the pressure that is brought to bear upon the President in making appointments, and the Senator from Nebraska knows that there are very few appointments made by the President that ever come to the Senate of the United States that the Senate refuses to confirm.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I do.

Mr. BORAH. Does the Senator think that the pressure upon the Federal Reserve Board would be less, or less effective, than upon the President?

Mr. SMOOT. I do; and not only that, the pressure would have to influence at least a majority of the board before it would be successful.

Mr. BORAH. That is according to where it comes from.

Mr. SMOOT. Well, Mr. President, I believe that it would be very unwise.

I am informed by the Senator from Oklahoma that he has not yet offered his amendment; but what I have said with relation to it stands, as far as I am concerned, as if it had been offered.

Mr. OWEN. Mr. President, I now offer the amendment. I will read the beginning of section 7:

That for the purpose of assisting in the prosecution of the war, and providing for the public security and defense, through the restriction of unnecessary capital expenditures, there shall be appointed by—

At that point I move to strike out "the Federal Reserve Board" and what follows to the end of the sentence, and to insert:

by the President, by and with the advice and consent of the Senate, a capital issues committee, to consist of five members, three of whom shall be members of the Federal Reserve Board.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

Mr. KENYON. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. GALLINGER. Let the amendment be stated.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. It is proposed to strike out of the amendment agreed to on yesterday, as section 7, the words:

The Federal Reserve Board, with the approval of the Secretary of the Treasury, a capital issues committee, to consist of five members, of whom at least three shall be members of the Federal Reserve Board.

And to insert:

by the President, by and with the advice and consent of the Senate, a capital issues committee, to consist of five members, three of whom shall be members of the Federal Reserve Board.

Mr. GALLINGER. Mr. President, when the Senator from Oklahoma offered his amendment in the first place, I confess that I was laboring under a misapprehension as to its exact purpose. I have some doubt as to the amendment in the form in which it is presented now.

If the two additional members were to be appointed by the President, I could see great propriety in that; but it does not quite appeal to me that these three members of the Federal Reserve Board, who have already been appointed by the President and confirmed by the Senate and have been sworn into office, shall again go through the routine of appointment and confirmation.

So that I am a little in doubt as to the propriety of the amendment offered by the Senator from Oklahoma, notwithstanding I suggested, when it was first offered, that I thought it ought to be agreed to. I shall reserve my vote until I give it careful thought, when it is voted on.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Oklahoma, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). I have a pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. I am informed that if he were present he would support the measure as it came from the committee. Therefore I feel justified in voting. I vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. Owing to his absence, I withhold my vote.

Mr. WILLIAMS (when his name was called). I vote "nay." In explanation of my vote I will say that the senior Senator from Pennsylvania [Mr. PENROSE], with whom I am paired, if present would vote the same way, and therefore I am at liberty to vote.

The roll call was concluded.

Mr. SMITH of Michigan. I should like to inquire if the junior Senator from Missouri [Mr. REED] has voted?

The PRESIDING OFFICER (Mr. WALSH in the chair). He has not.

Mr. SMITH of Michigan. I have a pair with that Senator and withhold my vote.

The result was announced—yeas 37, nays 35, as follows:

YEAS—37.

Baird	Hollis	Norris	Townsend
Borah	Jones, Wash.	Nugent	Trammell
Curtis	Kendrick	Owen	Underwood
Fernald	Kenyon	Phelan	Vardaman
Fletcher	Kirby	Poindexter	Wadsworth
France	Lewis	Pomerene	Walsh
Frelinghuysen	McKellar	Sheppard	Wolcott
Gronna	McLean	Sherman	
Hale	McNary	Sterling	
Henderson	New	Sutherland	

NAYS—35.

Bankhead	Kellogg	Pittman	Smoot
Beckham	King	Ransdell	Stone
Calder	Knox	Saulsbury	Swanson
Dillingham	Lodge	Shafroth	Thomas
Gerry	McCumber	Shields	Tillman
Gore	Martin	Simmons	Warren
Harding	Nelson	Smith, Ariz.	Watson
Hardwick	Overman	Smith, Md.	Williams
Johnson, S. Dak.	Page	Smith, S. C.	

NOT VOTING—23.

Ashurst	Cummins	Johnson, Cal.	Robinson
Brandegee	Fall	Jones, N. Mex.	Smith, Ga.
Broussard	Gallinger	La Follette	Smith, Mich.
Chamberlain	Goff	Myers	Thompson
Colt	Hitchcock	Penrose	Weeks
Culberson	James	Reed	

So Mr. OWEN's amendment was agreed to.

Mr. HOLLIS. Mr. President, I now ask for a separate vote on the amendment by the Committee of the Whole to be found on the top of page 4, section 5.

The amendment by the Committee of the Whole is to strike out the provision that the directors shall devote their entire time to the business of the corporation, except such part of their time, if any, as shall be devoted to other governmental business. The question, as I understand it, will come on agreeing to the committee amendment, so that those who believe that the directors of the corporation should devote their whole time to the corporation's business will vote "nay."

Mr. President, we have heard a great deal about the patriotism of the dollar-a-year men who have come to Washington and are contributing their whole time to the Government for a dollar a year. We have heard somewhat less about the young men who are drafted to serve on the firing line for $30 or $35 a month. They are required to give all their time to the job for which the Government has drafted them; and is it any hardship on one of these superfinanciers who are to manage this great central bank, receiving a salary of $12,000 annually, that he shall devote his entire time to the job that he is called to perform?

There is no need to argue the matter further. It was argued at considerable length when it was voted on in the Committee of the Whole; but I appeal to the Senate to insist that this part of the bill, which was brought here by the administration, and which for some reason was cut out by the committee, shall stay in the bill; and I ask them, on this question, to vote "nay."

The PRESIDING OFFICER. The Chair will state, for the information of the Senator from New Hampshire, that the question before the Senate is upon concurring in the amendment agreed to as in Committee of the Whole, as amended by the amendment offered by the Senator from Oklahoma, as a substitute for section 7.

Mr. HOLLIS. I had overlooked that.

The PRESIDING OFFICER. That will be disposed of before taking up the amendment referred to by the Senator from New Hampshire.

The question is upon concurring in the amendment agreed to as in Committee of the Whole, as amended, by which a substitute was made for section 7.

Mr. STERLING. Mr. President, may I ask, if this substitute now is agreed to, whether it will preclude any further amendment being offered to section 7?

The PRESIDING OFFICER. Undoubtedly.

Mr. STERLING. Then I offer the amendment, which I send to the desk, to section 7.

The PRESIDING OFFICER. The Senator from South Dakota offers an amendment, which will be stated.

The SECRETARY. After the words "United States," in the fourth line from the bottom of the print, it is proposed to insert "nor to the securities issued by or under the authority of any State, and payable by the State."

Mr. STERLING obtained the floor.

Mr. SIMMONS. Mr. President, may I ask the Senator where he proposes to insert that amendment?

Mr. STERLING. I am not able to designate now where the amendment would come in the substitute for section 7, as that was offered separately, and the only form in which I have the substitute is the typewritten form which was given out to Senators yesterday.

Mr. SIMMONS. It will have to go in somewhere.

Mr. STERLING. I will read the language which it will follow:

This section shall not be construed to apply to any securities issued by any railroad corporation, the property of which may be in the possession and control of the President of the United States.

Then, after these words, follows the amendment which I have just offered.

Mr. SIMMONS. Will the Senator read his amendment again?

Mr. STERLING. I will ask the Secretary to state it.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from South Dakota.

The SECRETARY. The amendment, as adopted, reads as follows:

This section shall not be construed to apply to any securities issued by any railroad corporation, the property of which may be in the possession and control of the President of the United States—

Then comes the amendment—

nor to the securities issued by or under the authority of any State, and payable by the State.

Mr. STERLING. Mr. President, just a word with reference to this amendment.

It occurs to me that this committee should not pass upon the securities of a State. By "the securities of a State," I mean the bonds issued under the authority of the State or by the State, and payable by the State. This, of course, would exclude municipal securities which I think should come under the provisions of the bill, and should be considered by the committee, and it should be determined whether or not they are necessary capital expenditures under the terms of the bill; but it seems to me, Mr. President, that it ought to be assumed in regard to State securities, State bonds, that they are necessary, else a State of the Union would not have authorized the issuance of such securities.

Mr. President, it may be urged, as it frequently is, that the committee never would exercise the power to disapprove any State bonds or securities; but I am able to refer, as an illustration, to what has occurred already.

The present advisory committee of the Federal Reserve Board has assumed the authority of passing upon State securities. We have, in South Dakota, a rural-credit law. It is analogous to the Federal rural-credit law. The law is framed along the same general lines, and provides for farm loans for the purpose of purchasing farm lands and for the purpose of improving and equipping farm lands. The Rural Credit Commission of South Dakota has made a great many loans and has issued a great many bonds in pursuance of the law of the State. It has granted applications for many more loans. There are many other applications yet to be passed upon by the rural credit commission of the State; but, anticipating that there might be objection on the part of the Federal Reserve Board, they sent to me a communication asking me to see that committee to see if subsequent issues of bonds will be approved of. I took the communication, together with the law, together with a questionnaire gotten out by the commission for the purpose of informing prospective borrowers as to the law, to the committee, and they took the matter very seriously. The question arose as to what the loans were to be made for and what was the basis of the bond issues. When informed that the loans were to be made largely for the purpose of equipping and improving farms and thereby adding to the production of food supplies they considered that that was quite a factor in the consideration of the question as to whether or not they should approve of the issuance of the bonds. I say they took the matter very seriously. They had it under advisement for a week, and finally I was informed that these bonds would be approved if issued by the State.

So, Mr. President, taking this case simply as an illustration, I think that the committee provided for in this bill should not pass upon the necessity of the issue of State bonds. I may say further that there is little danger now, under constitutional limitations in regard to the amount and the purposes for which State bonds may be issued, of an improvident or an unnecessary issue of such bonds. Therefore I think this amendment ought to prevail, and that this should be just the one class of securities, in addition to the railroad securities, upon which this committee should not be called upon to pass or assume authority to pass.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. STERLING. I yield to the Senator from North Dakota.

Mr. GRONNA. I am very much interested in the Senator's amendment and in what the Senator says. Yesterday I called attention to conditions in my State, and stated that several of the counties in the State have been authorized, by an act of the legislature, to issue bonds. Of course that money will not be used for the purpose of refunding. It is entirely new business. I asked the question if those bonds would be acceptable, and I was told by some of the members of the Finance Committee that any member of the capital issues committee who would refuse to accept such bonds ought to be sent to some insane asylum. I was glad to have that statement, of course, but it does not really satisfy me that the bonds would be accepted by this committee. I want to ask the Senator if, in his opinion as a lawyer, this would not apply to the bonds issued by the counties the same as if they were issued by the State?

Mr. STERLING. I am inclined to think not. I do not believe that class of bonds would fall under the provisions of my amendment, for the reason that they are not payable by the State. In the amendment which I have offered the bonds are to be bonds issued or authorized by the State and payable by the State, whereas in the case cited by the Senator from North Dakota the bonds would be payable by the county or the local subdivision.

Mr. GRONNA. That is true; they would be payable by the county.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Michigan?

Mr. STERLING. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. The amendment of the Senator from South Dakota makes no attempt to restrict the State in its issuance of bonds. It, however, gives no authority to the municipality to do so.

Mr. STERLING. It gives no authority whatever.

Mr. SMITH of Michigan. In the case of the State, it frequently occurs now that States that have had no bonded indebtedness for many years have recently incurred an indebtedness purely for war purposes.

Mr. STERLING. Yes.

Mr. SMITH of Michigan. My State, for instance, has agreed to the issuance of $5,000,000 of securities, because the legislature meets only once in two years, and this was the form in which they desired to meet certain war expenses. That having been done, however, the bill could not reach such a case nor affect even the refunding of that class of bonds, even if the amendment of the Senator from South Dakota is not adopted. It seems to me, however, that there might appropriately be a restriction upon the form of the security issued and its purpose.

Mr. STERLING. My main thought in regard to that is, I will say to the Senator from Michigan, upon the issuance of State bonds, especially when we consider their own State constitutional limitations upon the amount of bonds that may be issued and the purposes for which the bonds may be issued, it ought to be assumed that under those conditions they were necessary.

Mr. SMITH of Michigan. I wish to say this, if the Senator will permit me, that under the bill as it now stands the State of Michigan could issue its bonds and could sell them in its own way without violating the letter or spirit of this law.

Mr. STERLING. I admit that the bonds may be sold by the State, but the disapproval of those bonds by this committee would surely affect the negotiation and sale of the bonds. It might utterly prevent the sale of the bonds.

Mr. SMITH of Michigan. This committee might disapprove a security issued by the State of Michigan until it was black in the face and it would not affect the standing of that security, because the State banks and private individuals in our State would take the bonds of Michigan very quickly. The war debt is the only indebtedness we have, and Michigan bonds are perfectly good. I do not believe that the bill in its present form seriously restricts the State, and I would not want it to do so.

Mr. STERLING. Let me say to the Senator from Michigan that all States are not in so fortunate a situation as the State of Michigan. They have not the capital that his State has and there would not be the ready disposal of bonds within the State to capitalists or financial interests that there would be in the State of Michigan. Take the newer States, for example, like my own. They would have to negotiate their bonds outside the State, at the financial centers of the country.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. STERLING. I yield to the Senator. I yield the floor.

Mr. NORRIS. I wish to answer the suggestion that even in the State of Michigan, so well situated financially, as the Sena-

tor said, I imagine that, with the disapproval of this committee, the banks would hesitate somewhat before they invested in the securities, because the connection of this committee with the Federal Reserve System and the control that it would have through all the financial avenues of the country would well make any bank anywhere hesitate against their objection that they put any of their money into any of the bonds that had the disapproval of this committee.

Mr. STERLING. I will say to the Senator from Nebraska that I can very well conceive how that might be the case even in the State of Michigan.

Mr. SMITH of Michigan. Of course I can not let the statement of the Senator from Nebraska pass unchallenged in so far as it relates to my State, because the State owes nothing except its war debt. It borrowed $5,000,000 for war purposes and is expending the money in the public interests. I say under this bill there would be found a ready market for those bonds. Indeed, the ink on them was not dry before they were taken, and they will be taken again, even though this bill passes.

Mr. NORRIS. This bill, of course, will not affect those bonds, but notwithstanding the financial credit and lack of indebtedness of the State of Michigan—and I admit it all; I am not finding fault at all with the Senator's State—a bank connected with the Federal reserve bank or any other big financial institution would hesitate before it used its money, no matter how plentiful it might be, to invest in securities that were condemned by this committee. It does not mean that the banks would not have the money or anything of that kind, but they are connected with the entire financial system. I am not finding fault with the financial institutions for doing it. I think it would be a natural thing that they would not want to invest their money in such securities.

Mr. SMITH of Michigan. I will say to the Senator I think there are several hundred banks in the State of Michigan that are not at all affiliated with the Federal Reserve System.

Mr. NORRIS. They are not directly affiliated.

Mr. SMITH of Michigan. They are gradually coming into the Federal System. I believe that under this bill, if it becomes a law, our State may issue the war securities and go on the market and sell them without in any way infringing this act or subjecting themselves to the disapproval of the committee.

Mr. NELSON. Will the Senator yield to me?

Mr. SMITH of Michigan. Certainly.

Mr. NELSON. I understand under section 7 of the bill as amended a State would not be obliged to present its bonds to this board in any event for approval. There is nothing compulsory about it.

Mr. SMITH of Michigan. They are not obliged to do it.

Mr. NELSON. A State, therefore, is not obliged to present its bonds before this commission. I think it would be of great advantage to the States, if they felt they had bonds that would meet the approval of the board, to submit them to the board and get their approval. It would afford them a bigger and better market than they could otherwise get. For that reason, as section 7 has been amended, if this was a matter which pertained to the State of Minnesota I should be very glad to have the board pass upon the bonds, because it would give them an extra credit in the money market to have the approval of the board.

Mr. SMITH of Michigan. The Senator from Minnesota, of course, understands that the only function of this committee is to investigate the issue, and after they have investigated the issue they may approve or disapprove, and there the matter ends, except so far as it may influence the action of the Federal reserve banks in accepting such loans or the financial corporation in loaning its money direct upon this class of securities. The Senator's suggestion that they might submit to an investigation and have their security passed upon by this committee would probably give them added prestige, and I would not set up one standard for my own State and another for the State of the Senator from South Dakota. I think in meeting the situation which now confronts us all the States are all entitled to full consideration. State expenses must be met in the manner best calculated to preserve their credit.

Mr. McCUMBER. Mr. President, I wish to ask the Senator from Nebraska [Mr. NORRIS] if he thinks for a single moment that there could be any possibility of this board tabooing by their action any issue of a State intended to be for the general benefit of the public, and especially as assistance in carrying on the war, such as is suggested by the Senator from Michigan. The very purpose of the bill and the purpose of this section, reading the very first clause, is that it is for the purpose of assisting in the prosecution of this war. The bonds that are issued by the State of Michigan are issued for the purpose of assisting in the prosecution of the war. There can be no possibility that any member of a board would think of objecting to anything of that character any more than he would think of objecting in the case suggested by my colleague, of a State or county issue of bonds to buy seed wheat for farmers to plant their crops in 1918. One of the necessary things for the prosecution of the war is to create a sufficient amount of food to support the people of this country and our allies, and for which we are paying out enormous sums. There could be no possibility that any board would do anything further than to encourage the bonds that are spoken of by my colleague. If they were presented to such a board, the board would put its O. K. on them immediately and assist in the sale of them.

I do not think that the amendment is at all necessary. I do not think that this board could interfere in any way with any ordinary State issue unless it was so abnormally large that it threatened to invade the field of investment where the Government itself must look for the money to carry on the war.

Mr. STERLING. I should like to ask the Senator from North Dakota before he takes his seat, if the committee will not have the power under the terms of the bill to say whether or not the bonds proposed to be issued by a State are necessary or unnecessary. Under the very terms of the bill they have that power, have they not?

Mr. McCUMBER. I would not say that they would pass upon the question whether they were necessary or unnecessary. They would pass upon the question whether they were conducive to the public interest in carrying on the war, or whether they were not conducive to the public interest in the prosecution of the war, and I think they ought to have the right to do that. That is the very purpose of the bill.

Mr. STERLING. The Senator from North Dakota has now put a broader construction upon the bill than I had supposed he would. If they are to have the power which he says they have under the terms of the bill, then that is the more reason for the amendment I have proposed. Under the Senator's construction they would have the right to say not only whether the issue of the bonds of the State under the limitations of the State constitution and the restrictions there found are necessary capital expenditures or not, but whether they were conducive to the public interest in carrying on the war.

Now, in answer to the Senator from Minnesota [Mr. NELSON] just a word. He referred to the fact that the State does not have to ask the approval of its bonds by this committee. That is true, and it is true with reference to every other interest. An association or corporation does not have, in the first instance, to ask the approval nor does a municipality have to ask the approval of the committee in the first instance. They probably would all ask the approval of the committee, knowing that after the issue and before negotiation and sale it will be determined by the committee whether it is a necessary capital expenditure or not, and it having been determined that it is unnecessary there will be no sale and negotiation of those securities.

That may be well enough with reference to all other securities, and I am willing to admit it for the purpose of the argument, except the securities issued by a State of the Union. In regard to these, it ought not to be left with this committee to determine whether or not they are for necessary capital expenditures. It ought to be assumed that they are, else the State would not have issued them.

Mr. NORRIS. Mr. President, the Senator from North Dakota [Mr. McCUMBER] made quite an extended argument and prefaced it with a question which he propounded to me. The argument he made in following up the question before I had any opportunity to answer it seemed to indicate that he was of the opinion that I was finding fault with this committee for fear it would not do its duty. He said in case the State of Michigan submitted an issue to it there would not be any doubt but what the committee would put its O. K. on the bonds at once. I concede that. I never denied it. There is not any question in my mind about it. Assuming that the committee are fair-minded men, and I presume they will be, there will not be any doubt about it. But that does not do away with the right that they would have if the bill is not amended to pass on the bonds issued by a State of the Union, and that is the question involved in the amendment of the Senator from South Dakota. No State, no municipality, no corporation of any kind is required under the bill to go to this committee, but the committee has the power, connected up as it is with the financial interests of the entire Government, and with the Secretary of the Treasury, when it puts its denunciation on a bond to prevent it from circulating in the financial markets of the United States or anywhere in the world.

It is a good deal like the Food Administration. They do a great many things indirectly that the statute does not give them the right to do directly. They fixed the price of wheat this

year without any statute specifically saying that they had the power, but because of their control of elevators and mills, and under the licensing system, because of the enormous amount of grain that it takes for our Army and Navy and for the allies and the neutrals, they were absolutely empowered to say what the price of wheat should be to every man in the United States, and that is what the committee did.

Mr. WADSWORTH. For 1917?

Mr. NORRIS. I have reference to the 1917 crop. This committee would not have any technical legal authority to say to South Dakota you can not issue your bonds, but if they disapproved of them after they were issued the bonds would not sell. If that is not true, then you had better wipe this committee off of the face of the earth, because it has no other power. That is what it is there for, and that is what it will do. That is its proper function.

The amendment in effect provides that they shall have nothing to do with the bonds of a State. In other words, we conclusively presume in the case of a State that the bonds are issued for proper purposes and that the money is going to be used for a proper purpose. It seems to me it is not going too far to say when State bonds are issued we will assume conclusively that the bonds are all right. Every State has a constitution. Every State is loyal, and they have limitations in their constitutions as to the amount and the purposes for which bonds may be issued.

It seems to me, therefore, that the amendment of the Senator from South Dakota is a proper one and ought to be agreed to.

Mr. McCUMBER. Mr. President, I will ask the Senator another question, and will follow the same rule I did before in answering my own question. I do not assume at all that there will be many cases, if any, in which the committee will ever pass judgment against the issue of any State bonds, but I do not want the power there for it to do so. Suppose the State of Ohio would conclude in 1918 that it desired to expend $500,000,000 in draining some of the swamp land in that State, a work which could not be completed for five years, or until after the war was over, and that they would not only expend that $500,000,000 during the time the Government was making every effort in the world to raise money to carry on the war, but they would take 5,000 or 10,000 men, whose services ought to be utilized either upon the firing line or in the munition or shipbuilding plants, and set them to work digging ditches out in the State of Ohio. I believe there ought to be the power lodged in this committee to say that it is against the interest of the United States to attempt to float those bonds at this time, and I do not want to take that power away from the committee.

Mr. STERLING and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I do not know who first addressed the Chair. I will yield first to the Senator from South Dakota.

Mr. STERLING. I merely wish to ask the Senator from North Dakota if he thinks the constitution of the State of Ohio or the constitution of any other State would permit such an excessive issue of bonds?

Mr. McCUMBER. As $500,000,000?

Mr. STERLING. Yes.

Mr. McCUMBER. Yes. Ohio is out of debt, and I believe there is nothing in the constitution to prevent her from raising funds up to that amount. New York, I think, expended about $500,000,000 in the last two years for her good roads. I know she spent over $200,000,000, and I do not know how much more has been paid by the counties. I ask the simple question whether the power ought not to be lodged in this committee to say to a State, as well as a municipality, "Do not go into improvements at this time which can not be completed in several years and take the money of the country and the labor of the country, which we so badly need now in the prosecution of the war."

Mr. WADSWORTH. Will the Senator yield to me?

Mr. McCUMBER. I yield the floor.

Mr. WADSWORTH. Then, I just have one or two comments to make on the point raised by the Senator from North Dakota. The consideration which appeals to me as being rather important when we attempt by inference to lodge power in Federal boards or committees to prevent a State from doing what it wants in the matter of borrowing money is this: In a large majority of instances when a State seeks to issue bonds in large amounts the issuing is done following a vote of the people of the State. To my mind it would be an insufferable condition for a committee of five gentlemen at Washington to tell, for instance, the people of the State of New York, after they had voted in a popular referendum to issue $10,000,000 of bonds for the extension of the public highways of that State, that they can not sell their bonds. To my mind that is an invasion—it is true, by an indirect method—but if I take the word of the Senator from North Dakota, literally, nevertheless, an effective invasion of the sovereignty of the State of New York which is intolerable.

Mr. KELLOGG. Mr. President, may I ask the Senator a question? Is there any difference between a municipal security and the bonds of a State or county, as far as the invasion of the power of the State is concerned?

Mr. WADSWORTH. I do not pose as a constitutional lawyer, but it strikes me that the only sovereignty of the country is in 48 States of the Union, and the municipalities are not sovereignties. I do not want the committee here at Washington to tell the people of a sovereign State that they can not borrow money.

Mr. KELLOGG. I do not believe the Federal Government has any more power over the issue of bonds by a subdivision of a State than of the State.

Mr. WADSWORTH. That may be so; but if the power were exercised over the State, in my mind, it would be more serious than an attempt to exercise it over a municipality. Of course, the bill does not say in so many words they can exercise that power; but the Senator from North Dakota wants them to have that power, and assumes that it can be exercised by this indirect method.

Mr. McCUMBER. Only exercising it by declaring that, in their opinion, they deem it inadvisable in the interest of the country.

Mr. TOWNSEND. Mr. President, I agree with the Senator from Minnesota [Mr. NELSON]. I stated before the committee that I do not believe we have any authority to authorize the committee to prohibit the issuance and sale of bonds upon the part of a State or any subdivision thereof. The provision in the bill does not go that far. It is simply advisory, and if the law is desirable, if it is important to place a check upon the expenditures at this time, as far as the advice of a skilled committee can place a check, it seems to me that it ought to extend even as far as the State.

I repeat, I do not think it is of any consequence legally; but if this commission could discourage at this time the reckless expenditure of money, I can conceive of nothing more for the general good, more in consonance with patriotic duty, than to do that very thing. I do not believe that this goes too far.

The Senator from South Dakota himself has stated that the voluntary committee now in existence has reported to him that it would not inhibit even by indirection the issuance or sale of bonds such as he has mentioned. I can not conceive of a condition of that kind that would arise. I could also as readily conceive in any other case where a concern asked for money or asked to issue its bonds and sell them the Government would discourage them if it was not for a patriotic purpose. They may make mistakes, perhaps.

But, Mr. President, much as I deplore the necessity of this kind of legislation, and I think it is deplorable, yet I was convinced that something of this kind was absolutely necessary. The great lesson this country has got to learn, and it is learning slowly, is that of economy. It must learn the lesson that everybody has got to contribute to the success of this war and that money, which is going to be needed in large volume, should be conserved for the interests of the Government in the war. If a State thinks it is a proper time to issue bonds which require money from the people to build roads in this urgent time, and even the people themselves vote to do it, I think if the Federal Government by stating the facts to the country should discourage it, it would perform a very patriotic duty to the country at this time.

Mr. STERLING. Let me ask the Senator if he does not think the States themselves and the authorities of the several States would not be governed by some such considerations as he now mentions? They will know the conditions as to war; they will know that there should not be extravagant expenditures; and they will restrain themselves in the matter of needed improvements even in order that the country may be secure in such a time.

Mr. TOWNSEND. It is to be presumed that the States will act in that way. It might be presumed that every patriotic business man in the country will do the same thing. If every man, every State, every municipality, did its duty, we would need no legislation at all, and that would be a very happy condition; but the fact is that we need legislation in some instances. I do not wish to be invidious and speak about any particular State, because I may be mistaken about it, but the report has already come to us that some States are going to take advantage of conditions which would materially embarrass the country at this time.

I do not think this provision is anything to be afraid of. It is not compulsory. It is purely advisory. This skilled commission investigates and reports that it is not compatible with the

public interest to float certain bonds. If that will retard them and will enable the Government to obtain money that is needed for war purposes, then I am in favor of it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Dakota [Mr. STERLING].

Mr. STERLING. I ask for the yeas and nays.

Mr. SMITH of Michigan. Let the amendment be read again.

The SECRETARY. In the substitute, after the words "United States" insert the words "nor to the securities issued by or under the authority of any State and payable by the State."

The PRESIDING OFFICER. The yeas and nays are called for. Is the call seconded?

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota [Mr. STERLING] to the amendment. [Putting the question.] The noes seem to have it.

Mr. STERLING. I call for a division, Mr. President.

The question being put, on a division the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on concurring in the substitute for section 7 as it has been amended.

Mr. SMOOT. Mr. President, I desire to call the attention of the chairman of the committee to an inconsistency in the section. The Senator from Oklahoma [Mr. OWEN] offered an amendment, which was agreed to, by which the President is to appoint the members of this board, by and with the advice and consent of the Senate. About the middle of the amendment, which I have in my hands, there is this provision:

> The terms during which the several members of such committee shall respectively hold office shall be determined by the Federal Reserve Board, with the approval of the Secretary of the Treasury.

In view of the adoption of the amendment of the Senator from Oklahoma, it ought to read:

> The terms during which the several members of such committee shall respectively hold office shall be determined by the President of the United States.

Mr. SIMMONS. I shall not object to that amendment to the amendment.

Mr. SMOOT. That would be the proper language, and I offer that amendment to the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon concurring in the substitute as amended.

The substitute as amended was concurred in.

Mr. HOLLIS. Mr. President, it was stated yesterday, and I think it was agreed to by unanimous consent, that section 8 of the bill should be reexamined when the bill reached the Senate. Since then the Senate, as in Committee of the Whole, has adopted a section regarding penalties which is, as the Senator from Colorado [Mr. THOMAS] suggests, inconsistent with section 8 as adopted. Unless some Senator can suggest some reason for the retention of section 8 I ask unanimous consent that it be stricken out.

The PRESIDING OFFICER. The Senator from New Hampshire asks unanimous consent that section 8 be stricken from the bill.

Mr. SIMMONS. Mr. President, I have not thoroughly and maturely considered the question that has been raised, but I do not think that section 8 should be stricken from the bill. I think the amendment of the Senator from New Hampshire relating to the penalties to be imposed for the forgery of the bonds or the embezzlement of the funds of the corporation is confined by its terms to those specific offenses and that the adoption of the amendment does not at all militate against the reasons which led the Senate to adopt the substitute for section 8, which refers to offenses for violation of the provisions of the bill. So we have one general section in the bill which imposes penalties of $1,000 fine or a year's imprisonment for a violation of the provisions of the bill, and then we have another section which makes certain acts against the property of the corporation—not against the provisions of the bill but against the property of the corporation—either the embezzling of its property or the forging of its securities, specific offenses and provides a specific penalty much higher than the penalty prescribed for a violation of the provisions of the bill.

It does not strike me that the two things are inconsistent; and I hope the Senate will not eliminate section 8. When the matter is in conference we shall have an opportunity to very thoroughly investigate and consider the question. If, then, we discover that I am mistaken and those who agree with me are mistaken and that there is any inconsistency, we can take care of it.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. If the Senator from Colorado will pardon the Chair for a moment, the Chair desires to say that he is of the opinion that if the motion of the Senator from New Hampshire is now not in order, it is at least superfluous. A vote was reserved as in Committee of the Whole upon the substitute for section 8. So, in due course, a vote in the Senate will be taken upon concurring in the substitute, and the question will then be determined by the Senate, without the necessity of such a motion as that now made by the Senator from New Hampshire.

Mr. HOLLIS. May that question come up now, Mr. President?

The PRESIDING OFFICER. If there is no objection, the question of concurring in the substitute for section 8 can be considered now.

Mr. HOLLIS. I ask that the substitute for section 8 be now laid before the Senate.

The PRESIDING OFFICER. Without objection, that may be done. The question now is upon concurring in the substitute for section 8, which was adopted as in Committee of the Whole.

Mr. THOMAS. Mr. President, I think if this section is inconsistent with section 2, which we adopted this morning, it is the duty of the Senate to eliminate it from the bill and not to relegate it to the committee of conference. When section 8 was being considered yesterday the junior Senator from Alabama [Mr. UNDERWOOD] made the statement that he was unable to find any section of the bill which was susceptible of criminal violation after we had stricken out section 7 or so amended section 7 as reported by the committee as to eliminate many of its features and virtually to change its scope.

Section 8 is a general section. It provides that any person who shall violate any of the provisions and terms of the bill shall be punished by a fine of $1,000 or by imprisonment for a year or both. The best reason perhaps why that section should be eliminated is that there is no offense which can be committed under the bill to which that would relate, unless, of course, we take into consideration the amendment which was made this morning. There is no need, in other words, of placing a penal section in the bill when there is nothing to be penalized. I have not been able—and I have made a careful investigation of the bill this morning—to find any violation which can be predicated on the bill to which section 8 will apply. I think the Senator from Alabama is correct.

Mr. McCUMBER. May I call the Senator's attention to one such provision on page 5 of the amended bill?

Mr. THOMAS. Yes.

Mr. McCUMBER. On page 4, section 5, of the amended bill—that is, the print which was made on March 2—the Senator will find it. If the Senator will read the amendment at the top of that page, he will see a provision for the violation of which punishment should be inflicted.

Mr. THOMAS. The provision to which the Senator from North Dakota refers reads:

> No director or officer of the Corporation shall in any manner participate in the determination of any question affecting his personal interests.

The copy of the bill which I examined this morning was not the print which I now hold in my hand. However, Mr. President, assuming that there are provisions of this bill the violation of which should be punished, and that consequently section 8 should be retained in the bill, then it should be limited to those offenses not covered by section 2 for the commission of which the offender is convicted.

Section 2, accepted upon the motion of the Senator from New Hampshire [Mr. HOLLIS] this morning, prohibits the embezzlement of the funds of the proposed bank; it prohibits the forgery of any of its securities or of its bonds, and it provides a penalty of $5,000 fine for each of such violations. If I remember aright, it also provides for a term of imprisonment as the alternative. That is specific; it is intelligible; but section 8, previously adopted, provides that any person who shall violate any of the provisions of this act shall be subject to the penalty of $1,000 only, or imprisonment for one year only, or both. As I said this morning, in a penal statute that construction would be followed which would be most liberal to the offender; in other words, penal statutes are always strictly construed. If both these sections remain in the bill, the manifest inconsistency of providing that offenses shall be punished by a fine of $5,000 and that the same offenses shall be punishable by a fine of $1,000 will cause a great deal of difficulty in the construction of the law and in its application in given cases.

Mr. HOLLIS. Mr. President, will the Senator from Colorado permit me to interrupt him?

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Colorado yield to the Senator from New Hampshire?

Mr. THOMAS. I yield the floor, Mr. President?

Mr. HOLLIS. But I should like the Senator's opinion as to this suggestion: Would it not meet the objection if section 8, as finally adopted, should be amended so that the first line should read: "That whoever shall willfully violate any of the provisions of this act in any particular not specifically provided for herein"?

Mr. THOMAS. That will cover the difficulty.

Mr. HOLLIS. If that is agreeable to the chairman, we might agree to that.

Mr. THOMAS. I am perfectly willing, Mr. President, so far as I am concerned, to waive the objection that I make to section 8 as amended if the addition which is suggested by the Senator from New Hampshire is made to it.

Mr. HOLLIS. If the Senator from North Carolina——

Mr. SIMMONS. I thought while the Senator from New Hampshire was speaking that if we should merely insert the words "the preceding provisions" or the words "not otherwise specifically provided for" it might be sufficient.

The PRESIDING OFFICER. The Senator from New Hampshire has suggested an amendment.

Mr. HOLLIS I suggest that there be inserted the words "in any particular not specifically provided for herein."

Mr. SIMMONS. That would meet the point that the Senator from Colorado is making.

Mr. THOMAS. My only purpose is to harmonize the two sections with each other.

Mr. SIMMONS. I am perfectly willing to accept the amendment proposed by the Senator from New Hampshire.

The PRESIDING OFFICER. The amendment suggested by the Senator from New Hampshire will be stated.

The SECRETARY. After the word "act." at the end of line 1, it is proposed in the amendment to insert "in any particular not specifically provided for herein."

Mr. THOMAS. It should read "not otherwise specifically provided for herein."

Mr. WILLIAMS. "Not otherwise specifically provided for."

The PRESIDING OFFICER. The Secretary will again state the amendment.

The SECRETARY. It is proposed to insert "in any particular not otherwise specifically provided for herein," so that if amended it will read:

That whoever shall willfully violate any of the provisions of this act, in any particular not otherwise specifically provided for herein, shall upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000—

And so forth.

Mr. LODGE. As I heard the amendment read it seems to me to be obnoxious to all the objections I ventured to submit to it yesterday; in other words, it is putting it back in the form in which it was, so that it will apply to the licensing provision, and I think that is dangerous legislation.

Mr. GALLINGER. I will ask that the proposed amendment be again stated.

The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from New Hampshire to the proposed substitute.

The SECRETARY. It is proposed to amend the substitute as agreed to as in Committee of the Whole by adding after the words "this act," in line 1, the following words: "in any particular not otherwise specifically provided for herein," so that if amended it will read:

That whoever shall willfully violate any of the provisions of this act, in any particular not otherwise specifically provided for herein, shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than $1,000 or imprisoned—

And so forth.

Mr. GALLINGER. Mr. President, I will venture to inquire whether the words "not otherwise specifically provided for" would not apply to a violation of the rules and regulations, a proposal that was very seriously objected to in the debate a couple of days ago? It so strikes me, although I may be wrong about it. If they would so apply I should not feel like voting for the amendment.

The PRESIDING OFFICER. The question recurs upon the amendment offered by the Senator from New Hampshire to the substitute agreed to as in Committee of the Whole.

Mr. SIMMONS. Mr. President, I wish to inquire of the junior Senator from New Hampshire, who offered this amendment, if he does not think that the same purpose would be accomplished, without incurring the objection presented by the Senator from Massachusetts and the senior Senator from New Hampshire, if it were made to read "that whoever shall willfully violate any of the foregoing provisions"?

Mr. HOLLIS. The words "foregoing provisions" would include counterfeiting and embezzling, because the provision relating to those acts come before this provision in the bill.

Mr. LODGE. There is the same objection to the amendment suggested by the Senator from North Carolina as to the one offered by the Senator from New Hampshire.

Mr. HOLLIS. I am ready to withdraw my suggestion, if that is agreeable to the chairman of the committee.

Mr. SIMMONS. Mr. President, I think this matter had better be left as it is. This will not be a final disposition of the matter; the conferees will have control of it, and then we can adjust it after careful consideration.

Mr. HOLLIS. Mr. President, I withdraw my amendment to section 8.

The PRESIDING OFFICER. The amendment offered by the Senator from New Hampshire is withdrawn. The question is on concurring in the substitute amendment for section 8, which has just been read and which was agreed to as in Committee of the Whole.

The amendment was concurred in.

The PRESIDING OFFICER. The bill is in the Senate and open to amendment.

Mr. HOLLIS. Mr. President, the amendments made as in Committee of the Whole have not yet all been concurred in. There were other amendments reserved before the bill was reported to the Senate, and I now ask for the consideration of the amendment made as in Committee of the Whole in lines 4, 5, 6, and 7, on page 4.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. In section 5, on page 4, as in Committee of the Whole the following words were stricken from the bill, as recommended by the committee:

Shall devote their entire time to the business of this Corporation (except such part of their time, if any, as shall be devoted to other governmental business) and.

Mr. HOLLIS. Mr. President, this matter has been debated once at least, and it seems to me entirely reasonable that the members of this corporation should devote themselves to this war work solely without dividing their attention between this and some private business. The members of the Federal Reserve Board are required to do it, and, as I have already indicated to-day, soldiers who are drafted to serve in the Army at a moderate compensation are obliged to give their whole time to it. Certainly men who are appointed to perform the very important duties of this office, with a salary of $12,000 a year, ought to give their whole time to it.

Mr. GALLINGER. Mr. President, if the recommendation of the committee is rejected, I think we ought to include in the bill a provision that United States Senators and Members of the House of Representatives shall devote their entire time to the service of the Government.

The PRESIDING OFFICER. The question is on concurring in the amendment made as in the Committee of the Whole.

Mr. SIMMONS. Mr. President, before the vote is taken, I simply wish to say I do not think this language has ever been applied except in the case of the Federal Reserve Board to any officer whose office has been created or who has been appointed by the Federal Government. This is only a temporary organization; it is not a permanent institution. The law presumes that every officer of the Government will give such time as is necessary to perform the functions and duties of the position and he swears faithfully to execute the duties of his office. I have never heard of a State putting a provision of this sort in any of its statutes and I have never heard of the United States Government putting a provision of this sort in its statutes as a qualification upon an officer appointed to a governmental position.

The PRESIDING OFFICER. The question is on concurring in the amendment made as in Committee of the Whole. (Putting the question:) The "noes" have it, and the amendment is nonconcurred in.

Mr. HOLLIS. I now ask to have laid before the Senate the amendment at the bottom of page 4 and the top of page 5.

The PRESIDING OFFICER. The Secretary will state the amendment.

Mr. SIMMONS. Mr. President, I was under the impression that the amendment, the question on concurring in which was just put, had been agreed to as in Committee of the Whole and was concurred in in the Senate.

The PRESIDING OFFICER. The Chair did not so state. It was agreed to as in Committee of the Whole and disagreed to in the Senate, so that the original language is restored to the bill.

Mr. McCUMBER. I can not understand how that can be.

Mr. SIMMONS. Mr. President, my understanding is that as in Committee of the Whole the Senate sustained the committee amendment.

Mr. SMOOT. With one amendment.

Mr. SIMMONS. Yes.

Mr. SMOOT. By inserting the word "active" before the word "of."

Mr. SIMMONS. Yes; and the Senator from New Hampshire reserved the right to ask for a separate vote in the Senate. He has asked for that vote, and I understand the Senate now sustains the committee amendment.

Mr. HOLLIS. I understand the Chair has ruled to the contrary.

Mr. McCUMBER. I think the Senate voted under a misapprehension. I think I am the only Senator who voted to concur in the amendment.

Mr. SIMMONS. Mr. President, I am inclined to think the Senator from North Dakota is correct. The vote in the Senate, as was the vote as in Committee of the Whole, was a vote to determine whether this provision should remain in the bill as originally written; and we have voted here to strike it out, contrary to our intentions. I ask unanimous consent that the vote be taken over.

Mr. HOLLIS. To that I object.

Mr. TOWNSEND. Mr. President, a parliamentary inquiry.

Mr. SIMMONS. I move that the vote whereby the amendment was nonconcurred in may be reconsidered.

The PRESIDING OFFICER. The Senator from Michigan will state his parliamentary inquiry.

Mr. TOWNSEND. Will the Chair please state the question that we voted on a little while ago?

Mr. SIMMONS. I think the Chair incorrectly stated the question.

Mr. TOWNSEND. I should like to have the RECORD show, because I thought I was voting right.

The PRESIDING OFFICER. As in Committee of the Whole it was voted, as the Chair is advised, to strike out certain words found in section 5, on page 4 of the bill, in lines 4, 5, and 6, and a portion of line 7. The question in the Senate was on concurring in the amendment made as in Committee of the Whole.

Mr. SMOOT. That is the way the Chair put it before, and we voted "aye."

Mr. TOWNSEND. What was the result of the vote? How did the Chair decide?

The PRESIDING OFFICER. The vote was negative upon the proposition as submitted by the Chair upon concurring in the amendment.

Mr. LODGE. Then, Mr. President, the Senator did not understand the question.

Mr. TOWNSEND. I voted in the negative under a misapprehension, supposing that the question had been put otherwise. I move to reconsider the vote by which the amendment was nonconcurred in.

Mr. SIMMONS. I have made that motion.

Mr. HOLLIS. Mr. President, if there was a misapprehension, I will withdraw my objection to the request for unanimous consent and agree that the vote may be taken over, if the Chair will now state it so that the Senate will understand how they are voting.

The PRESIDING OFFICER. The question is on concurring in the amendment on page 4, lines 4, 5, and 6, and a portion of line 7, made as in Committee of the Whole. As in Committee of the Whole it was agreed to strike out of the bill the lines to which the Chair has referred. Now the question is on concurring in the action taken as in Committee of the Whole.

Mr. LODGE. Those who wish to sustain the action taken as in Committee of the Whole will vote "yea."

Mr. SIMMONS. Those who wish to sustain the action of the committee will vote "yea."

Mr. LODGE. Those who are in favor of sustaining the action of the committee will vote "yea."

Mr. SIMMONS. Mr. President, I ask that the amendment be read.

The PRESIDING OFFICER. The Secretary will read the amendment, and then the Chair will put the motion.

The SECRETARY. As in Committee of the Whole, in sustaining the Senate Committee on Finance, the following words were stricken from the bill, on page 4, beginning in line 4:

Shall devote their entire time to the business of the corporation, except such part of their time, if any, as shall be devoted to other governmental business) and.

The PRESIDING OFFICER. The question is on concurring in the action of the Senate as in Committee of the Whole. [Putting the question.] By the sound the ayes seem to have it.

Mr. HOLLIS. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating the announcement that I made upon the previous roll call, I vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. WEEKS (when his name was called). Announcing the same pair that I announced on the previous roll call, I withhold my vote, on account of the absence of my pair.

Mr. WILLIAMS (when his name was called). Notwithstanding my pair with the Senator from Pennsylvania [Mr. PENROSE], who is necessarily detained from the Chamber—because if he were present he would vote the same way that I vote—I vote "yea."

The roll call was concluded.

Mr. WEEKS. I transfer my pair with the senior Senator from Kentucky [Mr. JAMES] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

Mr. STERLING. Has the junior Senator from South Carolina [Mr. SMITH] voted?

The PRESIDING OFFICER. He has not.

Mr. STERLING. I transfer my pair with the junior Senator from South Carolina to the senior Senator from Rhode Island [Mr. COLT] and vote "nay."

Mr. HARDING (after having voted in the negative). I ask if the junior Senator from Alabama [Mr. UNDERWOOD] has voted?

The PRESIDING OFFICER. He has not.

Mr. HARDING. Because of my general pair with the junior Senator from Alabama, I withdraw the negative vote which I cast.

The result was announced—yeas 46, nays 28, as follows:

YEAS—46.

Baird	King	Reed	Sutherland
Bankhead	Knox	Robinson	Swanson
Beckham	Lodge	Saulsbury	Tillman
Calder	McCumber	Sheppard	Townsend
Dillingham	McLean	Shields	Wadsworth
Fletcher	Martin	Simmons	Warren
France	Nelson	Smith, Ariz.	Watson
Frelinghuysen	New	Smith, Ga.	Weeks
Gallinger	Overman	Smith, Md.	Williams
Gerry	Page	Smith, S. C.	Wolcott
Henderson	Pittman	Smoot	
Kellogg	Ransdell	Stone	

NAYS—28.

Borah	Johnson, S. Dak.	Myers	Smith, Mich.
Curtis	Jones, Wash.	Norris	Sterling
Gore	Kendrick	Nugent	Thomas
Gronna	Kenyon	Phelan	Thompson
Hale	Kirby	Poindexter	Trammell
Hardwick	McKellar	Pomerene	Vardaman
Hollis	McNary	Shafroth	Walsh

NOT VOTING—21.

Ashurst	Cummins	James	Penrose
Brandegee	Fall	Johnson, Cal.	Sherman
Broussard	Fernald	Jones, N. Mex.	Underwood
Chamberlain	Goff	La Follette	
Colt	Harding	Lewis	
Culberson	Hitchcock	Owen	

So the amendment made as in Committee of the Whole was concurred in.

The PRESIDING OFFICER. Will the Senator from New Hampshire advise the Chair of the extent of the next amendment reserved by him for a separate vote in the Senate?

Mr. HOLLIS. I will not ask for a vote on that amendment.

The PRESIDING OFFICER. The question, then, is upon concurring in the remainder of the amendments to section 5.

The amendments were concurred in.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

Mr. SIMMONS. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. LEWIS (when Mr. CHAMBERLAIN's name was called). I announce the absence of the senior Senator from Oregon [Mr. CHAMBERLAIN], occasioned by personal illness.

Mr. HARDING (when his name was called). I transfer my pair with the junior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from Pennsylvania [Mr. PENROSE] and vote "nay."

Mr. LEWIS (when Mr. JAMES's name was called). I announce the absence of the senior Senator from Kentucky [Mr. JAMES], occasioned by personal illness.

Mr. KNOX (when his name was called). Repeating my announcement made on a previous roll call, I vote "yea."

Mr. LODGE (when Mr. PENROSE's name was called). The senior Senator from Pennsylvania [Mr. PENROSE] is unavoidably absent. If present, he would vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Louisiana [Mr. BROUSSARD] and vote "yea."

Mr. BANKHEAD (when Mr. UNDERWOOD's name was called). My colleague [Mr. UNDERWOOD] is unavoidably absent from the Chamber. If he were present, he would vote "yea."

Mr. WEEKS (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. JAMES] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

Mr. WILLIAMS (when his name was called). Repeating the announcement made by me on the previous roll call as to my vote and the reason therefor, I vote "yea."

The roll call was concluded.

Mr. OWEN. I answer "present," refraining from voting. If it were necessary for me to vote "yea" to pass this bill, I would vote "yea" rather than see the relief fail which I desire the country to have in any event, whether by this bill or by the substitute which I offered. As it is not necessary, and as the bill does not meet with my approval in its present form, and as I do not approve the manner in which it has been forced through the Senate without consulting the Committee on Banking and Currency, I withhold my vote.

Mr. SMOOT. The RECORD will show that the rule has not been complied with in the request made by the Senator from Oklahoma. The rule provides that whenever a Senator asks to be excused from voting the matter must be submitted to the Senate, and the Senate decides the question.

Mr. SIMMONS. I desire to state that the senior Senator from Arizona [Mr. ASHURST] is unavoidably absent from the Chamber. If present, he would vote "yea."

Mr. RANSDELL. I desire to announce the absence of my colleague [Mr. BROUSSARD] on account of sickness.

The result was announced—yeas 74, nays 3, as follows:

YEAS—74.

Baird	Jones, Wash.	Overman	Smoot
Bankhead	Kellogg	Page	Sterling
Beckham	Kendrick	Phelan	Stone
Borah	Kenyon	Pittman	Sutherland
Calder	King	Poindexter	Swanson
Curtis	Kirby	Pomerene	Thompson
Dillingham	Knox	Ransdell	Tillman
Fletcher	Lewis	Reed	Townsend
France	Lodge	Robinson	Trammell
Frelinghuysen	McCumber	Saulsbury	Vardaman
Gallinger	McKellar	Shafroth	Wadsworth
Gerry	McLean	Sheppard	Walsh
Gore	McNary	Shields	Warren
Gronna	Martin	Simmons	Watson
Hale	Myers	Smith, Ariz.	Weeks
Henderson	Nelson	Smith, Ga.	Williams
Hollis	New	Smith, Md.	Wolcott
Johnson, S. Dak.	Norris	Smith, Mich.	
Jones, N. Mex.	Nugent	Smith, S. C.	

NAYS—3.

Harding	Hardwick	Sherman

NOT VOTING—18.

Ashurst	Culberson	Hitchcock	Penrose
Brandegee	Cummins	James	Thomas
Broussard	Fall	Johnson, Cal.	Underwood.
Chamberlain	Fernald	La Follette	
Colt	Goff	Owen	

So the bill was passed.

DIPLOMATIC AND CONSULAR APPROPRIATIONS.

Mr. OVERMAN. I ask unanimous consent that the Senate proceed to the consideration of the Diplomatic and Consular appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9314) making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1919, which had been reported from the Committee on Appropriations with amendments.

Mr. OVERMAN. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for action on the committee amendments.

Mr. GALLINGER. I think the bill ought to be read. It is not a long bill.

The PRESIDING OFFICER. Objection is made. The Secretary will read the bill.

The Secretary read the first page of the bill.

Mr. GALLINGER. Mr. President, I withdraw the objection I interposed with regard to dispensing with the formal reading of the bill, and, as far as I am concerned, will let it be read for action on the committee amendments.

The PRESIDING OFFICER. The Secretary will read the bill for action on the committee amendments.

The Secretary proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the subhead "Salaries of secretaries in the Diplomatic Service," on page 3, line 21, after the word "Total," to strike out "$202,800" and insert "$317,905," so as to make the clause read:

Total, $317,905.

The amendment was agreed to.

The next amendment was, under the subhead "Transportation of diplomatic and consular officers in going to and returning from their posts," on page 7, line 19, after the words "Secretary of State," to insert "at the rate of not exceeding 10 cents per mile," so as to make the clause read:

To pay the actual and necessary expenses of transportation under such regulations as the Secretary of State may prescribe, of diplomatic and consular officers and clerks in embassies, legations, and consulates in going to and returning from their posts, or when traveling under orders of the Secretary of State, at the rate of not exceeding 10 cents per mile, but not including any expense incurred in connection with leaves of absence, $125,000.

Mr. LODGE. Mr. President, I hope that amendment will not be agreed to. It seems to me that at this time it is an unfortunate one. The men who are at these posts, obliged to come home—recalled, perhaps, as we recalled all our consuls in Turkey, for example—come home on the public business. They can not, as in normal times, travel directly by train and steamship.

Mr. OVERMAN. I will say to the Senator that if he will let that amendment go over we will go on with the bill and come back to that, if he has no objection.

Mr. LODGE. Why should it take any time to discuss the amendment? We have got to discuss it sooner or later.

Mr. OVERMAN. All right.

Mr. LODGE. I mean, why not now? I am perfectly willing to pass it over if the Senator desires, but I think we can finish the bill in a few minutes, this matter included. I am not going to speak at any length.

Mr. SMOOT. I will say to the Senator that we can not finish the bill to-night.

Mr. LODGE. Why not?

Mr. SMOOT. Because there are a number of items in the bill that will lead to discussion.

Mr. LODGE. There are only one or two other amendments here.

Mr. SMOOT. There are some items in the bill itself that are going to lead to discussion.

Mr. LODGE. Oh, well, if there is going to be discussion of a lot of items, we might as well go on with this matter now.

Mr. SMOOT. It is 5 o'clock now.

Mr. LODGE. If Senators want to adjourn, of course I will not go on.

Mr. OVERMAN. Mr. President, I understand that the Senate is weary. I understand, also, that an executive session is desired. With the permission of the Senator from Massachusetts——

Mr. LODGE. I yield, of course, for that purpose.

EXECUTIVE SESSION.

Mr. OVERMAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Friday, March 8, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate March 7, 1918.

GOVERNOR OF ALASKA.

Thomas Riggs, jr., of Alaska, to be governor of Alaska, vice John F. A. Strong, term expired and resigned.

UNITED STATES DISTRICT JUDGE.

Edwin Louis Garvin, of Brooklyn, N. Y., to be United States district judge, eastern district of New York, vice Van Vechten Veeder, resigned.

JUDGE OF MUNICIPAL COURT, DISTRICT OF COLUMBIA.

Michael M. Doyle, of the District of Columbia, to be a judge of the municipal court, District of Columbia. (Reappointment.)

UNITED STATES DISTRICT ATTORNEYS.

Wilson S. Hill, of Clarksdale, Miss., to be United States attorney, northern district of Mississippi. (Reappointment.)

Bert E. Haney, of Portland, Oreg., to be United States attorney for the district of Oregon, vice Clarence R. Reames, resigned.

RECEIVER OF PUBLIC MONEYS.

John V. Killion, of Kansas, to be receiver of public moneys at Dodge City, Kans. (Reappointment.)

BOARD OF ORDNANCE AND FORTIFICATION.

Fred T. Dubois, of Idaho, to be civilian member of the Board of Ordnance and Fortification.

TEMPORARY PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

To be colonels with rank from January 4, 1918.

Lieut. Col. William P. Stokey, Corps of Engineers.
Lieut. Col. Lewis M. Adams, Corps of Engineers.
Lieut. Col. William D'A. Anderson, Corps of Engineers.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Lieut. William A. Hall to be a lieutenant commander in the Navy from the 1st day of July, 1917.

Surg. William Seaman to be a medical inspector in the Navy, with the rank of commander, from the 15th day of October, 1917.

Passed Asst. Surg. George B. Trible to be a surgeon in the Navy, with the rank of lieutenant commander, from the 15th day of October, 1917.

Paymaster George P. Dyer to be a pay inspector in the Navy, with the rank of commander from the 29th day of August, 1916.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of July, 1917.

Charles E. Parsons,
William J. Hine,
Kenneth C. McIntosh,
Francis J. Daly,
Roland W. Schumann,
Franklin P. Williams, and
Leon N. Wertenbaker.

The following-named assistant paymasters to be passed assistant paymasters in the Navy, with the rank of lieutenant (junior grade) from the 1st day of July, 1917:

Josiah Merritt,
Charles G. Holland, and
Hiram P. Tudor.

Gunner Edward C. Wurster to be a chief gunner in the Navy from the 21st day of December, 1915.

Gunner Harry R. Hayes to be an ensign in the Navy, for temporary service, from the 10th day of October, 1917.

Carpenter Alfred L. Johnson to be an ensign in the Navy, for temporary service, from the 11th day of October, 1917.

The following-named warrant officers to be ensigns in the Navy, for temporary service, from the 1st day of March, 1918:

Stephen E. Haddon,
Clarence E. Jackson,
Arthur V. Holmes,
Frederick Ellison,
James K. Smallwood,
Thomas J. Malarkey,
Frederick T. Mayes,
Edward J. Murnane,
Harold H. Ralph, and
Matthew Woessner.

The following-named enlisted men to be ensigns in the Navy, for temporary service, from the 1st day of March, 1918:

Albert Woods,
Kenneth H. Stetson,
Joseph Murtagh,
John E. Pedersen,
Lansford F. Kengle,
Stanley A. Jones,
Frank A. Brandecker,
Arthur Wrightson,
Joseph A. Clark,
Arthur A. Hewitt,
William A. Lynch, and
Edward H. Smith.

The following-named ensigns of the United States Naval Reserve Force to be ensigns in the Navy, for temporary service, from the 1st day of March, 1918:

Martin F. Comeau,
Robert B. McEwan, jr.,
Watson K. Blair,
Francis H. Cabot,
Ralph Horween, and
Harold K. Smoot.

The following-named ensigns of the National Naval Volunteers to be ensigns in the Navy, for temporary service, from the 1st day of March, 1918:

Clifford F. E. Ward,
Forest W. Allen,
Dwight L. Jennings,
Robert A. Haynie, and
Adolph Bloom.

CONFIRMATIONS.

Executive nominations confirmed by the Senate March 7, 1918.

BOARD OF ORDNANCE AND FORTIFICATION.

Fred T. Dubois to be civilian member of the Board of Ordnance and Fortification.

RECEIVER OF PUBLIC MONEYS.

Jacob A. Mayer to be receiver of public moneys at Havre, Mont.

SUPREME COURT OF HAWAII.

James L. Coke to be chief justice.
Samuel B. Kemp to be associate justice.

CIRCUIT COURT OF HAWAII.

William S. Edings to be second judge of the first circuit.
L. L. Burr to be judge of the second circuit.

UNITED STATES MARSHAL.

James L. Sims to be United States marshal, eastern district of South Carolina.

HOUSE OF REPRESENTATIVES.

THURSDAY, *March 7, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Oh, Thou, who art supremely great, an imminent God, working in and through everything; creating, re-creating; upholding, sustaining, guiding all; presiding over the destiny of men and of nations;

That God, which ever lives and loves,
One God, one law, one element,
And one far-off divine event,
To which the whole creation moves—

make us, we beseech Thee, sensible of our dependence upon Thee, for life and all things; and help us to fulfill our destiny, as individuals and as a nation, as it is disclosed to us, moment by moment, hour by hour, as the years come and go; that we may be the instruments in Thy hands, for the furtherance of Thy purposes, as revealed in the life, character, and sublime precepts of the Jesus of Nazareth. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE.

Mr. RANDALL. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

Mr. DOWELL. I object. I desire to raise the point of order that there is no quorum present.

Mr. HICKS. Will the gentleman defer that just a moment?

The SPEAKER. The gentleman from Iowa makes the point of order that there is no quorum present.

Mr. MADDEN. I ask the gentleman to withhold that for a moment.

The SPEAKER. Does the gentleman withhold his point?

Mr. DOWELL. The gentleman can have the floor when a quorum is present.

Mr. MADDEN. The gentleman is not willing to yield, then?

The SPEAKER. Evidently there is no quorum present.

Mr. KITCHIN. In order to save time why not wait until the motion is made to go into the Committee of the Whole House on the state of the Union, and then let there be a roll call on that?

Mr. DOWELL. I think this is the proper time.

Mr. KITCHIN. Then, Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

Bell	Drukker	Jones, Tex.	Mudd
Brand	Dunn	Kahn	Nolan
Britten	Eagle	Kelley, Mich.	O'Shaunessy
Butler	Fairchild, B. L.	Key, Ohio	Parker, N. J.
Byrnes, S. C.	Fairchild, G. W.	Kraus	Parker, N. Y.
Caldwell	French	Kreider	Pou
Campbell, Pa.	Glass	LaGuardia	Pratt
Capstick	Good	Lazaro	Price
Carter, Mass.	Goodall	Lea, Cal.	Purnell
Clark, Fla.	Graham, Pa.	Lee, Ga.	Ragsdale
Clark, Pa.	Greene, Mass.	Lehlbach	Robbins
Cooper, Ohio	Hamill	Lenroot	Roberts
Cooper, W. Va.	Hamilton, N. Y.	McAndrews	Robinson
Costello	Haskell	McClintic	Rowland
Crisp	Heintz	McCormick	Schall
Curry, Cal.	Hollingsworth	McCulloch	Scott, Pa.
Davidson	Hood	McLaughlin, Pa.	Scully
Davis	Huddleston	Mason	Sherley
Decker	Humphreys	Mondell	Sims
Dempsey	Husted	Montague	Small
Dies	Johnson, S. Dak.	Mott	Snell

Steele	Strong	Vare	Woodyard
Steenerson	Templeton	Vestal	Wright
Stephens, Nebr.	Tinkham	Wilson, La.	
Sterling, Pa.	Van Dyke	Winslow	

During the roll call Mr. LONERGAN took the chair as Speaker pro tempore.

At the conclusion of the roll call the Speaker resumed the chair.

The SPEAKER. On this roll call 330 Members, a quorum, have answered to their names.

Mr. KITCHIN. I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Young, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 7998. An act granting the consent of Congress to the village of East Dundee and the village of West Dundee to construct a bridge across the Fox River.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bill:

H. R. 6361. An act to extend protection to the civil rights of members of the Military and Naval Establishments of the United States engaged in the present war.

THE SPEAKER'S BIRTHDAY.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from Illinois asks to address the House for three minutes. Is there objection?

There was no objection.

Mr. CANNON. This is the birthday of the Speaker of the National House of Representatives. [The Members rose and applauded.]

I want to say just a word. I was Speaker when he was on the floor of the House, and now when I am on the floor of the House he is Speaker. While at times I do not agree with him about policies, yet, looking him in the eye, I want to say that he intends, as Speaker of the House of Representatives, to be correct in his rulings and at all times is fair and courteous. [Applause.] I wish him many recurring anniversaries, and that he may live to be a hundred years old, and then run a foot race, intellectually and physically. [Applause.]

The SPEAKER. Gentlemen of the House of Representatives, I have to plead guilty to being 68 years old. They say that a woman is no older than she looks and that a man is no older than he feels. If that is so, I am no older than I was when I entered this House 25 years ago. [Applause.] There is not a man on earth in better health than I am, for which blessing I humbly and fervently thank Almighty God. [Applause.]

To talk about the House of Representatives is always an enticing theme to me. I really believe that I am the only man living who always takes up the cudgels for the House. No man ever says anything against it when I am present that I do not get back at him. [Applause.]

Out of the 68 years of my life I have spent 23 years in this House, and they have been very active ones, too. I made more speeches in the first Congress that I was here than I have made in any three Congresses since. [Laughter.] It came about in a very peculiar way. I was nominated over a sitting Member, a fine man, very handsome, a man of intelligence and ability, a fine lawyer, who had been here for four years. We were doing everything on earth that was proper—and in the retrospect I am afraid we did some things that were improper—to carry the election. Among other things, I charged that he had not been as active during his four years here as he ought to have been, considering his ability. He countered with the proposition that a man had to be here four years before he could branch out much, or the old Members would run over him roughshod. I answered that if a man had in him the stuff out of which statesmen were made he could go to the front whenever he got ready. That pleased the audience. [Laughter.] But when I got here I found that I was under obligation to make that promise good, and hence the number of speeches I made in that Congress.

This House changes about one-quarter every two years. Amos J. Cummings, one of the most beloved men that ever sat in this House, a great newspaper man, said that the average life of a Congressman was four years. One of two things is true—either he was wrong then or time and circumstances have changed, for the average life of a Congressman here now is a little over seven years. I think the primary elections have a tendency to increase the tenure of the sitting Member.

There are only four men here now who have been here longer than I have. Mr. CANNON has been here longer than anybody ever was. [Applause.] I am sure that I express the sentiment of every man in this House, whatever his politics or religion, or anything else may be, we all hope that he will serve in this House as long as he lives. [Applause.]

Mr. CANNON and I have had some right hot times in this House together. [Laughter.] They were not glove contests but with bare knuckles. [Laughter.] In addition to the ex-Speaker, the gentleman from Wisconsin [Mr. COOPER] and the gentleman from Massachusetts [Mr. GILLETT] and the gentleman from Virginia [Mr. JONES] have served longer than I have, and the service of my good friend from Maryland, Mr. TALBOTT, extends back almost into the twilight of fable. [Laughter and applause.] If he had stayed here all the time consecutively, he would outrank anybody that ever was here except Mr. Speaker CANNON, but he has been off and on in his service—a good deal off as well as on. [Laughter.]

It is a noble privilege to be a Member of the House of Representatives. Very few people can ever attain it, and it is a high privilege to be a Speaker of this House. There have been 36 of us, counting one man who was Speaker one day. I have a great many things to be thankful for—a good wife, good children, a boy in the Army [applause], a fine grandson 13 months old—never been sick a minute in his life. [Applause.] He looks like his granddad. [Laughter and applause.]

I am thankful for troops of friends, and nowhere is there a more loving troop than in this House. [Applause.] I thank you for this evidence of your love and affection. Mr. Speaker CANNON says that I always try to be right, and I do, and if I find I am wrong I change it. I look upon the Speakership with the same high regard that a judge of a high court should regard his judicial duties, and I would be ashamed of myself forever and eternally if I ever made a partisan ruling in this House. [Prolonged applause.]

EAST ST. LOUIS RIOTS.

Mr. MADDEN. Mr. Speaker, I wish to ask unanimous consent for permission to the special committee on the East St. Louis riots to make their report in the House, when they do make it, instead of filing it in the basket. I do not know what the report is to contain, but I assume that it will be a report dealing with the facts, and will call a spade a spade. The subject of the report is of sufficient importance to justify the widest publicity. So I ask unanimous consent that when the report is made it may be made in the House.

Mr. DYER. Reserving the right to object, Mr. Speaker, I am very anxious to have the report published. I would like to know if the gentleman intends to include in the request the publication of the testimony taken on the investigation?

Mr. MADDEN. I should be delighted to have the testimony printed. I really think it ought to be printed, and if that will lead to getting unanimous consent to my request, I will include that in my request.

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] asks unanimous consent that the special committee appointed to investigate the matters at East St. Louis may make their report in open House instead of filing it through the basket. Is there objection?

Mr. MILLER of Minnesota. Reserving the right to object, I would like to ask the gentleman from Illinois if he can state to the House how much testimony has been taken and how many printed pages it will make?

Mr. MADDEN. I think the testimony is very voluminous, but very important to the people of the country, and especially to the people of my State. Every suggestion that has been made by anybody in our State is to the effect that they would like to have the testimony published.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, do I understand that the gentleman is only making a request that the testimony be printed?

Mr. MADDEN. Yes.

Mr. STAFFORD. And not made a part of the regular report?

Mr. MADDEN. No.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the special committee appointed to investigate the matters at East St. Louis shall report in open House instead of filing their report through the basket, and that the testimony be printed with the report. Is there objection?

Mr. BLACK. I object.

Mr. MADDEN. Not with the report, Mr. Speaker, but as a public document.

Mr. BLACK. I am going to object if it means the printing of all this testimony.

Mr. MADDEN. I hope the gentleman will not object to that.

Mr. BLACK. I think it is just like the testimony in the Industrial Relations matter; of no use to anybody, and I object.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent, then, that the committee make its report in the open House.

The SPEAKER. The gentleman from Illinois asks unanimous consent that when the committee makes its report it make it in the House instead of through the basket. Is there objection?

Mr. DYER. Reserving the right to object, will not the gentleman from Texas withdraw his objection to printing the testimony?

The SPEAKER. Let us get through with this request first. Is there objection? [After a pause.] The Chair hears none.

MEMORIAL EXERCISES FOR LATE REPRESENTATIVE HELGESEN.

Mr. BAER. Mr. Speaker, I ask unanimous consent that the memorial exercises for the late Representative HELGESEN, of North Dakota, be held on the 10th of March next at 12 o'clock instead of on the 24th of March.

The SPEAKER. The gentleman from North Dakota asks unanimous consent to change the date for the memorial services for the late Representative HELGESEN from the 24th to the 10th of March. Is there objection?

There was no objection.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10358, the legislative, executive, and judicial appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the legislative, executive, and judicial appropriation bill, with Mr. SAUNDERS of Virginia in the chair.

Mr. BORLAND. Mr. Chairman, when the committee rose last there was under consideration a point of order made by my colleague from Missouri [Mr. HAMLIN] to the increase of pay for the head of the Efficiency Bureau. I will ask the gentleman to withhold that for a few minutes, until I can discuss it.

Mr. HAMLIN. Mr. Chairman, I reserve the point of order.

Mr. BORLAND. Mr. Chairman, I want to appeal to my colleague who made this point of order to withdraw it, and I want to present if I can an aspect of the subject which may not have occurred to him. It is impossible on these isolated and sporadic cases to discuss the relative value of public services and the relative scale of salaries, and so forth. It is easy enough to say that some man's salary has been increased, and that there are a great many worthy and deserving cases that have not been increased. That kind of argument can go on forever, of course, without any particular result. I would not want to go into that, but I do want to say this in fairness to the subcommittee that drew the bill, that, as I recollect, there are only three increases of salary in this bill that amount to anything. One is the head of this Bureau of Efficiency and the other are the members of the Civil Service Commission, both of which I think are fully justified by exceptional circumstances. The committee was not disposed to increase salaries and held down rigidly every request that was made for that purpose. As to the poor clerks, the clerks that my colleague seems to be interested in, as a matter of fact, it is incorrect to say that those men's salaries have not been increased for a long term of years. While the salaries are fixed by law for the position, the personnel is fluctuating all the time, and men are constantly promoted from the lower to the higher grades, so that the salary of the low-class man does not remain fixed and stationary, and that impression is not quite an accurate one. Here is the point I desire to present to my colleague's mind: There is not a doubt in the world but that an expert accountant who is able to be at the head of the Efficiency Bureau is worth $5,000 a year in the open market. We pay that for bureau chiefs whose work is of infinitely less value to the public than this man's work. The great difficulty about increasing this particular salary is that this man has been doing very substantial work in saving money for the taxpayers of the United States. He has actually obtained results, and he occupies a peculiar position in the Federal Government. His position is not a popular one. He does not appeal to any of the element here in Washington that is so eager to increase the salaries and add to the Federal expenses. In fact, his work is absolutely opposed and brings him into sharp opposition with the element who desire to increase the burdens of the taxpayer.

Mr. RANDALL rose.

Mr. BORLAND. In a moment I shall yield if I have the time. That is the reason why there has been such a persistent attack upon this man who is at the head of this bureau. He has been actually getting results, like any expert accountant ought to get results in a great business institution. He has been showing where money could be saved, not by the few dollars but by the hundreds of thousands of dollars, and if he had a wider opportunity for usefulness I am confident that he could make it more and more to the advantage of the taxpayers of the United States. That very fact, the very efficiency of this man and his usefulness in cutting down public expenditures and decreasing the burden of the taxpayer, has brought him sharply into conflict with some of the elements in this community who are not anxious to reduce the burdens of the taxpayer. I am sure my colleague does not want to put himself in the attitude of being in line with that element, and yet this is a direct attack upon this man to drive him out of the public service. They want to make it so unpleasant, so unprofitable personally for a man to be efficient and save money for the American taxpayer that he will not agree to stay; that he will not be able to afford to stay. This man could go into private employment as an expert accountant and get $5,000 a year.

Mr. WATSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. And the only thing that I know of that keeps him here is the high regard he has for the success of his work. I yield to the gentleman.

Mr. WATSON of Pennsylvania. Is it not a fact that he did eliminate 30 clerkships in the United States Treasury?

Mr. BORLAND. I could not give the exact figures in the various departments where he has been at work. He has reduced the number of clerkships, and he has promoted the efficiency of the public business. That is true also of the Post Office Department, where he has been at work, and I am quite sure that this attack, designed to drive him out of the service, is not in the mind of my colleague from Missouri [Mr. HAMLIN].

Mr. HAMLIN. Mr. Chairman, I desire to say that I have not made any attack upon this Chief of the Bureau of Efficiency. I do not even enjoy the pleasure of his acquaintance. There is nothing personal whatever in my action in reserving the point of order against an increase in his salary.

I do not know to what my colleague who has just spoken refers when he talks about certain interests who are very much opposed to this man and his work and intimates that I am aligning myself with that "certain interest," whatever it is, in seeking to drive this "efficiency expert" out of the service of the Government. I do know that I am not aligned with any interest except the public interest in endeavoring to hold down salary increases.

I repeat that I do not know to whom my colleague referred, but I have suspicion and shall assume that he had in mind when he made that insinuation the great army of clerks in the different departments of the Government, because he seems to have thoroughly convinced himself that he has a grievance against these clerks which he airs each day on the floor of the House, "lest we forget."

In reserving the point of order the only purpose I had in mind was to try to hold the balances level between the chiefs of the bureaus and the clerks who do the work.

There are certain expenses common to everybody employed here in Washington, regardless of whether they receive $360 a year or whether they receive $12,000 a year. A pound of meat, a pound of coffee, a pound of sugar, and all other vital necessities of life cost a man who is receiving only $360 a year just as much as it costs one receiving $12,000 a year. Now, until you get to the point of giving the employee enough money to meet these vital, necessary expenses you are going to hurt that fellow very badly, but after his salary reaches a point which will enable him to meet these necessary expenses and enjoy some of the comforts of life it does not make so much difference whether his salary is increased or not during the war. He is assured that the wolf can not get through the door, and if he is not able to lay up any money during war times it does not make so much difference. Now, I can not understand the theory of these gentlemen who are talking about this efficiency expert being so valuable and that if we do not give him this increase he is liable to leave the Government service and go into private life. It does not argue well for this man's patriotism for his friends upon this floor to make that threat to this House. It does not count any with me. There are any number of men who have left their private employment, have sacrificed their private businesses, and have volunteered their services and are to-day in Washing-

ton City serving this Government patriotically and faithfully for $1 per year.

Mr. FOCHT. Will the gentleman yield?

Mr. HAMLIN. Here is a man drawing $4,000, and his friends upon this floor say, "If you do not give him $1,000 a year more he will leave the service of the Government." If there is any patriotism in that, it is with profit. I yield to the gentleman.

Mr. FOCHT. May I ask who may be this mysterious gentleman, what he does, and what he gets?

Mr. HAMLIN. I am glad the gentleman asked that question. I said I did not know him, and that is true. I think his name was given the other day as Brown. No doubt he is a good man, I am not saying that he is not, and perhaps he is rendering some good services, but I am saying there are plenty more men in the service of this Government who are rendering good services. He is not alone if he is rendering good service. Now, I want to call attention to another thing. He has been in the employ of this Government over two years or about two years. The chairman of the Committee on Appropriations of this House only recently called attention to a very important matter which this efficiency expert might have remedied to the good of the service. He said the system of bookkeeping in vogue in this Government was of such a character that you could not tell to save your life how the money when appropriated was expended, except that it was arranged so that you can keep tab——

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAMLIN. I ask unanimous consent for five minutes more.

Mr. MOON. May I ask if the gentleman is going to insist on his point of order?

Mr. HAMLIN. I do not think I shall.

Mr. MOON. Then why discuss it?

Mr. HAMLIN. I likely will explain before I close why I am not going to insist on the point of order. May I have five minutes more?

The CHAIRMAN. The gentleman from Missouri asks unanimous consent for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. HAMLIN. Just let me finish this sentence—that the system of bookkeeping was so arranged that you could only keep tab upon one proposition, and that was as to whether a department had expended more money than appropriated for its use.

This is what the chairman of the Appropriations Committee said:

> Now, in order that that may happen we must have a reform in the methods of governmental bookkeeping. At present your governmental bookkeeping is for one purpose, and one purpose only, and that is to prevent embezzlement or misappropriation of funds, and it performs that service exceedingly well, but it performs no other. All of your appropriations are so made and your bookkeeping accounts so kept that they serve only in preventing Smith or Brown from spending money for some purpose other than that for which it was appropriated, but do not require or show economy of expenditure. There is no system by which the legislative body could take the expenditures of a previous period and from them determine whether they have been economically or wastefully expended; and as a result, in order to ascertain that, we go through a cross-examination of individuals that amounts at times to a severe grilling of them and frequently without obtaining any real result. When we find some abuse we come in and recommend a particular provision prohibiting the doing of something that we think brought on the abuse and we tie the hands, or try to tie the hands, of an incompetent administrative officer, and then wake up a few weeks afterwards and find we have also tied the hands of all the good administrative officers as well and that the bad administrative officer has usually found some method of circumventing the prohibition that we placed upon him.
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> Now, if you will get a system so you can know whether an administrative officer is well or badly performing his functions, then the remedy will be not to curtail his power, but to cut off his head when he does not deliver. [Applause.] When he fails to show that he is an efficient officer let him go into the discard and let some man of capacity take his place. [Applause.] That is the tendency of all modern government everywhere except here on this floor and in national matters.

Now, I think what the chairman of the Appropriations Committee said is true because it accords with my experience in investigating the expenditures of the Government. Then, what has this efficiency expert, this splendid accountant, which my colleague talks about, been doing the last two years that he has not suggested some change in the system of bookkeeping that will enable us to know something about how this money that we appropriate is being used?

Now I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. I have been watching this matter of commissions for some time, and I understand that this particular one has cut down the expenses of certain of the departments. Does the gentleman observe that while cutting down the expenses of certain departments its own expenses have correspondingly increased?

Mr. HAMLIN. I do.

Mr. MOORE of Pennsylvania. Whereas they had $60,000 last year, they now ask $110,000——

Mr. HAMLIN. No; they had $40,000 the first year, the next year $60,000, and this year they ask for $120,000.

Mr. BYRNS of Tennessee. In order that the gentleman from Pennsylvania may not misunderstand, I want to say the bureau had $118,000 for the current year. There were two deficiency bills passed——

Mr. HAMLIN. I was just about to mention that.

Mr. MOORE of Pennsylvania. That does not appear in the corresponding legislative, executive, and judicial bill of last year. In the law of last year there appeared to be $60,000 appropriated, and in the corresponding item of this bill $110,000 is asked for——

Mr. BYRNS of Tennessee. But in the deficiency bill passed in October $20,000 additional was added, and in the bill which passed the other day the gentleman voted for $38,000 additional, making a total of $118,000.

Mr. HAMLIN. Mr. Chairman, I can not afford to yield further. The statement I made is absolutely accurate, that two years ago, the first year of this Efficiency Bureau, they asked for $40,000; then the next year for $60,000; and this time for $120,000; and then, as the chairman of the committee has said, there have already been two different deficiency appropriations made for this bureau. There seems to be no limit upon the amount of people they can employ. Now, perhaps that is all right. I do not know about that.

Here is the point I had in mind all the time and that I have in my mind now. We ought to be fair to all the people in the departments regardless of position occupied. Perhaps this man earns $5,000 a year, but I say that we ought not to increase these high-salaried men unless you are going to take care of the people of the rank and file and who do the work of the departments down in the bureau. I do not know that I shall finally make this point of order. I believe I ought to make it, but I have been appealed to, and this one statement has somewhat appealed to me. I am informed from a reliable source that there will be within the next few days brought in a proposition that is intended to take care of and will take care of, perhaps, the class of people that I believe ought to have some consideration as well as these very high-salaried men. Now, if that is done it eliminates very largely my objections to this increase of salaries of the higher-ups. And for that reason, and with this statement, I shall not insist upon this point of order, yet I feel that I ought to do so.

Mr. GOOD. Mr. Chairman——

Mr. MOON. Mr. Chairman, I make the point of order.

Mr. RUCKER. The point of order is still pending, as I understand it.

Mr. BYRNS of Tennessee. I would like the point to be made, so that we can proceed.

Mr. GOOD. Mr. Chairman, have I been recognized?

The CHAIRMAN. The Chair will state the situation before the committee. The gentleman from Iowa [Mr. GOOD] is recognized for the purpose of debate, but the Chair wants to ascertain the status. Is the point of order made?

Mr. MOON. I made the point of order at the time the gentleman from Missouri [Mr. HAMLIN] withdrew it. He has withdrawn his point of order. Then, I reserve it.

Mr. BYRNS of Tennessee. To what?

Mr. MOON. I reserve the point of order to the $110,000 a year, and I reserve the point of order to the increase in the salary.

Mr. GOOD. I hope the gentleman will reserve it. I would like to speak on the subject.

Mr. MOON. I am not going to say a word.

The CHAIRMAN. The gentleman from Iowa [Mr. GOOD] is recognized to participate in the debate.

Mr. GOOD. Mr. Chairman, if the gentleman from Tennessee will——

Mr. MOON. I understand the gentleman from Iowa [Mr. GOOD], being a member of the committee, as a matter of courtesy is entitled to be recognized.

Mr. GOOD. I will waive that point if the gentleman will reserve his point of order, so that I can speak.

Mr. MOON. I will do this. The gentleman from Iowa can proceed now, and then I will make the point of order.

Mr. BYRNS of Tennessee. The reservation still exists.

Mr. MOON. Yes, sir.

The CHAIRMAN. The gentleman from Iowa [Mr. GOOD] is recognized.

Mr. GOOD. Mr. Chairman, the President during the past few years has been called upon to make a great many appointments. I do not believe he has made an appointment during

his entire incumbency as President of the United States that is more meritorious than the appointment of Mr. Herbert Brown as chief of this bureau. While the appropriations for this bureau have been increasing, the bureau has had greatly increased duties, and it has saved many times over the amounts appropriated for it. In the office of the Treasurer alone it saved many times all of the appropriation by Congress for the bureau in reducing the number of clerks in that department. It has gone into the other departments and has, by conducting examinations, and by installing scientific methods saved a great many thousands of dollars to the Government. I personally know a number of men who have followed the business of accounting and are expert accountants. I know that if you hire an expert accountant you can not get one for less than $20 to $50 per day. I have never come in contact with an expert accountant who knows his business any better than Mr. Brown and the little force that he has gathered around him.

The gentleman from Missouri [Mr. HAMLIN] says that he has been in the employe of the Government for two years. Mr. Brown has been in the employ of the Government for more than 10 years. In the Sixty-first Congress he was in the employ of the Government, receiving then, in addition to his private employment—from which he had an income of almost $1,000—$4,000 a year. I do not believe there is any question about Mr. Brown receiving in private employment immediately more than $6,000 or $8,000 a year. He is worth to the Government of the United States more than he is worth to any person. I am sure that if the gentleman from Tennessee [Mr. MOON] will take this question up and look at it from a practical standpoint, from the standpoint of actual saving to the Government of the United States, as the committee that brought out this bill considered it, he would not think of making a point of order. He would only wonder that the committee had not in instances like this given even larger salaries to men of this character. I am sure I know of no Government employee or official who is more entitled to an increased salary in all the Government service than the man who is chief of this bureau. The gentleman from Tennessee I know is interested in the salaries of these lower paid clerks. But the committee has been considering the pay of lower paid clerks, and, as his colleague from Tennessee [Mr. BYRNS] has already stated, will bring out a bill to take care of them. But in the meantime I hope he will not make a point of order, because if he does he then reduces the salary that this man is paid by $800 from the amount which he received in the Sixty-first Congress.

Mr. MOON. Mr. Chairman, my objection does not arise so much upon the mere increase of this particular salary, for I am sure I have no objection to Mr. Brown getting a proper salary, or anybody else getting a proper salary, if it is right to have it. But the objection goes further in that it is an objection to the exercise of power and jurisdiction of the Committee on Appropriations on this question, whether for one sum or another. They can not increase salaries.

Then, there is no merit, in my judgment, in this proposition anyway. This Bureau of Efficiency, which people sometimes call the "bureau of inefficiency," was a bureau in the Civil Service Department and in 1916 was established as a separate and independent bureau, and the office force that had been connected with that branch of the service, in the civil-service branch of the Government, went over to this bureau, and the money that they were limited to in the act creating them was $12,000 for expenditure for all the purposes connected with the efficiency system. Then, the next year there comes $40,000—a growth. And yet departments like the Agricultural Department, as I am advised, prohibit them from coming in the department to consider these questions affecting their clerks. I understand one branch of the Post Office Department does not permit it. It is not permitted to come into several of the departments; and there is no law compelling these examinations by these efficiency bureaus in any of the departments.

Then, in the next year they got $60,000, and then, as my friend and colleague from Tennessee [Mr. BYRNS] says, these deficiencies ran the amount up to $118,000. So you see we just have established a branch of a service that was practically an unimportant bureau in the Civil Service, and in three or four years it has grown ten times as great, so far as expenditures are concerned, as was authorized at the beginning.

My judgment is that this bureau ought to be wiped out of existence. I believe we never can have any reform or any honest government in this country until the whole civil-service fraud—because it is a fraud as it has been practiced before, and it is a fraud as it is practiced now—is wiped out of existence. [Applause.] I make a point of order against it.

Mr. BYRNS of Tennessee. Mr. Chairman, just what is the point of order?

The CHAIRMAN. The Chair was just going to ascertain. Is the point of order directed against the whole paragraph or merely against the proviso?

Mr. MOON. The point of order is directed against the appropriation of $110,000 and against the proviso, but mainly to the proviso.

Mr. BYRNS of Tennessee. Certainly it is not good as to the $110,000; and the proviso, Mr. Chairman, is simply a form of limitation upon the appropriation.

Mr. MOON. The proviso fixes a salary at $1,000 greater than it was before.

Mr. BYRNS of Tennessee. The statute does not fix any salary whatever, and the proviso is simply a limitation upon the appropriation.

The CHAIRMAN. The Chair has before him the act by which this Bureau of Efficiency was established as an independent entity. The appropriation for this bureau is a lump-sum appropriation. That being so, it is perfectly competent for the House to appropriate any amount it chooses for its operations. It may appropriate one amount this year, and increase or reduce that amount next year. In other words, the amount of the appropriation is entirely in the discretion of the House. Looking to the proviso, it will be noted that the effort is made to fix directly the compensation of the head of the Efficiency Bureau. The proviso declares in terms that the compensation of this head is fixed at the rate of $5,000 per annum. Hence the proviso limits the discretion of the bureau to fix salaries. A limitation or curtailment of the power of discretion, is certainly a change of law. It seems to me that the point of order with respect to the proviso is good, but not good as to the amount of the appropriation. The Clerk will read.

The Clerk read as follows:

For commissioner, acting as president of the commission, $5,000; two commissioners, at $5,000 each; chief examiner, $3,500; secretary, $2,500; assistant chief examiner, $2,250; three chiefs of division, at $2,000 each; examiners—1, $2,400, 3 at $2,000 each, 6 at $1,800 each; clerks—6 of class 4, 28 of class 3, 39 of class 2, 52 of class 1, 34 at $1,000 each, 22 at $900 each; messenger; assistant messenger; skilled laborer, $720; 4 mesenger boys, at $420 each. Custodian force: Engineer, $840; general mechanic, $840; telephone-switchboard operator; 2 firemen; 2 watchmen; 2 elevator conductors, at $720 each; 3 laborers; 4 charwomen; in all, $288,470.

Mr. MOON. Mr. Chairman, is that the end of that section or not? Is that the end of the paragraph?

The CHAIRMAN. It is the end of the paragraph.

Mr. MOON. Then it is time to make a point of order upon it. I make the point of order that there is legislation here increasing the salaries of the commissioners, which is out of order on this bill.

Mr. BYRNS of Tennessee. Will the gentleman reserve it for a moment until I can make an explanation?

Mr. MOON. Inasmuch as it is my good friend from Tennessee, I will reserve it.

Mr. BYRNS of Tennessee. Mr. Chairman, I do not want to take up the time of the committee, but I do think an explanation is due as to why the committee saw fit to increase the salaries of the three Civil Service Commissioners. For a number of years estimates have been submitted to the committee asking for a salary of $7,500 for these three commissioners.

Those salaries were fixed when the law was passed back in 1880 or 1883, and at that time the salary of $4,500 was fixed for the chairman of the commission and $4,000 each for the other two commissioners. The salary has not been changed since the organic act was passed. For a number of years estimates have been submitted asking that these salaries be increased to $7,500. The point has been made that the members of the Federal Reserve Board get $10,000, that the Farm Loan Commissioners get $10,000, that the Federal Trade Commissioners get $10,000, that the members of the Tariff Commission get $7,500, that the Canadian Boundary Commissioners receive $7,500 each, and other commissioners that I could name, all created recently by Congress, have been given salaries of $7,500 or more.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. HELM. Were all these salaries fixed before the country was in war?

Mr. BYRNS of Tennessee. Yes; they were fixed within the last few years.

Mr. HELM. Does the gentleman think it is good policy on the part of Congress to increase every branch of United States salaries while we are in war?

Mr. BYRNS of Tennessee. I do not think so; and if the gentleman will examine the estimates upon which this bill is based he will find any number of requests for increases, and that the committee has declined to accede to those requests except in a very limited number, three or four, and only in those cases because the committee thought they were abundantly justified.

Mr. HELM. The committee cites these other cases in justification for this proposed increase. If this increase of salaries continues to go on, we will find ourselves embarrassed.

Mr. BYRNS of Tennessee. The gentleman misunderstood entirely what I was trying to do. I was simply stating the reason advanced for these commissioners in support of the estimates for an increased salary.

Mr. MOON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. In just a moment. Let me complete the statement. The committee has declined during these years to increase the salaries, but the committee has felt that on account of the fact that the work of the Civil Service Commission has increased 300 per cent within the year, as is shown by their records of the number of papers examined and the civil-service positions newly created, it was only fair to these gentlemen to give them, not the increase asked for, but the small increase allowed in this bill.

Now, I may say that these same estimates provided for an increase for the chief examiner and for the secretary of the commission, both most efficient gentlemen, and had we not been engaged in war I think the committee would have looked with some degree of favor upon those estimates also. But the committee limited the increase to these three commissioners.

Now, I want to say just another word in reply to the gentleman from Missouri [Mr. HAMLIN]. He stated that he believed that the salaries of clerks should be increased, and that he was opposed to these increases of high salaries. I am in thorough accord with the gentleman, and my whole conduct and record here has been in line with that idea. But the gentleman from Missouri certainly spoke without information when he assumed that the clerks in the city of Washington have not received increases. I hold in my hand a statement showing that of the entire number of Government employees during the calendar year ending December 31, 1917, 46.1 per cent received increases averaging $145 a year. There is no department in Washington in which salaries have not been increased for at least 26.1 per cent of the entire force, and in one department the increase has been as high as 131 per cent of the force during the calendar year of 1917.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MOON. Mr. Chairman, I ask unanimous consent that the gentleman may have an additional minute. I want to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MOON. What is the salary now of the president or chairman of the commission?

Mr. BYRNS of Tennessee. Four thousand five hundred dollars.

Mr. MOON. And the salary of the other two?

Mr. BYRNS of Tennessee. Four thousand dollars.

Mr. MOON. Is it not a fact that the president of the commission gets $4,000, another commissioner gets $4,500, and another one $4,000?

Mr. BYRNS of Tennessee. No; the chairman of the commission under the statute gets $4,500 and the other two $4,000.

Mr. MOON. I am informed that one commissioner is getting $500 more than the other, and that member is not the chairman.

Mr. BYRNS of Tennessee. I have no information of that kind.

Mr. MOON. I have been informed by a reliable gentleman that that is the fact.

Mr. BYRNS of Tennessee. I will say that I have not the slightest information about that matter.

Mr. MOON. Mr. Chairman, I make the point of order.

The CHAIRMAN. Is the point of order directed to the salary of the three commissioners?

Mr. MOON. Yes.

The CHAIRMAN. The Chair will ask the gentleman from Tennessee [Mr. BYRNS] whether these salaries are fixed by law.

Mr. BYRNS of Tennessee. Yes.

The CHAIRMAN. And whether these salaries are in excess of those fixed by law?

Mr. BYRNS of Tennessee. Yes, Mr. Chairman; I concede that it is subject to a point of order.

The CHAIRMAN. The point of order is sustained.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer the following amendment: To insert in place of the first figures "5,000," on page 31, line 9, the figures "4,500," and after the word "at," in the same line, in place of the figures "5,000" insert "4,000."

Mr. MOON. I would like to ask the gentleman from Tennessee whether any other salaries have been increased under this section?

Mr. BYRNS of Tennessee. They have not, but there were a great many requests for increase, which the committee consistently denied.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was agreed to.

Mr. BYRNS of Tennessee. Mr. Chairman, the Clerk calls my attention to the fact that I was in error when I stated that there were no other increase of salaries in this section. I do not want to misinform the gentleman from Tennessee. There are four messenger boys carried in line 16 who were getting $360, and the committee increased the salary of these four from $360 to $420.

Mr. MOON. I think that is a proper increase. I wish it had been put at $500.

The Clerk read as follows:

For additional employees for the Civil Service Commission, $150,000: *Provided*, That not more than two persons shall be employed hereunder at a rate of compensation exceeding $1,400 per annum.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I reserve a point of order to the proviso. I should like to ask the chairman of the committee if I am right in my idea of the meaning of this provision:

Provided, That not more than two persons shall be employed hereunder at a rate of compensation exceeding $1,400 per annum.

The other employees besides the two may be paid any amount of salary that those in authority may wish to give them?

Mr. BYRNS of Tennessee. No; quite to the contrary. That limitation provides that the other employees shall receive not exceeding $1,400.

Mr. KEARNS. What do these two persons get?

Mr. BYRNS of Tennessee. One receives $1,600 and the other about $1,800. They are paid out of a lump sum furnished by the President, amounting to $240,000. They were put in the service at this salary, and the committee felt that it was hardly warranted in reducing the amount being paid them out of the lump sum.

Mr. McLAUGHLIN of Michigan. Would it not be proper and to be preferred to have the rates of compensation fixed, instead of leaving them entirely to the discretion of the high officers whose duty it is to employ the men and fix their salaries?

Mr. BYRNS of Tennessee. As evidence of the spirit of economy that has actuated the commission, I want to say that they were granted a lump sum of $20,000 under the deficiency act of last year. The President, under the necessities of the service, gave them $240,000 out of his emergency fund, which made $260,000 with no strings attached to it. Yet this Civil Service Commission has obligated all of it in the employment of the required force, and have only given two salaries equal to the $1,600 and $1,800. The rest of the force draw $1,400 and less.

Mr. McLAUGHLIN of Michigan. The answer of the gentleman justifies the objection to this language. I do not think that $240,000 should be turned over in a lump sum to be used by any bureau without any restrictions whatever.

Mr. BYRNS of Tennessee. That was done by the President and not by Congress.

Mr. McLAUGHLIN of Michigan. It furnishes a better illustration of the need of limitation on the authority of the heads of bureaus than had occurred to me when I rose.

Mr. GOOD. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. GOOD. If the gentleman will look further along he will find that there is $10,000,000 turned over without any strings to it.

Mr. McLAUGHLIN of Michigan. There may be activities concerning which we can make no restrictions, but where we can we ought to make them. I am a member of the committee that has to do with one department of the Government. The committee prepares an appropriation bill, and, among its many provisions, the bill carries lump-sum appropriations for different bureaus. I have some knowledge of how lump-sum appropriations are used, and I feel that sometimes they are used different from the expectation of the committee when the authority was given. It seems to me that it is not a proper way to make appropriations—to leave the head of a bureau absolutely without limit as to the manner in which he can use $150,000. For that reason I make the point of order, trusting that the chairman of this committee will suggest better language.

Mr. SHERLEY. Mr. Chairman, will the gentleman withhold his point of order for a moment?

Mr. McLAUGHLIN of Michigan. I reserve the point of order.

Mr. SHERLEY. Mr. Chairman, I think it is well for the committee to understand what the effect of the point of order of the gentleman from Michigan [Mr. McLAUGHLIN] would be.

The language now restricts the expenditure of the $150,000 to salaries that shall not be greater than $1,400, except as to two.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, may I ask the gentleman what the amount of those two salaries is?

Mr. SHERLEY. Just a moment. The result of the point of order would be to leave the $150,000 to be paid to any number at any rate of salary, no matter how high. The result of the point of order would be to take off the restriction and to give unlimited power. The result of the point of order would be to let down all of the bars that are thrown around expenditures and invite the abuse that the gentleman complains of. I say this in order that the gentleman from Michigan, in making his point of order, may know the effect of it.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman from Kentucky yield?

Mr. SHERLEY. Yes.

Mr. GARRETT of Tennessee. I understand perfectly the effect of the point of order, but I think the gentleman from Michigan on reflection will desire to withdraw it, because I believe it will accomplish the purpose that he does not desire to accomplish. I want to ask the gentleman from Kentucky this: I presume the reason that the lump-sum appropriation has been continued is that it is supposed that this will be more or less temporary. Am I correct in that assumption?

Mr. SHERLEY. Not only that, but there is another reason. The reason is for the protection of the Treasury of the United States.

Mr. GARRETT of Tennessee. I am not speaking of the proviso, but of the lump-sum appropriation.

Mr. SHERLEY. So am I; and I want to explain, because it raises a very important and a very interesting proposition. The reason why the committee saw fit to continue sums for additional employees, without specifying those employees and arranging them in classes, was for the purpose of making them only temporary employees, whereas if you increase all of your personnel by feeding into it these additional employees now needed you would find that at the end of the war, when the need had passed, all of your statutory rolls would be increased manyfold, in some departments three and four hundred and a thousand fold, and the difficulty of ever separating those people from the rolls and reducing your salary list to the normal condition would be infinitely greater than if we carry them in these lump-sum appropriations and check, as the committee has endeavored to do in each instance, the expenditure of money.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield further?

Mr. SHERLEY. Certainly.

Mr. GARRETT of Tennessee. I had supposed that was the reason. That is to say, it is regarded as temporary; it is not thought that at the conclusion of the war the number of employees now required will then be required?

Mr. SHERLEY. Exactly so.

Mr. GARRETT of Tennessee. And to make it thoroughly easy to dispense with the services of those, it is not deemed desirable to place them upon the roll individually?

Mr. SHERLEY. As permanent employees; and it is really for the protection of the Treasury of the United States. Any other system will result in adding manyfold to the expense of the Government in the days that are to come.

Mr. GOOD. Mr. Chairman, will the gentleman from Michigan yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. GOOD. Mr. Chairman, I appreciate what the gentleman has in mind, but I do not believe that he will find in the entire bill a lump-sum appropriation which has been treated with that same consideration to save for the Government as has been the case with the Civil Service Commission. The chairman of the commission, regarding this expenditure, said:

> Most of these clerks are employed at $900, $1,000, $1,200; a very few—three or four, possibly—at $1,400; one at $1,800. This $1,800 man was a man who had gone out because of illness and his place had been filled by promotion, and he was brought back again.

Further on, as I recall, the other person referred to was receiving a salary of either $1,600 or $1,800. There are no large salaries paid out of this fund at all, and I do not believe the gentleman ought to make the point of order because the committee can not offer an amendment designating the number of clerks of each class that the commission could use under this item. I think a great deal of money will be saved by making a lump-sum appropriation in this case and by leaving the language just as the committee incorporated it in the bill.

Mr. McLAUGHLIN of Michigan. Under this lump sum is there any limit to the salary that can be paid? In some of the bureaus there is.

Mr. SHERLEY. If the gentleman will permit, they can not, except as to two, pay any of them more than $1,400.

Mr. GOOD. And those two are employed now, one at $1,800 and, according to my recollection, the other at $1,600 or $1,800, notwithstanding that under the lump sum given this department this commission could have paid as high as it wished in the exercise of its discretion. They have not abused the appropriation in the slightest, for out of this large lump-sum appropriated for clerk hire only two persons have been paid salaries of $1,800 or over per annum.

Mr. McLAUGHLIN of Michigan. Does not the gentleman think there ought to be some limit placed on the discretion of the salary-fixing authority? Could not some limit be placed?

Mr. GOOD. There is a limit. He can not pay a salary in excess of $1,400, with the exception of two persons.

Mr. McLAUGHLIN of Michigan. Then, as to those two should there not be some limit?

Mr. GOOD. The committee did not feel, in view of the fact this commission had not abused its right and had only paid salaries to the extent of $1,800, that it was necessary to put a limitation on those two.

Mr. BYRNS of Tennessee. And with the further assurance on the part of the commissioners that they did not intend to increase those salaries.

Mr. STAFFORD. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. STAFFORD. In considering the merits of the proviso in limiting the discretion of the commission in the use of the $150,000 lump-sum appropriation, whereby they can not use it in the employment of any officials except two having a salary in excess of $1,400, will the gentleman also consider that the provisio is not subject to the point of order, because its limitation is within the precedents and does not come within the rule that forbids legislation on an appropriation bill?

Mr. McLAUGHLIN of Michigan. Well, I made the point of order with the idea it was good, and it is up to the Chair to determine whether or not it is good.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I will.

Mr. BYRNS of Tennessee. Of course, if the point of order of the gentleman is sustained it leaves absolutely no limitation upon the lump sum.

Mr. McLAUGHLIN of Michigan. I realized when I made the point of order if it was sustained it would leave the expenditure of the $150,000 without any limitation or restriction whatever, but I believed, of course, when that situation confronted the House it would be taken care of. I know also that if the proviso is stricken out something further must be done with the paragraph. Now, I have had some experience in seeing how lump-sum appropriations are employed and how the use of lump-sum funds has been abused. I will say also, in my judgment, no small part of the ill feeling among employees of a bureau as to salaries grows out of abuse of discretion by the chief, salaries being increased some times beyond the merit of those who receive the increases; whenever that is done there is dissatisfaction and ill feeling and demand all along the line for increase of salaries. I have known that to be the case, and, as I say, no small part of the trouble and the demands for increases, sometimes justly and sometimes otherwise, are due to the fact that lump-sum funds have not been used with good judgment by those in authority.

Mr. STAFFORD. Would it be satisfactory to the gentleman if we add after the word "provided" the words "and not higher than $1,800"? Would that meet the objections of the gentleman?

Mr. McLAUGHLIN of Michigan. I have those words written as an amendment to be offered if my point of order is not sustained.

Mr. SHERLEY. Will the gentleman let me ask him something?

Mr. McLAUGHLIN of Michigan. I yield.

Mr. SHERLEY. The gentleman suggests that if the point of order is sustained, then he expects the House to be able to remedy the situation. Will the gentleman inform the committee—the Committee on Appropriations, at least—if no legislation, even to safeguard the Treasury, is to be permitted on the bill, how, after the limitation is stricken out which does safeguard the Treasury, we can then turn around and by legislation protect the Treasury?

Mr. McLAUGHLIN of Michigan. If the chairman of the committee and those having charge should refuse to have any-

thing further to do with the provision simply because it was amended against their wishes, the situation which the gentleman from Kentucky points out would arise.

Mr. SHERLEY. We have had two statements made here to-day, more than two, that nothing that was in the form of legislation, irrespective of merit, should be on these bills.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I withdraw the point of order with the hope that the amendment suggested by the gentleman from Wisconsin will be presented and adopted.

Mr. STAFFORD. Mr. Chairman, if the gentleman withdraws the point of order on the assumption that an amendment would be offered, I feel it is my duty to offer the amendment, and so I move to amend the paragraph by adding, after the last word, the words "and not higher than $1,800."

Mr. BYRNS of Tennessee. Mr. Chairman, the Clerk tells me that one of these employees gets $1,890.

Mr. STAFFORD. In view of the statement of the chairman of the committee that one clerk is now employed at a salary of $1,890, I wish to modify the amendment so as to make it $2,000.

The CHAIRMAN. Without objection, the modification suggested by the gentleman from Wisconsin will be agreed to.

Mr. GARRETT of Tennessee. Let the amendment be reported as modified.

Mr. McKENZIE. Let me ask the gentleman whether or not under that amendment it would not be possible to pay all persons appointed under this $2,000?

Mr. BYRNS of Tennessee. They could only pay two.

The CHAIRMAN. The Clerk will now read for the information of the committee the amendment as modified.

The Clerk read as follows:

Page 31, line 24, after the word "annum," strike out the period and insert the words "and not higher than $2,000."

Mr. BYRNS of Tennessee. I submit that this provision is absolutely safeguarded. It provides that not more than two shall receive $1,400. Now, the commissioners stated to the committee that one was receiving $1,890, which allows the 5 per cent increase, and the other gets $1,600, as I stated a moment ago. Now, Mr. Chairman, the commissioners stated in the hearings to the committee that they did not propose to increase the salaries of those two clerks, and that none of the other clerks were getting more than $1,400. From the very fact that they had $260,000 in a lump sum and have not abused their discretion, but have employed only two people at more than $1,400, I think is a guaranty to this House that they are not going to abuse their discretion in the case of these two employees. These gentlemen are anxious to serve the public interest in every way possible.

Mr. STAFFORD. Will the gentleman yield? The gentleman knows I was in entire sympathy with the provision as reported by the committee, and having made a suggestion to the gentleman, and he having withdrawn the point of order relying upon the suggestion that the amendment would be offered, I offered it in good faith to carry out the purpose and understanding with the gentleman from Michigan.

Mr. BYRNS of Tennessee. I hope the amendment will not be adopted.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I wish to say that I have not made this objection because I feel that the salaries paid are too high. All I have had to do with the fixing of salaries bears out the statement that I am not particular about salaries. I wish them to be sufficient. I have voted for every increase within reason, I believe, that has been suggested in the committee of which I am a member. I have labored to the extent of my ability to further legislation looking to general increases of these lower salaries. I do not care whether these two are paid $1,600, $1,800, $2,000, or $2,500 if the work they do justifies such salaries as that. But I was calling attention to the latitude that is allowed the head of the bureau to pay any salary he pleases. I know that discretion exercised in some cases has not worked well, and as far as I am able I would take away that discretion and have a definite salary paid and have the amount right. I think if the words "and no salary paid hereunder shall be in excess of $2,000," if that is proper, would be in better form than the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD], and I therefore move to amend by substituting those words, namely, "and that no salary paid hereunder shall exceed $2,000." Only two shall be paid $1,400 and none shall be paid over $2,000.

Mr. SHERLEY. I want the amendment reported, and then I want to make a statement.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the amendment offered by Mr. McLAUGHLIN of Michigan: Page 31, line 24, after the word "annum," strike out the period and insert the words: "and no salary paid hereunder shall exceed $2,000."

Mr. SHERLEY. Mr. Chairman, I hope that both the amendment to the amendment and the amendment may be defeated, and I hope that they may be defeated in the interest of good administration. If we were voting a huge sum, without any limitation, to this commission, and if there had been anything in its past history that warranted the belief that there were going to be extravagant salaries paid, I should be in favor of one or two courses, either restricting the salaries that could be paid or the removal of those commissioners and putting efficient administrators in their place. But the fact remains that the only leeway given at all is that they may employ two employees at a salary in excess of $1,400. If they are fit for their jobs at all, they are fit to have that much responsibility placed in them.

I took occasion the other day in presenting the deficiency bill to call the attention of the House to the fact that many of our attempts—attempts that come all of a sudden, and come up frequently because some one has had some complaint from some employee in some department touching his salary against somebody else's—resulted in tying the hands of good men and simply giving to the bad officials an opportunity to exercise their ingenuity in evading such limitations, which they speedily proceed to do.

Now, we ought not to encumber this bill with undue restrictions. It may be very likely that there will develop some work in connection with this special fund at this time, when this Civil Service Commission has had its work increased many, many fold, whereby they may need to employ some one at a greater compensation than $2,000. They would be unable to do it with this provision. If you are going on the theory that these men can not be trusted at all, then you ought to strike out this paragraph. Otherwise, you ought not to tie them within such narrow lines that there is no flexibility. Now, there is not a business man in the world that could run his business successfully and economically with the restrictions and the wrapping of red tape that we place around these bureaus. And the same Congress that inveighs against red tape in one breath in the next breath insists on winding its own particular brand of red tape around administrative officers.

I hope that the two amendments will be defeated.

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

No detail of clerks or other employees from the executive departments or other Government establishments in Washington, D. C., to the Civil Service Commission, for the performance of duty in the District of Columbia, shall be made for or during the fiscal year 1919. The Civil Service Commission shall, however, have power in case of emergency to transfer or detail any of its employees herein provided for to or from its office force, field force, or rural carrier examining board.

Mr. JOHNSON of Kentucky. Mr. Chairman, on page 32, line 12, I move to strike out the word "Washington" and insert the word "the."

I have no doubt the committee will agree to the proposed amendment, but a few words of explanation might not be out of place. Throughout the bill, where the seat of government is intended to be used, sometimes "the city of Washington" is used and sometimes "the District of Columbia," and sometimes "the city of Washington in the District of Columbia." There ought to be uniformity about it, particularly since the use of the language, as it appears in the bill in many places, apparently at least, gives recognition to a historical condition which does not exist. There are peculiarities about the charter which was granted to the city of Washington, and to its repeal finally, to which I called attention last summer in some remarks. After I had done so the President of the United States changed the manner of concluding his proclamations. Theretofore the proclamations of all Presidents had concluded by saying "Done at the city of Washington." Since then President Wilson concludes his proclamations by saying "Done in the District of Columbia." I sent a copy of those remarks to the distinguished gentleman who edits the Star. He wrote me a letter acknowledging receipt of it, and saying that he, too, was entirely satisfied that the seat of government was the District of Columbia. Strange to say, in 1802, when the city of Washington was first chartered, there were no limits fixed for the municipal corporation. It

just simply incorporated the city of Washington, without even saying it was in the District of Columbia, and no limit was fixed to the boundary of the corporation. It had been commonly accepted that Florida Avenue was the northern boundary of it, that the Eastern Branch of the river was another boundary, and that the Potomac River was another boundary. But that is not true.

No boundary whatever, as I stated, was ever fixed for the city of Washington when it was incorporated as a municipality. By the act of February 21, 1871, the charter of the city of Washington was repealed entirely. But the Constitution of the United States fixes the District of Columbia as the seat of government. The act of July 16, 1790, provides for the acquirement of the District of Columbia, and that act also makes the District of Columbia as the seat of government.

In 1790 the capital was in New York, and a compromise was made at that time by permitting the capital to go to Philadelphia for the next 10 years, and then to be removed to the District of Columbia in December, 1800.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. I do.

Mr. KEARNS. Is what we call "Georgetown" here part of the seat of government?

Mr. JOHNSON of Kentucky. Georgetown, if I remember correctly, was incorporated under the British Crown in 1750, and when the District of Columbia was established it took in the city of Georgetown. Until the act of February 21, 1871, the city of Georgetown was a separate municipality, and by that act its corporate existence was repealed.

Mr. KEARNS. It is now known as part of Washington City, is it not?

Mr. JOHNSON of Kentucky. It is part of the District of Columbia.

Mr. KEARNS. Is it not a part of Washington City?

Mr. JOHNSON of Kentucky. It is not a part of Washington City, because there is no "city of Washington."

Mr. KEARNS. Then "where are we at"? [Laughter.]

Mr. JOHNSON of Kentucky. I appreciate the fact that the amendment that I have just offered does not in any wise affect the bill, and I am making it only for the purpose of inviting the attention of the committee to it, so that next year, when the bill comes to be made up again, it may be made up using the words "District of Columbia" advisedly and not inadvisedly using "the city of Washington" in lieu of "the District of Columbia."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kentucky.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: Page 32, line 12, strike out the word "Washington" and insert the word "the," so that it will read "Government establishments in the District of Columbia."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSON of Kentucky. I ask unanimous consent, Mr. Chairman, that the two commas, the one in from of "District of Columbia" and the one after, be also taken out.

The CHAIRMAN. Without objection, the amendment suggested by the gentleman is agreed to.

There was no objection.

Mr. KEARNS. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. KEARNS. I do so for the purpose of asking the gentleman from Kentucky [Mr. JOHNSON] a question. The gentleman from Kentucky has just made a statement that there is no such thing as "the city of Washington."

Mr. JOHNSON of Kentucky. I have.

Mr. KEARNS. The gentleman's speech has been rather interesting, and I would like——

Mr. JOHNSON of Kentucky. I will state that I made some extended remarks on that subject last summer which are in print, and if the gentleman desires I will send him a copy of them, or any other gentleman who desires to have them.

Mr. ELSTON. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from California moves to strike out the last two words.

Mr. ELSTON. Mr. Chairman, on the last two votes in the House on the Senate bill 383 yesterday I was unavoidably detained from the House. Had I been present I would have voted for the Lunn amendment and for the bill on its final passage.

I yield back the remainder of my time.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF STATE.

For Secretary of State, $12,000; Assistant Secretary, $5,000; Second and Third Assistant Secretaries, at $4,500 each; Director of the Consular Service, $4,500; counselor for the department, to be appointed by the President, by and with the advice and consent of the Senate, $7,500; officers to aid in important drafting work—four at $4,500 each, four at $3,000 each, to be appointed by the Secretary, any one of whom may be employed as chief of division of far eastern, Latin American, near eastern, or European affairs, or upon other work in connection with foreign relations; three assistant solicitors of the department, to be appointed by the Secretary, at $3,000 each; chief clerk, who shall sign such official papers and documents as the Secretary may direct, $3,000; law clerk, $2,500; law clerk and assistant, to be selected and appointed by the Secretary to edit the laws of Congress and perform such other duties as may be required of them, at $2,500 and $1,500, respectively; chiefs of bureaus—two at $2,250 each, five at $2,100 each; two translators, at $2,100 each; additional to chief of Bureau of Accounts as disbursing clerk, $200; private secretary to the Secretary, $2,500; clerk to the Secretary, $1,800; clerks—17 of class 4, 19 of class 3, 25 of class 2, 43 of class 1 (3 of whom shall be telegraph operators), 18 at $1,000 each, 18 at $900 each; chief messenger, $1,000; 6 messengers; 23 assistant messengers; 2 messenger boys at $420 each; packer, $720; 4 laborers; 2 telephone switchboard operators; chauffeur, $1,080; in all, $321,320.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Tennessee moves to strike out the last word.

Mr. GARRETT of Tennessee. I would like to ask the gentleman from Tennessee about the language in line 9 of page 33, "to be appointed by the President, by and with the advice and consent of the Senate." Is there any real necessity for that language being carried in the bill? That is a permanent place, is it not?

Mr. BYRNS of Tennessee. It is a permanent place; but, of course, Congress could abolish it at any time it chooses.

Mr. GARRETT of Tennessee. Yes; just as it could abolish the Third Assistant Secretary?

Mr. BYRNS of Tennessee. There is no law, I will say to the gentleman, stipulating that he shall be appointed by the President, by and with the advice and consent of the Senate.

Mr. GARRETT of Tennessee. There is no law for that except that it is carried in an appropriation bill?

Mr. BYRNS of Tennessee. Only as it is carried in the appropriation bill; but, of course, the gentleman will understand that under the statute which was passed March 4, 1915, the salary carried in that bill was permanently fixed.

Mr. GARRETT of Tennessee. Of course I understand that.

Mr. BYRNS of Tennessee. But there is no law providing for the manner in which this counselor shall be appointed except as carried in the appropriation bill from year to year.

Mr. GARRETT of Tennessee. Does the act provide for the appointment of a counselor?

Mr. BYRNS of Tennessee. It does.

Mr. GARRETT of Tennessee. Does that make it a permanent position?

Mr. BYRNS of Tennessee. No. That act reads as follows—section 6 of the act:

The officers and employees of the United States whose salaries are herein appropriated for or established shall continue from year to year to the extent that they shall be appropriated for by Congress.

Now, I submit that there might be some question as to the manner in which they should be appointed.

Mr. GARRETT of Tennessee. I withdraw the pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Office of the chief clerk and superintendent: Chief clerk, including $300 as superintendent of Treasury Building, who shall be the chief executive officer of the department and who may be designated by the Secretary of the Treasury to sign official papers and documents during the temporary absence of the Secretary and the Assistant Secretaries of the department, $4,000; assistant superintendent of Treasury Building, $2,500; administrative clerk, $2,000; clerks—1 $2,000, 4 of class 4, 1 of class 3, 3 of class 2, 3 of class 1, 1 $1,000, 1 $900; operator of photographic copying machine, $800; 2 messengers; 3 assistant messengers; mimeograph operator, $720; messenger boy, $420; storekeeper, $1,200; telegraphers—1 $1,400, 1 $1,200; telephone and telegraph operator, $1,200; 3 telephone switchboard operators; chief engineer, $1,400; 3 assistant engineers, at $1,000 each; 8 elevator conductors, at $720 each, and the use of laborers as relief elevator conductors during rush hours is authorized; 8 firemen; coal passer, $600; locksmith and electrician, $1,400; captain of the watch, $1,400; 2 lieutenants of the watch, at $900 each; 65 watchmen; foreman of laborers, $1,200; 7 chauffeurs, at $720 each; and the transfer to said positions of six laborers from the rolls of the chief clerk's office is hereby authorized independently of the civil-service rules; skilled laborers—2 at $840 each, 2 at $720 each; 2 electricians, at $1,200 each; wireman, $900; 45 laborers; plumber, $1,100; painter, $1,100; plumber's assistant, $780; attendant for emergency relief room, $660; 85 charwomen; carpenters—2 at $1,000 each, 1 $720. Winder Building: Engineer, $1,000; 3 firemen; elevator conductor, $720; 4 watchmen; 3 laborers (1 of whom, when necessary, shall assist and relieve the elevator conductor); forewoman of char force, $480; 8 charwomen. Cox Building, 1709 New York Avenue: Two watchmen-firemen, at $720 each; laborer.

Auditors' Building: Forewoman of char force, $480; 25 charwomen; elevator conductor, $720; 5 laborers (1 of whom, when necessary, shall assist and relieve the elevator conductor); 2 female laborers, at $480 each; skilled laborer, $840; in all, $204,520.

Mr. HAMLIN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri moves to strike out the last word.

Mr. HAMLIN. I want to ask the chairman of the committee about some new items in this paragraph. I see an Assistant Secretary, two additional Secretaries, page 33, at $5,000 each. What is the occasion for increasing that force?

Mr. BYRNS of Tennessee. They are authorized by law. The gentleman will remember—and, by the way, that is the preceding paragraph——

Mr. HAMLIN. Yes. I beg the gentleman's pardon; it is.

Mr. BYRNS of Tennessee. The gentleman will remember that under the act of 1917 two additional Assistant Secretaries were provided for in the Treasury Department.

Mr. HAMLIN. Are these those that were provided for?

Mr. BYRNS of Tennessee. Yes.

Mr. HAMLIN. Here is an administration clerk at $2,000, on top of page 37. What is the necessity of that clerk?

Mr. BYRNS of Tennessee. That is a new place. That clerk has charge of requisitions and supplies. The chief clerk of the Treasury Department made this statement to the committee: He said that when these requisitions came into his office from the various bureaus in the departments, he had no one to make a personal investigation to determine whether or not they ought to be allowed in whole or in part, and he needed some man of administrative ability whom he could send to the bureaus to ascertain the facts. For instance, if a bureau made a request for an additional desk, or a chair, or a typewriter, or any other supply, he wanted a man he could send to the bureau to make a personal investigation as to the need of it.

Mr. HAMLIN. If the man does his whole duty he will earn his money.

Mr. BYRNS of Tennessee. The committee thought so.

Mr. HAMLIN. That is true, and I withdraw the pro forma amendment.

The Clerk read as follows:

Bureau of War-Risk Insurance: For expenses of the Bureau of War-Risk Insurance, authorized by the act approved October 6, 1917, and prior acts, as follows: For salaries of the director and commissioners, and of such deputies, assistants, accountants, experts, clerks, and other employees in the District of Columbia or elsewhere, as the Secretary of the Treasury may deem necessary, $3,000,000; rental of quarters, $140,000; stationery and miscellaneous expenses, including not exceeding $100 for law books and books of reference and subscriptions to periodicals, and not exceeding $150 for street car tickets, $60,000; printing and binding to be done at the Government Printing Office and necessary printing of forms, etc., for use abroad may be done abroad, $200,000; furniture, equipment, and supplies, $150,000; traveling expenses, including not exceeding $4 per diem in lieu of subsistence, $40,000; purchase, maintenance, and repair of a motor-driven passenger-carrying vehicle, $1,000; in all, $3,591,000.

Mr. WALSH. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman in charge of the measure a question. Has the gentleman any information as to the salaries that are paid the experts that will be paid out of the $3,000,000 lump-sum appropriation, and what kind of experts are they going to employ?

Mr. BYRNS of Tennessee. If the gentleman will look at the hearings on page 187, he will find a complete list of the salaries provided for in this bill.

Mr. WALSH. I notice that the experts apparently are employed as insurance experts, except experts in the nature of legal assistants. Do I understand that this table that is set forth in the hearings represent the salaries that have been fixed by somebody else and which are to be paid to these gentlemen?

Mr. BYRNS of Tennessee. Yes; they were fixed by the director, with the approval of the Secretary of the Treasury. I think the director and the commissioner and members of the advisory board were the only salaries fixed in the act.

Mr. WALSH. Are any of these people under the classified civil service?

Mr. BYRNS of Tennessee. I understand all the clerical positions in the War-Risk Bureau are being filled through the Civil Service Commission.

Mr. WALSH. Under this provision they need not be.

Mr. BYRNS of Tennessee. I do not want to be understood as saying that all of these positions have been filled through the civil service, particularly those so-called experts to which the gentleman refers. I understand they have been appointed without the civil service.

Mr. WALSH. The only class that has been within the civil service are the clerks?

Mr. BYRNS of Tennessee. I do not think that all of them were originally appointed under civil service, because the gentleman will remember that during a number of months—since the war began—the Civil Service Commission was unable to furnish a sufficient eligible list, and authority was given to various bureaus to make appointments temporarily pending the examination. The gentleman will find, if he will examine the act, that section 17 provides that, with the exception of the director, the commissioners, and such special experts as the Secretary may from time to time find necessary for the conduct of the war, all of the employees shall be appointed from such eligibles supplied by the Civil Service Commission in accordance with the civil-service law. As I stated, I think it is entirely possible that there were clerks appointed temporarily, in the beginning of the organization of the bureau, with the understanding that they would subsequently take the civil-service examination and stand or fall thereby.

Mr. GILLETT. But it would not be a competitive examination, would it? They would have to pass a class examination.

Mr. BYRNS of Tennessee. The gentleman may be correct in that; at any rate, they were required to stand the examination prescribed by law.

Mr. WALSH. Is it not a fact that these positions have been filled from the list made up by the Civil Service Commission from the applications that have been filed, and that the applicants have been rated upon the experience and qualifications which they set forth in their application blanks, and that they did not have to assemble anywhere and take the civil-service examination?

Mr. BYRNS of Tennessee. No; all these clerks placed here had a civil-service examination.

Mr. WALSH. A competitive examination?

Mr. BYRNS of Tennessee. I am not certain that it has been competitive in the sense that the gentleman uses the term. They have been required to stand the regular civil-service examination provided for clerks.

Mr. WALSH. That may be true concerning this bureau, but I think the custom is for the applicant to file an application, in which he is required to set forth his experience and his qualifications and his education, and he is rated by the commission upon the facts stated in the application; that they do not have to assemble at any point and proceed to answer the questions upon examination.

Mr. BYRNS of Tennessee. I will say to the gentleman that I know that is true as applied to certain positions, but I never heard that that practice was followed with reference to clerical positions.

Mr. HAMLIN. Right on that point I may be able to give the gentleman a little information. I know of some clerks who have gone into this particular bureau who took the regular competitive civil-service examination.

Mr. BYRNS of Tennessee. Yes.

Mr. HAMLIN. And they were appointed on their examination. I do not know whether all of them have been or not, but I know that appointments are being made through the Civil Service Commission from those who have stood the competitive examination.

Mr. BYRNS of Tennessee. My statement as to the possibility of clerks being appointed temporarily pending the examinations applied only to the appointments made when this bureau was first organized.

Mr. HAMLIN. I know that.

Mr. BYRNS of Tennessee. But the gentleman is entirely correct in his statement that competitive examinations are now being held.

Mr. HAMLIN. And they are appointed in that way now.

Mr. BYRNS of Tennessee. Yes.

Mr. STAFFORD. Will the gentleman from Massachusetts yield?

Mr. WALSH. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. The fact is that in the organization of this bureau, as in many other additional activities thrown upon this Government by reason of our entry into the war, the Civil Service Commission were without a list of eligibles to fill the positions. It was necessary, therefore, to fill them with temporary employees. Those temporary employees were given tentative employment, subject to the subsequent examination which would show them to be qualified for those positions.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. STAFFORD. I ask unanimous consent that the time of the gentleman from Massachusetts be extended five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Massachusetts have five minutes additional. Is there objection?

There was no objection.

Mr. STAFFORD. Will the gentleman yield further?

Mr. WALSH. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. Certainly at the present time, and for some time past, the Civil Service Commission has been in a position to furnish all the additional help from the civil-service rolls, and the War-Risk Bureau is not employing any temporary employees at the present time, but is employing those selected from the civil-service register to supply the additional employees needed from time to time as our Army is increased, imposing greater burdens upon that bureau.

Mr. FESS. Will the gentleman yield?

Mr. STAFFORD. If the gentleman from Massachusetts [Mr. WALSH] will permit me, I will yield to the gentleman from Ohio.

Mr. FESS. Will the gentleman from Massachusetts permit that?

Mr. WALSH. I will permit it.

Mr. FESS. I think the gentleman from Wisconsin understands the situation fairly well, and therefore I want to ask him what is the ability of the War-Risk Insurance organization to take care of the cases that come before it, with reference to expedition? I have an immense amount of correspondence as a result of the delay in the War-Risk Bureau, and I wish to know whether the delay is because of the recent organization, and the lack of clerical help, or whether it is due to failure to file the necessary facts upon which to base the insurance? I have so much correspondence that the obtaining of information sufficient to give definite answers has been an embarrassment.

Mr. STAFFORD. As the gentleman knows, this War-Risk Bureau is only five months old. It was created under the act of October 6 last. It had from the very start a herculean task to perform. As the days went on the work multiplied so enormously that no human agency could keep the work current until sufficient help was obtained, and still more necessary, modern labor-saving devices which would expedite the work of the bureau. The delay has been due in a way not only to the want of help but largely to the need of a system whereby they could plan for and expedite this work. They are devising a plan of utilizing labor-saving machinery whereby they can stamp with one process five or six different pieces of paper or cards, that will serve for five different operations in the allotment of pay and the like. The chief of the bureau, Mr. De Lanoy, came before our subcommittee, as well as before the subcommittee on deficiencies, and I know he impressed me, and I think he impressed other members of our committee very favorably by his statement as to the progress of the work. If the work is not current now, he stated that it would be current in a short time. As with the gentleman from Ohio [Mr. FESS], so with myself and others, we have been receiving letters which we have submitted to them; yet, so far as the replies to my letters are concerned, the delay has not been unnecessarily long. The chief of the bureau, Mr. De Lanoy, states that replies will be given attention as speedily as possible; but gentlemen must realize that here is not only a great insurance bureau, but a pension bureau, and it has been subject to all the delays incidental to a new organization; but they are getting the machinery together, and in a very short time they will be up with their work and able to give satisfaction, I hope, to those who come under the provisions of this law.

Mr. GARRETT of Tennessee. If the gentleman will permit me to make this statement in connection with what the gentleman from Wisconsin [Mr. STAFFORD] said, I had a letter from the War-Risk Bureau this morning, in which it is said that there are 1,200,000 applications on file.

Mr. WALSH. About $12,000,000,000 worth of insurance.

Mr. HAMLIN. Will the gentleman permit another suggestion? I think that a great deal of the trouble and annoyance which they have had comes from the fact that the soldiers do not understand that they must make application for the allotment of this pension, and therefore the Government can not take up and consider that part of it. That seems to be the trouble in my section.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. WALSH] have five minutes more. I do not think he has had any part of the last five minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the time of the gentleman from Massachusetts be extended five minutes. Is there objection?

There was no objection.

Mr. WALSH. I thank the gentleman for securing for me an extension of time. There are one or two other questions I should like to ask in connection with this item. I notice that apparently the Secretary of the Treasury is authorized under this item to employ these various experts, clerks, and other employees in the District of Columbia or elsewhere, and that when the director was before the committee he stated that they had not given very much consideration to the matter of establishing branch offices with headquarters in the various States, but he conveyed the impression, I think, from a fair reading of his statement, that they intended to have a sort of flying squadron, as he said, which would presumably move about the country and establish headquarters temporarily at different places. Has the gentleman any further information as to that, other than what is contained in the hearings?

Mr. BYRNS of Tennessee. Mr. Chairman, I will say to the gentleman that, of course, these applications which come from soldiers are based, some of them, on the fact that they have a wife, others that they have so many children, others that they have dependent mothers, fathers, brothers, or sisters, and it is necessary to have some one make a personal investigation in order to determine whether or not the facts stated are true. It was stated by the director that there were cases where the soldier had been married three or four times, and those matters have to be investigated. They can not be investigated in camp, and it is the idea of the director, as I understand, to appoint a State agent and to have whatever force may be necessary in the various States to make these investigations and determine the accuracy of the applications which are submitted. The gentleman will realize that that is absolutely necessary in order to protect the Treasury and to see that justice is done in every case.

Mr. WALSH. I realize that, of course, but I also appreciate how easy it is to build up a great organization with branch offices in the various States, with different officials that would in many respects resemble the various pension bureaus or offices that were abolished some years ago. I believe that if there is any such intention as that in this large appropriation it ought to be carefully guarded. I do not think we ought to permit this very important and valuable bureau of the Government to become top-heavy, because I think that when it gets on a proper footing it can be administered economically and efficiently in the city of Washington. If it is not, it certainly will not be for lack of room for quarters.

Mr. BYRNS of Tennessee. I will state to the gentleman that it was called to the attention of the director that it would be inadvisable to establish extensive branch offices in the various States, and that there was really no necessity for the establishment of such offices. The gentleman will remember that a number of years ago we had pension agencies in the various States, and Congress subsequently discontinued them and brought the forces in charge to the Pension Office here. Those things were brought to the attention of the Director of the War-Risk Bureau, and he stated that he had no intention of building up any such organization; but he did say that it would be necessary to have some one in the various States who could make the investigations to which I have referred. He said his bureau was in a state of formation; that it was impossible for him to indicate or to know just what would be necessary and just what he would have to do in order to have these investigations conducted, but he assured the committee that it was not his intention to build up any great organization in any State. I may say to the gentleman that I was personally, and I think the whole committee was, very much impressed with the Director of the War-Risk Bureau. He is a business man of excellent ability and has a very clear and a very high conception of the obligations which rest upon him. The director and the commissioner are men of a high order of ability. They are exceedingly efficient and are building up a very efficient organization.

Mr. WALSH. But the gentleman realizes how easy it is for that sort of thing to become fixed?

Mr. BYRNS of Tennessee. I appreciate that.

Mr. WALSH. I would like to ask the gentleman a little about the furniture. Does the gentleman know anything about the method followed in purchasing furniture, either for this department or which will be purchased——

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. TOWNER. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. TOWNER: Page 41, line 21, after the figures "$3,591,000," strike out the period and insert a colon and the following words:

"*Provided*, That all clerks and employees hereafter to be appointed in this bureau shall be from the classified service."

Mr. BYRNS of Tennessee. Mr. Chairman, on that I reserve a point of order.

Mr. FOSTER. Mr. Chairman, I make the point of order.

Mr. TOWNER. Mr. Chairman, will the gentleman reserve the point of order?

Mr. FOSTER. It is subject to a point of order.

Mr. TOWNER. That may be true; but I ask the gentleman to reserve it.

Mr. FOSTER. I shall reserve it for a few minutes; yes. If the gentleman is going to make a long talk, I shall not.

Mr. TOWNER. Mr. Chairman, I would like to have the attention of the chairman of the committee. Much of the matter referred to in this proviso has already been discussed and explained by the chairman of the committee. The appointments that have been made so far, as I understand, outside of the classified service, have been temporary appointments?

Mr. BYRNS of Tennessee. In so far as the clerical force of the bureau is concerned.

Mr. TOWNER. That is what I understood. It is the intention, I understand, that hereafter appointments shall be made from the classified service?

Mr. BYRNS of Tennessee. Exactly.

Mr. TOWNER. In accordance with the language of the act?

Mr. BYRNS of Tennessee. That is correct.

Mr. TOWNER. Of course, knowing as many of us do that appointments have been made outside of the classified service, notwithstanding the provisions of the act, it is a source of some curiosity to us to know why that has been done.

Mr. BYRNS of Tennessee. Mr. Chairman, will the gentleman pardon me there?

Mr. TOWNER. Certainly.

Mr. BYRNS of Tennessee. I want to read to the gentleman a short statement from Mr. De Lanoy, right on that point. Mr. De Lanoy, as the gentleman knows, is the director of this bureau. He was asked about the employees:

> Mr. GOOD. What about the other employees?
> Mr. DE LANOY. They are all civil-service employees, sir, following the law. We obtained permission from the Civil Service Commission in the great rush and pressure that we were under not long ago, to take on temporaries, as they call them; stenographers and typewriters, with a proviso that they must pass an examination within 60 or 90 days, and then if they did not measure up to the proper standard, they would have to go. That tided us over. The Civil Service Commission was unable to supply these employees from the rolls.

The chairman of the Civil Service Commission also made a similar statement.

Mr. TOWNER. Mr. Chairman, the explanation is satisfactory and I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. WINGO. Mr. Chairman, I move to strike out the last word. I should like to ask the gentleman from Tennessee a question. I notice in the hearings in the statement of the persons employed by the bureau a large number of men drawing $2,000, $2,400, $2,500, $3,000, and $4,000.

The director of the bureau announced in the beginning of the organization that with the exception of the members of the advisory board, the commissioners, deputy commissioner, and men of that character, there would not be any places for the employment of extraordinary men above $1,800. Can the gentleman explain, or did the director explain to the committee, why he was forced to pay $2,000 and $2,500 and $3,000 for those men?

Mr. BYRNS of Tennessee. I will say that the director stated that it was impossible to secure insurance experts, men possessing knowledge——

Mr. WINGO. But I am not talking about experts. The gentleman did not catch my question. Take, for instance, the assistant chief clerk. He does not have to be an insurance expert. Take the superintendent of mails and files, chief of supplies, chief of information, chief of the stenographic section, and men like that. I had in mind a very high-class man who was offered an $1,800 position because he was informed that was the limit and no one could be appointed above that.

Mr. BYRNS of Tennessee. Well, the gentleman will note that there are very few who are paid above $2,000.

Mr. WINGO. But the inference was at that time there would be only six or eight drawing more than $1,800 outside of the commissioners themselves, and I was wondering what was the occasion for his having changed his plan in respect to that?

Mr. BYRNS of Tennessee. The gentleman will notice that there is——

Mr. WINGO. I will give the gentleman a concrete case: There is a man drawing $2,500 in his present position who was perfectly willing and anxious to go into this service. He is an expert in particular lines of work and who could fill about two-thirds of the positions that are designated in the first list on page 187 of the hearings. He was told that they were limited to $1,800 for this class of men. Subsequently he picked up a man of less ability, and that man was put on at over $2,000, while this man of extraordinary experience was rejected because he was not permitted to pay him over $1,800 under his organization scheme.

Mr. BYRNS of Tennessee. The bureau is not limited, I will say to the gentleman, in the amount he shall pay for these experts. The gentleman will notice there are only about 29 or 30 who are paid exceeding $1,800——

Mr. WINGO. Yes.

Mr. BYRNS of Tennessee. And I think when you consider the fact that this represents a force of 2,900 employees——

Mr. WINGO. The gentleman misunderstands me.

Mr. BYRNS of Tennessee. That it makes a good showing.

Mr. WINGO. I agree that they ought to pay them the salaries. I took the position at the time they ought to pay men of that type more than $1,800 or you could not get them. In this short time I could not discuss that, but at some subsequent time I am going to get about 30 minutes and give concrete facts and statements and put in the RECORD certain information with reference to the matter.

Mr. BYRNS of Tennessee. I want to call the attention of the gentleman——

Mr. WINGO. I was just trying to ascertain why it was that finally they changed their plan. Was it a necessity in order to get men of this type?

Mr. BYRNS of Tennessee. Well, of course, I can not inform the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. I ask that the gentleman have three minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. I take it that when he could not employ this friend, who was urged by the gentleman, at a salary exceeding $1,800 that at the time he felt that he could not do so——

Mr. WINGO. The gentleman misunderstands me. He did employ men at a larger salary than $1,800.

Mr. BYRNS of Tennessee. I want to say this to the gentleman: That the director of that bureau has built up this great organization—which will ultimately consist of 2,900 employees—and that the average salary is only $1,080.

Mr. WINGO. The gentleman misunderstands me.

Mr. BYRNS of Tennessee. So the director has been remarkably economical. I may say also that he has not been actuated or controlled by political influence. He has a most efficient organization, although some no doubt have been disappointed at not securing positions.

Mr. WINGO. I am not complaining about his paying too high salaries——

Mr. BYRNS of Tennessee. Another thing; this bureau in itself has more employees than some of the departments, and a salary of $2,500 to an assistant chief clerk is not an unusual salary.

Mr. WINGO. I am not objecting to it. I say I think he ought to have it.

Mr. BYRNS of Tennessee. The gentleman referred to it, and I do not think it is subject to criticism.

Mr. WINGO. At the time this organization came into being I thought that the chief of the stenographic section should have a salary of $2,400. I see he is given $2,000. I thought that the salary of the assistant disbursing clerk should be $2,400. I now see he is given $2,250. As to the man who is chief of information I thought at the time that they could not get a competent man for less than $2,400. It is now $2,250. Yet they turn down a man who applied for one of these positions, because they said they could not pay more than $1,800. I am glad that he saw finally he had to pay proper salaries in order to get men qualified to do the work of this character; indeed, I am sorry he did not ascertain it sooner so as to prevent some of the delays from which we are now suffering.

The man I have in mind was one whose ability to fill one of these positions was admitted, and regret expressed that the director was not permitted to pay more than $1,800 for men of this character; yet, subsequently, men of no greater ability, and at least in one instance of less ability, were appointed at salaries ranging from $2,000 to $3,000. Of course, I am aware of the political influence that was responsible for such conduct. At a later date I shall go into detail as to that.

Mr. RUCKER. Mr. Chairman, I rise in opposition to the pro forma amendment, and I want to ask the gentleman in charge of the bill a question. I hope I can have the attention of the chairman of the committee. Some question has been raised here about compensation of experts in the War Risk Insurance

Bureau—and let me say I am not antagonizing these appropriations at all, because, as far as I have information, they are meritorious.

I understood the gentleman from Tennessee [Mr. BYRNS] to say that some item under consideration probably applied to expert insurance men. Now, the question I want to ask is this: What use has the bureau for an expert insurance man? I understand that under the law every soldier is eligible to insurance without medical examination. The amount for which the policy can be written is fixed by law. It can not be less than a specified sum, and in multiples of 500 up to a certain figure, and it can not go beyond that. The rate of premium is fixed and determined, or can be determined by any business man, and the query to my mind is: What use has the bureau for an expert, so called?

Mr. BYRNS of Tennessee. The gentleman knows that this is a very complicated law.

Mr. RUCKER. It may be that you need an expert to interpret the law, but you do not require the services of an expert insurance man to write those policies.

Mr. BYRNS of Tennessee. There are all kinds of allowances made, depending upon this condition and that condition.

Mr. RUCKER. I realize that; but let me ask another question. It is true that that bill, unfortunately, did not come from the gentleman's committee, and he did not have a chance to prepare it, or he would have prepared it well, but do I understand the gentleman to say that the great committee which did report that bill reported such a conglomeration that an expert is needed to interpret it?

Mr. BYRNS of Tennessee. Oh, no.

Mr. RUCKER. Or is so confused that we have to have experts to tell what Congress did?

Mr. BYRNS of Tennessee. Oh, no. I was not criticizing the Committee on Interstate and Foreign Commerce.

Mr. RUCKER. I understand the gentleman did not by direct statement.

Mr. BYRNS of Tennessee. I am quite sure it was drawn as carefully and as clearly as it was possible for it to be drawn, but the gentleman knows that it covers a multitude of subjects.

Mr. RUCKER. Let me say to the gentleman that I am not antagonizing this feature of the bill, but I do insist there ought to be a better reason for these high-priced salaries than to talk about their being experts, because I do not think they have any occasion for experts.

Mr. BYRNS of Tennessee. Now, the gentleman knows, and if he will examine the hearings he will find, that out of this entire force, as I said awhile ago, including the director, including the members of the advisory board, including the commissioners, the actuaries, the chief clerk, and the chief of division; and the experts—only about 30, I think it is—have been employed at a salary exceeding $1,800. Now, I submit to the gentleman that is not a very great number of experts. And the director stated, if the gentleman will pardon me, that he must have experts who have some knowledge of insurance and experience in making settlements, and so forth, and also some who have some legal information. He could not procure men possessing these qualifications for a less sum.

Mr. RUCKER. If the gentleman has concluded, I hope I may use a part of my time.

I said, and I repeat, that I am not criticizing the number of gentlemen who draw $2,000 or $2,500. I am assuming they are worth it, and I believe they are worth it, but it seems to me, in defense of the bill we ought to have a better reason than to say that it is because they are experts, when the particular work to which his attention is directed does not require expert service at all.

Mr. HAMLIN. Mr. Chairman, I desire to submit a request for unanimous consent. I want to ask permission to extend and revise some desultory remarks that I made some time ago.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WINGO. Mr. Chairman, I withdraw my pro forma amendment.

Mr. MONDELL. Mr. Chairman, I move to strike out the last two words.

I have no desire or disposition to indulge in captious criticism of the manner in which appointments have been made since the beginning of the war, particularly to the new and the growing and enlarging bureaus of the Government. I realize that under these circumstances, under the conditions that have existed, it has not been possible at all times to select and to secure all of the help needed from those who have regularly passed civil-service examinations. But I do think that it would be enlightening and helpful to have a little plain talk on the subject of the manner in which appointments have been made.

It is all very well for the gentlemen at the head of these bureaus, which are supposed to be under civil service, to use the language of "camouflage" in their statements as to the way in which appointments have been made. The fact is, the plain, unvarnished fact, that these new bureaus and these enlarging departments have been vitalized as glorified plum trees for the use and benefit of Democratic Representatives and Senators. I do not know of any Republican, I have not heard of any, who has secured these temporary appointments. So far as I am personally concerned, I have not sought any of them, and therefore I have not been disappointed. I am not complaining because of the fact that those appointed have been in the main or probably wholly appointed on recommendation of Democratic Members of the House and Senate. But I think it is just as well for some one to state that fact. There has been a good deal of very polite conversation and discussion here with regard to this matter, which is all very well in its way. The fact remains that there has been no effort—well, I will not say that; I will not say there has not been any effort—to comply with the civil-service rules. I presume there has been an honest effort on the part of some officials and probably some effort on the part of all, but I do not think that many of the men in charge of the War-Risk Bureau, for instance, have made any very special effort to comply with the civil-service law. They have appointed about everybody bearing recognized Democratic credentials, so far as my information goes, and largely young and inexperienced people, who were recommended by the proper folks, bearing indorsement from approved Democratic sources. Let us assume for the purpose of the discussion that that is all right. Let us understand about it, however, and let the country know about it if the country is interested in it.

We on this side have had nothing to do with it, and it has been largely without very much regard to civil service. What I fear—and I have some information on which to found that fear—is that the appointments to a very considerable extent have not been with very great regard for merit or qualification. It has been, I imagine, largely a question of who recommended the appointee. From the standpoint of patronage it has been a perfectly glorious time to be a Democratic Congressman.

Of course, I expect gentlemen on the other side, one after another, to arise and declare that they personally have not participated in this game of patronage; but if they have not, then they have allowed their colleagues to get away with something that legitimately, under the rules of the game as it has been played under the present administration, belongs to them. No gentleman arises in his seat to make the declaration I suggested, so I assume that all of the gentlemen here present have participated.

Mr. SHERLEY. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. SHERLEY. If it is the rule of the game, why is the gentleman complaining if, under the rules of the game, he has not been a participant?

Mr. MONDELL. I have made no complaint. I have merely stated the fact.

Mr. SHERLEY. You were just voicing an appetite, then, instead of a complaint? [Laughter.]

Mr. MONDELL. If the gentleman had listened to me, he would have realized that I simply rose to perform a duty. [Laughter.] Some one ought to perform it, after all the polite and somewhat obscuring talk we have heard on the subject.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask for five additional minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MONDELL. After all the polite and somewhat befogging talk we have had upon this subject of appointments, it seemed to me but proper that some one should speak for a moment in words which would outline the situation as it is, and not as it would seem to be from some of the evidence presented before the committee and from some remarks that have been made on the floor.

I was about to remark when interrupted by my friend from Kentucky that it has been a perfectly glorious time to be a Democratic Member. If any of the gentlemen have any deserving constituents in their districts that are not now feeding at the public crib, it is an evidence of their lack of energy and activity in securing the jobs, which, in the division of the spoils, they seem to be entitled to.

Mr. GLASS. Might it not be an absence of taste for that sort of business?

Mr. MONDELL. Well, there may be gentlemen who do not have a taste for that sort of thing; and if there are any such, I am perfectly willing to yield to any such gentleman to now declare his lack of taste for patronage.

Mr. GLASS. I do not hesitate to declare mine, and I do not think it is anything creditable to anybody to say that he spends his time here looking for jobs.

Mr. MONDELL. Well, no Republican has put in his time in that way I am confident. If any have they have probably had no rewards for their trouble. I do not think, however, there is anything wrong about a man's getting positions for his constituents. I do not criticize anyone for doing that. I think if there are opportunities for public service and people are qualified and seek that service, it is the duty of Members of Congress to assist them in securing it. I am criticizing no one. I am simply putting into the RECORD a statement of the fact. I am not quarreling with the fact, but it occurred to me that it was well to have the fact stated while we were discussing these matters.

Mr. SHERLEY rose.

Mr. MONDELL. Did the gentleman from Kentucky desire to ask me a question?

Mr. SHERLEY. Oh, no. I was just waiting until the gentleman had concluded his desultory remarks.

Mr. MONDELL. I had about concluded. The Government has needed a great many new employees. It has been impossible to secure them from the civil-service lists as rapidly as they have been needed. It is quite the natural thing for the party in control to make appointments on the recommendations of its members. I am not quarreling with that at all. But let it be understood; let it be known. I congratulate you gentlemen on your opportunities and on the heroic manner in which, so far as I am informed, you have availed yourselves of those opportunities. I hope that all those whom you have recommended will perform their service well, to the benefit of the whole country, and to the winning of the war.

The CHAIRMAN. The time of the gentleman from Wyoming has again expired.

Mr. SHERLEY. Mr. Chairman, the committee and the country will feel like congratulating the distinguished gentleman on the moderate tone of his speech. Considering the pain that one with his political antecedents and appetite must undergo in seeing any enlargement of the public service without being able entirely to control its personnel, he has given an exhibition of self-restraint upon which I desire to heartily congratulate him. [Applause.]

Evidently the gentleman thinks that instead of having many of the heads Republicans, we ought to have the heads and those under them Republicans. It so happens that at the head of some of the very largest bureaus that have undergone the greatest expansion have been appointed men not because they were Republicans, but men because they were patriotic and proper citizens, but who nevertheless are Republicans and are administering those offices.

Mr. MONDELL. Will the gentleman be good enough to name some?

Mr. SHERLEY. I might name Mr. Garfield. I presume you claim him. [Laughter.]

Mr. MONDELL. I invited a former chairman of the Committee on Appropriations to put the names in the RECORD and he declined.

Mr. SHERLEY. One moment. As I said once before, it is so hard to define what is a Republican in good standing now that it is difficult to say what particular Republican will be admitted into association with a particular group of other Republicans. But I had hoped that as the result of the great amount of publicity we have seen lately there would be a getting together of those various wings of the party whereby you would be able to include so distinguished and prominent a gentleman as Mr. Garfield in your ranks. Now, there is your friend, Mr. Willcox. [Laughter.] Of course, he brings up such unpleasant memories that I do not like to mention his name now, but I could go on enumerating a number of these distinguished gentlemen who supposedly belong to your party. [Laughter.]

Mr. STAFFORD. He received a deserved reward.

Mr. SHERLEY. Perhaps so.

Mr. MONDELL. Will the gentleman furnish us a list of men who have been appointed to superior positions of honor and responsibility, with a good salary attached, whom he calls Republicans?

Mr. SHERLEY. I will if the gentleman will give me such a definition of Republicanism as will enable anybody to classify them. [Laughter.]

Mr. MONDELL. I said as you will define them.

Mr. SHERLEY. I am not willing to undertake to determine who shall be considered in good standing in your party. I have no desire to have such a responsible job devolved on me, or to undertake to answer for the future; but whenever you furnish the definition I will be glad to supply the list. [Laughter.]

Mr. GILLETT. The gentleman in response to a question of my colleague has been able to mention two men whom he calls Republicans who have been given places in this administration, and I guess he mentioned all anyone could recollect. One of those, Dr. Garfield, was a supporter of Mr. Wilson. I do not call a man who voted for the President a Republican; and, at any rate, I do not call it an act of nonpartisanship in this administration to appoint such a man. It is no recognition of Republicans. It is an act of gratitude, of course. [Laughter.]

Mr. SHERLEY. I suppose you explain Mr. Willcox's appointment on the ground of gratitude. We certainly are grateful to him as a party. [Laughter.]

Mr. GILLETT. Exactly. If there is one Republican to whom I think the Democrats ought to feel grateful it is Mr. Willcox. Therefore the two gentlemen whom the gentleman from Kentucky [Mr. SHERLEY] has mentioned are two men whom it seems to me were clearly appointed not as an act of nonpartisanship but as a mere act of gratitude by the President. They were just the ordinary cases of patronage—giving an office in return for favors done.

Mr. SHERLEY. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. SHERLEY. I want to suggest to him that I hope the party will be equally generous to Mr. Hays in the future.

Mr. GILLETT. You will not have any occasion to be.

The CHAIRMAN. The pro forma amendment will be withdrawn without objection, and the Clerk will read.

The Clerk read as follows:

Federal Farm Loan Bureau: Four members of the board, at $10,000 each; secretary, $4,500; assistant secretary $3,000; 4 private secretaries, at $2,000 each; chiefs of divisions—bond division $3,000, statistical division $3,000, appraisement division $3,000, charter and reports division $3,000; assistant chief, bond division, $2,500; custodian of securities, $2,500; 5 examiners of securities, at $2,400 each; 12 registrars, at $4,000 each; chief examiner, $5,000; irrigation expert adviser, $4,800; clerks—3 of class 3, 5 of class 2, 9 of class 1, 7 at $1,000 each, 6 at $900 each; stenographers—4 at $1,200 each, 1 $1,000; messenger; 4 assistant messengers; in all, $186,820.

Mr. BYRNS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BYRNS of Tennessee: Page 42, line 4, strike out "five" and insert "seven," and in line 10, strike out "$186,820" and insert "$189,220."

Mr. BYRNS of Tennessee. That is simply to correct an error.

Mr. WINGO. Right on that point, Mr. Chairman, I should like to ask the gentleman a question. What does the gentleman understand the duties of these examiners of securities to be?

Mr. BYRNS of Tennessee. These examiners of securities are men who are required to have legal information and banking information——

Mr. WINGO. I am not talking about their qualifications, but what "securities" does the Farm Loan Board hold?

Mr. BYRNS of Tennessee. If the gentleman will be patient for a moment I will tell him. These examiners are required to have legal information and also some banking experience. Roughly their duties are to investigate the securities that are taken by all of these 12 land banks. These securities are sent in here by the local banks which make the loans. These examiners of securities are expected to examine them closely and see whether or not the law has been complied with, whether the loan was justified upon its face, and whether every step necessary to comply with the law was taken, and upon their statement is based the action of the farm-loan commissioners in determining whether or not these farm-loan banks are entitled to issue bonds upon the loans so made. If they are rejected, of course the securities are turned back to the banks, and the banks must carry the loans themselves or correct them in accordance with the law.

Mr. WINGO. Are these men legal examiners?

Mr. BYRNS of Tennessee. As I have just stated, they are legal examiners, and it was stated by the Federal Farm Loan Commissioner that they must have some banking information, also. At least that has been required in making the appointments.

Mr. WINGO. They do not examine any stocks or bonds, or anything of that kind, do they?

Mr. BYRNS of Tennessee. They do not examine any stocks or bonds; no.

Mr. WINGO. Is the farm-loan bank authorized to invest in any securities except land securities?

Mr. BYRNS of Tennessee. No.

Mr. WINGO. So that really they are lawyers? Is that what the gentleman understands?

Mr. BYRNS of Tennessee. I do not know whether they are all graduates of law or not.

Mr. WINGO. They are supposed to have at least a reasonable amount of legal intelligence.

Mr. BYRNS of Tennessee. Yes.

Mr. WINGO. Will the gentleman tell me whether or not these are the gentlemen who have undertaken to determine what is necessary in abstracts of title?

Mr. BYRNS of Tennessee. No; these gentlemen have nothing to do with that. Their duties are confined exclusively to the examination of securities.

Mr. WINGO. Will the gentleman tell me what official named herein is responsible for the present requirements with reference to abstracts?

Mr. BYRNS of Tennessee. I can not state that to the gentleman, unless it is the board itself. Of course, as the gentleman knows, each bank has a legal adviser. Now, I take it that the broad question as to what is necessary in the way of abstracts of title was in the end left with the entire Farm Loan Board.

Mr. WINGO. So the gentleman thinks the only duty of these men is to see whether the loans have been properly made, and whether or not bonds are to be issued on securities which have been taken by the bank, which, of course, are nothing but mortgages on land?

Mr. BYRNS of Tennessee. Their duties are to examine these securities, which are sent in here by thousands from these banks, and to pass upon them.

Mr. WINGO. They are sent in here to Washington, are they?

Mr. BYRNS of Tennessee. They are sent in to Washington.

Mr. WINGO. All these mortgages?

Mr. BYRNS of Tennessee. All these mortgages are sent in to Washington, and they are here examined, and if approved by the Farm Loan Board, then that particular farm-loan bank is authorized——

Mr. WINGO. To make the loans?

Mr. BYRNS of Tennessee. No; the loans are made in advance, as I just said.

Mr. WINGO. That was what I understood.

Mr. BYRNS of Tennessee. As I have stated, when loans are improperly made they are turned back to the bank, and the bank has to carry them itself, and is not permitted to issue bonds upon them unless the securities are corrected so as to comply with the law.

Mr. WINGO. Who is the attorney for this board? What is his designation?

Mr. BYRNS of Tennessee. The board has no attorney expressly provided for it. One of the commissioners is an attorney.

Mr. WINGO. Who is that?

Mr. BYRNS of Tennessee. Judge Lobdell.

Mr. WINGO. Yes; that is true; but they have no advisory attorney here?

Mr. BYRNS of Tennessee. No.

Mr. FESS. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee upon what basis is the rating of salaries in these new bureaus, such as the one under consideration, made so much higher than the salaries in some of the old established institutions of the Government, like the Library of Congress, for example? Do we understand that the men who are capable of taking these positions must be of a higher grade of ability than the men who are in the research work in the Library of Congress, for instance? I have looked over the rating of salaries for the Farm Loan Board and see that they are very much higher.

Mr. BYRNS of Tennessee. If there is any difference in the salaries provided for in the new bureaus and those carried in the old bureaus, I take it that it is due in some measure to the time when they were fixed, because the gentleman knows that a dollar does not go so far now as it did a number of years ago. I want to say that in fixing these salaries it is necessary for the Farm Loan Board to compete with banks and trust companies in order to secure competent and capable employees. The gentleman will notice that when it comes to the clerical force that they are provided for in the same grades carried in other bureaus, but when it comes to men required to have some expert knowledge they have been compelled to pay them salaries somewhat in excess of the high-paid clerks.

Mr. FESS. I am not penurious about the matter and do not want to make any comparisons without foundation.

Mr. BYRNS of Tennessee. I agree with the gentleman that, so far as the salaries in the Congressional Library are concerned, many of them are ridiculously low. That has been my opinion ever since I have been a member of this committee. This committee has undertaken, with reference to some of the very low salaries, to raise them.

Mr. FESS. I am glad to know that.

Mr. BYRNS of Tennessee. We have raised them to a slight extent; but I will say that it is not the province of the Appropriation Committee to enter into the work of revising the entire salaries of any particular bureau, because that is legislation which Congress can enact in the usual way if it sees fit to do so.

Mr. FESS. I want to make an observation, if the Chairman will indulge me, that the war bureau has to do with the handling of wealth and securities and things of an unusual money value, and ask whether the salaries would likely be greater than those that have reference purely to educational work. That seems to run through the entire gamut of society. However, I do not think it is quite well founded, because the amount of money required to prepare one for research work is tremendously expensive and ought to be recognized by the payment of better salaries.

Now, in this increase of the number of employees that must go through the civil service I presume there has been a great demand for help put upon the civil service and a great deal of labor in getting these people ready. I have wondered whether there has not been a little abuse there growing out of the increased demand. I have in mind this instance that I would like to have the chairman know.

The head of one bureau called a man to assist him. I know these facts, or at least I have been told by persons in whom I have confidence, so that I can give the names of the head of the bureau and the man, if desired. The man called was very much desired because of the character of the work he had already done, which was very well known. He was told that he would have to take an examination. An examination was taken, and he ascertained when the report came in that he had failed to pass. In making some investigation he found that his own papers had been graded by some high-school assistants who had been called in to do this work.

I can see how a list of examinations might be graded by a high-school boy, but in a case of this kind it seemed that here was a great abuse of the civil service in calling in that kind of service that would require more than mere verbal knowledge.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BYRNS of Tennessee. I ask unanimous consent that the gentleman may have three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FESS. That sort of a performance I think is an abuse wherever it was done, and especially where the one whose examination must show some expert knowledge.

Mr. BYRNS of Tennessee. Do I understand the gentleman to say that the papers were graded by a high-school student?

Mr. FESS. That is what I understand, some assistant that was called in.

Mr. BYRNS of Tennessee. I am surprised to hear that. I agree with the gentleman in his criticism of that sort of action. I will state to the gentleman that the chairman of the Civil Service Commission stated to the committee that, in order to dispose of a great amount of work and a great number of papers, he had employed public-school teachers of the city to work in the evenings, paying them for two or three hours' time, in order to dispose of as many papers as possible. I did not understand that anyone had employed a high-school student.

Mr. FESS. I think it might be well to make an investigation to see whether the high-school teachers did not pass it over to the students.

Mr. BYRNS of Tennessee. If they did, it was an improper thing to do. However, I may say that the school-teachers who have been doing the work did it in order to get extra pay, for, as the gentleman is aware, their salaries are ridiculously low.

Mr. FESS. Oh, I would not object to their doing the work.

Mr. BYRNS of Tennessee. And the work was done at the office of the commission and not at their home.

The CHAIRMAN. The time of the gentleman from Ohio has expired. The pro forma amendment is withdrawn, and the question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

Office of Supervising Architect: Supervising Architect, $5,000; executive officer, $3,250; technical officer, $3,000; drafting division—superintendent $3,000, assistant superintendent $2,750; mechanical engineer-

ing division—superintendent $2,750, assistant superintendent $2,400; structural division—superintendent $2,750, assistant superintendent $2,400; superintendents—computing division $2,750, repairs division $2,400, accounts division $2,500, maintenance division $2,500; files and records division—chief, $2,500, assistant chief $2,250; head draftsman, $2,500; administrative clerks—8 at $2,000 each; 4 technical clerks, at $1,800 each; clerks—9 of class 4, additional to 1 of class 4 as bookkeeper $100, 4 at $1,700 each, 14 of class 3, 6 at $1,500 each, 13 of class 2, 8 at $1,300 each, 21 of class 1, four at $1,100 each, 7 at $1,000 each, 3 at $900 each, 2 at $840 each; photographer, $2,000; foreman, duplicating galley, $1,800; 2 duplicating paper chemists, at $1,200 each; foreman, vault, safe, and lock shop, $1,200; 5 messengers; 2 assistant messengers; messenger boys—1 at $600, 2 at $480 each, 2 at $360 each; skilled laborers—4 at $1,000 each, 7 at $960 each, 1 at $900, 1 at $840; laborers—1 at $660, 1 at $600; in all, $221,020.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. In this item for the Supervising Architect it appears possible that there is no deserving Democrat in the country who is competent to be appointed Supervising Architect. For the last two years, I think, or more this office has been vacant and the duties have been performed by the executive officer, Mr. Wetmore, a very competent and courteous official, and one who is fully able to perform the duties of the Supervising Architect. While I am not calling attention to this in the hope that perhaps some nondeserving Republican may be appointed to this office, I think it is unfair in a great department like this that we should appropriate for a Supervising Architect the sum of $5,000 and leave that position vacant and impose upon the executive officer, without increase in salary, in addition to the duties of his position, the work of the Supervising Architect. It may be that by reason of the order issued by the Secretary of the Treasury, under date of December 26, 1917, to the effect that no matter what the Congress of the United States might decide, no matter how much money they should appropriate or what authorizations they should issue, the Supervising Architect, or the Office of the Supervising Architect, was ordered to cease work and directed that no new buildings were to be placed under contract unless their urgency was established to the satisfaction of the Assistant Secretary in charge. In other words, if Congress should deem a new building urgent and authorize an appropriation and authorize the acquisition of a site, the Secretary of the Treasury decrees that that money should not be expended unless some Assistant Secretary of the Treasury is satisfied as to its urgency. All expansion of buildings he orders, where the urgency is established to the satisfaction of the Assistant Secretary, are to be placed on the market for bids, and then he also decrees that no additional sites are to be selected until further orders are given by the Secretary. It would seem that an order such as this goes a little beyond the bounds of an Executive order, and Congress is the proper body to determine the urgency of a building or the urgency of acquiring sites, and also that we are the proper body to determine whether such buildings should be constructed.

With these few preliminary remarks, I now desire to ask the gentleman in charge of the bill if he has any information respecting the reason why the office of Supervising Architect is now vacant, and has been vacant for the past two or three years; and, further, whether there is any likelihood that an official will be found in the near future to fill that office?

Mr. BYRNS of Tennessee. Mr. Chairman, I will say to the gentleman from Massachusetts [Mr. WALSH] that I have no information as to why that office is not now filled. My recollection is that it has been vacant for at least a year, and possibly longer. In reply to the statement of the gentleman that it may be due to the fact that no competent and deserving Democrat can be found to fill the place, I want to say that that is clearly a mistake, because if the Secretary of the Treasury would call on me I could name several exceedingly competent and deserving Democrats from my own district, and I am sure other gentlemen could do likewise. I take it the reason this position is not filled now is due to the fact that there is not any great existing need for a Supervising Architect, particularly at this time. The gentleman has just referred to an order curtailing the work of this bureau. The executive officer, who is a very competent gentleman, and who has been in the service for many years, has taken care of the office with entire satisfaction. Inasmuch as the failure to make this appointment results in a saving to the Treasury of $5,000 each and every year, I assume the gentleman is not disposed to offer any serious criticism of the failure to fill the office.

Mr. WALSH. Mr. Chairman, my criticism or suggestion was that it seemed to me unfair to the executive officer, Mr. Wetmore, that he should have these additional burdens and responsibilities placed upon him when we provide by law for an official to assume those responsibilities, and that if we are going to conduct that office without a Supervising Architect we might well provide that he should be the head of the office and compensate him accordingly.

Mr. BYRNS of Tennessee. His duties now are not nearly so onerous as they would have been a year or two ago, because the department, as the gentleman has just indicated, has suspended the erection of Federal buildings throughout the country, except where there is a peculiar and important reason for putting them up.

Mr. MONDELL. But Mr. Wetmore has been serving at a time when there was a great deal of activity in the office.

Mr. BYRNS of Tennessee. I think that is true.

Mr. MONDELL. And has been filling the position with great credit.

Mr. BYRNS of Tennessee. I think the gentleman is entirely correct in that statement.

Mr. MONDELL. I think when the time comes to make an appointment—and I am not insisting upon it at this time—it would be a commendable thing to appoint the present Acting Supervising Architect.

Mr. BYRNS of Tennessee. That may be entirely true; but I want to say to the gentleman that the fact that here is an office that pays $5,000 a year which remains unfilled is a refutation of the gentleman's remarks awhile ago, in which he accused the Democrats of being overanxious to secure places in the Government.

Mr. MONDELL. Oh, if the gentleman will allow me, not at all. The opportunity was lacking in this particular case. That is the real reason.

Mr. BYRNS of Tennessee. The Secretary of the Treasury, who is a distinguished Democrat, has had the authority to fill this place ever since it became vacant.

Mr. MONDELL. I have no doubt but that that distinguished and astute gentleman had very excellent reasons for not calling on the faithful to present candidates for this particular position, and we are somewhat enlightened in regard to that by the remarks the gentleman has just made himself to the effect that he thought he could find two or three candidates who could fill the office acceptably from his own district.

Mr. BYRNS of Tennessee. I am quite sure of that, and I have no doubt that the gentleman has some one in his own State who could fill the position acceptably. I have not requested the appointment of anyone.

Mr. MONDELL. I have not been looking up any material recently.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REAVIS. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee if it is not a fact that during the time the Office of Supervising Architect has been vacant the architectural work has been done outside of the department? Have not the plans and specifications for Federal buildings which have been constructed during the vacancy which is now existing in this office been drawn outside of the department?

Mr. BYRNS of Tennessee. I will say to the gentleman my impression is—in fact, my very clear understanding is—that plans and specifications are drawn in the Office of the Supervising Architect, except, possibly, in one or two instances.

Mr. REAVIS. The gentleman who is now in charge of the department is not an architect?

Mr. BYRNS of Tennessee. No.

Mr. REAVIS. That is what I wanted to know.

Mr. BYRNS of Tennessee. He is provided, of course, with quite a number of draftsmen who are not carried in this bill but are carried in the sundry civil bill.

Mr. REAVIS. Mr. Chairman, what I have to say probably is not pertinent to the pro forma amendment I have made, and, as a Republican, I may be somewhat offside in saying what I have in mind. I have encountered a great deal of the inefficiency complained of in several of the departments in Washington, particularly with reference to departments directly connected with military activities. I feel, however, that it is only fair for me to state that my experience with the War-Risk Bureau has demonstrated that there is not a more accommodating, a more efficient department in Washington. I have never gone to them that I have not been treated with the utmost courtesy, and I have never gone there upon an errand asking for information that it has not been promptly furnished me. I felt it was fair to them, inasmuch as it was my experience, that I state this. I could only wish that other departments were as efficient as I have found the War Risk Bureau to be. They are undertaking a tremendous work, a work that is in a new field so far as this Nation is concerned. Largely by the activities of that department over 90 per cent of a million and a half of soldiers in the American Army are to-day insured. I have gone to them in one instance in particular where I made a request for service that was exceedingly difficult to perform. Mr. De Lanoy, who was at the

head of the bureau I went to, put several of his assistants to work on it and I had the information before night that I had no expectation of getting within a week. This brief statement is purely voluntary, but I felt it was due, inasmuch as they have been subject to some criticism here, to state that my experience with them indicated to me at least that they are both accommodating and efficient. [Applause.]

Mr. MONDELL. Mr. Chairman, I do not know whom the gentleman from Nebraska [Mr. REAVIS] had in mind when he said there had been some criticism of the War-Risk Bureau. I have been paying some attention to the discussion, and I can not recall having heard any special criticism of the bureau, though I did say something of their practice in the matter of appointments. I will say this, however, that my experience with the bureau has not been along the line of the happy experience of the gentleman from Nebraska, probably due to the fact that the cases I have called to their attention were of a character with respect to which it was impossible just at the time to give the desired information. I have no doubt but what they have tried to do the best they could under the trying circumstances and conditions under which they have organized and gotten under way.

Referring again for just a moment to the general matter of appointments, let me say that no one on this side complains because under a Democratic administration appointments outside of the civil service are made from among the faithful. It is true, in other days of war a great administration called men of other parties than that of the President to the councils of the Nation, but I have no criticism to offer because that has not been done under this administration. What strikes me as being rather remarkable, and in a way regrettable, is that in the midst of a great war, when those charged with responsibility should be giving all their time and attention to matters connected with the war and the winning of it, some one about the administration has found the time and the inclination to search the country with a fine-tooth comb, in connection with appointments to the few commissions where the law requires that at least a part of the membership shall be of another political party than that of the majority, to find appointees who, whatever they may be are not Republicans, even by their own definition. In all such cases some one has found time in the midst of war and its stress, alarms, and trials to search the country over to find some one who, according to some peculiar classification might be called a Republican, all the time exercising very great care that those so selected were in no case Republicans by the test and proof of having supported Republican candidates and Republican policies.

Mr. BORLAND. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. BORLAND. Have not we the word of the newly elected chairman of the Republican committee that there are no factions now in the Republican Party? Does the gentleman mean to inform us there are real factions in the Republican Party and the Republicans are in very doubtful shape?

Mr. MONDELL. No; there are no factions, but the President has found men who were descendants of Republicans or who at one time were said to be Republicans, but who, at least in late years, have been supporting Democratic candidates, gentlemen who organized Wilson clubs and aided in the election of the President who he has seen fit to name as the Republican representatives on boards and commissions.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Now, speaking seriously, when the Congress says that a commission shall be bipartisan, would not it reflect good taste and indicate good intent really to make it bipartisan and put on the commission some one definitely and beyond question of the minority party? Is it not extraordinary that in time of war men should find time or have the inclination to turn aside from the great affairs of the Nation and spend time hunting up folks whose appointment does not fairly and honestly meet the intent of Congress? In my opinion it does not reflect credit on anyone, that sort of political camouflaging, especially at a time when the minority is stanchly supporting the administration. This searching the country over as though there were not competent men of the opposition to find some one who supported the party in power, who may, however, by some peculiar and questionable definition invented for the occasion be classified as a Republican, does not strike me as being a very commendable or honorable employment.

Mr. BYRNS of Tennessee. Will the gentleman yield?

Mr. MONDELL. I yield.

Mr. BYRNS of Tennessee. I submit to the gentleman from Wyoming that is the misfortune of the Republican Party, the fact that there are so many different kinds of Republicans that it is impossible to get the appointment of the particular kind whom the gentleman might characterize as a Republican.

Mr. MONDELL. No; the party is suffering from no such misfortune. It is the misfortune of the peculiar frame of mind of the men who stoop to do those things.

Mr. FESS. Mr. Chairman, I move to strike out the last word. I rise in opposition to the pro forma amendment.

I am not inclined to make any criticism of any character of inefficiency that might grow out of the creation of new bureaus or the enlargement of old ones, since such observations frequently fail of any good purpose on the scale of mere criticism. And I am free to overlook some of these lapses, if they are inevitable, from lack of preparation, or if they are not serious. But once in a while we have brought to our attention some things that ought really never to take place, which demand public attention to induce greater care in public service.

I hold in my hand an envelope sent from my home town by the father of a boy in the ranks, now overseas, who was here in the engineering training camp at the American University grounds. This letter was returned to the father and marked in red ink, "Deceased," and in another place on the envelope the word written out, "Died." These parents were in the most agonized condition of mind, and, not having heard anything of serious illness, they took it up with me at once, to know why that, if the soldier had passed away, the parents had not been notified. The envelope was postmarked at the home office November 28 and at the receiving office February 9. Before I could make an investigation they had received a letter from their son overseas, which of course relieved them of further anxiety. I sent an inquiry at once to The Adjutant General, asking him about this boy, and he referred the matter to the headquarters of the American University Camp. Under date of March 2, 1918, was received a letter, as follows:

The man alluded to herein is a member of Company E, Second Battalion, Twentieth Engineers, which organization left this camp for over-seas duty about November 10. No reason is known at this camp for the word "Died" on the inclosed envelope. It is the practice at this camp to forward all mail for members of organizations which have left for overseas to the foreign station of the organization. The enlisted men who handled mail at the time this letter was received have departed for overseas. There is no record at this camp of the death of W. W. Drake. Every effort is made to see that all mail for men of organizations which have occupied this camp is forwarded to its proper destination and to exercise every consideration for all personal inquiries made of this camp.

It is evident that the boy is all right, because they have received at home a letter from him. But I think that a thing of this kind is totally inexcusable and ought not to have any basis for an apology. Had it taken place at the front no one would be greatly surprised, or in camps where thousands of men are stationed, but it should not occur where small groups are collected. And while, as I say, at this time one does not want to seem to be frivolous in criticism, because of the tremendous work the War Department has to do, here is a case that certainly ought not to have occurred. I do not offer this as hypercritical criticism in time of war, neither did I call attention to the exasperating delays of the war-risk insurance work in adjusting the family allowances for the sake of mere faultfinding, since I am not unaware of the tremendous work this bureau must shoulder, but simply as a suggestion that more care be given to matters now of importance when the public is being called upon to give its undivided support to the country.

The Clerk read as follows:

Auditing accounts abroad: For salaries and expenses incurred under section 12 of the act of September 24, 1917, including traveling expenses, per diem not exceeding $4 in lieu of subsistence for officers and employees absent from Washington, rent, cablegrams and telegrams, printing, law books, books of reference, periodicals, stationery, office equipment and exchange thereof, supplies, and all other necessary expenses, $700,000, of which not exceeding $25,000 may be expended at Washington for the purposes of this section, but no officer or employee shall receive for duty in Washington any compensation other than his regular salary.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. What is the idea of the provision in lines 9 and 10? Can the gentleman state that this is for auditing accounts abroad, with a limit of $25,000, of the $700,000, that may be expended in Washington?

Mr. BYRNS of Tennessee. That is to take care of the additional work thrown on the office in order to handle the accounts as they are sent here after they have been audited abroad.

Mr. WALSH. Well, they have already increased the allowance in the comptroller's office for the work here, have they not?

Mr. BYRNS of Tennessee. That is quite true; but the idea was to keep this particular work separate from the other work

of the bureau. I will say to the gentleman that this work is being performed by the Comptroller of the Treasury and the Auditor of the War Department jointly. They requested that this amount be set apart for use here in Washington to take care of these particular accounts.

Mr. WALSH. That is the only reason for that limitation?

Mr. BYRNS of Tennessee. That is the only explanation I can give the gentleman.

Mr. WALSH. And that is probably for services and not purchase of equipment?

Mr. BYRNS of Tennessee. That is for personal service.

The Clerk read as follows:

Office of Auditor for Post Office Department: Auditor, $5,000; assistant and chief clerk, $3,000; law clerk, $3,000; expert accountant, $3,000; four chiefs of division, at $2,250 each; four assistant chiefs of division, at $2,000 each; three principal bookkepers, at $2,000 each; clerks—25 of class 4, 43 of class 3, 49 of class 2, 51 of class 1, 12 at $900 each; skilled laborers—5 at $840 each, 11 at $720 each, 5 at $660 each; messenger boys—5 at $540 each, 4 at $480 each, 5 at $420 each; 9 male laborers, at $660 each; forewoman, $480; 19 charwomen; in all, $324,520.

For compensation, to be fixed by the Secretary of the Treasury, of such number of employees as may be necessary to audit the accounts and vouchers of the Postal Service, $297,130: *Provided*, That not exceeding $43,200 may be used for the payment of compensation to said employees absent on leave.

Mr. FESS. Mr. Chairman, I move to strike out the last word. Is it not rather unusual for the compensation of any of these clerks to be fixed by the head of the department rather than by act of the committee?

Mr. BYRNS of Tennessee. Those who are employed under this lump sum are paid on a piecework basis. They are not paid regular stipulated salaries, but they are paid according to the work done.

Mr. FESS. That explains it.

The Clerk read as follows:

Secret Service Division: Chief, $4,500; assistant chief, who shall discharge the duties of chief clerk, $3,500; clerks—2 of class 4, 1 of class 3, 2 of class 2, 2 of class 1, 1 $1,000; assistant messenger; in all, $20,120.

Mr. FESS. Mr. Chairman, I move to strike out the last word. It is not possible that $20,120 is all the money expended in the interest of the Secret Service?

Mr. BYRNS of Tennessee. This is just the office force, I will say to the gentleman. The field force is carried in the sundry civil appropriation bill.

Mr. MADDEN. There is over $20,000,000 spent every year in the Secret Service in one way or another.

Mr. BYRNS of Tennessee. The gentleman refers to the entire Government and not to the Treasury Department.

Mr. MADDEN. Before the war, and in times of peace, we spent over $20,000,000 in Secret Service work. This has only to do with counterfeiting.

Mr. BYRNS of Tennessee. And the customs, too, and also the protection of the President. But the field force in this particular bureau is carried in another appropriation.

Mr. FESS. The Secret Service work since the war began must have increased tremendously over what it was before the war.

Mr. BYRNS of Tennessee. It has, in the Department of Justice. There has been no great increase of the Secret Service in the Treasury Department, but there have been a great many additional special agents appointed in the Department of Justice. Then I am reminded that the intelligence service of the Army and Navy has been largely increased.

Mr. FESS. It probably would not be advisable to make public the amount of money expended under this particular service. I wondered whether we had access to the amount.

Mr. BYRNS of Tennessee. I am quite sure that the Attorney General would be very glad to furnish the gentleman with that information. He made statements along that line as to the number of special agents employed at the time of his hearing, but stated that he preferred that no publicity should be given to the facts. I may say that the sundry civil bill carries a specific appropriation, although it does not attempt or undertake to provide how many special agents there shall be.

Mr. FESS. That line of service is very effective, is it not, just now?

Mr. BYRNS of Tennessee. It is. They are doing a splendid work under the leadership of the chief of the special agents in the Department of Justice.

Mr. FESS. It is all-pervasive, reaching every part of the United States?

Mr. BYRNS of Tennessee. Yes. It reaches every section of the country, and other countries also.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Office of Surgeon General of Public Health Service: Surgeon General, $6,000; chief clerk, $2,250; private secretary to the Surgeon General, $1,800; statistician, $2,000; technical assistant, $2,000; assistant editor, $1,800; librarian, $1,600; clerks—4 of class 4, 5 of class 3, 8 of class 2 (1 of whom shall be translator), 14 of class 1, 6 at $1,000 each, 3 at $900 each; messenger; 3 assistant messengers; telephone operator, $720; 2 laborers, at $540 each; in all, $74,150.

Mr. BORLAND. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri moves to strike out the last word.

Mr. BORLAND. Mr. Chairman, legislation is very badly needed to permit the President to rearrange and reassign the various bureaus and offices between the executive departments. In fact, that legislation ought to go further in giving him the right to consolidate a great many bureaus. Most of these bureaus which the Committee on Appropriations finds in existence in certain departments were fixed there years ago, at a time when the Cabinet was very much smaller and the duties, of course, were purely incidental.

As to this office of the Surgeon General of the Public Health Service, nobody on earth can give any reason why that should be in the Treasury Department. There is some reason why the Coast Guard should be in the Treasury Department, because originally that was the Revenue-Cutter Service, designed to prevent smuggling, and it was an aid in the collection of the revenue. But that particular system of detecting smuggling has practically passed out of existence. Smuggling by fast clipper ships, sailing vessels, does not take place any more nowadays. Every vessel on the ocean approaching our shores is known to the Government hours before it reaches port, so that nothing of that sort or character can occur. There is not a particle of reason why that service should not be under the Department of Commerce, or possibly under the Navy Department. It certainly should not be under the Treasury Department.

The same is true of this office of Public Health Service. I will call the attention of the House to the fact that we keep making appropriations year after year for these various bureaus that may be in great danger of overlapping. In fact, practical experience has shown that they are in danger of overlapping the duties of other bureaus, and the reason for that is very largely due to the fact that one bureau happens to be under one department and another bureau happens to be under another department. As I say, I think that legislation ought to go fully to the extent of permitting the consolidation of any two or more bureaus, so as to reduce the number of bureaus and increase the efficiency of the departments.

Whenever any new proposition comes up the simplest way for Congress to solve it is to create a new bureau, entailing a new and permanent expense on the people. That new bureau usually starts out with some popularity; it seems to answer a public demand; and it is a good way to assure the people that their rights are being taken care of. Then when another proposition comes up we always create another bureau, and that immediately has a popularity.

Here is one temptation these bureaus have: Every bureau that is under the charge of a live and ambitious man—and I hope most of them are, and some of them seem to be—has a tendency to enlarge its own jurisdiction. It reaches out and sees fields of usefulness that it can cover, where it can render useful service. It attempts to absorb those fields, although they may sometimes be partially and sometimes be wholly within the legitimate sphere of other bureaus of the Government. There are a number of overlapping activities now in the departments, too many for us now to enumerate, but there are large numbers of them that ought to be eliminated at this time when we are at war and when we are trying to have the highest efficiency in the Federal Goverment. Now is an excellent time for us to have a complete readjustment and reassignment of these bureaus and abolish, I think, quite a number of them.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. STAFFORD. Is there any law that forbids the head of a department from merging the activities of one bureau with another, or from rearranging the respective bureaus and merging their work with that of other bureaus?

Mr. BORLAND. There are some laws that evidently forbid it, because some laws create special bureaus specially.

Mr. STAFFORD. If the gentleman will permit further, for instance, since the war broke out, in the Navy Department the Division of Naval Militia Affairs has been consolidated——

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. STAFFORD. I ask unanimous consent, Mr. Chairman, that the time of the gentleman from Missouri may be extended three minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. STAFFORD. It has been consolidated with the Bureau of Navigation. When I was a member of the Committee on the Post Office and Post Roads I remember distinctly that it was stated that the head of the Post Office Department had authority to consolidate the activities of the respective bureaus and transfer the work of the Fourth Assistant's office to the First Assistant's office. That was done frequently, so that I do not think that there is any law that forbids the rearrangement of the bureaus or the consolidation of them if the head of a department sees fit to do so.

Mr. BORLAND. I do not think the matter is quite so simple as the gentleman from Wisconsin seems to think it is. Doubtless there are some bureaus that are created by Executive order which can be abolished or changed by an Executive order.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. In a moment. But there are a large number of bureaus created by specific acts of Congress over which heads of the departments would have no such power.

Mr. MADDEN. The gentleman's idea is that we would have better economy if we would coordinate the work?

Mr. BORLAND. I think so.

Mr. MADDEN. There would not be any trouble about the head of the bureau deciding to have 10 men instead of 15 if he could do the work with 10?

Mr. BORLAND. Unless human nature is reformed, there is no possibility of that thing happening.

Mr. MADDEN. They could do it, could they not?

Mr. BORLAND. It does not happen. What happens is just this: We go on creating new bureaus for new activities. We leave all the old ones in existence. Just now we are creating a large number of new activities of the Government, some of which we hope will pass out of existence when this war is over; but that hope may not be justified in the realization. Most of them will hang on tenaciously for years after this war is over. Wherever a man is put at the head of a bureau, however small, insignificant, or obsolete it may be, the inclination of human nature is to attempt to convince the public that it is an important factor and that there is some very important work that it can do for the public. If there is not any work to be found in its immediate activity, the head of that bureau will immediately search for new activities that he thinks he can perform. That is a very creditable trait in these men. It shows that they are active and ambitious public servants.

Mr. DUPRÉ. Is the gentleman speaking academically, or is he referring particularly to the Public Health Service?

Mr. BORLAND. I have no particular reference to the Public Health Service, although its activities have been wonderfully expanded; but I have been very strongly in favor of their being expanded. But I am not in favor of their being under the Treasury Department.

Mr. BYRNS of Tennessee. What department ought they to be under?

Mr. BORLAND. The Department of the Interior.

Mr. BYRNS of Tennessee. Why?

Mr. BORLAND. That is where they belong.

Mr. MADDEN. Mr. Chairman, I move to strike out the last 10 words. Replying to the remarks of the gentleman from Missouri in reference to tendencies in the public service, the tendency at the present time is not toward economy but rather toward extravagance. In my judgment, the coordination of the bureaus would not result in any degree of economy.

Mr. BORLAND. Mr. Chairman, will the gentleman pardon me just a moment?

Mr. MADDEN. Yes.

Mr. BORLAND. In all the years I have served with the gentleman I have failed to find any suggestion of a great economy that did meet the gentleman's views. His views on economy are rather abstract.

Mr. MADDEN. I have never wasted much of the time of the House, as a rule, in arguing how you could create a more economical administration of national affairs by the coordination of bureaus. The gentleman says he hopes that if the thing which he describes can be done, we will get greater efficiency and certain economies. There is nothing in the world to prevent the bureau chiefs now from instituting economies if they have the public interest at heart. I am inclined to agree with the statement made by my friend from Missouri [Mr. BORLAND] that when the war is over all these new activities will linger on, because those on the floor of the House and the Senate who were responsible for the appointment of most of these people in the bureaus and departments will insist that their political patronage shall not be curtailed. And I have no doubt that the gentleman from Missouri will be one of these, for I assume that he is very close to the throne and that he has not hesitated to ask the king for a proper division of the patronage from Missouri. As long as the character of service which the gentleman renders remains, with his time partially taken up with camouflage on the floor and the rest of the time trying to find jobs for his constituents, we will not reach that stage of economy to which the country is entitled.

I would like to join the gentleman in a movement for economy if I knew what he had in mind.

Mr. BORLAND. I can suggest one to the gentleman.

Mr. MADDEN. The purpose which the gentleman has in mind is kept so well covered up that a novice like myself is never able to discover it. He is very adept at words, and he understands how to express words to cover up his thought so well that when he concludes one of these speeches intended to elucidate a complicated situation, it is more complicated than it was before. So I am always at a loss to know just exactly what position I ought to take, if I am to base my reasoning on the offerings of the gentleman in the way of new reforms. Economy can be instituted only at the fountain head, and if the men who are in control of the executive branches of the Government want economy, the economy will follow as a matter of course, because they will not employ three men where one man will do the work, and I fear that in many cases to-day we have three men doing one man's work and sometimes three men not doing one-third of one man's work. They are in the way of one another. When you walk through the hallways in some of the public buildings you have to push your way through to get by the messengers in the hallways, but if you stop to inquire from any messenger whom you meet in the hallway what is the name of the officer in the next room to where he is sitting, he will not be able to tell you.

Mr. LINTHICUM. Why is it that it takes so long, then, to get a reply to inquiries for information in these places?

Mr. MADDEN. The reason it takes so long is that nobody there knows anything. That is the reason we are not getting anywhere.

Mr. LINTHICUM. Has the gentleman any suggestions to make?

Mr. MADDEN. What is the use of making suggestions to people who do not understand intelligent organization? It would be throwing suggestions to the winds to make them to the gentleman from Baltimore.

The CHAIRMAN. The pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

Contingent expenses: For stationery, including tags, labels, and index cards printed in course of manufacture, for the Treasury Department and its several bureaus and offices, $62,200, and in addition thereto sums amounting to $235,800 shall be deducted from other appropriations made for the fiscal year 1919, as follows: Contingent expenses, Independent Treasury, $6,000; contingent expenses, mint at Philadelphia, $700; contingent expenses, mint at San Francisco, $300; contingent expenses, mint at Denver, $300; contingent expenses, assay office at New York, $700; materials and miscellaneous expenses, Bureau of Engraving and Printing, $6,000; suppressing counterfeiting and other crimes, $700; Public Health Service, $3,500; Quarantine Service, $1,000; preventing the spread of epidemic diseases, $600; expenses of Coast Guard, $5,000; general expenses of public buildings, $6,000; collecting the revenue from customs, $40,000; miscellaneous expenses of Internal-Revenue Service, $50,000; expenses of collecting the income tax, $70,000; stationery and miscellaneous expenses, Bureau of War-Risk Insurance, $45,000; and said sums so deducted shall be credited to and constitute, together with the first-named sum of $62,200, the total appropriation for stationery for the Treasury Department and its several bureaus and offices, with the exception of field officers located in foreign countries, for the fiscal year 1919.

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman of the subcommittee what this language, line 10, page 54, means, "general expenses of public buildings, $6,000."

Mr. BYRNS of Tennessee. That is an item carried in the sundry civil bill. The gentleman will see that this is only a transfer of $6.000 of that fund to the contingent expenses for the Treasury Department for the purchase of stationery through one central agency. There is an appropriation made in the sundry civil bill for general expenses to pay draftsmen, superintendents of public buildings, inspectors, traveling expenses, office rent, expenses of superintendent, and so forth, in the field service.

Mr. COOPER of Wisconsin. Those are all appropriations for a specifically named purpose. This is for general expenses for buildings. That covers a good deal of ground.

Mr. BYRNS of Tennessee. That refers to the title under which the general appropriation is made. The gentleman will understand that this is not an additional appropriation, but a

transfer of a portion of that fund for the purchase of stationery, and it is carried under the head of general expenses because that is the title under which it is carried on the books of the Treasury.

Mr. COOPER of Wisconsin. I understand. If that is carried under that head on the books of the Treasury, would anyone looking at the books know what that money was to be used for? If this is a specific appropriation for the purchase of stationery, why does it not say so?

Mr. BYRNS of Tennessee. The account is carried under the head of general expenses of public buildings. The sundry civil bill names the purposes.

Mr. COOPER of Wisconsin. But this is the legislative, executive, and judicial appropriation bill.

Mr. BYRNS of Tennessee. Precisely; but this does not make any additional appropriation. It simply transfers $6,000 of that fund to the contingent expenses of the Treasury, so that stationery may be purchased through one general supply committee.

Mr. COOPER of Wisconsin. I still think, notwithstanding the very clear and lucid statement of the gentleman from Tennessee, that that is not a good way to appropriate money. The transfer of appropriations ought to be made perfectly clear, so that anyone reading it would know what the particular money transferred and appropriated is to be used for.

Mr. BYRNS of Tennessee. If the gentleman will read the beginning of the paragraph, he will find that it is "for stationery, including tags, labels, and index cards." The only way to transfer it was to use the same language that was used in making the general appropriation.

Mr. HAMLIN. Mr. Chairman, if gentlemen will permit me, I made a statement the other day that my observation led me to think that they had some kind of a system in the department whereby they would transfer one fund to another fund, borrow it out of another fund, and then pay it back. That statement was contradicted. I thought I was right about it. It seems to me that the statement just made by the gentleman from Tennessee to the gentleman from Wisconsin rather bears out that idea.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HAMLIN. Mr. Chairman, I move to strike out the last word.

Mr. BYRNS of Tennessee. If there is any such practice it is in plain violation of law. Now, this appropriation here is an entirely different proposition. Here is a paragraph which is for the purchase of stationery for various bureaus of the Treasury Department. The sundry civil bill carries an appropriation for general expenses for public buildings amounting to more than $500,000. The legislative bill does not undertake to increase the amount, but simply transfers $6,000 of that to the contingent expenses of the Treasury for the particular and sole purpose of purchasing stationery. It is purely in the interest of economy to have the stationery purchased through one head.

Mr. HAMLIN. I was not criticizing the action of the committee. Now, one other thing. I was impressed the other day by the statement of the gentleman from Kentucky [Mr. SHERLEY] in regard to the methods of bookkeeping down there. I think he was eminently correct in that. My experience is that nobody on earth, even the efficiency expert that we have talked about, could tell very much about how this money is expended by looking at the books of the Treasury Department. I would like to get the gentleman's idea, if he has looked into the matter carefully, as to whether or not the impression I have in regard to it is correct. Now, I found at one time what I thought was conclusive evidence that there was this shifting about, borrowing and paying back, and so forth.

Mr. SHERLEY. Mr. Chairman, if the gentleman will yield, this is what I meant to convey and what I think is true. The system of bookkeeping is accurate enough to prevent the misuse of funds——

Mr. HAMLIN. That is, one department paying out more money than is appropriated for it.

Mr. SHERLEY. Or paying it out for other than what it was appropriated for. The system of bookkeeping is not such as to enable one to determine from a statement of the expenditures whether work is economically performed or not. For instance, the system of bookkeeping would prevent money that was appropriated for a specific purpose, like those enumerated for contingent expenses, being expended for some other purpose.

There is no system of bookkeeping which would show you whether contingent expenses, or purchases made for matters enumerated under the item of contingent expenses, were economically made or not. Modern methods of bookkeeping do permit that ascertainment from a review of them.

Mr. HAMLIN. Mr. Chairman, I will ask the gentleman whether it is not true that there is some kind of a system whereby a part of a fund, for instance, a contingent expense fund, in case of shortage in another fund, might be transferred to that fund and afterwards transferred back, so that in the end the aggregate expenditure does not exceed the sum appropriated. Is there a shifting of funds?

Mr. SHERLEY. This is the situation. The law requires the allotment of funds over a certain period so as to prevent the creation of deficiencies, and permits, under certain contingencies, a rearrangement of allotments to a certain extent. In such instances there is permitted the taking of sums from one fund for expenditure under another fund. Then there are also cases where, under the terms of appropriations, certain percentages of funds for one purpose may be made available for other purposes, and in such instances there can be borrowing, but there is no right to do it except where there is express provision of law.

Mr. HAMLIN. There ought to be some system that would prevent that.

Mr. SHERLEY. Unquestionably.

Mr. HAMLIN. Because great harm could come from that. I withdrawn the pro forma amendment.

The Clerk read as follows:

For investigation and experimentation and to secure better methods of administration, with a view to increased efficiency or to greater economy in the expenditure of public money, including necessary traveling expenses, in connection with special work, or obtaining of better administrative methods in any branch of the service within or under the Treasury Department, including the temporary employment of agents, stenographers, accountants, or other expert services either within or without the District of Columbia, $15,000.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. This item is for investigation and experimentation and to secure better methods of administration, with a view to increased efficiency or to greater economy in the expenditure of public money, or in the obtaining of better administrative methods in any branch of the service. I notice in looking through the hearings that in spite of all the new bureaus and commissions and offices and departments that have been created, growing out of the war emergency, all that the department has been able to expend of this sum last year was about $3,000. It seems to me that in view of the showing made by the gentleman who appeared before the committee it is not necessary to appropriate $12,000 a year to enable a man to run hither and yon to find out whether he can approve the expenditure of public money. Certainly in these days there is not any need of increasing efficiency in the expenditure of the public money. There may be a need of greater economy, but it is a significant fact that in the expenditure of the appropriation for endeavoring to secure greater economy in the expenditure of public money they have practiced apparently a very great economy in that item and have spent only $3,000. I would like to ask the gentleman having charge of the bill if he really believes that in view of the great emergency it is necessary to carry this appropriation this year for the purpose set out in the hearing by the gentleman who appeared representing the department?

Mr. BYRNS of Tennessee. Mr. Chairman, I think so, I will say to the gentleman. This appropriation has been carried since 1910, for the purpose of securing better methods of administration in the department. I may say that the first appropriation was in 1910 in the deficiency act, and was for $25,000, and that for the next two years $75,000 was carried for this purpose. It was then reduced to $20,000 and is now $15,000. It is true that the chief clerk of the Treasury Department stated that only $3,000 had been expended at the time of the hearing, which was about the middle of the fiscal year, but he also stated that it was expected to consume either all or a portion of the remaining fund during the remainder of the fiscal year for the purpose of improving administration methods in the department.

Mr. WALSH. I thought we had a Bureau of Efficiency for that.

Mr. BYRNS of Tennessee. That is true, a Bureau of Efficiency which is organized for the purpose of securing better administration and more efficient administration in all of the departments; but this very small sum of $15,000 is appropriated in order to enable the Secretary of the Treasury within his department to organize and put into effect better administrative methods.

I may say to the gentleman that there has been a committee in the Treasury Department composed of a number of bureau chiefs who have been making investigations and recommendations with a view of improving the service, and some improvements were made last year as a result of their report. It may be, and is true, as the gentleman says, that only $3,000 was expended the first six months of the year, but the chief clerk

says that that fund will be put to good use between now and July, and they were anxious to have it carried for another year. I submit to the gentleman that a dollar that is spent wisely for the purpose of securing better administration in any of the departments is not improperly spent or extravagantly spent.

Mr. MADDEN. Is the gentleman talking about public money?

Mr. BYRNS of Tennessee. Yes.

Mr. MADDEN. Talking about money being spent wisely?

Mr. BYRNS of Tennessee. Of course.

Mr. GILLETT. Mr. Chairman, I seem to have a recollection, I may be mistaken, of the Treasury having refused to allow the Bureau of Efficiency to work in their department. Was not that so? I did not know but this was a substitute for it.

Mr. BYRNS of Tennessee. That, I think, was true. I do not know whether it amounted to an express refusal, but there was some question raised two or three years ago; but I will say to the gentleman that since that time, as he knows, the Bureau of Efficiency has been doing a great deal of work in the Treasury Department, the War-Risk Bureau, the Internal-Revenue Service, and also in the Treasurer's office.

Mr. GILLETT. I had a vague recollection this was instead, but I may be mistaken.

Mr. BYRNS of Tennessee. No; this has been carried since 1910.

Mr. WALSH. Mr. Chairman, I move to strike out the paragraph. The hearings disclose that the Bureau of Efficiency has undertaken some of this work in the Treasury Department, and apparently this item is carried in order that the Treasury Department do its work itself, and I submit that it can not achieve as valuable results by having it done by its own officials as it can by an independent bureau. One of the wonderful accomplishments last year, I note, which was brought about, was that they bought a comptometer in the auditor's office. Now, apparently by way of criticism of the Bureau of Efficiency, it was stated it has been working in the Internal Revenue Department, and in the words of the gentleman who appeared before the subcommittee:

"The Internal Revenue Bureau was reorganized and turned upside down," and this appropriation sought to be justified was so that they can send men out in the field to travel around.

Now, I believe that while we have adopted a policy of having a bureau for this particular purpose that we ought to leave it to that bureau, and if their appropriation is not sufficient increase it, but I do not believe we can get the result from the appropriation left to the official in control of the department which is seeking to reorganize or under the direction of an official when in the performance of his work it may be necessary for him to criticize his superior officers or make suggestions reflecting on their judgment or methods of administration. I do not believe that sort of an official will be as free to make recommendations as one under an independent bureau or department of the Government. They only spent $3,000 last year, and here is an opportunity, in view of the amount we have given the Bureau of Efficiency this year, to save $12,000. Why, that would hire 12 extra janitors for some of the committees of the House at $1,000 per annum, or several barbers to operate on the gallery corridors or the carpet of the House. Here is an opportunity, I submit in all seriousness, to economize in this department and not in any way to hamper the efficiency or the investigations and the experimentations that may be made upon any office or official, and therefore I submit that the appropriation can be dispensed with and that it will be true economy if we eliminate it this year.

Mr. BYRNS of Tennessee. Mr. Chairman, I hope this amendment will not be adopted. It has been carried for seven or eight years and, as a matter of fact, is the only fund provided not only for the purpose indicated, but out of which the Secretary of the Treasury may pay traveling expenses.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption for a question?

Mr. BYRNS of Tennessee. I will.

Mr. COOPER of Wisconsin. Is not the work that is provided for or contemplated to be done under the provisions of this paragraph work that is now being done by the Bureau of Efficiency?

Mr. BYRNS of Tennessee. Oh, undoubtedly the Bureau of Efficiency is doing work——

Mr. COOPER of Wisconsin. But is not this a duplication of work?

Mr. BYRNS of Tennessee. I will say this to the gentleman: The Bureau of Efficiency, with the very little force it has at its command, $110,000 being carried in this bill—and to which I was surprised to note there was some objection raised by one or two Members—can not possibly investigate all of these departments and make all the investigations necessary in order to put into effect improved methods of administration. For instance, the Bureau of Efficiency for nearly four years has been at work in the Post Office Department with part of its force and has not yet fully completed the work of establishing efficiency ratings. They have been at work in the War-Risk Bureau; they are now in the Internal-Revenue Office; they have been in the Pension Office and in the Treasurer's office; but I submit that with 10 departments it is impossible for that bureau to do all this work for some time to come.

Mr. COOPER of Wisconsin. Have they in the four years they have been at work made any recommendations leading to efficiency?

Mr. BYRNS of Tennessee. Yes, indeed; in the Post Office Department alone they have reduced employees more than 190, with an average saving of over $173,000 every year.

Mr. COOPER of Wisconsin. May we say that this would be a duplication of work and that it might interfere possibly with the work of the Bureau of Efficiency? One hundred and ten thousand dollars of annual appropriation is a considerable appropriation——

Mr. BYRNS of Tennessee. That is true.

Mr. COOPER of Wisconsin. They ought to make the investigation with $110,000.

Mr. BYRNS of Tennessee. That is true, and I submit to the gentleman they have made, as I attempted to show here Tuesday, extended investigations. In the Indian Bureau they have saved a considerable sum by way of interest, it is estimated, for the Indians.

Mr. COOPER of Wisconsin. The Bureau of Efficiency?

Mr. BYRNS of Tennessee. The Bureau of Efficiency, as a result of its investigation of the methods of accounting and disbursing in the field service.

Mr. COOPER of Wisconsin. Why could they not be permitted to do this work in the Treasurer's department?

Mr. BYRNS of Tennessee. Undoubtedly, I say to the gentleman, the Bureau of Efficiency, if they had the time and had the force and the number of men qualified to do the work could go into this department and all the departments of this Government; but it is going to take many years with the limited force given to the Bureau of Efficiency to do this work. Now, I take this position, that here is the small sum of $15,000 appropriated for this particular purpose. The gentleman from Massachusetts [Mr. WALSH] says only $3,000 has been expended in the first six months, but if he will read further in the hearings that the chief clerk says he expects to spend an additional amount during the balance of the year.

Mr. COOPER of Wisconsin. Who will have charge of this investigation in the Treasury?

Mr. BYRNS of Tennessee. The Secretary of the Treasury, who acts through a committee appointed in the department.

Mr. COOPER of Wisconsin. Exactly. The Treasury officials, or the bureau chiefs, probably, or other men belonging to that particular department. Of necessity it will be impossible for the Secretary of the Treasury to give the slightest attention to it. The duties which have been imposed upon him by law are so manifold, onerous, and important that it would be impossible to think of his looking after this at all.

Mr. BYRNS of Tennessee. I said through a committee. It is impossible for him to give it his personal attention. That committee is headed by Judge Warwick, the Comptroller of the Treasury, who has under his jurisdiction the passing of accounts of this Government.

Mr. COOPER of Wisconsin. How many men in the employ of that department does the gentleman think the employees of that department are going to recommend to be discharged or done away with? It is going to take outside influence and outside investigation to do that.

Mr. BYRNS of Tennessee. It does not necessarily mean the discharge of employees. And I do not think that is the scope of this appropriation. It means better administration.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WALSH].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. WALSH. Division, Mr. Chairman.

The committee divided; and there were—ayes 19, noes 23.

So the amendment was rejected.

Mr. DUPRÉ. Mr. Chairman, I have made a private suggestion to the gentleman in charge of this bill, that to-day being the Speaker's birthday, and he will never have the opportunity to celebrate his sixty-eighth birthday again, it would be opportune for the committee to rise.

Mr. SHERLEY. I hope the gentleman will not press that suggestion. We have a bill here of 155 pages——

Mr. DUPRÉ. Mr. Chairman, have I the floor?

Mr. BYRNS of Tennessee. I hope the gentleman will not insist on that. I will state to the gentleman that we can proceed through the Internal Revenue Bureau here without trouble.

Mr. MOORE of Pennsylvania. Let us hear, on this side, what the gentleman is proposing?

Mr. DUPRÉ. What is the gentleman's suggestion?

Mr. BYRNS of Tennessee. I am trying to persuade the gentleman from Louisiana [Mr. DUPRÉ] to permit us to proceed with the bill a little further.

Mr. MOORE of Pennsylvania. Does the gentleman propose to go beyond page 62 to-night?

Mr. BYRNS of Tennessee. I will state to the gentleman that if we should reach page 62 and the gentleman, or any other gentleman desires it, so far as I am concerned I will be glad to pass that until to-morrow.

Mr. MOORE of Pennsylvania. The gentleman will consent to rise if we get to page 62?

Mr. BYRNS of Tennessee. Well, I have just stated I would be very glad to pass the Subtreasury item until to-morrow.

Mr. MOORE of Pennsylvania. If the gentleman from Louisiana withdraws his objection, will the gentleman move to rise when we get through with page 62?

Mr. DUPRÉ. I would not withdraw my suggestion, but I have not pressed it beyond that stage.

Mr. MOORE of Pennsylvania. The gentleman from Louisiana and myself, I think, are interested in having some gentlemen here when we reach page 63.

Mr. SHERLEY. If the gentleman will permit, there is no desire to-night to press the controverted matter in this bill, which is that relating to the Subtreasuries. Here is a bill of 155 pages. We are getting to the point in the legislative program where, if we do not make more progress, we are going to have a considerable congestion and jam before the fiscal year ends. Everybody wants to adjourn Congress as early as possible. It is the delays such as this, not noticed, that in the aggregate make impossible the getting through of the work of Congress in good season.

Mr. DUPRÉ. Mr. Chairman, I understand I have the floor.

Mr. SHERLEY. I hope the committee will continue the consideration of the bill until we strike some controversial matter, and then it can either be passed over or the committee can rise.

Mr. DUPRÉ. I want to say, Mr. Chairman, that the reason why we do not make more progress is the hectoring we receive occasionally from the gentleman from Kentucky.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For salaries and expenses of collectors of internal revenue, deputy collectors, surveyors, clerks, messengers, and janitors in internal-revenue offices, $3,565,000: *Provided*, That no part of this amount be used in defraying the expenses of any officer, designated above, subpœnaed by the United States court to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts."

Mr. MOORE of Pennsylvania and Mr. WALSH rose.

The CHAIRMAN. The gentleman from Pennsylvania will be recognized first.

Mr. MOORE of Pennsylvania. Mr. Chairman, this paragraph provides a lump-sum appropriation of $3,565,000 for the purpose of paying salaries and expenses for those employed in the office of the Collector of Internal Revenue. Does the gentleman from Tennessee have detailed information as to the manner in which this money is expended?

Mr. BYRNS of Tennessee. I will say to the gentleman that the committee has information as to the manner in which it is expended by districts, and also the number of people that are employed under it, and the rates of pay.

Mr. MOORE of Pennsylvania. Can the gentleman enumerate the number of men and women employed through this appropriation?

Mr. BYRNS of Tennessee. At the present time the bureau has 1,450 persons employed.

Mr. MOORE of Pennsylvania. Fourteen hundred and fifty persons?

Mr. BYRNS of Tennessee. Yes.

Mr. MOORE of Pennsylvania. They are employed throughout the United States, or in the District of Columbia?

Mr. BYRNS of Tennessee. This is the field force.

Mr. MOORE of Pennsylvania. What range do the salaries take, from the highest to the lowest?

Mr. BYRNS of Tennessee. From $4,500 for the collectors down to $300 for the janitor.

Mr. MOORE of Pennsylvania. May I ask why, inasmuch as all other salaries are set out in detail, this lump-sum provision is made in this particular case?

Mr. BYRNS of Tennessee. The collectors' salaries are fixed by law, as the gentleman knows.

Mr. MOORE of Pennsylvania. Yes; and therefore under ordinary conditions they would be specifically reported in an appropriation bill.

Mr. BYRNS of Tennessee. I can not say to the gentleman why it has not been done, but it has never been the practice. It is simply a matter of custom to make a lump-sum appropriation. It has been done for years. I will say to the gentleman that so far as the deputy collectors are concerned, those salaries range from $2,500 down to the sum I named awhile ago, a great majority of them being at $1,200.

Mr. MOORE of Pennsylvania. This appropriation is for $3,565,000, and following it comes an appropriation of $1,200,000, and following that an appropriation of $3,000,000, and following that one of $8,000,000, all for the one office.

Mr. BYRNS of Tennessee. That is true; and there is an additional appropriation for the administration of the narcotic law, amounting to over $300,000.

Mr. MOORE of Pennsylvania. We give all those salaries in great detail for offices that are created by statute, and we have points of order constantly with regard to attempted increases which could not be made here. I would like to know whether, under this lump-sum appropriation system, where such vast sums are involved as in this case, it does not come within the discretion of the appointing power to increase or to reduce the salaries without the knowledge of Congress?

Mr. BYRNS of Tennessee. Of course, it would be possible to set them forth here specifically; but, as I stated, it has never been the custom to do it, and the latitude that has been given to the Internal-Revenue Commissioner, both under Republican and Democratic administrations, never has been abused.

I submit to the gentleman that with the tremendous amount of increased work devolving upon the Internal Revenue Commissioner's office at this time, it was practically impossible for the Internal Revenue Commissioner to estimate with any degree of certainty how many employees he will need for the next year.

Mr. MOORE of Pennsylvania. In the Department of Agriculture the employees are checked up, so that we know what they get, except in certain instances where lump-sum appropriations are made for groups of men or particular branches of the service; but here is an instance in which for one bureau of the Treasury Department we appropriate in a lump sum substantially $16,000,000—that is my rough guess of the total—which is at the disposal of the appointing power.

Mr. BYRNS of Tennessee. I will say to the gentleman that so far as the Department of Agriculture is concerned, I understand that all its lump sums are available for salaries.

Mr. MOORE of Pennsylvania. Has the committee information in print, from the Collector of Internal Revenue or the Treasury Department, specifying the various employees who are paid within the limitations of approximately $16,000,000 lump-sum appropriations.

Mr. BYRNS of Tennessee. The committee has that information. I will say to the gentleman that the Commissioner of Internal Revenue has submitted through the Secretary of the Treasury to Congress a statement showing just how he will expend the money appropriated, giving detailed information as to the number of employees, the salaries which will be paid, and so forth. This information is in the book of estimates, and is accessible to the gentleman or any other Member of the House.

Mr. MADDEN. Mr. Chairman, I regret very much to disturb this delightful colloquy by making the point of no quorum present.

Mr. BYRNS of Tennessee. I am very sorry the gentleman will not let us read the bill a little further.

Mr. MADDEN. You have done so well to-day——

Mr. BYRNS of Tennessee. We have not done as much as we did yesterday.

Mr. MADDEN. Oh, you have done very well indeed.

The CHAIRMAN. The gentleman from Illinois makes the point of no quorum present. Evidently there is no quorum present. The Clerk will call the roll.

Mr. BYRNS of Tennessee. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SAUNDERS of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee had had under consideration the

bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, and had come to no resolution thereon.

SOLDIERS' INSURANCE.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to take up at this time and pass Senate joint resolution 133.

Mr. DYER. Let it be reported and see what it is, Mr. Speaker.

The SPEAKER. We will find out what it is. The gentleman from Texas [Mr. RAYBURN] asks unanimous consent for the present consideration of a Senate joint resolution, which the Clerk will report.

The Clerk read S. J. Res. 133, authorizing the granting of insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, on application by a person other than the person to be insured, as follows:

Resolved, etc., That insurance under the act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended by the act approved October 6, 1917, shall be granted by the Bureau of War-Risk Insurance on application made by the person to be insured or, subject to such regulations as the bureau may prescribe, by any other person.

The SPEAKER. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object, I should like to have the gentleman from Texas explain whether this is simply to provide for the application for insurance of men who are in the trenches, and who are not able to make a personal application, by some one on their behalf?

Mr. RAYBURN. It is. The right to take out this insurance expires April 12. The law now is that the soldier himself must make the application, or if another person makes application, the soldier must indorse the application. That is impossible for some men now in the service, because some have been captured by the Germans, and they have no chance whatever to make the application themselves or to indorse the application that may be made for them. This would cover such cases as that. I feel it would be a great injustice to these men not to give them any chance whatever to take out this insurance.

Mr. DYER. Is that the only exception—those who may be prisoners?

Mr. RAYBURN. No; this is general.

Mr. DYER. Relatives of the man in France could make the application.

Mr. RAYBURN. Yes; but this does not change the law at all. It does not change the law as to whom the insurance shall go. It does not allow anybody to speculate on the insurance with reference to these soldiers.

Mr. FOSTER. It only permits those to make the application who might be benefited under the law.

Mr. CANNON. The gentleman says "the indorsement of the soldier," but you might not be able to get at him.

Mr. RAYBURN. This is to do away with that requirement.

Mr. CANNON. So that any relative or one who is interested in him, or through selfishness, might make the application.

Mr. RAYBURN. Selfishness would not have anything to do with it, because the law provides that this insurance shall only go to a certain class of people, and this does not change that at all.

Mr. CANNON. I can see how it might be abused, and still I am not going to object to it.

Mr. GILLETT. Let me ask the gentleman, has this been reported by the Committee on Military Affairs?

Mr. RAYBURN. No; but it has been reported by the Committee on Interstate and Foreign Commerce. It passed the Senate a few days ago.

Mr. GILLETT. As I heard it read it provides that anybody can make the application for the soldier.

Mr. RAYBURN. Yes.

Mr. GILLETT. Then why does it not allow anyone to do it for speculation?

Mr. RAYBURN. Because the law says that the insurance can go to nobody but certain ones. I will read the law if the gentleman wishes.

Mr. GILLETT. I understand what the gentleman means. But why does not it allow anybody—I do not know that they would have any motive for doing it, but without regard to whether the soldier was in a condition to do it himself or not, I wondered whether it ought not to be limited so that it would apply to the soldier who could not do it himself.

Mr. RAYBURN. That would involve a lot of proof that would put some in a position that we do not want to put them in.

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, along the line suggested by the gentleman from Massachusetts, take the case of a soldier who might not wish to take out insurance to the full amount. For instance, if the soldier only wished to carry $2,000 somebody might take out insurance for the additional amount up to $10,000. Why should the Government carry it for $10,000 for the beneficiary who would receive the insurance. I realize that there is a necessity in the case instanced by the gentleman from Texas where the soldier could not obtain the insurance because he is a prisoner, or some condition like that. But why should it not be restricted to these exigent conditions. I presume the gentleman is not in favor of allowing even relatives or a stranger to take out insurance to the full amount designated to the beneficiary in the existing law should the soldier not approve.

Mr. RAYBURN. I should not say I was in favor of that; but if we pass this we have got to set aside some of these things. I think it would do the soldier a greater injustice if he was a captive and could not take out the insurance than it would to put more insurance on him than he wanted to take out.

Mr. WALSH. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. WALSH. Is it not covered by the regulations of the department?

Mr. STAFFORD. These regulations would grant them the privilege of allowing a stranger to take out the maximum amount for the benefit of the designated beneficiary. Why can not you restrict it so as to provide for those who are not in a position to take it out for themselves?

Mr. RAYBURN. That would call for proof, and it would be April 12 before the proof could be developed.

Mr. STAFFORD. We could throw the protecting arm over such soldiers. I do not think any person here wishes to allow a stranger, or even a relative, to take out the full amount of insurance on a soldier's life if the soldier does not wish it. The Government is not in the business for that purpose.

Mr. RAYBURN. I understand that; but this is a proposition to try to accommodate the soldiers who are in a position where they can not apply for themselves.

Mr. STAFFORD. But we are amending the law for all time.

Mr. RAYBURN. He does not have to keep it up.

Mr. STAFFORD. But the stranger is the one to keep it up; it is not the soldier. The stranger can take out insurance for the beneficiary.

Mr. SEARS. Does not the soldier have to pay the insurance?

Mr. STAFFORD. Not at all, under this provision. The soldier may pay it, but under this a stranger might.

Mr. RAYBURN. It is subject to regulations of the Treasury Department, and I do not think the Treasury Department would make an order allowing a stranger to do it.

Mr. STAFFORD. From the testimony of Mr. De Lanoy, he prophesied that this war insurance was going to grow so that we would be in the business for all time.

Mr. RAYBURN. We are, so long as these men live.

Mr. STAFFORD. And that it will be branched out to take in others than the soldiers.

Mr. RAYBURN. I do not think that comes in this proposition; but as long as these men live, under the law now, and they want to pay their premiums, we are going to have this bureau.

Mr. STAFFORD. I see the necessity for throwing the protecting arm of the Government around these soldiers, but——

Mr. RAYBURN. I do not see any excuse for limiting this thing, except in one way—and I do not know that that would be wise—and not allow anybody outside of a permitted class to make application for the soldier.

Mr. STAFFORD. Will the gentleman withdraw this until to-morrow? I do not think there will be any objection to its consideration.

Mr. CANNON. Could a creditor take the insurance?

Mr. RAYBURN. Yes; but this is not assignable to a creditor.

Mr. CANNON. Can a creditor take out the insurance to secure himself?

Mr. RAYBURN. No; he could not secure himself, because this insurance is not assignable.

Mr. CANNON. The law designates who can be the beneficiary?

Mr. RAYBURN. Yes.

Mr. STAFFORD. Will it not be assignable after the termination of the war?

Mr. RAYBURN. Not as long as it is Government insurance.

Mr. STAFFORD. Would the gentleman have any objection to withdrawing this and bringing it up to-morrow?

Mr. RAYBURN. No; except that I fear the gentleman from Tennessee [Mr. BYRNS] will object, as he will know it will take as much time then as now.

The SPEAKER. Is there objection?

Mr. STAFFORD. For the present I object.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. CLARK of Florida for one week, on account of important business.

ADJOURNMENT.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until to-morrow, Friday, March 8, 1918, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. HADLEY, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (H. R. 2617) to ratify the compact and agreement between the States of Oregon and Washington regarding concurrent jurisdiction over the waters of the Columbia River and its tributaries in connection with regulating, protecting, and preserving fish, reported the same without amendment, accompanied by a report (No. 360), which said bill and report were referred to the House Calendar.

Mr. SAUNDERS of Virginia, from the Committee on the Merchant Marine and Fisheries, to which was referred the bill (S. 1549) to require numbering and recording of undocumented vessels, reported the same without amendment, accompanied by a report (No. 361), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH of Idaho: A bill (H. R. 10548) to increase the productive agricultural area of the United States by the reclamation of arid and swamp lands; to the Committee on Irrigaiton of Arid Lands .

By Mr. MILLER of Minnesota: A bill (H. R. 10549) to amend the war-risk insurance act; to the Committee on Interstate and Foreign Commerce.

By Mr. CARY: A bill (H. R. 10550) to provide for national ownership and Government operation of transportation systems, for the just compensation of their owners, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WELTY: A bill (H. R. 10551) to authorize the appointment of a board of engineers to make a preliminary location, survey, and plans for a ship canal connecting the waters of Lake Erie and the Ohio River on the line of the Miami and the Erie Canal from Toledo to Cincinnati, Ohio, and to estimate the cost thereof; to the Committee on Railways and Canals.

By Mr. O'SHAUNESSY: A bill (H. R. 10552) fixing the compensation of United States customs inspectors; to the Committee on Ways and Means.

By Mr. SEARS: A bill (H. R. 10553) to promote military training by providing scholarships for students enrolled in public institutions of higher learning, and for other purposes; to the Committee on Appropriations.

By Mr. BLANTON: A bill (H. R. 10554) to amend an act entitled "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products," approved August 10, 1917; to the Committee on Agriculture.

By Mr. DENT: Joint resolution (H. J. Res. 261) to reimburse soldiers and officers for uniforms and equipments lost on board the *Tuscania* February 5, 1918, and in other like cases; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWERS: A bill (H. R. 10555) granting an increase of pension to David Wilhelm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10556) granting a pension to Sarah M. Collett; to the Committee on Pensions.

By Mr. BYRNS of Tennessee: A bill (H. R. 10557) granting a pension to Annie E. Arnold; to the Committee on Pensions.

By Mr. CARY: A bill (H. R. 10558) for the relief of Mathew Horrigan; to the Committee on Military Affairs.

By Mr. COX: A bill (H. R. 10559) granting a pension to Mathias Klingle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10560) granting a pension to Archable Dougherty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10561) granting a pension to Henry W. Wright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10562) granting a pension to Daniel Johnson; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 10563) granting a pension to Exira C. Gilmore; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 10564) granting a pension to Sarah M. Doan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10565) granting a pension to Clarence W. Durr; to the Committee on Pensions.

By Mr. GANDY: A bill (H. R. 10566) granting an increase of pension to Henry G. C. Rose; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 10567) granting an increase of pension to Jonathan M. Valentine; to the Committee on Invalid Pensions.

By Mr. KRAUS: A bill (H. R. 10568) granting an increase of pension to Winfield S. Stalnaker; to the Committee on Invalid Pensions.

By Mr. McARTHUR: A bill (H. R. 10569) granting an increase of pension to Henry Lee; to the Committee on Pensions.

By Mr. MAPES: A bill (H. R. 10570) granting an increase of pension to Martin De Glopper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10571) granting an increase of pension to Daniel W. Spring; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 10572) granting an increase of pension to Alexander P. Settle; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 10573) granting an increase of pension to William A. Huffine; to the Committee on Invalid Pensions.

By Mr. ROWE: A bill (H. R. 10574) granting an increase of pension to John P. Simonds; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 10575) granting an increase of pension to Arrena T. D. Beverly; to the Committee on Invalid Pensions.

By Mr. CHARLES B. SMITH: A bill (H. R. 10576) granting an increase of pension to John B. Williams; to the Committee on Invalid Pensions.

By Mr. TILLMAN: A bill (H. R. 10577) to pay $600 to A. M. Webb, heir of Benjamin C. Webb, for property taken and used by the United States Army during the Civil War; to the Committee on War Claims.

Also, a bill (H. R. 10578) granting a pension to Frank Flaherty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10579) granting an increase of pension to Rebecca M. Beorden; to the Committee on Pensions.

Also, a bill (H. R. 10580) granting a pension to Easter A. Cantrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10581) granting a pension to Mrs. H. A. L. Tanner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10582) granting an increase of pension to Abiather F. Crane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10583) granting an increase of pension to Luther Beal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10584) granting a pension to Mace H. Corsbie; to the Committee on Pensions.

By Mr. WELTY: A bill (H. R. 10585) to extend letters patent No. 618762; to the Committee on Patents.

Also, a bill (H. R. 10586) to extend letters patent No. 42279; to the Committee on Patents.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petitions of Springfield (Mass.) Chamber of Commerce and Woman's Christian Temperance Union of St. Albans, W. Va., against increase in second-class postage; to the Committee on Ways and Means.

Also (by request), petition of Albany County Bar Association against section 2 of the proposed prohibition amendment; to the Committee on the Judiciary.

Also (by request), petition of Boise Commercial Club, Boise, Idaho, favoring passage of House bill 9928, a long-and-short-

haul bill; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNS of Tennessee: Papers accompanying H. R. 10557, granting a pension to Annie E. Arnold; to the Committee on Pensions.

By Mr. CARY: Petition of Northern Hemlock and Hardware Manufacturers' Association, of Oshkosh, Wis., favoring appropriation for keeping up work of the laboratory; to the Committee on Agriculture.

By Mr. DALE of New York: Petition of Thomas Potter Sons & Co., of New York, favoring passage of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

By Mr. DILLON: Memorial of board meeting of the South Dakota Division of the Farmers' Union, relative to dealing with those who shirk their duty toward their country; to the Committee on Military Affairs.

Also, memorial of Sunday School of the First Methodist Episcopal Church of Mitchell, S. Dak., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Travelers' Club, Chamberlain, S. Dak., against increase in second-class postage; to the Committee on Ways and Means.

By Mr. FLYNN: Resolution of the board of governors of the International Allied Printing Trades Association, protesting against the second-class postage provision of the war-revenue act; to the Committee on Ways and Means.

Also, memorial of International Photo-Engravers Union and others, against increase in second-class mailing rates; to the Committee on Ways and Means.

Also, memorial of Association of Lithuanian Patriots of America, favoring independence for Lithuania; to the Committee on Foreign Affairs.

By Mr. FULLER of Illinois: Petitions of the Sorosis Club, of Chillicothe, Mo.; the Woman's Literary Club, Evansville, Wis.; the Progress Club, Nevada, Mo.; the Arkansas Press Association, Little Rock, Ark.; the Springfield Council of National Congress of Mothers and Parent-Teachers' Association, Springfield, Mo.; the Luverne Tourist Club, Luverne, Minn.; the Wimodausis Club, of Gordon, Ga.; the Square Turn Tractor Co., Chicago, Ill.; the Illinois Woman's Press Association, Chicago, Ill.; Condon Bros., Rockford, Ill.; Mr. and Mrs. D. W. Robinson, Rockford, Ill.; and the New Century Club, of Wichita Falls, Tex., favoring the repeal of the second-class postage provision of the war-revenue act; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Resolution of the Pennsylvania State Chamber of Commerce, urging Congress to pass a law allowing excess-profits taxes to be paid in four installments, on the 15th of June, August, October, and December of 1918 and each year thereafter; to the Committee on Ways and Means.

Also, resolution of the Jefferson County Good Roads Association, urging the necessity of the early designation, construction, and maintenance of a system of national highways, to be built and maintained by the National Government; to the Committee on Roads.

By Mr. KENNEDY of Rhode Island: Resolutions of Providence (R. I.) Typographical Union, No. 33, favoring passage of Sherwood old-age pension bill; to the Committee on Pensions.

By Mr. MAGEE: Petition of Mr. Samuel Clayton and other residents of Skaneateles, Onondaga County, N. Y., for immediate passage of national war prohibition; to the Committee on the Judiciary.

By Mr. MILLER of Minnesota: Resolution of a mass meeting held at Big Fork, Minn., urging legislation to prohibit, for the period of the war, the manufacture of alcoholic beverages from grains as a measure for the conservation of food; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Resolution of the Rhode Island Life Underwriters' Association, urging the adoption of a particular form of universal military training; to the Committee on Military Affairs.

By Mr. RAKER: Petition of Los Angeles County (Cal.) Medical Association, favoring legislation creating advanced rank for medical officers in the Army; to the Committee on Military Affairs.

Also, petition of postal clerks in and about Gerber and Local 148, of San Francisco, Cal., favoring increase in pay for postal clerks and letter carriers; to the Committee on the Post Office and Post Roads.

By Mr. RANDALL: Resolutions of the Pasadena Board of Trade, Pasadena, Cal., urging drastic punishment of those who attempt to destroy property, and wherever these acts can be traced to aliens or enemies of the country that the extreme punishment for treason be rigidly enforced; to the Committee on the Judiciary.